



Is China Reshaping the Global Economic Order? Analyzing China's Role
and Strategies within the Asia-Pacific Economic Cooperation (APEC)

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ABSTRACT OF THE RESEARCH REPORT

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Abstract:

This paper examines China's participation within Asia-Pacific Economic Cooperation (APEC) to determine its true intention in multilateral engagement. Through analyzing China's APEC host year priorities in 2014, its 126 project proposals in recent five years (2021-2024), and its behavioral patterns toward 100 projects proposed in the three main functional committees of APEC by fellow economies since 2021, this study identified China's consistent effort to reshape APEC agenda. The findings suggest that instead of merely strengthening cooperation with other countries through multilateral platforms, China has more ambitious goals aimed at establishing an alternate global economic order.

Keywords:

China, APEC, global economic order, multilateral engagement, revisionist power, global governance, South-South cooperation, U.S.–China competition.

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LIST OF ABBREVIATIONS

Abbreviation	Full Term
ADB	Asian Development Bank
AIIB	Asian Infrastructure Investment Bank
APEC	Asia-Pacific Economic Cooperation
BMC	Budget and Management Committee
BRI	Belt and Road Initiative
BRICS	Brazil, Russia, India, China, and South Africa
CELAC	China-Community of Latin American and Caribbean States
CPC	Communist Party of China
CTI	Committee on Trade and Investment
EC	Economic Committee
ECOTECH	Economic and Technical Cooperation
EU	European Union
FOCAC	Forum on China-Africa Cooperation
FTAAP	Free Trade Area of the Asia-Pacific
GDP	Gross Domestic Product
ICT	Information and Communications Technology
IMF	International Monetary Fund
IO	International Organization
IPETCA	Indigenous Peoples Economic and Trade Cooperation Arrangement
PO	Project Overseer
PPSTI	Policy Partnership on Science, Technology and Innovation
SCE	SOM Steering Committee on ECOTECH
SOE	State-Owned Enterprise
SOM	Senior Officials' Meeting

TELWG	Telecommunications and Information Working Group
TPP	Trans-Pacific Partnership
UN	United Nations
WTO	World Trade Organization

CHAPTER I: INTRODUCTION

Research Background and Problem Statement

From the 1970s to the 2000s, with the goal of fostering stability and collaboration, the United States endeavored to include China in the multilateral political and economical system. Subsequently, China has notably expanded its involvement in International Organizations (IOs) and global mechanisms that were initially dominated by Western countries. However, it has always remained unclear whether China is willing to participate in multilateral engagements within the status quo, or is it aiming to establish a new global order that suits Chinese interests.

The current Global Economic Order is part of the Liberal International Order established brick by brick in the aftermath of World War II, forming the prevailing international norms, and organizations we see today. It is an “open and rule-based international order” that is reflected in global institutions such as the United Nations and multilateralism norms¹. It is grounded in political liberalism, economic liberalism and the liberal international relations theory itself². Focusing on the economic perspective, the Global Economic Order is based on rules, institutions established under the U.S. leadership. Such rules cultivate the primary virtues of free market capitalism, high-standard agreements, and private-sector-led economic developments. The institutions supporting the order include World Trade Organization (WTO), the International Monetary Fund (IMF), and the World Bank, who uphold and facilitate free markets and rule-based trade. Under the U.S. leadership, the order is deeply linked with democratic capitalism and preserves U.S. currency hegemony. The Bretton Woods System, established in 1944 and collapsed in 1971, fixed U.S. dollars to gold, and pegged all other currencies to fixed, but adjustable, exchange rates to U.S. dollars³. Nevertheless, U.S. dollars remains to be the dominant

¹ Ikenberry, G. John. 2011. “The Future of the Liberal World Order.” *Foreign Affairs*, May/June 2011, pp. 56-68, here p. 56

² Kundnani, Hans. 2017. “Policy Essay What Is the Liberal International Order?” <http://blogs.clemson.edu/emerituscollege/files/2018/01/What-is-the-Liberal-International-Order.pdf>.

³ Speech: Geopolitics and its Impact on Global Trade and the Dollar. (2024, May 7). IMF. https://www.imf.org/en/News/Articles/2024/05/07/sp-geopolitics-impact-global-trade-and-dollar-gita-gopinath?utm_source=chatgpt.com

global reserve currency even long after the collapse of the Bretton Woods System. As of 2024, 58% of global official foreign exchange reserves are held in U.S. dollars (IMF COFER database), and over 80% of global trade is invoiced in U.S. dollars. With the U.S. at the center, the Global North, countries more developed and with higher GDP (Gross Domestic Product) compared to Global South, not only shape the norms and institutions of the existing international system, but also promote the continuity of the rules they cultivated in the global economy⁴.

On the other hand, the alternate global economic order China is suspected of promoting upholds the principle of state-led capitalism, infrastructure-driven development, and multipolarity in global finance. China's economy heavily depends on state-owned enterprises (SOEs) which are supported by the government and hence shielded from competition, which contradicts with the notion of free market and minimum governmental intervention⁵. Furthermore, in contrast with the private-sector-led economic developments, advocates of infrastructure-driven development, such as China, believe that public investment that facilitates infrastructure building is the engine of growth. Lastly, financial sovereignty and multipolarity in global finance has been promoted by the Global South. The most prominent indicator is how the BRICS group, founded by China, Russia, Brazil, India and South Africa, is developing an international transaction system that facilitates the usage of local currencies, as an alternative to the dollar-centric international financial system.

While continuing to benefit from international cooperation and global trade facilitated by the existing Global Economic Order, China has to be subtle while promoting an alternative order that abides by its economic vision. Therefore, it is expected that China will not challenge global rules explicitly in multilateral platforms, but will instead tend to establish new forums to lead relevant discussions or utilize more flexible and

⁴ Rodrik, D. (2011). The globalization paradox: Democracy and the future of the world economy. W. W. Norton & Company.

⁵ Szamosszegi, A., & Kyle, C. (2011). An Analysis of State-owned Enterprises and State Capitalism in China.
<https://static1.squarespace.com/static/5e41c6f5227c7b05e81bb87a/t/5ebc4f41cb51d10a41c54989/1589399365069/AZS-CK-China-SOE.pdf>

consensus-based venues to make an impact on the agenda-setting and gradually shape norms and practices.

Purpose of the Research

This research is designed to analyze China's behaviors and actions in multilateral forums, specifically within Asia-Pacific Economic Cooperation (APEC), to determine whether its intention is to strategize in the scope of the existing international order, or cultivate a new order that aligns with its interests and global cooperation agenda. The purpose is to contribute to the debate on China's role and intentions in shaping the global economic order.

Description of the Data and Scope of the Research

Asia-Pacific Economic Cooperation (APEC) is the major economic consultation forum in the Asia-Pacific region, established in 1989 at the initiative of then Australian Prime Minister Robert Hawke⁶. The goal of this forum is to accelerate economic growth and development in the region through stable dialogues between economic leaders and officials on trade facilitation and liberalization⁷. Today, APEC has become the most important multilateral official economic cooperation forum in the Asia-Pacific region, with 21 members from Northeast Asia, East Asia, Southeast Asia, Oceania, North America and Central and South America. These members account for about 40% of the world population, 50% of global trade, and 60% of global gross domestic product. Furthermore, the topics discussed within APEC have expanded to include sustainable development, global health, technical cooperation, and many other emerging issues. Unlike international organizations such as the United Nations (UN), World Trade Organization (WTO), and European Union (EU), that are established by formal treaties and governed by international law, APEC was created through non-binding agreements

⁶ Asia-Pacific Economic Cooperation. (n.d.). History. Retrieved August 11, 2025, from <https://www.apec.org/about-us/about-apec/history>

⁷ Asia-Pacific Economic Cooperation. (2023, October). Mission statement. Retrieved August 11, 2025, from <https://www.apec.org/about-us/about-apec/mission-statement>
APEC

among its member economies and produces non-binding initiatives. Nevertheless, the cooperative framework APEC fostered and its influence on shaping regional economic policies are significant⁸. The Asia-Pacific region is not only a global economic hub but also serves as a testing ground for economic policies that can later be expanded to global organizations⁹. In short, APEC's consensus-driven and voluntary-based nature provides member economies with a platform to shape norms that transcend rigid international hard laws and demonstrate soft power influence.

APEC's importance and flexibility make it ideal to analyze China's actions within to probe its global economic strategy. This research will analyze China's APEC host year priorities in 2014, its 126 project proposals in recent five years (2021-2024), and its behavioral patterns toward 100 projects proposed in the three main functional committees of APEC by fellow economies since 2021.

⁸ Hattori, T. (2022, July 26). APEC as a venue for soft law. Research Institute of Economy, Trade and Industry (RIETI). Retrieved August 11, 2025, from <https://www.rieti.go.jp/en/papers/contribution/hattori-takashi/01.html>

⁹ McKinsey Global Institute. (2023, September 22). Asia on the cusp of a new era. McKinsey & Company. Retrieved August 11, 2025, from <https://www.mckinsey.com/mgi/our-research/asia-on-the-cusp-of-a-new-era>

CHAPTER II: LITERATURE REVIEW

China's true intentions with its multilateral engagement remains a subject of debate. Is China merely strengthening cooperation with other countries or whether it has more ambitious designs which may involve reshaping global economic norms?

In 2005, the Chinese government published a white paper titled "*China's Peaceful Development Road*", emphasizing its desire to establish relations with other countries based on a peaceful international environment and stating that it does not seek a world of hegemony¹⁰. Moreover, *China Daily*, a media outlet owned by the Chinese Communist Party, has consistently rejected the idea that China's rise will lead to conflict, often referred to as the 'Thucydides Trap,' and has stressed that China's rise is peaceful and upholds the existing order¹¹¹². In 2021, Chinese President Xi Jinping expressed China's support for the stable international order enforced by the United Nations principles during his speech at the General Assembly¹³.

Notwithstanding, studies undertaken by the United States government and a prevailing number of scholars have indicated that China is gradually shaping a new global economic order that is more responsive to Chinese interests. Realist in the school of international relations, such as John Mearsheimer, argue that a rising power is destined to be a "revisionist power", since its priority is to maximize influence and leverage in the global system, therefore, the existing order has to be altered to facilitate the increase of its relative power¹⁴. The U.S. National Security Strategy documents published in 2017 and

¹⁰ White Paper: China's Peaceful Development Road (English Text). (2006, February 22). CECC. <https://www.cecc.gov/resources/legal-provisions/white-paper-chinas-peaceful-development-road-english-text>

¹¹ 单学英. (2024). A path beyond the Thucydides trap for China, US. Chinadaily.com.cn. <https://www.chinadaily.com.cn/a/202404/25/WS6629ce08a31082fc043c3f1f.html>

¹² 杜娟. (2024). Xi says Thucydides's Trap not historical inevitability. Chinadaily.com.cn. <https://www.chinadaily.com.cn/a/202411/17/WS67394a5ba310f1265a1cdd37.html>

¹³ Xi Jinping Attends the General Debate of the 76th Session of the United Nations General Assembly and Delivers an Important Speech_Ministry of Foreign Affairs of the People's Republic of China. (2021). Mfa.gov.cn. https://www.mfa.gov.cn/eng/zy/jj/GDI_140002/xw/202109/t20210923_9580033.html

¹⁴ Mearsheimer, J. (2001). The tragedy of great power politics. W.W. Norton & Company.

2022 by the executive government explicitly stated China as a revisionist power¹⁵¹⁶. It also criticizes how China's development did not lead to its integration to the "post-war international order", while taking advantage of it to facilitate its economic expansion. A renowned example will be the establishment of the Asian Infrastructure Investment Bank (AIIB), which has been criticized for its duplication of existing institutions, such as the Asian Development Bank (ADB) and the World Bank, but adheres to Chinese policies.

Nevertheless, scholars such as Alastair Iain Johnston have argued that China's foreign policies do not aim to challenge the existing international order. In his paper *Is China a Status Quo Power?*, he stated that although China is not a status quo state, its multilateral engagements do not provide sufficient evidence to classify it as a revisionist power¹⁷.

¹⁵ Weaver, J. (2018). The 2017 National Security Strategy of the United States. *Journal of Strategic Security*, 11(1), 62–71. <https://doi.org/10.5038/1944-0472.11.1.1655>

¹⁶ The White House. (2022). NATIONAL SECURITY STRATEGY. <https://bidenwhitehouse.archives.gov/wp-content/uploads/2022/10/Biden-Harris-Administrations-National-Security-Strategy-10.2022.pdf>

¹⁷ Johnston, A. I. (2003). Is China a Status Quo Power? *International Security*, 27(4), 5–56. <https://doi.org/10.1162/016228803321951081>

CHAPTER III: CHINA'S ENGAGEMENT WITH APEC AND THE INTENTIONS BEHIND

Since the importance and flexibility of APEC make it an ideal platform that offers both high influence and low risk for revisionist powers to propose an alternative global order that better suits their interests, this paper aims to examine China's actions and behavior within APEC. The goal is to understand the intention of China's leadership in APEC initiatives and active participation. It will assess China's APEC host year priorities, APEC projects proposed by China, and China's reaction towards APEC projects proposed by other member economies. The analysis will answer if China's efforts within APEC align with common goals of the majority of APEC members and are aimed at supporting existing international cooperation, or whether they are designed to reshape global economic norms—through advocating for state-led capitalism, promoting infrastructure-driven development, and challenging U.S. dominance in global finance.

China's host year policy priorities

The host economy is responsible for setting out annual themes and policy priorities that guide APEC's agenda for the year. The theme and priorities significantly influence deliverables of the year. They determine the discussion topic of each meeting, map out the framework of high-level declarations and statements, and also restrict the focus of APEC projects—especially those seeking APEC fundings. Since the establishment of APEC in 1989, China has taken on the role of the host economy twice, hosting the annual Leaders' Meeting, Ministerial Meetings, and Senior Official Meetings in 2001 and 2014.

Under the annual theme “Shaping the future through Asia-Pacific Partnership”, China, as the host of APEC 2014, mapped out three priorities of the year as “Advancing regional economic integration”, “Promoting innovative development, economic reform and growth”, and “Strengthening comprehensive connectivity and infrastructure

development.”¹⁸ Policy Priorities of APEC 2014 under China’s host year showcased a shift in APEC agenda compared to previous years.

Under the first priority, China reaffirmed the importance of regional economic integration, which has been a long-standing topic broadly discussed within APEC. Nevertheless, China specifically focused on the realization of the Free Trade Area of the Asia-Pacific (FTAAP). Its strong emphasis on FTAAP led to APEC leaders’ endorsement of the Beijing Roadmap for APEC’s Contribution to the Realization of the FTAAP. And although the free trade area has yet to materialize, China successfully framed it as one of APEC’s long-term goals. During that period, the United States had been proactively promoting the Trans-Pacific Partnership (TPP), which excluded China¹⁹. China portrayed FTAAP as a less demanding alternative to TPP, and thus gained support from developing APEC economies that were not part of the TPP. Serving as the host of APEC provided China with an opportunity to shape the regional trade agenda. Therefore, it leveraged the advancement of FTAAP as a counterbalance to the U.S.-led TPP, ensuring that itself plays a role in the future of regional economic integration.

Within APEC’s trade and investment discussions, liberalization has always been the main focus. However, with its second policy priority, China prioritized efforts on domestic and regional structural reform. China’s attempt to shift the spotlight can be explained through examination of its domestic focus. The Third Plenum of the 18th Communist Party of China (CPC) Central Committee was held in Beijing in the previous year, 2013, from November 9th to 12th. The Plenum introduced a reform plan to revitalize the national economy²⁰. The goal was to transform China from an export-and-investment-led economy into a consumption-and-innovation-led economy. China, undergoing large scale economic reform, sought to align APEC priorities with its domestic agenda. In contrast,

¹⁸ Brief introduction of APEC 2014. (2014). https://mddb.apec.org/Documents/2014/OFWG/AOMM-PREP/14_ofwg_aomm4_prep_002.pdf

¹⁹ Chow, D. (n.d.). How the United States Uses the Trans-Pacific Partnership to Contain China in International Trade | Chicago Journal of International Law. [Cjil.uchicago.edu](https://cjil.uchicago.edu). <https://cjil.uchicago.edu/print-archive/how-united-states-uses-trans-pacific-partnership-contain-china-international-trade>

²⁰ 中共中央关于全面深化改革若干重大问题的决定. (n.d.). www.gov.cn. https://www.gov.cn/jrzq/2013-11/15/content_2528179.htm

none of the host economies from the previous years, including Indonesia in 2013, Russia in 2012, and the United States in 2011, prioritized reform-related issues²¹.

Furthermore, the third policy priority—“Comprehensive connectivity and infrastructure development”—unsobtly echoes the spirit of China’s Belt and Road Initiative (BRI). In 2013, China announced its adoption of the Belt and Road Initiative which aims to diversify its supply chain by linking economies through defusing the infrastructure gap and by establishing people-to-people connections across the Asia Pacific, Africa and Central and Eastern Europe²². Although China applied more neutral and inclusive language to address its APEC policy priority, the shared focus between the priority and the BRI is evident. APEC 2014 highlighted infrastructure investment, supply chain connectivity, and policy coordination. Furthermore, APEC endorsed the first-ever APEC Connectivity Blueprint to achieve targets for better physical, institutional, and people-to-people linkages across the region by 2025. The connectivity-related agenda revolved around infrastructure-led development, aligning with BRI’s goal. China also sought to lead discussions on core elements of BRI, including new funding mechanisms such as the Asian Infrastructure Investment Bank (AIIB) and the Silk Road Fund. When hosting the annual Finance Ministers’ Meeting, China also steered the discussion toward infrastructure financing that highlights state-backed funding for large-scale projects²³.

To sum up, APEC discussions under China’s leadership marked a noticeable shift, reflecting China’s attempts to steer APEC agenda away from the existing economic order. China introduced elements that have seldom been emphasized, such as structural reform and infrastructure development, while omitting issue areas that had been prioritized by most APEC hosts such as sustainability. Sustainable issues have always been the most valued discussion area within APEC. In previous years, hosts including Indonesia in 2013, Russia in 2012, and the United States in 2011 all prioritized green and sustainable

²¹ APEC. (2019). History. APEC. <https://www.apec.org/About-Us/About-APEC/History>

²² 什么是一带一路. (2018). Yidaiyilu.gov.cn. <https://www.yidaiyilu.gov.cn/z/221226-1/index.shtml>

²³ 2014 APEC Finance Ministerial Meeting | APEC. (2025). APEC. https://www.apec.org/meeting-papers/sectoral-ministerial-meetings/finance/2014_finance

growth²⁴. Indonesia aimed to achieve inclusive and sustainable growth, Russia highlighted sustainable agriculture issues²⁵, and the U.S. emphasized on the importance of clean energy transition and promotion of environmental goods²⁶. Nevertheless, China did not prioritize related issues as its host year policy priorities.

APEC projects proposed by China

By analyzing APEC projects proposed by China and evaluating whether they align more closely with APEC's common priorities or China's national policy objectives, it can be assessed if China has the intention to alter the existing global economic model.

Besides fixed meetings—including regular committee meetings, Senior Official Meetings (SOMs), Ministerial Meetings, and the Leaders' Summit, which are hosted by the host economy or the chairs of individual committees—additional discussion sessions, events, studies, and task forces are primarily proposed through APEC projects.

An APEC project is initiated by the submission of a concept note by the proposing economy. The proposing economy identifies a lack of effort in achieving APEC goals or an opportunity to further implement them, hence prepares a concept note—which serves as a project proposal—on additional research, events, or organizational structural changes that should be carried out, and submits it to relevant APEC forums to seek approval. Once an APEC project is approved, the proposing economy serves as the Project Overseer (PO) to implement the project. The PO usually serves as the host of the events or the director of initiatives mentioned within the project. The economy therefore has the power to set the topic and agenda, and lead the discussion, but under APEC supervision.

There are two kinds of APEC projects according to the funding source—APEC-funded and self-funded projects—which go through different approval and monitoring processes.

²⁴ Indonesia's APEC Chairmanship of 2013: Key Priorities and Future Agenda. (n.d.). https://rsis.edu.sg/wp-content/uploads/2014/07/PR130401_Indonesia_APEC_Chairmanship_2013.pdf

²⁵ APEC 2012 Priorities (2012). https://mddb.apec.org/Documents/2012/EC/EC1/12_ec1_003.pdf

²⁶ APEC highlights priorities for 2011 | APEC. (2025). APEC. https://www.apec.org/press/news-releases/2010/1213_isom

Both require approval by the APEC forum the proposal was submitted to; however, only APEC-funded projects need to go through a selective scoring process to compete with fellow proposals seeking funding from APEC funds. Furthermore, once the proposal is approved, APEC-funded projects enjoy less flexibility in implementation, since they have to abide by more stringent APEC guidelines on budgeting, execution, and reporting. On the other hand, while required to follow general APEC guidelines and principles, the POs of self-funded projects have more autonomy in deciding on the ways and details of carrying out the events or initiatives mentioned in the project proposals.

While high-level policy goals are agreed upon within regular APEC meetings, APEC projects are the tool to translate these goals into actual actions. Furthermore, since APEC is a consensus-driven and voluntary-based forum, decisions made within the regular meetings usually come in the form of general directions for future work and seldom touch upon specific executive steps or micro-level details, leaving APEC project-proposing economies with plenty of room for framing of the topic, setting the agenda, and defining the implementation efforts required.

Successful APEC projects can create lasting effects on the APEC agenda, even in areas where high-level consensus is difficult to achieve. New Zealand's long-term efforts on the advocacy of Indigenous Peoples related topics through APEC projects serve as a great example. Since its first APEC host year, 1999, New Zealand has been proposing APEC projects related to the empowerment of Indigenous Peoples. For example, in 2020, New Zealand hosted an APEC policy dialogue on indigenous economies, and in 2019, hosted an APEC workshop on the agribusiness of indigenous communities—both implemented as self-funded APEC projects. These initiatives drew attention to the important role Indigenous Peoples can play in economy and trade and gained momentum for stronger support to include these issues into APEC's agenda. In 2021, New Zealand gained support from Australia, Canada, and Chinese Taipei, and together they co-founded the Indigenous Peoples Economic and Trade Cooperation Arrangement (IPETCA). Since then, IPETCA members have been promoting Indigenous People related topics within and beyond APEC. Finally, in 2023, IPETCA gained support from the host economy—the United States—

and recognition from fellow APEC members, leading to the first-ever APEC Trade Minister meeting with Indigenous representatives from the region.

In short, APEC projects serve as the primary source of policy instruments within APEC to frame discussions and set future work directions. And since the proposing economy has the power to lead APEC discussions and works through APEC projects—especially self-funded projects, it can also be utilized as a tool to indirectly reshape global trade, investment rules, cooperation modes, and the economic order, and ultimately promote alternative economic models.

In China's latest Five-Year Plan for Economic and Social Development (2021-2025), 'Digital Economy' is highlighted as a key national strategy²⁷. China prioritizes digital economy growth and promotes the establishment of the 'Digital Silk Road' as an extension of the Belt and Road Initiative²⁸. In contrast to the global digital ecosystem, which encourages market-driven and multi-stakeholder approaches toward digital development and emphasizes privacy, decentralization, and security of the digital economy, China favors state-driven approach and centralized data governance.

Examining China's APEC projects that are related to digital economy development and implementation since 2021, we can see traces of China incorporating its domestic digital governance ideas into its APEC projects.

Firstly, China has significant influence in setting 5G related standards due to its early development of 5G technology. Unlike most countries, China's 5G development is led by the government and primarily focuses on infrastructure. Within APEC, China has been proactively leading discussions on 5G technology. China's aim is to maintain a dominant influence upon this topic. In a project proposed by China in 2024, titled "Accelerating the

²⁷ Xinhua News Agency. (2021, March 13). 中华人民共和国国民经济和社会发展第十四个五年规划和2035年远景目标纲要_滚动新闻_中国政府网. www.gov.cn. https://www.gov.cn/xinwen/2021-03/13/content_5592681.htm

²⁸ 中亚区域加快信息合作 打造“数字丝绸之路.” (2025). www.gov.cn. https://www.gov.cn/jrzq/2013-09/02/content_2479792.htm

Development of 5G Use Cases to Support the Growth of the Digital Economy in the APEC Region”, one of the three key discussion points is “the 5G ecosystem”, where China suggested discussion regarding the role of policymakers in the development process. In another project proposed in 2023, titled “New and Emerging Digital Technologies to Promote a Secure and Trusted ICT Environment”, China highlighted the role of 5G technology in digital security.

Furthermore, in favor of a centralized approach to data management and governance, China has been proposing related APEC projects that utilize this approach to address contemporary issues. In a project proposed in 2023, titled “FTAAP Work Program: Digital identity system for entities”, China introduces its practice of establishing a digital identity system. This system enhances state control over data, which contrasts with decentralized digital identity frameworks that uphold privacy and security. China showcases its experience in leveraging digital technology to cope with COVID-19 pandemic through centralized data collection in another project proposed in 2021, titled “APEC Webinar on Sharing and Analyzing Good Practices and Standards of Digital Technology Tackling Pandemic”. China’s sweeping surveillance system used to contain COVID-19 has been criticized as a tool for the government’s social control, which also revealed its state-centric approach to data governance.

Lastly, China’s data and digital technology-related projects are mostly self-funded, instead of seeking APEC fundings, to benefit from simplified approval processes, less oversight, and greater autonomy. To sum up, China’s active contribution to the above-mentioned projects aligns closely with its determination to expand its Digital Silk Road. Moreover, it is observed that China is leveraging APEC to position itself as the regional leader in digital development. The ultimate goal is to present APEC projects that seem to be neutral and cooperative, while subtly advancing a state-centric digital economy as an alternative to market-driven models.

Digital Economy Development Related China APEC Projects in Recent Five Years (2021-2024)			
Year	Title	Funding Source	Project Database URL
2024	Accelerating the Development of 5G Use Cases to Support the Growth of the Digital Economy in the APEC Region	Self-funded	https://aimp2.apec.org/sites/PDB/Lists/Proposals/DispForm.aspx?ID=3653
2023	New and Emerging Digital Technologies to Promote a Secure and Trusted ICT Environment	Self-funded	https://aimp2.apec.org/sites/PDB/Lists/Proposals/DispForm.aspx?ID=3328
2023	Fostering Rural Development Empowered by Digital Technologies for Inclusive Growth	Self-funded	https://aimp2.apec.org/sites/PDB/Lists/Proposals/DispForm.aspx?ID=3327
2023	Workshop on Sharing Cybersecurity Practices in the Digital Economy	Self-funded	https://aimp2.apec.org/sites/PDB/Supporting%20Docs/Forms/Supporting%20Docs.aspx?RootFolder=%2Fsites%2FPDB%2FSupporting%20Docs%2F5171&ProjectID=5171

2023	FTAAP Work Program: Digital identity system for entities	APEC Support Fund	https://aimp2.apec.org/sites/PDB/Lists/Proposals/DispForm.aspx?ID=3437
2022	Strengthen Customs Smart Control and Services to Improve the Development of Free Trade Ports/Free Zones (FTPs/FZs)	Self-funded	https://aimp2.apec.org/sites/PDB/Lists/Proposals/DispForm.aspx?ID=3150
2022	Sustainable Cities and Communities: Case Study and Promotion for International Standards on Public Health Emergency Response in Smart City Operation Models	Self-funded	https://aimp2.apec.org/sites/PDB/Lists/Proposals/DispForm.aspx?ID=3078
2021	APEC Public-Private Dialogue on Challenges, Opportunities, and Digitally-Enabled Recovery in the Post-COVID Era	APEC Support Fund	https://aimp2.apec.org/sites/PDB/Lists/Proposals/DispForm.aspx?ID=2993
2021	APEC Webinar on Sharing and Analysing Good Practices and Standards of Digital Technology Tackling Pandemic	APEC Support Fund	https://aimp2.apec.org/sites/PDB/Lists/Proposals/DispForm.aspx?ID=3087
<i>Data Source: APEC Project Database (https://aimp2.apec.org/sites/PDB/default.aspx)</i>			

China's proposal and co-sponsorship of APEC projects

Within APEC, the highest-level goals are proposed through the annual APEC Economic Leaders' Meeting and APEC Ministerial Meeting—attended by foreign affairs and trade

ministers of all members. Sectoral Ministerial meetings are also held irregularly to form consensus on long-term visions. Apart from these high-level meetings, APEC operate on four main functional and technical committees—Committee on Trade and Investment (CTI), Economic Committee (EC), SOM Steering Committee on ECOTECH (SCE), Budget and Management Committee (BMC)—and working groups, task forces, or sub-foras subordinate to these four committees. APEC projects are generated through the three main functional forums—CTI, EC, and SCE—and their subordinate bodies, and operated by the members as well as the APEC Secretariat. While the main committees discuss broader policy issues and generate APEC projects that involve higher-level policy making, the working groups, task forces, and sub-foras focus on implementing technical cooperation projects. CTI facilitates discussion on trades and investment issues; EC focuses on structural reform and domestic economic policy advancement; SCE aims to promote economic and technical cooperation among member economies; and BMC serves as the budget and policy administrative forum which is also in charge of the approval of budgets for APEC projects. Each APEC project has to be circulated within the forum to which it was proposed, in order to gain approval from all APEC members. In addition to the proposing economy, APEC projects also allow other members to serve as co-sponsoring economies. These co-sponsoring economies commit to providing technical and financial assistance to the proposing economy in implementing the projects. Proposing economies may reach out to other members to seek co-sponsorship; otherwise, during the circulation period, members can also register as co-sponsoring economies to demonstrate their support.

Through analyzing China's behavior toward other member's APEC projects within the three main functional committees—CTI, EC, and SCE—since 2021, it is observed that only 23.21% percent of the projects proposed by Global North APEC member economies (Australia; Canada; Japan; Republic of Korea; New Zealand; Singapore; Chinese Taipei; United States of America) is co-sponsored by China, while it co-sponsors more than half—54.44%—of the projects proposed by Global South APEC member economies (Brunei Darussalam; Chile; People's Republic of China; Hong Kong, China; Indonesia; Malaysia; Mexico; Papua New Guinea; Peru; The Philippines; The Russian Federation; Thailand; Viet Nam. While the Global North represents countries in advocacy of the

current global economy order, the above-mentioned phenomenon illustrates how China is soft-balancing Western-led, specifically U.S.-led agendas and economic development efforts. It can be further argued that China is promoting South-South cooperation through APEC, which is in alignment with its leadership of the BRICS group, the launch of the Belt and Road Initiative, and the establishment of the Forum on China-Africa Cooperation (FOCAC) and the China-Community of Latin American and Caribbean States (CELAC) Forum.

APEC CTI, EC, SCE Projects in Recent 5 years (2021-2024)			
Region	Total Projects	Cosponsored by China	Cosponsored by China (%)
Global North	56	13	23.21%
Global South	33	18	54.55%
<i>Data Source: APEC Project Database (https://aimp2.apec.org/sites/PDB/default.aspx)</i>			

By analyzing numbers of China's proposal and co-sponsorship within different APEC forums, a pattern of its selective participation is observed. Looking at the three main functional committees—CTI, EC, and SCE—most APEC members refrain from proposing directly through SCE but remain active in proposing through CTI and EC. Since 2021, 67 projects were proposed in CTI, 31 in EC, and only 3 in SCE from APEC members. This is mainly due to the fact that while SCE's mandate is to promote economic and technical cooperation among member economies, it has an abundant amount of sub-foras—namely 14 sub-foras—which specializes in different areas and demonstrates expertise within these fields, covering almost all aspects of possible cooperation. Therefore, APEC economies usually propose projects regarding technical cooperation in these sub-foras rather than through SCE itself. SCE, in turn, serves the purpose of overwatching APEC projects carried out and operated in its sub-foras.

Within all 3 projects proposed in SCE, 2 were proposed by China. China's engagement is also high in CTI, with 56.72% of projects having China as the proposing member or a co-sponsoring economy. However, China is only involved with (proposing or co-

sponsoring) 9.68% of EC projects. China’s lower intention to participate in EC can be explained by the economic principles EC promotes. EC focuses on structural reform and domestic economic policy advancement, and advocates on “open, transparent, and competitive markets”²⁹. In contrast, China prioritizes state-led economic development and the role of SOEs within the market. In order to dodge policy reform pressure towards market-oriented economy and regulatory transparency—which aligns with the principle of the liberal economic order, China deliberately lowers its EC engagement and contribution.

China’s preference to propose APEC projects through SCE further reflected its tendency towards promoting centralized state-led development and its intention to reshape APEC agenda. For example, China proposed two projects, “Digital Technologies for Inclusive and Sustainable Growth in Asia-Pacific” and “APEC Symposium on Sustainable Cities Development to Promote Inclusive and Sustainable Growth in Asia-Pacific”, through SCE in 2023. Instead of delegating proposals to relevant sector-specific sub-foras, such as Policy Partnership on Science, Technology and Innovation (PPSTI) and Telecommunications and Information Working Group (TELWG), China favors generating higher-level projects to ensure central oversight and alignment with domestic priorities. Furthermore, implementing APEC projects directly in SCE enables China to lead higher level and more influential discussions to have more impact on APEC’s overarching agenda, rather than facilitating technical cooperation at a lower level to put APEC’s goals into practice.

APEC Projects Proposed through CTI, EC, SCE in Recent Five Years (2021-2024)						
Sponsoring Forum	China Proposed	China Cosponsored	Total Projects	Cosponsored by China (%)	Proposed by China (%)	China Involved (%)

²⁹ Economic Committee | APEC. (2025). APEC. <https://www.apec.org/groups/economic-committee>

Committee on Trade and Investment (CTI)	8	30	67	44.78	11.94	56.72
Economic Committee (EC)	2	1	31	3.23	6.45	9.68
SOM Steering Committee on ECOTECH (SCE)	2	0	3	0	66.67	66.67
<i>Data Source: APEC Project Database (https://aimp2.apec.org/sites/PDB/default.aspx)</i>						

Analyzing U.S.-led projects within CTI, EC, and SCE, China demonstrates a strategic co-sponsorship pattern. Since 2021, U.S. has proposed 17 APEC projects through these foras, and among these projects, 4 were co-sponsored by China. The percentage of projects being co-sponsored by China is 23.5%, consistent with the ratio China co-sponsors projects led by Global North APEC members. However, when expanding the timeline from recent 5 years to 10 years, it is shown that since 2016, U.S. proposed 41 projects, with only 6 co-sponsored by China, indicating a lower co-sponsorship rate from China of 14.6%. It suggests that China's support towards U.S.-led projects experienced a rise in recent years. However, examining the 4 U.S.-proposed projects China co-sponsored since 2021 [Digital Trade Policy Dialogue 2024; Workshop on Implementing the APEC Pathfinder on Building Blocks for Facilitating Digital Trade; Trade Policy Dialogues on Digital Trade; Facilitating Access to Open Government Data Workshop (based on APEC Study: Policies and Regulatory Frameworks on Modern Digital Economy Issues – Open Government Data)], it reveals that all the projects China co-sponsored focus on digital trade and economy. Through co-sponsoring the digital economy related U.S. APEC projects, China has more leverage and discourse power in shaping the agenda and influencing the discussions from within. This further suggests that instead of demonstrating stronger support of the APEC agenda promoted by the U.S., China's true

intention may be aligned with its goal to leverage APEC to position itself as the regional leader in digital development.

CHAPTER IV: CONCLUSION-CHINA'S ACTIONS WITHIN APEC AND THEIR BROADER IMPLICATIONS FOR THE GLOBAL ECONOMIC ORDER

The most intuitive way to examine the participation goals and focus of an APEC economy is by looking at its host year priorities. During China's last host year in 2014, APEC agenda shifted under China's leadership. The most significant change was how structural reform and infrastructure development issues had been incorporated into the high-level discussions.

Apart from shaping and leading APEC operations as the host year economy, APEC projects serve as the primary source of policy instruments within APEC to frame discussions and set future work directions. This paper has identified several behavioral patterns of China in regard to this. First, China's APEC projects tend to align more closely with its national policy objectives rather than APEC's common priorities. In China's national focus area, digital development, China has been presenting APEC projects that subtly advance a state-centric digital economy as an alternative to market-driven models. Secondly, China generally supports APEC projects proposed by Global South countries while demonstrating low level of co-sponsorship toward those proposed by Global North APEC member economies. Thirdly, China is less involved with projects proposed within forums that promote policy reforms toward market-oriented economy and regulatory transparency. Fourth, China prefers to propose its project to higher-level forums, even when it's regarding cooperation issues that are more suitable to be addressed in technical sub-foras, reflecting its ambition for state-led development. Lastly, China reacted strategically toward U.S.-led APEC projects. It has shown low support toward U.S.-proposed projects except for those related to digital economy, indicating its intention to leverage APEC to position itself as the regional leader in digital development.

While scholarly debate whether China's high engagement is aimed to strengthen cooperation with other countries, its actions within APEC clearly says otherwise. Its strategic and selective engagement reflected a more ambitious design involving reshaping global economic norms. In short, it can be observed that China's actions within APEC

have been dedicated to steering discussion and cooperation away from APEC's usual agenda, and to insert values that China and/ or the Global South countries have been promoting. Its broader implication is how China utilizes multilateral platforms, such as APEC, to cultivate an alternate global economic model from the existing one dominated by the U.S. and Global North countries.

In 2026, China is set to serve as the host economy of APEC meetings once again. As mentioned above, APEC is a consensus-based forum, therefore, it has been agreed by all members, including the U.S., for China to play host. Under the current climate of tensions and competition between allies of China and the U.S., for the U.S. to agree to China being the host signals its intention to gradually withdraw oneself from multilateral settings. Furthermore, the recent nationalist approach of the U.S. government created a vacuum of power and hegemony. It can be expected that with the U.S. engaging less and stepping down from its leading role, China will have more space to shape an alternate agenda for APEC, and is more likely to take bolder actions to shift global economic norms next year as the APEC host.

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