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The End of the U.S. Tributary System?

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Some years ago, I wrote an essay about the American Tributary System in which I argued that the United States resembled ancient China in important and interesting ways in the conduct of its foreign relations. I portrayed the U.S. as the hub of a Chinese-like tributary system, and identified two tributes that it sought, in return for its global exertions: first, to be recognized as the number one power in the world; and second, to have others adopt its political ideas and forms (i.e. liberal democracy). I also suggested that the U.S. system was more successful than the Chinese system, and ended my analysis by contrasting the fates of the two systems, pointing to how China's sense of its place in the world shrank from "tianxia" (all under heaven) to "guojia" (a state), i.e. the Chinese world became a China in the world, whereas, the U.S., in the course of the 20th century transited from being "guojia" (a state) to "tianxia." (Khong 2013: 1, 47).

The organizers of this workshop have asked me to ponder how the wheels of history might be churning again: is the "American tributary system coming to an end right now," and if so, what are "the geopolitical and geoeconomic implications"? My answer to first question is, the American tributary system is under severe stress, but it is premature to write it off. Another four years of Trump is likely to bring it close to the breaking point, but if there is regime change (by elections) next year, I wager that we'll see a return to the mean, i.e. a U.S.—like the administrations before Trump, Republican or Democratic—that prizes its hegemonic position and will redouble efforts to uphold that position by providing public goods and leadership of the free world.

But whether the U.S.-led system breaks or can be repaired, we need to factor in the other crucial dynamic in play, namely the challenge posed by China, the risen power in Asia, to the U.S.-led system. That brings U.S. to the second question: if these are the two most salient vectors at work—a U.S.-led system in flux and a China poised to take advantage of the situation—what are the geopolitical and geoeconomic implications for Asia and the world? Or couched in terms of the theme of Session 1, "Where is Asia heading" on the "grand [strategic] chessboard"? Elsewhere, I have written about the implications for East Asia, arguing that while Southeast Asia's mantra is about not wanting to choose between

the U.S. and China as their rivalry intensifies, choose they will have to in the coming decades. Here, I think it is more interesting to (i) assume for the purposes of argument that China aims and is poised to replace the U.S. as the predominant power in East Asia within a generation; (ii) speculate about the nature of the Chinese-led order: will the latter resemble the U.S.-led system from which China has benefitted significantly, or will it resemble the tributary system of China's ancient past? I shall argue that it is likely to resemble neither.

That the Pax Americana or the U.S. tributary system is coming to end seems to be the conventional wisdom of the day (Gallup blog 2019). Pundits and analysts disagree about when the U.S. will cede or lose its hub status. Will it be 2030? 2040? 2050? The late Lee Kuan Yew once quipped that he had no doubt that China will want to replace the U.S. as the greatest power on earth, but only in the twenty second century. For this century, Lee believed that China sought, above all else, "co-equality" with the U.S. (Allison and Blackwill 2013: 2-3). Taking a leaf from Lee (and power transition theory) but modifying his time frame somewhat, I concur that China is interested in displacing the U.S., but will not wait until the next century: 2050 (give or take a decade either side) is a good compromise for the eventual displacement of the U.S. by China in Asia. How far-fetched is this 2050 overtake speculation?

Going by a 2014 poll of 40 countries conducted by the PEW Research Center in Washington DC, it seems conservative (Figure 1, p. 7). The poll asked people in each of the 40 countries whether they think (a) China will never replace the U.S. as a superpower; or (b) China will or has replaced the U.S. as superpower. More people in 33 of the countries polled believed that China will or already has replaced the U.S. than not; only in 7 countries did more people think that China will never replace the U.S. Interestingly, 4 of the 7 are in Asia, namely: Indonesia, the Philippines, Japan, and Vietnam. Going by this survey—which we should of course take with a pinch of salt—in terms of world perceptions of its trajectory, we can say that China is seen as the "wave of the future."

The interesting question then becomes: if and when China replaces the U.S. as the number one power in Asia (and perhaps beyond), will it think and act like China did in the heyday of its tributary system, or will it be a replica of the American system by which it has done so well? In my analysis of the ancient Chinese tributary system, I had claimed that China prized two tributes: to be recognized as the number one power (in East Asia) and for others to be in awe of its cultural superiority and civilizational greatness (Khong 2013: 10) Although the Chinese assumption was that it was impossible for non-Chinese to become Chinese, those who emulated its cultural norms, such as the Koreans and Vietnamese, were seen as the closest tributaries and they were granted more missions, and so on.

So on the issue of whether the future China-led system—tributary redux or not—will be a replica of the current U.S.-led order, I would say that on tribute number one, it would, like the U.S., want to be recognized as the power at the top of the totem pole. That was China's position during the heyday of its tributary system, that was what America was for much of the 20th century and is still today, and that is what China wants when and if it overtakes the U.S. at some point in the distant future, the protestations of Chinese officials notwithstanding. This is not a particularly profound claim—when your comprehensive power puts you at the top of the league of great powers, you would want that to be recognized. Replace China with Indonesia or India, and I wager they would similarly seek that recognition.

Second, geography matters. The U.S., through clever purchases, annexations, and war, expanded westwards to secure what we now know as the U.S.A, and then went on to dominate the Western hemisphere. Only then did it reach out to Asia, with the annexation of the Philippines during the Spanish-American war. Similarly, the arena in which China must first seek to establish its predominance is East Asia. At the Sunnylands summit in June 2013 with U.S. President Barack Obama, Xi Jinping raised the idea of a New Model of Great Power Relations, which he described consisting in “no confrontation or conflict,” “mutual respect,” and “win-win cooperation.” In September of the same year, in a speech at the Brookings Institution, Chinese Foreign Minister Wang Yi identified the Asia-Pacific as the priority site for the application of the concept: “[i]t is both possible and imperative that our two countries start the building of this new model of relationship from the Asia-Pacific.” The most important taken-for-granted assumption here is of course the great powers refer to the U.S. and China only. No others need apply. Neither Obama nor Trump warmed to the idea, for it meant according China a co-equality that the U.S. thought premature. But whether the U.S. is ready to grant China that co-equality, the facts on the ground are changing.

Here the Lowy Institute’s *Asia Power Index 2019* is instructive (see Figure 2). According to the Lowy measures of national power, the U.S. is at 84.5 out of a 100 pts, China at 75.9, with the others way behind. According to the Lowy analysts, the U.S. and China are the superpowers of Asia. Although the U.S. remains ahead, China is catching up fast. Students of power transition believe that things start getting interesting when the rising power approaches 80 percent of the established power’s comprehensive power (Rauch 2017). By the Lowy measures, China has exceeded that threshold; that helps explain a lot of China’s confidence and assertiveness in the last decade.

After forty years of sustained economic growth, China has acquired the economic, psychological, and military wherewithal to begin challenging the U.S., the established hegemon. Asia will be where the action is. When one examines Chinese initiatives such as the AIIB, NDB, BRI, Shanghai Cooperation Organization, the 16+1, etc., one sees China putting in place alternative institutions that for the moment can supplement the existing U.S.-inspired ones (WB, IMF, ADB, etc.); but which will be poised to compete with, and supplant the U.S.-led institutions, should China be denied the clout that is commensurate with its power.

So on the first tribute—wanting recognition as the hegemonic power—the U.S.-led and China-led orders will be the same. The reason why that recognition is so important is because when others recognize you as the predominant power two things follow: one, they are less inclined to mess around with, or challenge you; and two, they are more likely to accommodate your wishes. Dean Acheson called it prestige, or “the shadow cast by power.” The eminent political scientist Robert Gilpin has added that “prestige, rather than power, is the everyday currency of international relations” and “if your strength is recognized, you can generally achieve your aims without having to use it” (Gilpin 1981: 31). In short, when you have great prestige, it greases the wheels of the daily transactions of international politics—you are poised to get your way.

And that leads U.S. to second tribute. That is where we see interesting differences in the politics as well as economics associated with the U.S.-led and a Chinese-led order. The U.S., I suggested previously, expects its tributaries to adopt its political ideas and institutional forms, in short, liberal democracy. An observable outcome of this expectation can be seen

in the fact that the U.S.'s closest allies (tributaries in my scheme) are all liberal democracies. Before Trump, if you were not a liberal democracy, it is unlikely that you'll make it to the top of the U.S. most favoured tributary list. "Leader of the free world" is how most U.S. administrations have articulated this sense of self. Free in two senses: political liberty as in freedom of thought, expression and political choice; and *lassie faire* capitalism as the most efficient and liberty enhancing way of organizing one's economy.

The Chinese-led order will disavow both these attributes, especially the political attribute. Political complexion will not matter. You do not have to be like China or anyone on the political front. The differences between the U.S. and China on this issue can be seen from their self-descriptions of the kind of leader they conceive themselves to be. The preferred Chinese vocabulary that is emerging is, on the surface, rather reticent about leadership (who leads), and focuses instead on themes like "community of common destiny" and "harmony without uniformity." In a sense, these are of course the discursive stratagems of a rising power, but they are not devoid of substance, as I shall try to argue later. If in the past, the emphasis was on notions like peaceful rise, responsible stakeholder, harmonious, development, China has gone way beyond that now.

The shift in vocabulary reflects a shift in aspiration, and by that I mean the unspoken assumption of the more recent visions—community of common destiny or harmony without uniformity—is China will lead the community. China is relaxed about non-uniformity because it can envision harmony among nations even if they have dissimilar ways of organizing their politics and economics. This is in contrast to the U.S., which is more insistent on uniformity in politics and economics. To put the contrast in simple and crude terms: if the U.S. sees itself as the leader of the free world, China sees itself as the leader of the free, half-free, and unfree world. By definition, this vision is more ecumenical in the sense that it is more inclusive; it does not stigmatize authoritarian or autocratic regimes, and everyone can be part of it, so long as you recognize who is at the top of the totem pole.

For the U.S., "free" also connotes "free markets" in economics, internally, it means the state sets the broad regulations and thereafter leave it to private firms and individuals to produce, buy and sell. Externally, the U.S., until recently, has worked to lower trade and investment barriers so that goods and services can be exchanged without great hindrance worldwide. China's economic model differs from that of the U.S. in the prominent role of the state internally: state-owned enterprises are prevalent and the national government also prioritizes selected sectors for investment and development, such as high tech. This is not all that different from what Japan used to do during its economic miracle; what worries the U.S. today (as it did in the 1980s when Japan was doing it) is that it seems to be working, and perhaps even beating the U.S. in some areas (think Huawei 5G, solar panels, and the coming battle over AI). To be sure, the U.S. accuses China of cheating, stealing, and coercing U.S. investors to share their trade secrets; even if that happens to be true, it cannot be the full explanation for China's explosive growth in the last 30-odd years. China appears to have come up with an alternative to the U.S. conception of "free market"—call it capitalism with Chinese characteristics or the Beijing consensus, and it works. This also suggests that if in the past China claimed tribute on the basis of its civilizational greatness, today, its claim will be based on an economic model that seems to deliver what much of the world wants, i.e. sustained economic growth.

This non-liberal or illiberal economic model is a strategic worry for the U.S.. Way before the Trump administration decided that the U.S. was wrong to assume that integrating China into the U.S.-led liberal-capitalist order would democratize it, Stefan Halper, an

American analyst based in Cambridge University, argued in his underrated 2010 book, *The Beijing Consensus*, the assumption that a “market economy leads inevitably to democratic government” is a myth. What worries the likes of Halper is that “China’s market-authoritarianism model provides rapid growth, stability, and the promise of a better life for its citizens. Absent are the freedoms we [Americans and the West] believe are essential—freedom of speech, belief, assembly, and the notion of the loyal opposition” (Halper 2010: x).

Also absent, one might add, is what one might call explicit “interference in the domestic affairs” of others. By the latter, China means diplomatic interactions that involve attempts to influence the domestic political processes of others, such as the Trump administration’s recent passing of the Hong Kong Human Rights and Democracy Act to punish Chinese or Hong Kong officials judged to have violated human rights. As the *New York Times* reported, the Chinese government has criticized the Act as “illegal interference in its own affairs” (2019). This interpretation of state sovereignty helps shield China’s domestic political shortcomings from external criticism, but it does mean that China, and others who accept this interpretation, will refrain from commenting and acting on the shortcomings of their interlocutors. For analysts like Halper, the practical implication is that “China’s governing model is more appealing to the developing world and some of the middle-sized powers than America’s market-democratic model” (Halper 2010: x). Perhaps that is one reason why the hawks in the Trump administration feel that the time has come to retard China’s growing economic and technological prowess, with Trump himself asserting that previous U.S. administrations have been complicit in facilitating China’s becoming big and strong, but that this is not going to continue happening under his watch. This helps explain recent attempts by the U.S. to decouple the two economies, heightened CFIUS (Committee on Foreign Investment in the U.S.) scrutiny on Chinese investments, the denial of visas to Chinese students studying sensitive science subjects (not political science!), preventing American high tech companies from selling advanced technology to China, and pressuring allies not to use Huawei 5G technology.

These policies, in tandem with the Trump trade war, have upended America’s traditional role of preserving and strengthening the multilateral trading system (as Obama wanted to do with TPP), and interestingly, put China in the position of assuming America’s previous role. Imagine in the next few years a China that helped usher in the Regional Comprehensive Economic Partnership (RCEP), concluded a Code of Conduct with ASEAN on the South China Sea, and to top it all, joined the “high standard” Comprehensive and Progressive Agreement for Trans Pacific Partnership (CPTPP): such foreign policy successes will significantly aid China’s bid for regional leadership.

Whether a Chinese-led order will imply a return to the sensibilities of its tributary past, is a fascinating question. As the preceding analysis suggest, my answer is yes and no. Yes, in terms of wanting to be recognized as the number one power (in East Asia) when that day comes; and no, in terms of expecting others to be awed by its civilizational grandeur (as during the tributary system days). The emphasis on civilization grandeur has been replaced by a vision premised on a political model that is agnostic about regime type and a statist economic model that works. The political and economic sensibilities of a China-led system, if such a system comes into being, are therefore likely to be significantly different from that of the U.S.-led system.

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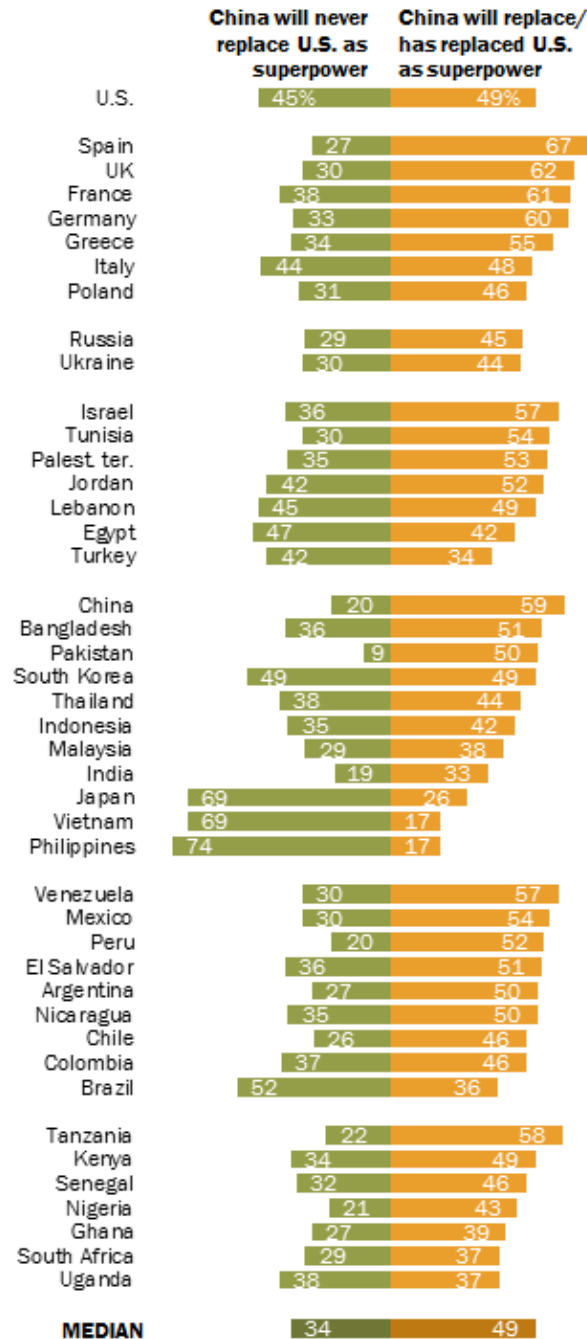
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Appendix

Figure 1: PEW Research Center 2014 Poll

Many Say China Is/Will Be Leading Superpower

Which comes closer to your own view?



Source: Spring 2014 Global Attitudes survey, Q34.

PEW RESEARCH CENTER

Figure 2: Lowy Institute Asia Power Index 2019

OVERALL POWER				
<small>RANK</small>	<small>CHANGE</small>	<small>SCORE</small>	<small>TREND</small>	<small>COUNTRY/TERRITORY</small>
1		84.5		UNITED STATES
2		75.9		CHINA
3		42.5		JAPAN
4		41.0		INDIA
5		35.4		RUSSIA
6		32.7		SOUTH KOREA
7		31.3		AUSTRALIA
8		27.9		SINGAPORE
9		22.8		MALAYSIA
10		20.7		THAILAND
11		20.6		INDONESIA
12		19.9		NEW ZEALAND
13		18.0		VIETNAM
14		15.9		TAIWAN*
15		15.3		PAKISTAN
16+		14.0		NORTH KOREA
17-11		13.7		PHILIPPINES
18		9.7		BANGLADESH
19		9.1		BRUNEI
20		8.9		MYANMAR
21		8.5		SRI LANKA
22		7.7		CAMBODIA
23+		6.4		LAOS
24-16		2		MONGOLIA