

Rethinking Chinese Power: A Conceptual Corrective to the “Power Shift” Narrative

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A growing body of literature has focused on an alleged “power shift” from the United States to China (and from the West to the East more generally). For all its complexities and nuances, much of this power-shift literature continues to unreflectively hold onto a conventional way of conceptualizing power as a type of quantitatively measurable and zero-sum property possessed by the state. Without critically engaging with the conceptual question of what power means, however, the power-shift debate is both inadequate and misleading. Drawing on some alternative ways of conceptualizing power, I aim to illustrate the contingent and socially constructed nature of “Chinese” economic power and, in doing so, problematize the widely held view of a US-China power shift. I contend that insofar as power is socially constructed, how it is conceptualized matters for international relations. The need to rethink power is at the core of building a new type of major power relationship. KEYWORDS: power shift, concepts of power, Chinese economic power, US-China relations.

COMMONLY AGREED-UPON STATEMENTS IN THE ARGUMENTATIVE INTERNATIONAL relations (IR) community are often hard to come by, but one exception is the view that the center of gravity in world politics is shifting away from where it used to be. The early twenty-first century, the argument goes, is witnessing a dramatic power shift from the West to the East, and from the United States to China in particular (Hoge 2004; Prestowitz 2005; Shambaugh 2005; Mahbubani 2008; White 2010). Yet amid such burgeoning discourses on a power shift, the dominant way of conceptualizing power has remained largely unchanged. While scholars in the debate often disagree on how to measure the changing distribution of power, they rarely question their state-centric, resource-based concept of power itself. Without critically examining the concept

of power, the power-shift debate, no matter how sophisticated, will remain inadequate.

In this article I call for rethinking power by paying more attention to the complex and changing meanings of power. Given that China has received the lion's share of attention in contemporary power-shift analysis, the focus of this rethinking is on Chinese power. Since the rapidly developing Chinese economy has most directly fueled the power-shift narrative, my study draws on some specific vignettes about Chinese economic power—for example, “Made in China,” “the China price,” and China’s “financial nuclear weapons.” My aim is not to arrive at some kind of general theory about Chinese power; rather, it is to draw attention to the insights offered by some existing critical power analyses in order to introduce necessary conceptual self-reflexivity into the power-shift debate.

I have divided this article into four parts. I begin with a discussion of the mutual neglect between the power-shift debate and the literature on the concept of power. Next, I provide an overview of a conception of power alternative to the state-centric, quantitative, and zero-sum understanding of power that has dominated the power-shift narrative. In the third section, I illustrate the contingency and socially constructed nature of “Chinese” economic power and what it means for the so-called US-China power shift. I conclude by calling for further interrogating our conventional ways of thinking about power. I argue that unless a new type of power discourse emerges, the United States and China, among other countries, will be hard pressed to build a new type of major power relationship.

The Power-Shift Debate and the Literature on Power: A Case of Mutual Neglect

The now-familiar narrative on a power shift comprises a wide range of literature and centers on at least four concepts: whether there has been a power shift; how far-reaching this shift has been, and whether it can be slowed down or even reversed; in what areas (e.g., economic power, military power, or soft power) the

shift is most evident; and what this shift means for great-power relations as well as how to best respond to it. In this vast literature, opinions have ranged, for example, from assertions that we are already in the “Chinese century” to claims that China still has a long way to go (Nye 2002; Chan 2008; Gurtov 2013), and from the “power transition” thesis that a more powerful China is more likely to challenge the international status quo (Tammen and Kugler 2006) to a more sanguine belief that socializing China into the international community is still possible (Steinfeld 2010).

Hotly debated as these power-shift questions are, what is missing is a more reflective analysis of the concept of power itself. As Shaun Breslin argues, in the study of China’s IR, “The concept of ‘power’ is often left undefined, with an assumption that size and importance is the same as power” (2007, 6). In a similar vein, Jeffrey Reeves and Ramon Pacheco Pardo note that “the study of modern Chinese power remains largely underdeveloped” (2013, 450). This conceptual underdevelopment is certainly not unique to the study of China. According to Martin Smith (2012, 1), IR analysts in general are often “more comfortable thinking and writing about who has power and what they do with it, rather than about the core issue of what it is.” There may be a good reason for this general unease. Though power is a central political concept in the study of IR, it has been widely recognized as notoriously “elusive,” “slippery,” “essentially contested,” and “most troublesome” (Keohane and Nye 2001, 1; Barnett and Duvall 2005, 2; Gilpin 1981, 13).

This conceptual minefield notwithstanding, some audacious efforts at theorizing power have been made. As demonstrated in many different typologies of power, social and political theorists as well as scholars from international political economy and constructivist perspectives have made some noteworthy contributions to our thinking about power. The introduction of the concept “soft power” by Joseph Nye (1990), for example, has generated a vibrant new research program in IR, including the subfield of Chinese IR (Li 2009). The division of power into coercive, normative, and remunerative power by sociologist Amitai Etzioni has been aptly applied to the study of Chinese power (Lampton 2008). In addition to the conventional understanding of power as

resources or capabilities, scholars have added motivation, desire, and will to the mix, thereby helping differentiate actual power from potential power (Baldwin 1980; Strange 1996). Furthermore, informed by Foucault's notion of disciplinary power as well as the "faces of power" debate (Dahl 1957; Bachrach and Baratz 1962; Lukes 2005), Barnett and Duvall (2005) and Guzzini (2013) have begun theorizing power from a constructivist perspective. To be sure, this theoretical debate on power is far from settled or completed, and my intention is not to engage directly with it. But the various efforts at theorizing and conceptualizing power have added more nuanced understandings to the question of what power is.

Surprisingly, however, these different understandings have been largely absent from the power-shift narrative. Indeed, the two bodies of literature are marked by conspicuous mutual neglect. Except at the most general level, few theorists of power seem interested in the current power-shift debate with the possible exception of Nye (2010). Meanwhile, few power-shift analysts pay close attention to what theorists have to say about the complexities of power in international relations. Even as the word "power" figures prominently in the titles of many publications on power shift, as a concept it rarely receives any in-depth discussion. True, in the debate there is "a shared understanding about what makes a state powerful" (Chan 2008, 2), but there has been no explicit self-reflection on this understanding.

Reconceptualizing Power: Beyond the State-Centric, Quantitative, and Zero-Sum Model

Examining the Model

Before proceeding further, it is worth noting that the "shared understanding" of power implied in the power-shift narrative is itself derived from a particular theoretical position on power that is commonly associated with realism and the "first face" of power (Dahl 1957). This point is evident in the wide (if only implicit) use of the definition that power is "the ability of an actor to get

others to do something they otherwise would not do (and at an acceptable cost to the actor)" (Keohane and Nye 2001, 10). When the "actor" denotes the state, as it often does in IR literature, a state-centric, quantitative, and zero-sum mode of thinking on power becomes evident.

According to this model, first of all, power is seen as a crucial property of the state, which is the sovereign owner or wielder of all resources within its territory. John Mearsheimer's (2001, 55) notion that "power is based on the particular material capabilities that a state possesses" is a case in point. In fact, the state and power in international relations are considered so closely linked that "power" has been metonymically used to signify the state *per se* (as in the terms "great powers" and "status quo powers").

Second, defined in terms of state-owned capabilities, power is believed to be quantitatively measurable. Hindess (1996, 1–2) notes that, in modern Western thought, a strong tradition takes "power as a simple quantitative phenomenon." This tradition has certainly continued in the power-shift narrative. Indeed, "to make sense of the idea of systemic power shifts or the very 'balance' of power," "a measure of power" has to be assumed (Guzzini 2013, 114). A good example can be found in Hugh White's (2012, 32) understanding of power: "Economic primacy is ultimately just a question of arithmetic, not an index of national character. GDP is determined by a simple sum: the amount produced by each worker, multiplied by the number of workers." In a more sophisticated but still largely quantitative fashion, Chestnut and Johnston (2009) similarly treat the evaluation of US-China power relations as a matter of mathematical calculation of each country's capabilities.

Third, with this materialist notion of power as a measurable state property, power relations are often seen as zero-sum. A greater power, with the possession of more resources, will prevail over a lesser one, a view that can be traced back to Thucydides (1972, 402): "The strong do what they have the power to do and the weak accept what they have to accept." In this sense, power is viewed as "an instrument of domination" and control (Hindess 1996, 2).¹ Not only does a loss of power mean a loss of control, but one's loss is seen as another's gain. Given this state-centric,

quantitative, and zero-sum model, little wonder that much is at stake in the power-shift debate.

I do not, however, suggest that every analyst in the debate shares the same carbon-copy understanding of power. In fact, there are always different emphases on different aspects of power, and when it comes to both measuring power and the indicators and data they use to measure it, divergences are the rule rather than exception, yet in most cases these differences have been empirical and data-related rather than conceptual in nature. Even when analysts subconsciously draw on different conceptualizations of power, often such conceptual variations are not the focus of contention.

Rethinking "Power"

In this article, my main purpose is to offer a conceptual corrective to this neglect of explicit critical engagement with the concept of power in the power-shift literature. While there is no single alternative way of conceptualizing power, power may be rethought at least along the following dimensions. First, although the state does hold power, it is not a neatly bounded property coterminous with state boundaries. Rather, it has always been "exercised" by or through a diversity of actors, agents, and social structures alongside the state. Among them, for example, are consumers, investors, transnational corporations, credit rating agencies, markets, global supply chains, nongovernmental organizations, the media, the Internet, and even the ruled and the powerless. Such agents and structures often transcend national borders and are not necessarily beholden to state power. Nor can their power be readily mapped onto the state in which they happen to reside. All these considerations undermine "the possibility of seeing power as solely a spatial monopoly exercised by states" (Sassen 2006, 222). Thus, upon a closer look, the complex geographies of power in global politics defy a state-centric conception.

Second, power is always relational and contextual (Barnett and Duvall 2005; Hagström 2005; Piven 2008; Guzzini 2013). As Guzzini (2013, 24) notes, "Any power instrument becomes a potential power resource only if its control is seen to be valued by

other actors in the interaction. Power comes out of this relation, not from the power holder alone.” Relational and contextual power may be best understood not in terms of its quantifiable capabilities but *within* its specific social contexts. The “same amount” of capability may not translate into the same degree of power or achieve the same effect within different relationships or domains. With the acceleration of globalization and expansion of global production networks, even the state rarely stands still. As the state becomes more internationalized or globalized, its power may change in “quality” as well as quantity (Cox 1987; Agnew 2003, 78–79). As a consequence, “national” power is not only less receptive to objective measurement but is also less national in nature. Certainly this does not imply the end of the nation-state, nor is the world quite as flat as Thomas Friedman (2005) has famously asserted. Nevertheless, the national boundaries of power, if such things exist, *are* becoming more blurred and flattened. In short, it has become problematic to invoke the sharp-edged notions of national economy and state power—or, for that matter, the perceived congruence between the two.

If power has no independently verifiable quantity, then power relations are rarely zero-sum, unless they are imagined as such and acted upon accordingly. In reality, power takes on an interdependent dimension, which, among other things, means that “what some have lost, others have not gained” (Strange 1996, 14). Moreover, power cuts both ways, a phenomenon Anthony Giddens calls the “*dialectic of control* in social systems” (1986, 16; emphasis in original). This point holds true even in seemingly asymmetric relationships, such as those between landlords and tenants, state elites and voting publics, priests and their parishioners, and masters and slaves (Piven 2008). Given that power is not always neatly distributed in proportion to the distribution of capabilities, a shift in the latter may not necessarily mean a corresponding shift in the former.

Furthermore, a state’s relational power is not merely a reflection of its position in the distribution of capabilities across states (Waltz 1979); it also bears the imprint of global political economic structures. In this sense, a small country’s power against potential aggression *may* be greater than its defense capabilities might indicate, thanks to its intersubjectively recognized sover-

eignty in the international system. Meanwhile, with structurally derived relational power also comes structural vulnerability. As we know well in domestic politics, independent members who hold the balance of power in parliament gain power primarily because of their contingent structural position; by the same token, their power is susceptible to changes of that structure. Power in the international system is no exception.

Third, power is socially constructed. If “our idea of what belongs to the realm of reality is given for us in the language that we use” (Winch 1958, 15), power as a central phenomenon in reality must also owe its meaning and existence to how we conceptualize it. Thus, a fuller understanding of power needs to take seriously its normative and discursive constructions. In the eyes of many power transition theorists, a country’s power status is ontologically independent of ideational factors such as intentions and norms (even though these may be seen as relevant variables in states’ power behavior). Yet, as John Allen notes, power “as an outcome cannot and should not be ‘read off’ from a resource base” (2003, 5). Likewise, Guzzini (2013, 115) argues that “what counts as a power resource in the first place cannot be assessed *ex ante* independently from general norms, the actors’ particular value systems, and the specific historical context of the interaction.” In other words, power depends on its social recognition within a community (Ashley 1986). Consequently, in power analysis a focus on the (material) distribution of power is not enough (Hindess 1996); it must also, according to Barnett and Duvall, “include a consideration of the normative structures and discourses” (2005, 3).

If diverse discourses are at play in the construction of power, then “a considerable indeterminacy in the patterning of power” may result (Piven 2008, 4). Power indeterminacy has always been compounded by the evolving normative context in which power is constructed, legitimized, and exercised. Realists insist that country *A* with more material capabilities than country *B* has more control over the latter, but in reality a clear-cut correlation between capabilities and control is rare (Hoffmann 1967). Scholars, including some notable neorealists, acknowledge that military primacy does not always pay, at least not as much as is commonly

assumed (Waltz 1979; Drezner 2013). At the root of this non-alignment between power as resources and power as effects are not just some power conversion problems, but more importantly the intrinsic factor of norms and discourses. By helping legitimize or delegitimize power, discourses construct as well as constrain power.

Given that power is contextual, relational, interdependent, non-zero-sum, and socially constructed, it is more than a property monopolized by the state, and its shift necessarily entails more than just a spatial shift between states. From this perspective, we need to rethink China's rising power. Focusing on Chinese economic power, I examine in the next section how changes in Chinese power cannot be simply described in terms of China's "rise" (and the West's fall).

The Problematic of "Chinese Economic Power"

A main driving force behind the perceived power shift to China is believed to be the rise of its economic power. Conventional assessments of Chinese economic power rely heavily on data about China's economic capabilities, such as its GDP, industrial output, bilateral trade, foreign reserves, and investment. These assessments also assume that such capabilities, being the properties of the Chinese state, necessarily reflect *Chinese* power. As Ian Bremmer observes,

The [Chinese] bureaucracy uses select privately owned companies to dominate key industries. They use sovereign wealth funds, created from the country's enormous reserves of foreign currency, to direct huge flows of capital. In sum, China's political leaders are using markets to create wealth that can be used to maximize state control of the next phase of the country's development—and their own chances of political survival. This is a form of capitalism in which the state uses markets primarily for political gain. (2010, 63)

Here Bremmer refers to a range of "national" economic capabilities as indicators of state power. While such capabilities as sovereign wealth funds and foreign reserves in China are no doubt

impressive, including them as part of Chinese national economic power is misleading.

For a start, many so-called Chinese economic power indicators cannot be characterized as Chinese, let alone as belonging to the Chinese state. The Chinese state no doubt has played a crucial role in China's economic rise. But the more relevant questions are *what* role the Chinese state has played, and *to what effect*. A related question is whether the Chinese state itself has undergone transformation. I return to the last point later. For now, one effect of the Chinese government's economic reform and opening-up policy has clearly been the integration of the Chinese economy into the global economy, particularly through its linkages to global production networks (GPNs). Much attention has now been paid to how this integration may affect Chinese foreign policy, but what it means for our understanding of Chinese power is yet to be clearly delineated.²

The Contingency of "Chinese" Economic Power in Global Production Networks

The global production networks of which China is now an integral part can serve as a useful framework within which to understand the "global," hence contextual and interdependent, nature of Chinese power. GPNs are a form of contemporary capitalist development that involves the "disaggregation of stages of production and consumption across national boundaries, under the organizational structure of densely networked firms or enterprises" (Gereffi, Korzeniewicz, and Korzeniewicz, 1994, 1). Within such networks, as Kenichi Ohmae (1995, 3) argues, firms or corporations are less shaped and conditioned by "reasons of state" than by "the desire—and the need—to serve attractive markets wherever they exist and to tap attractive pools of resources wherever they sit." As manifested in the presence of foreign direct investment (FDI) and transnational production activities in China, the GPNs are now an indispensable part of the Chinese economy—so much so that what is traditionally considered "Chinese" power has become less Chinese and more structural and contingent in nature (Pan 2009a).

Much has been made, for example, about China as the world's workshop; its rise as a manufacturing powerhouse has been a frequent reference point in the power-shift discourse. Yet the ubiquitous "Made in China" products are not as reliable an indicator of China's economic power as they are made out to be. As GPNs allow the components and parts of a product to be made in different countries or even different continents, it is now rare to find a finished product made in one place alone. Thus, the "Made in China" label is often a misnomer and should best be read as "Assembled in China." China's cheap labor costs and massive labor reserves (its comparative advantage) often make it a logical place for Western-based multinational corporations to outsource the labor-intensive assembly work, the final stage of production in which various imported components are put together. In this sense, the "Made in China" label exaggerates China's manufacturing power while masking the increasingly transnational nature of production that ostensibly takes place within China (Lampton 2008).

Apple's iPod is a familiar example. A group of California researchers revealed that China, where the device was assembled, added only a few dollars of value to the product. Japan, which supplied the display, and the United States, where two critical microchips were made, contributed far more value. And of course there is Apple itself, at once the creator, designer, and marketer; it accounted for much of the iPod's value and reaped the lion's share of the profit (Gee 2008). Even in many labor-intensive product categories, the "Made in China" phenomenon still does not quite live up to its already dubious reputation (Barboza 2006).

China's massive trade surpluses with the United States and other developed countries do not accurately reflect China's economic power either. To use the iPod example again, when a \$300 iPod is imported from China to the United States, the US Customs Service records its estimated factory value of \$150 as an import from China. That figure is counted toward China's ballooning trade surplus with the United States. But as just mentioned, only a few dollars are value-added in China. According to one study, on average China accounts for only 20.4 percent of the total value of products in its exports to the world, and only 17.1 percent of its

exports to the United States. Therefore, only its value-added portion should count toward China's real trade surplus (Lau et al. 2009).

In this sense, China's apparent dominance in exports points not so much to its rapid rise as an economic superpower as to the country's unique and contingent structural position in GPNs as the "manufacturing conduit." Through this conduit, the main "culprit" for the US trade deficit has merely shifted from Japan, Taiwan, and Southeast Asian countries to China. In the late 1980s, about 40 percent of Japan's and South Korea's total trade was with the United States, but now both countries' exports to the United States are less than half that percentage (Parisot 2013). While China runs surpluses with "demand" countries in North America and Europe, it runs deficits with "supplier" states in East Asia (Breslin 2005).

Thus, what Peter Navarro (2007) calls China's "weapons of mass production" look not only less impressive or formidable, but also less Chinese. This weapon, instead of being part of China's economic arsenal, is produced and wielded jointly by transnational corporations that rely on China for outsourcing and offshoring. Take, for example, the "China price," China's primary weapon of mass production. Like "Made in China," the "China price" is another misnomer. While it commonly refers to Chinese manufacturers' price, which is often 30 to 50 percent below that of their US counterparts that make the same product, this "China price" is in fact made in part in the United States and elsewhere. With the United States as the world's biggest consumer market, its gigantic purchasing power enables global retailers such as Walmart to go around the world in search of the cheapest prices for its price-conscious customers. Between 2001 and 2007, Walmart's China imports, which were bigger than those of the United Kingdom or Russia, increased from \$9 billion to \$27 billion (Mitchell 2012). In this process, Walmart has not only contributed to southern China becoming the fastest-growing manufacturing region of the world but has also set a new global cost standard for products manufactured there. As the director of international trade for the American Textile Institute tellingly revealed, "You don't tell Walmart your price. Walmart tells you" (Bonacich and Hardie 2006,

177). If a Chinese supplier cannot meet the dictated price, Walmart simply goes to another (and more willing) supplier. Therefore, a case may be made that the much-maligned “China price” is actually the “Walmart price.”

While other scholars (Lampton 2008) have used similar stories to argue that Chinese power as a seller has been exaggerated, my point here is that in GPNs it has become increasingly difficult to speak of “Chinese” power. In acknowledging China’s current weaknesses, Lampton leaves the door open for a future stronger China in manufacturing and innovation. In his view, “Chinese power” continues to serve as an unproblematic unit of analysis (2008, 98–99).

The structural and contingent nature of China’s perceived manufacturing power can be equally applied to China’s financial power. China’s massive foreign currency reserves (mostly in US dollars), some fear, could quickly turn into Chinese hard power, which prompted then US secretary of state Hillary Clinton to wonder how the United States could get tough on its banker. Yet the fact that China parks its huge reserves in US dollars says much about the financial structural power enjoyed by the United States—the so-called seigniorage privileges (Arrighi 2007; Parisot 2013). To be sure, this US power is not a pure state property; rather, it is a form of structural power. As Peter Gowan (2005, 416) argues, “Large dollar reserves in East Asia do not mark a structural power shift in the international economy.” As demonstrated through Asian countries’ reactions to the global financial crisis, the United States “still functions as organiser of both American and global capitalism” (Parisot 2013, 1165). Acutely aware that the current world currency order is still dominated by the US dollar, many Chinese scholars understand that unless this order is reformed to better reflect Asia’s financial interests, the much-hyped Chinese or Asian century will remain elusive no matter how impressive Asia’s foreign currency reserves are (Huang 2010).

Also worth considering is that China’s integration into the globalized economy is highly uneven. Most FDI and transnational economic activities take place along China’s southeast coast; its vast inland areas are much less internationally connected, resulting

in what Breslin (2000, 205) calls “China’s partial re-engagement with the global economy.” Such partial integration not only highlights the rise of local and regional economic actors within China, it also “breaks down the hold that national states have over both economic growth and political imaginaries” (Agnew 2010, 579). In recent years, some Chinese companies, such as CNOOC (China National Offshore Oil Corporation) and Huawei, have attracted worldwide attention for their deep pockets, growing clout, and global reach, as well as alleged links with the Chinese government and even the military. Yet such so-called national champions have become increasingly globalized actors. Thirty percent of CNOOC shares are held by foreign entities, and 25 percent of China’s Construction Bank shares are in the hands of foreign investors (Wang Zhile 2007).

Far from being a strong arm of a mercantilist strategically focused state, CNOOC is listed on the New York Stock Exchange and is subject to a variety of US Security and Exchange Commission filing and public disclosure requirements. While its aborted bid for the California-based Unocal in 2005 was widely seen as “the opening shot in an emerging struggle” between China and the United States for limited global energy resources, its acquisition search was supported by none other than Goldman Sachs and J. P. Morgan. Moreover, a host of other international advisory firms provided specific legal, accounting, and human resources-related services (Steinfeld 2010, 177). Just as many US firms are becoming no longer purely “American” (Huntington 2004), many Chinese companies are becoming less Chinese, which indicates a decoupling between transnational businesses and the traditional nation-state in which they originate.

“Chinese” Power as Social Constructs

If China finds it difficult to claim economic capabilities as “Chinese” power, it is highly doubtful that it could convert wealth or capital into “virtually all types of power and influence” (Knorr 1973, 75). For instance, despite China’s promise to buy Eurozone debt, its attempts to get southern Eurozone members to press Brussels to grant it market economy status have not succeeded.

More often than not, as the Chinese have found out, it is easier to use money to achieve prudential returns than to gain strategic geopolitical advantage (de Jonquières 2012). Even in the case of business dealings with supposedly much weaker states in Africa, Chinese power has met with spirited resistance. Ricardo Soares de Oliveira at Oxford University was quoted in the *New York Times* as saying that “the prototypical weak state in Africa can have serious leverage, and that African-Chinese relations are not as unbalanced as is sometimes argued” (Nossiter 2013).

Thus, instead of reflecting some material resource-based balance of power, power relations are ultimately socially constructed by all actors involved; the Chinese live in a world “not just of their making” (Agnew 2010, 575), and China’s rise does not take place in a normative vacuum. Whatever power it may have accumulated must be subject to evolving normative constructions and constraints. Contemporary China has been “growing up” within “a regime-intensive international system,” with its behavior and use of power subject to “a variety of international ‘norms’ that did not exist when Europe and the United States developed” (Lanteigne 2005, 32; Lampton 2008, 209). When it comes to US-China relations, in many ways the United States has created a world after its own image, which is the world in which China now finds itself (Panitch and Gindin 2012). This US-led world order, in the words of Ikenberry (2008, 28), is “hard to overturn and easy to join.” Indeed, some scholars go so far as to suggest that “we are not moving into a Sino-centred age, but into an age of China integrated into American Empire” (Parisot 2013, 1162). China is now “playing our game” (Steinfeld 2010).

“Playing our game” or not, the Chinese state itself has still undergone transformation in the evolving international society. Jim Glassman reminds us that “states can be seen not as existing external to markets or production networks but rather as being produced and reproduced in the same processes that produce markets and production networks” (Glassman 2011, 157), which is indeed how the Chinese state is being (re)produced. As Beijing finds itself increasingly enmeshed into the globalized economy, it also realizes that its legitimacy and power depend on the stability and well-being of the global system. The state has thus acquired

dual responsibility to both “national” economies and the world economy (Cox 1987). In this context, analysts may argue that the Chinese state itself is no longer quite what it used to be (Pan 2009b). While its role continues to be central to China’s economic activities, its function has been transformed in the process of China’s global economic integration, which the state has helped instigate. This situation, of course, does not mean an eventual convergence of China with the West or the end of global competition. What it does mean is that the nature of that competition has become more complex than what the power shifts of the past would suggest.

*Putting the Notion of a
US-China Power Shift in Perspective*

As noted above, a national economy approach to power as implied in the power-shift narrative often misses the relational, contextual, structural, and social nature of Chinese economic power, which has become increasingly deterritorialized and denationalized as a result of the “new transnational accumulation dynamics” (Hart-Landsberg and Burkett 2006, 4). Therefore, talking about *Chinese* economic power no longer makes as much sense. This assertion goes beyond the “power and interdependence” thesis that Chinese and foreign economic powers are mutually dependent as otherwise discrete power entities (Keohane and Nye 2001). That is, the very “national” category of economic power is increasingly elusive in the dynamic global production networks, which are what differentiate economic globalization today from the interdependent world economy of the past (Steinfeld 2010). In such networks, power takes on a form of networked power, defined by Anne-Marie Slaughter (2009, 100) as “the ability to make the maximum number of valuable connections.”

Slaughter further argues that the United States still has “a clear and sustainable edge” in networked power (Slaughter 2009, 95). This may well be so, but to see networked power this way (as yet again a kind of quantifiable resource possessed by a state) is to misunderstand the fundamentally different nature of networked

power, which, by definition, cannot be divided easily along national boundaries. To have networked power in the world means that, to use Thomas Friedman's words, "We're nothing without the rest of the world" (2000, 372). Thus, even as China has gained tremendous networked power, especially on the economic front, such power is necessarily highly contingent on its relationship to the outside world, and that relationship, by definition, cannot be dictated by China alone; it must be negotiated and mutually constituted in bilateral and multilateral contexts. Consequently, Chinese networked economic power cannot be sustained at the expense of other economies. As Nathan and Scobell (2012, 276) note, China

will not prosper like nineteenth-century colonial powers by exploiting and impoverishing other societies. . . . Unlike Spain competing with Portugal in the sixteenth century, Holland competing with Spain in the sixteenth and seventeenth centuries, or Britain competing with France in the nineteenth century, China will not get ahead if its rivals do not. Their economic decline or destruction will not help China.

Despite frequent talks of rivalry, US-China relations have begun to be characterized by such a new type of power relations, rendering the notion of an economic power shift from the United States to China less meaningful. One should not conclude that the relative strengths of the United States and China are unchanged, or that these countries have arrived at the point of superfusion or the dual country of "Chimerica" some have proclaimed (Ferguson 2009; Karabell 2009). Rather, their close links are here to stay, and because of such links, the power of both countries may be enhanced and constrained at the same time. As Karabell (2009, 221) puts it, "The fusion of China and America would decrease the power of the U.S. government. It would, in fact, decrease the power of all central governments, including Beijing." Former US treasury secretary Lawrence Summers put a Washington power dilemma this way: "We could tell the Chinese SWF [sovereign wealth fund] not to invest in the US, but it is not in our interest to do so because it would mean higher prices for our consumers and higher interest rates for our economy" (Xu 2009, 18).

By the same token, even if China did have the so-called financial nuclear option to dump its massive holdings of US Treasury bonds, it could ill afford to entertain that option (Navarro 2008). To sell off its US-dollar-denominated assets would not only drive down the value of its dollar stake but also damage the US economy and hinder the exports of Chinese products to the US market (Xu 2009; Nye 2010; Nathan and Scobell 2012). Some have described this situation as the financial equivalent of mutual assured destruction. Susan Strange (1996, 8) argues that, during the Cold War, “mutual assured destruction was a powerful reason for having nuclear weapons—but equally it was a good reason for not using them.” Therefore, as with nuclear weapons, Beijing’s alleged financial nuclear power over Washington lies paradoxically in its nonuse. As the largest creditor to the United States, China has no easy escape from the classic problem faced by the bank: “When a bank lends you a million dollars, it’s your problem, but when it loans you a hundred million dollars, it’s their problem” (Karabell 2009, 279). This irony illustrates the liability and vulnerability of the financial power of the Chinese banker afforded by its structural linkage to the new global political economy.

Conclusion

China may be the most complex and “paradoxical” rising power in modern international history, as reflected in various paradigms and lenses employed to try to make sense of it (Pan 2012). The power-shift narrative is one such lens; it provides a seemingly convincing identity statement about a China that, while still lacking in super-power status, no longer quite fits into the category of developing countries. This narrative also allows us to reduce the many complex transnational issues and challenges that do not have a single national origin to the familiar problems associated with international power transition. Overall it reflects a particular spatial mindset and geopolitical imagination that keeps recycling the age-old metanarrative of a realist world where power struggle is a constant reality and where the rise and fall of great powers not only unset-

ties the balance of power but more often than not results in “the tragedy of great power politics” (Mearsheimer 2001).

In doing so, the power-shift narrative betrays the lack of serious reconceptualization of power. Given the inherently social and relational nature of power itself as well as the changing global political, economic, and normative structures, we must understand the alleged power shift from the United States to China through a more complex and nuanced perspective of power. By assuming that power continues to be attached to the state as measurable capabilities, and that today’s power shift necessarily resembles shifts of the past, we risk employing old tools to tackle new problems.

Here it is appropriate to invoke Chinese history and recent US foreign policy to illustrate how a failure to reconceptualize power can lead to grave strategic calamities. For more than a millennium, Chinese rulers closely watched their interior continental frontiers for signs of a challenge to their power. The fact that such a challenge could come from a new direction (the coast) and in a different form (naval power) never occurred to them. Yet when that new form of power arrived on its shores, the Qing dynasty found itself vastly ill-equipped to cope with it. The rest is history. The recent example is the false “unipolar moment” assessment of US power and its attendant neoconservative policy during the George W. Bush period (Reus-Smit 2004). If the neoconservative faith in the unipolar moment of US power is misguided, the US decline and power-shift discourses may be equally mistaken.

Yet, to the extent that power is socially constructed, the powerful conventional discourse of a classic power transition from the United States to China could have profound practical implications for this important relationship. As Breslin (2009, 818) notes, “A key source of Chinese power is the assumption by others that it either has it . . . or, maybe more correctly, that it will have this power and influence some time soon.” Whether this discursively constructed Chinese power matches reality is beside the point, for China and other powers both may act on the basis of such a projected power shift (Hagström 2012). In China, it might well play into popular nationalism or encourage arrogance and assertiveness in its foreign policy, or both. In the West, it would justify a policy of hedging against an ostensibly rising Chinese power, a pol-

icy that in turn could harden China's resolve to further amass power. In this sense, the conventional construction of Chinese power could well create a dangerous self-fulfilling prophecy.

Perhaps having realized such danger in her final days in office, Secretary of State Clinton called for Washington and Beijing to renegotiate their future roles. She said, "Interdependence means that one of us cannot succeed unless the other does as well. We need to write a future that looks entirely different from the past" (White 2012, 9–10). She also called for "adjustments in our thinking and our actions, on both sides of the Pacific." Such sentiments are all well and good, but one essential adjustment ought to be critically rethinking the concept of power itself. Without a new conceptual foundation concerning power, a new type of major-power relationship is unlikely to emerge.

Notes

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The author would like to thank Linus Hagström and Björn Jerdén for their invitation to give a keynote address to the workshop on the Rise and Demise of Asian World Supremacy: Power, Effects, and Identities at the Swedish Institute of International Affairs in August 2013. He also thanks both of them as well as the anonymous reviewers for their helpful comments on earlier versions of this article.

1. See also Waltz 1979, 191; Hagström 2005, 395.

2. A few exceptions may include Breslin 2005; Pan 2009a; Agnew 2010.

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