Work by: Viktoria Liehmann
Title: China tries within the current international framework dominated by the US to gain more power in the IMF.

Evaluation by: Jana Sehnálková

1. CONTENT AND GOAL OF THE THESIS:
   In her thesis, Viktoria Liehmann analyzes the “challenge China poses to the US dominated IMF”. Her hypothesis is the following: China tries to gain more power within the existing global financial system (p. 2).

2. FACTUAL CONTENT (difficulty, creative approach, argumentation, logical structure, theoretical and methodological approach, work with resources, addenda etc.):
   The author selected an interesting topic. The rise of China and the impact it will have on the system of international relations has been receiving a lot of attention and there are ongoing debates in academia as well as among policy makers, whether China will be a cooperative or challenging power. By selecting the IMF, the author aims to present a case study of how China is trying to build its influence in this international organization. She argues that the IMF does not so far reflect changes in global economy, such as the economic rise of China, and therefore must implement reforms, otherwise it risks losing its legitimacy. In this respect, the author examines Beijing´s goals, i.e. building more influence that would reflect the size and importance of China´s economy, and the tools Beijing implements to build more influence in the IMF. The author pays particular attention to China´s attempt to coordinate with friendly countries, most importantly Brazil, India, Russia and South Africa (referred to as the BRICS in the paper), which share the same goal, i.e. increasing their influence.
   The thesis is divided into four major chapters. The first chapter introduces the research question. The second chapter then introduces the context, such as China´s approach towards international organizations during its modern history, the history of IMF etc. In the third chapter, the author then analyzes the pressure for IMF reforms from China´s side. In the subchapters to Chapter Three, she proceeds chronologically, i.e. analyzes the negotiations of reforms before 2008, between 2008-2010, post-2010, and most recent push for reforms in 2015 and describes the problems with their implementation. In the fourth chapter (Conclusion), the author summarizes her findings on p. 47: “The analysis of the last decade in the IMF therefore shows that China does not challenge the international system...,” however, “if the IMF doesn´t regain control of its legitimacy problem, Chinese dominated institutions will continue to take more responsibilities and might eventually undermine US supremacy.”

There are a number of problems with the thesis:
- The author could have put more thought into the title to make it more attractive. As of now, the title is identical to the thesis statement.
- The author does not define the basic terms. For example, nowhere in the thesis can be found a brief explanation of what BRICS actually stands for (except the list of
abbreviations). Also, the author often writes of BRICS as a separate entity from China, although China is a part of it (e.g. on p. 44: “The tone and words used by the BRICS are similar to those used by China.”) In other cases, she writes of BRICS as an entity, which includes China. Also, while correctly pointing out that China uses friendly countries to promote its goals in the international arena, the BRICS, selected by the author for a case study, are used only in some referral cases, as China positions itself to speak on behalf of what the author refers to as the developing countries, emerging economies, poor countries, low-income countries or under-represented countries. Here, it is not clear what all of these terms refer to.

- The author only briefly touches the current academic discussion on the rise of China and its consequences for the international order. In my opinion, the chapter on the theoretical framework should include a more detailed discussion of the options for China’s rise that experts are considering. In her text, the author mentions two possible scenarios: China as a spoiler or supporter in the current international system. However, third option should be considered – China can also be a shirker, i.e. China may refuse to take on some responsibilities, it may try to bend the established rules to its own advantage, but ultimately, it will not, for the time being, challenge the established powers. This is after all, according to the author’s conclusions, exactly the approach Beijing has so far adopted.

- While the chapter titles (esp. in Chapter 3) allude to chronological analysis of China’s approach to IMF, the author oftentimes does not respect the time line. In the text, she jumps from one year to another, going forward and backward, which makes the text difficult to follow. An example of this can be found e.g. on p. 11 where the author describes events in 2001 and then returns to Deng Xiaoping or on p. 19 where a paragraph starts in 2007-2009, then goes to Mexican crisis (1994?) into the Asian Crisis in 1997 etc.

- The development of many paragraphs is confusing. In many cases, the first sentence of a paragraph introduces a topic while in the middle of the paragraph, the topic changes to something completely different and unrelated. A typical example would be e.g. on p. 35-36:

  “Reforms of 2008 were agreed on and backed by US Congress and the President. Beginning in 2008 and in the years following the financial crisis China’s relationship with the IMF intensified and it took over more responsibility. Apart from that it also helped to solved immediate problems. Using the bargaining power of the BRICS China pushed for further reforms which were agreed on in the IMF in 2010 but are still not in effect. Beginning with the reforms of 2010 a dispute between the President and the U.S. Congress emerged. As it turns out the US is using its veto power.”

Based on the first sentence of this paragraph, I would expect this paragraph to elaborate on US Congress and US President’s approach to reforms. However, it is not the case.

- It seems that in some cases, particularly in Chapter 3, the author simply lines up declaratory statements by different parties, as evidenced by the footnotes. The author in most cases paraphrases them, but does not support them by further data. Firstly, this makes it difficult to distinguish if such statements represent a citation or
author’s comment. E.g. on p. 39, that author writes: “The IMF should develop options to move ahead with the IMF reforms.” Is this a statement by the Chinese or comment by the author? On p. 40, the thesis says that “China’s goal is a fairer world, not challenging any specific power”. Again, is this a summary of statement by a Chinese politician or is this author’s argument? On p. 41, the author states that the establishment of New Development Bank has consequences: “The BRICS now will challenge US and Western supremacy and the institutions established by them.” Again, is this a paraphrase of William I. Robinson's article, mentioned in a footnote? Is this a direct quote, without being marked as direct quote? Is this the author’s opinion, drawing on the work of William I. Robinson? It would make more sense, if the sentence was written e.g. as: “According to Robinson, the BRICS now will challenge US and Western supremacy…” And there are many more cases of such unclear formulations. Secondly, lining up different statements illustrating the push for IMF reform makes the chapter rather descriptive.

- The author sometimes resorts to generalizations, e.g. on p. 35, the author draws on one article in The Economist to conclude that “the media supports reforms.”
- Some of the technicalities related to the IMF functioning would merit graphic depiction. It would be much easier for a reader to understand some of the IMF’s mechanisms and reform proposals, if graphs and diagrams of the drawing rights changes, quota changes etc. were included.

3. LANGUAGE AND FORMAL REQUIREMENTS (language, citations and footnotes, graphics, etc.):

The level of English in the thesis is good, however, the text contains a number of typos, problems with punctuation and grammar mistakes (e.g. in sequence of tenses). The text would also merit some redacting work in order to avoid repeating things already mentioned (e.g. on p. 23, the author discusses the establishment of the New Development Bank and returns to the same topic on p. 36). Similarly on p. 34, the author speaks about the need to select management through an “open, transparent and merit-based system.” The same is repeated on p. 35. Some passages would need more clarification: e.g. on p. 21, the author says “the BRICS don’t have an agenda for an alternative system” without explaining what she means by the “alternative system”. On p. 22, the thesis says that “more responsibility may harm Chinese economy or lead to instability” – again without further explanation, on p. 23, the author writes about “influence established countries are able to exert those formerly on the peripheral” – it is not clear what is meant here. On p. 33, reforms are “needed to discharge the mandate” – again, it is not clear what the author means. On p. 32, the author mentions a Memorandum of Understanding between China and IMF. However, she does not further elaborate what the MoU was about.

The author is using a plethora of sources, which are listed in bibliography. Footnotes follow the norm. Literature overview in the introduction is not annotated.

4. SHORT OVERVIEW/COMMENTARY/EVALUATION:

In general, the author selected an interesting topic to study. The author describes the attempts by China to increase its role at the IMF, a role which would rightly reflect China’s growing economic strength. So far, major reforms of the IMF have not been implemented, at least not in the direction envisioned by China. Growing frustration on
China’s part led to search for alternative courses, described by the author, such as the establishment of NDB or AIIB. The thesis is not easy to read due to the organization of the text, due to the writing style, which is complicated to follow. The author often refers to phenomena that are not further explained and most importantly, has problems developing well-organized and logical paragraphs. Still, the author answers her basic questions and illustrates what tools and methods is China using in order to increase her role in the IMF.

5. SUGGESTED QUESTIONS FOR ORAL DEFENSE:
   - What is President Obama’s position on IMF reforms? What are the reasons for U.S. Congress objections?
   - Has the Pivot to Asia influenced Obama’s approach to IMF reform?
   - In your thesis, you approach BRICS as a united bloc. However, are they really all behind China’s effort at IMF reform or are there differences? Do they have different agendas?

6. RECOMMENDATION FOR DEFENSE/GRADE
   Despite the reservations above, I recommend the thesis for defense. I propose grade good.

DATE: June 15, 2015 SIGNATURE: Jana Sehnálková