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Domination, Authority, and the Forms of Chinese Power

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Abstract

The debate about China's rise and future United States–China relations has focused on the purpose to which China's growing international power will be put. This article focuses on the form of China's power, distinguishing between domination and authority. Different great powers have, at different times, chosen one, the other, or more commonly differing mixes of the two forms. How China chooses now and in the future will have a significant effect on its relationships with other states, and through them on its relationship with the United States. The first section explores the differences between domination and authority as strategies for the exercise of international power. The second section summarizes a theory of authority with particular relevance to China today. Though necessarily speculative, this section identifies where China is most likely to choose one strategy over the other as its international influence expands. The final section examines the domestic impediments in China to the choice of authority. While both China and the United States might be better off in a world in which the former constructs an international hierarchy to parallel the latter's, the conclusion draws a relatively pessimistic assessment of the prospects for cooperation between the two emerging superpowers.

As China rises, it will inevitably seek to convert its growing material resources and economic success into influence over other states and international affairs more generally. It will also seek to revise the rules of international politics and alter existing regimes to suit its interests. Every great power in history has sought to wield such influence. There is no reason to expect that China will be different.

There are, however, at least two forms of power or power structures within international relations: domination, which occurs within anarchy, and authority, which occurs

within hierarchy.¹ Domination relies on threats or actual punishments to alter the behaviour of other states. It is inherently coercive. Authority is legitimate power, implying the right to rule others. It induces compliance because subordinates recognize the right of the other state to rule and the duties this imposes on them. Different great powers have at different times chosen either domination, the first-mentioned form of power, authority, the second, or, more commonly, varying mixes of these two ideal types. How China chooses will have a significant impact on its relationship with other states, especially those in Asia, and through them on its relationship with the United States. Understanding how and why China is likely to pursue one form of power over the other is essential to navigating the shoals of world politics to reach a safe harbour where both great powers can realize their essential interests and, ideally, maintain peace and prosperity for all.²

Much of the debate about China's rise and future United States–China relations has focused on the purpose to which China's growing international power will be put. Is China a status quo or revisionist state? Can it live within the Pax Americana, or will it seek to revise the rules of international order? These are important questions. In this article, however, my focus is on how the forms of power will affect relations with possible subordinate states and, through them, great power relations. The implications of how power is used are implicit in the debate on whether regional states will balance against China or against the United States, but the effect of such power often becomes muddled with the purpose to which it is applied. Focusing on the differences between domination versus authority and the choices China is likely to make, however, adds a new dimension to the existing debates on the future of international politics.

The analysis here proceeds in three sections. The first explores the differences between the structures of international power, arguing that authority is the better choice for China because it induces rather than forces compliance. Anarchy and the strategy of domination are broadly understood concepts in the international relations literature. Taking these as a baseline against which authority can be compared, the second section summarizes a theory of hierarchy that is of particular relevance to China today. This section aims to identify where China is most likely to choose one form of power over the other. The final section examines China's domestic impediments to the choice of authority. While both China and

- 1 On international structure, see Kenneth N. Waltz, *Theory of International Politics* (Reading: Addison-Wesley, 1979). Note well, that structure here refers to Waltz's first dimension—the ordering principle—not his third, the distribution of capabilities. These dimensions capture different aspects of power relationships.
- 2 For a review of the recent literature on United States–China relations, see Yuen Foong Khong, 'Primacy or World Order? The United States and China's Rise – a Review Essay', *International Security*, Vol. 38, No. 3 (2013/14), pp. 153–75. On the debate on China's new assertiveness, see Alastair Iain Johnston, 'How New and Assertive Is China's New Assertiveness?', *International Security*, Vol. 37, No. 4 (2013), pp. 7–48, and Dingding Chen, Xiaoyu Pu, and Alastair Iain Johnston, 'Debating China's Assertiveness', *International Security*, Vol. 38, No. 3 (2013/14), pp. 176–83. On China and world order, see Randall L. Schweller and Xiaoyu Pu, 'After Unipolarity: China's Visions of International Order in an Era of U.S. Decline', *International Security*, Vol. 36, No. 1 (2011), pp. 41–72. For an assessment of how near term crises may derail a successful transition, see Avery Goldstein, 'First Things First: The Pressing Danger of Crisis Instability in U.S.–China Relations', *International Security*, Vol. 37, No. 4 (2013), pp. 49–89.

the United States might be better off in a world wherein the former constructs an international hierarchy to parallel that of the latter, the conclusion draws a relatively pessimistic assessment of the prospects for cooperation between the two emerging superpowers.

Domination and Authority in International Relations

States can exercise power under conditions of anarchy or hierarchy. Under anarchy, the more powerful state seeks to dominate, control, or govern others through coercion. By threatening and punishing others who do not comply, the dominant state forces them to accede to its rules and other demands. The strategy manipulates the subordinate state's incentives whereby it is in its 'interests' to do what the dominant state wants. Under hierarchy, the more powerful state issues rules that are recognized as authoritative, legitimate, or rightful, and the subordinate state complies out of duty or obligation. It is thus the social relationship and mutual recognition of a set of rights and duties that distinguishes the nature and meaning of power within anarchy and hierarchy.³

The form of power varies by dyad—a pair of states—and issue area. Although each dyad is characterized by anarchy or hierarchy, all contemporary states possess varying relations. That is to say, a powerful state can exercise authority over a limited number of subordinate states, for instance, while relying on coercion in its relations with most others; alternatively, a subordinate state might recognize the authority of the powerful state but accord no such recognition to other states with whom it interacts. Similarly, relations differ by issue area. The superordinate state may be recognized as possessing authority over the subordinate on, say, security policy, but not economic policy, because where the subordinate might comply from a sense of duty in the former case, it might do so only when coerced by the more powerful state in the latter.

There are tremendous variations in the forms of power within and across dyads. No great power ever relies on a single form of power, and no relationship is entirely anarchic or hierarchic. The United States today, for instance, has anarchic relations with China, Russia, and nearly all states in South Asia and Africa. At the same time, it exercises a measure of authority over the security, trade, and investment policies of states in Europe, Northeast Asia, and Latin America, and is attempting to extend, at the very least, a hierarchy in the security arena over states in the Middle East, especially those in the Persian Gulf. As China rises, it too will develop a mix of relations of domination under anarchy and authority under hierarchy.⁴

Hierarchy is typically the more efficient structure for exercising power. Hierarchy 'internalises' in the subordinate the duty to comply, obviating the need to issue constant threats or rewards. Domestically, consolidated states—those wherein their rights to rule are not broadly questioned—rely mostly on authority, whereas unconsolidated countries

3 In past writings, I have used some terms in slightly different ways. See David A. Lake, *Hierarchy in International Relations* (Ithaca: Cornell University Press, 2009). In connecting anarchy with domination and hierarchy with authority, I now use the term 'dominant state' to refer to rule under anarchy/domination and 'superordinate state' to refer to rule under hierarchy/authority. The term 'powerful state' refers to both conditions.

4 Xuefeng Sun, 'Rethinking East Asian Regional Order and China's Rise', *Japanese Journal of Political Science*, Vol. 14, No. 1 (2013), pp. 9–30, refers to this mix as a quasi-anarchy with a sub-hierarchical system.

with weak leaders or authoritarian states rely more on domination and coercion. Internationally, states generally adopt a mix of both forms of power. Importantly, subordinates react differently when coerced to do something under anarchy than when legitimately commanded to do the same thing under hierarchy. The failure to acknowledge this necessary difference is a source of confusion in international relations theory, and even more so in practical diplomacy. The question is: which type of power will China seek with what states? The remainder of this section explores the differences between domination and authority, outlines why hierarchy is more efficient, and highlights the differences in policy that flow from these two power structures.

Domination and Anarchy

Domination relies primarily on material capabilities and incentives.⁵ Powerful states may demand that others comply with their rules, and threaten harm—whether the extreme of nuclear annihilation, war and regime change, support for a domestic insurgency, economic sanctions, or simply exclusion from economic benefits otherwise provided by membership in a global or regional pact—if they do not. Extremely powerful states may not need to make explicit threats because others are aware of the harm they might suffer if they do not follow the rules. Subordinates comply because the dominant state has structured their incentives in a way that makes it in their interests to follow its bidding.

The important point, however, is that under domination, each party calculates the costs, benefits, and credibility of threats of punishment when deciding whether to comply with the rules or demands of another. The use of power is hence a ‘spot transaction’ wherein compliance must be continually enforced through threats. The subordinate does not comply because it ‘should’ follow the commands of the dominant state; it has no obligation or duty to comply. Rather, the subordinate complies only so long as the threat is maintained. It is in this sense that coercion occurs under anarchy, and indeed constitutes that relationship.

Subordinate states—the targets of power—naturally seek to escape from their positions of vulnerability. When imposing a threat of punishment, the dominant state is in expectation better off after than before it exercises power. It gets the other state to do what it wants without having to bear the costs of the punishment. Threats are only costly to the dominant state when they fail. If the punishment necessary to extract compliance from the subordinate is too extreme and costly, the dominant state makes no attempt at coercion. It might want the subordinate to change its policy, but is unwilling to pay the costs necessary to bring this about. Thus, when we observe threats, the behaviour demanded of the target is presumably worth more to the powerful state than the cost of exercising power. This implies that the successful use of threats is a boon to the dominant state.

5 Domination may also take deeper forms. See Steven Lukes, *Power: A Radical View* (London: Macmillan, 1977); Michael Foucault, *Discipline and Punish: The Birth of the Prison*, trans. Alan Sheridan (New York: Vintage Books, 1977); Pierre Bourdieu, *Distinction: A Social Critique of the Judgement of Taste* (Cambridge: Harvard University Press, 1984). These deeper approaches are summarized in Michael Barnett and Raymond Duvall, eds., *Power in Global Governance* (New York: Cambridge University Press, 2005). For my purposes here, I focus on domination as coercion only.

Table 1. Key Differences between Anarchy and Hierarchy in International Relations

Anarchy	Hierarchy
Requires self-help	Promotes mutual aid
Requires balancing against powerful states	Induces bandwagoning with superordinate state
Increases defence effort	Reduces defence effort in subordinate states
Inhibits trade between states	Promotes trade between subordinates
	Reduces conflict between subordinates
	Reduces civil war within subordinates, but increases repression and terrorism
	Requires disciplining of subordinates
Induces maximization of power and interests, including by the dominant state	Requires limits on the superordinate state's ability to abuse its authority

The inverse holds for the subordinate state. Punishments leave the subordinate worse off. When threatened, punishments aim to hurt the subordinate more than complying with the dominant state's demands. This is why threats work. In complying, the target gives up a policy or object it values to avoid being even worse off due to the punishment. In defying the dominant state, however, the target does not make any concession but suffers harm from the consequent punishment. Either way, the subordinate is worse off than before. This is why target states will attempt to escape threats by building up their ability to resist—sometimes called internal balancing—or seeking allies that will alter the dominant state's costs of imposing punishments, a strategy of external balancing. The more often punishments are used to coerce subordinates, the more antagonistic relations between the dominant and subordinate state will be. This holds even when the subordinate fears only that punishments might be imposed in the future.

All this implies that subordinate states will oppose dominant states if possible, and balance against them if they are able. The larger and more frequent the threats, the more costs subordinate states will absorb to insulate themselves from them. Much of this dynamic is captured well by neorealist theories of international politics.⁶ For China, the more coercion it uses in its relations with subordinates, the more they will resist. An especially likely form of resistance consists in appeals to the United States for protection from Chinese domination. This appeal to external balancing is likely to trigger a spiral of threats, alliances with the United States, and escalating hostilities all around. The implications of domination and anarchy are summarized in Table 1, and contrasted with authority and hierarchy.

Authority and Hierarchy

Hierarchy exists when one country, the powerful or superordinate state, exercises authority over some or all issue areas in the second country, the subordinate state. Whereas coercion

6 See Waltz, *Theory of International Politics*. For a modified, 'offensive' realist view, see John J. Mearsheimer, *The Tragedy of Great Power Politics* (New York: W. W. Norton, 2001).

relies primarily on the ability to impose costs on subordinates, authority is socially constituted; that is, the relationship is created and sustained by the self-understandings of the legitimate powers of both superordinate and subordinate states. The superordinate state has a right to rule that is recognized by subordinates who, in turn, have a duty or obligation to comply with its legitimate commands. It is the legitimacy of power that separates authority from coercion, and relations of hierarchy from those of anarchy.⁷ Under hierarchy leaders create willing followers.⁸

By standard definitions, political authority is the right of A to command B to alter its actions. This right, in turn, implies B's correlative obligation or duty to comply, if possible, with A's rule. B's obligation, finally, implies A's further right to enforce its commands in the event of B's noncompliance.⁹ In a hierarchical relationship, B chooses whether or not to comply with A's commands, but is bound by the right of A to discipline or punish its noncompliance. Many drivers exceed the speed limit, for example, but if caught they accept the right of the state to issue fines or other punishments for breaking the law. Noncompliance in itself does not demonstrate a lack of authority.

Importantly, the subordinate complies with commands of the superordinate state because it 'should'. Although the shadow of punishment for noncompliance is always present, the subordinate does not make an immediate assessment of the costs and benefits of individual actions, but rather internalises dominance as a duty or obligation. As Flathman suggests, the subordinate surrenders judgment.¹⁰

International hierarchy varies according to the extent of authority possessed by the superordinate state over the subordinate polity, most sensibly disaggregated into the dimensions of security and economic policy.¹¹ Each dimension is a continuum varying from anarchy (the absence of any hierarchy) to complete authority over the subordinate in the specified issue area (see figure 1). As a continuous relationship, security hierarchy varies from traditional state-to-state diplomacy, with agreements between formal equals (anarchy) through spheres of influence (zones of exclusive political influence) to protectorates, wherein the superordinate state controls entirely the foreign policy of the subordinate. Economic hierarchy varies from market exchange (anarchy) through economic zones (areas of exclusive economic influence) to dependencies, wherein the superordinate state alone sets the subordinate's economic policy. The extremes are seldom realized, especially in the modern period, but we observe a large range of historical and contemporary variation.¹²

7 Authority is, thus, inherently relational and compatible with Chinese political culture. See Yaqing Qin, 'A Relational Theory of World Politics', *International Studies Review*, Vol. 18, No. 1 (2016), pp. 33–47.

8 Stefan A. Schirm, 'Leaders in Need of Followers: Emerging Powers in Global Governance', *European Journal of International Relations*, Vol. 16, No. 2 (2010), pp. 197–221.

9 Richard E. Flathman, *The Practice of Political Authority: Authority and the Authoritative* (Chicago: University of Chicago Press, 1980), p. 35.

10 *Ibid.*

11 International organizations and private actors may also exercise authority over states. See David A. Lake, 'Rightful Rules: Authority, Order, and the Foundations of Global Governance', *International Studies Quarterly*, Vol. 54, No. 3 (2010), pp. 587–613. I focus in this article on state-to-state relations.

12 Lake, *Hierarchy in International Relations*, chapter 3.

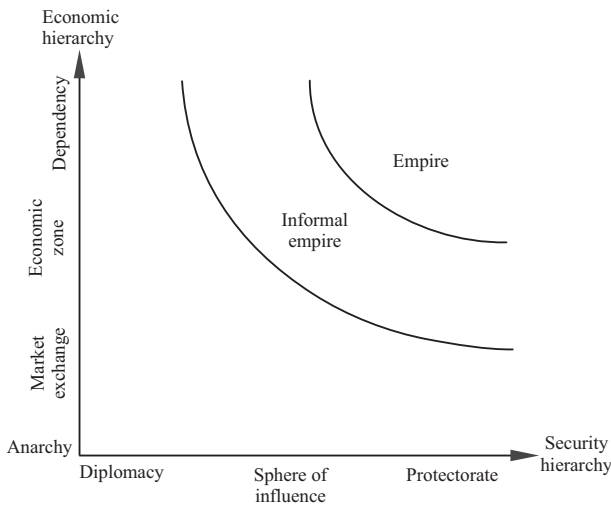


Fig. 1. Dimensions and Types of International Hierarchy.

Political authority has multiple origins. The right to rule has been variously understood to derive from the charisma of individual leaders (charismatic authority), tradition that is socially accepted and reproduced through ritualized ceremony (traditional authority), religious deities (religious authority), or law (formal-legal authority).¹³ Charismatic authority is similar to Joseph Nye's concept of 'soft power'.¹⁴ Constructivists identify more social origins of legitimacy, based on the interaction of structure and agency, and conditioned by ideas and social norms.¹⁵ Particularly important here are beliefs about the legitimacy or rightfulness of China's past imperial system, embodied in the so-called 'tribute system'. Such beliefs are taken by some analysts as the natural foundation for a possible re-emergence of a new Chinese hierarchy in East Asia constituted by historical memory and

- 13 Max Weber, *Economy and Society*, 2 vols (Berkeley: University of California Press, 1978), pp. 31–38 and 215–54.
- 14 Joseph S. Nye, *Soft Power: The Means to Success in World Politics* (New York: Public Affairs, 2004).
- 15 See Mlada Bukovansky, *Legitimacy and Power Politics: The American and French Revolutions in International Political Culture* (Princeton: Princeton University Press, 2002); Ian Hurd, *After Anarchy: Legitimacy and Power in the United Nations Security Council* (Princeton: Princeton University Press, 2007); Ian Hurd, 'Breaking and Making Norms: American Revisionism and Crises of Legitimacy', *International Politics*, Vol. 44, No. 2/3 (2007), pp. 194–213; Christian Reus-Smit, *American Power and World Order* (Malden: Polity Press, 2004); Christian Reus-Smit, 'International Crises of Legitimacy', *International Politics*, Vol. 44, No. 2/3 (2007), pp. 157–74; Christian Reus-Smit, 'Liberal Hierarchy and the Licence to Use Force', *Review of International Studies*, Vol. 31, No. S1 (2005), pp. 71–92; and Alexander Wendt and Daniel Friedheim, 'Hierarchy under Anarchy: Informal Empire and the East German State', *International Organization*, Vol. 49, No. 4 (1995), pp. 689–721.

practice—equivalent to Weber's 'tradition'.¹⁶ All of these sources have played a role in legitimating political leaders and institutions in different historical moments, and they continue to play a role in shaping international hierarchies today.

In modern international politics, however, the principle of sovereignty underlies relations between states. Even though states routinely violate this principle in practice, sovereignty as a norm prohibits relations of authority by one state over another.¹⁷ The normative ideal in contemporary international politics is that each state is formally equal and autonomous. This norm limits relations of hierarchy, largely ruling out permanent or open-ended empires of the kind that existed until 1965 when colonialism finally ended. Nonetheless, even in the face of this hostile principle, relations of hierarchy continue to exist, although in attenuated and informal forms. In turn, the political authority of the superordinate states appears to rest largely on a contract or bargain, the terms of which are coloured, as expected by constructivists, by larger social norms about just and appropriate relationships between supposedly sovereign states.

In these bargains, regardless of their specific terms, the superordinate state provides a political order of value to the subordinate that is sufficient to offset the latter's loss of freedom incurred in its subordination. In return, the subordinate confers on the superordinate state the right to exert the restraints on its behaviour necessary to provide that order.¹⁸ In equilibrium, the superordinate state receives sufficient returns on its efforts to make the provision of political order worthwhile, while the subordinate enjoys sufficient order to offset the loss of freedom entailed in accepting the other's authority. In this way, authority is contingent on the actions of both the superordinate and subordinate states, and an equilibrium is produced and reproduced through ongoing interactions.

Under hierarchy, the relationship between superordinate and subordinate states is decidedly not characterized by self-help but rather by mutual aid (Table 1). In return for giving up its ability to decide its foreign policies independently, the subordinate receives a guarantee of protection from the superordinate state. When credible, this guarantee allows the subordinate to spend less on its own defence and use the resources otherwise devoted to protecting its own security for other purposes (greater personal consumption, social welfare, or other). This is the key benefit states get from subordinating themselves to a superordinate state. In return, the subordinate incurs an obligation to support the superordinate state's foreign policy, which implies not balancing against the more powerful superordinate

- 16 David Kang, *East Asia before the West: Five Centuries of Trade and Tribute* (New York: Columbia University Press, 2010); David Kang, *China Rising: Peace, Power, and Order in East Asia* (New York: Columbia University Press, 2007); Feng Zhang, *Chinese Hegemony: Grand Strategy and International Institutions in East Asian History* (Stanford: Stanford University Press, 2015); Christopher A. Ford, *The Mind of Empire: China's History and Modern Foreign Relations* (Lexington: University of Kentucky Press, 2015).
- 17 Stephen D. Krasner, *Sovereignty: Organized Hypocrisy* (Princeton: Princeton University Press, 1999).
- 18 For a defence of this assumption, see Lake, *Hierarchy in International Relations*, chapter 1. For a similar approach to domestic authority, see Yoram Barzel, *A Theory of the State: Economic Rights, Legal Rights, and the Scope of the State* (New York: Cambridge University Press, 2002); Margaret Levi, *Of Rule and Revenue* (Berkeley: University of California Press, 1988); and Douglass C. North, *Structure and Change in Economic History* (New York: W. W. Norton, 1981).

state, as under anarchy, but bandwagoning with it in great power conflict. As but one example, in both 1917 and 1941, virtually every state in Latin America declared war on Germany within days of the US decision to join the hostilities. Rather than worry about their dependence on others, the defence umbrella that the superordinate state extends instead encourages subordinates to trade and exchange more in general, but more so with the superordinate state and especially with other states also subordinate to the same superordinate state. The risks otherwise incurred by dependence on others are thus mitigated in the relations within the superordinate state's sphere.¹⁹ More recent research demonstrates that subordinate states are also less likely to fight one another, a finding often misrepresented as the 'democratic peace'—an artifact of the pattern of democracies clustered together in the Pax Americana.²⁰ Subordinate states are also less likely to experience a civil war, although they are, on average, more repressive, and more likely to face a nonviolent protest campaign and to be targeted by terrorists.²¹

Finally, instead of insisting on its own freedom of action and maximal sovereignty, the superordinate state must accept restraints on itself. Granting authority to another is perhaps the most consequential decision any individual or state can make. Not only does the subordinate state incur an obligation to follow rules set by the other, but it also accepts the superordinate state's right to enforce those rules in the event of non-compliance. Individuals relative to the state and states relative to other states will accept authority only if the superordinate party can credibly commit not to abuse the authority so granted. For superordinate states, this means they must somehow tie their own hands so as not to over-reach or claim more authority than they have been granted by subordinates. In other words, they must act within the bounds of their legitimate authority, sometimes forgoing the demands of subordinates that they might otherwise make under anarchy precisely in order to demonstrate that they accept limits to their power. As explained in more detail below, limited states at home help states abroad commit credibly to limited authority as well, creating a correlation between liberal democratic regimes and hierarchy. Superordinate states may also bind themselves within multilateral institutions that can veto their actions or, at least, trip a 'fire alarm' when they seek to act beyond what subordinates regard as legitimate.²²

Authority is typically more efficient in producing compliance than coercion, and especially coercive threats. Every state in history has sought to convert domination into authority to legitimate its power. It is far easier to rule society when subjects accept the power of

- 19 Evidence on each of these behavioural patterns can be found in Lake, *Hierarchy in International Relations*.
- 20 On the hierarchical peace, see Patrick J. McDonald, 'Great Powers, Hierarchy, and Endogenous Regimes: Rethinking the Domestic Causes of Peace', *International Organization*, Vol. 69, No. 3 (2015), pp. 557–88. Ahsan I. Butt, 'Anarchy and Hierarchy in International Relations: Examining South America's War-Prone Decade, 1932–41', *International Organization*, Vol. 67, No. 3 (2013), pp. 575–607 argues that the importance of US hierarchy in establishing peace is demonstrated by its absence during the isolationism of the 1930s.
- 21 David E. Cunningham, 'Preventing Civil War: How the Potential for International Intervention Can Deter Conflict Onset', *World Politics*, Vol. 68, No. 2 (2016), pp. 307–40.
- 22 On fire alarm monitoring, see Mathew D. McCubbins and Thomas Schwartz, 'Congressional Oversight Overlooked: Police Patrols Versus Fire Alarms', *American Journal of Political Science*, Vol. 28, No. 1 (1984), pp. 165–79.

the ruler as rightful or legitimate, and acknowledge their obligation or duty to comply with legitimate commands. Repressive or 'tyrannical' regimes that rely almost exclusively on coercion incur enormous expense in policing society, creating networks of informers, and detaining opponents. Repression also incurs indirect costs by inhibiting economic growth and development. As a result, states typically evolve from 'roving bandits' or predators into 'stationary bandits', who provide at least a modicum of social order in return for the right to rule.²³

This same calculus exists for the exercise of power between states. Rather than imposing constant coercion on subordinates to ensure compliance, states can develop and use authority over other states to induce compliance through their legitimate commands. Subordinates in a sphere of influence do not need to be constantly threatened not to ally with any power other than the superordinate state; the rule that the only permissible alliances are those with the superordinate power is understood by subordinates, and seldom challenged. When the rule is violated, as it inevitably will be by subordinates who chafe against their inability to play one great power off against another, the superordinate state has the right to punish the state, often with the active support of other states in the region. The United States' sanctions against Cuba, for instance, were initially supported by the Organization of American States. Likewise, concerned about instability on the island, the Organization of Eastern Caribbean States actually requested that the United States invade Grenada to restore order.

Most importantly, in exchanging social order for compliance with that social order, subordinates are induced to 'cooperate' with and follow the rules of the superordinate state. They may give up some of their freedom of action or sovereignty, but they gain over the long term as a result. Both superordinate and subordinate states benefit in aggregate, even though they might disagree on any given issue. This obviates the need for subordinates to balance against the superordinate state or to appeal to outside powers for support. Without such a need, states typically live within rather than challenge their hierarchies, reducing the potential for great power competition and conflict. Were China to pursue authority rather than rely on coercion, this would mitigate the tendency of subordinates to seek alliances or balance with the United States, reducing the potential for escalation and great power conflict.

China's Choice

Like other great powers before it, China's expanding influence over others will take one of these two primary forms, varying by country. With some states, it will seek domination, or aim to alter the incentives of states by offering rewards for desirable behaviour and threatening harm for undesirable actions. This is the 'traditional' mode of international politics, and will be used by China in its relations with other great powers and regional rivals, but perhaps others as well. As explained above, resistance is the price of domination. Domination implies the necessity to carry through with promises and threats, often at considerable cost to the state wielding power. Domination moreover stimulates efforts by target states to free themselves from potential harm by balancing (in one form or another). Should China adopt a more coercive strategy towards others, they

23 Mancur Olson, *Power and Prosperity: Outgrowing Communist and Capitalist Dictatorships* (New York: Basic Books, 2000).

will likely appeal to the United States for assistance—potentially bringing the two great powers into conflict.

Alternatively, China could seek to build and exercise authority over other states. Authority is legitimate power, contingent on a mutually recognized or socially constituted set of rights and obligations respected by both the superordinate and subordinate states. Subordinate states comply with authority not because they ‘have to’ but because they agree that they should. The primary cost to the superordinate state of hierarchy is producing the social order and limitations on its own freedom of action necessary to sustain its authority, but the social order so produced generally benefits both the superordinate and subordinate states—though in possibly different ways. As I suggest below, states most likely to enter a Chinese hierarchy are those in Central Asia, East and South Africa, and Southeast Asia, where Chinese investments are growing rapidly.

The type of order China chooses, and how the United States reacts to this choice, will determine the nature of international politics in the twenty-first century. China does not need, nor is it likely to choose the same relationship with each and every country. Just like the United States, it will choose domination over some and authority over others.²⁴ This is not an all-or-nothing choice. But, it must choose—and the choice matters. If China chooses domination, it will provoke opposition and balancing, but opting for authority entails restraints on its own freedom of action on the world stage. Whether China can credibly commit to the self-restrictions necessary to build and sustain authority is the major question.

Hierarchy in International Relations

Given the important differences in behaviour that ensue from domination and authority, and the already developed literature on international relations under anarchy, this section explains how, why, and when international hierarchies are formed. I begin with the costs and benefits to superordinate and subordinate states of hierarchy, identifying conditions when authority relations are most likely to be formed. I then turn to an examination of where China will likely pursue hierarchies in the future.

The Costs and Benefits of Hierarchy

The benefits and costs of international hierarchy vary according to the conditions facing states and the bargains they reach with one another.²⁵ For the superordinate state, the benefits of an international political order must outweigh the costs of producing that order; otherwise it will opt out and no hierarchy will exist, leaving both the superordinate and subordinate state in relations of anarchy. The benefits of hierarchy arise from two sources: political order and the privilege of writing the rules of that order. Following Hedley Bull, a political order is ‘a pattern of human activity that sustains elementary, primary, or universal goals of social life’, including security against violence resulting in death or bodily harm, an assurance that property will not be subject to challenges that are constant or without

24 See Sun, ‘Rethinking East Asian Regional Order and China’s Rise’.

25 This section synthesizes David A. Lake, *Entangling Relations: American Foreign Policy in Its Century* (Princeton: Princeton University Press, 1999); and Lake, *Hierarchy in International Relations*. It assumes unitary states.

limit, and an expectation that promises and agreements, once made, will be kept.²⁶ An international political order limits threats to all states and creates opportunities for increased trade and investment, and thus greater prosperity. Although not a public good, a political order benefits both the superordinate and subordinate state, and potentially spills over to benefit third parties as well. The superordinate state, in turn, produces the political order in anticipation of the benefits it receives from its own efforts.

The superordinate state also benefits from writing the rules of the political order. To write the rules of any order is an awesome power, and few rulers, even at the international level, fail to exploit opportunities to bias the rules in their favour. It is no coincidence, for instance, that the *Pax Americana* is a fundamentally liberal international order that promotes the territorial status quo, the free movement of goods, services, and capital across borders, and free enterprise, democracy, and other values cherished within the United States. The international order that Germany envisioned during World War II, and that later propagated by the Soviet Union in Eastern Europe, differed dramatically in their substantive rules, and were designed to channel the benefits of political order disproportionately to Berlin and Moscow, respectively.²⁷ The superordinate state, however, is constrained in how far it can bias the political order by the need for subordinates to recognize its authority. Going too far will make subordinates willing to absorb the costs of threats under anarchy rather than accept the highly biased political order that the superordinate state enforces.

Hierarchy is costly to the superordinate state in three ways. First, the superordinate state must produce the political order on which its authority rests. Having promised, if only implicitly, to protect the subordinate from internal and external threats, it must do so credibly by maintaining a military force sufficient to deter challengers and intervene in the subordinate, if necessary, to enforce its rules. These costs are incurred whether or not force is actually used to assist the subordinate; what counts is the capacity for action. There are typically large economies of scale in producing security, suggesting that relationships of similar degrees of hierarchy tend to cluster by region.²⁸ These costs to the superordinate state are manifested in the greater defence burden it bears, and the need to come to the aid of subordinates in crises.²⁹ The costs of producing political order appear not to vary a great deal according to the level of hierarchy. They are reflected in the substantially greater defence burden that the United States carried, relative to that of its subordinates, even after the end of the Cold War.

Second, hierarchy can be costly if the subordinate acts opportunistically and ‘defects’ from the political order, in ways large or small, so reducing the benefits to the superordinate state of that order. Even while recognizing the legitimate authority of the superordinate state, the subordinate may still contravene its rules. In everyday life, drivers may not follow all traffic laws, and accidents, traffic delays, and other obstructions constitute the loss of

26 Hedley Bull, *The Anarchical Society: A Study of Order in World Politics* (New York: Columbia University Press, 1977), p. 5.

27 Albert O. Hirschman, *National Power and the Structure of Foreign Trade* (Berkeley: University of California Press, 1980); Mark Mazower, *Hitler's Empire: How the Nazis Ruled Europe* (New York: Penguin Press, 2008); Zbigniew Brzezinski, *The Soviet Bloc: Unity and Conflict*, Rev. and enlarged ed. (Cambridge: Harvard University Press, 1967).

28 David A. Lake, ‘Regional Hierarchies: Authority and Local International Order’, *Review of International Studies*, Vol. 35, No. S1 (2009), pp. 35–58.

29 Lake, *Hierarchy in International Relations*, pp. 39–48 and 104–12.

order that might otherwise have existed if those drivers had followed the rules of the road. Likewise, subordinates may choose not to comply fully with rules set by the superordinate state; they may fail to open their economies completely or discriminate against exports from the superordinate state, for example. Similarly, subordinates may shirk or fail to fulfil calls by the superordinate state for military support—as Germany and other European allies did in the Iraq War, forcing the United States to rely on its smaller, more compliant subordinates (the so-called coalition of the willing). Subordinates' opportunism reduces the net benefits of political order for the superordinate state. The ability of subordinates to act opportunistically, however, declines as the degree of hierarchy increases, because they have a correspondingly smaller scope for autonomous policymaking.

The expected costs to the superordinate state of opportunism, if it occurs, are a function of the actual cost and the probability that the subordinate will defect. The actual cost is determined by the degree of asset specificity in the relationship between the two states. If the superordinate and subordinate states have few specific assets, defection means little (and we would expect little or no hierarchy). By definition, any contribution the subordinate makes to the superordinate state can be easily replaced. If the states do possess specific assets, however, the costs of defection will be greater. Strategically important facilities, long discussed in the security literature as a source of both conflict and cooperation, are a type of site-specific asset. In the early Cold War, for instance, when the ranges of both missiles and bombers were shorter, launch sites in Turkey and air bases in Europe were necessary for the United States to deter the Soviet Union, and neither was easily replaced. Similarly, given the forward-based defence strategy the United States adopted in Asia, a solid array of bases along the Pacific perimeter was required, linking Okinawa, Guam, and the Philippines. Each island was essential to the strategy, meaning that each became a site-specific asset that could, through the defection of any member, undermine the success of the entire strategy. In economic relationships, site-specific investments are the most consequential. Agricultural plantations, mines, and other resource-extractive investments, as well as large infrastructure projects, are typically among the most specific assets acquired by foreign countries in the territory of another. As in Latin America during the twentieth century, mines are among the assets easiest for host governments to expropriate. Once made, the investment cannot be recovered, and bargaining leverage shifts to the host government—a problem known as the 'obsolescing bargain'.³⁰ Mines can also be exploited with relatively little technical expertise and the output easily sold on global commodity markets, which means that they cannot be protected by integration into global supply chains as can much manufacturing. Construction, especially infrastructure construction, is also highly site specific. A railway, once built, cannot be moved. The local government can then expropriate the asset de facto by repudiating the debt incurred to build it. Such investments are especially risky, and required more direct forms of governance when they were historically more prevalent.³¹ Whether in security or economic relations, specific assets increase the expected costs of opportunism and, in turn, the incentives for hierarchy in some form.

30 Theodore H. Moran, *Multinational Corporations and the Politics of Dependence: Copper in Chile* (Princeton: Princeton University Press, 1974); David A. Jodice, 'Sources of Change in Third World Regimes for Foreign Direct Investment, 1968-1976', *International Organization*, Vol. 34, No. 2 (1980), pp. 177–206.

31 Jeffrey A. Frieden, 'International Investment and Colonial Control: A New Interpretation', *International Organization*, Vol. 48, No. 4 (1994), pp. 559–93.

Asset specificity, however, is also endogenous and dynamic, meaning that it can evolve over time within a hierarchical relationship. Having entered a hierarchy with the United States after 1945, for instance, the United Kingdom specialized in producing mine sweepers for its navy and the United States abjured a similar capacity, making the US Navy dependent on Britain for these types of ships, at least in the short run (i.e., until it might choose to build its own). Economically, specialization and the division of labour create over time deep dependencies on assets that may not be readily replaced, such as Middle East oil. As asset specificity deepens in hierarchy, one or both parties may become further locked into the relationship, creating both a tendency towards greater hierarchy to limit the potential for opportunism, and vested interests that have strong stakes in maintaining the current hierarchical relationship.

The probability of opportunism, in turn, is primarily determined by the different policy preferences between the superordinate and subordinate state. When preferences are very similar, as in the United States and Europe today, whether or not authority is exercised by the superordinate state over the subordinate is, at an extreme, almost immaterial, because each would choose the same policies as the other if given the opportunity. The cost to the subordinate of giving up authority over its affairs is low, but so are the benefits to the superordinate state of governing the subordinate; under these circumstances, we would expect relatively little hierarchy. The greater the difference in policy preferences, as between the United States and Central America in the early twentieth century, or the United States and Middle East today, the more likely the subordinate would be, on its own, to defect from policies desired by the superordinate state. As a result, the superordinate state must exert greater authority over the subordinate to control its policy choices. By the same reasoning, however, the greater the difference of policy preferences between the states, the greater the probability of opportunism by the subordinate at any given level of hierarchy.

Third, the superordinate state also incurs governance costs in assuming responsibility for the subordinate's policies. The more hierarchical the relationship is (i.e., the more policy areas the superordinate state legitimately controls), the greater the governance costs will be. At the very least, the superordinate state must develop the bureaucratic infrastructure necessary to make policy for the subordinate, as Britain did in its Colonial Office. Even amid lesser forms of hierarchy, where policy is made indirectly through local clients, as with the United States today, the superordinate state incurs costs in propping up the regime, suppressing rebellions, supporting moderates, and so on. These costs—perhaps ironically—are most obvious in the failure of President George W. Bush to anticipate their magnitude in deciding to invade Iraq in 2003.³² In all cases, the superordinate state must also maintain the capability to discipline subordinates when they act opportunistically or challenge its authority.

Overall, the costs associated with producing political order, reining in opportunism and governing subordinates can be substantial. The level of hierarchy reflects the expected costs of opportunism, which are decreasing in hierarchy, and governance costs, which are increasing in hierarchy. The outcome depends on the precise functional form of both sets of costs. Whenever the benefits exceed the costs, the superordinate state has an incentive to exercise authority over another state, although this does not guarantee that the second state will agree to relinquish some measure of its sovereignty.

32 David A. Lake, 'Two Cheers for Bargaining Theory: Rationalist Explanations of the Iraq War', *International Security*, Vol. 35, No. 3 (2010/11), pp. 7–52.

For the subordinate, the benefits that the superordinate state offers must exceed the value of the sovereignty it yields in return, as otherwise it will fail to acknowledge the rights that the superordinate state claims and actively resist its rule. The primary gain for the subordinate is the political order that the superordinate state provides. As above, this security commitment permits the subordinate to reduce its defence expenditures and, in turn, to trade more comprehensively and with other states subordinate to the same superordinate state. The North Atlantic community, for instance, prospered under the US security umbrella throughout the latter half of the twentieth century. In a form of moral hazard, the protection of the superordinate state may also enable the subordinate to make greater demands on others, safe in the knowledge that the superordinate state will be more likely to come to its aid should a crisis result. On average, subordinate states should have greater leverage in bargaining and get better deals with third parties than non-subordinates. One example is that of states favoured by the United States which often receive larger loans with fewer conditions from the International Monetary Fund.³³ The political order created by the superordinate state may also serve to enhance regime survival at home, a key reason why civil wars are less likely but repression more likely.³⁴ For leaders themselves, this may be the more important and salient benefit.

The primary cost to the subordinate state is the policy autonomy that it transfers to the superordinate state. Sovereignty may be valued on its own, especially in the modern world, where it is taken as a mark of statehood and serves as a barrier to intervention by other states. Policy autonomy also matters, however, in permitting the potential subordinate to pursue its own policy preferences, including responding to threats and restricting trade with or investments by the superordinate state. The value of autonomy is lower for small states, which often lack the ability to translate their preferences into outcomes. Nonetheless, the price of foregoing autonomy, like the probability of opportunism as mentioned above, is determined by the distance between the policy preferences of the superordinate and subordinate states. The further the subordinate's ideal point is from that of the superordinate state, the larger the sovereignty costs are to the subordinate. This postulate implies that the closer the ideal point of the superordinate state is to that of subordinate states, the more likely those actors are to form a hierarchical relationship, all else equal.

The superordinate state can also compensate the subordinate and induce it to yield sovereignty by providing either more order or less policy bias, in that order. Increased order might be produced through tighter and more credible security guarantees, protection against a greater range of external and internal threats, or both. Reducing policy bias entails writing rules closer to the policy preferences of the subordinate state through, say, exempting some economic sectors from trade liberalization, allowing permissible breaches in both economic and security commitments, and so on. The rules and how they are implemented are undoubtedly constrained by the bargains made with other states. Although the superordinate state may wish to exploit more fully its bargaining leverage through bilateral deals, as the United States did in Asia after 1945, given economies of scale in producing

33 Randall W. Stone, *Lending Credibility: The International Monetary Fund and the Post-Communist Transition* (Princeton: Princeton University Press, 2002); and Randall W. Stone, *Controlling Institutions: International Organizations and the Global Economy* (New York: Cambridge University Press, 2011).

34 Cunningham, 'Preventing Civil War'.

order, it may also want to write similar rules across subordinates, as the United States did in Europe under NATO.³⁵

Both superordinate and subordinate states are constrained by their minimum thresholds. The superordinate state needs to cover its costs of producing political order, and the subordinate must value the order it receives more than the sovereignty it yields. Within these constraints, however, the superordinate and subordinate state will bargain hard over the division of the surplus from hierarchy, as the United States has with many of its subordinates over a host of issues, including basing rights.³⁶ These negotiations are often fraught and prone to failure as each side holds out for the best deal possible—as in the failed negotiations between the United States and the Philippines that eventually led to the closing of US bases on the islands. Both sides have incentives to misrepresent their constraints. Seeking a bigger share of the surplus, the superordinate state will exaggerate its costs of producing order and minimize the benefits it receives. The subordinate, meanwhile, will exaggerate the value it places on sovereignty and threaten opportunistic actions that diminish the value of cooperation for the superordinate state to extract greater benefits. Yet, both superordinate and subordinate states and the credibility of their demands and counter-demands are limited by their minimum thresholds.

The division of the surplus, however, is likely to be affected by each state's discount factor and outside options. States that value the future more highly will be able to wait out their bargaining partner, forcing capitulations by the less patient party.³⁷ Thus, superordinate states that need the strategic resources of the subordinate will offer them a better deal, and subordinates that face acute security threats will 'sell' their sovereignty more cheaply. The bargain reached will be affected by the number of states competing for authority on each side. In the modern world, at least, subordinates appear to yield sovereignty to only one superordinate state. Nonetheless, the number of competitors for superordinate status can vary by time and region, much as the United States and the Soviet Union competed for subordinates in the developing world during the Cold War. The greater the number of potentially superordinate states, the better the deal that the subordinate can negotiate. Even within an existing hierarchical relationship, the rise of a potential competitor will likely lead to a more favourable bargain for the subordinate.³⁸ Conversely, if the superordinate state can select among multiple potential subordinates in a region, it may be able to play the possible sites off against one another and negotiate a better deal for itself. The structure

35 Christopher Hemmer and Peter J. Katzenstein, 'Why Is There No Nato in Asia? Collective Identity, Regionalism, and the Origins of Multilateralism', *International Organization*, Vol. 56, No. 3 (2002), pp. 575–607; Daniel H. Nexon and Thomas Wright, 'What's at Stake in the American Empire Debate', *American Political Science Review*, Vol. 101, No. 2 (2007), pp. 253–71.

36 Basing rights are one common flashpoint in negotiations. See Kent E. Calder, *Embattled Garrisons: Comparative Base Politics and American Globalism* (Princeton: Princeton University Press, 2007); and Alexander Cooley, *Base Politics: Democratic Change and the U.S. Military Overseas* (Ithaca: Cornell University Press, 2008).

37 Ariel Rubinstein, 'Perfect Equilibrium in a Bargaining Model', *Econometrica*, Vol. 50, No. 1 (1982), pp. 97–109.

38 This is the classic chain store paradox, see Reinhard Selten, 'The Chain Store Paradox', *Theory and Decision*, Vol. 9, No. 2 (1978), pp. 127–59.

of the international and regional systems is thus instrumental to the distribution of the gains from hierarchy.

The hierarchy calculus, if you will, is extremely complex. The structural features that condition the costs and benefits of hierarchy for both superordinate and subordinate states differ by dyad, and certainly region, as does the bargaining power of each party. These factors have combined to create United States-led hierarchies in Latin America, especially the Caribbean, Europe, and Northeast Asia, Japan and South Korea in particular. At the same time, the United States has not sought or built hierarchies in Africa, South Asia, Southeast Asia, and elsewhere. Where is China likely to seek domination or authority in the years ahead?

China's Future Hierarchies

China could rise most easily and peacefully within the international system if it (1) followed a strategy of building hierarchies based on legitimate authority rather than domination and coercion; (2) started building such hierarchies where (a) the gains from cooperation are large, and can support substantial authority on the part of China, and (b) where the policy preferences of China and potential subordinates are similar, most likely in the relatively unstable regions on China's periphery; and (3) focused on potential subordinates that were not already within the US sphere and expanded only after demonstrating that it can be trusted not to overstep the limited authority that subordinates have conferred upon it. Such hierarchies are most likely with developing countries, especially in Africa and Central Asia, where China can leverage its traditional role as broker in relations with the developed countries.³⁹ By seeking hierarchy rather than domination, China poses less of a threat to other states, thereby minimizing incentives for regional states to balance against Beijing by appealing to the United States for protection. By focusing on areas where regional stability is presently lacking, such as in Central Asia, China can demonstrate that its leadership is beneficial to itself, which is assumed, and also to its subordinates. By beginning its hierarchy in areas outside the present US sphere, it minimizes future competition with the United States. And by demonstrating its good stewardship it will attract additional subordinates or, at least, not drive potential subordinates away.

China has not yet chosen between domination and authority. Nor has it begun to build the foundations in subordinates of the social order necessary for hierarchy. China is still, if you will, testing the waters as its influence grows and reaches across the globe. For this reason, China does not constitute a test of the theory of hierarchy, though it might in the future. Rather, the theory here is predictive of China's future policy and, to some extent, aims to influence that policy by highlighting certain risks and opportunities. Although the theory is based on dyadic relations, and individual countries differ in ways that will determine exactly how those relations develop, due to broadly shared conditions, and for brevity's sake, I outline here potential choices by broad regions, acknowledging that details are lost in the exposition.

- 39 Xun Pang, Lida Liu, and Stephanie Ma, 'China's Network Strategy for Seeking Great Power Status', *Chinese Journal of International Politics*, Vol. 10, No. 1 (2017), pp. 1–29. For an alternative view, see Ruonan Liu and Feng Liu, 'Contending Ideas on China's Non-Alliance Strategy', *Chinese Journal of International Politics*, Vol. 10, No. 2 (2017), pp. 151–71; and Feng Zhang, 'China's New Thinking on Alliances', *Survival*, Vol. 54, No. 5 (2012), pp. 129–48.

Table 2. Chinese Outward Foreign Direct Investment (OFDI) in Mining and Construction, by Region, as a Share of all OFDI

	Mining as a Share of all OFDI to Region	Construction as a Share of all OFDI to Region
Global Average	3.5	6.5
North America	1.6	1.9
Europe	1.1	3.3
Latin America and the Caribbean	4.6	7.1
East Africa	7.9	21.0
South Africa	13.9	19.0
Central Asia	6.9	10.7
Southeast Asia	7.5	7.9

Notes: Percentages of OFDI projects approved, not by value. Unless otherwise noted, regions are as defined in the source. East Africa includes: Comoros, Djibouti, Ethiopia, Kenya, Madagascar, Mauritius, Rwanda, Seychelles, Somalia, South Sudan, Sudan, Tanzania, and Uganda; South Africa includes Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, Zambia, and Zimbabwe; Central Asia includes: Afghanistan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan; Southeast Asia includes Brunei, Cambodia, Timor-Leste, Indonesia, Laos, Malaysia, Myanmar, Philippines, Thailand, and Vietnam; for this analysis, it excludes Singapore, which is mostly an offshore financial centre rather than a site for Chinese investment.

Source: Tomoo Marukawa, Asei Ito, and Yongqi Zhang, eds., *China's Outward Foreign Direct Investment Data*, ISS Contemporary Chinese Research Series No. 15 (Tokyo, Japan: Institute of Social Science, University of Tokyo, 2014).

Africa and, because of transport costs, South and East Africa in particular, are ripe for Chinese hierarchy. Countries in the region are internally weak, unstable, and in desperate need of economic and political support. Though interstate conflict is rare, transnational ethnic alliances constantly threaten to tear countries apart. Ethnic tensions also diffuse conflict across borders. China could at some substantial cost aim to provide internal and external political order in the region. With Beijing's greater tolerance for autocratic rule, at least compared to Western countries, and commitment not to interfere in domestic affairs, a Chinese-led political order would be attractive to many local rulers.

As Chinese investments in resource extraction and infrastructure projects expand, it is rapidly acquiring site-specific assets that it would be costly to lose to instability or opportunistic leaders. These site-specific investments, in turn, create stronger interests within China for exerting authority in some form over the states of the region. Of those sectors for which data is available, mining and construction (a proxy for infrastructure) are among the most site-specific assets China is acquiring. As Table 2 indicates, China is much more likely than anywhere else to invest in mines and construction in Africa, Central Asia, and Southeast Asia, where property rights are less secure and the countries are likely to be more open to Chinese political influence.⁴⁰ In both sectors, investments in these regions are

40 Agriculture and public works projects might also be considered site specific assets, but China's investments in these sectors in Africa, Central Asia, and Southeast Asia do not differ significantly from its global averages. This might be because China has decided not to risk investing in these sectors or the source has defined sectors in ways that include many non-specific assets and 'wash out' any pattern.

usually more than twice the proportion of China's overall OFDI, and multiples of the proportions in the United States and Europe.

State-owned enterprises make many of the most risky investments, which may shield individual investors but transfer the risk to the central government as lender of last resort.⁴¹ Nonetheless, these more risky investments create a demand for hierarchy within China which may eventually force China to reconsider its policy of not intervening in the domestic affairs of other countries. With more and more assets at risk, China will be tempted in specific instances to act in ways that contradict its stated policy—just as the United States, in its relations with Central America early in the twentieth century, consistently supported democracy in principle but backed dictators in practice. In Africa, as elsewhere, the flag may follow investments made in poor, powerless, and politically unstable countries.

Moreover, bearing in mind the low interest in Africa of other great powers capable of providing order, China possesses significant bargaining leverage, suggesting that it could strike a relatively attractive deal with local rulers in exchange for order. With potential subordinates facing few outside options, China can more easily negotiate hierarchies that tip the balance of benefits in its favour. Over the longer term, however, a measure of generosity from China to its subordinates will be necessary to move beyond purely coercive bargaining and cultivate a degree of authority.

The primary cost to China, however, will be developing the ability to project the power to Africa needed to provide the required political order. There is a physical cost to this power projection capability, evident in China's need in 2011 to evacuate nearly 36,000 workers from Libya and mobilize chartered ships, planes, and even the Chinese navy.⁴² Since Africa is quite distant, moreover, any ability to project power to that region necessarily means that it could also project power to other regions, potentially threatening those states and risking blowback, especially in Southeast Asia (see below). Given the lack of order and political instability in countries in East Africa, providing order on an on-going basis will not be easy, and may require greater involvement in stabilizing the region than China has acknowledged to date. These formidable costs may have inhibited China from embracing hierarchy, but as its site-specific investments expand, the need to protect those assets will likely push Beijing towards a larger and more authoritative role.

China's potential role in Central Asia is similar in its essentials to that in Africa. States in the region are also weak and would welcome external assistance with no strings attached. As Table 2 indicates, China is also investing heavily in site-specific mining and construction projects that are vulnerable to local opportunism. As in Africa, these investments create incentives for China to intervene to protect its assets. Unlike in Africa, China has already chosen a greater role for itself in Central Asia through its One Belt, One Road (OBOR) strategy. Although the choice between domination and hierarchy is still to be

41 Weiyi Shi, *The Political Economy of China's Outward Direct Investments*, Ph.D. dissertation, University of California, San Diego, 2015.

42 '35,860 Chinese Nationals in Libya Evacuated', CCTV, 3 March, 2011, <http://english.cntv.cn/20110303/103938.shtml>; Gabe Collins and Andrew S. Erickson, 'Implications of China's Military Evacuation of Citizens from Libya', *China Brief*, Vol. 11, No. 4 (2011), <https://jamestown.org/program/implications-of-chinas-military-evacuation-of-citizens-from-libya/>.

determined, China appears to be thinking in terms of the latter, aiming to generate local support and acceptance for its expanded role in the region.⁴³ A concerted campaign is now underway to promote OBOR, including, for instance, children's videos on Facebook, Twitter, and other platforms directed at an international audience which, according to Li Yang, an assistant professor of marketing at the Cheung Kong Graduate School of Business, aim 'to convince people outside of China that this policy is a good one that works for everybody'. In one clip, children from different Silk Road countries dance and sing 'The future's coming now, the Belt and Road is how; we'll share the goodness now, the Belt and Road are how.'⁴⁴

One key difference with Africa, however, is that Central Asia is contiguous to China, and there is a risk of instability spilling over into China's own Western regions, especially Xinjiang, with its significant Muslim population. This lowers the costs of projecting power and increases the need for effective governance. A second key difference is that China faces competition for influence in the region from Russia, which still regards its 'near abroad' as appropriately within its sphere of influence, and the United States, which has some interest in the region because of its proximity to its emerging hierarchies in the Persian Gulf and Afghanistan. Russia, to date, has been remarkably silent as China makes inroads into its traditional 'backyard'. Nonetheless, this potentially explosive competition for influence and possibly authority in the region gives local states the ability to play one great power off against another, and greater bargaining leverage. This implies that China will have to offer better terms for its possible hierarchies, so reducing its net gains from providing order. This further implies that China will face continuing temptations to act more coercively in the region, causing subordinates to seek assistance from other great powers, and potentially escalating competition and conflict.

A final and potentially more problematic region is Southeast Asia. Unlike in Africa and Central Asia, states in Southeast Asia are relatively consolidated and do not face significant internal or external regime threats. This is, of course, partly endogenous, as regional instability in the 1960s and 1970s led to a regional pact and extensive cooperation under ASEAN. States in the region are also deeply integrated into the international economy and relatively prosperous, having enjoyed high rates of growth and development since the 1980s. With the possible exception of Myanmar, it is not clear what China can offer Southeast Asian nations as an international or regional order that would be better than what they now enjoy. Although some scholars think Chinese culture and traditions will form a natural foundation for hierarchy in Southeast Asia, this, in my view, is an asset that will fade relative to economic and geopolitical concerns.⁴⁵

As Chinese investments in the region expand, Beijing might want to cultivate greater hierarchy. Mining and construction investments form a greater proportion of Chinese investments in Southeast Asia than in North America or Europe, but are somewhat lower

43 See Peter Ferdinand, 'Westward Ho-the China Dream and "One Belt, One Road": Chinese Foreign Policy under Xi Jinping', *International Affairs*, Vol. 92, No. 4 (2016), pp. 941–57.

44 'Slick Chinese Propaganda Drive Promotes 'One Belt, One Road' Initiative Abroad', *The Japan Times*, 13 May, 2017, <http://www.japantimes.co.jp/news/2017/05/13/asia-pacific/slick-chinese-propaganda-drive-promotes-one-belt-one-road-initiative-abroad/#.WXYY8dPyyuo>.

45 See Kang, *East Asia before the West*; David Kang, *China Rising*; and Zhang, *Chinese Hegemony*.

than in Africa or Central Asia (Table 2). With less exposure to the risk of political expropriation, China has fewer incentives to seek hierarchy in Southeast Asia than in other developing regions. Now more generally integrated into the international economy, any further China-centred order, especially in economics, would merely restrict the options states in the region now enjoy.

Finally, no Southeast Asian nations are currently subordinate to any other superordinate state—with the possible exception of the Philippines, though even this country is vacillating between the United States and China under President Rodrigo Duterte, apparently seeking to play one potentially superordinate state off against the other. There is small prospect of China offering countries in Southeast Asia a better order for fewer constraints on their present sovereignty. Any such likelihood diminished after 2008, when the territorial disputes in the South China Sea began to heat up. The raw materials from which an effective hierarchy could be assembled are hence mostly absent.

China's influence in Southeast Asia, therefore, will probably take the form of coercion. Although the generally good relations between China and its Southeast Asian neighbours need not imply conflict, China will have to rely on threats and punishments rather than authority in managing its relations in the region. As China builds its power projection capabilities, even if these are not directed at Southeast Asia but towards, say, Africa, this increases Beijing's ability to bring pressure to bear on states in the region. Recognizing this, Southeast Asian states are wary of China's power and fear future threats of coercion. To date, China has been quite restrained, offering more carrots than sticks. Yet, the potential for future coercion leads Southeast Asian states to hedge their bets by cultivating relations with the United States—just in case.

Should China exert greater coercion against Southeast Asian states, they will appeal to the United States to offset that pressure, potentially leading to an escalation of great power competition in the region. This is why China's assertion of sovereignty over the South China Sea is so worrisome. Although all sides are now relatively cautious in their handling of the issue—including the United States, which takes no position in the disputes—the more assertive policy in this conflict can be interpreted as a signal of what an even more powerful China might do in the future. Such fears drive regional states into the arms of the United States. Although China's position seems to have moderated since the ruling by the Permanent Court of Arbitration at the Hague in July 2016, any aggressive moves in the dispute are so clearly counterproductive that they raise fears in others that China really is likely to be more aggressive and revisionist as its power grows, creating even greater incentives to balance against Beijing and with Washington.

Predicting China's choices in the future is always risky. The theory makes plain, however, that China will not have a single grand strategy. It is more likely to pursue hierarchy in East and South Africa and Central Asia than in Southeast Asia, but more likely to do so there than in North America or Europe. The form of power in one region need not suggest anything about the form of power in another. China has yet to choose, though its expanding investments in site-specific assets will soon force it to do so. Southeast Asia is the most fraught because China is more likely to seek dominance and use coercion there, which threatens to draw the United States into further competition and potentially escalate conflicts. Yet, in Africa and Central Asia, China will face domestic impediments to building hierarchies. If hierarchies are not possible in these regions either, the potential for conflicts—especially in the latter—will be greater.

Domestic Politics and International Choices

If hierarchy is the more likely route to a peaceful rise, the question then becomes that of whether China will or can choose this path. The determinants of hierarchy vary across regions, as just explained. Hierarchy is not equally likely in all dyads. Yet, a key question is whether China can credibly commit to limiting its authority over other states. This is more a matter of China's particular internal regime type than of international circumstances or determinants.

Despite the profound changes in its political economy since 1989, China remains a single-party regime wherein the Communist Party (CCP) has supreme authority but delegates to the government the responsibility for making and implementing policy. Party leaders are chosen by a small selectorate, perhaps 500 people in total, comprising members of the Central Committee, revolutionary elders (a dwindling group, but which now includes past leaders), and top military officers (a key constituency). The members of this selectorate, in turn, are appointed by current CCP leaders, creating what Susan Shirk has termed a system of 'reciprocal accountability'.⁴⁶ As a still self-defined Leninist party, the CCP is not beholden to the public for legitimacy, but believes it can and should act for the people. Where earlier its widely shared communist ideology helped legitimate the state, its legitimacy now rests on its success in promoting China's sovereignty and autonomy in world politics, and especially its rapid economic growth and extraordinary rise in living standards. At the same time, Chinese leaders are deeply insecure.⁴⁷ Concerned primarily with their own political survival, leaders fear rivals within the system who might try to oust them, and mass protests that might undermine their collective legitimacy as a vanguard party. The fate of the party vis-à-vis society and that of individual leaders are deeply connected. A leader who loses the modern equivalent of the 'mandate of heaven', a concept deeply rooted in the people, will not long survive any intra-party struggle. This has led to a narrow focus on 'social stability' despite the profound changes in society brought about by the very economic success on which the regime's legitimacy rests. Within the system, domestic considerations of leaders and the party will always trump international concerns.⁴⁸

Given this domestic political structure, there are at least two impediments to China's choosing the path to international hierarchy. Such impediments do not preclude this choice, but are substantial barriers that China itself needs to overcome. First, international rule must be legitimate or it will be perceived by subordinates, and thus others, as domination. As outlined in section two above, all authority rests on a set of mutually accepted and understood rights and obligations. Similar actions of 'disciplining' other states take very different meanings depending on the relationship within which they occur. Acceptable 'punishment' within a hierarchy is simply coercive under anarchy.

As a social construct, all authority requires a principle of legitimation that embodies the mutual understandings of the rights and obligations of both superordinate and subordinate partners. This principle, in turn, establishes 'red lines' that, when crossed, allow subordinates to coordinate their opposition to violations of the authority 'contract' by the

46 Susan Shirk, *The Political Logic of Economic Reform in China* (Berkeley: University of California Press, 1993), p. 10.

47 Susan Shirk, *China: Fragile Superpower: How China's Internal Politics Could Derail Its Peaceful Rise* (New York: Oxford University Press, 2007).

48 *Ibid.*, pp. 6–9.

superordinate party.⁴⁹ These principles of legitimation are typically embodied in ideologies or precepts that are ‘moral’ or ‘normative’ precisely because they are understood and accepted by all (or nearly all) members of society—in our case here, by subordinate states and their citizens. Sovereignty and its particular liberal philosophy of governance are the foundations on which US hierarchy has been built, and which in turn generally limit its authority over subordinates.⁵⁰

To establish hierarchy over others, China needs a legitimating ideology as well. There are two candidate ideologies, both of which are potentially problematic. The first is civilizational, appealing to tradition and China’s conception of itself as ‘one under heaven.’ In this ideology, China has been and remains the centre of an Asian civilization wherein subordinates naturally grant it a right to rule over others. Embodied in the tribute system of the Chinese empire, traditionalists and some outside analysts expect this principle to reassert itself with China’s rise, both in China and, more importantly, in its subordinates.⁵¹ Despite the waning of the tribute system centuries ago, the ideology of one under heaven expects the system of hierarchy to ‘snap back’ into place, legitimating China’s dominance and providing it with broad rights over subordinates. In this traditional conception, China has few restraints on its authority. In contrast to a Western, liberal ideology that assumes the venality of all people—leaders especially—and seeks to limit authority by external checks and balances, one under heaven emphasizes the moral virtue of the leader, in this case China, and relies on self-restraint in the exercise of authority.⁵² This requires great confidence on the part of subordinates in the ruler’s virtue.

A second ideology is based on the CCP as a vanguard party not just for the Chinese people but also the developing world as a whole. Leninist in orientation, the notion of a vanguard party implies that the people do not always know or act in their best interests. As a result, the party must lead and, when necessary, seize a transformative role in society. By implication, a vanguard party cannot be limited by subordinates. Applied internationally, this ideology empowers the CCP or China as a whole to act on behalf of subordinate peoples without their consent or even acquiescence. In this way, hierarchy blends into domination, at least as a temporary condition, which is nonetheless legitimated by the eventual result of transformation.

Both of these legitimating ideologies are challenged by the principle of sovereignty that has spread worldwide in the period since one-under-heaven waned and the fierce struggles for independence waged by many states in China’s immediate neighbourhood succeeded.⁵³ States in Southeast Asia are perhaps less secure in their conception of sovereignty, having

49 On constitutions as coordination devices for punishing state aggrandizement, see Barry R. Weingast, ‘The Political Foundations of Democracy and the Rule of Law’, *American Political Science Review*, Vol. 91, No. 2 (1997), pp. 245–63.

50 Although he does not make the connection to authority, on the liberal nature of US leadership see G. John Ikenberry, *Liberal Leviathan: The Origins, Crisis, and Transformation of the American World Order* (Princeton: Princeton University Press, 2011).

51 See Kang, *China Rising*; Kang, *East Asia before the West*; Zhang, *Chinese Hegemony*; and Ford, *The Mind of Empire*.

52 Xuetong Yan, *Ancient Chinese Thought, Modern Chinese Power* (Princeton: Princeton University Press, 2011).

53 Hedley Bull and Adam Watson, eds., *The Expansion of International Society* (New York: Oxford University Press, 1984).

only recently shed their colonial masters, but more nationalistic, especially Vietnam. Nowhere today do China's top-down ideologies of legitimation hold much appeal. This is reflected in China's oft-noted lack of 'soft power'. Rather, after fifty years or more of hard-won independence, regional states will not automatically accept any claims Beijing may make to special rights. To the extent that China seeks authority over others, it will have to negotiate and bargain with potential subordinates, and provide mutually beneficial social orders that, in turn, support a right to rule and a duty to comply and credibly limit its own powers. In a world wherein sovereignty now prevails, any future Chinese hierarchy will have to look far more like the current US hierarchy than any which either of these legitimating ideologies will support.

The second impediment facing China is its autocratic and highly centralized political system. To bring others into its hierarchy, China will have to commit credibly to limits on its international authority. Limited government at home helps—but does not guarantee—that any country will govern others within limits.

The decision by a subordinate to accept the authority of a superordinate state—or any ruler, for that matter—is an awesome choice. The subordinate not only accepts that the superordinate state has the right to make rules on its behalf and that it has an obligation to comply, but also that the superordinate state has a right to punish it for non-compliance. The power to set and enforce rules also gives the superordinate state the power to transgress its rights and aggrandize additional authority for itself in the future. Limited authority between Europeans and local chiefs in Africa and local Maharajas in India was eventually abused and expanded into formal empires. The potential for the superordinate state to break limits on its authority and assert greater claims is real.

To cede sovereignty to another state, therefore, the subordinate must, first, be so overawed by the coercive power of the superordinate state that it believes any attempt at resistance would be futile, in which case it accepts domination and negotiates the best deal it can under the shadow of force; or, second, be persuaded that the superordinate state will exercise the authority granted to it in a responsible and limited manner. In World War II, Denmark knew defeat was certain if it did not capitulate to Nazi Germany, and therefore voluntarily became a 'model protectorate' with some negotiated political autonomy. It nevertheless depended on Germany's promises to honour certain limits to its authority.⁵⁴

Commitments to limited authority over others are more credible when that authority is itself limited and difficult to change at home. Representative institutions that bring stakeholders in the current agreement into the decision-making structure help prevent state aggrandizement.⁵⁵ When those to whom the agreement applies are part of the political decision-making process, violating their understanding of their own rights is rendered more

54 Ethan J. Hollander, *Hegemony and the Holocaust: State Power and Jewish Survival in Occupied Europe* (New York: Palgrave Press, 2017).

55 This is now a common theme in the Political Science literature. Douglass C. North and Barry R. Weingast, 'Constitutions and Commitment: The Evolution of the Institutions of Public Choice in 17th Century England', *Journal of Economic History*, Vol. 49, No. 4 (1989), pp. 803–32, began this line of argument. On democracy and liberalism as sources of international credibility, see Lisa L. Martin, *Democratic Commitments: Legislatures and International Cooperation* (Princeton: Princeton University Press, 2000); and Charles Lipson, *Reliable Partners: How Democracies Have Made a Separate Peace* (Princeton: Princeton University Press, 2003).

difficult. Likewise, the more decentralized the political system and the more bodies within it that can veto a change in policy, the harder it is to move away from the status quo (i.e., limited authority).⁵⁶ If a superordinate state with many veto players has committed to a particular degree of hierarchy over a subordinate, it is less likely to violate the limits on its current authority. Liberal states like Britain in the nineteenth century and the United States in the twentieth century, therefore, have found it relatively easier to commit to limited hierarchy and to attract subordinates, avoiding coercion and building far less expansive informal empires 'by invitation.'⁵⁷

In principle, China lacks the sorts of checks and balances at home that make its commitments abroad credible. As an autocratic, highly centralized political system, the will of the Central Committee is law. When combined with its Leninist foundation, China possesses the potential to act in ways that may appear quite arbitrary to subordinates abroad. The centralization and power that allow China to respond nimbly and decisively to crises also make it harder for the country to commit credibly to limits on its authority over others. China has effectively manipulated nationalist sentiments and anti-foreign protests to demonstrate the credibility of its hard-line negotiating stances with both Japan and the United States.⁵⁸ But it will need to create some complementary mechanism to demonstrate its willingness to limit its claims to international authority over subordinate states.

In the absence of such credible restraints, potential subordinates will be far more reluctant to accept the authority of China over their affairs. It will be harder for China to build international hierarchies in the twenty-first century than it was for Britain or the United States during their respective rises to power. China will probably need to overawe potential subordinates in hopes that initial domination may eventually yield a degree of legitimacy through enlightened and restrained rule. There is a real risk, however, that potential subordinates will lack faith in China's promises of limited hierarchy, and will appeal to the United States for protection from the perceived threat. This will draw China and the United States into competition and conflict that might otherwise be avoided.

Conclusion

Unlike the extreme views of conservative or liberal commentators within China or the United States, neither conflict nor cooperation is inevitable. Yet, how relations fare in the future is still very much contingent on the choices of both states. If China chooses a strategy of building hierarchies, the US reaction is likely to be more favourable and accommodating. Unless China displays an ability to commit credibly to limited hierarchy and openness in the future, conservative internationalists in the United States may still be able to play upon fears of an unknown future in ways that block accommodation of growing Chinese influence. Given the mutual suspicions of the United States about a China that cannot commit to limits on its authority, and of China about a United States that may not accommodate its

56 George Tsebelis, *Veto Players: How Political Institutions Work* (Princeton: Princeton, 2002); Peter F. Cowhey, 'Domestic Institutions and the Credibility of International Commitments: Japan and the United States', *International Organization*, Vol. 47, No. 2 (1993), pp. 299–326.

57 Geir Lundestad, *The American 'Empire'* (New York: Oxford University Press, 1990).

58 Jessica Chen Weiss, *Power Patriots: National Protest in China's Foreign Relations* (New York: Oxford University Press, 2014).

new hierarchies, there is no guarantee that, even if China chooses to pursue hierarchy, this will produce a successful and peaceful transition to a new world order led by, and with room for both, Washington and Beijing. Nothing is inevitable in world politics. But if China does choose a strategy of hierarchy over domination, and the United States can be sufficiently flexible to accommodate these new relationships, we may be able to forge a new global order that both avoids superpower conflict and produces political stability within each sphere that rivals that enjoyed in the Pax Americana. There are more ways in which the rise of Chinese power in the shadow of the Pax Americana could go badly rather than well. But there is at least a path to separate but non-overlapping spheres that could accommodate two hierarchs in the future. This truly is a future worth striving for.