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Article

Signaling status through public goods: China, the United States, and the global leadership deficit

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Abstract

Will China replace the United States as the next global leader? Rather than a transfer of leadership from Washington to Beijing, this article argues that the international system is increasingly characterized by a global leadership deficit—a condition in which major powers possess substantial capabilities and provide visible international public goods, yet fail to generate the durable recognition and authority required for system-wide leadership. The concept of global leadership deficit captures a structural condition that arises not from an absence of power, but from the interaction of selective public-goods provision and contested recognition. Public-goods provision is theorized as a mechanism of status signaling through which states translate material capabilities into leadership claims that depend on audience recognition. Because interpretation and expectations of durability mediate such signaling, conspicuous provision can increase visibility without necessarily producing sustained followership. A comparative analysis of China and the United States shows how different strategies of bounded leadership converge on this outcome. China emphasizes agenda-setting while limiting long-term costly obligations, while the United States concentrates resources in system-anchoring domains and retrenches from redistributive roles. The result is not hegemonic replacement or stable co-leadership, but a fragmented international order marked by a persistent leadership deficit.

Introduction

Will China replace the United States as the next global leader? Over the past decade, this question has increasingly been framed as an almost inevitable outcome of two converging trends: the decline of US global leadership and the steady rise of China as a new superpower.[1] Since the

[1] Xuetong Yan, "From Keeping A Low Profile to Striving for Achievement," *Chinese Journal of International Politics*, Vol. 7, No. 2 (2014), pp. 153–84; Xuetong Yan, "Becoming Strong: The New Chinese Foreign Policy," *Foreign Affairs*, Vol. 100, No. 4 (2021), pp. 40–7; Steve Chan, *Rumbles of Thunder: Power Shifts and the Danger of Sino-American War* (New York: Columbia University Press, 2022); Graham Allison, *Destined for War: Can America and China Escape Thucydides' Trap?* (Boston: Houghton Mifflin Harcourt, 2017); Joshua R. Itzkowitz Shifrinson, "Debating China's Rise and U.S. Decline," *International Security*, Vol. 37, No. 3 (2012), pp. 172–7.

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global financial crisis of 2008, a growing body of commentary has portrayed American primacy as eroding under the weight of fiscal strain, political polarization, strategic overextension, and the emergence of non-Western powers.[2] These concerns intensified sharply during Donald Trump's return to the presidency, which appeared to mark a decisive retreat from the United States' traditional leadership role through alliance skepticism, transactional diplomacy, and withdrawal from multilateral commitments.[3] Against this backdrop, China is widely depicted as the primary beneficiary—and likely successor—of a fading liberal hegemon. Analysts point to Beijing's expanding economic reach, rapid technological advancement, and increasingly visible activism in global governance as evidence that a leadership transition in the international system is already underway.[4] From this perspective, global politics appears to be entering a familiar historical moment: one hegemon withdrawing, another rising to take its place. Yet despite the narrative's intuitive appeal and political resonance, the empirical and analytical foundations of a straightforward leadership transition remain far more fragile than is often assumed.

This familiar story of hegemonic decline and succession misdiagnoses the problem. Rather than a hegemonic transition, the dominant trajectory is intensifying competition over issue-specific leadership without system-wide consolidation. China has indeed demonstrated greater willingness and capacity to supply international public goods, particularly in infrastructure, climate diplomacy, and development assistance. However, Beijing's efforts remain selective and constrained by regime-security imperatives, domestic challenges, and geopolitical frictions. At the same time, the United States is not retreating so much as repositioning: trimming specific global roles while continuing to leverage enduring advantages in alliances, financial centrality, and advanced technologies. The likely outcome is a contested and fragmented international order marked less by hegemonic replacement than by a persistent deficit of global leadership. Neither China nor the United States currently meets the full criteria for system-wide leadership: intent, capability, and legitimate recognition. Instead, competition between China and the United States sometimes expands the collective supply of public goods while leaving unresolved systemic gaps in global leadership. These dynamics underscore the need to view global leadership not as a binary transfer of hegemony but as a complex process of competitive signaling and partial provision of public goods in an era of uncertainty.

This article advances three arguments about international leadership in the contemporary global order. First, it advances the global leadership deficit as an analytically distinct condition of contemporary global order—one in which leadership failure arises not from the absence of power or ambition, but from the interaction of selective public goods provision, contested legitimacy, and limited authority.[5] In contrast to dominant narratives of hegemonic transition, the global leadership deficit captures a structurally persistent pattern in which major powers possess substantial capabilities and supply visible international public goods yet fail to consolidate system-wide leadership. Second, the article links debates on international leadership to the literature on status signaling, theorizing public goods provision as a mechanism through which

[2] Amitav Acharya, "After Liberal Hegemony: The Advent of a Multiplex World Order," *Ethics & International Affairs*, Vol. 31, No. 3 (2017), pp. 271–85; Randall L. Schweller and Xiaoyu Pu, "After Unipolarity: China's Visions of International Order in an Era of US Decline," *International Security*, Vol. 36, No. 1 (2011), pp. 41–72; Oliver Stuenkel, *Post-Western World: How Emerging Powers Are Remaking Global Order* (Boston: Polity, 2016).

[3] Robert Keohane and Joseph Nye Jr., "The End of the Long American Century," *Foreign Affairs*, Vol. 104, No. 4 (2025), pp. 68–79.

[4] Yun Sun, "China Is Enjoying Trump 2.0: How the Trade War Is Helping Beijing Prepare for Long-term Competition," *Foreign Affairs*, 15 August, 2025, https://www.foreignaffairs.com/china/china-enjoying-trump-20; Elizabeth Economy, "Xi Jinping's New World Order: Can China Remake the International System?" *Foreign Affairs*, Vol. 101, No. 1 (2022), pp. 52–67; Elizabeth C. Economy, *The World According to China* (Boston: Polity, 2021).

[5] Throughout the article, "the global leadership deficit" refers to the failure to consolidate system-wide custodianship and authority; the shorthand "leadership deficit" is used once this global scope is established.

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states translate material capabilities into leadership claims that depend on audience recognition. Third, through a comparative analysis of China's repositioning as a partial global power and the United States' shift toward frugal superpower leadership, the article demonstrates how distinct strategies of bounded leadership converge on a shared systemic outcome: a fragmented international order characterized by issue-specific leadership, incomplete custodianship, and persistent governance gaps.

The central puzzle motivating this article is not why major powers provide international public goods, but why such provision so often fails to generate durable leadership and delegated authority. Status signaling is necessary because leadership is neither a material attribute nor a unilateral claim, but a social position that emerges through interpretation by relevant audiences. Public goods provision matters not simply because it supplies functional benefits, but because it serves as an observable signal of responsibility and competence. Whether such signals translate into leadership depends on how they are interpreted, discounted, or contested. Without a signaling framework, the coexistence of conspicuous provision and persistent leadership failure remains analytically unexplained.

The article proceeds as follows. The next section develops a conceptual framework that reconceptualizes international leadership as a relational and socially validated outcome, distinguishing leadership from hegemony and authority and theorizing public goods provision as a mechanism of status signaling mediated by audience interpretation. The subsequent sections analyze China's repositioning from an East Asia-focused great power to a partial global power, and the United States' repositioning from a liberal hegemon to a frugal superpower. Building on these parallel trajectories, the article then introduces the global leadership deficit to explain why competitive and conspicuous public goods provision has failed to generate comprehensive global leadership. The conclusion considers the implications of the findings for global governance, middle powers, and issue-specific regimes, emphasizing its stable yet crisis-prone character in the contemporary global order.

Leadership, status signaling, and public goods provision

This section develops a conceptual framework linking international leadership, status signaling, and public goods provision, clarifying why visible contributions of public goods can enhance influence and status without generating durable authority. The argument proceeds by distinguishing leadership from hegemony and authority, and by treating public goods provision as a signaling mechanism rather than as leadership itself.

Leadership occupies an analytically ambiguous space in international relations. Rather than treating leadership as a simple function of preponderant capabilities, this article conceptualizes international leadership as a relational and socially validated outcome: the ability of a state to shape collective outcomes by coordinating expectations, mobilizing followers, and securing voluntary compliance.[6] In hegemonic stability and public-goods traditions, leadership is viewed as a state's willingness and capacity to stabilize the international system by supplying system-maintaining public goods—such as open markets and monetary stability—and by bearing a disproportionate share of the associated costs in the face of free-riding.[7] In liberal institutionalist accounts, leadership is tied to rule-making and institutional design—binding power through

[6] Throughout the article, I use "international leadership" as the general analytical category, referring to a relational capacity to coordinate collective action through recognized authority. "Global leadership" denotes a specific, system-wide form of international leadership, while "issue-specific leadership" refers to international leadership confined to particular domains or regimes.

[7] Charles P. Kindleberger, "Dominance and Leadership in the International Economy: Exploitation, Public Goods, and Free Rides," *International Studies Quarterly*, Vol. 25, No. 2 (1981), pp. 242–54.

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durable arrangements that make order acceptable to others.[8] In the soft-power approach, leadership further depends on legitimacy and recognition: the ability to shape others' preferences and to secure voluntary followership rather than compliance.[9] Taken together, these strands converge on a common core: leadership entails agenda-setting and coordination capacity plus the provision of collective goods under conditions of perceived legitimacy. This emphasis on recognition is shared across major strands of the leadership-related literature in international relations—from hegemonic stability arguments about system-stabilizing public goods to more recent work on legitimacy and authority.

A first step is to distinguish international leadership from two adjacent concepts—hegemony and authority—that are often conflated in debates about global order. In this article, hegemony is used in its traditional sense to denote a condition of structural preponderance: the possession of superior material capabilities that allow a state to shape outcomes across multiple issue areas. Hegemonic power creates the potential for leadership, but it does not guarantee it. As the classic Kindleberger logic underscores, dominance without accepted responsibility can coexist with systemic instability; material preponderance does not automatically translate into leadership if it is not exercised in ways that stabilize collective outcomes.[10] This definition differs in emphasis from more recent "third-wave" approaches to hegemony, which increasingly conceptualize hegemonic orders as relational, institutional, and legitimacy-laden structures rather than as mere distributions of power.[11] While this third-wave literature usefully emphasizes institutionalization, legitimacy, and authority in sustaining hegemonic orders, this article retains a more traditional, structural definition of hegemony in order to analytically distinguish hegemonic capability from recognized leadership. This distinction helps clarify how leadership can fail even when hegemonic resources remain substantial. This article does not reject the concept of hegemony writ large, nor does it deny the value of Gramscian or "third wave" approaches that emphasize legitimacy, consent, and institutional embeddedness. Rather, it brackets a narrower family of hegemonic interpretations—most commonly associated with neorealist and neoliberal institutionalist traditions—that treat hegemony primarily as a condition of material preponderance and system maintenance. While hegemonic power may create the potential for leadership, it does not guarantee it. Material dominance can coexist with leadership failure when power is exercised without recognized responsibility, durable commitment, or social validation. Analytically separating leadership from hegemony is therefore essential for diagnosing contemporary governance failures: the central problem is not simply who possesses power, but why power so often fails to generate sustained followership and delegated authority.

This distinction also requires differentiating among types of leadership. The article focuses on the absence of custodial global leadership—leadership defined by the sustained provision of system-wide public goods, acceptance of asymmetric burdens, and willingness to underwrite collective outcomes over time. In its place, contemporary major powers increasingly pursue more limited, functional forms of leadership oriented toward agenda-setting, visibility, and reputation. Such leadership claims are often advanced strategically through status signaling rather than through comprehensive stewardship. Public goods provision plays a central role in this process, serving as a visible and normatively loaded signal of responsibility and competence. Yet provision alone does not confer authority. Whether public goods translate into leadership depends on how audiences interpret their scope, durability, and underlying intent.

[8] Robert O. Keohane, *After Hegemony: Cooperation and Discord in the World Political Economy* (Princeton: Princeton University Press, 1984); G. John Ikenberry, *After Victory: Institutions, Strategic Restraint, and the Rebuilding of Order after Major Wars* (Princeton: Princeton University Press, 2001).

[9] Joseph S. Nye Jr., *The Future of Power* (New York: PublicAffairs, 2011).

[10] Kindleberger, "Dominance and Leadership in the International Economy."

[11] For recent efforts to reconceptualize hegemony as a relational and order-producing phenomenon rather than a simple condition of material preponderance, see G. John Ikenberry and Daniel H. Nexon, "Hegemony Studies 3.0: The Dynamics of Hegemonic Orders," *Security Studies*, Vol. 28, No. 3 (2019), pp. 395–421.

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By foregrounding this distinction, the framework underscores that the argument is not that "leadership is better than hegemony," but that prevailing assumptions about the automatic conversion of power and provision into leadership obscure why conspicuous contributions so often fail to resolve systemic governance gaps.

Authority is conceptually narrower but more demanding. Authority exists when others recognize a state's legitimate right to rule in particular issue domains.[12] It implies delegated judgment, durable legitimacy, and a willingness to comply that extends beyond immediate incentives or episodic coordination. While leadership can occur without authority—especially in fluid, crisis-driven, or ad hoc contexts—authority represents a deeper and more institutionalized form of hierarchical relationship. Crucially, authority cannot be inferred from material power or public goods provision alone; it must be collectively recognized and continuously reproduced. These distinctions matter because public goods provision is best treated as a mechanism linking material power to leadership, not as a synonym for authority itself. States may supply public goods without acquiring authority, and may even increase visibility or influence without generating durable followership. Treating leadership, hegemony, and authority as interchangeable risks overstating the implications of public goods provision and obscures why expanded contributions often fail to resolve systemic governance gaps. In contemporary global governance, leadership is analytically prior to authority as a process: authority presumes durable delegation, whereas leadership captures the contested and incomplete pathways through which such delegation is sought, resisted, or withheld.

Chinese international relations scholarship—most prominently Yan Xuetong's theory of moral realism—reinforces a relational understanding of international leadership by treating it as an independent variable that shapes international outcomes rather than merely reflecting material power.[13] In Yan's framework, leadership rests on the ability to attract voluntary followers through consistent adherence to widely accepted moral norms, distinguishing humane authority from coercive dominance or hegemonic double standards.[14] This article engages Yan's contribution analytically rather than prescriptively. Moral consistency is not treated here as a normative benchmark, but as a *signal amplifier*: a mechanism that enhances the credibility, clarity, and interpretability of leadership claims across diverse audiences.

This article recognizes the limits of structural accounts that treat leadership as an epiphenomenon of shifts in material capabilities. Such approaches struggle to explain why states with expanding resources often fail to convert public goods provision into recognized authority, or why leadership can erode even when aggregate power remains substantial. As Deborah Welch Larson underscores, international leadership is inseparable from recognition as a social position.[15] Incorporating this insight allows leadership to be theorized as a status-laden outcome—one that hinges on how power is exercised, communicated, and socially received, rather than on capability alone. This linkage between leadership and status signaling provides the conceptual bridge to the article's central argument about public goods provision as a mechanism through which states compete for international leadership under conditions of contested legitimacy.

Status signaling occupies the critical space between power and recognized leadership. Rather than an automatic byproduct of power, international status consists of socially constructed and collectively held beliefs about a state's relative standing on valued dimensions such as

[12] David A. Lake, "Relational Authority and Legitimacy in International Relations," *American Behavioral Scientist*, Vol. 53, No. 3 (2009), pp. 331–53; David A. Lake, "Escape from the State of Nature: Authority and Hierarchy in World Politics," *International Security*, Vol. 32, No. 1 (2007), pp. 47–79.

[13] Yan Xuetong, "Political Leadership and Power Redistribution," *Chinese Journal of International Politics*, Vol. 9, No. 1 (2016), pp. 1–26; Xuetong Yan, *Leadership and the Rise of Great Powers* (Princeton: Princeton University Press, 2019).

[14] Yan, *Leadership and the Rise of Great Powers*.

[15] Deborah Welch Larson, "Will China Be a New Type of Great Power?" *Chinese Journal of International Politics*, Vol. 8, No. 4 (2015), pp. 323–48.

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power, responsibility, and moral authority.[16] Because status is relational, it cannot be assumed or unilaterally declared; it must be communicated and validated through observable behavior. Status signaling thus refers to deliberate efforts by states to translate material capabilities into reputational claims that become meaningful only when acknowledged by relevant audiences.[17] In this sense, status signaling functions as a mediating mechanism through which power is converted—often imperfectly—into legitimacy, recognition, and leadership potential.

States employ different signaling repertoires that reflect varying balances among ambition, restraint, and risk, ranging from coercive demonstrations, such as fighting, to symbolic displays, such as conspicuous consumption, to cooperative acts, such as conspicuous giving.[18] Some signals foreground material power, while others derive their meaning from contributions to collective goods or rhetorical alignment with shared norms. Material capabilities may enhance credibility and status, but when unaccompanied by restraint or constructive behavior, they can undermine international legitimacy. Conversely, rhetorical commitments unsupported by sustained action risk dismissal as cheap talk. Effective status signaling, therefore, requires cross-dimensional coherence, particularly in a post–Cold War international order in which audiences increasingly evaluate major powers not only by their capabilities, but by how responsibly and consistently those capabilities are exercised. Importantly, states do not always seek to maximize status: concerns about cost, exposure, and long-term obligation frequently lead them to pursue bounded or selective status claims rather than comprehensive recognition.[19]

Public goods provision has emerged as a particularly salient channel of status signaling in the post-1945 international order. As norms delegitimized conquest and territorial expansion, system maintenance, and contributions to collective welfare increasingly became markers of responsible major-power behavior. Providing international public goods—such as financial stability, development assistance, climate mitigation, or health cooperation—allows states to signal status in ways that are visible, normatively loaded, and relatively non-threatening. These attributes make public goods especially effective instruments for projecting benign intent while accruing reputational benefits.

At the same time, signaling status through public goods is inherently strategic and bounded. Because many public goods involve long-term commitments, redistribution, or institutional custodianship, states often seek to capture reputational gains without assuming open-ended responsibilities. Notably, Chinese scholarship on international public goods likewise distinguishes between contribution and authority, emphasizing that public goods provision reflects strategic choice rather than automatic assumption of leadership responsibility—a distinction that reinforces the relational understanding of leadership developed here.[20] Conspicuous provision of public goods can enhance status claims, but selective contributions may fail to generate durable recognition or authority. When major powers prioritize visibility over custodianship, public goods provision becomes a tool of status signaling rather than a foundation of systemic leadership. This dynamic helps explain why the absence or retrenchment of public goods provision can destabilize international order, while visible but bounded provision may intensify competition without resolving leadership gaps. Status signaling through public goods thus links material capability, normative legitimacy, and audience recognition—but it does not

[16] Deborah Welch Larson, T. V. Paul, and William C. Wohlforth. "Status and World Order," in T. V. Paul, Deborah Welch Larson, and William C. Wohlforth, eds., *Status in World Politics* (Cambridge: Cambridge University Press, 2014), pp. 3–29.

[17] Xiaoyu Pu, *Rebranding China: Contested Status Signaling in the Changing Global Order* (Stanford: Stanford University Press, 2019); Xiaoyu Pu, "Controversial Identity of a Rising China," *Chinese Journal of International Politics*, Vol. 10, No. 2 (2017), pp. 131–49.

[18] Pu, *Rebranding China*, pp. 16–33.

[19] Pu, "Controversial Identity of a Rising China."

[20] Cai Tuo, "Zhongguo tigong guoji gonggong wupin de lilun sikao" ("Theoretical Reflections on China's Provision of International Public Goods"), *Guoji zhengzhi yanjiu* (*International Political Studies*), No. 4 (2012), pp. 108–11.

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automatically produce leadership. Whether such signaling consolidates authority or merely advertises ambition depends on how audiences interpret both the scope and sustainability of the goods supplied. Public goods provision in international politics is not exclusive to great powers. Small and middle powers regularly contribute issue-specific and regional public goods to build reputations, demonstrate compliance with prevailing norms, or exercise niche influence.[21] The focus here, however, is on system-anchoring public goods—those that function as macro-level infrastructures of global order, such as financial stability, security provision, and crisis management. These goods differ from micro or project-based contributions in that they require durability, asymmetric burden-bearing, and delegated authority. It is in this domain that the leadership deficit is most pronounced.

Building on these distinctions, international leadership could be viewed as the outcome of a multi-stage causal process rather than a direct function of power. States first signal their status through visible, often costly actions—most notably the provision of international public goods—that project competence, restraint, and responsibility. International audiences then interpret these signals through prevailing norms, expectations, and trust assessments. When signals are assessed as credible and norm-congruent, they generate social validation in the form of recognition and followership. Only through this interpretive and validating process does leadership emerge as a sustained capacity for agenda-setting and coordination. Status signaling should not be conflated with leadership itself. Signaling is a process, leadership an outcome. States can successfully signal status—by providing public goods, launching initiatives, or convening institutions—without generating the durable recognition and followership required for leadership. This distinction is crucial. The argument advanced here is not that status signaling produces leadership automatically, but that leadership failure in contemporary global politics is best understood as a breakdown in the signaling–recognition chain. Public goods provision increases visibility and invites evaluation, but under conditions of rivalry and uncertainty, audiences apply heightened skepticism regarding durability, impartiality, and long-term commitment. As a result, signaling can generate attention without authority, influence without delegation, and competition without consolidation. It is precisely this gap between signaling and recognition that produces the global leadership deficit.

This sequence highlights a central implication: public goods provision is neither sufficient nor automatically translated into international leadership. Provision can increase visibility without generating recognition, particularly when contributions are selective, reversible, or embedded in broader patterns of coercion, unilateralism, or norm contestation. In such settings, conspicuous contributions may yield attention while failing to generate the durable expectations needed for leadership. At the center of this process lies audience skepticism, which functions as the principal mediating variable between public goods provision and leadership recognition. International audiences routinely discount contributions that they interpret as self-interested or coercive. Inconsistency—such as pairing reassurance with coercion or provision with perceived norm violation—further undermines signal credibility by raising doubts about long-term intent. Under conditions of major-power rivalry, skepticism intensifies: audiences apply higher evidentiary standards, scrutinize motives more closely, and hesitate to delegate authority to any single provider.

This dynamic underscores that legitimacy is not a dyadic transaction but a collective judgment. Leadership claims succeed only when they resonate with shared expectations and generate confidence in durability and impartiality. Where skepticism persists, even substantial public goods provision fails to translate into followership, and leadership remains contested or

[21] Ngaire Woods, "Order without America: How the International System Can Survive A Hostile Washington," *Foreign Affairs*, Vol. 104, No. 3 (2025), pp. 82–93; Monica Herz and Selina Ho, "How Multilateralism Can Survive," *Foreign Affairs*, 2 January, 2026, https://www.foreignaffairs.com/south-america/how-multilateralism-can-survive.

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confined to narrow issue domains. Audience skepticism, therefore, provides a micro-foundation for understanding why the global leadership deficit can persist—and even expand—amid rising levels of contribution.

International leadership, therefore, rests on the confluence of three conditions: intent to supply public goods, capacity to deliver them reliably, and recognition by relevant audiences that these efforts are legitimate. Absent any one element, status signaling may generate attention and contestation but is unlikely to consolidate durable leadership. When major powers provide goods selectively, and audiences remain skeptical, leadership becomes uneven and issue-specific rather than systemic, producing a fragmented landscape of partial provision and persistent governance gaps. This conceptual framework sets up the article's central claim: contemporary competition is less a clean transition of hegemonic leadership than a condition of the leadership deficit, in which conspicuous provision and reputational contestation coexist with under-supplied system-critical goods and incomplete authority.

China's repositioning as a partial global power

China's contemporary global posture is best understood not as a linear ascent from regional power to global leader, but as a strategic repositioning from an East Asia-focused great power to a form of selectively global yet deliberately bounded leadership. In earlier phases of its rise, China already possessed the material attributes of a great power, but concentrated its leadership ambitions on regional stability, economic integration, and institutional learning within existing global arrangements. Rather than underwriting system-wide order, Beijing sought voice and influence while minimizing exposure to the costs and responsibilities associated with global custodianship. It reflects a qualitative recalibration of the scope and responsibility of international leadership. China today is no longer an Asian power confined to its immediate neighborhood; its influence extends across global institutions, development finance, climate governance, and emerging issue areas. At the same time, it has not embraced the role of a systemic leader willing to underwrite order-wide stability or assume open-ended crisis-management burdens. The logic of China's repositioning lies precisely in this balance: maximizing agenda-setting authority and symbolic leadership while tightly limiting the scale, durability, and enforceability of commitments. Chinese discussions on international public goods explicitly frame provision as a strategic choice calibrated to national capacity, development stage, and domestic priorities.[22] Chinese experts also argue that emerging powers such as China should expand contributions of public goods without prematurely assuming custodial obligations associated with system-wide leadership.[23] This logic of proportional responsibility underpins China's contemporary approach to global governance and helps explain its preference for selective, visible provision over comprehensive stewardship.

China's distinctive posture is captured in the concept of *partial global power*, which characterizes an equilibrium between ambition and restraint rather than a transitional stage toward full global leadership. Analytically, partial global power captures a stable leadership equilibrium in which a state possesses global reach and agenda-setting capacity but deliberately avoids the asymmetric burdens and custodial responsibilities that convert influence into system-wide authority. In other words, *partial global power* is a category defined by uncertainty rather than destination. It is distinct from a regional power insofar as China's influence today extends well

[22] Cai Tuo and Yang Hao, "Guoji gonggong wupin de gongji: Zhongguo de xuanze yu shijian" ("The Provision of International Public Goods: China's Choices and Practices"), *Shijie jingji yu zhengzhi* (*World Economics and Politics*), No. 10 (2012), pp. 95–105.

[23] Cao Dejun, "Chaxuxing quanwei yu xinxing daguo de guoji gonggong chanpin gongji" ("Differentiated Authority and International Public Goods Provision by Emerging Powers"), *Zhongguo shehui kexue* (*Social Sciences in China*), No. 6 (2025), pp. 110–8.

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beyond its immediate neighborhood into global institutions, development finance, climate governance, and norm debates. Yet it is equally distinct from a new global hegemon or systemic leader: Beijing has neither articulated nor operationalized a coherent alternative vision for comprehensive order leadership, nor demonstrated a sustained willingness to underwrite the system's custodial costs. In this sense, *partial global power* captures not a transitional waypoint on a linear ascent, but an analytically open condition: a mode of power marked by selective ambition, bounded responsibility, and ambiguity about ultimate goals. It reflects China's current capabilities and intentions without presuming convergence toward either regional retrenchment or complete global hegemony.

Seen in this light, China's expanding international activism does not automatically signal an ambition to replace US global leadership. Rather, it reflects a deliberate adjustment of status claims, responsibilities, and exposure to long-term costs. This repositioning strategy is rooted in a logic linking status signaling to cost management in the international system.[24] Status signaling through agenda-setting is structurally cheaper than custodianship, because it prioritizes visibility over enforcement, and recognition over redistribution. By launching initiatives, framing norms, and convening forums, China can project responsibility and competence without committing to sustained crisis management, rule enforcement, or large-scale fiscal transfers. In this model, visibility substitutes for enforcement. High-profile initiatives generate reputational returns by signaling leadership intent and organizational capacity, even when they do not entail binding obligations. Reputational gains tend to peak early—when initiatives are novel, expectations are fluid, and audiences are receptive—while marginal costs rise sharply once leadership claims require durability, impartiality, and willingness to absorb losses. By privileging agenda-setting over enforcement, China maximizes symbolic recognition while avoiding the escalating material and political costs that accompany custodial leadership.

This logic also helps explain the bounded nature of China's public goods provision. Beijing is most active in domains where contributions are scalable, reversible, and politically controllable, and where failure does not automatically trigger demands for deeper responsibility. Chinese analyses of public goods provision repeatedly emphasize cost containment, reversibility, and spillover efficiency. Studies of free-trade zones, for example, conceptualize institutional diffusion as an international public good precisely, because it generates reputational and functional benefits without binding enforcement or long-term redistribution—an approach consistent with China's broader preference for modular leadership.[25] Chinese scholars conceptualize *financial leadership without monetary hegemony*.[26] Conversely, it remains cautious in areas—such as alliance-based security provision—where leadership credibility hinges on sustained commitment and acceptance of asymmetric burdens.[27]

China's repositioning toward partial global power has unfolded through a sequence of distinct but connected phases, each characterized by a different mode of leadership signaling and audience engagement. In the first phase, spanning the 1990s and early 2000s, Beijing prioritized socializing itself into the existing international institutions and deeper engagement with Western-led institutions while keeping leadership costs finite and politically manageable.[28] The

[24] Pu, "Controversial Identity of a Rising China."

[25] Hu Fengqiao and Li Jinshan, "Zimaoqu zhidu wanyi xiaoying dui Zhongguo zimaoqu zhidu jianshe de qishi—jiyu guoji gonggong wupin shijiao" ("The Spillover Effects of Free Trade Zone Institutions and Their Implications for China's FTZ Construction: An International Public Goods Perspective"), *Huadong jingji guanli* (*East China Economic Management*), No. 11 (2016), pp. 54–7.

[26] Li Junjiu, "Yidai Yilu' jianshe zhong de renminbi guojihua: guoji gonggong wupin de shijiao" ("Renminbi Internationalization in the Belt and Road Initiative: An International Public Goods Perspective"), *Sichuan daxue xuebao* (*Journal of Sichuan University*), No. 4 (2017), pp. 86–95.

[27] Liu Ruonan and Liu Feng, "Contending Ideas on China's Non-Alliance Strategy," *Chinese Journal of International Politics*, Vol. 10, No. 2 (2017), pp. 151–71.

[28] Alastair Iain Johnston, *Social States: China in International Institutions, 1980–2000* (Princeton: Princeton University Press, 2007).

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second phase, emerging in the early 2010s, marked a shift from rule-taker to a rule-shaper and selective entrepreneur of new norms and institutions.[29] Through initiatives such as the Belt and Road Initiative, the Asian Infrastructure Investment Bank, and expanded peacekeeping contributions, China moved toward agenda-setting leadership aimed increasingly at the Global South, while deliberately avoiding system-wide custodial obligations.

Since the early 2020s, China's repositioning has entered a third phase characterized less by escalation than by reframing. This shift is expressed most clearly through a cluster of "global initiatives" advanced by Xi Jinping and later codified in official concept papers: the Global Development Initiative (GDI), the Global Security Initiative (GSI), the Global Civilization Initiative (GCI), and, most recently, the Global Governance Initiative (GGI). The GDI, circulated during the 2021 UNGA high-level week, frames development as the "master key" and enumerates priority areas ranging from poverty alleviation and green development to digital economy and connectivity, explicitly aligning the initiative with the UN 2030 Agenda.[30]

The GSI, proposed in 2022 and elaborated in a 2023 concept paper, advances a principles-centered security agenda—sovereignty, UN Charter-based order, "indivisible security," and dialog over coercion—positioning China as a supplier of security ideas and governance proposals rather than treaty-like guarantees.[31] The GCI, unveiled in Xi's March 2023 address, reframes leadership in ideational terms by advocating civilizational diversity, shared human values, cultural inheritance and innovation, and expanded people-to-people exchange—an approach that yields symbolic authority at relatively low institutional and enforcement cost.[32]

Finally, the GGI, formalized in a 2025 MFA concept paper, articulates China's preferred direction and principles for global governance reform—sovereign equality, international rule of law, multilateralism with the UN as the core platform, people-centered governance, and "real results"—thereby enabling claims of responsibility for system improvement without assuming open-ended custodianship.[33]

Authoritative Chinese discourse from senior leaders and intellectuals reinforces the interpretation of China's repositioning as deliberately ambitious yet institutionally bounded. President Xi Jinping, in outlining the GDI, GSI, GCI, and GGI, repeatedly emphasizes that China seeks to "offer Chinese wisdom and Chinese solutions" and to provide public goods through voluntary cooperation rather than to impose rules or assume enforcement responsibilities.[34] Zhao Lei, professor at the Central Party School, writing on the GGI, characterizes it primarily as a symbolic and discursive contribution to global governance reform—one aimed at shaping norms and expectations rather than creating enforcement-oriented institutions.[35] In the financial domain, Pan Gongsheng, Governor of the People's Bank of China, explicitly stresses reform, participation, and diversification in global financial governance while carefully avoiding lender-of-last-resort commitments, underscoring China's preference for influence without open-ended

[29] Xiaoyu Pu, "Socialisation as a Two-Way Process: Emerging Powers and the Diffusion of International Norms," *Chinese Journal of International Politics*, Vol. 5, No. 4 (2012), pp. 341–67.

[30] MFA-PRC, "Global Development Initiative — Building on 2030 SDGs for Stronger, Greener and Healthier Global Development (Concept Paper)," 21 September, 2021, https://www.fmprc.gov.cn/eng./zy/jj/GDI_140002/wj/202406/P020240606606193448267.pdf.

[31] MFA-PRC, "The Global Security Initiative Concept Paper," 21 February, 2023, https://www.fmprc.gov.cn/eng/zy/gb/202405/t20240531_11367484.html.

[32] Xinhua, "Full Text of Xi Jinping's Keynote Address at the CPC in Dialogue with World Political Parties High-Level Meeting," 16 March, 2023, https://english.news.cn/20230316/31e80d5da3cd48bea63694cee5156d47/c.html.

[33] MFA-PRC, "Concept Paper on the Global Governance Initiative," 1 September, 2025, https://www.mfa.gov.cn/eng/xw/wjbxw/202509/t20250901_11699912.html

[34] Xi Jinping, "Tuidong luoshi Quanqiu Fazhan Changyi, Quanqiu Anquan Changyi, Quanqiu Wenming Changyi, Quanqiu Zhili Changyi" ("Advancing the Global Development Initiative, Global Security Initiative, Global Civilization Initiative, and Global Governance Initiative"), *Qiushi* (*Seeking Truth*), No. 20 (2025), pp. 4–10.

[35] Zhao Lei, "Tixian daguo dandang de Quanqiu Zhili Changyi" ("A Global Governance Initiative that Reflects Major-Power Responsibility"), *Hongqi wengao* (*Hongqi Manuscript*), No. 17 (2025), pp. 45–8.

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liability.[36] Zhang Yuyan, a senior scholar at the Chinese Academy of Social Sciences, advances the principle of balance between rights and responsibilities as a normative constraint on leadership claims, while Ding Huang of Wuhan University theorizes global governance around consultation, gradualism, and non-hierarchical coordination, offering an indigenous rationale for cost containment under systemic fragmentation.[37] Da Wei of Tsinghua University frames China's leadership ambition primarily in terms of discursive power—agenda-setting and narrative influence—rather than hegemonic burden-bearing, directly aligning elite Chinese thinking with a strategy of agenda-setting without custodianship.[38] Taken together, these authoritative Chinese sources substantiate the claim that China's partial global leadership is not a transitional failure or rhetorical ambiguity, but a consciously articulated strategy of bounded leadership under conditions of fragmentation, status competition, and risk aversion.

China's careful selection of international leadership is not accidental. The domestic and international constraints shape a leadership strategy oriented toward visibility and discretion rather than durability and enforcement. Domestically, slowing economic growth, demographic pressures, and financial vulnerabilities constrain China's willingness to scale up open-ended overseas commitments.[39] The leadership's emphasis on regime security, technological sovereignty, and social stability further discourages transparency, binding oversight, and delegation—features commonly associated with systemic leadership.[40] Externally, China's recent Global Initiatives—the GDI, GSI, GCI, and GGI—represent a deliberate effort to reframe China's expanding provision of public goods as evidence of responsible global leadership. These initiatives signal agenda-setting ambition and normative critique, positioning China as a champion of development, sovereignty, and non-Western approaches to global governance. Reactions from international audiences, however, reveal a pattern of selective reception rather than comprehensive followership. Some developing countries and multilateral forums have welcomed the language of inclusivity, development-first priorities, and respect for national autonomy embedded in these initiatives, often incorporating references to them in joint statements or diplomatic communiqués. Yet such expressions of rhetorical endorsement have rarely translated into the delegation of authority, institutional leadership, or durable rule-making roles. Participation has tended to remain voluntary, issue-specific, and reversible, reflecting appreciation for China's material contributions without accepting custodial leadership responsibilities or normative primacy. Persistent skepticism among Western and regional audiences limits the reputational returns of China's initiatives.[41]

This mixed reception underscores the intersubjective limits of China's status signaling as a partial global power. Among advanced economies and established multilateral institutions, skepticism remains pronounced regarding the durability, scope, and impartiality of China's initiatives, particularly where security governance and institutional authority are concerned.[42]

[36] Peng Gongsheng, "Jianding jianxing Quanqiu Zhili Changyi, chixu tuijin quanqiu jinrong zhili gaige wanshan" ("Firmly Practicing the Global Governance Initiative and Advancing Global Financial Governance Reform"), *Qiushi* (*Seeking Truth*), No. 17 (2025), pp. 37–44.

[37] Ding Huang, "Lun quanqiu zhili de 'he yi wei zhi'" ("On the Question of How Global Governance Is Governed"), *Zhongguo shehui kexue* (*Social Sciences in China*), No. 3 (2025), pp. 111–29.

[38] Da Wei, "Shui dao fang neng qu cheng: guoji zhixu chonggou beijing xia zhongguo quanqiu zhili huayuquan de tisheng" ("Let the Water Flow: Enhancing China's Global Governance Discursive Power amid International Order Reconstruction"), *Qinghua jinrong pinglun* (*Tsinghua Financial Review*), No. 140 (2025), pp. 16–23.

[39] World Bank, "China Economic Update, December 2025," https://thedocs.worldbank.org/en/doc/600cd53e2bb24d516b8c3489e5d2c187-0070012025/original/CEU-December-2025-EN.pdf; International Monetary Fund (IMF), *People's Republic of China: Financial Sector Assessment Program—Financial System Stability Assessment, IMF Staff Country Report No. 2025/100* (Washington, DC: IMF, 2025).

[40] Sheena Chestnut Greitens, "Domestic Security in China under Xi Jinping," *China Leadership Monitor*, No. 59 (2019), pp. 1–19; Sheena Chestnut Greitens, "Xi Jinping's Quest for Order: Security at Home, Influence Abroad," *Foreign Affairs*, 3 October, 2022, https://www.foreignaffairs.com/china/xi-jinping-quest-order.

[41] Economy, "Xi Jinping's New World Order."

[42] Margaret M. Pearson, Meg Rithmire, and Kellee S. Tsai, "China's Party-State Capitalism and International Backlash: From Interdependence to Insecurity," *International Security*, Vol. 47, No. 2 (2022), pp. 135–76; Yu Xie and

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Even in regions where Chinese development finance and infrastructure projects are widely utilized, recipient states frequently hedge by maintaining ties to existing Western-led institutions or by compartmentalizing cooperation with China to specific functional domains.[43] The result is a pattern in which China's public goods provision enhances visibility and influence but stops short of generating sustained followership or delegated authority. From a status-signaling perspective, China succeeds in projecting leadership claims and attracting attention, yet the audience response remains conditional and fragmented. This gap between signaling and recognition helps explain why China's repositioning has expanded the supply of international public goods without resolving the broader problem of global leadership consolidation—reinforcing a fragmented order marked by issue-specific cooperation and a persistent leadership deficit rather than hegemonic replacement.

International skepticism toward China's leadership claims should therefore be understood not as mere misperception or Western resistance, but as an endogenous outcome of this bounded leadership strategy. As critics have noted, China's contributions remain limited in precisely those domains—redistributive assistance, refugee protection, sanctions enforcement, and crisis response—that are most closely associated with recognized global leadership.[44] Even where material contributions have increased, reluctance to accept disproportionate burdens or constraints on sovereign discretion restricts the translation of provision into durable recognition. Importantly, this skepticism is not confined to the US alliance system; it is evident across regions and institutions, particularly where sustained commitment and impartial enforcement are required.

China has thus moved decisively beyond its earlier status as a regional great power and institutional rule-taker. Its expanding portfolio of initiatives and diplomatic engagement signals growing ambition and functional contributions to global governance. Yet the structure of these efforts—shaped by domestic constraints, strategic caution, and audience skepticism—produces a form of leadership that is issue-specific and conditional rather than comprehensive or custodial. International skepticism toward China's leadership claims should therefore be understood not as mere misperception or Western resistance, but as an endogenous outcome of this bounded leadership strategy. By seeking recognition through selective agenda-setting while limiting long-term obligations, China enhances visibility and flexibility but constrains its capacity to consolidate system-wide leadership. This bounded leadership strategy, when paired with US frugality, produces not transition but deficit—an outcome explored in the next section.

America's repositioning as a frugal superpower

Conventional accounts portray the United States as retreating from global leadership, particularly following the disruptions of the Trump presidency.[45] This interpretation, however, does not give enough credit to the strategic logic of recent US foreign policy behavior. As Jennifer Lind and Daryl G. Press argue, what critics describe as abdication can also be interpreted as strategic prioritization—a recalibration designed to conserve finite resources and refocus US

Yongai Jin, "Global Attitudes toward China: Trends and Correlates," *Journal of Contemporary China*, Vol. 31, No. 133 (2022), pp. 1–16.

[43] Matt Ferchen and Mikael Mattlin, "Five Modes of China's Economic Influence: Rethinking Chinese Economic Statecraft," *The Pacific Review*, Vol. 36, No. 5 (2023), pp. 978–1004; Sheewon Min, "Hedging through Multilateral Economic Frameworks in the US–China Strategic Competition: A Case Study of Singapore," *Journal of Asian Security and International Affairs*, Vol. 12, No. 4 (2025), pp. 460–87.

[44] Economy, "Xi Jinping's New World Order."

[45] Joseph S. Nye, "The Rise and Fall of American Hegemony from Wilson to Trump," *International Affairs*, Vol. 95, No. 1 (2019), pp. 63–80; Rebecca Lissner and Mira Rapp-Hooper, "Absent at the Creation?" *Foreign Affairs*, 24 June, 2025, https://www.foreignaffairs.com/united-states/absent-creation-rebecca-lissner.

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power on core theaters.[46] Rather than withdrawing from international leadership, the United States has strategically repositioned how, where, and at what cost it seeks to lead. Analytically, Washington has shifted from a liberal hegemon that supplied a broad menu of international public goods toward what can be described as a "frugal superpower"—one that concentrates leadership in key domains while deliberately economizing on redistributive and labor-intensive commitments.[47] This recalibration reflects enduring structural advantages in finance, alliance coordination, and technological governance, alongside mounting domestic constraints and skepticism toward open-ended custodianship of international order. As a result, US global leadership today remains structurally potent but increasingly conditional: capable of stabilizing core functions of the international system, yet less willing to underwrite the expansive responsibilities that once generated broad recognition and authority.

This repositioning of the United States on the world stage is rooted in structural and domestic pressures. During the unipolar era, US power enabled an unusually expansive form of liberal order-building that fused security provision with universalist political goals.[48] Under conditions of overwhelming material dominance, Washington pursued what neoclassical realists describe as *milieu goals*: reshaping international and domestic environments in ways assumed to be mutually reinforcing for US interests and global welfare.[49] Over time, however, this assumption became increasingly untenable. Power diffusion raised the costs of maintaining order, while domestic tolerance for expansive commitments eroded amid fiscal pressures, polarization, and war fatigue. The result was not an abrupt withdrawal from international leadership, but a growing imperative to rebalance obligations and resources.[50]

From this perspective, the frugal superpower strategy represents recalibration rather than abdication. This logic is not uniquely associated with any single administration. Elements of restraint and burden-sharing were already visible in the Obama era: the 2010 National Security Strategy (NSS) explicitly links strategy to "hard choices" at home and argues that US goals require partners "to share burdens,"[51] while the 2015 NSS similarly frames alliances and partnerships as mechanisms to "share the burdens of maintaining global security and prosperity."[52] In other words, even at the height of the "pivot to Asia" strategy, US official documents already placed cost-consciousness and partner capacity at the center of sustaining leadership rather than expanding it. Across administrations, the direction of travel has been consistent: a narrowing of leadership ambition in some domains, paired with continued (and often intensified) investment in system-anchoring capabilities—above all, alliance orchestration, military modernization, and the financial and technological levers that allow the USA to shape outcomes at scale. This continuity is visible in the Trump-era 2017 NSS's insistence

[46] Jennifer Lind and Daryl G. Press, "Strategies of Prioritization," *Foreign Affairs*, 24 June, 2025, https://www.foreignaffairs.com/united-states/strategies-prioritization-lind-press.

[47] It should be noted that the notion of America as a "frugal superpower" originated in the U.S. foreign policy before the Trump era. See Michael Mandelbaum, *The Frugal Superpower: America's Global Leadership in A Cash-Strapped Era* (New York: PublicAffairs, 2011).

[48] Michael Beckley, *Unrivaled: Why America Will Remain the World's Sole Superpower* (Ithaca: Cornell University Press, 2018); G. John Ikenberry, "American Hegemony and East Asian Order," *Australian Journal of International Affairs*, Vol. 58, No. 3 (2004), pp. 353–67.

[49] For neoclassical realist accounts of U.S. post–Cold War order-building and the pursuit of milieu goals under unipolarity, see Randall L. Schweller, "Opposite but Compatible Nationalisms: A Neoclassical Realist Approach to the Future of US–China Relations," *Chinese Journal of International Politics*, Vol. 11, No. 1 (2018), pp. 23–48; Andrew Byers and Randall L. Schweller, "Trump the Realist: The Former President Understands the Limits of American Power," *Foreign Affairs*, 1 July, 2024, https://www.foreignaffairs.com/donald-trump-realist-former-president-american-power-byers-schweller.

[50] On the erosion of domestic tolerance for expansive global commitments and the growing imperative to rebalance commitments and resources, see Randall L. Schweller, "Three Cheers for Trump's Foreign Policy: What the Establishment Misses," *Foreign Affairs*, Vol. 97, No. 5 (2018), pp. 133–43.

[51] The White House, "National Security Strategy," 2010, https://history.defense.gov/Portals/70/Documents/nss/NSS2010.pdf?ver=Zt7IeSPX2uNQt00_7wq6Hg%3d%3d.

[52] The White House, "National Security Strategy," 2015, https://obamawhitehouse.archives.gov/sites/default/files/docs/2015_national_security_strategy_2.pdf.

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that allies "shoulder a fair share of the burden,"[53] and in the Biden-era 2022 NSS's insistence that US competitiveness and coalition leadership depend on mobilizing allies and partners for sustained strategic competition rather than unilateral provision.[54] Trump matters not because he initiated this trajectory, but because he accelerated it in a way that imposed unusually high costs for US international legitimacy and recognition—turning what earlier strategies framed as "burden-sharing" into a more openly transactional posture. This shift is most explicit in the current NSS, which declares that "the days of the United States propping up the entire world order like Atlas are over," and elevates "burden-sharing and burden-shifting" as a named organizing principle.[55]

The hallmark of the frugal superpower strategy is strategic selectivity in the provision of international public goods. Rather than supplying a broad menu of security, economic, and governance goods across regions, the United States increasingly concentrates leadership in domains that generate high systemic leverage at relatively low marginal cost. Three areas are especially salient. First, financial leadership remains central. Dollar primacy and the institutional position of US monetary authorities enable Washington to function as a *de facto* global lender of last resort and crisis manager, allowing liquidity provision, swap lines, and sanctions enforcement to signal indispensability.[56] Second, military power and alliance orchestration enable the United States to continue playing a key role in traditional security while reducing costs through burden sharing. US strategy emphasizes burden-sharing, interoperability, and partner capacity-building rather than unilateral management of regional orders, consistent with offshore balancing logics that favor indirect influence over permanent forward deployment.[57] Third, technological and regulatory leadership has become a core pillar of US repositioning rather than a casualty of retrenchment. Under the current Trump administration, official strategies explicitly frame artificial intelligence, semiconductors, and advanced research ecosystems as foundations of American power and global influence. Recent executive orders and national strategies prioritize removing barriers to AI innovation, securing leadership in microelectronics, and shaping international standards and governance frameworks.[58] This emphasis reflects a broader logic of frugal leadership: by concentrating resources in high-leverage technological domains, the United States seeks to entrench its agenda-setting and rule-shaping capacity even as it selectively scales back more labor-intensive roles in development assistance, stabilization, and redistribution. Across these areas, US signaling of international leadership shifts from breadth to depth: fewer commitments, but in domains that anchor the system as a whole. Crucially, this repositioning does not imply withdrawal from international competition. Rather, it reflects a recalibration of how international leadership is claimed and recognized. While this strategy

[53] The White House, "National Security Strategy," 2017, https://trumpwhitehouse.archives.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905.pdf.

[54] The White House, "National Security Strategy," 2022, https://www.whitehouse.gov/wp-content/uploads/2022/10/Biden-Harris-Administrations-National-Security-Strategy-10.2022.pdf.

[55] The White House, "National Security Strategy," 2025, https://www.whitehouse.gov/wp-content/uploads/2025/12/2025-National-Security-Strategy.pdf.

[56] Board of Governors of the Federal Reserve System, "The International Role of the U.S. Dollar—2025 Edition," *FEDS Notes*, 18 July, 2025, https://www.federalreserve.gov/econres/notes/feds-notes/the-international-role-of-the-u-s-dollar-2025-edition-20250718.html; Council on Foreign Relations, "The Dollar: The World's Reserve Currency," *CFR Backgrounder*, 2024, https://www.cfr.org/backgrounder/dollar-worlds-reserve-currency; Board of Governors of the Federal Reserve System, "Central Bank Liquidity Swaps," 15 March, 2023, https://www.federalreserve.gov/monetarypolicy/bst_liquidityswaps.htm.

[57] Barry R. Posen, *Restraint: A New Foundation for U.S. Grand Strategy* (Ithaca: Cornell University Press, 2014); The White House, "National Security Strategy," *2025.*

[58] See The White House, "America's AI Action Plan," July 2025, https://www.whitehouse.gov/wp-content/uploads/2025/07/Americas-AI-Action-Plan.pdf; The White House, "Removing Barriers to American Leadership in Artificial Intelligence," 23 January, 2025, https://www.whitehouse.gov/presidential-actions/2025/01/removing-barriers-to-american-leadership-in-artificial-intelligence; The White House, "National Strategy on Microelectronics Research," March 2025, https://www.whitehouse.gov/wp-content/uploads/2025/03/Amended-National-Strategy-on-Microelectronics-Research.pdf.

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enhances the sustainability of American power by reducing overextension, it also generates new reputational risks. Allies and partners accustomed to expansive US custodianship may interpret selectivity as declining resolve, particularly in legitimacy-intensive domains such as global health, development finance, and post-conflict stabilization. As a result, US status signaling becomes more conditional and more contested, hinging not only on material capability but on audience interpretation.

At this point, any account of US repositioning must confront a powerful counterargument. Some critics suggest that what appears to be frugality is better understood as credibility erosion driven by deliberate unpredictability, undermining alliance trust, and the reputational foundations of leadership.[59] Liberal internationalists also argue that, in the Trump era, unilateralism, alliance skepticism, and tariff wars hollowed out the liberal order the United States itself built, undermining legitimacy, trust, and institutional authority.[60] From this perspective, American leadership has weakened not because Washington is economizing, but because it is abandoning the social and institutional capital that sustains authority. As Lissner and Rapp–Hooper argue, the assumption that US leadership can simply be "restored" underestimates the extent to which Trump-era practices have altered alliance expectations and institutional routines.[61] Strategic selectivity, critics contend, becomes indistinguishable from abdication when it repeatedly targets legitimacy-producing domains, enabling China to fill vacuums created by US retreat.[62]

This critique is analytically serious, particularly because it targets the recognition mechanism at the core of leadership. Leadership depends not only on capability and intent, but also on legitimate recognition by relevant international audiences. Trump-era policies undeniably eroded this third pillar. Alliance reassurance was weakened by transactional bargaining; public goods were increasingly framed as conditional exchanges; and interdependence was weaponized in ways that generated fear and hedging rather than followership. Yet treating these developments as evidence of wholesale decline conflates leadership erosion with structural power loss. While recognitional breadth has narrowed and trust has weakened in some domains, the structural foundations of US power—financial centrality, alliance density, technological chokepoints, and crisis-management capacity—remain largely intact. The erosion critics identify is therefore selective and domain-specific rather than systemic collapse.

Seen in this light, the decline critique ultimately reinforces rather than undermines the argument advanced here. Critics are correct that US restraint creates vacuums. Where they diverge is in assuming that such vacuums will be filled by a new hegemon. Empirically, they have not been. Even where US soft-power retrenchment creates reputational space, China has shown little willingness to assume the institutional and fiscal burdens associated with leadership, limiting the extent to which US retreat translates into genuine replacement.[63] China has expanded its visibility and agenda-setting role, but selectively and conditionally, without assuming custodial responsibility for the system as a whole. The result is not hegemonic replacement, but systemic under-provision. The United States retrenches most sharply in some domains, while China expands leadership claims without commensurate custodianship. Together, these patterns generate neither transition nor equilibrium, but a condition of the leadership deficit in which visible activism coexists with persistent governance gaps.

US status signaling as a global leader continues to rely heavily on long-standing advantages in alliance, financial centrality, and crisis response, yet audience reactions increasingly reveal

[59] Keren Yarhi-Milo, "The Price of Unpredictability," *Foreign Affairs*, 2 October, 2025, https://www.foreignaffairs.com/united-states/price-unpredictability.

[60] Keohane and Nye, "The End of the Long American Century."

[61] Lissner and Rapp-Hooper, "Absent at the Creation?"

[62] Robert O. Keohane and Joseph S. Jr Nye, "The End of the Long American Century," *Foreign Affairs*, Vol. 104, No. 4 (2025), pp. 68–79.

[63] Maria Repnikova, "The New Soft-Power Imbalance," *Foreign Affairs*, 20 November, 2025, https://www.foreignaffairs.com/united-states/new-soft-power-imbalance.

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a pattern of selective followership rather than comprehensive delegation. Among close allies in Europe and East Asia, Washington's security guarantees, intelligence coordination, and crisis leadership—most visibly in responses to Russia's invasion of Ukraine—have reinforced perceptions of US indispensability in core security domains.[64] These audiences continue to defer to US agenda-setting and accept American authority where the provision of public goods is closely tied to alliance commitments and institutionalized expectations. At the same time, reactions outside these core domains are more ambivalent. In issue areas characterized by diffuse benefits and weaker institutionalization—such as development cooperation, economic governance, climate finance, and global health preparedness—many states welcome external engagement when it delivers resources or addresses immediate needs, yet remain cautious about delegating custodial leadership, instead relying on diversified partnerships and flexible, issue-specific arrangements.[65]

This differentiated reception highlights the bounded nature of contemporary US leadership and underscores the intersubjective limits of American status signaling. While the United States retains deep reservoirs of trust and authority in system-anchoring domains, repeated episodes of retrenchment, politicization, and strategic reprioritization have weakened expectations of sustained stewardship elsewhere. As a result, US public goods provision increasingly generates domain-specific leadership without system-wide authority: strong followership where commitments are institutionalized and credible, and conditional cooperation where leadership claims appear reversible or transactional. From a status-signaling perspective, US leadership has not collapsed, but it has become unevenly recognized. This pattern mirrors, in inverse form, China's experience: where China expands agenda-setting without authority, the United States retains authority without comprehensive provision. Together, these contrasting yet convergent audience responses help explain why intensified competition between the two powers has increased the visibility of leadership claims while leaving the broader global leadership deficit unresolved.

Where China seeks recognition through visible expansion while capping obligations, the United States seeks sustainability through contraction while retaining control over system-anchoring functions. The frugal superpower strategy thus preserves US leadership in system-critical domains while leaving enduring gaps in redistributive and labor-intensive areas such as global health, development finance, and post-conflict stabilization. These gaps are not fully filled by China's selective engagement, nor by multilateral institutions operating without a clear leader. US power remains formidable, but increasingly conditional; American status signals remain potent, but less universally recognized. This trade-off between endurance and recognition defines the contemporary US posture—and, when combined with China's strategy of partial global power, helps explain why the international system is drifting not toward hegemonic transition, but toward the global leadership deficit.

The global leadership deficit

Debates about global order are commonly framed in terms of leadership transition: whether China will replace the United States as the next global leader, or whether US primacy can be sustained despite relative decline.[66] This binary framing, however, obscures a more

[64] Robert C. O'Brien, "The Return of Peace Through Strength: Making the Case for Trump's Foreign Policy," *Foreign Affairs*, Vol. 103, No. 4 (2024), p. 2438.

[65] Acharya, "After Liberal Hegemony."

[66] Stephen G. Brooks and William C. Wohlforth, "The Rise and Fall of the Great Powers in the Twenty-first Century: China's Rise and the Fate of America's Global Position," *International Security*, Vol. 40, No. 3 (2016), pp. 7–53; Christopher Layne, "The US-Chinese Power Shift and the End of the Pax Americana," *International Affairs*, Vol. 94, No. 1 (2018), pp. 89–111; Chan, *Rumbles of Thunder*.

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consequential and analytically distinct condition. The central challenge confronting the contemporary international system is not the transfer of leadership from one hegemon to another, but the growing difficulty of consolidating global leadership itself. This article conceptualizes this condition as the global leadership deficit—a systemic situation in which major powers possess substantial capabilities and provide visible international public goods, yet fail to generate the durable recognition, delegation, and authority required for system-wide leadership. The global leadership deficit captures a condition in which leadership failure arises not from incapacity or abdication, but from national strategies of selective provision that are individually sensible yet collectively suboptimal.

It is important to distinguish the global leadership deficit from several adjacent concepts that are often invoked to describe contemporary order. Leadership diffusion refers to a dispersion of leadership functions across multiple actors and issue areas, often implying functional substitution or shared responsibility.[67] By contrast, the global leadership deficit captures a condition in which leadership functions are not effectively assumed, even as multiple actors engage in visible provision. Contested multilateralism emphasizes institutional rivalry and regime overlap, highlighting competition among forums rather than the absence of custodianship; the leadership deficit, by contrast, focuses on the under-provision of system-critical functions that no institution or coalition is able or willing to underwrite.[68] Finally, notions of non-hegemonic governance describe an order without a single dominant leader,[69] but do not specify whether collective action problems are resolved or merely managed at the margins. The global leadership deficit is analytically distinct in that it identifies a structural mismatch between capability, provision, and recognized authority: major powers remain active and influential, yet fail to generate durable recognition, delegation, and enforcement capacity. The result is not decentralized leadership or benign pluralism, but a persistent condition of partial provision and incomplete custodianship in which governance gaps endure despite heightened activism.

The global leadership deficit does not stem from a lack of effort. Both China and the United States continue to supply international public goods across multiple domains. The deficit instead arises from a self-reinforcing mechanism linking the selective provision of public goods to weakened authority. When major powers provide public goods in bounded, reversible, or tightly targeted ways, international audiences remain uncertain about the durability, impartiality, and enforceability of leadership commitments. This uncertainty heightens skepticism, discourages followership, and limits the willingness of states and institutions to delegate authority to any single provider. Anticipating weak recognition and high political costs, leading powers further narrow their commitments, reinforcing a cycle of selective provision and contested leadership. The result is not stable co-leadership or benign diffusion of leadership, but a persistent condition of partial leadership and incomplete custodianship of global affairs.

Crucially, the global leadership deficit does not affect all forms of international cooperation uniformly. Its consequences are systematically concentrated in governance functions that require sustained redistribution, centralized crisis management, coercive enforcement, or long-term institutional custodianship. These functions demand durable commitment, asymmetric burden-bearing, and a degree of delegated authority that selective leadership strategies deliberately avoid. Under conditions of rivalry and legitimacy contestation, major powers have strong incentives to prioritize signaling-friendly contributions—such as agenda-setting initiatives, high-visibility pledges, and project-based cooperation—while underinvesting

[67] This leadership diffusion is similar to the notion of power diffusion model, see Joseph S. Nye, *The Future of Power* (New York: PublicAffairs, 2011), pp. 113–51.

[68] Julia Morse and Robert Keohane, "Contested Multilateralism," *Review of International Organizations*, Vol. 9, No. 4 (2014), pp. 385–412; Kai He, "Contested Multilateralism 2.0 and Regional Order Transition: Causes and Implications," *The Pacific Review*, Vol. 32, No. 2 (2019), pp. 210–20.

[69] Acharya, "After Liberal Hegemony."

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in goods whose benefits are diffuse, politically costly, and difficult to reverse once undertaken. The leadership deficit thus manifests not as a general shortage of activity, but as a patterned under-provision of precisely those goods most essential to system stability.

US–China rivalry intensifies this dynamic rather than correcting it. Competition encourages conspicuous provision in domains that are symbolically resonant, politically manageable, and relatively low-cost, including climate commitments, development initiatives, and diplomatic mediation.[70] At the same time, rivalry actively undermines cooperation and delegation in areas where leadership is most consequential. In crisis management, enforcement, and institutional custodianship, effective leadership requires centralized authority, trust, and a willingness to absorb asymmetric costs—conditions that competitive signaling and mutual suspicion systematically discourage. Rivalry, therefore, expands the volume of public goods provision in some domains while deepening systemic gaps in others. Chinese scholarship recognizes how *great-power rivalry itself undermines system-critical public goods.*[71]

Narratives of hegemonic transition or benign multipolar governance cannot adequately capture this pattern. Leadership transition perspectives implicitly assume that rising provision in some domains will eventually cumulate into comprehensive leadership. By contrast, the leadership deficit highlights a structural mismatch between the types of public goods most conducive to status signaling and those most essential for sustaining international order. China and the United States contribute to the global leadership deficit through distinct yet convergent pathways. China has demonstrated growing capability and selective intent to supply international public goods, particularly in development finance, infrastructure connectivity, renewable energy deployment, and episodic diplomatic mediation. These contributions are highly visible and enhance China's status signaling as a responsible major power. Yet, persistent legitimacy constraints, regime-security priorities, and a reluctance to accept binding oversight and institutionalized burden-sharing limit the conversion of provision into recognized authority.[72] As a result, China's leadership remains issue-specific and conditional, generating influence and agenda-setting capacity without custodianship. China's role in global development finance illustrates this dynamic clearly. Through the Belt and Road Initiative, Beijing has dramatically expanded infrastructure lending across the Global South, signaling leadership capacity and developmental responsibility through large-scale, high-profile projects.[73] At the same time, China has been hesitant to participate fully in coordinated debt-restructuring mechanisms and binding transparency standards. This reluctance has constrained its ability to stabilize the international financial system during debt crises, converting development finance into bilateral leverage and reputational influence rather than into custodial financial leadership.[74]

The United States, by contrast, retains unparalleled structural capacity to provide system-critical public goods, especially in global finance, alliance coordination, and technological governance. However, domestic polarization, fiscal constraints, and war fatigue have narrowed its willingness to sustain expansive and redistributive leadership. US retrenchment has been most pronounced in legitimacy-heavy and labor-intensive domains, such as global health, development assistance, and post-conflict stabilization. In early 2025, Washington initiated a broad reassessment and suspension of foreign aid programs, including major reductions in global health and development financing, signaling a contraction of redistributive, and

[70] Xiaoyu Pu, "Status Signaling in the Indo-Pacific: Strategic Spinning, Military Posturing, and Vaccine Diplomacy," *The British Journal of Politics and International Relations*, Vol. 27, No. 1 (2025), pp. 135–53.

[71] Xu Qiyuan, Li Chunding, and Li Meng, "Daguo maoyi boyi yu quanqiu qihou zhili" ("Great-Power Trade Competition and Global Climate Governance"), *Zhongguo shehui kexue* (*Social Sciences in China*), No. 10 (2025), pp. 169–76.

[72] Gregory T. Chin and Kevin P. Gallagher, *China and the Global Economic Order* (Cambridge: Cambridge University Press, 2025).

[73] Austin Strange, *Chinese Global Infrastructure* (Cambridge: Cambridge University Press, 2023).

[74] Chin and Gallagher, *China and the Global Economic Order*.

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institution-anchoring commitments traditionally associated with US leadership.[75] While this repositioning enhances fiscal and political sustainability in system-anchoring domains, it has weakened recognition and delegation among partners accustomed to broader American custodial roles. As a result, US leadership remains decisive in some areas while increasingly contested or absent in others. The US role in global health and development finance illustrates the logic of leadership deficit from the opposite direction. Despite unmatched capacity to coordinate funding, institutions, and crisis response, episodic withdrawal from multilateral health initiatives and sharp reductions in development assistance have undermined confidence in the durability of US leadership.[76] Even where material capacity remains decisive—as in global financial coordination and emergency response—reduced willingness to sustain redistributive and legitimacy-intensive roles has limited recognition and followership, reinforcing fragmented governance rather than consolidated leadership.[77]

Where China seeks recognition through visible expansion while capping long-term obligations, the United States seeks sustainability through contraction while retaining control over system-anchoring functions. The frugal superpower strategy thus preserves American leadership in finance, alliances, and technological governance, but it does so by withdrawing most sharply from redistributive and legitimacy-intensive domains such as global health, development assistance, and post-conflict stabilization. These gaps are not fully filled by China's selective engagement, nor by multilateral institutions operating without a credible custodian. US power remains formidable, but increasingly conditional; its leadership signals remain potent, but less universally recognized. When paired with China's bounded ambition, this recalibration produces not a hegemonic transition but a persistent leadership deficit—an international order marked by partial provision, contested authority, and unresolved governance gaps.

Conclusion

Contemporary debates about global order are misframed when cast primarily in terms of hegemonic transition. The central problem confronting the international system today is not the imminent replacement of US leadership by China, nor a simple erosion of American power, but the growing difficulty of consolidating system-wide global leadership itself. The concept of a *global leadership deficit* captures this condition: a structural situation in which major powers possess substantial capabilities and provide visible international public goods, yet fail to generate the durable recognition, delegation, and authority required to sustain leadership at the level of the international system.

The analysis shows that this deficit is not the result of inaction or incapacity. On the contrary, both China and the United States remain active suppliers of international public goods. China has expanded development finance, infrastructure connectivity, climate engagement, and diplomatic mediation, while the United States retains unparalleled capacity in global finance, alliance coordination, and technological governance. The deficit instead arises from

[75] The White House, "Reevaluating and Realigning United States Foreign Aid," 20 January, 2025, https://www.whitehouse.gov/presidential-actions/2025/01/reevaluating-and-realigning-united-states-foreign-aid/; Miguel Antonio Tamonan, "How US Aid Obligations Fell by 65% in 2025," *Devex*, 15 December, 2025. https://www.devex.com/news/sponsored/how-us-aid-obligations-fell-by-65-in-2025-111568.

[76] World Health Organization, "WHO Director-General Responds to the United States' Decision to Withdraw," January 2025, https://www.who.int/news/item/07-01-2025-who-director-general-statement-on-us-withdrawal; Thomas J. Bollyky and Stewart M. Patrick, "Improving Pandemic Preparedness: Lessons From COVID-19," Council on Foreign Relations, Independent Task Force Report No. 78, October 2020, https://www.cfr.org/task-force-reports/improving-pandemic-preparedness/cdn/ff/ynrASUSRAlYdIiFmB7caBbPu5Wr9sW4ESPO1Vzb0Tus/1726151281/public/2024-09/TFR_Pandemic_Preparedness_COVID.pdf.

[77] Malabika Sarkera, Ximena Garzon Villalba, and Elsie Kiguli-Malwadde, "No Pain, No Shame: Turning Crisis into Opportunity during US Funding Cuts," *The Lancet Global Health*, Vol. 13, No. 8 (2025), https://www.thelancet.com/journals/langlo/article/PIIS2214-109X(25)00197-4/fulltext.

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how leadership is pursued. China's strategy of partial global power prioritizes visibility, agenda-setting, and symbolic responsibility while tightly limiting custodial obligations, binding oversight, and asymmetric burden-bearing. The United States' strategy as a frugal superpower seeks sustainability by narrowing commitments and retrenching most sharply from some domains, such as global health, development assistance, and post-conflict stabilization. These strategies are individually rational responses to domestic constraints, geopolitical rivalry, and audience skepticism. Collectively, however, they generate a persistent leadership gap.

The leadership deficit thus reflects a deeper mismatch between the forms of public goods most conducive to status signaling and those most essential to sustaining international order. Goods that are highly visible, modular, and reversible—such as initiatives, projects, and diplomatic mediation—are increasingly supplied and competitively signaled. By contrast, goods that require long-term redistribution, centralized crisis management, coercive enforcement, or durable institutional custodianship remain underprovided. The global leadership deficit, therefore, manifests not as a general shortage of effort, but as a patterned under-provision of precisely those functions most critical to system stability. Rivalry between China and the United States intensifies this pattern: it encourages conspicuous provision in signaling-friendly domains while discouraging delegation, trust, and authority in system-critical ones.

These findings carry several broader implications. First, they caution against expectations that intensified US–China competition will naturally produce a new equilibrium of co-leadership or benign leadership diffusion. Issue-specific cooperation and fragmented governance can expand participation at the margins, but they do not substitute for custodianship in the absence of durable recognition and delegated authority. Second, the leadership deficit places increasing burdens on middle powers and international institutions, which are often expected to fill governance gaps without the resources or authority to do so effectively. Third, the deficit highlights a fundamental tension in contemporary global politics: strategies designed to minimize risk and cost at the national level can cumulatively erode the very conditions that make leadership effective at the systemic level.

More broadly, the article underscores the importance of treating international leadership as a relational and socially validated outcome rather than a mechanical function of material power. Public goods provision remains a central mechanism through which states signal status and leadership intent, but its effects are mediated by audience interpretation, expectations of durability, and perceptions of legitimacy. Where skepticism persists and commitments remain bounded, provision may generate influence without authority, attention without followership, and competition without consolidation.

Describing this condition as a leadership deficit is intended as an analytical diagnosis rather than a normative judgment about appropriate global roles. Strategies of bounded leadership—whether China's partial global power or the United States' frugal superpower posture—are potentially rational responses to domestic constraints, geopolitical competition, and uncertainty about audience recognition. The argument advanced here is not that major powers should automatically assume expansive custodial responsibilities, but that the cumulative effect of selective and reversible commitments can erode the social foundations of leadership at the systemic level. Recognizing the leadership deficit, therefore, shifts attention away from debates about who ought to lead and toward the structural and intersubjective conditions under which leadership claims are validated or withheld in contemporary global politics.

Conflict of interest

None declared.

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