Explaining Foreign Support for China's Global Economic Leadership

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Abstract We analyze the factors that increase the likelihood that other nations will follow China's global economic leadership. While our theoretical framework incorporates the conventional argument that China pulls in followers with economic benefits, we focus on grievances with the current global order that have the effect of *pushing* countries toward the rising new leader. We find that grievances about global financial instability are particularly important push factors. Our results show that countries that have experienced more financial crises, more variable capital account policies, more volatile portfolio capital outflows, and more social unrest during IMF programs are more likely to support China's global leadership than leaders of nations that have been less exposed to these problems. We find no evidence that grievances about global governance, or grievances about discriminatory US trade policies, are related to foreign support for China's global economic leadership. Overall, our evidence is consistent with the interpretation that leaders want to reform and preserve the WTO and the IMF, which have worked reasonably well for them under US leadership. At the same time, they have incentives to follow China's economic leadership on global capital flows, emphasizing long-term infrastructure and development finance over short-term flows which, under the current order, have imposed large costs on many economies.

Since coming to power in 2012, President Xi Jinping has directed China to play a leadership role in global economic affairs. While experts debate China's aims and intentions, little attention has been given to understanding why some nations are more interested in following China's global economic leadership than others.

Leadership, by definition, requires followers. We analyze the factors that increase the likelihood that other nations will follow China's global economic leadership. While the conventional wisdom emphasizes China's own efforts to attract followers with economic benefits, this perspective ignores the possibility that foreign support for China's leadership might also stem from dissatisfaction with the current international economic order. Our theoretical framework for analyzing global leadership transitions incorporates both factors: a rising potential leader like China can offer economic benefits to pull in followers; at the same time, dissatisfaction with the current order and its leadership can have the effect of *pushing* countries toward the new leader. Since the conventional wisdom is about pulling, we focus on identifying and measuring the push

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factors. We identify grievances with the current international economic order that potentially push nations closer to China.

Grievances about *international financial instability* are the most prominent. Financial instability has plagued the current order since the 1980s when the United States and the International Monetary Fund (IMF) began insisting that nations remove controls on short-term capital flows. We examine whether nations that have experienced more financial volatility under the current order are more likely to follow China's global economic leadership. Specifically, we assess whether leaders of nations that have experienced more financial crises, more variable capital account policies, and more volatile net portfolio capital flows since 1990 are more likely to demonstrate support for China's global leadership than leaders of countries less affected by these financial problems.

A related financial grievance involves *IMF conditionality*. When a financial crisis occurs, nations turn to the IMF for emergency loans. But foreign leaders harbor resentment about these interventions because the IMF imposes politically sensitive policy conditions before it disburses its loans. We investigate whether countries that have experienced more domestic social unrest while under IMF programs are more likely to follow China's global economic leadership.

Grievances about IMF conditionality have generated another grievance about *global governance*. The IMF wields enormous influence in the world economy but leaders of emerging-market nations feel that they have too little voice in the organization, particularly on conditionality and surveillance. We examine whether leaders of nations that are underrepresented at the IMF are more likely to follow China's global leadership.

While most grievances involve financial issues, the United States itself generates grievances in international trade for frequently violating the World Trade Organization (WTO) principle of nondiscrimination. Trade discrimination occurs when a nation imposes trade barriers on particular products from particular countries. When the US engages in trade discrimination, it breeds resentment among the countries that it discriminates against. No other country comes close to the US as a target of WTO complaints involving the principle of nondiscrimination. To examine whether *discriminatory US trade policies* have pushed countries toward China, we assess whether nations that have lodged more complaints against the US at the WTO for infringing upon the nondiscrimination rule are more likely to support China's global economic leadership.

To evaluate these claims, we innovate a new behavioral measure of the latent concept, *foreign support for China's global economic leadership.* Our measure exploits foreign leader (head of state, cabinet minister) attendance and participation in the Belt and Road Forum for International Cooperation, held in Beijing on 14–15 May 2017. Western media described this high-level summit as Xi Jinping's effort to validate China's leadership of a "new world order" with the rest of the world.[1] We argue that leader attendance at the summit has four advantages over other possible measures of foreign support for China's global economic leadership. First, the Belt and Road cooperation summit relates to our theoretical concern with global leadership transitions. President Xi announced the summit on the eve of Donald Trump's assumption of the US presidency, proclaiming to the world that China was ready to assume the mantle of global leadership that Trump and the United States were presumably abandoning. Second, the organizing theme of the conference—the Belt and Road Initiative (BRI)—invoked a uniquely Chinese vision of global economic leadership. There is nothing like the BRI in the current global order: it carries Xi Jinping's personal support and it has been incorporated into the Chinese Communist Party's constitution.[2] Third, since summit attendance involved costly behavioral action, it is more meaningful than public or private statements of support for China's leadership. Fourth, at the close of the summit, foreign leaders joined President Xi in signing a joint communiqué that outlined a framework for global economic cooperation centered on China.

The summit was open to all nations and drew the attendance of twenty-nine heads of state and government from Asia, Europe, Africa, and Latin America. Another fifty-six nations sent cabinet ministers while the United States and five of its closest allies—Canada, Japan, Mexico, Morocco, and South Korea—dispatched lower-level officials. Overall, more than 1,200 elites attended, "including officials, scholars, entrepreneurs, representatives of financial institutions and media organizations from 110 nations, as well as representatives from more than sixty international organizations."[3] Appendix A1 lists the rank of the highest-level participants by country along with data on our variables of interest.

In line with research that exploits leader travel to measure foreign policy priorities, we use leader participation in the 2017 Belt and Road Forum as our measure of foreign support for China's global economic leadership.[4] We assume that head of state or government (henceforth, "head of state") attendance at the summit sent a stronger signal of support for China's leadership than cabinet minister participation, and that nonattendance, or attendance by a low-level official, indicated ambivalence or opposition to China's global leadership.

With this measure we assess both the push and the pull factors that motivate nations to follow China. Our analytical framework of global leadership transitions pays particular attention to followers' grievances with the current international

1. "China's New World Order: Xi, Putin and Others Meet for Belt and Road Forum," *CNN,* 14 May 2017; "Globalization 2.0: How China's Two-day Summit Aims to Shape a New World Order," *Los Angeles Times,* 12 May 2017; "Xi Jinping Positions China at Center of New Economic Order," *New York Times,* 14 May 2017.

2. "Why China Just Added the Belt and Road Initiative to Its Constitution," *Forbes,* 25 October 2017.

3. "China Focus: What to Expect from Belt and Road Forum," *Xinhua*, 1 May 2017, available at <http://www.xinhuanet.com/english/2017-05/01/c_136248648.htm>.

4. See Hall and Yarhi-Milo 2012; Holmes 2013; Kastner and Saudners 2012; Lebovic and Saunders 2016; McManus 2018.

order—the push factors—but we also consider the economic benefits that China, the erstwhile leader, is offering.

Our findings suggest that both push and pull factors are related to foreign support for China's economic leadership. Grievances about international financial instability are the most important push factors. We find that leaders of nations that have experienced more financial crises, more variable capital account policies, and more volatile short-term portfolio capital outflows since 1990 are more likely to follow China's global leadership than leaders from nations less affected by external financial instability. We also find that grievances about social unrest associated with IMF conditionality increase the likelihood that nations look to China for global economic leadership.

However, we find little evidence that grievances about global governance and grievances about discriminatory US trade policies correlate with support for Chinese global leadership. This is consistent with two possible interpretations: either leaders have personal incentives to care more about international financial instability than about other grievances, or grievances about global governance and US trade policy are expressed differently than by following China's global economic leadership. As we discuss in the conclusion, these interpretations may not be mutually exclusive.

We also find support for the view that China pulls in followers by offering economic benefits. Our proxies for the attraction of Chinese infrastructure finance, bilateral trade, and direct investment linkages suggest that followers are attracted by these benefits.

Measuring Foreign Support for China's Global Economic Leadership

Foreign interest in China's global economic leadership could be measured in a variety of ways: parallel memberships in international organizations, voting similarity in the United Nations General Assembly (UNGA), membership in the Asian Infrastructure Investment Bank (AIIB), bilateral trade and investment treaties with China, public "trust" in China, etc. While other measures might capture a nation's general affinity toward China, or affinity in a specific area, they don't convey information about support for China's global economic leadership. Our behavioral measure—leader participation at the Belt and Road Forum for International Cooperation—is arguably closer to this latent tendency than the alternatives. We build support for this claim in four steps.

First, the 2017 Belt and Road Forum was China's first high-level summit on global economic cooperation since antiglobalization forces gained ascendance in the US and Europe. President Xi Jinping announced the summit in his keynote address at the World Economic Forum in Davos on 17 January 2017, just three days before Donald Trump assumed the presidency on a platform of putting "America First." President Xi used the Davos speech to reinforce China's commitment to globalization in the context of the apparent abdication of US leadership.[5] As globalization faced mounting challenges, the impulse for the Belt and Road summit was to signal China's willingness to provide global leadership. As state news agency *Xinhua* put it on the eve of the summit, "The significance of the forum is especially timely given the rise of anti-globalization. At a time when certain Western powers are retreating into protectionism and isolation, China has been promoting the globalization of the economy in a spirit of openness and inclusiveness."[6]

In certain respects, the Belt and Road summit was like the Bretton Woods Conference of 1944, marking the transition from British to American global economic leadership. The consensus was that the catastrophic interwar period stemmed from the refusal of the US to play a leadership role. In 1944, US officials and delegates from forty-three other nations built a consensus on postwar international monetary cooperation centered on the United States. In 2017, participants at the Belt and Road solidified consensus on the leadership of the rising economic superpower, China, at a time when continuing US leadership was in doubt. Of course, there are important historical differences: the Bretton Woods conference produced new global institutions—the IMF, the World Bank, and an exchange-rate system anchored by the dollar—while the goal of the Belt and Road Forum was "consensus building" on global economic cooperation and "international recognition" for China's flagship global initiative, the BRI.[7] But each conference aimed to resolve uncertainty about the new leader's commitment to global economic integration and sought to validate this role with the rest of the world.

In line with these parallels, we ascertained that China invited a full range of public and private elites to the Belt and Road cooperation summit: heads of state, heads of international organizations, business and banking elites, academics, and the media.[8] The *New York Times* reported that "President Xi Jinping of China delivered a sweeping vision of a new economic global order on Sunday, positioning his country as an alternative to an inward-looking United States under President Trump."[9] The meeting was more than an aggregation of bilateral Belt and Road relationships—it was a demonstration of China's global leadership focused on its most important new global institution.

5. The text of Xi's Davos speech is available at China's State Council Information Office <http://www.china.org.cn/node_7247529/content_40569136.htm>.

6. "China Focus: What to Expect."

7. Ibid.

8. In regard to the invitation process, Foreign Minister Wang Yi said, "We have considered both universality and representativeness when sending invitations." ("加强国际合作,实现共赢发展" Strengthening International Cooperation, Achieving Win-Win Development). Available at China's Ministry of Foreign Affairs <https://www.fmprc.gov.cn/web/wjbz_673089/zyhd_673091/t1454490.shtml>. See also State Councilor Yang Jiechi's interview with the *People's Daily* and *China Daily*, 17 April 2017. Available at <http://www.beltandroadforum.org/english/n100/2017/0417/c25-195.html>.

9. "Xi Jinping Positions China at Center of New Economic Order," *New York Times,* 14 May 2017.

The second strength of this measure is that it is exogenous to the current global economic order. The BRI was inspired by China's historic Silk Road trade routes, which makes it uniquely Chinese.[10] It is unconnected to existing global institutions and reflects China's own brand of global economic leadership. By contrast, the AIIB was modeled on the World Bank and is thus tied to the current world order. China also supports the WTO, so any measure based upon the AIIB or trade risks capturing support for the current order rather than support for *China's* global economic leadership.

A related distinction is that the BRI relies on bilateralism to promote economic cooperation between China and other nations, whereas the AIIB and the WTO are multilateral institutions. This distinction is important because multilateral governance allows foreign nations to have influence over policy, which can obscure motivations for participating. For example, some nations may participate in the AIIB because they want a "seat at the table" to sway decisions toward their own (status quo) objectives, not because they support China's global economic leadership. For example, the European members of the AIIB have pressed for policies that are mirrored by the World Bank, such as its Environmental and Social Framework. Since the BRI is not beholden to the current order, attending the forum is a better indicator of support for China's global economic leadership than the alternatives.

The third reason we like this measure is that it required costly behavioral action. Unlike words of support for China's global leadership, which can be cheap talk, traveling to Beijing to discuss economic cooperation with Xi Jinping was costly. In addition to opportunity costs, we ascertained that political costs played a role in leaders' decision to attend. Chinese officials invited all Western nations and US allies to send their highest leaders, but most did not participate or sent lower-level officials (Italy was the only member of the G7 to send its highest leader).[11] Anonymous sources quoted in news reports suggested that the human rights policies of certain participating nations, such as Russia and the Philippines, may have contributed to Western leaders' reluctance to participate.[12] To test this claim, we control for human rights records and democracy in our analysis but we find no evidence that it affected the overall composition of the summit.

Geopolitical costs may also have influenced summit participation. The Trump administration initially planned to boycott the event over concerns about China's rising power but, at the last minute, sent a security-oriented delegation headed by

10. The BRI "action plan" is available at <http://english.gov.cn/archive/publications/2015/03/30/content_281475080249035.htm>.

11. According to Foreign Minister Wang Yi, "They have explained to us many times, France has elections in May, as does Germany about then, so their leaders originally were really willing to attend. This is not a platitude, it's the real information we got." Quoted in "Most Major Western Leaders to Skip China's New Silk Road Summit," *Reuters,* 17 April 2017.

12. Ibid.

Matt Pottinger, National Security Council senior director for Asia. Prime Minister Narendra Modi of India did not attend the summit, citing concern for China's support of its rival, Pakistan.[13] Prime Minister Nawaz Sharif of Pakistan, for his part, declared at the summit that he was proud to stand "shoulder to shoulder with our close friend and trusted ally, China, and the other world leaders present here."[14] We control for geopolitics in our analysis but we find no link to summit participation.

The final reason we like this measure is that participating leaders signed a joint communiqué at the close of the summit that outlines a framework for global economic cooperation that pivots around China. "The Joint Communiqué of the Leaders Roundtable of the Belt and Road Forum for International Cooperation" was the product of a day-long leaders' roundtable, chaired by President Xi, and attended by all twenty-nine foreign leaders and the heads of the UN, World Bank, and IMF. Before the summit, China invited representatives from countries attending the leaders' roundtable to participate in the preparatory work of the communiqué, which supports China's claim that the communiqué was a group effort.[15]

The communiqué motivates the need for cooperation by listing major economic problems in the current world order, such as "eradicating poverty, creating jobs, addressing the consequences of international financial crises, promoting sustainable development, and advancing market-based industrial transformation and economic diversification."[16] It reaffirms participants' shared commitment to "build an open economy, ensure free and inclusive trade, and oppose all forms of protectionism." Since President Xi was first among equals at the summit, and since China played the largest role in crafting the communiqué, we infer that the heads of state who put their imprimaturs on the document support China's global economic leadership.

In combination, these factors justify using leader attendance at the Belt and Road Forum as a proxy for foreign support for China's global leadership. This metric reflects a behavioral choice in which foreign leaders had to weigh the benefits and costs of helping China validate its global leadership as the US drew inward under Donald Trump. Since the BRI is a bilateral project unique to China, summit attendance also provides a better signal of foreign support for

13. See India's official response: "Official Spokesperson's Response to a Query on Participation of India in OBOR/BRI Forum," Ministry of External Affairs, India, available at <https://www.mea.gov.in/media-briefings.htm?dtl/28463/>.

14. "Statement at the Plenary by His Excellency Mr. Muhammad Nawaz Sharif, the Prime Minister of the Islamic Republic of Pakistan," China Pakistan International Corridor, 14 May 2017, available at <http://cpec.gov.pk/news/54>.

15. According to State Councilor Yang Jiechi, "each result in the list is the crystallization of wide consultation and joint contribution." *CCTV* interview (in Chinese), 17 May 2017, available at <http://tv.cctv.com/2017/05/17/VIDEluw7bIqKt4WyXCncTQmo170517.shtml>.

16. The joint communiqué is available at <http://www.beltandroadforum.org/english/n100/2017/0516/c22-423.html>.

China's global economic leadership than alternative indicators, such as membership in the AIIB.

Theoretical Discussion

Our argument about global leadership transitions is that potential followers are both pulled and pushed into supporting the rising global leader. Not only do rising leaders try to attract followers by offering economic benefits, followers can also be pushed toward the new leader by unresolved grievances with the current order and its leadership. Since the pull side of the argument is the common wisdom, we focus on the push factors.

Our argument is that dissatisfaction with the existing world order has encouraged foreign leaders to follow China's global leadership. This claim is related to existing accounts of global institutions where dissatisfaction with the status quo drives international change. Morse and Keohane contend that challenges to existing global orders "occur when coalitions dissatisfied with existing institutions combine threats of exit, voice, and the creation of alternative institutions to pursue policies and practices different from those of existing institutions."[17] Similarly, Lipscy analyzes the tactics of disgruntled states as they push for changes in global institutions that would better serve their interests.[18] While these studies focus on the efforts of dissatisfied nations to change global institutions, we are interested in identifying grievances that might be pushing national leaders closer to China.

Grievances About International Financial Instability

An obvious source of grievance is the international financial system—the most problematic component of the current global order. Financial crises have struck nations and regions with regularity since the 1980s, when the US and the IMF began insisting that nations remove their controls on short-term capital flows. According to Stiglitz, whose critical views have been echoed by many foreign elites, there is a close connection between the push to liberalize restrictions on the capital account and financial crises.[19] While the relationship is conditioned by domestic institutions and policies, such as deep and well-supervised domestic financial markets, capital account liberalization carries a higher risk of crises.[20]

We argue that grievances about international finance stem from the series of financial crises that have occurred under the US-led order. Financial crises are devastating events that bring sharp political costs to incumbent politicians and governing

17. Morse and Keohane 2014, 385.
18. Lipscy 2015, 2017.
19. Stiglitz 2004.
20. Kose et al. 2009.

coalitions because the nations that experience financial crises suffer longer and deeper recessions than nations that don't, and the recoveries that follow a crisis take longer than normal.[21] Given the connection between economic conditions and election outcomes, political leaders pay the price for presiding over a financial crisis. For example, leaders of every political stripe were punished in the elections that followed the global financial crisis, in a manner consistent with the retrospective economic voting model.[22] In addition, after a financial crisis, government majorities shrink, parliaments become more polarized, and policymaking becomes gridlocked.[23] Right-wing extremist parties gain seats and there are more general strikes, violent riots, and antigovernment demonstrations after a financial crisis.[24]

Given the political costs of financial crises, leaders have incentives to be dissatisfied with the current international order. Furthermore, China's leadership may be attractive in this respect because regulating capital flows has been a hallmark of China's policy for decades. Observers credit the policy for insulating China from the East Asian financial crisis and the global financial crisis despite domestic conditions that would otherwise give rise to contagion.[25] China's restrictive capital account policies also help its planners maintain exchange-rate stability and monetary policy autonomy, in line with the constraints of the international macroeconomic "trilemma."

The trilemma represents a binding trade-off between three policy objectives: a country cannot simultaneously target the exchange rate, conduct an independent monetary policy, and have full financial integration at the same time. China is unique among large economies for giving priority to exchange-rate stability and monetary autonomy over financial integration. China's capital controls are highly restrictive, even compared with other large emerging markets such as Brazil and Russia. Most importantly, China's trilemma policy mix is distinct from the "Washington Consensus." The US approach represents monetary autonomy and capital market openness, whereas the "Beijing Consensus" represents exchange-rate stability, a closed financial system, and monetary independence.[26]

John Williamson, who coined the term "Washington Consensus," thinks that the global financial crisis helped to fortify the "Beijing Consensus" at the expense of the US-led order.[27] Our argument is similar in that we think that financial instability under the current order has helped drive support for China's global leadership, which China promotes as more stable than the US model. At the 2009 World Economic Forum in Davos, Premier Wen Jiabao condemned the current order for its "unsustainable model of development characterized by … excessive expansion of financial

21. See Jordà, Schularick, and Taylor 2013; Reinhart and Rogoff 2014.
22. Bartels 2014.
23. Mian, Sufi, and Trebbi. 2014.
24. Funke, Schularick, and Trebesch 2016.
25. Borst and Lardy 2015; Lardy and Douglass 2011.
26. Bird, Mandilaras, and Popper 2012.
27. Williamson 2012.

institutions in a blind pursuit of profit … and the failure of financial supervision and regulation to keep up with financial innovation."[28] Xi Jinping echoed the need for strict financial regulation in his 2017 Davos speech announcing the Belt and Road Forum: "The international financial crisis is another example [of a problem not caused by globalization]. It is not an inevitable outcome of economic globalization; rather, it is the consequence of excessive chase of profit by financial capital and grave failure of financial regulation."[29] In their joint communiqué from the Belt and Road Forum, foreign leaders seemed to concur when they joined President Xi in singling out international financial instability as a weakness of the current order.[30]

A related problem in the current order is that US monetary policies spill over to the global economy and drive "global financial cycles" in credit growth, leverage, and asset prices.[31] Observers point to the "Taper Tantrum" in 2013 as illustrating how monetary tightening by the Federal Reserve (Fed) can have sharp negative effects on global financial stability.[32] Anticipation that the Fed was about to unwind its quantitative easing programs caused large capital outflows and market volatility in emerging markets, and led to complaints about US monetary policy. But the broader grievance applies to any significant change in Fed policy, easing as well as tightening.

Easy US monetary policy is transmitted to other countries via short-term capital flows, currency appreciation, credit booms, and increasing asset prices. Easing pushes capital, seeking higher returns, into higher-interest-rate environments like emerging markets and this boom in capital inflows drives up the value of emerging-market currencies and asset prices. This reverses when the Fed tightens, but with an important difference: the buildup of foreign borrowing in other countries during the easing phase leads to financial vulnerabilities during the tightening phase. As investors sell off their holdings of risky foreign assets to purchase risk-free US government securities, emerging-market currencies depreciate, making it more costly for them to service and refinance their dollar-denominated foreign debts. With debt crises looming, emerging-market policymakers face few options other than to follow the Fed's monetary tightening with tightening of their own, raising domestic interest rates to stem the capital outflow. This tendency for Fed policy to affect monetary policy in other countries—even if they have floating exchange rates—has led Rey to conclude that the trilemma has reduced to a dilemma where "independent monetary policies are possible if and only if the capital account is managed, directly or indirectly, regardless of the exchange-rate regime."[33]

28. For the full text of the speech, see "Special Message by Chinese Premier Wen Jiabao at World Economic Forum Annual Meeting 2009," 29 January 2019, available at <https://www.fmprc.gov.cn/ce/ceun/eng/gdxw/t534434.htm>.

29. See note 5.

30. See note 16.

31. See Bruno and Shin 2015; Miranda-Agrippino and Rey 2015; Rey 2015.

32. Eichengreen and Gupta 2015.

33. Rey 2015, 21.

China uses capital controls to manage the trilemma-qua-dilemma, which sets it apart from the leadership of the current order. This feature of China's globalization strategy may be attractive to nations that removed capital controls only to be buffeted by crises and the US-led global financial cycle.

We proxy for financial grievances with three alternative (correlated) measures of financial instability. The first is a cumulative count of a nation's major financial crises between 1990 and 2016. Our prediction is that the leaders of countries that have suffered more financial crises since the onset of financial globalization will be more likely to follow China's global leadership. A strength of this measure is that we have data for most countries. A weakness is that financial crises have partly domestic origins, such as lax bank regulation or mismanaged fundamentals. Since crises may be triggered or exacerbated by domestic policies, our other measures hone in on problems specific to international financial flows.

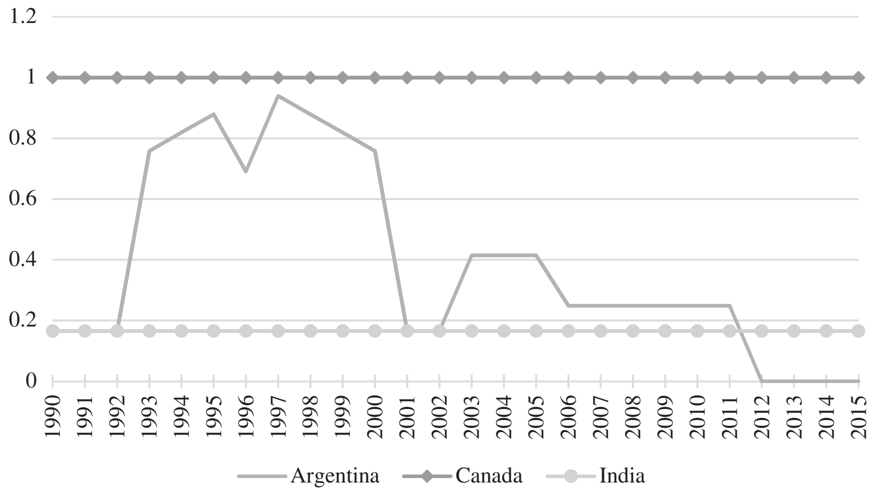
Our second policy-based measure is new to the literature: the variability of capital account restrictions imposed by the government, measured as the standard deviation of the Chinn-Ito index of capital account openness.[34] The variability of capital control policy directly reveals problems a nation has had with external finance: countries that frequently change their capital account policies have done so in reaction to capital flows that have destabilized the economy.

Figure 1 illustrates the standard deviation of the normalized Chinn-Ito index for three countries between 1990 and 2016: Argentina, Canada, and India. In contrast to Canada, which has maintained capital account openness since 1990, and India, which restricted capital flows throughout the period, Argentina's policy has been very unstable. Having liberalized capital flows in the late 1990s, Argentina experienced a surge in inflows, followed by a surge in outflows, and then re-imposed controls in 2001. The "Corralito" (little bullpen) that limited bank withdrawals and restricted dollar transfers is an example of a policy reversal. After 2001, Argentina moved cautiously toward liberalization, but retrenched again in the face of another surge in outflows. Between 2011 and 2015, Argentina maintained stringent capital controls, only to lift them again in December 2015 when President Mauricio Macri assumed office.

A highly variable capital account policy, as with Argentina, indicates difficulty managing international capital flows. By the same token, policy stability, as in Canada and India, suggests a more benign experience with financial flows. Other strengths of this measure are that it indicates problems with external finance that fall short of producing a financial crisis and that data are available for most countries.

Our third proxy for financial grievances is based on the volatility of short-term capital flows, specifically portfolio (debt and equity) outflows. The volatility of portfolio capital outflows can have destabilizing effects. Using a technique common to the literature, we measure the average volatility of net portfolio outflows from a given country between 1990 and 2016. Like our policy-based measure, this is a

34. Chinn and Ito 2007.



Note: The figure plots the normalized Chinn-Ito index of capital account openness, which ranges from 0 (most restrictive) to 1 (least restrictive).

FIGURE 1. *Variability of capital account policy: Argentina, Canada, and India*

direct measure of external financial instability. However, data are available for only ninety-three countries and the missing observations cannot be assumed to be random.

Our three measures of financial instability allow us to gauge the extent to which foreign support for China's leadership stems from instability in global finance. As we argue next, nations also harbor resentment about the IMF interventions that follow the onset of a financial crisis.

Grievances About IMF Conditionality

When a crisis prevents a nation from borrowing to fund its external deficits, the IMF stands ready to provide official emergency loans. However, the IMF imposes policy conditions before it disburses its loans and this conditionality has been a source of conflict with borrowers. In East Asia, for example, dissatisfaction with the IMF's role in the region's 1997–98 financial crisis was so intense that it spurred alternatives to the IMF, such as reserve accumulation and regional reserve-pooling arrangements.[35]

Conditionality refers to the set of policy and institutional changes that the IMF requires before it disburses its loans. Such conditions can be highly controversial—

35. Henning 2002.

such as when the IMF requires austerity or the privatization of public services—because they impose cuts on politically sensitive programs. Since we are interested in why leaders follow China, we examine whether the level of domestic social unrest that occurs during IMF interventions is associated with more support for China's global leadership.

Measuring a nation's experience with IMF conditionality is complicated by selection bias.[36] Some nations, like those in East Asia, are so dissatisfied with the IMF that they have developed alternatives (reserve accumulation), thereby selecting out of future IMF programs. Others, like Argentina under the Kirchners, were so aggrieved with the IMF that they refused to enter into further IMF arrangements. Governments in both contexts were dissatisfied with IMF conditionality, but since they did not have IMF programs, conditionality was not observed.

Geopolitics creates the mirror image of this selection problem. Several studies have shown that some countries receive IMF loans, with softer conditions attached, as a reward for pursuing US-friendly policies.[37] Such geopolitically important countries also tend to use the IMF more frequently because their importance leads to softer conditions that generate a moral hazard, thereby leading them back to the IMF more often. For these countries, IMF programs and conditions are *more* frequently observed, but this does not suggest dissatisfaction with US leadership.

To avoid combining countries that receive harsh IMF conditions with those that are being rewarded with softer IMF conditions, we use a measure that incorporates the level of domestic social unrest that occurs under IMF programs. If IMF programs are associated with serious domestic unrest, we can be more confident that conditionality has not been softened for geopolitical reasons. Our data on social unrest includes labor union strikes, government crises, antigovernment demonstrations, and riots. We count all such social disturbances that occurred in countries while they were in an IMF program between 1990 and 2017. Since social unrest during IMF programs undercuts leaders' support and threatens their political survival, we expect that the heads of nations that have experienced more IMF-related social unrest will be more likely to follow China's global leadership.

Grievances About Global Governance

IMF conditionality is related to grievances about global governance. The governance of the IMF (and the World Bank) is controversial because emerging-market economies feel they are not fairly represented. In principle, each country's vote share at the IMF is supposed to reflect the relative size of its economy, based on formulas that weigh various measures of output and trade. But these economic formulas have not been accurately employed and deviations reflecting political considerations

36. We thank an anonymous reviewer for this suggestion.
37. See Dreher, Sturm, and Vreeland 2009; Stone 2002.

are common. Emerging-market nations complain that they remain underrepresented despite their growing shares of the world economic output.

The underlying cause of this grievance is a conflict between the interests of the large developed IMF members, who have most of the votes, and smaller developing and emerging-market nations. Large members, like the US, provide the bulk of the IMF's resources but rarely make use of its lending facilities—they are net creditors. Developing and emerging-market nations draw upon the IMF for assistance yet provide a small share of its resources—they are net borrowers. This creates a cleavage around governance because rich-country creditors have different interests than developing-country borrowers, particularly around conditionality. To simplify, emerging and developing countries favor less conditionality since they are more dependent on the IMF for payments financing. Large developed creditors generally favor increased conditionality and surveillance since they fund IMF lending and have access to private credit markets to finance their own deficits.

This conflict plays out in challenges to IMF governance.[38] Developing countries argue that there is "democratic deficit" that undermines the IMF's legitimacy and its conditional lending programs because the interests of debtor countries are not adequately represented in policymaking.[39] They also complain that the vote shares of emerging-market countries have not kept pace with their rapidly rising share of global output and trade.

Critics are right to complain about the failure of vote shares to keep pace with changes in the distribution of global output and trade. The formulas used to calculate vote shares were "spurious" from the start and politically motivated deviations are common.[40] For example, the IMF vote shares of France and the United Kingdom have been exactly equal since 1992.

The process of redistributing vote shares requires a supermajority of 85 percent of the votes. With 17 percent of the total votes, the US is the pivotal actor in governance reform. But *within* the US, the Congress plays an outsized role because it must ratify any change in US contributions to the IMF.[41] No matter how intensely IMF members feel about the need for redistributing vote shares, opposition by the US Congress alone can block any adjustment.

Opposition to the IMF has grown steadily in Congress since 1944, particularly in the House of Representatives.[42] The most recent manifestation of this opposition occurred in 2010, when right-wing representatives refused to consider legislation implementing the IMF's 2010 Quota and Governance Reforms.[43] These reforms were the result of negotiations between IMF members to give more voting power to emerging-market economies, including China. President Barak Obama, the

38. Lipscy 2015.
39. Buira and Ocampo 2005.
40. Bird and Rowlands 2006, 155.
41. Broz 2008.
42. Broz 2011.
43. Truman 2014.

Secretary of the Treasury, and the US Executive Director to the IMF all supported the reforms. But Republican representatives, long opposed to the IMF on the grounds that its loans encourage moral hazard, would not take up the implementing legislation because they were unwilling to accept any decrease in the relative influence of the United States.[44] As a result, the IMF's 2010 governance reforms languished until 27 January 2016, a delay that "cost the US dearly in terms of its credibility and global leadership."[45]

Observers draw connections between China's global initiatives and the US Congress's obstinacy to allow governance reform. For example, former Fed chair Ben Bernanke said that Beijing was pushed into launching the AIIB by US legislators' refusal to give China greater clout in existing multilateral institutions.[46] We think the delay sent the signal that the US was not serious about governance reform. The US was the final holdout preventing adoption of the 2010 reforms and this caused resentment in nations aggrieved about their underrepresentation in the IMF.

We expect that resentment about global governance will increase the likelihood that a nation follows China's leadership. As Prime Minister Nawaz Sharif of Pakistan noted in his speech at the Belt and Road Forum, "It [the BRI] will accelerate economic growth in developing countries; yield dividends for international investors; and tear down barriers to trade and commerce. Even more importantly, it will help repair and reform global economic governance."[47]

Our argument is that leaders of nations with vote shares in the IMF that are lower than their economies' shares of the global economy will be more likely to show interest in China's leadership than nations without such deficits. This argument resonates with Lipscy and Lee's, who note that "formal underrepresentation in the IMF has been a major diplomatic concern for East Asian states."[48] More generally, we think governance grievances are about the highly political ("spurious") process that prevents emerging-market and developing nations from having a level of influence that is commensurate with their economic position in the world. Leaders at the Belt and Road Forum committed to "improve global economic governance and ensure equal access by all to development opportunities and benefits."[49] We infer that leaders at the forum were expressing a grievance about unfair representation in the IMF.

44. Lavelle 2011.
45. Edwin Truman, former Assistant Secretary of the US Treasury for International Affairs, quoted in "How Congress Finally Passed IMF Governance Overhauls, Five Years After the Deal Was Signed," *Wall Street Journal*, 4 January 2016.
46. "US Congress Pushed China into Launching AIIB, Says Bernanke," *Financial Times*, 2 June 2015.
47. "Statement at the Plenary" <http://www.pmo.gov.pk/pm_speech_details.php?speech_id=86>.
48. Lipscy and Lee 2019, 109.
49. See note 15.

Grievances About US Trade Policy

US trade policies that violate the principles of the WTO multilateral trade regime generate another grievance. The United States has made more frequent use of WTO exceptions to protect domestic industries from foreign competition than any other nation. The WTO operates on the principle of nondiscrimination, meaning that countries cannot normally discriminate between trading partners, nor can they discriminate between imported and domestically produced goods. But *antidumping*, *subsidies and countervailing measures*, and *safeguards* are the three exceptions that test the rule because they allow nations to temporarily raise tariffs on specific imports from specific countries. Such trade exceptions are authorized under international trade law but they violate the spirit of the WTO. While scholars argue that trade exceptions function as "safety valves" to relieve the domestic political pressure of complying with WTO tariff commitments,[50] the use of trade exceptions has grown over time in ways that suggest they are substitutes for tariffs.[51]

The US is the largest user of trade exceptions, with tariffs on "thousands of companies, on hundreds of separate products, and on more than fifty different WTO members."[52] But rather than temper its use of exceptions, the US has moved in the opposite direction. In 2015, Congress approved a law that made it easier for the US to find that imports have caused material injury to a domestic industry.[53] In 2017, the Trump administration issued an executive order that enhanced the enforcement of US trade-exception rulings.[54] Making it easier to find injury and enforce these rulings encourages more use of trade exceptions. But when the US uses trade exceptions, it generates dissatisfaction with the current order. We think this resentment has pushed nations into closer relations with China—itself a frequent target of US trade exceptions. Specifically, we argue that foreign nations that have lodged more complaints against the US at the WTO for abusing trade exceptions are more likely to follow China's global economic leadership.

Foreign nations have long resented discriminatory US trade policies.[55] They have initiated more complaints at the WTO against the US for violating trade-exception rules than against any other nation or region, including the European Union. While the US might be expected to be the target of more complaints by virtue of having the world's largest economy, the number of WTO complaints against the US is vastly out of proportion to its economic size. Imports into the United States

50. Rosendorff and Milner 2001.
51. Pelc 2011.
52. Bown and Prusa 2010, 5.
53. The Trade Preferences Extension Act of 2015 (aka the "Trade Remedies Bill"), Public Law No: 114–27, sec. 503.
54. "Presidential Executive Order on Establishing Enhanced Collection and Enforcement of Antidumping and Countervailing Duties and Violations of Trade and Customs Laws" available at <https://www.whitehouse.gov/presidential-actions/presidential-executive-order-establishing-enhanced-collection-enforcement-antidumping-countervailing-duties-violations-trade-customs-laws/>.
55. Bown and Prusa 2010.

account for about 13 percent of total world imports but the US has been the target of 42 percent of all WTO antidumping complaints, 34 percent of all complaints involving subsidies and countervailing measures, and 44 percent of all complaints about safeguards.[56] We argue that this outsized use of trade exceptions by the current leader of the global economic order generates resentment.

Leaders attending the Belt and Road Forum noted this issue in their joint communiqué when they referred to the need "to promote a universal, rules-based, open, nondiscriminatory and equitable multilateral trading system with the WTO at its core."[57] Vladimir Putin also said in his plenary address, "Protectionism is becoming a common practice that manifests itself in unilateral illegitimate restrictions … The ideas of openness, and freedom of trade are often rejected even by those who supported them so vigorously in the past."[58] Such statements suggest that US violations of the WTO principle of nondiscrimination generate resentment. We measure this grievance as the cumulative count of trade-exception complaints that a nation lodges against the US at the WTO between 1995 and 2016, where "trade-exception" complaints include antidumping, subsidies and countervailing measures, and safeguards cases.

Thus far, we have identified grievances that may have pushed foreign leaders closer to China. But China also offers economic benefits to draw in followers. We briefly discuss these "pull factors" and how we measure them.

The Pull of Infrastructure Funding and Trade

Funding infrastructure projects has been at the heart of China's foreign economic policy under President Xi. The BRI, the AIIB, the Export-Import Bank of China, and the China Development Bank all focus on financing infrastructure throughout Asia, Europe, Africa, and beyond. We think this program will be especially attractive to nations that have large unfunded gaps in transport- and trade-related infrastructure, such as those in Asia.[59] As China's own experience demonstrates, improving infrastructure can facilitate trade expansion, speed up industrialization, attract foreign direct investment, enable more efficient supply chains, and accelerate economic growth.[60] Although China's massive infrastructure-financing program has generated concerns about debt sustainability, infrastructure is a critical engine of economic development and debt financing is the fuel for that engine. Infrastructure finance is a potent attraction for China's followers.

56. Disputes data are from the Dispute Settlement section of the WTO's website at <https://www.wto.org/english/tratop_e/dispu_e/dispu_e.htm>.
57. See note 15.
58. Putin's speech is available at <http://en.kremlin.ru/events/president/news/54491>.
59. Asian Development Bank 2018.
60. Lu et al. 2018.

To proxy for the benefits of infrastructure finance from China, we leverage China's plan for revitalizing its ancient Silk Road trade routes. Nations that lie adjacent to announced One Belt, One Road land and sea routes have effectively been targeted to receive infrastructure investment from China. While they are not the only nations eligible to receive infrastructure funding, projects along theses trade routes obtain priority consideration from the Silk Road Fund, the China Development Bank, the Export-Import Bank of China, and the AIIB.

Beyond the development benefits of its infrastructure program, China offers greater trade and investment linkages to its partners. In trade, China is already the world's largest merchandise exporter (followed by Germany) and the second-largest merchandise importer (after the US). China is also a powerhouse in foreign investment. In 2017, China was the world's second-largest recipient of foreign direct investment (FDI) after the US, as well as the world's second-largest source of FDI outflows after Japan.[61] Its financing of ports, railroads, and communications infrastructure is designed to facilitate more trade and investment with China.

We also expect nations to be attracted to China's global leadership by the benefits of more trade and investment with China. To measure these incentives, we use information from Free Trade Agreements (FTAs) and Bilateral Investment Treaties (BITs). Having an FTA and/or a BIT with China incorporates most of the factors that determine bilateral trade and investment flows, such as distance (geographic and cultural) and economic size. In addition to economizing on data, an FTA or BIT indicates the existence of an ongoing diplomatic relationship between China and its followers in which both parties engaged in formal treaty negotiations.

In summary, we have developed an argument about China's global leadership that hinges on the followers' incentives. Followers can be pushed into China's orbit by unresolved grievances with the current global order or they can be pulled in by way of the economic benefits that China offers. Most of our attention has been on the push factors since this is the more novel aspect of the argument.

Data, Empirical Models, and Results

To test our arguments, we innovate a measure of foreign support for China's global economic leadership from an observable behavioral action: leader attendance at China's Belt and Road Forum in 2017. Twenty-nine heads of state and government, fifty-six cabinet ministers, and six lower-level officials attended. We construct two measures of our dependent variable from the forum's attendance roster, given in Appendix A1. The first is a binary indicator variable, ATTENDANCE, for whether a nation's head of state (president or prime minister) attended the forum or not. The second is ORDERED ATTENDANCE, a three-category ordinal variable where head-of-

61. Morrison 2019.

state attendance is coded as a 2, minister attendance as a 1, and lower-level official or non-attending as a 0.

We group nations that sent lower-level officials together with non-attending nations for two reasons. First, only six nations sent lower officials, so the category is too small to allow valid inference. Second, sending a lower official when other nations are sending heads of state and cabinet ministers may be considered an insult of diplomatic protocol and therefore conveys the opposite of "interest in China's leadership."

Our priors are that chief executives conveyed support for China's global economic leadership when they traveled to Beijing to participate in the summit. By contrast, we think cabinet minister travel is less informative of a nation's foreign policy interests. While the foreign interests of ministers are connected to the interests of heads of state, chief executives can distance themselves from members of their cabinets when needed. This implies that minister travel conveys less information about a nation's foreign policy interests. Nevertheless, we also fit our models with a three-category ordered dependent variable that gives minister travel more importance than sending a lower-level official or not attending.

To fit our binary dependent variable, ATTENDANCE, we employ a probit model. All our models are cross-sections. We specify the form as:

$$\Pr(\text{ATTENDANCE}_i = 1) = C + \beta_1 \textit{Pull factors}_i + \beta_2 \textit{Grievances}_i + \beta_3 \textit{Controls}_i + \varepsilon_i \tag{1}$$

where ATTENDANCE is the dependent variable; the subscript letter i is the cross-section id, $i = 1, 2, \ldots, 192$; C is the constant; β_1 is a vector of parameters to be estimated for pull factors; β_2 is a vector of parameters to be estimated for GRIEVANCES, our key independent variables; while β_3 is a vector of coefficients to be estimated for a set of control variables; and ε_i is the error term which we assume to follow a normal distribution.

For ORDERED ATTENDANCE, the estimation model depends on a latent variable Y^*, which is a function of a set of determinants of leadership travel choice. We assume that a nation makes a specific choice of whether to send a head of state, cabinet minister, lower official, or no one if the latent variable falls below, within, or above certain thresholds $C_1$and C_2 as follows:

$$\text{ORDERED ATTENDANCE}_i = \begin{cases} 0, & \textit{if } Y_i^* < C_1 \\ 1, & \textit{if } C_1 < Y_i^* < C_2 \\ 2, & \textit{if } Y_i^* > C_2 \end{cases} \tag{2}$$

with $C_1 < C_2$. The values of $C_1$and C_2 are to be estimated together with the other parameters of the model, which takes the form as follows:

$$Y_i^* = C + \beta_1 \textit{Pull factors}_i + \beta_2 \textit{Grievances}_i + \beta_3 \textit{Controls}_i + \varepsilon_i \tag{3}$$

where all variables, parameters, and letters in model (3) are defined the same as those in model (1), except the latent variable Y_i^* defined here.

Our argument is that leaders of nations are pushed by grievances and pulled by benefits toward China. We use three correlated variables to measure grievances with the current international financial system.[62] The first is FINANCIAL CRISES, which is the cumulative count of major financial crises in a nation between 1990 and 2016. We include all types of financial crisis—banking crisis, currency crisis, and debt crisis—and expect the estimated coefficient to be positive. Our second measure is VARIABILITY OF CAPITAL ACCOUNT POLICY, which is the standard deviation of the normalized Chinn-Ito index of financial openness between 1990 and 2016. The Chinn-Ito index allows us to compute values for 174 countries. VOLATILITY OF PORTFOLIO OUTFLOWS is our third measure and is defined as the average volatility of net portfolio capital outflows from a country between 1990 and 2016. We compute it as the average annual standard deviation of the absolute value of the quarterly residuals derived from an ARIMA regression, using quarterly data on net portfolio (equities and debt securities) outflows from a nation as a share of GDP between 1990Q1 and 2016Q4. We first used quarterly data on net portfolio outflows (in US dollars) as share of GDP (in US dollars calculated based on national currency GDP converted into dollars at the nominal exchange rate, period average) from the IMF's International Financial Statistics to run an ARIMA (1, 1, 0) model and produce residuals.[63] We then calculated the yearly volatility (standard deviation) of the absolute value of the residuals. Finally, we took the simple average of this yearly volatility between 1990 and 2016 to obtain our measure. Data are limited to ninety-three countries and missing observations are not random. In fact, missing data occur among developing countries where we expect financial volatility (see Appendix A1). We were able to increase the number of observations by drawing quarterly data on GDP from different sources (see Appendix A2), but significant bias remains.

We measure grievances about the destabilizing socioeconomic effects of IMF conditionality with SOCIAL UNREST DURING IMF PROGRAMS, which is a cumulative count of the labor strikes, government crises, antigovernment demonstrations, and riots that occur while a nation is in an IMF program. From the Cross-National Time-Series Data Archive, we obtained a count of these social disturbances that occurred in countries while they were in an IMF program between 1990 and 2017. To measure the grievance about unfair representation in global decision making, we construct the variable IMF GOVERNANCE DEFICIT, which is the difference between a nation's vote share in the IMF and its GDP share (in current USD) of world GDP. Negative values indicate that the country is underrepresented at the IMF. We take values in 2015 before the 2010 IMF governance reform went into effect because we think the five-year delay by the US caused lingering resentment that was still present at the time of the summit.

We measure grievances in international trade with WTO COMPLAINTS AGAINST THE US, which is the cumulative count of WTO cases filed by a nation against the US between

62. For more information about our variables, see Appendix A2.
63. For this approach, see Broto, Díaz-Cassou, and Erce 2011.

1995 and May 2017. We think US abuse of trade exceptions causes resentment in affected nations because it symbolizes discrimination at the heart of the global trade regime. Our count of WTO complaints against the US includes antidumping, subsidies and countervailing measures, and safeguards cases because these are the exceptions that allow nations to impose discriminatory trade barriers within limits imposed by the WTO.

For the pull of China's economic benefits, we use ONE BELT, ONE ROAD POSITION, which is a dichotomous variable indicating whether a nation is geographically positioned along the trade routes that China demarcated as priorities for infrastructure investment. Trade and investment are related attractions. We measure the pull of trade with FTA (indicating whether a nation has a bilateral trade agreement with China or not) and the pull of investment with BIT (indicating whether a nation has a bilateral investment treaty with China or not).

Table 1 provides preliminary support for our argument. It groups countries by their attendance at the summit and provides summary statistics on our main covariates, grouped by our *push* and *pull* categories. Average values for our financial grievance measures are statistically larger for heads of state than those of the other two groups, no matter which indicator we use: FINANCIAL CRISES, VARIABILITY OF CAPITAL ACCOUNT POLICY, and VOLATILITY OF PORTFOLIO OUTFLOWS. In addition, the mean of SOCIAL UNREST DURING IMF PROGRAMS is much larger for nations that sent heads of state to the summit than it is for nations that sent ministers, lower officials, or did not attend. Against expectations, IMF GOVERNANCE DEFICIT is positively signed for nations that sent heads of state to the summit (positive values indicate *over*representation at the IMF) but this relationship is not statistically significant. Nor is there a statistical difference between the average number of WTO COMPLAINTS AGAINST THE US filed by nations that sent heads of state to the summit compared to the other groups.[64] By contrast, all three of our pull factors are positively and significantly correlated with this measure of support for China's global economic leadership.

Moving to multivariate analysis, Table 2 presents probit results of regressing ATTENDANCE, the dichotomous version of our dependent variable, on our variables of interest. Since our variables are correlated with one another, we introduce them separately, starting with the pull factors. In model 1, the estimated coefficient of ONE BELT, ONE ROAD POSITION is positive and highly significant, indicating that the probability a head of state attends the summit is higher for nations that are positioned on the planned trade routes. This captures some of the economic benefits that leaders hope to gain by partnering with China—particularly, infrastructure investment associated with the BRI. Models 2 and 3 introduce FTA and BIT, respectively, and their significant positive coefficients suggest that trade and investment links also encourage support for China's global economic leadership (independently of the BRI).

Model 4 introduces our first grievance measure, FINANCIAL CRISES. The estimate is positive and significant, suggesting that leaders of nations that suffered more

64. See Appendix A2 for our approach to allocating cases filed by the EU to specific member countries.

TABLE 1. *Country averages by Belt and Road Forum attendance*

Forum attendance	*Financial crises (count)*	*Variability of capital account policy (std. dev.)*	*Volatility of portfolio outflows (std. dev.)*	*Social unrest during IMF programs (count)*	*IMF governance deficit (difference)*	*WTO complaints against the US (count)*	*One Belt, One Road position (0, 1)*	*FTA with China (0,1)*	*BIT with China (0,1)*
Push or pull factor	*Push*	*Push*	*Push*	*Push*	*Push*	*Push*	*Pull*	*Pull*	*Pull*
Head of State (29)	6.48**	0.17**	0.38*	29.83***	0.10	0.76	0.72***	0.41***	0.90***
Cabinet Minister (56)	3.63	0.14	0.10	14.71	0.18	0.86	0.57	0.14	0.71
Lower-level official (6) or not attending (97)	4	0.13	0.10	8.47	−0.01	0.53	0.12	0.04	0.35

Notes: Values in parentheses for "Forum attendance" indicate the number of countries in each group. Values in cells are group averages over the period 1990–2016. Asterisks indicate the statistical significance of an equality of means t-test comparing the Head of State category to the two other categories. * $p < .10$; ** $p < .05$; *** $p < .01$.

TABLE 2. *Push and pull factors associated with following China's global economic leadership: Probit model*

	DV: HEAD OF STATE ATTENDANCE (0,1)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Pull Factors	ONE BELT, ONE ROAD POSITION	1.036***	0.830***	0.558**	0.891***	0.579**	0.573*	0.564**	0.511**	0.533**
		(4.36)	(3.27)	(2.18)	(3.17)	(2.17)	(1.74)	(2.17)	(2.04)	(2.09)
	FTA WITH CHINA		0.986***	0.972***	0.858**	1.038***	0.748**	0.939***	1.045***	0.972***
			(3.17)	(3.06)	(2.53)	(3.22)	(2.02)	(2.78)	(3.19)	(3.02)
	BIT WITH CHINA			0.814***	0.603*	0.673**	0.932*	0.822***	0.869***	0.810***
				(2.66)	(1.87)	(2.11)	(1.93)	(2.62)	(2.88)	(2.59)
Push Factors	FINANCIAL CRISES				0.055***					
					(2.84)					
	VARIABILITY OF CAPITAL ACCOUNT POLICY					2.161*				
						(1.92)				
	VOLATILITY OF PORTFOLIO OUTFLOWS						0.298**			
							(2.50)			
	SOCIAL UNREST DURING IMF PROGRAMS							0.010**		
								(2.32)		
	WTO COMPLAINTS AGAINST THE US								−0.046	
									(−0.79)	
	IMF GOVERNANCE DEFICIT									0.088
										(0.28)
	Constant	−1.522***	−1.615***	−2.049***	−2.245***	−2.289***	−2.115***	−2.227***	−2.045***	−2.028***
		(−8.69)	(−8.94)	(−6.86)	(−5.68)	(−6.35)	(−4.36)	(−6.98)	(−6.82)	(−6.71)
	Observations	192	192	192	162	178	93	192	192	184
	Pseudo R^2	0.124	0.188	0.232	0.257	0.245	0.162	0.269	0.236	0.226

Notes: The dependent variable is ATTENDANCE, equal to 1 if a nation's head of state attended the Belt and Road Forum, 0 otherwise. *t* statistics in parentheses; * $p < .10$; ** $p < .05$; *** $p < .01$.

financial crises since 1990 are more likely to attend the summit, consistent with our argument that leaders from crisis-prone nations are more likely to support China's global economic leadership. In model 5, we replace the crisis measure with VARIABILITY OF CAPITAL ACCOUNT POLICY. The estimate is positive and significant, implying that a nation that has been unable to maintain a consistent capital account policy is more likely to send its leader to the forum. Liberalizing the capital account generates more risk and volatility to capital flows, leading to sharp changes in policy as countries respond to boom-bust capital flow shocks. China offers a different approach, heavily managing capital flows. Model 6 introduces VOLATILITY OF PORTFOLIO OUTFLOWS and, despite the smaller sample, the estimate is positive and marginally significant. Volatile short-term capital flows are a source of instability in the current order and one of the main causes of financial crises. This finding supports our claim that leaders of countries that have experienced more volatile capital flows are more likely to look to China for leadership.

In models 7 to 9, we enter SOCIAL UNREST DURING IMF PROGRAMS, WTO COMPLAINTS AGAINST THE US, and IMF GOVERNANCE DEFICIT separately. The estimate for social unrest is positive and significant in model 7, conforming to expectations, but the estimate for WTO COMPLAINTS AGAINST THE US in model 8 is negative (but insignificant), against expectations. In model 9, IMF GOVERNANCE DEFICIT is positive, also against our prediction, but not significant.

Since some countries sent leaders of state to the summit while others sent cabinet ministers, lower officials, or no one at all, we use ORDERED ATTENDANCE—our three-category ordered dependent variable—to replace our binary dependent variable and rerun all regressions using an ordered probit model. The results, reported in Table 3, are consistent with our probit results. Grievances about global financial instability, as proxied by financial crises, variable capital account policies, and volatile portfolio outflows are associated with higher probabilities that leaders and cabinet ministers attend the summit, relative to lower-level officials and non-attending nations. As before, WTO COMPLAINTS AGAINST THE US is insignificant and has the wrong sign. Again, in model 9 IMF GOVERNANCE DEFICIT is positively but insignificantly related to summit attendance, against expectations

In Table 4, we address omitted variable bias by introducing controls for factors that may be correlated with our dependent variable, or at least one independent variable. One concern is that our trade and governance variables may be capturing broader aspects of economic and geopolitical relations. For example, the US might target more trade discrimination at nations that are closer to China, either economically or geopolitically, generating more complaints at the WTO. Since we already control for trade and investment relations with China, we have economic proximity covered. To measure nations' geopolitical proximity to China, we use IDEAL POINT DISTANCE FROM CHINA, which is derived from voting patterns in the United Nations General Assembly.[65] A similar logic leads us to control for REGIME TYPE: leaders of

65. Bailey, Strezhnev, and Voeten 2017.

TABLE 3. *Push and pull factors associated with following China's global economic leadership: Ordered probit model*

	DV = ORDERED ATTENDANCE	*(1)*	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*	*(7)*	*(8)*	*(9)*
Pull Factors	ONE BELT, ONE ROAD POSITION	1.352***	1.208***	0.979***	1.142***	0.974***	0.666***	0.954***	0.975***	1.005***
		(7.15)	(6.21)	(4.94)	(5.07)	(4.80)	(2.64)	(4.80)	(4.71)	(5.02)
	FTA WITH CHINA		0.849***	0.807***	0.743**	0.819***	0.642**	0.774**	0.814***	0.874***
			(2.96)	(2.76)	(2.44)	(2.69)	(1.98)	(2.51)	(2.96)	(3.07)
	BIT WITH CHINA			0.816***	0.736***	0.724***	0.878***	0.826***	0.821***	0.711***
				(4.15)	(3.35)	(3.47)	(2.81)	(4.17)	(4.13)	(3.46)
Push Factors	FINANCIAL CRISES				0.043**					
					(2.46)					
	VARIABILITY OF CAPITAL ACCOUNT POLICY					1.528*				
						(1.73)				
	VOLATILITY OF PORTFOLIO OUTFLOWS						0.260*			
							(1.91)			
	SOCIAL UNREST DURING IMF PROGRAMS							0.010***		
								(2.65)		
	WTO COMPLAINTS AGAINST THE US								−0.005	
									(−0.09)	
	IMF GOVERNANCE DEFICIT									0.500
										(1.44)
	cut1									
	Constant	0.597***	0.642***	1.020***	1.245***	1.165***	0.873***	1.135***	1.019***	1.019***
		(4.88)	(5.21)	(6.25)	(5.61)	(5.48)	(2.90)	(6.59)	(6.19)	(5.88)
	cut2									
	Constant	1.706***	1.803***	2.250***	2.397***	2.398***	2.073***	2.413***	2.249***	2.258***
		(9.54)	(9.69)	(9.48)	(8.05)	(8.77)	(6.06)	(9.78)	(9.41)	(9.25)
	Observations	188	188	188	160	175	91	188	188	181
	Pseudo R^2	0.147	0.175	0.220	0.228	0.216	0.131	0.240	0.220	0.220

Notes: The dependent variable is ORDERED ATTENDANCE, equal to 2 if a nation's head of state attended the Belt and Road Forum, 1 if a cabinet minister attended, and 0 if a lower-level official or no one attended. *t* statistics in parentheses; * $p < .10$; ** $p < .05$; *** $p < .01$.

TABLE 4. *Push and pull factors associated with following China's global economic leadership: Controls*

		DV = ATTENDANCE (probit)						*DV = ORDERED ATTENDANCE (ordered probit)*					
		(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*	*(7)*	*(8)*	*(9)*	*(10)*	*(11)*	*(12)*
Pull Factors	ONE BELT, ONE ROAD POSITION	0.819*	0.528	1.025*	0.466	0.305	0.349	0.804***	0.699**	0.627	0.680**	0.574*	0.644**
		(1.95)	(1.32)	(1.85)	(1.19)	(0.82)	(0.93)	(2.66)	(2.38)	(1.62)	(2.33)	(1.94)	(2.15)
	FTA WITH CHINA	0.379	0.434	−0.256	0.387	0.470	0.395	0.491	0.536*	0.127	0.499	0.514*	0.514*
		(0.98)	(1.18)	(−0.48)	(1.04)	(1.24)	(1.09)	(1.61)	(1.70)	(0.33)	(1.62)	(1.78)	(1.71)
	BIT WITH CHINA	1.061**	1.140***	0.000	1.189***	1.183***	1.138***	0.918***	0.957***	1.691***	0.980***	0.997***	0.953***
		(2.49)	(2.72)	(.)	(2.84)	(2.98)	(2.88)	(2.88)	(3.03)	(3.58)	(3.20)	(3.29)	(3.19)
Push Factors	FINANCIAL CRISES	0.087***						0.050***					
		(3.54)						(2.67)					
	VARIABILITY CAPITAL ACCOUNT POLICY		3.567***						2.567***				
			(2.71)						(2.82)				
	VOLATILITY OF PORTFOLIO OUTFLOWS			0.367***						0.234			
				(2.73)						(1.62)			
	SOCIAL UNREST DURING IMF PROGRAMS				0.011**						0.011**		
					(2.02)						(2.39)		
	WTO COMPLAINTS AGAINST THE US					−0.064						−0.034	
						(−0.93)						(−0.70)	
	IMF GOVERNANCE DEFICIT						0.062						0.321
							(0.22)						(1.26)

Continued

Controls	IDEAL POINT DISTANCE FROM CHINA	−0.616*	−0.419	−0.735*	−0.427	−0.363	−0.363	−0.204	−0.162	−0.329	−0.181	−0.178	−0.212
		(−1.95)	(−1.53)	(−1.86)	(−1.47)	(−1.32)	(−1.36)	(−0.97)	(−0.76)	(−1.18)	(−0.89)	(−0.88)	(−1.06)
	REGIME TYPE	−0.016	0.013	0.131**	0.008	0.027	0.023	−0.008	0.006	0.030	−0.000	0.017	0.014
		(−0.49)	(0.46)	(2.30)	(0.28)	(0.97)	(0.80)	(−0.28)	(0.25)	(0.71)	(−0.00)	(0.65)	(0.55)
	LEADER'S IDEOLOGY	−0.127	−0.098	−0.009	−0.025	−0.073	−0.072	−0.121	−0.110	−0.153	−0.087	−0.117	−0.112
		(−1.06)	(−0.88)	(−0.05)	(−0.22)	(−0.69)	(−0.68)	(−1.26)	(−1.15)	(−1.06)	(−0.90)	(−1.24)	(−1.19)
	AFRICA DUMMY	−1.140**	−0.965*	0.000	−0.886*	−1.061**	−1.023**	−0.893**	−0.827**	−1.426**	−0.791*	−0.979**	−0.918**
		(−2.10)	(−1.89)	(.)	(−1.69)	(−2.13)	(−2.05)	(−2.26)	(−2.05)	(−2.33)	(−1.94)	(−2.50)	(−2.34)
	GDP GROWTH	0.013	0.001	−0.049	0.010	0.008	0.007	−0.000	−0.007	−0.015	−0.001	−0.001	−0.001
		(0.57)	(0.04)	(−1.40)	(0.45)	(0.35)	(0.32)	(−0.01)	(−0.37)	(−0.63)	(−0.09)	(−0.07)	(−0.08)
	GDP	−0.000	0.000**	−0.000	0.000	0.000*	0.000	−0.000	0.000	−0.000	0.000	0.000	0.000
		(−0.10)	(2.30)	(−0.49)	(1.27)	(1.65)	(0.48)	(−0.29)	(0.62)	(−0.14)	(0.27)	(0.31)	(0.40)
	GDPPC	−0.201	−0.228*	0.269	−0.144	−0.149	−0.178	−0.057	−0.005	0.134	0.021	0.005	−0.030
		(−1.13)	(−1.66)	(1.13)	(−1.02)	(−1.08)	(−1.29)	(−0.43)	(−0.04)	(0.69)	(0.17)	(0.05)	(−0.25)
	CIRI HUMAN RIGHTS INDEX	0.105	−0.019	−0.317**	0.006	−0.080	−0.066	0.023	−0.042	−0.126	−0.011	−0.085	−0.072
		(0.81)	(−0.19)	(−2.18)	(0.06)	(−0.89)	(−0.72)	(0.27)	(−0.56)	(−1.08)	(−0.14)	(−1.20)	(−1.01)
	Constant	−0.532	−0.164	−2.045	−0.697	0.052	0.229						
		(−0.41)	(−0.15)	(−1.02)	(−0.58)	(0.05)	(0.22)						
	cut1												
	Constant							0.273	0.662	1.580	0.828	0.106	−0.080
								(0.26)	(0.64)	(1.01)	(0.77)	(0.11)	(−0.08)
	cut2												
	Constant							1.454	1.944*	2.940*	2.112*	1.353	1.171
								(1.39)	(1.85)	(1.88)	(1.95)	(1.41)	(1.22)
	Observations	144	149	63	153	153	153	142	146	82	150	150	148
	Pseudo R^2	0.346	0.299	0.244	0.293	0.268	0.260	0.259	0.260	0.215	0.262	0.244	0.243

Notes: Models 1–6 are probits where the dependent variable is ATTENDANCE; models 7–12 are ordered probits where the dependent variable is ORDERED ATTENDANCE. *t* statistics in parentheses; * $p < .10$; ** $p < .05$; *** $p < .01$.

countries with domestic political institutions that are similar to China's may be more likely to embrace China's global economic leadership. We draw upon the Polity IV data set for this control, where higher values indicate more democratic institutions. Additionally, leaders' ideological positions may also have shaped decisions to travel to the summit. We use LEADER IDEOLOGY to control for this factor, coded 0 = none, 1 = right, 2 = center, 3 = left from information in the *Database of Political Institutions 2015* and *Political Handbook of the World, 2016–2017*.[66]

We control for whether a nation is located on the African continent with AFRICA, a dummy variable, because leaders from this region appear to be underrepresented at the summit.[67] We also control for GDPPC (GDP per capita), averaged over 2013–2016, because poorer countries may have fewer resources to send official delegations to summits—a "capacity" constraint. We control for national GDP, averaged over 2013 to 2016, because GDP enters into the construction of our IMF GOVERNANCE DEFICIT variable in both the minuend (share of votes in the IMF) and the subtrahend (share of world GDP). Additionally, we introduce a nation's average per capita GDP GROWTH between 2013 and 2016 to address the possibility that leaders attended the summit to divert attention away from poor economic performance at home. Finally, we address the concern that Western leaders shied away from the summit because of certain participants' human rights policies. Our control is the CIRI HUMAN RIGHTS INDEX, which ranges from 0 to 8, with higher values indicating improving human rights conditions.

The estimation results are reported in Table 4 for ATTENDANCE (models 1–6) and for ORDERED ATTENDANCE (models 7–12). Our results survive when controlling for these confounders. In addition, the estimated coefficient for IDEAL POINT DISTANCE TO CHINA is negative, indicating that nations that are geopolitically closer to China are more likely to support China's global economic leadership (but this relationship is significant only in models 1 and 3). The estimate for the AFRICA indicator is also negative and statistically significant, which is interesting since all models control for "capacity" to participate in global summits with GDPPC. One interpretation is that African leaders did not need to demonstrate their support for China's global leadership by attending the Belt and Road Forum because they participate in Africa-specific conferences in China, such as the Forum for China-Africa Cooperation.

As for media speculation that human rights concerns affected summit participation, our results suggest the opposite: the estimate for the CIRI HUMAN RIGHTS INDEX is not correlated with participation, nor is there evidence that democracy shaped the composition of the summit since the estimate for REGIME TYPE is not significant. The summit was attended by countries with different human rights records and political

66. Cruz, Keefer and Scartascini 2016 is an update of Thorsten Beck, George Clarke, Alberto Groff, Philip Keefer, and Patrick Walsh, 2001, "New Tools in Comparative Political Economy: The Database of Political Institutions," *World Bank Economic Review* 15 (1):165–76; Lansford 2017.

67. We thank an anonymous reviewer for suggesting this control.

institutions, suggesting that nations following China's global economic leadership are a heterogenous group.

Turning to substantive interpretations, Figure 2 displays the average marginal effects of the ordered probit results from model 8 of Table 4, which includes our preferred financial grievance measure, VARIABILITY OF CAPITAL ACCOUNT POLICY. We simulated the predicted probability of summit attendance and examined how the predicted probabilities change when our variables increase by one standard deviation from their means (or from 0 to 1 for dichotomous variables), holding other variables at their means. The impact of our pull factors on the probability a leader attends the summit is quite large. For example, if a nation is located along the One Belt, One Road trade routes, the probability it sends a head of state to the summit increases by thirteen percentage points (95% CI [3, 23]). By the same token, having a BIT with China increases the likelihood a nation sends its top leader to the summit by nineteen percentage points (95% CI [8, 30]). These large effects are expected since China is offering substantial economic benefits to its followers. But the impact of external financial instability, as measured by VARIABILITY OF CAPITAL ACCOUNT POLICY, is larger (albeit less precise): a one standard deviation increase in this variable increases the probability of sending a head of state to the summit by fifty-two percentage points (95% CI [16, 88]). With the exception of the Africa dummy, which is negative and significant, the impact of all the other variables on the probability of head-of-state attendance is close to 0. The finding that African leaders were fifteen percentage points less likely to attend the summit (95% CI [- 29, - 1]) is interesting, given that we have controlled for national income to address capacity constraints on travel to foreign summits. We were not able to ascertain whether China made less effort to attract African leaders to the Belt and Road summit, or whether African leaders were less interested in attending.

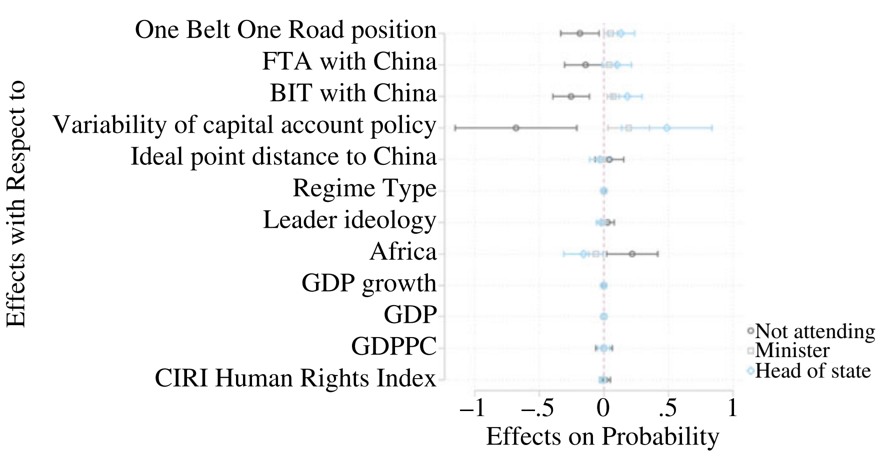


FIGURE 2. *Average marginal effects variability of capital control policy*

In Figure 3, we report marginal effects for model 10 of Table 4, which includes our measure of grievances against IMF conditionality, SOCIAL UNREST DURING IMF PROGRAMS. As before, pull factors such as ONE BELT, ONE ROAD POSITION, FTA, and BIT have large positive effects on leader attendance. However, the marginal effect of increasing SOCIAL UNREST DURING IMF PROGRAMS by one standard deviation (27) above its mean of 13.6 is so small that it is not visible in the figure—it increases the likelihood of head-of-state attendance by just two-tenths of a percentage point (95% CI [0.04, 0.36]). While this substantive effect is statistically significant at the 95 percent level, it is small compared to the pull factors in the model. It is also smaller than the effect of our push factor, VARIABILITY OF CAPITAL ACCOUNT POLICY, as Figure 2 shows.

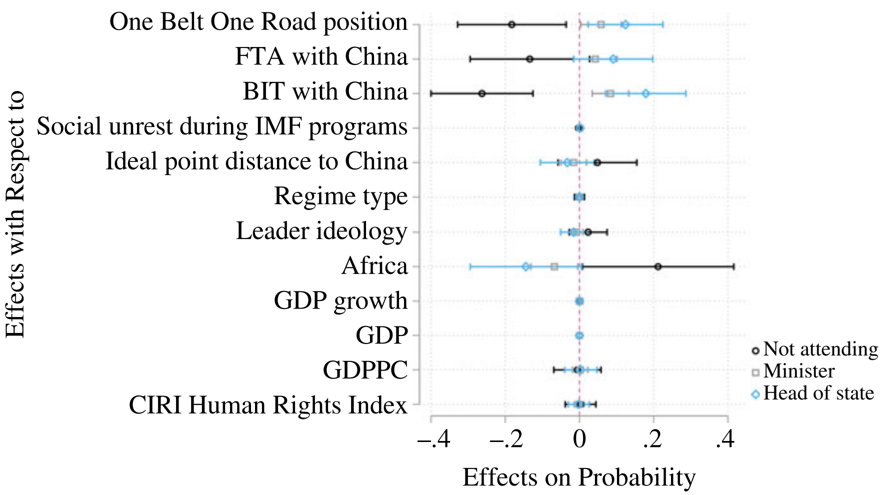


FIGURE 3. *Average marginal effects of social unrest during IMF programs*

Conclusion

We approached China's rise as a global economic leader from the perspective of potential followers. We asked why some foreign leaders are more interested in following China's global economic leadership than others. To our knowledge, this question has not been addressed before.

We made two contributions. First, we developed an analytical framework for studying global leadership transitions that incorporates the grievances that followers have with the current global economic order as well as the economic benefits the rising leader offers to potential followers. We call grievances "push factors" because they drive followers from the status quo global order to the new leader, while economic benefits are considered "pull factors." Second, we devised a new behavioral indicator of *foreign support for China's global economic leadership* based on head-of-state (and cabinet minister) attendance at the 2017 Belt and Road Forum in Beijing. We justified this measure on the grounds that the summit was designed to demonstrate China's willingness to provide global economic leadership in the aftermath of the surprise election of Donald Trump, and because the Belt and Road Initiative is a uniquely Chinese creation unrelated to the current global order. Other advantages of this measure are that it is behavioral, and that the leaders who made the costly effort to attend also put their imprimaturs on a joint communiqué about the benefits of global economic cooperation centered on China.

To recap our results, we found support for the conventional view that China offers economic benefits to nations that follow its leadership. Our proxies for the pull of Chinese infrastructure financing, trade, and investment all suggest that followers are attracted by these benefits. However, we also found support for the claim that grievances with the current order are pushing nations toward China. Substantively, grievances about international financial instability are the most important. Our preferred measure of this grievance exploits the variability of capital account policy to measure each nation's experience with global finance. We like the conceptual clarity of this indicator: nations that frequently change their regulations on capital flows have had difficulty coping with cross-border capital flows and global financial cycles. We found that this proxy for financial grievances has a large, positive impact on foreign leaders' support for China's leadership. As validation, we found qualitative evidence that international financial instability was on the agenda at the Belt and Road Forum and served as a motivating factor for global economic cooperation in the leaders' joint communiqué.

Our results also indicate that social turmoil associated with IMF conditionality is linked to foreign support for China's global economic leadership. Nations that have experienced more strikes, government crises, antigovernment demonstrations, and riots during IMF programs are slightly more likely to look to China for leadership than nations less affected by these problems.

Would China's leadership differ from the IMF's in the area of external debt management and conditional lending? China stresses self-determination as its core foreign policy value, which implies a reticence to engage in politically sensitive internal interventions. But China has acknowledged the debt-sustainability problem of some Belt and Road projects and expressed a willingness to work with the IMF to address it. In 2018, at an IMF-sponsored conference in Beijing, IMF Managing Director Christine Lagarde outlined a collaboration where the IMF would play its traditional supervisory role to ensure the fiscal sustainability of Belt and Road projects.[68] As this collaboration develops, it will be interesting to see how much supervision and conditionality China outsources to the IMF.

68. Joint People's Bank of China—International Monetary Fund High-level Conference on the Belt and Road Initiative, 11–12 April 2018, Beijing, China.

Why should we find an association between support for China's global leadership and grievances about financial instability and IMF conditionality but not grievances about IMF governance and US trade policy? One plausible interpretation is that different grievances are expressed in different ways. For example, grievances about global governance may take the form of supporting China's AIIB, rather than supporting China's overall leadership of the world economy. In ongoing work, we find that IMF and World Bank governance deficits are positively and significantly correlated with membership in the AIIB, a relationship that may reflect a strategy aimed at reforming current multilateral institutions.[69] Supporting this view is informed speculation that the launch of the AIIB helped convince conservatives in the US Congress to finally approve IMF governance reform in 2015.[70]

A similar logic may account for our null findings with respect to WTO complaints against the US: nations that are dissatisfied with discriminatory US trade policies might express this grievance differently, such as by pursuing WTO reforms or by making trade agreements with other partners (including China) to pressure the US to abide by WTO principles. In this interpretation, trade and governance grievances are expressed differently because the goal is reform and preservation of parts of the current global order, not transition to a new order led by China. China supports the WTO and advocates for governance reform in the multilaterals, suggesting that these global institutions would likely continue under Chinese leadership.

Another interpretation is that national leaders have personal incentives to care more about international financial instability than about other global grievances. Financial instability is important to leaders because it negatively affects national economic performance which, in turn, threatens their political survival. The recessions that follow financial crises are deeper and longer than regular downturns and, through the channel of economic voting, directly impinge on leaders' ability to stay in office. IMF conditions can also affect leader tenure when they involve cuts to politically important programs. This suggests that grievances about international financial instability will be matters of personal interest to most leaders. By contrast, we cannot think of plausible scenarios where grievances about IMF governance or discriminatory US trade policies would cause leaders to be removed from office. While special interests may care passionately about these issues, complaints about global governance and trade discrimination are not likely to shape mass attitudes or ballot-box decisions. From the perspective of individual leaders, these grievances may be less important than grievances that impinge on their political survival.

These interpretations are not mutually exclusive. Foreign leaders may want to preserve parts of the current order that have worked reasonably well under US leadership, such as the WTO and the IMF. At the same time, they might have incentives to follow China's leadership in areas that have imposed large costs on their economies and, hence, on leaders themselves. This combined interpretation suggests

69. Lipscy 2015, 2017.
70. See note 48.

that foreign leaders are supporting China's global economic leadership because they don't expect the US to address their concerns about volatile cross-border capital flows or the spillovers of US monetary policy.[71]

For its part, the Fed is aware of the grievance but is unwilling to internalize the global externalities of its actions. The most it will do is "communicate [its] policy strategy as clearly and transparently as possible to help align expectations and avoid market disruptions."[72] The promise of transparency is unlikely to mollify foreign leaders whose economies are buffeted by shocks that follow changes in US monetary policy.

In this context, China's model—which prioritizes capital controls among the trilemma's trade-offs—may look attractive to foreign leaders who have pursued financial openness but lack monetary independence regardless of their exchange-rate regime. More broadly, we think that China's management of its capital account, along with its focus on stable long-term infrastructure and development finance, has helped win the support of foreign leaders who have seen their economies harmed by global financial instability.

In other work, we are evaluating the conjecture that harsher experiences with the global financial cycle correlates with a greater likelihood of negotiating a bilateral currency swap agreement with the People's Bank of China. We also plan to analyze AIIB participation, with the aim of separating members that have status quo preferences from those with preferences closer to China. In the meantime, we encourage scholars of international change to think about followers as well as leaders, for it is a truism that global leadership requires followers.

Data Availability Statement

Replication files for this article may be found at <https://doi.org/10.7910/DVN/EFA6HG>.

Supplementary Material

Supplementary material for this article is available at <https://doi.org/10.1017/S0020818320000120>.

71. Mishra and Rajan 2019.
72. Jerome Powell, Chair of the Board of Governors of the Federal Reserve System, 8 May 2018, retrieved from <https://www.federalreserve.gov/newsevents/speech/files/powell20180508a.pdf>.

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Key Words

China; global leadership; international institutions; international change; international regimes; Belt and Road Initiative (BRI); International Monetary Fund (IMF); Asian Infrastructure Investment Bank (AIIB)

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