



Legitimation Dynamics of Emerging Power-Led Global Governance Institutions: The Case of the Asian Infrastructure Investment Bank

Sinan Chu^{†,*}  and Heike Holbig[‡] 

[†] Research Fellow, German Institute for Global and Area Studies (GIGA), Hamburg, Germany

[‡] Professor, Institute of Political Science, Faculty of Social Sciences, Goethe University Frankfurt am Main, Hesse, Germany

*Corresponding author. Email: sinan.chu@giga-hamburg.de

Abstract

This study examines how global governance institutions (GGIs) led by emerging powers cope with legitimacy challenges under contemporary multipolarity. We contend that multiple, inconsistent, if not conflicting, beliefs and normative expectations are relevant in the legitimation dynamics of emerging power-led GGIs. To account for the diverse positionalities and perspectives of their legitimacy audiences, we offer a tripartite framework based on David Beetham's conceptualization of legitimacy, distinguishing dimensions of legality, normative justifiability, and recognition. Empirically, we present an in-depth, qualitative case study of the Asian Infrastructure Investment Bank (AIIB). Specifically, we ask to what extent the legitimacy challenges faced by the AIIB reflect the conditions of contemporary multipolarity, and how effectively the AIIB has coped with those challenges thus far. Our data include an original dataset of global elite media coverage of the AIIB and 26 expert interviews, supplemented by official documents and communications from the AIIB, various national governments, and other International Organizations from 2014 to 2022. We find that the AIIB has so far been successful in securing its legitimacy despite challenges during its founding and initial operations. Its success can be attributed to its adept responses to the challenges and opportunities presented by the current multipolar environment. Yet, the bank's legitimacy hinges upon its recognized authority as a truly international institution operating in the region's common interest. Whenever these normative claims are challenged—a likely scenario under multipolarity—a downward spiral of delegitimation cannot be ruled out.

Introduction

The legitimacy of global governance institutions (GGIs) has become an essential field of inquiry for International Relations (IR) scholars in recent decades.¹ Among the manifold

¹ Magdalena Bexell et al., eds., *Legitimation and Delegitimation in Global Governance: Practices, Justifications, and Audiences* (Oxford, New York: Oxford University Press, 2022); Sarah von Billerbeck, "Talk from the Top: Leadership and Self-Legitimation in International Organizations," *International Studies Review*, Vol. 24, No. 3 (2022), [viac022](https://doi.org/10.1093/isr/diab022); Allen Buchanan and Robert O. Keohane, "The Legitimacy of Global Governance Institutions," *Ethics & International Affairs*, Vol. 20, No. 04 (2006), pp. 405–37; Lisa Dellmuth et al., *Citizens, Elites, and the Legitimacy of Global Governance* (Oxford, New York: Oxford University Press, 2022); Thomas

entities of the global governance architecture, GGIs led by emerging powers have received particular scrutiny due to their perceived potential to challenge existing institutions and normative orders.² This study contributes to the discussion by unpacking and analyzing the legitimation dynamics of emerging power-led GGIs under multipolarity. Over the past two decades, several states emerged from the periphery and became critical actors in world politics.³ Postcolonial, post-imperial, post-socialist, competitive, or traditional authoritarian—their diverse profiles compel us to understand the contemporary multipolarity not only in terms of a less centralized power distribution but also to consider the diverse beliefs and normative expectations rooted in the historically and socially shaped interests and identities of those powers⁴ in the legitimation dynamics of GGIs that they are leading.⁵

Specifically, this study asks: to what extent do legitimacy challenges for emerging power-led GGIs reflect the condition of multipolarity, and how successful have the GGIs been in coping with them? Relatively few studies address the complex legitimation dynamics of GGIs under multipolarity, particularly the diverse positionalities and perspectives of their legitimacy audiences.⁶ Following recent calls for small-N, multi-method, and in-depth case studies of the legitimation dynamics of international organizations (IOs),⁷ we approach the above question with a case study of the Asian Infrastructure Investment Bank (AIIB), a multilateral development bank (MDB) proposed by the People's Republic of China in 2013 and operational since 2016. Our analysis draws upon an original dataset consisting of national elite newspaper coverage of the AIIB in 16 countries—sampled from both the Global South and North, and from both member- and nonmember-states of the bank—supplemented by 26 expert interviews in China, Europe, and the USA, as well as official communications of the AIIB, national governments, and other IOs between 2014 and 2022. Findings from our qualitative analysis indicate that the new, China-led MDB has largely secured its legitimacy through its responses to the challenges and opportunities that reflect the current multipolarity during its founding and initial operational period.

The discussion below unfolds in four steps. We first justify our focus on legitimation dynamics through a critical review of the conceptual debate, followed by a survey of recent

Sommerer et al., *Global Legitimacy Crises: Decline and Revival in Multilateral Governance* (Oxford: Oxford University Press, 2022); Jens Steffek, "The Legitimation of International Governance: A Discourse Approach," *European Journal of International Relations*, Vol. 9, No. 2 (2003), pp. 249–75; Jens Steffek, "Triangulating the Legitimacy of International Organizations: Beliefs, Discourses, and Actions," *International Studies Review*, Vol. 25, No. 4 (2023), viad054; Jonas Tallberg et al., eds., *Legitimacy in Global Governance: Sources, Processes, and Consequences* (Oxford, New York: Oxford University Press, 2018); Michael Zürn, "Global Governance and Legitimacy Problems," *Government and Opposition*, Vol. 39, No. 2 (2004), pp. 260–87.

² Shahr Hameiri and Lee Jones, "China Challenges Global Governance? Chinese International Development Finance and the AIIB," *International Affairs*, Vol. 94, No. 3 (2018), pp. 573–93; Eric Helleiner and Hongying Wang, "Limits to the BRICS' Challenge: Credit Rating Reform and Institutional Innovation in Global Finance," *Review of International Political Economy*, Vol. 25, No. 5 (2018), pp. 573–95.

³ Andrew F. Cooper and Daniel Flesmes, "Foreign Policy Strategies of Emerging Powers in a Multipolar World: An Introductory Review," *Third World Quarterly*, Vol. 34, No. 6 (2013), pp. 943–62.

⁴ Zaki Laïdi, "Towards a Post-Hegemonic World: The Multipolar Threat to the Multilateral Order," *International Politics*, Vol. 51, No. 3 (2014), pp. 350–65.

⁵ Michael Zürn and Matthew Stephen, "The View of Old and New Powers on the Legitimacy of International Institutions," *Politics*, Vol. 30, No. 1_suppl (2010), pp. 91–101.

⁶ See, for example, Bas Hooijmaaijers, "Understanding Success and Failure in Establishing New Multilateral Development Banks: The SCO Development Bank, the NDB, and the AIIB," *Asian Perspective*, Vol. 45, No. 2 (2021), pp. 445–67; Ayse Kaya and Matthew Salah, "When Do Established Powers Support Rising Powers' Multilateral Institutions? The Case of the Asian Development Bank," *Chinese Journal of International Politics*, Vol. 15, No. 1 (2022), pp. 1–26; Anders Uhlin, "Legitimacy Struggles in Global Governance: Legitimation and Delegitimation of the Asian Infrastructure Investment Bank," *SAGE Open*, Vol. 9, No. 3 (2019); Hai Yang, "Rhetorical Coercion, Institutional Legitimacy and the Creation of the Asian Infrastructure Investment Bank," *Global Policy*, Vol. 14, No. 5 (2023), pp. 730–41; Hai Yang and Stephan Keukeleire, "Rhetorical Legitimation of the Asian Infrastructure Investment Bank: Evidence from Chinese State Media," *Journal of Contemporary China*, Vol. 28, No. 120 (2019), pp. 932–47; Hai Yang and Baldwin Van Gorp, "Framing the Asian Infrastructure Investment Bank: A Qualitative Analysis of the Political Debate and Media Coverage on a China-Led Multilateral Institution," *The Pacific Review*, Vol. 32, No. 4 (2018), pp. 603–34.

⁷ Steffek, "Triangulating the Legitimacy of International Organizations".

studies on the legitimacy of GGIs in general and the AIIB specifically. We then present our analytical framework for examining the legitimation dynamics of emerging power-led GGIs under multipolarity, drawing on the work of David Beetham. After discussing our empirical strategy, we present the results from the case study according to the conceptual categories delineated earlier: legality, normative justifiability, and recognition. Finally, we summarize our findings, relate them to global governance under multipolarity more generally, and identify potential venues for future research.

Multipolarity, Legitimacy, and Emerging Power-Led Global Governance Institutions

Investigating Legitimation Dynamics

Existing studies on the legitimacy of GGIs typically gravitate toward one of two lines of inquiry: evaluating a given GGI's empirical legitimacy status, understood as its perceived quality, or exploring the patterns and processes of its (de)legitimation, understood as the process leading to that perception.⁸ While these two are undoubtedly interrelated, they remain conceptually distinct. Research attempting to assess the legitimacy status tends to infer this quality by measuring the support or contestation from the relevant audience. Dellmuth et al.,⁹ for instance, employ questionnaire-based surveys to assess individuals' legitimacy beliefs, which yield quantifiable measurements of the legitimacy status of a GGI that are comparable across different cases and temporal contexts. However, such an approach captures only a single dimension of GGIs' legitimacy, i.e. the audience's perceptions. In some instances, the data represent merely a proxy for legitimacy beliefs, as the survey questions often employ conceptual constructs such as trust, confidence, and perceived utility.¹⁰ Moreover, surveys do not effectively investigate legitimation processes, although they do serve as a source of information contributing to the dynamics of legitimation.

In contrast, research focusing on the patterns and processes of (de)legitimation tends to focus on the political communications regarding a given GGI, usually by analyzing the arguments employed by different actors to validate or invalidate the former. For example, Schmidtke quantitatively analyzed elite (de)legitimation of the European Union (EU), the Group of Eight (G8), and the United Nations (UN) based on a dataset of over 6600 legitimacy evaluations extracted from the quality newspapers of four countries.¹¹ In contrast, Ecker-Ehrhardt examined the self-legitimation of 48 IOs based on their public communications.¹² More recently, Dingwerth et al. measured the democratic legitimation narratives of 20 IOs using over 25,000 coded paragraphs from the annual reports of those organizations. Lenz and Schmidtke further explored the extent to which the normative diversity of IOs' self-legitimation discourse is correlated with their peers, audiences, and agents, based on more than 32,000 coded paragraphs from the annual reports and communiqués of 28 regional IOs.¹³ However, political communication data have also been used to evaluate legitimacy status. Bes et al., for example, assess the legitimacy of 21 GGIs by quantitatively analyzing the newswire data that report elite critique and mass protests

⁸ Steffek, "Triangulating the Legitimacy of International Organizations," p. 3.

⁹ Dellmuth et al., *Citizens, Elites, and the Legitimacy of Global Governance*.

¹⁰ Lisa Maria Dellmuth, Jan Aart Scholte, and Jonas Tallberg, "Institutional Sources of Legitimacy for International Organisations: Beyond Procedure versus Performance," *Review of International Studies*, Vol. 45, No. 4 (2019), pp. 636–8; Dellmuth et al., *Citizens, Elites, and the Legitimacy of Global Governance*, pp. 28–9.

¹¹ Henning Schmidtke, "Elite Legitimation and Delegitimation of International Organizations in the Media: Patterns and Explanations," *Review of International Organizations*, Vol. 14, No. 4 (2019), pp. 633–59.

¹² Matthias Ecker-Ehrhardt, "Self-legitimation in the Face of Politicization: Why International Organizations Centralized Public Communication," *Review of International Organizations*, Vol. 13, No. 4 (2018), pp. 519–46.

¹³ Tobias Lenz and Henning Schmidtke, "Agents, Audiences and Peers: Why International Organizations Diversify Their Legitimation Discourse," *International Affairs*, Vol. 99, No. 3 (2023), pp. 921–40.

against those GGIs.¹⁴ Chu et al., on the other hand, conducted a qualitative content analysis of over 3500 news articles from a dozen countries to examine the legitimacy performance of the World Trade Organization (WTO) and the Group of Twenty (G20).¹⁵ Compared with surveys, analyzing political communication proves more proficient in capturing the nuances of legitimation through elucidating the normative arguments used to bolster or undermine a GGI's legitimacy, and consequently, shedding light on the normative aspects of legitimacy.

Ultimately, both legitimacy status and the patterns and processes of (de)legitimation are part of the broader picture of the legitimation dynamics, which should explain not only to what extent one is perceived as legitimate but also, and equally importantly, how one is received by others and reacts to those receptions by adopting what practices. Consequently, it is important to bring different conceptual and empirical foci together so that both the process of contestation and the outcome from that process can be captured in a unified analysis. As Steffek argues in a recent field survey,¹⁶ studies of the empirical legitimacy of GGIs should not be confined to individual beliefs, public discourse, or social actions alone. Instead, we need an integrated analysis that considers the different dimensions of empirical legitimacy and their interplay within a limited temporal and spatial scope, for which a qualitative, in-depth research design is particularly recommended.¹⁷ This could hopefully provide us with a more complete picture of how the legitimation dynamics of GGIs unfold.¹⁸ We carefully heed this call in this study by adopting an integrated approach and utilizing multiple types of data. Before discussing our theoretical approach and empirical strategy, however, we first review the existing empirical scholarship on the legitimacy of GGIs under multipolarity more generally, and of emerging power-led ones in particular.

Multipolarity and Legitimacy of GGIs

As a concept rooted in the IR realist paradigm, multipolarity often refers to an international system defined by numerous centers of power or “poles.”¹⁹ Structural realist theories tend to view multipolarity less favorably than bipolarity or unipolarity, citing its perceived inability to maintain the balance of power among states and its tendency to generate interstate conflicts.²⁰ Legitimacy, on the other hand, reflects a social constructivist understanding of IR.²¹ Overall, the implications of multipolarity for the legitimacy of emerging power-led GGIs are quite ambiguous. First, today's multipolarity is characterized by the simultaneous rise of states typically regarded as part of the “Global South.” Established powers, primarily from the “Global North,” may perceive emerging powers and their institutional initiatives with more anxiety than those in the Global South, who might exhibit greater optimism instead. Consequently, established powers are likely to evaluate the new institutions based on the norms and values of the existing international institutional order.²² In contrast,

¹⁴ Bart Joachim Bes, Thomas Sommerer, and Hans Agné, “On Legitimacy Crises and the Resources of Global Governance Institutions: A Surprisingly Weak Relationship?” *Global Policy*, Vol. 10, No. 3 (2019), pp. 313–26.

¹⁵ Sinan Chu et al., “In the Eyes of the Beholders: The Legitimacy of Global Governance Institutions Under Multipolarity,” *International Studies Quarterly*, Vol. 68, No. 2 (2024), sqae034.

¹⁶ Steffek, “Triangulating the Legitimacy of International Organizations”.

¹⁷ Klaus Dingwerth, Henning Schmidtke, and Tobias Weise, “The Rise of Democratic Legitimation: Why International Organizations Speak the Language of Democracy,” *European Journal of International Relations*, Vol. 26, No. 3 (2020), pp. 714–41; for examples of studies that look exclusively at the discursive dimension of legitimation, see Hai Yang, “Contesting Legitimacy of Global Governance Institutions: The Case of the World Health Organization During the Coronavirus Pandemic,” *International Studies Review*, Vol. 23, No. 4 (2021), pp. 1813–34.

¹⁸ Steffek, “Triangulating the Legitimacy of International Organizations,” p. 19.

¹⁹ David A. Scott, “Multipolarity, Multilateralism and Beyond ...? EU–China Understandings of the International System,” *International Relations*, Vol. 27, No. 1 (2013), p. 32.

²⁰ John J. Mearsheimer, “Back to the Future: Instability in Europe after the Cold War,” *International Security*, Vol. 15, No. 1 (1990), pp. 5–56.

²¹ Ian Clark, “Legitimacy in a Global Order,” *Review of International Studies*, Vol. 29, No. S1 (2003), pp. 75–95.

²² Sinan Chu, “Dissociation via Alternative Institutions: The Establishment of the Asian Infrastructure Investment Bank and US–China Conflict,” *Historical Social Research*, Vol. 47, No. 2 (2022), pp. 109–37; Carla p. Freeman, “Constructive Engagement? The US and the AIIB,” *Global Policy*, Vol. 10, No. 4 (2019), pp. 667–76.

others, particularly those excluded from the major “poles,” may prioritize aspects that are lacking from the former. Second, neither the “Global North” nor the “South” implies a uniform perception of world politics. Significant disagreements exist among established powers, the emerging “poles,” and between the emerging “poles” and those that remain lagging. The uneven development, competition, and antagonism both between and within the North and South could become more pronounced as the distribution of power becomes less hierarchical. This further complicates each state’s positionality, leading to potentially divergent receptions of an emerging power-led institution. For example, the ongoing or additional marginalization of less powerful states within the newly established institution may even lead to unfavorable perceptions in the Global South. A recent study on the reception of the G20’s legitimacy from 2008 to 2019 shows that failing to accommodate small powers while only making room for emerging ones can further marginalize the lesser ones, resulting in a similar lack of representation problem.²³ At the same time, relatively weaker states among established powers may support an emerging power’s institutional initiative as a counterbalance to the current institutional order.

Therefore, at the most basic level, emerging power-led GGIs should confront the same set of challenges as established ones, namely the need to form a consensus and deliver the urgently needed public goods. At the same time, while they may face greater difficulties in meeting expectations for a mature, well-developed institution than established GGIs, operating without a track record might mean a lighter burden to adopt new practices and reform existing ones. In addition, emerging power-led GGIs could gain greater legitimacy if they manage to react to and properly reflect the shifting balance of power in line with the expectations of rising powers and vocal actors from marginalized communities. In sum, it is reasonable to argue that significant ambiguity exists about how the legitimacy of emerging power-led GGIs performs under multipolarity. Recent studies on the legitimacy status of established GGIs in a multipolar context also reflect this. Dellmuth et al., for example, argue that most established GGIs have maintained medium to high levels of legitimacy belief among their global audience in recent periods, based on surveys of citizens and elites from six countries regarding six GGIs from 2017 to 2019.²⁴ Quantitatively assessing legitimacy challenges using a much more expansive dataset—media coverage of 32 GGIs in global newswire data between 1985 and 2020—Sommerer et al. show that many institutions have experienced a legitimacy crisis during the periods of 1985–2005 and 2016–2017; though evidence for a fundamental crisis of global governance under the recent multipolar environment is limited.²⁵ In contrast, Chu et al. show that the WTO and G20 have faced an intensification of legitimacy deficits between 2008 and 2019, a result they attribute to the dynamics of multipolarity, drawing evidence from a qualitative assessment of over 3500 newspaper articles in fifteen countries and regions.²⁶ While all these studies underscore the resilience of established GGIs, the last one presents a more concerning outlook. The diverging assessments and, consequently, different possible expectations of emerging power-led GGIs under multipolarity highlight the need for a dedicated analysis of the latter, while echoing the importance of considering the diverse positionalities and perspectives of a GGI’s legitimacy audiences.

Legitimacy of Emerging Power-Led GGIs

To date, several studies have examined the (de)legitimation concerning the China-led multilateral finance institution—the AIIB—a good example of an emerging power-led GGI and the empirical focus of the present paper. For example, Yang and Van Gorp

²³ Chu et al., “In the Eyes of the Beholders”.

²⁴ Dellmuth et al., *Citizens, Elites, and the Legitimacy of Global Governance*.

²⁵ Sommerer et al., *Global Legitimacy Crises*.

²⁶ Chu et al., “In the Eyes of the Beholders”.

look at the rhetorical legitimation and delegitimation of the AIIB using frame analysis of media and official discourse of China plus five developed countries, as well as the official communication of the AIIB and three established IOs.²⁷ Later, Yang and Keukeleire examine China's rhetorical legitimation of the AIIB based on an argument analysis of Chinese state media reporting on the MDB.²⁸ Understandable limitations notwithstanding—being some of the earliest research following the bank's establishment—the two studies usefully demonstrate the contested nature of the new MDB and how the contestation is related to the tension between established and emerging powers in multilateral finance, a feature of the present multipolarity.²⁹ While not using the language of legitimacy, Lan studies the content and reception of China's soft power by contrasting China's official discourse on the AIIB with two international newspapers, based in Britain and Singapore, respectively, partially addressing the effectiveness of China's legitimacy claims regarding the AIIB.³⁰ In contrast, Uhlin looks at institutional and discursive (de)legitimation through a qualitative content analysis of documents from the AIIB, state, media, and other IOs.³¹ More recently, Yang investigates the failure of the USA to delegitimize the AIIB through a qualitative frame analysis of US-China rhetorical contestation.³²

The literature on the AIIB's legitimacy suggests several areas for improvement. First, these studies, by and large, investigate only the (de)legitimation of the new MDB without addressing the question of legitimacy status. Except for Uhlin's study, all the others have approached the AIIB's (de)legitimation from a discursive analytical angle. The singular focus on (de)legitimation and its discursive dimension imposes conceptual and empirical limitations on those studies. Second, most existing studies did not consider the evolving multipolarity as a significant international context for the legitimacy or (de)legitimation of emerging power-led GGIs. To the extent that Yang & Van Gorp and Lan examine the reaction of different countries to the China-led MDB, their samples of legitimacy audiences include no emerging powers or countries from the Global South. Uhlin's inclusion of civil society organizations (CSOs) is laudable, but his sample similarly eschews actors beyond the established powers. Yang's recent study on the rhetorical contestation between the USA and China usefully highlights the two key players in the international (de)legitimation of the AIIB. However significant, their interaction only represents part of the broader international environment that the AIIB faced—and continues to face—in its efforts to obtain and maintain legitimacy. Third, the data that those studies draw upon have become somewhat outdated by this point. Specifically, none of them employs data from after 2018. As a result, their analyses cover mainly the bank's establishment phase and the initial two years or so. In summary, neither the scholarship on the AIIB specifically nor the broader literature on contemporary GGIs provides any clear indication of how emerging power-led GGIs have addressed the challenges to their legitimacy in a multipolar world.

Consequently, this study makes three main contributions to the literature. First, we extend the research on the legitimation dynamics of GGIs under multipolarity by focusing on the emerging power-led GGIs through a well-known example, the AIIB, which, to date, has not been studied from the perspective of multipolarity. Second, we adopt an integrated empirical research design that focuses on the multifaceted legitimation dynamics of our case using a combination of different data. As discussed below, we base our theoretical framework on the work of David Beetham, which offers a tripartite definition of legitimacy

²⁷ Yang and Gorp, "Framing the Asian Infrastructure Investment Bank".

²⁸ Yang and Keukeleire, "Rhetorical Legitimation of the Asian Infrastructure Investment Bank".

²⁹ Yang and Van Gorp, "Framing the Asian Infrastructure Investment Bank," p. 621.

³⁰ Xiaomeng Lan, "Does Money Talk? A Framing Analysis of the Chinese Government's Strategic Communications in the Establishment of the Asian Infrastructure Investment Bank," *Chinese Journal of Communication*, Vol. 11, No. 2 (2018), pp. 169–85.

³¹ Uhlin, "Legitimacy Struggles in Global Governance".

³² Yang, "Rhetorical Coercion, Institutional Legitimacy and the Creation of the Asian Infrastructure Investment Bank".

(legality, normative justifiability, and recognition) that enables us to account for both the discursive and performative dimensions of the legitimation dynamics. Our empirical strategy, corresponding to this integrated approach, is a qualitative analysis of several different types of data, including national elite newspaper articles, expert interviews, and official communications of various IOs and national governments. Finally, we provide an up-to-date analysis of the AIIB, which is currently lacking.

A Tripartite Framework: Legality, Normative Justifiability, and Recognition

Our understanding of legitimacy draws on David Beetham's conceptualization as elaborated in the updated version of his monograph, *The Legitimation of Power*,³³ in which he extended his original theory to account for legitimation dynamics beyond state borders. Beetham seeks to reconcile the normativist and empiricist perspectives in the study of legitimacy by proposing that a power relation cannot be considered legitimate when the audience believes it to be so, but when "it can be *justified* in terms of [their] beliefs."³⁴ In other words, the empirical study of legitimacy is not independent of the normative convictions of their audiences but ought to employ those criteria "internal to the society or system of power itself."³⁵ Epistemologically, this means that the extent to which a power relation obtains or loses legitimacy cannot be assessed by merely looking at individual beliefs in the private recesses of people's minds. Instead, we need to consider expressions of acknowledgment or denial of that quality based on public reasoning along specific evaluative criteria, i.e. both the acts of approving or disapproving of a given power relation and their normative basis. Specifically, power can be said to be legitimate (a) to the extent that it is acquired and exercised according to established rules (*legality*); (b) to the extent that the rules are justifiable according to normative beliefs shared by both dominant and subordinate regarding the rightful source of authority and due performance (*normative justifiability*); and (c) to the extent that the subordinate acknowledges the power relation through explicit acts of recognition (*recognition*).³⁶ These conditions give the subordinate moral grounds to accept the power relation as legitimate.

Scholars have further developed and applied Beetham's framework in the study of legitimacy in international spheres.³⁷ Importantly, this framework is well suited for an integrated analysis of GGI's legitimation dynamics that our discussion above has pointed to, as it explicitly includes behavioral aspects—acts of recognition, restraint, reluctance, or dissent—alongside the more commonly studied aspects of legal conformity and normative congruence, echoing Steffek's call for triangulating IOs' legitimacy by examining beliefs, discourse, and social actions.³⁸ We posit that an analytical framework developed from Beetham's conceptualization, which reconciles normativist and empiricist perspectives and combines discursive and performative dimensions, represents a positive step toward a more integrated analysis of legitimacy that the field urgently needs. In our adaptation of Beetham's theory for the present study, instead of juxtaposing the "powerful" and the "subordinate," as Beetham does in the domestic context, we conceive of multiple legitimacy audiences to

³³ David Beetham, *The Legitimation of Power* (New York: Macmillan International Higher Education, 2013).

³⁴ *Ibid.*, p. 11.

³⁵ *Ibid.*, p. 100.

³⁶ Beetham, *The Legitimation of Power*, pp. 15–6, 20.

³⁷ Chu et al., "In the Eyes of the Beholders"; Heike Holbig, "International Dimensions of Legitimacy: Reflections on Western Theories and the Chinese Experience," *Journal of Chinese Political Science*, Vol. 16, No. 2 (2011), pp. 161–81; Tobias Lenz and Lora Anne Viola, "Legitimacy and Institutional Change in International Organisations: A Cognitive Approach," *Review of International Studies*, Vol. 43, No. 5 (2017), pp. 939–61; Dominik Zaum, ed., *Legitimizing International Organization* (Oxford: Oxford University Press, 2013).

³⁸ Steffek, "Triangulating the Legitimacy of International Organizations".

include the less formalized and more variegated actors and their interactions in the international sphere. As a recent study shows,³⁹ legitimacy claims of contemporary GGIs target—and are likely received and assessed by—a multitude of legitimacy audiences. Therefore, different interests, norms, and values are necessary to evaluate a given GGI's legitimacy. In our case, it is important to account for the audience diversity across national (members and nonmembers), subnational (local actors), transnational (businesses and non-governmental organizations/NGOs), and international (other GGIs) levels. By considering the terms in which a particular audience approves or disapproves of an institution, this framework opens the space for addressing the complicated legitimation dynamics of GGIs under multipolarity.

Accordingly, in our framework (see Table 1), the three dimensions of the legitimacy of an emerging power-led GGI under multipolarity can be specified as follows. First, factors that influence a GGI's *legality* include the extent to which the GGI adheres to its own formal (legal) rules and regulations. Second, factors influencing its *normative justifiability* can be further divided into those concerning rightful authority and due performance, respectively. The former ("rightful authority") includes the extent to which (a) the GGI represents its constituency's interests in its decision-making, (b) the GGI represents those parts of the international community thus far inadequately reflected in existing institutions, and (c) the GGI aligns itself with established GGIs in related governance fields. The latter ("due performance") includes the extent to which (d) the GGI meets various legitimacy audiences' expectations about proper governance, such as pursuing regional or global public goods, and (e) the GGI performs according to established international standards and fulfills its mandate. Finally, factors influencing its recognition include acts of recognition (or lack thereof) from: (a) other GGIs by acknowledging, collaborating with, defending, or criticizing the GGI; (b) countries through membership, abstaining, boycotting, criticizing, or granting tacit acknowledgment; and (c) local and transnational civil society and businesses via protesting, engaging in dialog, issuing acknowledgment, and curating rankings and ratings, etc. The list is not meant to be exhaustive but represents various types of discursive and performative phenomena that indicate a particular dimension of legitimation dynamics. In this study, we employ this framework to categorize and examine the various kinds of legitimacy challenges and (de-)legitimation processes concerning a particular GGI.

While our adaptation aims to capture and analyze the legitimation dynamics of emerging power-led GGIs, it aligns with the analytical framework used in Chu et al.'s recent study on the legitimacy of established global economic governance institutions (the WTO and G20) under multipolarity.⁴⁰ Their analysis was based on international elite media coverage, which we also use in this study. However, this framework does not restrict us to just one type of data. Instead, it follows deductive logic and encourages researchers to seek empirical evidence of factors indicating legitimacy challenges and responses in the three dimensions separately.

Empirical Strategy

Case Selection

Proposed and subsequently spearheaded by the Chinese government, the AIIB was conceived as a new type of MDB that not only answers the unmet need for funds for infrastructural projects in Asia but also gives more voice to emerging economies in multilateral finance

³⁹ Lenz and Schmidtke, "Agents, Audiences and Peers".

⁴⁰ Chu et al., "In the Eyes of the Beholders".

Table 1. Dimensions of GGI's Legitimacy under Multipolarity

	Dimensions of Legitimacy	Legitimacy of GGIs under Multipolarity
Legality	Power is acquired and exercised according to established rules	a) GGI adheres to its own formal rules and regulations
Normative justifiability	Exercise of power is justifiable according to normative beliefs shared by dominant and subordinate	<p>“Rightful authority”</p> <p>a) GGI represents its constituency's interest in its decision-making</p> <p>b) GGI represents those parts of the international community thus far inadequately reflected in existing institutions</p> <p>c) GGI aligns itself with established GGIs in related governance fields</p> <p>“Due performance”</p> <p>d) GGI satisfies various legitimacy audiences' expectations about proper governance</p> <p>e) GGI performs according to established international standards and fulfills its mandate</p>
Recognition	Subordinate acknowledges the power relation through evident acts of recognition	<p>a) Acts of recognition from other GGIs</p> <p>b) Acts of recognition from different countries</p> <p>c) Acts of recognition from civil society & businesses</p>

through a more efficient and effective institution.⁴¹ Being an MDB means that the AIIB coordinates action among state and nonstate actors in developmental financing and has the power to influence the political agendas of countries and regions. Consequently, it can be rightfully considered a GGI. The AIIB is a suitable case for the present study because it was created after the 2008 global financial crisis, which signaled the advent of contemporary multipolarity, and was initiated by an emerging power regarded as the most resourceful candidate to challenge the unipolar system.⁴² Given our specific interests in legitimacy challenges to GGIs under multipolarity, it is even more interesting to choose the AIIB because its founders—China in particular—were well aware of the emerging multipolarity and have consciously designed the bank to reflect the power transitions and meet the expectations of multiple audiences, including established, emerging, and minor powers.⁴³

Both media and academics have intensively studied the AIIB since its inception. Existing studies tend to see the contestation over the AIIB's legitimacy through the lens of the rivalry between China and the USA or the “liberal international order.”⁴⁴ Many assume that the

⁴¹ Mike Callaghan and Paul Hubbard, “The Asian Infrastructure Investment Bank: Multilateralism on the Silk Road,” *China Economic Journal*, Vol. 9, No. 2 (2016), pp. 116–39; Rebecca LaForgia, “Listening to China's Multilateral Voice for the First Time: Analysing the Asian Infrastructure Investment Bank for Soft Power Opportunities and Risks in the Narrative of ‘Lean, Clean and Green,’” *Journal of Contemporary China*, Vol. 26, No. 107 (2017), pp. 633–49.

⁴² Suisheng Zhao, “A Revisionist Stakeholder: China and the Post-World War II World Order,” *Journal of Contemporary China*, Vol. 27, No. 113 (2018), pp. 643–58.

⁴³ Hameiri and Jones, “China Challenges Global Governance?”

⁴⁴ See, for example, Zheng Chen and Yanchuan Liu, “Strategic Reassurance in Institutional Contexts: Explaining China's Creation of the Asian Infrastructure Investment Bank,” *Journal of Contemporary China*, Vol. 27, No. 114 (2018), pp. 795–810; Chu, “Dissociation via Alternative Institutions”; Freeman, “Constructive Engagement?”; Bas Hooijmaaijers, “The Asian Infrastructure Investment Bank: Another Wakeup Call for the EU?” *Global Affairs*, Vol. 1, No. 3 (2015), pp. 325–34; Matthew D. Stephen and David Skidmore, “The AIIB in the Liberal International Order,” *Chinese Journal of International Politics*, Vol. 12, No. 1 (2019), pp. 61–91; Catherine Weaver, “The Rise of China: Continuity or Change in the Global Governance of Development?” *Ethics & International Affairs*, Vol. 29, No. 4 (2015), pp. 419–31; Jeffrey D. Wilson, “The Evolution of China's Asian

attempts of a new power to establish multilateral institutions with a similar functional focus inherently constitute a form of challenge or threat against existing ones.⁴⁵ Consequently, the AIIB faces intense pressure to legitimize its existence in the face of the established powers' resistance. While the tensions between China and the USA, plus the array of existing international institutions, are an important feature of contemporary IR, they do not exhaust the characteristics of the emerging multipolarity. Instead, the creation and operation of the AIIB should be understood within the broader trend of the simultaneous ascendance of multiple new powers and their intricate relationships with established powers, among themselves, and with the rest of the international community. It is, therefore, theoretically imperative to critically reflect on these assumptions to obtain a more balanced assessment of the challenges and achievements of the new GGI's quest for legitimacy.

Data and Analysis

The empirical material used for this study comprises an original dataset of global elite media coverage of the AIIB and 26 expert interviews, supplemented by official documents and communications of the AIIB, national governments of different countries, and other IOs from 2014 to 2022. For the global media dataset, we first selected sixteen countries by considering (1) bank membership, (2) regional vs. extra-regional, (3) major vs. minor power, and (4) location, in order to have a more balanced representation of different positionalities in the current multipolar environment. For each country, we sampled two to three elite newspapers to capture different inclinations within the domestic political spectrum. For most countries, we chose only newspapers in English. Exceptions were made for China, Chinese Taiwan, and Germany, where we included newspapers in local languages according to the expertise of the authors. In the end, a total of more than 1100 articles (see Table 2) were then retrieved from Factiva, China National Knowledge Infrastructure (CNKI), and individual newspapers' online archives with the help of two student assistants, based on the criteria that an article must substantively engage with the AIIB in order to be selected. Due to the manual selection process, our global media dataset is not a random sample of news coverage of the bank. It does not allow for a quantitative assessment of media interest at a given time and place, nor across time and place. It is also not possible to infer levels of support or challenge from the data. Rather, the selected articles are meant to allow us to assess the range of legitimacy evaluations made by different actors around the world across the entire period. As national elite newspapers, they both constitute an important source of information to inform elites in different countries about the development of the bank as well as reflect the reception, particularly the critical kind, of the bank by those elites through reporting on the reactions of the public and various national, transnational, and international actors, and publicizing opinion pieces written by experts. Consequently, our global media dataset contains information not only on the societal discourse but also on the social actions concerning the legitimacy of the GGI under investigation.

To triangulate inside and outside perspectives on the AIIB as well as the discursive and performative dimensions of the GGI's legitimacy dynamics, we conducted expert interviews in addition to sampling global elite media coverage of the bank. Between summer 2019 and spring 2022, we conducted 26 interviews with representatives from the AIIB, other IOs (e.g. World Bank, United Nations Development Programme/UNDP), legal experts, policy advisers, and think tank experts in Beijing, Shanghai, Washington, Boston, Cambridge,

Infrastructure Investment Bank: From a Revisionist to Status-Seeking Agenda," *International Relations of the Asia-Pacific*, Vol. 19, No. 1 (2019), pp. 147–76; Tao Xie and Donglin Han, "In the Shadow of Strategic Rivalry: China, America, and the Asian Infrastructure Investment Bank," *Journal of Contemporary China*, Vol. 28, No. 120 (2019), pp. 916–31; Yang, "Rhetorical Coercion, Institutional Legitimacy and the Creation of the Asian Infrastructure Investment Bank"; Zhao, "A Revisionist Stakeholder".

⁴⁵ Sung-han Kim and Sanghoon Kim, "China's Contestation of the Liberal International Order," *The Pacific Review*, Vol. 36, No. 6 (2022), pp. 1215–40.

Table 2. Countries or Regions and Newspapers

Country or Region	Newspapers	# of Articles
Bangladesh	<i>Financial Express, New Nation, Dhaka Tribune</i>	120
Canada	<i>National Post, Globe and Mail, Toronto Star</i>	66
China	<i>China Daily, Global Times, 21st Century Business Herald</i>	112
Egypt	<i>Egypt Independent, Daily News Egypt, Arab Finance</i>	30
Germany	<i>Handelsblatt, Süddeutsche Zeitung</i>	52
India	<i>Hindustan Times, The Hindu, Times of India</i>	137
Ireland	<i>Irish Independent, The Irish Times, The Sunday Independent</i>	8
Japan	<i>Japan Times, Japan News, The Mainichi</i>	90
Nigeria	<i>Daily Independent, The Sun, This Day</i>	20
Qatar	<i>Gulf Times, Al Jazeera English, Qatar Tribune</i>	42
Singapore	<i>Strait Times, Business Times, Today</i>	64
South Africa	<i>Pretoria News, Business Day, Cape Times</i>	42
Chinese Taiwan	<i>CNA, China Times, Taipei Times</i>	104
The Philippines	<i>The Philippine Star, Manila Bulletin, Philippine Daily Inquirer</i>	94
UK	<i>Financial Times, The Times, Guardian</i>	135
USA	<i>Wall Street Journal, New York Times, Washington Post</i>	78
Total		1194

New York, and Paris, identified according to the AIIB-related expertise and, from there, via additional snowballing strategies. Due to travel restrictions during the COVID-19 pandemic, our access to the AIIB staff and Chinese experts has been limited to the pre-pandemic era. We managed to grasp the more recent Chinese perspectives through dialogs with Chinese scholars and practitioners in Washington, DC. All interviewees are anonymized and are cited in this paper according to the format of “INT[DATE].” A summary of the interviews is reported in the online appendix. Finally, we also consulted academic studies, policy reports, and assessments from international rating agencies and transnational NGOs.

Legitimation Dynamics of AIIB

Legality

Contestation over the legality of the AIIB was largely absent in our data. This is unsurprising, given that the bank was formally established only in 2016. Compared with other GGIs, both long-established ones, such as the WTO, and somewhat newer ones, such as the G20, the AIIB has the shortest operational period. As we will show and discuss below, most of the voiced concerns, criticisms, and controversies that were reported in our primary and secondary sources pertain to contestation over the bank’s normative justifiability. To our knowledge, it was never disputed that the AIIB failed to conform to its own rules and regulations. Therefore, we believe it is safe to conclude that, by and large, the AIIB has not faced any challenges to its legality since its establishment in 2016.

Normative Justifiability

Contestations of the AIIB’s rightful authority have been evident in international media coverage since Chinese President Xi Jinping’s announcement to create the AIIB in 2013. Media in developed economies debated whether China possessed good intentions and the know-how to lead the bank according to international standards. British media, for

example, questioned China's managerial experience and technical expertise required for running a MDB, as well as the bank's independence from China's foreign policy agenda.⁴⁶ Some described the bank as a "Beijing-led initiative intended to weaken US involvement in Asia" by "promising oodles of cash with no strings attached."⁴⁷ Similarly, Japanese media commentators expressed strong skepticism toward the bank's motivation and governance, calling it "worrisome" that China's influence over the bank will be "overwhelming."⁴⁸ The US media extensively reported Washington's negative reception of China's proposal and the American officials' "vigorous" lobbying of US allies to reject the AIIB's membership.⁴⁹

In contrast, other Asian countries broadly welcomed the bank, underlining that the AIIB epitomizes the ongoing transition toward multipolarity. Bangladeshi, Indian, and Singaporean media produced a significant amount of positive coverage in 2014, endorsing the AIIB as an alternative to the existing US and Japan-dominated financial institutions (i.e. the World Bank and Asian Development Bank/ADB) that could better serve the interests of Asian countries in infrastructure development.⁵⁰ Although some worried about the banks' governance standards and the potential conditionality attached to its lending,⁵¹ others endorsed the bank with explicit reference to its "Asian" or "Eastern" identity as different from the "West."⁵² Indian media also raised the issue of transparency.⁵³ However, once India decided to join the AIIB as a founding member, domestic media praised the bank's positive potential to fill the gap in international infrastructure development⁵⁴ and challenge the US-led global economic order in collaboration with the BRICS New Development Bank (NDB).⁵⁵ In Singapore, the media argued for the complementarity between the AIIB and existing institutions, writing that developing countries in Asia could benefit from greater access to the AIIB, the NDB, and the World Bank together.⁵⁶

2015 saw the most intense reporting, as developed countries debated the pros and cons of the AIIB membership while China and prospective founding members worked out the details of the bank. Besides adherence to established international rules and standards, another key focus was the bank's role in transitioning from a unipolar to a multipolar order. Core issues include whether the AIIB can represent those parts of the international community that have not been adequately reflected and whether it aligns with established global financial governance institutions. In the UK, an intense debate followed the government's announcement in March about joining the new bank. Those supporting the UK's membership applauded the bank as a sign of China's willingness to exercise constructive global leadership⁵⁷ while justifying the UK's participation as a means to "discipline" the AIIB to

⁴⁶ Financial Times, "Guest Post: How Will China's Regional Development Bank Work?" (2014).

⁴⁷ Yoichi Funabashi, "A Futile Boycott of China's Bank Will Not Push Xi Out of His Back Yard," *Financial Times*, (2014).

⁴⁸ The Japan News, "What Does China's Plan for a New Infrastructure Bank Portend for Asia?" (2014), p. 14.

⁴⁹ Jane Perlez, "US Opposing China's Answer to World Bank," *The New York Times*, (2014), p. 1.

⁵⁰ SMR Arfanul Alam, "AIIB in Bangladesh Perspective," *The Financial Express (Bangladesh)*, (2014); Woo Jun Jie, "Banking on Infrastructure Finance," *TODAY (Singapore)*, (2014), p. 16; The Hindu, "A New Bank for Asia," (2014).

⁵¹ Sharjil M. Haque, "Should Bangladesh Be Cautious about Asia's New Knight in Shining Armour?" *The Financial Express (Bangladesh)*, (2014).

⁵² Alam, "AIIB in Bangladesh Perspective"; The New Nation (Bangladesh), "A Development Bank for the Asians of the Asians," (2014).

⁵³ Jayanth Jacob, "India May Accept China's Asian Bank Offer," *Hindustan Times*, (2014).

⁵⁴ Sidhartha, "India Likely to Join Asian Infrastructure Bank," *The Times of India*, (2014).

⁵⁵ The Hindu, "A New Bank for Asia".

⁵⁶ Jie, "Banking on Infrastructure Finance".

⁵⁷ Fred Bergsten, "US Should Work with the Asian Infrastructure Investment Bank," *Financial Times (FT.Com)*, (2015).

follow best international practices,⁵⁸ a frequently cited official justification.⁵⁹ Skeptical—and somewhat cynical—voices pointed to the economic calculation behind the government's decision,⁶⁰ calling China skilled in its “RMB diplomacy”⁶¹ and the UK at risk of weakening of the “Western alliance.”⁶²

Opinions in the US media and of the government were mainly negative. Some blamed the outcome on the inaction of the US government in pushing for reforms within the Bretton Woods institutions, which might have addressed the frustrations of emerging economies and even prevented the bank's creation.⁶³ Others criticized the USA for contradicting itself by objecting to the bank despite having long urged China to take leadership in global affairs.⁶⁴ The media also reported the official position that the AIIB would be a rival to the existing institutions, particularly the World Bank and the ADB.⁶⁵ In testimonies to the House of Representatives, Secretary of the US Treasury Jack Lew questioned whether the AIIB “would adhere to the kinds of high standards that the international financial institutions have developed,” while Undersecretary for International Affairs Nathan Sheets demanded that the new bank “share the international community's strong commitment to [...] maintaining time-tested, and ever-improving, principles and standards.”⁶⁶ Similarly, media in Japan remained critical of the bank, highlighting concerns about the bank's governance and future lending practices, and the need for a Japan-US united front.⁶⁷ Some lamented the failure of a coordinated response by G-7 nations to China regarding the bank, while specifically blaming the UK and Germany.⁶⁸ The idea of the US-Japan alliance at the “forefront of the Asia-Pacific economic bloc” was further reinforced around the Abe-Obama meeting in April,⁶⁹ setting the base for Japan's continued rejection of the AIIB membership and scrutiny of its governance through 2015.⁷⁰ Only one piece suggested that Japan and the USA should work with the AIIB member states in Europe to ensure the bank would not “disrupt the international financial order.”⁷¹

In contrast, media in prospective AIIB member countries expressed more positive opinions about the bank's mandate. Canadian and German media acknowledged the AIIB's potential to address the infrastructure investment gaps in Asia and China's sincerity in a multilateral intervention in the global economic architecture.⁷² They also highlighted their potential to

⁵⁸ Elliott Cappell, “Eastern Promise: UK Sees Opportunities in China's Investment Bank,” *The Guardian*, (2015); Martin Wolf, “A Rebuff of China's Asian Infrastructure Investment Bank Is Folly,” *Financial Times (FT.Com)*, (2015).

⁵⁹ Jamil Anderlini, Tom Mitchell, and George Parker, “UK Move to Join AIIB Meets Mixed Response in China,” *Financial Times (FT.Com)*, (2015).

⁶⁰ Gideon Rachman, “China's Money Magnet Pulls in American Allies,” *Financial Times (FT.Com)*, (2015).

⁶¹ Jamil Anderlini, “UK Move to Join China-led Bank a Surprise Even to Beijing,” *Financial Times (FT.Com)*, (2015).

⁶² Roger Boyes, “China Wants to Drive a Wedge Through the West,” *The Times*, (2015), p. 18.

⁶³ Mark Magnier, “World News: Chinese-Led Aid Bank Gets Lift from UK—London Bids to Join and Help Shape Institution US Has Opposed, Part of Beijing's Bid for Clout,” *The Wall Street Journal*, (2015), p. A5.

⁶⁴ Simon Denyer, “China Takes a Jab at US as Europeans Back Asian Bank,” *The Washington Post*, (2015), p. A14.

⁶⁵ Steven J. Erlanger and Jane Perlez, “British Leader Diverges From US on China Policy and Military Spending,” *The New York Times*, (2015), p. 9.

⁶⁶ Alexia Latortue, “Secretary Lew's Hearing on the International Financial System,” (2015).

⁶⁷ The Japan News, “Worries Persist over New Intl Bank Under Strong Control by China,” (2015), p. 10; The Japan News, “Criticism of Japan, United States for Not Joining China-Led AIIB is Misdirected,” (2015), p. 4.

⁶⁸ Tomoko Numajiri, “Britain Scuttles G-7 Hopes for Standards on Joining AIIB,” *The Japan News*, (2015), p. 6; The Mainichi, “Japan Isolated as 57 Countries to Join China-Led Development Bank,” (2015).

⁶⁹ The Japan News, “70 Years after WWII: US-Japan Relationship/China's Rise Spurs TPP Drive,” (2015), p. 2.

⁷⁰ The Japan News, “ADB's Functions Must Be Boosted to Increase Aid to Developing Nations,” (2015), p. 4; The Japan Times, “Keeping the G-7 Relevant,” (2015).

⁷¹ The Japan News, “Concern Continues to Grow that AIIB Will Primarily Serve China's Goals,” (2015), p. 4.

⁷² Marcel Grzanna, “China's Chance,” *Süddeutsche Zeitung*, (2015); Jeffrey Simpson, “A Piece of the Action or American Traction,” *The Globe and Mail*, (2015), p. A11.

hold the bank to the highest international standard.⁷³ Ireland intended to join, but registered concerns over the bank's transparency and environmental accountability.⁷⁴ Media in developing countries in Asia similarly did not dispute their governments' decision to join the bank but cautioned about possible drawbacks, particularly concerning the geopolitical implications. Indian media, for example, affirmed the AIIB's benefit for India and its contribution to "reset the existing global economic order dominated by the West,"⁷⁵ while expressing worries for its potential to serve China's strategic ambition in the framework of the Belt and Road Initiative (BRI), a project that India was uneasy with.⁷⁶ The Philippines represents another case where the country had to balance geopolitical concerns with economic interests. Some emphasized the ongoing maritime dispute with China and the potential shortcomings regarding the banks' governance transparency.⁷⁷ Supporters argued that the bank would promote connectivity and economic integration in Asia.⁷⁸ While also reporting on the AIIB's prospective benefits, Bangladeshi media expressed slightly greater concerns regarding China's dominant influence in the bank⁷⁹ and the bank's lending rules and practices.⁸⁰ Finally, Singaporean media continued to affirm the need for the bank⁸¹ and China's genuine intention to promote multilateralism, while describing US opposition as "misguided"⁸² and calling for the world community to "have faith in China's peaceful rise."⁸³ Media in Qatar offered a similar endorsement, writing that the AIIB might "well prove to be genuinely transformative" and contribute to the "multi-polar world envisioned in Beijing."⁸⁴

As an extra-regional developing country, South Africa's concerns mainly pointed to the lack of financial capacity to contribute to the bank, the unbalanced, "one-way traffic," trade with China,⁸⁵ and a general anxiety toward Chinese economic expansion.⁸⁶ At the same time, the media largely endorsed the AIIB as an important step toward reforming the Bretton Woods institutions that have faced "long overdue changes."⁸⁷ It also saw the bank as making global economic governance "more reflective of the actual distribution of global economic power and more responsive to the needs of developing countries such as [South Africa]."⁸⁸ The same piece also noted that the AIIB is "an Asian drama with a strong African and global echo" due to its potential to reform international financial institutions.⁸⁹

In response to those criticisms and concerns, the Chinese side made efforts on multiple fronts to secure the AIIB's rightful authority both during and after its establishment. To showcase its dedication to establishing a bank that adheres to the highest international standards, Beijing selected Jin Liqun as the chief negotiator and prospective president, who has been instrumental in defining the AIIB's international image. Leveraging the anticipated international pushback, Jin requested "a long leash" at home to build a

⁷³ Wendy Dobson, "Canada Needs to Join China's Bank—Now," *The Globe and Mail*, (2015), p. A11.

⁷⁴ The Irish Times, "Noonan Seeks Access to China's World Bank," (2015), p. 2.

⁷⁵ Jayan Jose Thomas, "Dragon Power on Display," *The Hindu*, (2015).

⁷⁶ Saibal Dasgupta, "UK Joins China Backed Bank to Finance Silk Route," *The Times of India*, (2015).

⁷⁷ Philippine Daily Inquirer, "PH Defers Joining China-Led Bank," (2015).

⁷⁸ Manila Bulletin, "Join AIIB," (2015).

⁷⁹ The New Nation (Bangladesh), "Development Issues in the Asia-Pacific Region," (2015); The New Nation (Bangladesh), "Why Japan Won't Join the AIIB," (2015).

⁸⁰ The New Nation (Bangladesh), "AIIB to Usher in a New Era of Development," (2015).

⁸¹ Lee U-Wen, "Forming AIIB is a 'Step in the Right Direction': PM Lee," *Business Times Singapore*, (2015).

⁸² Ho-fung Hung, "New Bank Will Not Enhance China's Global Power at America's Expense," *TODAY (Singapore)*, (2015), p. 8.

⁸³ Paul Chan Poh Hoi, "China Not Creating a New World Order by Launching AIIB," *TODAY (Singapore)*, (2015), p. 24.

⁸⁴ Al Jazeera English, "The New Asian Bank and a New World Order," (2015).

⁸⁵ Pierre Heistein, "States Toast and Cheer for Chinese AIIB Party," *Pretoria News*, (2015), p. 18.

⁸⁶ Neels Blom, "ANC Casts Itself at Feet of Those Rejecting Us," *Business Day*, (2015).

⁸⁷ Business Day, "China-Led Bank Heralds New Era," (2015).

⁸⁸ Daniel Bradlow, "Global Support for Asian Bank May Hand SA Benefits," *Business Day*, (2015).

⁸⁹ Ibid.

successful bank while calculating that the external scrutiny would compel the bank to satisfy international standards of transparency, accountability, and efficiency (INT22-03-29). The Chinese Ministry of Finance also supported Jin in systematically recruiting experts from international institutions to “show that China can be the leader of doing Western norms” (INT22-03-14). As a World Bank expert described, Beijing wanted to ensure a “high quality at a lower cost” of the AIIB by “piggybacking” on previous staff from other MDBs to shape the bank’s governance standards (INT22-03-22). One example showcasing “how transparent and open we [i.e., AIIB] are” is the hiring of Natalie Lichtenstein, an American lawyer specializing in Chinese law and legal issues of international financial institutions, as Chief Counsel for the AIIB’s establishment (INT22-03-14) who drafted the bank’s charter, i.e. the “Articles of Agreement” (AoA),⁹⁰ based on the experiences of established multilateral banks, such as the European Bank for Reconstruction and Development (EBRD), the World Bank, the Asian Development Bank (ADB).⁹¹ The Charter provides transparent and lean governance structures, including a nonresident Board of Directors (BoD) and an oversight mechanism with multiple checks and balances, helping establish the AIIB’s reputation as an innovative, transparent, efficient, and flexible new multilateral bank.⁹²

The AIIB maintained its international profile in hiring practices after the establishment phase. According to our interlocutors from the bank, nationals from regional and European member countries comprised relatively large numbers of staff, while only 25% of core staff were Chinese, roughly in line with the country’s share in the capital stock. A British employee mentioned that, although there were no fixed nationality quotas, “Chinese nationals are being actively discriminated against” in the hiring process, at least for professional grades, to avoid diluting the bank’s international character (INT19-09-05a). As proof of the bank’s global profile, the position of Vice-President cum First Corporate Secretary in charge of recruitment was given to Sir Danny Alexander, the UK’s former Chief Secretary to the Treasury, during the bank’s first five-year term. During the same term, a German banker with a World Bank background, Joachim von Amsberg, was nominated Vice President for Policy and Strategy, equally shaping the AIIB’s international outlook. In 2021, von Amsberg became Special Advisor to the President. Sir Alexander was succeeded by another German national, Volker Schuknecht, who had previously worked as Deputy Secretary-General of the Organization for Economic Co-operation and Development (OECD). These cases highlight the AIIB’s efforts to establish itself as an international MDB with an inclusive corporate identity (INT19-09-05b; INT19-09-11a; INT19-09-11b; INT19-09-11c).

Both the AIIB and Chinese media also sought to assert the bank’s rightful authority by referencing the long-overdue reforms of the global economic architecture, while highlighting the AIIB’s role in representing Asia and its development needs. The bank Charter mandates that the AIIB contributes to regional connectivity, integration, and resilience and to meet the “considerable long-term need for financing infrastructure development in Asia.”⁹³ Media also referred to an ADB study published in 2010,⁹⁴ according to which the region would require 8 trillion USD in infrastructure investment from 2010 to 2020 to continue economic development.⁹⁵ The fact that this assessment came from a potential competitor offered

⁹⁰ AIIB, “AIIB: Articles of Agreement,” (2015).

⁹¹ Natalie Lichtenstein, *A Comparative Guide to the Asian Infrastructure Investment Bank* (Oxford, New York: Oxford University Press, 2018), pp. ix–x.

⁹² Gregory T. Chin, “The Asian Infrastructure Investment Bank—New Multilateralism: Early Development, Innovation, and Future Agendas,” *Global Policy*, Vol. 10, No. 4 (2019), pp. 569–81; Scott Morris, “I Just Read the AIIB’s Articles of Agreement, and Here’s What I Think,” 30 June 2015, <https://www.cgdev.org/blog/i-just-read-aiibs-articles-agreement-and-heres-what-i-think>.

⁹³ AIIB, “AIIB: Articles of Agreement,” Preamble and Article 1, Purpose.

⁹⁴ Jun Wang and Meng Yu, “Ruhe jiakuai choujian yazhou jichu sheshi touzi yinhang?” (“How to Accelerate the Preparation of the Asian Infrastructure Investment Bank?”), *21 shiji jingji baodao* (21st Century Business Herald), (2014), p. 029.

⁹⁵ Biswa Nath Bhattacharyay, “Estimating Demand for Infrastructure in Energy, Transport, Telecommunications, Water and Sanitation in Asia and the Pacific: 2010–2020,” No. 248 (2010), p. 44.

a strong justification for establishing another bank with an explicit regional investment mandate (INT19-09-09; INT22-03-10).⁹⁶ Besides the factual dimension of meeting the region's material needs, Chinese media also emphasized the self-identification of the AIIB as a benevolent lender to further Asia's development, working in tandem with the ADB.⁹⁷ At the same time, the complementary message of "the more the merrier" was frequently mentioned to alleviate concerns that the AIIB might challenge existing MDBs and trigger a race to the bottom.⁹⁸ The normative claim to promote the region's common interest has become a mantra in Chinese state media.⁹⁹ Besides these economic justifications, Chinese media also elaborated on China's frustration with its limited voting power in the existing international financial institutions, despite the country's growing economic impact,¹⁰⁰ a point echoed by our interviewees from international think tanks (INT22-03-22; INT22-03-29). As the third-largest shareholder of the World Bank, China was allotted only 5.25% of voting rights even after the 2010 reforms. Similarly, in the ADB, China holds a mere 5.4% compared to 12.75% held by the USA and 12.84% by Japan. Consequently, it was now "time for China to have a bank which it could also say it was the head of" (INT22-03-22), while simply injecting more funds into the ADB would not have achieved this desire for status and voice (INT19-09-10).

In practice, a key indicator of the bank's representation of Asia is reflected in the decision-making mathematics outlined in its charter. Compared to other regional MDBs, the AIIB gives considerable weight to regional members. Countries from "Asia" (according to UN definitions) hold 75% of capital subscriptions compared to 25% available to nonregional members. This ratio for regional versus nonregional members is significantly higher than in the ADB or the EBRD, which stipulates a simple majority for regional members.¹⁰¹ The ratio also applies to the composition of the nonresident BoD. While the AoA allocates nine board seats for regional members, three seats remain for nonregional members, who must meet higher minimum thresholds to determine which countries receive their board seats—these include China, India, and Russia among the regional members, as well as initially Germany among the nonregional members. The remaining countries must organize themselves into six regional constituencies (for initially 34 regional members) and three nonregional constituencies (for initially 19 nonregional members), among them one for EURO-zone members, one for the UK and other European members, and one for non-European, nonregional members (INT19-09-05a; INT19-09-11a).¹⁰² At the same time, China claims a dominant role by retaining de facto veto power. With a voting power over 26%, China holds a significantly higher share than the USA in the World Bank (15.02%) or Japan in the ADB (12.84%), capable of blocking all decisions at the BoD that demand

⁹⁶ Linggui Wang, "Yatouhang: duobian jinrong hezuo xin moshi" ("AIIB: A New Model for Multilateral Finance Cooperation"), in Lingui Wang, *TPP weishenmo yunluo: quanqiu zhanlue zhiku lun TPP, "yidai yilu" he yatouhang (Why has TPP fallen: How global strategic think tanks discuss TPP, "One-Belt-One-Road," and the AIIB)* (Beijing: shehui kexue wenxian chubanshe, 2017), pp. 208–40.

⁹⁷ Wei Jiang, "Yatouhang de gongjian luxian tu" ("Road Map for Co-construction of the AIIB"), *21 shiji jingji baodao (21st Century Business Herald)*, (2014), p. 007; Zhiqin Liu, "AIIB Foundation Successfully Resists Washington's Free Market Hypocrisy," *Global Times*, (2014), p. P15; Wang and Yu, "How to Accelerate the Preparation of the Asian Infrastructure Investment Bank?"

⁹⁸ Jeffrey Frankel, "Asia Games: Not Zero-Sum," *China-US Focus*, 14 May 2015, <https://www.chinausfocus.com/finance-economy/asia-games-not-zero-sum>; Xiuping Hua, "Global Finance a Game of the More the Merrier," *China Daily*, (2015).

⁹⁹ Liwei Zhang, "Yazhou jichu sheshi touzhi yinhang tuidong yazhou gongying" ("Asian Infrastructure Investment Bank Promotes Asia's Win-win Game"), *21 shiji jingji baodao (21st Century Business Herald)*, (2014), p. 004.

¹⁰⁰ Josette Sheeran, "AIIB Should Be Welcomed by Global Bodies," *Global Times*, (2014), p. P15; Liwei Zhang, "'Yatouhang' jiang cujin diqu fanrong bing huiji quanqiu" ("Asia Infrastructure Investment Bank will Promote Regional Prosperity and Benefit the World"), *21 shiji jingji baodao (21st Century Business Herald)*, (2014), p. 019.

¹⁰¹ Lichtenstein, *A Comparative Guide to the Asian Infrastructure Investment Bank*, pp. 91–3.

¹⁰² AIIB, "Overview of Board of Directors," <https://www.aiib.org/en/about-aiib/governance/board-directors/board-members/index.html>.

a “super majority”—an affirmative vote of two-thirds of all Governors, representing at least 75% of the total voting power.¹⁰³ Among others, super-majority decisions include changes in the subscribed capital stock, the size and composition of the BoD, and the president’s election, suspension, or removal from office.¹⁰⁴ China’s veto power over the president’s election is noteworthy as it differs from the informal arrangements in the World Bank and the ADB used to determine the selection of American and Japanese presidents, respectively.¹⁰⁵ At the same time, the nonformal nature of its veto power has been positively received by the media from both developed and developing countries.¹⁰⁶

Regarding the concerns that the AIIB functions as a means to extend China’s influence in the region, particularly through supporting the BRI, one strategy is to leverage Indian membership, as the Indian government has been distancing itself from the BRI. When the AIIB representatives note that India is both the bank’s second-largest shareholder (8.6%) and the most significant beneficiary (22% of total financing in 2022),¹⁰⁷ they seem to confirm that the AIIB lends irrespective of the BRI. From a Chinese perspective, India has an ambiguous interest in joining the AIIB. While sharing China’s ambition to have a larger say in international financial institutions, the Modi government prefers to balance China’s BRI diplomacy and control its rise from a regional to a global power from within the Beijing-initiated bank rather than staying outside.¹⁰⁸ A thornier issue related to the AIIB’s image as a “BRI tool” is its inclusion in a “Multilateral Cooperation Center for Development Finance” (MCDF) inaugurated at a BRI Forum in Beijing in 2017¹⁰⁹ and formally established in 2019 by China’s Ministry of Finance, which underlined the MCDF’s role in “information sharing, project preparation and capacity building” on BRI projects.¹¹⁰ In 2021, the AIIB was tasked to act as the MCDF’s administrator.¹¹¹ According to a German watchdog’s study, the AIIB’s MCDF Secretary is formally established as a separate governance body (though not necessarily by separate staff) but not subject to oversight by the BoD.¹¹² Determining whether the underlying suspicion regarding the MCDF serving as an instrument of the government to endorse proposed BRI projects financed by external entities is challenging. The latest critique comes from the former AIIB employee Bob Pickard, who accused the bank of being influenced by the Chinese Communist Party before leaving as global communications director in June 2023.¹¹³ We will analyze this episode more thoroughly in the recognition section, due to its nature as an explicit act of delegitimation. In summary, the ongoing debate highlights the persistence of a negative perception of the bank as a “Chinese bank” and a “BRI tool,” which may adversely affect the AIIB at any moment.

After the bank became operational, challenges to the bank’s normative justifiability gradually shifted toward its performance, i.e. the practical exercise of its mandate to achieve its stated purposes, such as operating according to expected social and environmental standards, heeding sound lending practices, and other best practices in the

¹⁰³ AIIB, “AIIB: Articles of Agreement,” Article 28:2.ii.

¹⁰⁴ AIIB, “AIIB: Articles of Agreement,” Article 29.

¹⁰⁵ Morris, “I Just Read the AIIB’s Articles of Agreement, and Here’s What I Think”.

¹⁰⁶ Eswar Prasad, “How China Aims To Limit West’s Global Influence,” *Qatar Tribune*, (2017); Stephan Scheuer, “China startet Förderbank,” *Handelsblatt*, (2016); Lingling Wei and Bob Davis, “China’s Vow to Forgo Veto Won Key Backers for Bank,” *The Wall Street Journal*, (2015), p. A7.

¹⁰⁷ Ludger Schuknecht, “About AIIB,” (2022).

¹⁰⁸ Wang, “AIIB,” pp. 238–40.

¹⁰⁹ Xinhua News, “Full Text: List of Deliverables of Belt and Road Forum,” (2017).

¹¹⁰ Chin, “The Asian Infrastructure Investment Bank—New Multilateralism,” p. 573.

¹¹¹ AIIB, “Directive on AIIB’s Performance of its Role as the Administrator of the MCDF Finance Facility,” (2021).

¹¹² Korinna Horta and Wawa Wang, “The Beijing-Led Asian Infrastructure Investment Bank: Global Leader in Infrastructure, at What Cost? A Study,” *Heinrich Böll Foundation*, (2022).

¹¹³ Laurie Chen and Laurie Chen, “Ex-AIIB Comms Chief Says Was Advised to Flee China after Fiery Resignation,” *Reuters*, (2023).

field of international financial institutions. Global media coverage on the AIIB declined from 2016 onwards. Supporters highlighted the bank's character as a genuine multilateral institution that collaborates, rather than competes, with established institutions through co-financing project and other means. Following the 2016 US Presidential election, British media found new arguments for the bank by contrasting Trump and Xi's attitudes toward multilateralism.¹¹⁴ Critics, on the other hand, targeted the bank's potential association with China's foreign policy agenda, particularly the BRI, as well as its operational guidelines, managerial expertise, and specific projects in which it is involved. Citing reports from watchdog organizations, for example, Indian and Nigerian media raised awareness of issues pertaining to the AIIB's social and environmental safeguards.¹¹⁵ Japanese media, on the other hand, noted the limited number of personnel and projects that the AIIB had taken on in comparison to the ADB.¹¹⁶ Some US sources professed approval of the AIIB, while more critical voices emerged following Trump's election. In particular, Trump's withdrawal from the TPP on his first day in office was widely criticized for surrendering global leadership to China, which has established new, alternative global institutions, such as the AIIB and BRI.¹¹⁷ During this period, the most persistent attention on the bank has come from CSOs, such as the NGO Forum on ADB and the Bank Information Center, which have consistently engaged in both dialogs with the bank and public dissemination of their critical assessments of the bank's governance and performance.¹¹⁸

On the AIIB side, to ensure the BoD's supervision of the bank, the AoA spelled out the need for an "oversight mechanism."¹¹⁹ In response to critics, the bank released the first version of its "Accountability Framework" in 2018, following a lengthy consultation with NGOs active in international finance.¹²⁰ The framework installed three "lines of defense," including (1) regular screening of each project by Screening, Executive, and Investment Committees, and (2) a Chief Compliance Officer assisted by a Risk Management Department. As a third line of defense, a Chief Internal Audit Officer independently monitors the effectiveness of governance, risk management, and control in the first two lines.¹²¹ On top of these management-level bodies, the bank's Accountability Framework includes a Compliance, Effectiveness and Integrity Unit (CEIU), which provides an independent oversight role and reports directly to the BoD.¹²² During our interview with two CEIU representatives with professional backgrounds in the ADB, they emphasized the unit's rich international experience, proactive learning culture, and unique competencies. Unlike

¹¹⁴ Larry Elliott, "As Trump Turns His Back on the World, the Stage is Set for President Xi," *The Guardian*, (2017), p. 31.

¹¹⁵ Daily Independent, "World's Newest Development Bank Invests in Coal Despite Green Promise," (2018); *The Hindu*, "AIIB Comes under Attack from Activists," (2018).

¹¹⁶ The Mainichi, "Anemic Loan Total, Personnel Problems Point to Tough Road for AIIB," (2017).

¹¹⁷ David Ignatius, "China's Plan to Rule the World," *The Washington Post*, (2017), p. A19; Eduardo Porter, "Who Wins in Trump's China Policy? China," *The New York Times*, (2018), p. 1; Lawrence Summers, "The Actual China Issue That Should Worry the United States," *The Washington Post*, (2017), p. A15.

¹¹⁸ Bank Information Center, "AIIB's Proposed Accountability Mechanism Needs Improvement," (2018), <https://bankinformationcenter.org/en-us/update/comments-on-aiibs-draft-complaints-handling-mechanism/>; NGO Forum on ADB, "Press Statement of NGO Forum on ADB on the First AIIB Annual Meeting," (2016), <https://www.forum-adb.org/post/press-statement-of-ngo-forum-on-adb-on-the-first-aiib-annual-meeting>; NGO Forum on ADB, "NGO Forum on ADB Statement to AIIB President Jin Liqun and the Management," (2017), <https://www.forum-adb.org/post/press-statement-of-ngo-forum-on-adb-on-the-first-aiib-annual-meeting>; NGO Forum on ADB, "Letter to the AIIB Regarding Its Energy Investments," (2018), <https://www.forum-adb.org/post/letter-to-the-aiib-regarding-its-energy-investments>; NGO Forum on ADB, "Joint Submission by NGO Forum on ADB & Urgewald on the AIIB Environmental and Social Framework," (2021), <https://www.forum-adb.org/post/joint-submission-by-ngo-forum-on-adb-urgewald-on-the-aiib-environmental-and-social-framework>.

¹¹⁹ AIIB, "AIIB: Articles of Agreement," Article 26:iv.

¹²⁰ NGO Forum on ADB, "Asian Infrastructure Investment Bank's (AIIB) Paper on the Accountability Framework," (2018).

¹²¹ AIIB, "Paper on the Accountability Framework," (2018), p. 10.

¹²² *Ibid.*, pp. 6–9.

the ADB, where the integrity office answers to the president, AIIB was the first MDB to establish an integrity unit that reports directly to the board. Besides the regular quarterly meetings with the BoD, the CEIU can also summon virtual meetings with the BoD “minus the president” to allow discreet communication should problems occur (INT19-09-11b).

As an interlocutor from a Beijing research institution put it in 2019, the AIIB had established clear criteria for its work early on: projects had to be “controllable, efficient, rules-conforming, environmentally sound and viable over time” (INT19-09-06). As its designated president, Jin Liqun advertised the AIIB as “lean, clean, and green” since spring 2015—“lean” referring to cost efficiency, “clean” to zero-tolerance on corruption and “green” to environmentally sound and socially sustainable development.¹²³ In the bank’s public relations, the latter played a key role in coping with the scrutiny by transnational NGOs and international media. In February 2016, the AIIB approved its Environmental and Social Framework (ESF), including a set of mandatory standards for Environmental and Social Assessment and Management, Involuntary Resettlement, and Indigenous Peoples, followed by its Public Information Policy in 2018, both of which were to be revised after five years (INT19-09-11b). A 2021 CSO evaluation acknowledged improvement in the bank’s revised ESF, released in September 2020, while also highlighting concerns regarding protections for project-affected communities.¹²⁴

In a 2022 talk on the AIIB’s current performance, Vice-President Schuknecht emphasized the bank’s “green commitment” as visible from the growing percentage of climate financing (over 40% since 2020, with a target of 50% by 2025), compatibility of all investments with global climate change objectives by mid-2023, or an award-winning “Sustainable Capital Markets Initiative.” Besides green infrastructure, other strategic priorities included connectivity and regional cooperation, as well as technology-enabled infrastructure, particularly digitalization projects, which were financed, among others, through the “AIIB COVID-19 Crisis Recovery Facility.”¹²⁵ As one interlocutor put it, AIIB leaders had a good eye for adapting lending policies to evolving global norms. This was the case not only in terms of ESG standards but also in response to emerging crises such as the COVID-19 pandemic or Russia’s invasion of Ukraine, which prompted the bank to announce that it would suspend all current and pending projects in Russia and Belarus (INT22-03-14).

Another performance-related claim has been the persistent emphasis among our interlocutors on the AIIB being an “investment bank” that operates according to commercial principles rather than another “development bank” that lends money irrespective of the risks involved. One insider with professional experience in the World Bank praised the AIIB’s lending policy as the diametric opposite of the scattershot lending practices and nondiscriminatory risk policies of most other existing MDBs (INT22-03-22). To ensure its long-term financial viability, the AIIB has avoided precarious locations, such as disputed territories, river areas, or countries under sanctions altogether (INT19-09-05a). For effective risk management, it was vital to adapt the lending conditions to “differentiated risks” (INT22-03-22). While other MDBs wasted their money establishing resident missions abroad to monitor the situation in recipient countries, the AIIB’s policy was to have the beneficiaries bear the responsibility for the smooth implementation of projects and eventual loan repayment, thereby avoiding a “dilution of responsibility” (INT22-03-22).

This claim of the commercial viability of infrastructure investment has to be put in perspective. During the first years of AIIB, most projects were co-financed by itself and established MDBs such as the World Bank and the ADB. This co-financing policy enabled AIIB to leverage the partners’ existing monitoring schemes to mitigate investment risks. At

¹²³ Reuters, “China-led AIIB Will Be Lean, Clean and Green—Official,” (2015).

¹²⁴ NGO Forum on ADB, “Joint Submission by NGO Forum on ADB & Urgewald on the AIIB Environmental and Social Framework”.

¹²⁵ Schuknecht, “About AIIB”.

the same time, appearing as a junior partner of established MDBs would stymie critics who feared that the new bank would challenge existing international institutions and lending practices. In mid-2019, the ratio of co-financed projects was 55% versus 45% of standalone projects.¹²⁶ For the second five-year period (2021 ff.), the aim was to increase the number of standalone projects to over 50%. According to the AIIB's German Vice-President, another ambitious target is to increase private capital mobilization to 50% of actual financing approvals by 2030.¹²⁷ While skeptics deem this target unrealistic (INT22-03-21a), the claim appears to reconfirm the AIIB's track record of pursuing more ambitious normative visions than existing MDBs.

Recognition

External recognition from countries via membership application has significantly contributed to the AIIB's legitimation. Earlier opposition from the USA was expressed both in public criticism of the new bank and the discreet but intensive efforts of the Obama administration between 2014 and 2015 to dissuade its allies from joining the bank (INT22-03-23; INT22-03-25; INT22-04-12).¹²⁸ Against this backdrop, the UK's sudden announcement in early 2015 to join the AIIB as a founding member came as a bombshell, sending shockwaves across the developed world, eventually leading to the Obama administration's grudging acceptance of the bank (INT22-03-21a; INT22-03-23; INT22-03-25). Furthermore, the following months and years have witnessed a steep increase in AIIB membership. Since 2015 when 57 founding members signed the AoA, the number has almost doubled to 110 approved members by May 2025 (including 49 regional, 51 nonregional members, and 10 prospective members),¹²⁹ representing over 80% of the world population and 65% of global GDP.¹³⁰ As such, the AIIB records more members than any other regional MDBs, "put[ting] the new Bank into the *global realm* of the World Bank."¹³¹

Only one country thus far has publicly withdrawn its recognition by halting its government-led activity at the AIIB. In June 2023, Bob Pickard, a Canadian public relations veteran who had served as global communications director of the AIIB since March 2022, resigned, citing that the bank was "dominated by Communist Party members."¹³² The Canadian government subsequently decided to suspend its ties with the AIIB, which remains so to this day, while investigating the allegations and consulting with allies and partners.¹³³ Western media reports considered whether Canada's response would trigger a "domino of disengagement by Western powers."¹³⁴ While Chinese state media ridiculed the episode as a "storm in a teacup," the AIIB management took the criticism seriously. Three weeks later, it published a 36-page internal management review report that emphasized the AIIB's "apolitical" nature and found "no evidence of undue or improper influence in the decisions taken" by the bank.¹³⁵ Although AIIB management's prompt reaction might have dispelled the allegations for the time being, as a recent report wrote, suspicions of China's increasing

¹²⁶ Natalie Lichtenstein, "AIIB at Three: A Comparative and Institutional Perspective," *Global Policy*, Vol. 10, No. 4 (2019), p. 584.

¹²⁷ Schuknecht, "About AIIB".

¹²⁸ Jane Perlez, "US Opposing China's Answer to World Bank," *The New York Times*, (2014).

¹²⁹ AIIB, "Members and Prospective Members of the Bank," <https://www.aiib.org/en/about-aiib/governance/members-of-bank/index.html>.

¹³⁰ Schuknecht, "About AIIB".

¹³¹ Chin, "The Asian Infrastructure Investment Bank—New Multilateralism," p. 569.

¹³² David Ljunggren, "Canada Freezes Ties with China-led AIIB, Probes Allegations of Communist Domination," *Reuters*, (2023).

¹³³ Government of Canada, "The Asian Infrastructure Investment Bank," <https://www.canada.ca/en/departement-finance/programmes/international-trade-finance-policy/asian-infrastructure-investment-bank.html>.

¹³⁴ Kearrin Sims, "How Last Week's High-Profile Resignation Will Impact the AIIB," 21 June 2023, <https://thediplomat.com/2023/06/how-last-weeks-high-profile-resignation-will-impact-the-aiib/>.

¹³⁵ AIIB, "Internal Management Review Concerning the Departure of AIIB's Former Director General of the Communications Department: Report of Findings and Recommendations," (2023).

interference in the bank “may not be fully ill-founded in the current Chinese political context.”¹³⁶

Recognition from fellow GGIs constitutes another source of external legitimation. The AIIB has secured co-financing framework agreements with the World Bank, the ADB, and the EBRD, cooperation with 15 regional MDBs and agencies, and multiple partnerships with private financial institutions and other nongovernmental partners.¹³⁷ To this day, it has jointly funded many projects with its partners (INT19-09-05b). Representatives of the existing MDBs also praised the AIIB. Our interlocutors from the ADB, which must bear the brunt of accommodating an ambitious newcomer in Asia, deny any sense of competition and stress the harmonious cooperation along the line of “the more the merrier,” at least in public (INT22-03-31). As a Washington-based analyst put it, co-financing investment projects with the major existing MDBs has granted the AIIB a lot of “symbolic credentials” (INT22-03-14).

CSOs have continuously engaged with the AIIB in public, acknowledging the bank’s progress in addressing some of their concerns while pushing for further improvements. For example, Indian and Nigerian media reported “attacks from activists” representing international watchdog organizations in 2018.¹³⁸ At the AIIB’s 2019 annual meeting in Luxembourg, civil society activists protested against the bank’s operations, highlighting its investments in fossil-fuel projects and criticizing its EFG as “overly vague and toothless,” which allows for a wide gap between rhetoric and practice.¹³⁹ In response, the AIIB invited these groups for dialog, consulted with them while formulating its policies, and established institutionalized feedback mechanisms, including employing an environmental specialist with a professional background at Greenpeace as a contact partner for civil society actors (INT19-09-05a).¹⁴⁰ These efforts have produced some positive recognition. A recent study by a German watchdog finds “loopholes and caveats that undermine transparency,” but acknowledges that “AIIB standards contain the right words and tick all the boxes.” While lamenting the lack of transparency, this mixed assessment acknowledges the AIIB’s general compliance with the rules of the game and its due consideration of shareholders’ “sensitivities.” By and large, critical voices from civil society have acted as constructive rail guards, pushing the bank to revise its policies in line with global environmental, social, governance, and transparency standards, thereby helping to integrate the AIIB into the international finance system.

Another sign of recognition comes from the financial markets. Despite some members having low individual credit ratings, the AIIB has received standalone triple-A ratings from all three leading rating agencies (Standard & Poor’s, Moody’s, and Fitch). According to our interlocutors, the AoA was designed to satisfy the main institutional features that rating agencies evaluated, such as transparent oversight mechanisms, risk assessment, and audit procedures (INT19-09-05b). The actual reason for the AIIB’s consistent triple-A ratings, however, has been described to us as “absolutely the result of having European members [who were] boosting the legitimacy and global credibility” of the new bank (INT22-03-22). The AIIB’s esteem in international financial markets was confirmed in October 2017 when the Basel Committee on Banking Supervision listed it as an MDB with zero risk weights (BIS 2017), and again in May 2019 when the bank issued its first global bond in London at a price identical to the World Bank (INT19-09-05b).¹⁴¹ Against the backdrop of

¹³⁶ Françoise Nicolas, “The China-Led AIIB, A Geopolitical Tool?” (2025), pp. 1–8.

¹³⁷ AIIB, “Partnerships,” <https://www.aiib.org/en/about-aiib/who-we-are/partnership/index.html>.

¹³⁸ Daily Independent, “Worlds Newest Development Bank Invests in Coal Despite Green Promise”; The Hindu, “AIIB Comes under Attack from Activists”.

¹³⁹ Giuseppe Gabusi, “Global Standards in the Asian Infrastructure Investment Bank: The Contribution of the European Members,” *Global Policy*, Vol. 10, No. 4 (2019), pp. 631–8.

¹⁴⁰ NGO Forum on ADB, “Asian Infrastructure Investment Bank’s (AIIB) Paper on the Accountability Framework”.

¹⁴¹ Chin, “The Asian Infrastructure Investment Bank—New Multilateralism”.

sluggish investment markets following the COVID-19 pandemic, the AIIB published a new “Sustainable Development Bond Framework” in April 2021, which enabled the issuance of green bonds in USD, GBP, and EUR, attracting strong interest from investors worldwide.¹⁴² Overall, reactions from global market participants appear to testify to its sound operation and recognize its aspirations to become a major player in international finance. For now, the new MDB seems to have established and sustained a positive feedback loop of express recognition from members, existing MDBs, and global financial markets while framing the ongoing scrutiny from civil society actors as beneficial input on its learning track.

Discussion and Conclusion

Applying our tripartite analytical framework to the case of AIIB has allowed us to examine the legitimation dynamics in terms of legality, normative justifiability, and recognition separately. First, AIIB has not faced any challenges to its legality since its establishment almost a decade ago. Second, its sailing in terms of normative justifiability has been less smooth. The AIIB’s rightful authority was heavily debated in developed countries, particularly the USA and Japan, between late 2014 and spring 2015. Multiple voices insisted that China should not be allowed to “write the rules” for Asia and “undercut” existing GGIs such as the World Bank, the IMF, and the ADB. The accusations, sometimes clad in “we” versus “them” rhetoric and carrying a strong sense of geopolitical rivalry, were reciprocated by voices from the Global South. From the latter’s perspective, the China-led bank epitomized the transition from a unipolar to a multipolar world. Commentators in various Asian countries and other regions welcomed the AIIB’s contribution to “transform” (Qatar) or even “reset” (India) the existing, Western-dominated international order, making it “more reflective of the actual distribution of global economic power” (South Africa). To cope with these challenges, the AIIB leadership recruited global experts to help design the bank in accordance with existing international standards, while delivering the promise of innovation and efficiency, earning the bank respect even among US commentators.¹⁴³ Chinese media also highlighted the AIIB’s role in meeting the urgent need for significant infrastructure investment throughout Asia to promote the region’s common interests.

To address accusations of undermining the international order, both the bank and the Chinese media have presented it as a “junior partner” of existing MDBs, complementing rather than competing with the current global financial architecture. By privileging regional members over nonregional members regarding voting rights while maintaining *de facto* veto power, China asserts a dominant role in the bank in the interests of the region and as a guarantor of the new multipolar order. Confronted with repeated criticism that the AIIB primarily serves Chinese interests as a “BRI tool,” media and bank communications insist that the bank caters to the infrastructure needs of countries based solely on commercial viability, irrespective of the BRI, with non-BRI member India being the largest beneficiary. Nevertheless, the AIIB has remained at the center of the geopolitical contest between China and the USA. With each new round in the escalating Sino-US conflict, we can expect renewed criticism of the AIIB as a tool for the Chinese government to expand its influence in the region.

Third, the recognition of the AIIB has been strong so far. Despite pressure from the USA, many European and nonregional members became founding members of the bank before the AIIB’s inauguration in early 2016. As of now, the bank’s membership has grown to 106, significantly surpassing other regional MDBs. In addition, the World Bank, International

¹⁴² AIIB, “AIIB Inaugural 5-Year EUR Sustainable Development Bond Receives Strong Market Support,” 9 February 2023, <https://www.aiib.org/en/news-events/news/2023/AIIB-Inaugural-5-Year-EUR-Sustainable-Development-Bond-Receives-Strong-Market-Support.html>; Schuknecht, “About AIIB”.

¹⁴³ e.g. Morris, “I Just Read the AIIB’s Articles of Agreement, and Here’s What I Think”.

Monetary Fund/IMF, ADB, and other MDBs regularly express a collaborative spirit and acknowledge the AIIB's increasing contribution to infrastructure investment in Asia and beyond, demand for which has only grown in the wake of the COVID-19 pandemic. By positioning itself as a "learning" institution in relation to its senior partners and in dialog with transnational NGOs, the AIIB has established a positive feedback loop of recognition from multiple audiences. Even if some of this collaborative and learning attitude may serve more as window-dressing than substantive purposes, the bank's reputation is reinforced by the ongoing acknowledgment of global financial markets reflected in triple-A ratings.

As these findings suggest, the AIIB has secured its legitimacy despite, or perhaps because of, challenges from the hegemonic power, namely the USA, during its founding and initial operational period. While these challenges have been leveraged as an external incentive to align the bank with international rules and standards, the geopolitical rivalry between the USA and China has created room for normative justifications of the AIIB as an essential actor in the emerging multipolar constellation. In this sense, the AIIB's success in securing legitimacy can be partly attributed to its adept responses to the challenges and opportunities of the current multipolar environment.

The opportunities of multipolarity come with risks, however. As argued above, the normative justifiability of the AIIB's rightful authority hinges upon its acknowledgment as a truly international institution operating in the region's common interest. Given the persistent suspicions of the AIIB as a "Chinese bank," this authority stands on shaky grounds. The Pickard episode illustrates how challenges articulated in terms of normative justifiability, i.e. doubts cast on the AIIB's rightful authority, can easily spill over into the field of recognition, creating threats of a possible "domino" effect from Western powers' disengagement. In this case, the use of formal procedures enabled the bank to neutralize the criticism and underline its "high governance standards" once more. Nevertheless, the episode highlights the vulnerability inherent in the AIIB's normative justifiability as a product of the emerging multipolar constellation. Regardless of whether US allies or emerging powers like India will dismiss doubts about AIIB's rightful authority or due performance, the potential for a downward spiral of recognition and subsequent delegitimation of the bank cannot be ruled out.

To summarize, our study contributes to the ongoing debate about the legitimacy of GGIs by outlining the opportunities and challenges that arise from the contemporary multipolar order. The empirical analysis of the AIIB as the probably most prominent case of a new GGI initiated by an emerging power has demonstrated the utility of our analytical framework that translates Beetham's tripartite approach to the legitimation of power into an international context with its multiple legitimacy claimants and audiences. The distinction between three dimensions of legitimacy—legality, normative justifiability, and recognition—allowed us to examine the legitimation dynamics within each dimension and across them. Epistemologically, our analytical framework reconciles the tension between empiricist and normativist approaches to legitimacy by taking seriously the competing normative expectations of a growing number of legitimacy audiences that inhabit the contemporary multipolar world, as well as their discursive and performative acts in the public realm driven by those expectations. This approach enabled us to arrive at a more comprehensive assessment of the AIIB's legitimacy. With that, our analytical framework might be applied and tested by future studies on the legitimacy of GGIs under multipolarity. Specifically, while the empirical scope of the present study is limited to an emerging power-led GGI, further research can utilize the framework developed here to comparatively study a small set of different kinds of GGIs, thereby better understanding the implications of the multipolar constellation on the legitimation dynamics of GGIs more generally. Another area would be to further theorize the connections between the three dimensions of legitimacy—by, for example, developing hypotheses about potential mechanisms that translate the effect from one dimension (e.g. challenges to normative justifiability) to another (e.g. withdrawal

of recognition)—which would advance our knowledge on the feedback loops.¹⁴⁴ In our single case study, we only explored this aspect preliminarily. To study it more systematically, one could leverage the variation offered by having multiple empirical cases in a small-n, comparative research design, as mentioned above.

Acknowledgements

The authors thank the editors and the three anonymous reviewers of *The Chinese Journal of International Politics*, as well as colleagues from the joint research project “Legitimate Multipolarity” and from the Research Program Four of the German Institute for Global and Area Studies (GIGA), especially Henning Schmidtke, Tobias Lenz, Swantje Schirmer, Niklas Krösche, Johannes Plagemann, and Amrita Narlikar, for their valuable comments and suggestions. Additionally, Qianchan Fan, Shubham Kaushik, and Svenja Schöneich assisted with data collection and translation.

Conflict of interest statement: None declared.

Funding

This paper is an outcome of the authors’ joint research project “Legitimate Multipolarity” funded by the German Research Foundation/DFG (project # 394229330).

¹⁴⁴ Steffek, “Triangulating the Legitimacy of International Organizations,” p. 17.