

Power as prestige in world politics

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Prestige, rather than power, is the everyday currency of international relations, much as authority is the central ordering feature of domestic society ... prestige is 'enormously important' because 'if your strength is recognized, you can generally achieve your aims without having to use it.'¹

From the vantage point of where I sit (Singapore), the most compelling observation to make about power in the world is that it is shifting from the West to the East.² The initial throes of this shift are currently being experienced in Asia, where the key protagonists are the United States, the established power or hegemon, and China, the rising challenger and peer competitor. For the historian Stephen Kotkin, 'today's competition between China and the United States is a new twist on an old story'; in fact, 'the geopolitical picture today resembles that of the 1970s, and even the 1920s, albeit with one crucial exception ... the displacement of Japan by China as the central player in the Asian balance of power'.³

This article will focus on this ongoing power contest in Asia and beyond. I will anchor my account in the concept of prestige—what Robert Gilpin calls the 'reputation for power'⁴—and, where appropriate, contrast it with its manifestations in the past. I argue that the current geopolitical competition between the United States and China is best viewed as a competition over the hierarchy of prestige, with China seeking to replace the US as the most prestigious state in the international system within the next 30 years. Although the competition is a global one, with China having made significant economic and political inroads

¹ Robert Gilpin, *War and change in world politics* (Cambridge: Cambridge University Press, 1981), p. 31.

² Christopher Layne, 'The US–Chinese power shift and the end of Pax Americana', *International Affairs* 94: 1, Jan. 2018, pp. 89–112.

³ Stephen Kotkin, 'Realist world: the players change, but the game remains', *Foreign Affairs* 97: 4, July–Aug. 2018, pp. 11–12.

⁴ Gilpin, *War and change*, p. 31. There is an extensive literature on prestige, status and credibility in international relations. Among the works that I have found especially helpful are Jonathan Renshon, *Fighting for status: hierarchy and conflict in world politics* (Princeton: Princeton University Press, 2017); Jonathan Mercer, 'The illusion of international prestige', *International Security* 41: 4, Spring 2017, pp. 133–68; T. V. Paul, Deborah Welch Larson and William C. Wohlforth, eds, *Status in world politics* (New York: Cambridge University Press, 2014); Steve Chan, *China, the US, and the power-transition theory: a critique* (London: Routledge, 2008); Steve Wood, 'Prestige in world politics: history, theory, expression', *International Politics* 50: 3, 2013, pp. 387–411; William Wohlforth, 'Unipolarity, status competition, and Great Power war', *World Politics* 61: 1, 2009, pp. 28–57; Youngho Kim, 'Does prestige matter in international politics?', *Journal of International and Area Studies* 11: 1, June 2004, pp. 39–55; Jonathan Mercer, *Reputation and international politics* (Ithaca, NY: Cornell University Press, 1996).

into Africa, Latin America and even Europe, Asia is where China must establish its 'reputation for power' in the first instance. China seeks the top seat in the hierarchy of prestige, and the United States will do everything in its power to avoid yielding that seat, because the state with the greatest reputation for power is the one that will govern the region: it will attract more followers, regional powers will defer to and accommodate it, and it will play a decisive role in shaping the rules and institutions of international relations. In a word, the state at the top of the prestige hierarchy is able to translate its power into the political outcomes it desires with minimal resistance and maximum flexibility.

I shall also make two subsidiary points. First, that states' obsession with prestige is nothing new: it was as evident 100 years ago as it is today. In the years preceding the two world wars, the rising power's (Germany's) struggle to ascend the prestige ladder and the established power's (Britain's) unwillingness to give way were major contributors to both conflicts.⁵ The second subsidiary point I will make is that while the kind of power transition we are witnessing today has historically been 'settled' through a major hegemonic war—to decide who sits atop the hierarchy of prestige—I wager that this outcome is unlikely in the case of the current China–US competition. In contrast to the conditions prevailing before the two world wars, technological, economic and normative developments since 1945 have made the costs of hegemonic war so prohibitive that the next power transition is more likely to be peaceful than violent.

The analysis will proceed in four parts. In the first part, I examine the resource-based determinants of power—including economic, military and cultural assets—and assess the extent to which they have changed in the past century. This paves the way for the discussion in the second part, where I ask what all those resources add up to, given the focus here on understanding power in terms of the ability to obtain one's preferred outcomes. In particular, I will explore the utility of a newly released study by the Lowy Institute of Australia, which combines resources and influence into a single metric to rank the relative power of states in Asia, that is, to map out the existing distribution of power in Asia today. The resulting analysis points to the emergence of China as the new superpower of the region, poised to challenge the established power, the United States. The third part of the article teases out the implications of this geopolitical struggle, using Robert Gilpin's insights on the role of prestige to make sense of what is at stake in this contest. The 'prestige framework' thus developed is then applied in the fourth part to selected episodes in US and Chinese foreign policy to illustrate the importance and prevalence of prestige considerations in the interactions between the two states. The point to be made is that by viewing US–China competition as a negotiation over the hierarchy of prestige, with China wanting more of it, and the United States

⁵ On the First World War analogy, see also Christopher Layne, 'The sound of distant thunder: the pre-World War I Anglo-Germany rivalry as a model for Sino-American relations in the early twenty-first century', in Asle Toje, ed., *Will China's rise be peaceful?* (New York: Oxford University Press, 2018); Richard Rosecrance and Steven Miller, eds, *The next great war? The roots of World War I and the risk of US–China conflict* (Cambridge, MA: MIT Press, 2014); Gideon Rachman, 'The shadow of 1914 falls over the Pacific', *Financial Times*, 5 Feb. 2013.

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refusing to budge (by stigmatizing instead of accommodating China), we can get to the heart of what power transition politics is about.⁶ Today, the stage is set for the kind of power transition politics witnessed in the years prior to the two world wars of the twentieth century. I therefore conclude by asking if the contestation over the hierarchy of prestige in Asia is likely to lead to a hegemonic war; and I suggest that such a violent conflict is unlikely because of the changes identified in the first part of the article.

Power as resources

Students of power are generally interested in three questions. What is it? Who has most of it? And: so what? Because there is an abundant literature on the nature of power in international relations,⁷ much of it very good, I shall touch only briefly on the first of these, devoting greater attention to the more controversial questions of who has it and with what consequences.

In *The twenty years' crisis, 1919–1939*, E. H. Carr conceived of 'political power in the international sphere' as comprising military power, economic power and power over opinion.⁸ Three-quarters of a century later, Joseph Nye, in his seminal *The future of power*, also saw fit to organize his analysis around a similar trio of themes: military power, economic power and soft power.⁹ Nye himself cites Carr, and sees his own famous conceptualization of 'soft power' as sharing similarities with Carr's 'power over opinion'. Economic and military capabilities belong to the realm of hard power, which centres on buying off or coercing others to get your way. When the United States cut off aid to Yemen in retaliation for the latter's refusal to vote in favour of UN Security Council Resolution 687 in 1990, or when China builds military structures on disputed islands in the South China Sea, these are expressions of hard economic and military power respectively. Soft power, on the other hand, is about the power to attract, where you co-opt others to value the things you want them to value.¹⁰ Japan, for example, leverages on the worldwide popularity of its manga (comics), anime (animated cartoons), and cosplay (costume play) to help position it as a centre of cultural innovation.¹¹

⁶ Wu Xinbo, 'China in search of a liberal partnership international order', *International Affairs* 94: 5, Sept. 2018, pp. 995–1018; Xiaoyu Pu and Chengli Wang, 'Rethinking China's rise: Chinese scholars debate strategic overstretch', *International Affairs* 94: 5, Sept. 2018, pp. 1019–36.

⁷ Among the sources that have informed my analysis are Robert A. Dahl, 'The concept of power', *Behavioral Science* 2: 3, 1957, pp. 201–15; Joseph S. Nye, Jr, *The future of power* (New York: Public Affairs, 2011); Michael Barnett and Raymond Duvall, 'Power in international politics', *International Organization* 59: 1, Winter 2005, pp. 39–75; David A. Baldwin, 'Power and international relations', in Walter Carlsnaes, Thomas Risse and Beth A. Simmons, eds, *Handbook of international relations* (London: Sage, 2002); Steven Lukes, *Power: a radical view*, 2nd edn (London: Palgrave Macmillan, 2005).

⁸ Edward Hallett Carr, *The twenty years' crisis, 1919–1939* (New York: Harper Torchbooks, 1964; first publ. 1939), p. 108.

⁹ Nye, *The future of power*, part I.

¹⁰ Nye, *The future of power*, pp. 20–21.

¹¹ Yee Kuang Heng, 'Three faces of Japan's soft power', *Asian International Studies Review* 18: 1, June 2017, pp. 171–88.

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Economic capability as a resource

The economic capabilities of states—usually measured in terms of GDP—are central to all discussions of international power. Economic wealth, the result of strong economic growth over a sustained period of time, is the *sine qua non* of power. This was true a century ago and it is true now. Without wealth, one would not have the resources to acquire the military hardware necessary to make one a major military power. Equally important, only wealthy countries can afford to conduct the scientific, technological and military research and development (R&D) necessary to develop the advanced weaponry and strategies that may be decisive in war.

A good case can be made for technological capabilities as a fourth dimension of power, especially as it becomes increasingly clear that the countries with the most advanced cyber capabilities (including big data, supercomputers and cyber warfare), robotics and artificial intelligence systems are likely to have the economic and military edge in the coming decades. However, it also makes sense to incorporate technological strength as part of a country's economic capabilities—as a study on which I shall draw in the second part of this article does—so long as the contribution of technology to the country's economic resources is explicitly stated and appropriately weighted.¹² Economic strength is only partly based on domestic production and consumption; prosperous countries are also heavily involved in foreign trade and investment. Thus, in addition to the size of a country's economy (as measured by GDP) and its technological capabilities, connectivity to the outside world, measured in terms of global exports, imports and investment flows, is also a key indicator of economic strength.¹³

Military capability as a resource

States, be they rich or poor, when faced with security threats will always direct part of their national budget to 'defence'—raising a military, acquiring arms, joining alliances—to protect themselves and deter their enemies. Wealthier states are likely to define 'security threats' more expansively. For example, their worries may have less to do with fears of external encroachment on their territory by others and more to do with their ability to create an external environment conducive to their achieving valued political and/or economic objectives. The ability to project power, through foreign bases or naval vessels, is a key indicator of Great Power status; and when a state's military power towers above that of other states by several orders of magnitude, it becomes a superpower, like the Soviet Union and the United States during the Cold War. Today, as I shall argue below, China has replaced the Soviet Union as the main antagonist of the United States.

Key measures of military strength include the level of defence spending (usually measured in terms of percentage of GDP), the size of military forces, the nature

¹² The study I shall use is the Lowy Institute's *Asia Power Index 2018*, <https://power.lowyinstitute.org>. See *Report*, p. 20, on the way the index treats technology and connectivity as part of economic resources. (Unless otherwise noted at point of citation, all URLs cited in this article were accessible on 13 Nov. 2018.)

¹³ Lowy Institute, *Asia Power Index, Report*, p. 20.

and scale of weapon platforms, and nuclear capability. The recent debate in the United Kingdom about increasing defence spending from 2.1 per cent to 2.5 per cent of GDP provides a fascinating insight into the purposes of military power. Increased military spending, according to Britain's generals, was necessary if the UK wanted to be a 'tier-one power' and to have a 'seat at the top table'.¹⁴ Asked by the Prime Minister what 'tier-one power' meant, the Defence Secretary could not give an immediate answer. *Guardian* reporter Pippa Crerar found it easier to offer a definition: it meant, she said, being a military power on a par with the US, Russia, China and France.¹⁵ Or, as former Chief of the Defence Staff Nick Houghton put it, it is about 'projecting' and enhancing 'Britain's influence and power and respect in the world if that is the sort of country we want to be'.¹⁶

The *Guardian*, a newspaper strongly sceptical about the need for increased defence spending and rather adamant about *not* 'being that sort of a country', snorted: 'So it is about influence and standing. The ability to puff out our chests and play with the big boys.'¹⁷ But the generals do seem to know one thing: if you want to be a tier-one power, play with big boys and have a seat at the top table; in other words, if you want to maintain or increase your prestige—your reputation for power—you need to have that big stick behind you. Britain's defence outlay of 2.1 per cent of GDP, in their view, would not cut it. Interestingly, the reason why Prime Minister Theresa May was reluctant to give her Defence Secretary the increase—quite apart from other demands on the national budget—was whether more of the same hardware would be fit for purpose to meet twenty-first-century threats, which she and others saw as emanating from cyber attacks, jihadism, trade wars and economic sanctions.¹⁸

While there have been many important innovations in the constituent elements of military power in the last century, most of them have been incremental changes. Two innovations, however, stand out as changes in kind. The advent of nuclear weapons upended the traditional connection between weapons and military doctrine. The destructive power of atomic and hydrogen bombs made them close to impossible to use. Bernard Brodie's assessment of the change brought about by 'the absolute weapon' remains the most eloquent: 'Thus far the chief purpose of our military establishment has been to win wars. From now on its chief purpose must be to avert them. It can have almost no other useful purpose.'¹⁹

To be sure, atomic bombs were used twice on Japan by the United States to force Japan's surrender in the Asian theatre during the Second World War. Since then, however, while there have been nuclear crises, and despite the expansion of nuclear states from one to nine—far fewer than what was predicted back in the 1960s—no one has resorted to using nuclear weapons. The taboo against their use remains strong: over what political goal would any rational leader be willing

¹⁴ Simon Jenkins, 'It's delusional to think Britain should be a global military power', *Guardian*, 28 June 2018.

¹⁵ Pippa Crerar, 'Theresa May faces new conflict with defence secretary', *Guardian*, 28 June 2018.

¹⁶ Cited in David Shariatmadari, 'UK defence spending is national narcissism', *Guardian*, 26 June 2018.

¹⁷ Shariatmadari, 'UK defence spending'.

¹⁸ Jenkins, 'It's delusional'.

¹⁹ Bernard Brodie, ed., *The absolute weapon: atomic power and world order* (New York: Harcourt Brace Jovanovich, 1972), p. 76.

to deploy nuclear weapons against a nuclear-armed adversary and risk mutual destruction?²⁰ While it would be unwise to assume that under no conditions will any leader resort to using nuclear weapons, the threshold remains extremely high. The greater concern is about terrorists obtaining a crude nuclear device and detonating it in a major city.²¹

The second change in kind is of even more recent vintage. Originally conceived as the revolution in military affairs (RMA), it describes a state of affairs in which developments in information technology, combined with innovations in military hardware, would give technologically capable states decisive advantages in command, control, communications and intelligence (C3I) in the battlefield, and thus enable them to win wars: an example would be the United States' victory in the Gulf War of 1990–91. As Nye put it, the 'key is not possession of fancy hardware or advanced systems; but the ability to integrate a system of systems'.²² The latest manifestation of this weaponization of information technology is of course the emergence of cyberwar.²³ Whether it involves hacking into victims' computer systems to steal secret or proprietary information, implanting worms into adversaries' computer systems to thwart their nuclear aspirations, or using social networks to spread fake news, prudent states will need to invest in an army of cyber warriors to defend their systems or attack those of their enemies.

Soft power as a resource

Soft power, on the other hand, is about the power to attract, the attributes that give a state the 'pull' to get others to want what it would like them to want.²⁴ This recognition of soft power as an important resource is probably one of the main differences between the way we think about power today and the way our predecessors viewed it a hundred years ago. Until Joseph Nye gave it a name, we did not have a proper vocabulary to describe the attributes that make country A attractive to others, such as its political system, its popular culture and its technological creativity.²⁵

E. H. Carr's 'power over opinion'—one of his three major categories of power—may be seen, to a limited extent, as an early attempt to engage with the concept of soft power. Carr's power over opinion was conceived of largely in terms of propaganda, used to demoralize one's enemies and their publics, for example by

²⁰ See Lawrence Freedman, 'The rise and fall of Great Power wars', *International Affairs* 95: 1, Jan. 2019, pp. 101–117.

²¹ See Graham Allison, *Nuclear terrorism: the ultimate preventable catastrophe* (New York: Henry Holt, 2004).

²² Nye, *The future of power*, p. 118.

²³ Nye, *The future of power*, pp. 123–33. Nye also makes an important point about cyber power not being the exclusive preserve of states; the low cost of entry also makes it a weapon of choice for non-state actors. Non-state actors—from multinational corporations to international NGOs such as Amnesty International to terrorist groups such as Al-Qaeda—have undoubtedly become more important in international politics than they were a century ago, not only in matters of cyber power, but also in trade, investment, climate change and protection of human rights. Space limitations prevent me from dealing with them systematically in my discussion here of prestige in times of power transitions.

²⁴ The term made its first appearance in Joseph S. Nye, Jr, *Bound to lead: the changing nature of American power* (New York: Basic Books, 1990). Subsequent elaborations can be found in Joseph S. Nye, Jr, *Soft power: the means to success in world politics* (New York: Public Affairs, 2009), and Nye, *The future of power*.

²⁵ Nye, *Bound to lead*.

dropping leaflets to encourage enemy troops to mutiny during the Second World War. For Carr, ideas such as democracy, free trade, communism, Zionism and the League of Nations, in so far as they appeal to some audiences, have power over opinion. But in his view, such ideas were hard to separate 'from power and [are] fostered by international propaganda'. In the final analysis 'they all are tethered to the state' and 'cannot be dissociated from military and economic power'.²⁶

In contrast to Carr's definition, Nye's conception of 'power over opinion' accentuates the positive and is often untethered from the state. For Nye, soft power can be dissociated from hard power: 'Hard power is push; soft power is pull.'²⁷ He cites the example of the Pope not having many divisions, but possessing ample soft power among Catholics. In his more recent work, perhaps in response to critics who point to the importance of hard power as the underlying basis for successful use of soft power, Nye has coined the notion of 'smart power' which involves combining hard and soft power resources to realize one's preferred policy objectives.²⁸ Soft power resources include culture (e.g. yoga, which, while practised widely around the world, is 'an invaluable gift of India's ancient tradition',²⁹ according to Indian Prime Minister Narendra Modi, who in 2014 was successful in having the annual International Day of Yoga recognized by the United Nations; other examples include language schools such as France's Alliance Française and Germany's Goethe-Institut), ideas (e.g. liberal democracy), institutions (e.g. the BBC, world-class universities) and policies (e.g. humanitarian aid) that make a state an embodiment of virtues that others find attractive or even irresistible. The potential pay-offs for the possessor of these resources include foreigners being more open to you and your policies, queuing up to buy your products (as in the launch of new iPhones), hankering to attend your universities (an important source of foreign exchange) and striving to remain in your country after obtaining their qualifications (a vital source of techno-entrepreneurs for Silicon Valley). Perhaps the most idealistic take on soft power is that according to which foreigners—especially those from non-democratic countries—become imbued with democratic ideas and practices, either through the direct experience of living in liberal democracies or through information obtained from social media, and then go on to effect change towards democratization in their own countries.

Nye's conception of soft power and his elaboration of it have been instrumental in helping us appreciate how soft power resources can be a source of power for country A, in the sense that A can get others to want what it wants without having to resort to coercion. Although it is not easy to quantify the political capital or financial gains accruing to states with soft power, it is generally recognized that soft power matters today and that it should be incorporated in any serious assessment of power.

²⁶ Carr, *The twenty years' crisis*, p. 141.

²⁷ Nye, *Soft power*, pp. 9, 20.

²⁸ Nye, *Soft power*, p. 23.

²⁹ Statement by His Excellency Narendra Modi, Prime Minister of India, General debate of the 69th session of the United Nations General Assembly, held in New York, 27 Sept. 2014, p. 5, http://www.un.org/en/ga/69/meetings/gadebate/pdf/IN_en.pdf.

Power as the ability to obtain preferred outcomes

The above discussion of economic, military and ‘soft’ assets as the three main sources of power paves the way to answering the second question: who has most of it? The answer is harder to come by than we might expect, especially if we adopt Robert Dahl’s yet to be bested notion of power as A’s ability to make B do what s/he might otherwise not do.³⁰ Possessing tons of economic and military resources does not automatically or necessarily enable A to obtain the outcomes it prefers, especially if B is able to find ways to resist or frustrate A’s policies. Hence analysts of power have always been interested in finding ways to incorporate ‘will’ and ‘strategy’—which undoubtedly have an impact on outcomes—with ‘resources’ in order to get a better grasp of A’s ability to influence B.

Among the best known of these efforts is that by former high-ranking CIA analyst Ray Cline, whose job, according to Joseph Nye, ‘was to tell [US] political leaders about the balance of American and Soviet power during the Cold War’ and whose ‘views affected political decisions that involved high risks and billions of dollars’. Cline developed a formula for measuring power, where perceived power = (population + territory + economy + military) × (strategy + will), and came to the (wrong) conclusion that in 1977 the Soviet Union was twice as powerful as the United States.³¹ Other approaches omit will and strategy—since they are hard to measure—preferring instead more ‘objective’ measures such as population, iron and steel production, and military expenditure. The latter measures form the basis of the Correlates of War Project’s popular Composite Index of National Capability (CINC); but they too have produced counter-intuitive results, such as China’s power exceeding that of the United States in 1996.³² Others, on simplicity grounds, opt for a single, parsimonious measure of power, such as a country’s GDP, and conclude that China reached parity—defined as 80 per cent of US GDP in the power transition literature—with the United States in 2005.³³

The bottom line is that measuring the power of states is an imperfect exercise. Among the key challenges are finding good proxy measures for ‘will’ and ‘strategy’ and, increasingly, ways to incorporate soft power alongside economic and military capabilities in arriving at any overall power assessment. The Australian Lowy Institute’s recently released *Asia Power Index* (API) may have succeeded in meeting these challenges better than most. Published in May 2018, the API is a remarkably comprehensive and rigorous ranking of the overall power of 25 Asian countries (including the United States and Russia).³⁴ Countries are assessed along eight weighted dimensions: economic resources (20 per cent), military capability (20 per cent), resilience (7.5 per cent), future trends (7.5 per cent), diplomatic influence (10 per cent), economic relationships (15 per cent), defence networks (10 per cent) and cultural influence (10 per cent). Each of these dimensions is tapped by numerous

³⁰ Dahl, ‘The concept of power’.

³¹ Nye, *The future of power*, p. 4.

³² See Carsten Rauch, ‘Challenging the power consensus: GDP, CINC, and power transition theory’, *Security Studies* 26: 4, 2017, pp. 654–55.

³³ Rauch, ‘Challenging the power consensus’.

³⁴ Lowy Institute, *Asia Power Index*.

Table 1: API overall power ranking in Asia

<i>Rank</i>	<i>Country</i>	<i>Score</i>
1	United States	85.0
2	China	75.5
3	Japan	42.1
4	India	41.5
5	Russia	33.3
6	Australia	32.5
7	South Korea	30.7
8	Singapore	27.9
9	Malaysia	20.6
10	Indonesia	20.0
11	Thailand	19.2
12	New Zealand	18.9
13	Vietnam	16.5
14	Pakistan	15.1
15	Taiwan	14.9
16	Philippines	12.4
17	North Korea	11.4
18	Bangladesh	8.7
19	Brunei	8.2
20	Myanmar	7.6
21	Sri Lanka	7.6
22	Cambodia	6.1
23	Mongolia	5.0
24	Laos	4.8
25	Nepal	3.1

Source: Lowy Institute *Asia Power Index*, 2018.

sub-measures. A few examples should suffice to give an indication of the granularity of API's approach to measuring power. Economic strength is measured by 21 indicators, including GDP at purchasing power parity (PPP), high-tech exports, R&D spending, and global investment outflows/inflows. Military capability is based on 24 indicators, from military expenditure to weapon platforms, nuclear weapons and cyber capabilities. Cultural influence (or soft power) is assessed through 14 indicators, from interest abroad in the country (based on Google searches) to global brands, inbound Asian international students and tourist arrivals.³⁵

The API's resulting rankings are set out in table 1. According to these calculations, the United States is the most powerful country in Asia, with a score of 85.0 out of 100, followed by China (75.5), Japan (42.1), India (41.5), Russia (33.3), Australia (32.5), South Korea (30.7), Singapore (27.9), Malaysia (20.6) and Indonesia (20.0).

Especially noteworthy is the API's attempt to overcome the most vexing conundrum in power analysis, alluded to above, namely the issue of fungibility:

³⁵ Lowy Institute, *Asia Power Index, Report*, pp. 19–23.

that resources do not always translate into success in achieving valued political goals. Having nuclear weapons, for example, is not of much help in persuading or coercing OPEC to lower oil prices. The usual way around this problem is to acknowledge that the fungibility or convertibility of power resources into outcomes is dependent on the context or issue area.³⁶ Appreciating the importance of context adds sophistication to our analysis of power, but it does not solve the problem; all it enables us to say is that A's ability to change B's behaviour depends on the issue. We are still bereft of foresight as to whether A's impressive resources can be converted into the political outcomes it wants.

The API addresses this issue head-on by conjuring up four measures of 'influence': cultural influence (soft power, discussed above), defence networks, economic relationships and diplomatic influence. Countries scoring high on these dimensions are presumed to be better at converting their resources into desired political outcomes. These proxy measures are not perfect, but they are the most thought-provoking and plausible attempt so far to combine resources and 'influence' (or ability to achieve your goals) into one metric.³⁷ Put differently, the United States' overall score of 85.0 measures both its formidable resources and its estimated ability to convert those resources into outcomes. However crude and preliminary this metric may be, it represents the state of the art (or science if one prefers) in assessing national power.

Prestige as the reputation for power

Going by the API indicators, the United States and China are the two 'superpowers' in contemporary Asia.³⁸ The United States, at number 1, and China, at number 2, are way ahead of those below them. Japan (at number 3) and India (at number 4) are 'major powers' but not superpowers. Russia, Australia, South Korea and the bigger ASEAN countries are 'middle powers'. No wonder Putin is doing everything he can to restore Russia's status!

The significance of the API results is twofold. First, in contrast to what some analysts claim, Asia today is not multipolar. It does not even seem to be moving in that direction, given the disparity in power between the top two and the others. Second, Asia is decidedly bipolar, though the United States remains the region's hegemon. By the API's measures, the United States and China are close to equality in respect of economic strength; but the US remains significantly ahead of China on military capability, defence networks and cultural influence. It is also clear that, as of now, most in Asia are more comfortable with US leadership of the region than they are with the prospect of Chinese leadership. However, it is also the

³⁶ Nye, *The future of power*, pp. xiv–xviii. See also David A. Baldwin, 'Power analysis and world politics: new trends versus old tendencies', *World Politics* 31: 2, Jan. 1979, pp. 3–36.

³⁷ The API's approach bears some resemblance to the Cline formula. 'Strategy' and 'will' are incorporated into the API approach as 'influence'. API's granular and sophisticated approach to deciphering 'influence', in my view, gives it the analytical edge. See Lowy Institute, *Asia Power Index, Report*, pp. 5–7.

³⁸ See also Øystein Tunstjø, *The return to bipolarity in world politics: China, the United States and geostructural realism* (New York: Columbia University Press, 2018), for a thoughtful theoretical and empirical account of China and the US as the two superpowers in the contemporary world.

case that China is catching up quickly.³⁹ It has built stronger economic relationships with the rest of the world—replacing the United States as the top trading partner for most states in Asia, for instance, and stirring the imagination of many through its ‘belt and road initiative’ (BRI) and its creation of the Asian Infrastructure Investment Bank (AIIB).⁴⁰ Its economic size, military expenditure (in PPP terms) and working-age population are also projected to surpass those of the US by around 2030.⁴¹ Perhaps because of these considerations, and also because of the Trump administration’s unpredictable foreign policies, China is already deemed by the API to have slightly greater diplomatic influence in Asia than the US today.⁴²

The portrait that emerges is this: China’s overall power still lags behind that of the United States, but it is closing in. According to power transition theorists, things start to get interesting when the rising power’s *overall* strength approaches 80 per cent of that of the established power.⁴³ This—an approximate threshold, to be sure—is when the politics of power transition is triggered: that is, when the prestige needs of the rising power become more urgent, and the established power’s fear of losing prestige becomes more salient. The API measures suggest that this threshold has been reached in the China–US case.

The relevant geopolitical dynamic in Asia today, then, is the rise of China and the relative decline of the United States, as we enter into what I prefer to call the politics of power transition. The rising power, conscious of its new clout, will demand changes to existing arrangements and entitlements, so that they better reflect its interests. The established power will have to decide whether to concede or to resist. Among the most important changes demanded by the rising power is an alteration in the hierarchy of prestige. We will examine why this is so after clarifying what prestige means.

‘Prestige’, according to Robert Gilpin, is a state’s

reputation for power and military power in particular. Whereas power refers to the economic, military, and related capabilities of a state, prestige refers primarily to the perceptions of other states with respect to a state’s capacities and its ability and willingness to exercise its power ... prestige involves the credibility of a state’s power to achieve its objectives.⁴⁴

Former US Secretary of State Dean Acheson defined prestige as ‘the shadow cast by power’, a notion that is very similar to Gilpin’s in its focus on reputation, credibility and deterrent capabilities.⁴⁵ Why do states care about other states’ perceptions of their ‘ability and willingness to exercise [their] power’? They care—in fact, Great Powers obsess about their prestige—because:

³⁹ It is not easy to compare the API’s findings with those of Stephen Brooks and William Wohlforth, who argue that the US remains the sole superpower. This is because the API focuses on the distribution of power in Asia, whereas Brooks and Wohlforth focus on the global distribution. See Stephen Brooks and William Wohlforth, *America abroad: the United States’ global role in the 21st century* (New York: Oxford University Press, 2016). For a view that China has already reached parity with the US or overtaken it, see Rauch, ‘Challenging the power consensus’.

⁴⁰ Alice de Jonge, ‘Perspectives on the emerging role of the Asian Infrastructure Investment Bank’, *International Affairs* 93: 5, Sept. 2017, pp. 1061–84.

⁴¹ Lowy Institute, *Asia Power Index, Report*, p. 22.

⁴² Lowy Institute, *Asia Power Index, Report*, p. 11.

⁴³ Rauch, ‘Challenging the power consensus’, pp. 654–55.

⁴⁴ Gilpin, *War and change*, p. 31.

⁴⁵ Dean Acheson, *Present at the creation: my years in the State Department* (New York: Norton, 1969), p. 405.

Prestige, rather than power, is the everyday currency of international relations, much as authority is the central ordering feature of domestic society ... prestige is 'enormously important' because 'if your strength is recognized, you can generally achieve your aims without having to use it.' It is for this reason that in the conduct of diplomacy and the resolution of conflicts among states there is actually relatively little use of overt force or, for that matter, explicit threats. Rather, the bargaining among states and the outcomes of negotiations are determined principally by the relative prestige of the parties involved.⁴⁶

I have cited Gilpin at length because the distinction he makes between prestige and power is helpful to the analysis that follows; moreover, his elaboration of the role of prestige as 'the everyday currency of international relations' is underappreciated, yet it goes a long way in explaining why the Great Powers care so much about losing prestige or not having enough of it. The most prestigious states in the international system count on their prestige to ease and grease the routine transactions of international life, and to obtain their preferred outcomes. These transactions might include acquiring friends and allies, keeping them in tow, responding to their needs and working with them to achieve common goals.

There is thus a hierarchy of prestige, with the established power or hegemon at the top of this hierarchy. What happens to the hierarchy of prestige when the existing hegemon declines and the rising power closes in on the hegemon? An 'inconsistency [will] arise between the established hierarchy of prestige and the existing distribution of power'.⁴⁷ In other words, there will be a mismatch between the hierarchy of prestige and the distribution of power. The established power will find its prestige under constant threat, in part because it is increasingly unable to 'impose its will on others and/or to protect their interests'.⁴⁸ The rising power wants to occupy a higher rung on the prestige ladder, one consonant with its increasing clout, but the established power will resist allowing it to gain that status, since it will come at its own expense. The allies and partners of the established power are also likely—though not guaranteed—to resist the claims of the rising power, for two reasons. First, they prefer the 'surety' of the hegemon's protection to the uncertainty of the rising power's security visions. Second, according to the rising power the requisite prestige will usually mean losing some of their own relative prestige. It is for these reasons that the rising power, especially when it closes in on the established power, will want to settle the prestige issue through 'facts on the ground' (a larger economy, a stronger military, providing more public goods, gaining more allies and partners, etc.) if possible, and through a hegemonic war if necessary.

A recent work on the role of status in international relations by Jonathan Renshon provides robust support for the above account of what is at stake in

⁴⁶ Gilpin, *War and change*, p. 31 (emphasis added). Phrases within inverted commas are E. H. Carr's, as cited by Gilpin.

⁴⁷ Gilpin, *War and change*, p. 33.

⁴⁸ Gilpin, *War and change*, p. 33. The account of prestige and of power transition provided here follows Gilpin's. The literature on the rise and fall of Great Powers or power transitions is enormous; among the key works are Paul Kennedy, *The rise and fall of the Great Powers* (New York: Random House, 1987); Nye, *Bound to lead*; and A. F. K. Organski and Jacek Kugler, *The war ledger* (Chicago: University of Chicago Press, 1980).

power transition politics. Renshon argues that states that are not satisfied with their status or prestige in the regional or international hierarchy often initiate conflict to prove—assuming that they win—that they are deserving of more status than they have been accorded. Renshon puts it this way:

In international politics, one significant factor that leads to heightened status concerns is dissatisfaction with one's relative position. This occurs when actors come to believe that they are accorded less status than they deserve within their chosen 'status community' ... On the state level, heightened status concerns trigger a set of policies designed to return the country to what its leaders see as its 'rightful place' or defend its current position in the hierarchy ... While one can imagine status-altering events that are peaceful or cooperative in nature, a significant portion of dissatisfied actors are likely to resort to armed conflict to alter their position in their chosen hierarchy.⁴⁹

Renshon's account is persuasive because of his careful (almost obsessive) elaboration of 'status'—a term he uses interchangeably with 'prestige'⁵⁰—and his reliance on his 'network approach' to measure relative status. This approach allows him to specify the relevant status community within which an actor is comparing itself to others, and to identify with greater precision those dissatisfied with, or concerned about, (losing) their status, namely those likely to strike out. With the concept of status thus operationalized, Renshon fleshes out the role of status anxieties or dissatisfaction in precipitating military conflicts through his set of well-chosen cases, including German *Weltpolitik* between 1897 and 1911, Russia's support for Serbia in the 1914 July Crisis, Britain's collusion with Israel and France during the 1956 Suez War, and Egypt's intervention in the Yemen Civil War of 1962.⁵¹

Renshon's analysis of Germany, for example, points to France, Britain and Russia as the relevant status comparators for Germany's leaders at the turn of the twentieth century. When these Great Powers refused to accord Germany the status it felt it deserved, Germany 'instigated major and minor international crises, and the pursuit of a large navy ... to coerce other states into ceding status to Germany'.⁵² While the case of Germany revolved around acquiring status or hankering after 'petty prestige victories',⁵³ as the German Chancellor Bethmann Hollweg put it, those of Russia, Britain and Egypt were about salvaging status. Britain's path to conflict and humiliating retreat during the Suez Crisis of 1956, for example, were traced to Prime Minister Anthony Eden's concerns about 'Britain's waning prestige as an imperial power'—or, as US Secretary of State John Foster Dulles put it, 'the British and French were thinking in terms of prestige and power, and not solely in terms of transit through the Canal'.⁵⁴

⁴⁹ Renshon, *Fighting for status*, p. 256.

⁵⁰ For a view that makes a distinction between prestige and status, see Paul et al., *Status in world politics*, p. 16. The editors' argument that 'only status [not prestige] refers to ranking on a hierarchy' is somewhat arbitrary; Gilpin's model of hegemonic transition is based on contestation over what he calls the 'hierarchy of prestige'. Gilpin will probably not object if Paul et al. claim that the latter amounts to status. Hence Renshon's and my own use of the two concepts interchangeably seems a reasonable way to proceed.

⁵¹ Renshon, *Fighting for status*, chs 6–7.

⁵² Renshon, *Fighting for status*, p. 30.

⁵³ Cited in Renshon, *Fighting for status*, p. 132.

⁵⁴ Cited in Renshon, *Fighting for status*, pp. 238–9.

The bottom line for Renshon, as for the case at hand in this article, is that status or prestige concerns are key to understanding the politics of power transition. The rising power is dissatisfied with its position in the hierarchy of prestige because the established power is either too slow or too grudging in according the rising power the recognition it assumes it deserves. As Renshon, Gilpin and others have shown, such ‘status inconsistency’ is usually not settled by negotiations; it tends to be resolved through war.⁵⁵ The question is whether the power shift happening in Asia today follows this pattern of prestige seeking (by the rising power) and denial (by the established power), and if so, whether it is likely the two powers are ‘destined for war’.⁵⁶

The United States, China and the hierarchy of prestige in Asia

Since the end of the Second World War, the United States has deemed it vital—to US national security—to prevent the rise of a hostile hegemon in western Europe, the Persian Gulf or east Asia.⁵⁷ To put it differently, the US expects to remain the hegemon in these three regions. America’s position is premised on its preponderant military power, its network of military alliances and strategic partners, and on the institutions and instruments of the global market economy. From the US perspective, what is good for America is also good for world order. ‘Leader of the free world’ under the Pax Americana is how American leaders and policy-makers have tended to characterize their situation.

US hegemony in east Asia, it should be said, has not gone unchallenged. The fall of China to communism in 1949 was initially seen as a tremendous setback to the Asian balance of power, with the Soviets gaining a valuable ally, to the strategic detriment of the United States. Soon thereafter, however, followed the Sino-Soviet split, which brought things back into kilter from the American point of view and allowed the United States to restore its predominant position in the region. Interestingly, Korea and Vietnam proved to be the more exacting challenges to American power and prestige during the Cold War.

It is instructive to consider the extent to which prestige was implicated in these two ‘hot’ wars that drew in the United States in the 1950s and 1960s. In both these conflicts, a major reason the US went to war was to protect its prestige and credibility. In 1950, there was a strong consensus among top US policy-makers on the unacceptable damage that would be done to US prestige if North Korea’s invasion of South Korea were to succeed. In that event, South Korea would be

⁵⁵ Renshon, *Fighting for status*, pp. 12–13; Gilpin, *War and change*, p. 33; Charles Kupchan, Emanuel Adler, Jean-Marc Coicaud and Yuen Foong Khong, *Power in transition: the peaceful change of international order* (Tokyo: UN University Press, 2001).

⁵⁶ For a perceptive critique of using the power transition framework to analyse the US–China competition, see Chan, *China, the US, and the power-transition theory*. Chan’s reinterpretation of who the rising (Russia) and declining (Germany) powers were in the years leading up to the First and Second World Wars is especially novel. His argument that China was not powerful enough to contend for primacy with the US was probably correct in 2008; a decade later (2018), however, it seems clear that China is closing in on the US and is poised to challenge it.

⁵⁷ Christopher Layne makes a persuasive case for this triple hegemony in his *The peace of illusions: American grand strategy from 1940 to the present* (Ithaca, NY: Cornell University Press, 2006).

absorbed into the Soviet sphere. The State Department's Office of Intelligence Research estimated that if the US did not act, 'a severe blow would be dealt to the US prestige throughout Asia'.⁵⁸ Gains made by the US in encouraging other Asian countries to resist communism would be reversed. Even George Kennan, who saw the Soviet role as more limited, was convinced that US prestige would be severely damaged by the 'incorporation of the South into the Soviet orbit'.⁵⁹ Kennan's boss, Secretary of State Dean Acheson, agreed: 'To back away from this challenge ... would be highly destructive to the power and prestige of the United States.'⁶⁰ And Acheson's boss, President Harry Truman, was clear from the outset that the Soviet-approved invasion by North Korea had to be reversed because 'we considered the Korean situation vital as a symbol of the strength and determination of the West'.⁶¹ In other words, according to historian Richard Whelan, Truman meant to 'uphold America's prestige in the eyes of the entire world'.⁶²

Similar concerns about US prestige also featured prominently in the Johnson administration's decision to intervene in Vietnam. In the lead-up to the fateful decisions of 1965, the principals repeatedly voiced their concerns about the negative repercussions for US prestige if they allowed South Vietnam to go communist. In February, when defeat for the South Vietnamese seemed imminent, President Johnson's National Security Advisor, McGeorge Bundy, advocated the sustained bombing of North Vietnam to persuade its leaders to stop infiltrating guerrilla fighters into the South. The United States had to commit itself to preventing a (Chinese-backed) North Vietnamese victory in the South because 'the international prestige of the United States, and a substantial part of our influence, are directly at risk in Vietnam'.⁶³ Or, as Bundy would put it in another memo in March—this time with an eye towards saving South Vietnam by sending 100,000 American troops to do battle with the North Vietnamese—the 'cardinal' principle behind America's intervention in Vietnam was for it 'not to be a Paper Tiger. Not to have it thought that when we commit ourselves we really mean no major risk. This essentially means a willingness to fight China if necessary.'

President Johnson himself would use the 'paper tiger' metaphor in the July National Security Council meeting he convened to discuss US options. Arguing against Under-Secretary of State George Ball's recommendation that the United States should cut its losses and withdraw, Johnson asked: 'But George, wouldn't all these countries say that Uncle Sam was a paper tiger, wouldn't we lose credibility ... if we did as you have proposed? It would seem to be an irreparable blow.'⁶⁴ If the United States did not fight in Vietnam, its prestige and credibility would be seriously damaged; 'all these countries'—Johnson was thinking as much of France

⁵⁸ Cited in Kim, 'Does prestige matter in international politics?', p. 49.

⁵⁹ Kim, 'Does prestige matter in international politics?', p. 49.

⁶⁰ Acheson, *Present at the creation*, p. 405.

⁶¹ Quoted in Richard Whelan, *Drawing the line: the Korean War, 1950–1953* (Boston: Little, Brown, 1993), p. 119.

⁶² Whelan, *Drawing the line*, p. 119.

⁶³ Cited in Gordon M. Goldstein, *Lessons in disaster: McGeorge Bundy and the path to war in Vietnam* (New York: Holt, 2008), p. 157.

⁶⁴ Cited in Yuen Foong Khong, *Analogies at war: Korea, Munich, Dien Bien Phu and the Vietnam decisions of 1965* (Princeton: Princeton University Press, 1992), p. 127.

and Germany as he was of China and Russia—would view America as a paper tiger. That perception would not just be an affront to America's sense of self as the most powerful country in the world; it would also embolden potential aggressors to strike elsewhere and precipitate a Third World War.⁶⁵ John McNaughton, Assistant Secretary of Defense, gave probably the best summing up of the mindset of the principal decision-makers in his (in)famous memo of March 1965 on why the United States was in Vietnam: '70 per cent—to avoid a humiliating US defeat (to our reputation as a guarantor), 20 per cent—to keep SVN [South Vietnam] (and the adjacent territory) from Chinese hands, 10 per cent—to permit the people of SVN to enjoy a better, freer way of life.'⁶⁶ So much of the US involvement in Vietnam was about protecting America's reputation and avoiding humiliation; in other words, about prestige.

I have dwelt on the role of prestige in Korea and Vietnam because these cases offer instructive precedents for thinking about the contemporary US–China situation. US fears of losing prestige in Korea and Vietnam in the 1950s and 1960s are especially relevant for today's US–China power transition politics because China was the major antagonist then, and it is the major antagonist now—though today the United States is confronting a much stronger China. Moreover, the flashpoints for future 'tests' of the two sides' 'reputation for power' will undoubtedly be in Asia, with the South China Sea, Taiwan and the Senkaku or Diaoyu islands as the most probable sites of confrontation.

To be sure, in the first two decades after the Cold War, US primacy in east Asia and elsewhere went unchallenged. The Soviet Union had imploded, with a loss of prestige that impelled Vladimir Putin to describe it as the greatest geopolitical disaster to befall Russia; his aggressive policies in Georgia and Ukraine may be seen as belated attempts to demonstrate that Russia remains a power to be reckoned with, especially in its near abroad. China was racking up impressive growth but remained far behind the United States economically and militarily. Even during this era of US primacy, successive administrations did not shy away from enhancing America's power position. George H. W. Bush launched a major war to eject Iraq from Kuwait in the name of a 'new world order'. America's military alliances with Australia, South Korea and Japan were strengthened; NATO ally status was bestowed on all of America's Asian allies, including Thailand and the Philippines. NATO itself was enlarged, incorporating many of Russia's former satellite states in eastern and central Europe, against Russian objections. The Clinton administration also began cultivating India and Vietnam, as a strategic hedge against a rising China.

The attacks of 11 September 2001, however, diverted US attention away from east Asia. For much of the 2000s, the United States had to focus on the Middle East, with wars in Afghanistan and Iraq. By the time President Barack Obama

⁶⁵ See Khong, *Analogies at war*, p. 182, for Johnson's view on American indolence in Vietnam and the likelihood of a Third World War.

⁶⁶ Cited in Goldstein, *Lessons in disaster*, p. 168. For a contrary view, that 'a nation's reputation is not worth fighting for' since 'people do not consistently use past behavior to predict similar behavior in the future', see Mercer, *Reputation and international politics*, p. 212.

turned America's strategic gaze further east, via his 'pivot' or 'rebalancing' to Asia, China (and, to a lesser extent, India) had become considerably stronger.⁶⁷

On the military front, China's official defence budget had jumped from US\$23.4 billion in 1991 (amounting to 4.8 per cent of US military spending) to US\$215.2 billion in 2016 (48 per cent of US military spending). The development of asymmetrical strategies and weapons, such as anti-ship ballistic missiles, became a cause of concern for the US Navy because they make US aircraft carriers vulnerable in the western Pacific. The United States responded with the air–sea battle concept. The Obama administration's pivot to Asia may be seen as consolidating US power projection capabilities in the context of a rising China. China's own pivot—to its west, in search of greater strategic space as well as untapped economic opportunities, culminating in the BRI—is partly a response to the US pivot and partly a new geo-economic strategy to 'win friends and influence people'.

China has also been extremely active on the economic front. In championing new institutions such as the AIIB, the New Development Bank (NDB or BRICs bank), the BRI and the Regional Comprehensive Economic Partnership (RCEP), Beijing seems to be challenging US economic leadership in the region. By setting up these alternative institutions—all of which exclude the United States—and putting them on the economic map, China is preparing a leadership role for itself that will only grow more palpable as it continues to catch up with America.

The shadow cast by China's economic, military and, increasingly, soft power—its prestige—is looming larger; and that is encouraging its neighbours to show greater sensitivity to China's interests and, over time, perhaps even to gradually shift their political–strategic alignments in China's direction.⁶⁸ But it also worries those who trust the United States more and who are fearful that the shadow cast by US economic and military power is retreating.⁶⁹ The Trans Pacific Partnership (TPP), for example, was an attempt by east Asians to provide a platform for the US to reassert economic leadership of the region. With China having replaced the US as the top trading partner for most in east Asia in the 2000s, the promoters of the TPP sought to reinvigorate America's economic centrality and prestige in the region, or at least to ensure it remained the other key economic pole. President Barack Obama made the point most starkly: the TPP was important to the US, he said, because it aimed to prevent China from making the rules of the economic game. For Obama, it was America, not China, that should be making the rules.

Concerns about this emerging geopolitical and geo-economic contest between the United States and China prompted Graham Allison and Robert Blackwill (in 2013) to ask Lee Kuan Yew, former Prime Minister of Singapore and one of the most astute observers of China, whether China sought to displace the United States 'as the number 1 power in Asia' or 'the world'. Lee answered:

⁶⁷ Doug Stokes and Kit Waterman, 'Security leverage, structural power and US strategy in east Asia', *International Affairs* 93: 5, Sept. 2017, pp. 1039–60.

⁶⁸ For a perceptive analysis of these phenomena, see Hugh White, *The China choice: why America should share power* (Collingwood, Victoria: Black, 2012), pp. 41, 82–100.

⁶⁹ White, *The China choice*, pp. 82–100.

Of course. Why not? They have transformed a poor society by an economic miracle to become now the second-largest economy in the world ... The Chinese will want to share this century as co-equals with the US ... It is China's intention to be the greatest power in the world. The policies of all governments towards China, especially neighboring countries, have already taken this into account.⁷⁰

Lee's sensibilities about China wanting to become the greatest power on Earth will not surprise students of power transitions. Any power with China's capabilities, scale and achievements would aspire to be the hegemon, Beijing's own frequent protestations against 'hegemonism' notwithstanding. But Lee's time-frame was probably too cautious: China is unlikely to wait till the next century to displace the United States. I would settle for 2050. The rest of Lee's remarks, however, are instructive. China does want to 'share this century as co-equal with the US' and the policies of its neighbours have taken that aspiration into account. The problem, of course, is that such co-equality has to be acknowledged or granted by the established power, and the United States is unlikely to oblige.

Given the US preference for the status quo, and China's interest in changing it, we should expect a struggle for power and influence between the rising power, China, and the established, predominant power, the United States. As the analysis above of the Korea and Vietnam episodes indicates, prestige considerations are likely to take a prominent—though not exclusive—role in such a contest. It is not hard to imagine a military incident involving a US ship conducting freedom of navigation operations and a Chinese military vessel in the South China Sea. A military stand-off ensues and both sides refuse to back down because the one who does so will 'lose face' (in Asian parlance) or 'become a paper tiger' (in US parlance). Losing international prestige is not just about suffering momentary psychological pain; it is just as much, if not more, about the future: one has been tested and found wanting. For both sides, there is also the fear of losing prestige *vis-à-vis* their domestic audiences, which may be just as important as their international prestige. The hierarchy of prestige is thus often implicated in power transition incidents such as these.

The interlinked nature of power and prestige can also be seen in the Trump administration's increasingly confrontational approach to China. In August 2018, President Trump said: 'When I came in we were heading in a ... direction that was going to allow China to be bigger than us in a very short period of time. That is not going to happen any more.'⁷¹ Trump wants the United States to remain the biggest power for all time.⁷² China's economy in PPP terms is already larger than America's; what Trump seems to be saying is that he wants to prevent China from being bigger in nominal exchange terms. His administration seems particularly concerned about the 'Made in China 2025' initiative, whereby China aspires to be the dominant power in artificial intelligence (AI), robotics, aerospace,

⁷⁰ Graham Allison and Robert D. Blackwill, with Ali Wyne, *Lee Kuan Yew: the grandmaster's insights on China, the United States, and the world* (Cambridge, MA: MIT Press, 2013), p. 2.

⁷¹ Cited in Ana Swanson and Alan Rappeport, 'Chill remains between China and United States in latest trade talks', *New York Times*, 23 Aug. 2018.

⁷² Trump's views on US prestige are discussed below.

Power as prestige in world politics

cyber security and other high-tech areas. The US fear seems to be that if China were ahead of America in these game-changing technologies of the twenty-first century, this would alter the political–military balance.⁷³ Whoever dominates the technological-knowledge frontier will have a big advantage in becoming, or remaining, the hegemon, and the United States wants to ensure that it, not China, will continue to fill that place.

This interest in maintaining US hegemony seems clear in the Trump administration's 'America First' National Security Strategy (NSS) released in late 2017. The NSS document is emphatic about the need to maintain US military 'overmatch' *vis-à-vis* its adversaries, and it even borrows a term from the George W. Bush years, maintaining a 'favorable balance of power' (for which read 'hegemony').⁷⁴ The document identifies China and Russia as the two 'revisionist' powers engaged in a fundamental political contest with the United States, and characterizes this contest as a struggle 'between those who favor repressive systems and those who favor free societies'.⁷⁵ According to the NSS, 'Our task is to ensure that American military superiority endures' and to 'advance American influence because a world that supports American interests and reflects our values makes America more secure and prosperous'.⁷⁶ Replacing the term 'Asia–Pacific' with 'Indo-Pacific', the NSS singles out China as the power that 'seeks to displace the United States in the Indo-Pacific region'. Previous assumptions about how China would 'liberalize' through its integration into the postwar international order (led by the US) have been proved wrong, and the United States now faces a competitor bent on shaping a world 'antithetical to US values and interests'.⁷⁷ The United States intends to stay ahead in this competition, projecting its military power, and working together with its allies and strategic partners to deter and defeat any adversary.

The strategic assessments expressed in the NSS help explain the administration's current policies towards China, of which the escalating trade war is the most obvious manifestation. To be sure, the administration is pressuring allies to cough up more for America's military protection. It is also slapping tariffs on all those perceived to have taken economic advantage of America, including allies such as Canada, Mexico, Germany and France. But China has been singled out for the harshest treatment because it is the culprit-in-chief—the one with the US\$350 billion trade surplus *vis-à-vis* America; it is likely that the tit-for-tat tariff war will ratchet up to the US\$500 billion level threatened by Trump. The US–China trade war is not just about economics; it seems increasingly clear that it is also about stopping China's economic, technological and military growth.

The analysis of US–China interactions presented here reveals that the phase of heightened geopolitical competition between the two superpowers is upon us. A key bone of contention now and in the coming decade will be about the hierarchy

⁷³ Astrid H. M. Nordin and Mikael Weissmann, 'Will Trump make China great again? The belt and road initiative and international order', *International Affairs* 94: 2, March 2018, pp. 231–50.

⁷⁴ The White House, *National Security Strategy of the United States of America, December 2017* (Washington DC, Dec. 2017), <https://www.whitehouse.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905.pdf>, p. 28.

⁷⁵ *National Security Strategy*, December 2017, p. 25.

⁷⁶ *National Security Strategy*, December 2017, pp. 3–4.

⁷⁷ *National Security Strategy*, December 2017, p. 25.

of prestige. By most accounts, China is likely to overtake the United States to become the world's largest economy within a decade; meanwhile it is investing heavily in multiple arenas—military, economic, technological, cultural—to create facts on the ground that will force the US to recognize it as a co-equal. Indeed, if the technological advances sought by 'Made in China 2025' and the economic and political–diplomatic goals of the BRI are realized—big ifs, to be sure—China will be well positioned to 'win friends and influence people' in ways America did with its economic and technological prowess. It will be in a position to match, and perhaps overtake, the US reputation for power. A Pew poll of 2015 found that, in 27 out of the 40 countries polled, a plurality or majority of individuals believed that China 'will or already has overtaken the US as a superpower'.⁷⁸ Such polls need to be interpreted with caution; but if that day does come to pass, it will put the US in a position of great strategic angst. Kishore Mahbubani cites an exchange he had at the 2012 Davos meeting in which he raised the possibility of China replacing the United States as the world's top power—a suggestion to which Senator Bob Corker, Chairman of the Senate Foreign Relations Committee, responded: 'The American people absolutely would not be prepared psychologically for an event where the world began to believe that it was not the greatest power on earth.'⁷⁹

Conclusion: destined for war?

Power is shifting from West to East. The most obvious and consequential manifestation of this consists in the geopolitical competition in Asia between the established power, the United States, and the risen power, China. By portraying this competition in terms of the struggle for the top spot in the hierarchy of prestige, I have sought to cut to the chase of what is involved in the contest. If this approach is on the mark, we should expect to hear many future statements such as 'our prestige is at stake', 'we do not want to be a paper tiger' and 'this will be an irreparable blow to our status and prestige' when US and Chinese leaders respond to strategic challenges, especially those posed by one to the other. The prestige narrative will feature in their public debate, but it will be especially prominent in their private deliberations.

Prestige—one's reputation for power or the shadow cast by power—is valued both as an end and as a means. For much of this article, I have focused on the instrumental value of prestige. But prestige is also an end in itself. Daniel Markey's examination of the role of prestige as a cause of conflict in the works of Thucydides, Machiavelli, Hobbes and Rousseau concluded that, for these canonical realists, prestige was 'an intrinsic end sought by both individuals and states'.⁸⁰ Both the

⁷⁸ Pew Research Center, 'Views of China and the global balance of power', 23 June 2015, <http://www.pewglobal.org/2015/06/23/2-views-of-china-and-the-global-balance-of-power/>.

⁷⁹ Cited in Kishore Mahbubani, *The great convergence: Asia, the West, and the logic of one world* (New York: Public Affairs, 2013), p. 159. See also Mahbubani's lecture of 9 April 2015 at the Institute of Politics, Harvard Kennedy School, on 'What happens when China becomes No. 1', which has been streamed over half a million times: <https://www.youtube.com/watch?v=bVkJqC3poOg>.

⁸⁰ Daniel Markey, 'Prestige and the origins of war: returning to realism's roots', *Security Studies* 8: 4, Summer 1999, p. 171.

United States and China—and both their leaders and their citizens—derive enormous psychic satisfaction from being at the top of the prestige ladder. The latter validates the success of their respective political–economic systems, as well as the legitimacy of those in charge.

The United States has enjoyed being the most prestigious nation on earth since 1945. In the centuries before 1839, China was the most prestigious nation in Asia. Today, most Chinese and many outsiders view China’s ‘century of humiliation’ (1839–1949) as a historical aberration, when China’s reputation for power was squashed by external invaders and its own internal divisions. Mao Zedong’s achievement was to reunite the country and rid it of imperialists; and the reforms of Deng Xiaoping, beginning in the late 1970s, unshackled the entrepreneurial spirit of his people and propelled the economic growth that has put China in the position where it is today.

Yan Xuetong captures the Chinese mindset well when he writes that the Chinese ‘regard their rise as regaining China’s lost international status rather than obtaining something new ... [They] consider the rise of China as a restoration of fairness rather than gaining advantage over others.’⁸¹ But at the highest levels, the status or prestige game is a zero-sum game: it is about gaining advantage over your competitors. Either you are number one or you are not.⁸² And if Yong Deng is correct in observing that China ‘may very well be the most status-conscious country in the world’—partly because it assumes that ‘status entails some magical qualities with which core national interests can be secured’⁸³—we should expect the geopolitical competition between China and the United States to intensify in the years ahead.

Prestige, status, credibility and avoiding humiliation—the importance of this strategic narrative to America’s and China’s sense of self is manifest. Is Donald Trump an outlier here? In pursuing his ‘America First’ agenda, Trump seems content to undermine the institutions and practices often viewed as the expressions *par excellence* of US prestige and leadership: the US-led economic institutions and military alliances, and America’s penchant for promoting democracy abroad. Unlike his predecessors, Trump relishes threatening his G7 economic partners with tariffs, calling America’s NATO allies ‘deadbeats’ whom he may leave in the strategic lurch if they do not raise their defence spending to 2 per cent (or even 4 per cent) of GDP and rejecting ‘promotion of US values worldwide’ while cultivating authoritarian rulers.

Trump’s starting point seems to be an America already low in prestige—hence the need to make it ‘great’ again; an America that under previous administrations has wittingly or unwittingly been exploited economically and militarily by

⁸¹ Yan Xuetong, ‘The rise of China in Chinese eyes’, *Journal of Contemporary China* 10: 26, 2001, p. 34.

⁸² China is not interested in, or capable of becoming, number one now; but that does not mean it is not aspiring to being number one in a few decades. See Allison and Blackwill, *Lee Kuan Yew*, pp. 2–3. Yan Xuetong has also written about advising his doctoral students to study how one hegemony replaces another in his *Ancient Chinese thought, modern Chinese power* (New Jersey: Princeton University Press, 2011), p. 244.

⁸³ Yong Deng, *China’s struggle for status: the realignment of international relations* (Cambridge: Cambridge University Press, 2008), pp. 8, 12. On what those magical qualities are, see Wood, ‘Prestige in world politics’, pp. 387–411, and Gilpin, *War and change*, p. 31.

allies and adversaries alike. Trump's emphasis on threatening and deploying hard US economic and military power to get his (America First) way is undoubtedly eroding US prestige, but he seems undisturbed by this. It is worth reiterating the pronouncements of E. H. Carr and Robert Gilpin on prestige: respectively, 'If your strength is recognized, you can generally achieve your aims without having to use it'⁸⁴ and 'It is for this reason that in the conduct of diplomacy and the resolution of conflicts among states there is actually relatively little use of overt force or, for that matter, explicit threats.'⁸⁵ By resorting to explicit threats against America's G7 partners and NATO allies, and by initiating a trade war, Trump is acting on his own resentments: that, far from being the most prestigious nation on earth, the US has been an international sucker, taken for granted and exploited by allies, and 'raped' economically by adversaries such as China. That the rest of the world does not see it this way does not matter (to Trump).

Perhaps Trump is viewing the lack of US prestige in extreme terms: not only is the shadow cast by power (or the US reputation for power) not doing much for America, its allies and adversaries are running rings around the useless shadow, exploiting the US economically and militarily. America's reputation for power is no longer enough: power has to be wielded if the US is to get its way. In other words, on the economic front, Trump is putting America's strength to the test. If 'trade wars are easy to win',⁸⁶ and if America wins—if, that is, China, Europe, Canada and Mexico capitulate to America's demands—US prestige will indeed be regained or greatly augmented. In the aftermath of such a successful (for America) trade war, others will think twice or thrice before 'treading' on America economically again. If the others retaliate—as they seem to be doing—it will result in a messy trade war that is likely to plunge the world into economic turmoil. If the United States fails to win, its prestige will suffer a severe blow. Its economic strength will have been tested, and it will have been found wanting.

An even greater fear is that trade conflicts may spill over into the military arena.⁸⁷ The anger and distrust generated by a trade war are likely to exacerbate military tensions associated with security crises—say, another EP3 plane incident or a Decatur-type near-incident—in Asia.⁸⁸ And, as the German Chancellor Bethmann Hollweg warned in the early twentieth century, in times of power transitions the

⁸⁴ Cited in Gilpin, *War and change*, p. 31.

⁸⁵ Gilpin, *War and change*, p. 31.

⁸⁶ Donald J. Trump (@realdonaldtrump), 'When a country (USA) is losing many billions of dollars on trade with virtually every country it does business with, trade wars are good, and easy to win. Example, when we are down \$100 billion with a certain country and they get cute, don't trade anymore—we win big. It's easy!', tweet, 2 March 2018, 10.50am.

⁸⁷ Martin Wolf, 'The US must avoid a new cold war with China', *Financial Times*, 31 Oct. 2018; Gideon Rachman, 'America v. China: how trade wars become real wars', *Financial Times*, 12 March 2018; Graham Allison, 'How Trump could stumble from a trade war into an actual war with China', *The National Interest*, 20 Apr. 2018, <https://nationalinterest.org/feature/how-trump-could-stumble-trade-war-real-war-china-25481>.

⁸⁸ The EP3 incident refers to the mid-air collision of a US EP3 spy plane with a Chinese J8 interceptor jet over Hainan island in April 2001, which I believe would have led to a serious deterioration in China-US relations had it not been for the 9/11 attack on the US in the same year. See *China-US aircraft collision incident of April 2001: assessments and policy implications, report for Congress* (Washington DC: Congressional Research Service, 2001), <https://fas.org/sgp/crs/row/RL30946.pdf>. On the more recent Decatur close brush, see Catherine Wong, 'US, Chinese warships within metres of collision in South China Sea, leaked pictures show', *South China Morning Post*, 3 Oct. 2018.

search for ‘petty prestige victories’ is likely to be particularly acute. Having surveyed some key foreign policy episodes in America’s and China’s histories in this article, I have suggested that the two superpowers in Asia are as prestige-conscious as others before them, such as Britain and Germany before the two world wars. If prestige is so deeply implicated in power transitions—in respect of both the slight felt by the rising state if its prestige is not congruent with its power, and the threat felt by the declining power in losing prestige—does it not stand to reason that China and the United States, to use Graham Allison’s words, are ‘destined for war’?⁸⁹

A considered answer to that question deserves a separate article. But it is legitimate for the reader to expect some discussion here, however brief, of whether the current US–China contest for power conceived in terms of prestige is likely to precipitate a major war.

Three developments in the past century have raised the costs of total war and delegitimized it as a continuation of policy by other means, making it hard to imagine either China or the US resorting to it as they negotiate their positions in the hierarchy of prestige. The first is a normative development: the spread of the norm against war—in part a reaction to the devastation wrought by the First and Second World Wars—means that war is increasingly seen as an unacceptable means to settle disputes.⁹⁰ The second is a technological innovation: the advent of nuclear weapons has introduced an important restraint against major power war. It is significant that two of Allison’s four cases of peaceful transitions occurred in the nuclear age (the other two occurred in the pre-nuclear age), suggesting that nuclear restraint might have been relevant.⁹¹

Third, economic interdependence—especially the new form characterized by global supply chains—has also raised the costs for all of any major or protracted conflict. Precisely because the production process has become so internationalized, with different countries involved in the design, assembly and manufacture of a product, any disruption of the supply chain will jeopardize the production of the item itself. In short, the initiator of the conflict is unlikely to be spared from the economic consequences. However, recent moves by the Trump administration to weaken US–China economic interdependence so as to reduce US vulnerability to supply chains in China does not bode well for the war-restraining effect of interdependence. Trade and security hawks in the Trump administration see this economic decoupling as a first step in the administration’s policy of confronting China, not just on trade, but also on the military–security front.⁹² President Trump has accused previous administrations of allowing China to catch up with the United States, and he seems intent on putting a stop to this. As the 2017 NSS noted, the assumption that China would liberalize as a result of its integration

⁸⁹ Graham Allison, *Destined for war: can America and China escape Thucydides’ trap?* (Boston: Houghton Mifflin Harcourt, 2017).

⁹⁰ See John Mueller, *Retreat from doomsday: the obsolescence of major war* (New York: Basic Books, 1989).

⁹¹ Allison, *Destined for war*, pp. 206–11, 244. The other twelve cases examined in the book resulted in war.

⁹² See John Pomfret, ‘What the Trump administration can learn from Eisenhower’s China policy’, *Washington Post*, 7 Sept. 2018, https://www.washingtonpost.com/news/global-opinions/wp/2018/09/07/what-the-trump-administration-can-learn-from-eisenhowers-china-policy/?utm_term=.6f8440931903; Shawn Donnan, ‘Talking won’t end Trump’s growing trade war any time soon’, *Bloomberg*, 13 Sept. 2018, <https://www.bloomberg.com/news/articles/2018-09-13/talking-won-t-end-trump-s-growing-china-trade-war-any-time-soon>.

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into the political–economic institutions of the American-led liberal world order has not been borne out. But it is unclear whether the strategy of reducing US–China economic interdependence will work. Today’s multinationals work to a different logic; in choosing where to situate their manufacturing centres and how to organize their supply chains, they are more likely to follow the dictates of efficiency and areas of future growth than the national security schemes of an administration about which they are in any case sceptical. Consequently, one may still wager that while none of these three developments by itself might be powerful enough to ward off a power transition war, operating together they are likely to move decision-makers, however preoccupied with their respective nations’ prestige, to search for less drastic solutions.