
CHINA, THE U.S., AND THE POWER-TRANSITION THEORY

A critique

STEVE CHAN

China, the U.S., and the Power-Transition Theory

China's recent growth has called attention to the power-transition theory, which contends that the danger of a major war is the greatest when a rising dissatisfied challenger threatens to overtake a declining satisfied hegemon. This is a view popular among not only American, but also some Chinese, scholars.

In *China, the U.S., and the Power-Transition Theory*, Steve Chan questions this prevailing view by analyzing the extent of ongoing power shifts among the leading powers, exploring the portents for their future growth, and seeking indicators of their relative commitment to the existing international order. To understand better the strategic motivations of ascending and declining states, insights are drawn from prospect theory and past episodes of peaceful and violent transition (such as the end of the Cold War and the outbreak of World Wars I and II).

Chan concludes that China is unlikely to instigate a confrontation with the U.S., and that while military conflict over the Taiwan Strait is possible, this is more likely to be due to China's inability to prevent U.S. involvement than its willingness to provoke the U.S.

This book places China in a comparative and historical context, in which inquiry is informed by the experiences of other major powers and pertinent theories in international relations, such as those on extended deterrence, preventive war, and democratic peace. Its comparative and theoretical orientation and its contrarian perspective will be of great interest not only to students and scholars of international relations and Chinese politics, but also to policy makers and professionals.

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What made [the Peloponnesian] war inevitable was the growth in Athenian power and the fear this caused in Sparta.¹

To forestall or prevent . . . hostile acts by our adversaries, the United States will, if necessary, act preemptively.²

Among precautions against ambition, it may not be amiss to take one precaution against our *own*. I must fairly say, I dread our *own* power and our *own* ambition: I dread our being too much dreaded. . . . It is ridiculous to say we are not men, and that, as men we shall never wish to aggrandize ourselves in some way or other . . . we say that we shall not abuse this astonishing and hitherto unheard of power. But every other nation will think we shall abuse it. It is impossible but that, sooner or later, this state of affairs must produce a combination against us which may end in our ruin.³

Contents

<i>List of tables</i>	viii
<i>Preface</i>	ix
1 Introduction: the basic arguments	1
2 Power scores and the identity of central contenders	11
3 Revisionist impulse and the incumbent's strategic selection	26
4 Imperial overstretch and loss aversion as sources of war	42
5 Preventive war and alternative responses to decline	51
6 Appeasement and the distribution of benefits	63
7 Conundra of containment and engagement	75
8 Managing the hegemon: in lieu of frontal confrontation	89
9 Extended deterrence and the logic of selection	99
10 Conclusion: theoretical and policy implications	121
<i>Notes</i>	131
<i>Bibliography</i>	177
<i>Index</i>	194

Tables

2.1	Composite Index of National Capability	12
2.2	Three dimensions of national power, 2004: economic, military, and technological	14
2.3	Foreign students and tourists/visitors	16
2.4	Economic productivity, human capital, and technological command	18
2.5	Global military presence, 2004	23
2.6	Foreign trade and membership in intergovernmental organizations	23
3.1	Ratios of IGO membership held by major-power contenders, 1860-1949	33
3.2	Veto frequency by permanent members of the Security Council	35
3.3	Ratification of major international human rights instruments	37
3.4	Eurobarometer: Answering “yes” to whether the named country presents a threat to world peace	38
6.1	Oil consumption and foreign direct investment as indicators of “benefits”	70

Preface

In recent years we have witnessed a series of truly momentous events in international relations. The end of the Cold War, the collapse of communism, the reunification of Germany, and the expansion of the European Union are watershed developments promising to define a new era for international relations. Concomitantly, the September 11 (2001) terrorist attack against the U.S. and the ensuing campaign by the U.S. to combat global terrorism introduced a new set of challenges and dynamics to international relations. At a moment of its unipolar predominance, Washington's decision to invade Iraq in March 2003 turned out to be especially controversial both domestically and internationally. Whether Operation Iraqi Freedom eventually succeeds or fails will have profound and lasting effects in the Middle East and on U.S. relations with the Muslim world.

This book turns its attention to a different region of the world. It is anticipated that by the year 2025, seven of the world's ten largest economies will be located in Asia. The center of global political economy will increasingly move away from Western Europe and North America to the Asia Pacific region. Because of its size and the speed of its growth, China leads these upwardly mobile states. In the past quarter century, China's economy has attained an average annual growth rate of 9 percent, quadrupling its people's average income. No other country has ever been able to achieve and sustain this rate of growth over a comparable period of time. If the recent past is a prologue for the immediate future, China's economy may triple again in the next fifteen years. In a recent cover story entitled "China's Century," *Newsweek* projected that this country's economy could overtake Japan's by 2015 and that of the U.S. by 2039.¹ Accordingly, the emergent importance of the Asia Pacific and especially the rise of China rank among those unfolding processes with a potential to bring about a fundamental transformation of the global political economy. In the words of one thoughtful analyst, "whether for good or ill, the most significant bilateral international relationship over the course of the next several decades is likely to be that between the United States and the PRC [People's Republic of China]."²

The prospect or, to some, the reality of China's ascent as a great power has not escaped the attention of scholars and officials. Many Americans have been drawn to ponder about the implications of China's rise for the security of their country and, more generally, the peace and stability of the international system.

Some have looked to history for analogies, seeking to draw possible lessons especially from Anglo-German interactions a century ago.³ Others have turned to broader theoretical formulations attending to the rise and decline of nations, hoping thereby to develop a more sound understanding about their general sources and implications. One especially popular formulation comes from the power-transition theory.⁴ The amount of attention accorded to this theory reflects the serious scholarship that has thus far been undertaken to investigate its propositions and the cumulative evidence that has been produced by this program of research. This theory has been a focus of discussion in both the U.S. and China.⁵ In brief, it proposes that the danger of war increases when a dissatisfied challenger catches up with or even overtakes an existing hegemon. Because of this theory's popularity and its obvious policy relevance, I frame my discussion in its context. This discussion presents a series of concerns, suggesting why the standard applications of this theory to Sino-American relations are often problematic or misleading. I take issue with this theory and the received wisdom typically associated with it not because of a wish to be dismissive or disrespectful, but precisely out of a desire to treat it with the seriousness it deserves.

This book presents a synthesis of ideas from research undertaken over several years. Many of these ideas have appeared in previously published articles while others come from working papers. I offer here a more coherent and comprehensive set of arguments on the implications of China's recent growth for Sino-American relations and for global and regional peace. My arguments present contrarian, even controversial, propositions that systematically challenge the currently dominant views as they tend to be captured by the power-transition theory and its derivations. Like colleagues who work in the tradition of the power-transition theory, I draw my arguments from contemporary social science research and historical analysis. Thus our differences cannot be attributed to disagreements about epistemology or methodology. Indeed, although I often reach conclusions contrary to generally accepted views in U.S. scholarship on international relations, I draw my theoretic logic and empirical evidence from sources that are familiar and common to this scholarship.

Scholars, no less than other opinion leaders, play an important role in interpreting international developments, in propagating and legitimating these interpretations, and in framing them for consumption by government officials and the general public. They are thus as much engaged in the social construction of reality as are other political entrepreneurs. Some views gain a dominant status. When they are taken as evidently natural and reasonable by a large number of people, they form "a hegemony of ideas."⁶ That China's recent growth augurs an impending power transition between it and the U.S. and that this development is likely to alter the existing international order are widely accepted by many informed Americans and Chinese. More dangerously, the current U.S. administration has announced a strategy seeking to prevent the emergence of any rival power – forever,⁷ and there appears not to be a shortage of Chinese who believe that the U.S. is actually determined to act according to this premise. This book examines the assumptions and implications behind these views, and submits them to critical inquiry.

Mao Tse-tung remarked that people's class background determines their outlook. As social scientists, we strive to be objective in our study of international relations. Still, as colleagues writing about feminist theory, dependency theory, and social constructivism remind us, we cannot be completely successful in immunizing ourselves from particular biases or prejudices even if unconsciously. It is therefore not surprising that international relations theories tend to reflect the perspective of the dominant states or those that have won past wars. This does not mean that these theories are necessarily wrong. It does mean, however, that we should also listen to alternative perspectives which challenge the prevailing views. Which competing interpretation is more satisfactory should ultimately be determined on the basis of logic and evidence.

The power-transition theory obviously offers a great deal of policy relevance. It calls attention to the management of a strategic competitor seeking international primacy.⁸ In so doing, it reminds us not to overlook the differential rates of national growth and the revisionist agenda of a prospective challenger. A leading cause of the Peloponnesian War was Sparta's alarm over the rising power and ambition of Athens. Similarly, the accumulation of power by the Habsburg family and its perceived hegemonic design were among the chief motivations that inspired a league of opponents in the Thirty Years' War. More recently, on the eve of World War II, British leaders Neville Chamberlain and Winston Churchill disagreed not so much about Germany's strength as its leader's intentions.⁹ Did Adolf Hitler have limited demands that could be reasonably accommodated, or was he bent on conquering Europe? As these illustrations imply, judgments about relative power shifts and policy intentions have serious consequences. It is dangerous to mistake an ascending state with an expansion plan for a status-quo power. It is also dangerous to make the opposite error of suggesting a power transition when there is limited evidence supporting this claim, or taking for granted that a rising latecomer is inevitably dissatisfied with the existing international order. Both types of mistake can produce unwarranted policies, resulting possibly in self-defeating or self-fulfilling prophecies.

In different ways the propositions advanced in the following discussion may not resonate with the hopes or expectations of either the Chinese or the American people. I argue that despite China's recent growth, it is still far behind the U.S. and that it will assume a relatively low profile in international relations, trying to avoid and postpone a direct confrontation with the U.S. I also argue that despite self-characterization as a satisfied status-quo power, the U.S. seeks to transform the international system. Moreover, I contend that absent extreme provocation, the neighbors of a rising power do not generally organize themselves into a balancing coalition. In addition, contrary to the power-transition theory's expectation, wars are more likely to be initiated by a declining power than by a rising state. Whereas the Anglo-German rivalry prior to 1914 has provided a popular example among many Americans concerned about the destabilizing dynamics of real or prospective power transitions, the analogy suggested by Germany's worries about an emergent Russian/Soviet colossus has received less attention. Some historical parallels are more easily recalled and provide more congenial

ideational construction than others.¹⁰ Presumably, one is more inclined to invoke or apply those analogies that are graphic (even traumatic), occurred recently, and reflect direct personal experience (or involving one's close associates).

To the extent that there are people in Beijing and Washington who share a common belief in an ongoing power transition leading to a likely or even inevitable showdown, it is critical to examine the relevant historical precedents and analytic logic involved in their reasoning. As already noted, I offer alternative interpretations to the conventional wisdom. My hope is that these alternative interpretations make good sense and can hence help to avoid misperceptions contributing to conflict.

I thank several anonymous reviewers and colleagues who have offered suggestions and comments on earlier drafts of this work in whole and in parts. As noted in subsequent citations, some of the ideas discussed below have originally appeared in the pages of *Asian Survey*, *Conflict and Cooperation*, *International Relations of the Asia-Pacific*, *Issues & Studies*, *Security Studies*, and *World Affairs*.

1 Introduction

The basic arguments

States rise and fall in their international status. Some emerge as the premier powers and even hegemons of their day, while others drop out of the ranks of leading states and even suffer a loss of their statehood. In contrast to the fate of Spain, Italy, Austria-Hungary, and the Ottoman Empire, others sometimes manage to recover their great-power position as Germany did after World War I and China appears to be doing now. Naturally, the processes and consequences of changes at the top of the international hierarchy are a matter of significant interest to officials and scholars alike. There was, for instance, in the 1970s a debate about the extent and implications of America's relative decline, a debate that has ironically been replaced in the 1990s by questions about the endurance of the U.S. "unipolar moment."¹ As suggested by popular titles such as *Le Défi Américain* and *Japan as Number 1*,² it is not unnatural for concerned observers to call policy and public attention to foreign rivals seemingly poised to mount a serious challenge to one's global position.

Surely, efforts aimed at understanding better the rise and fall of nations have been a central and enduring part of research on comparative politics and international relations, involving colleagues from different disciplines. Max Weber's account of the Protestant ethic and Paul Kennedy's explanation of imperial overstretch come to mind as leading examples of scholarship addressing the causes of national growth and decline.³ Others, such as political scientists Charles Doran and George Modelski,⁴ have inquired about the consequences that follow from the differential rates of expansion or contraction of national power, especially with respect to the danger of global war.

This book is concerned about the international implications of China's rapid rise in recent years. What does this development augur for Sino-American relations and for global stability? I plan to pursue this inquiry by taking advantage of leading theories in international relations, thereby treating the case of China in the context of national comparisons and historical patterns. At the same time, I hope to address critically the extent to which the standard interpretations offered by researchers can satisfactorily inform our understanding about China. On several matters of fact or interpretation, I propose a revisionist perspective departing from the prevailing wisdom in both international relations research and China studies.

2 Introduction

Historical analogies can provide a useful basis for understanding. Some have suggested that those in charge of contemporary Sino-American relations can benefit from studying the dynamics of Anglo-German rivalry a century ago.⁵ Others have tried to synthesize a larger number of historical episodes in order to formulate a more generalizable statement. Among such formulations, the theory of power transition has offered a leading analytic perspective and a robust research program.⁶ The respect and popularity accorded to this theory follow from a substantial number of studies seeking to validate its empirical derivations.⁷ Thus, it seems natural that Sinologists as well as others with different field specializations are drawn to this theory. This attraction extends not just to Americans but also to their Chinese colleagues, therefore suggesting a common framework of reference for their dialogue.⁸ This book focuses on this discourse pertaining to power transition, and seeks to develop and clarify further the relevant analytic logic and conceptual basis in the hope of understanding better the policy and theoretical implications of China's recent ascendance in the international system.

What is the central claim of the power-transition theory? It contends that when a revisionist latecomer overtakes an erstwhile leader of the international system, war looms. War is likely to be precipitated by the faster-growing upstart in its attempt to displace the declining hegemon. The Anglo-German rivalry is supposed to exemplify this dynamic that eventually ended in the outbreak of World Wars I and II. Similarly, France's decline relative to Prussia is taken to have set the stage for their war of 1870.⁹ Contrary to the view that a balance of power between the major states provides a basis for peace and stability, the theory of power transition argues that the approach to a more symmetric relationship and especially the occurrence of a positional reversal between the two top states augur increased bilateral tension which in turn has the potential of engulfing other countries in a system-wide conflict. The logic of the power-transition theory naturally raises the concern that China's recent rapid growth portends more turmoil for the international system and the danger of heightened discord, even military collision, between Beijing and Washington.¹⁰

The brief stylized account given above presumes a shared understanding about what makes a state powerful. It would of course be difficult to assess relative changes in national power absent an agreement about the nature of this power. Therefore, when people speak about an ongoing or impending power transition, it is pertinent to inquire about the empirical indicators they are using. That is, what is the nature of their evidence? Although territorial or demographic size may be a factor, it would surely not be a decisive one because, according to these measures, Russia and China would remain the most powerful countries throughout the contemporary era. If one chooses to emphasize military power, for example by focusing on the number of a country's military personnel or the size of its defense budget, the U.K. has never been the world's premier power according to these criteria. Moreover, the entire notion of any ongoing or pending power transition involving the U.S. becomes far-fetched, as this country has been spending more on the military than the rest of the world *combined*.

One could perhaps turn to economic size or productivity as another way to track changing national status. It is worth noting, however, that the U.S. had overtaken the U.K. as the world's largest economy before World War I. According to this criterion, prior to 1914 a power transition had occurred between the U.S. and the U.K. and not between the U.K. and Germany, if one is to focus on the displacement of a previously dominant state by a latecomer. Moreover, the Anglo-American transition was peaceful, even though it was not entirely without acrimony. Measured by their respective economic size, Germany prior to World War II and the USSR since that conflict never came close to challenging the U.S. lead. It also does not appear that the U.S. economy is in any imminent danger of being overtaken by the Chinese economy (certainly not in terms of per capita income which may be used as an approximation of a citizenry's productivity), even though the latter's size has recently grown rapidly from a relatively low base. Finally, if one emphasizes a state's pioneering and dominant status in developing leading economic sectors, one would again be hard pressed to argue that China is capable currently or in the foreseeable future of competing with the U.S. in fostering scientific discovery and technological innovation.¹¹

These issues naturally require those concerned about power transitions to be more specific about the capability attribute(s) they have in mind when speaking about power shifts among the world's leading states. Without a clear specification of these attributes, one can hardly begin to assess when power transitions have occurred historically and whether any is currently taking place in Sino-American relations. Vague and/or shifting empirical referents cause confusing and even arbitrary arguments about when power transitions occur and what consequences they entail. Although people can have reasonable disagreements about which indicators give the most valid or reliable information about national power, it is necessary for them to be clear and consistent about the ones they do use to reach their judgments. In Chapter 2, I explore different measures of national power for any evidence of an ongoing or impending power transition involving China. This analysis shows that the U.S. has a vast lead in those capabilities that are critical in determining future economic growth and productivity. It is also militarily much stronger than China or, for that matter, any other country or conceivable combination of countries.

Just as important as the need to be explicit about the nature of national power to be used for monitoring any approaching power transition, one would want to know the identity of those states whose changing status is supposed to affect global peace and stability. Changes involving the relative positions of minor states would not presumably precipitate a transformation of the entire international system. The original formulation of the power-transition theory addresses the relative positions of the world's two most powerful states or, at most, those three states that are designated as the main contenders in the "central system" of international relations. It seems, however, a little odd for this formulation to deny this status to the U.S. before 1945, as Washington's entry to both World Wars was arguably the most important determinant of these conflicts' eventual outcome. Indeed, by the 1870s the U.S. had already overtaken the U.K. as the

4 Introduction

world's largest economy and the home for its most dynamic industries.¹² Does contemporary China qualify for the status of a contender for world leadership in view of the denial of this status to the U.S. until 1945? Do Japan, Germany, and Russia qualify today? These questions are not idle because had the U.S. been recognized as a central contender prior to 1914, Germany's overtaking of the U.K. would not have qualified as a positional reversal between the world's two largest economies. Moreover, if the theory's domain is extended to address the upward or downward mobility of the lesser great powers, one would then have to account for Russia's economy being recently overtaken by those of Japan, Germany, and China without engendering any threat of a war occurring between these pairs of countries. One is therefore led to infer that some power transitions (e.g., the Anglo-German case) are more dangerous for the world's peace and stability than others (e.g., the Anglo-American case).

But why should this be so? Presumably this is because states make strategic choices, and officials and scholars construct realities. The issue of which states should or should not be accorded the status of a central contender in the international system involves more than just a matter of definitional consistency. It reflects the strategic conduct of statecraft and the interpretation of social reality by officials and scholars alike. When faced with potential challengers in the Western Hemisphere and Europe, the U.K. chose to appease the U.S. and oppose Germany. These decisions by London are supposed to reflect its closer cultural or political affinity with the U.S. than with Germany. But the argument of affinity will hardly suffice to explain London's decision to recruit Japan as a junior partner in the Asia Pacific during the late 1800s and early 1900s, or why it found itself supporting Czarist Russia in World War I. It has also been argued that the status-quo orientation or the democratic characteristic of a rising power's regime should make its ascendance less threatening to the leading state and less destabilizing for the international system.¹³

These propositions, however, would naturally raise the question of what should be the appropriate indicators for status-quo orientation and democratic governance. How can one distinguish a status-quo power from a revisionist power? In what sense was the U.S. more status-quo oriented than Germany in the last three decades of the nineteenth century? In addition, when is the democratic nature of an upstart regime supposed to preserve peace, and when is it likely to precipitate war? One would presumably want to stipulate *ex ante* these attributions as opposed to engaging in *post hoc* construction after the occurrence of war when the identity of the belligerents has become known.¹⁴ Whereas the U.S. and the U.K. settled the Venezuelan and Alaskan boundary disputes peacefully in the late 1800s, Washington sought a confrontation with Spain in an effort to displace the latter's influence in the Western Hemisphere. Spain has been classified as a great power with even some democratic institutional features,¹⁵ but its being overtaken by the U.S. was hardly peaceful. How can a rising power's regime character account for the different outcomes of the Anglo-American and Spanish-American transitions? In Chapter 3 I address how the application of the logic of power transition may be influenced by political and ideational motivations.

The power-transition theory sees the faster-growing latecomer as inclined to challenge the status quo and, therefore, to pose a threat to international stability. The concept of status quo and the related ideas of satisfaction and dissatisfaction with the international system, however, are fraught with ambiguity.¹⁶ In Chapter 3 I argue that contrary to the suggestion of power-transition theory, one should not automatically assume that a hegemon wants to defend and preserve the status quo. American officials have declared publicly their intent to transform the international system in the interest of spreading democracy and promoting capitalism. Whether one agrees or disagrees with these goals, Washington's stated agenda of seeking "regime change" abroad does not quite correspond with the attribution of a "status-quo orientation" according to this term's conventional meaning. In contrast to Washington's avowed objective of encouraging congenial changes in other countries' political and economic systems, China professes its allegiance to the Westphalian precepts of state sovereignty, territorial integrity, and non-interference in others' domestic affairs. If the officials' public statements mean anything, they would suggest a reversal of the standard attribution made by American writers, designating the U.S. as a status-quo power and China as a revisionist power.

In Chapter 3 I discuss how one may be able to discern the status-quo orientation of different great powers. Besides looking for indicators showing the extent to which a country is in or out of step with the international community and the extent to which it is committed to multilateral diplomacy and global norms, I offer some survey data that provide a glimpse of how people in other countries perceive the threat to world peace posed by Washington and Beijing respectively. As will be seen, the standard designations offered by American scholars of international relations, including those applying the power-transition theory, are at substantial odds with these data. Whereas it is typically taken for granted in standard American scholarship that the U.S. is a satisfied power committed to the existing international order and the stability of the international system, this view is not supported by the available empirical evidence or by the perceptions of people living in other countries. Rather than seeing China and even the so-called rogue states (Iraq, Iran, and North Korea) as the principal threat to world peace, the public in even those European states traditionally friendly to the U.S. tends to locate the source of this danger in Washington.

Power-transition theory suggests that wars are caused by a rising latecomer's challenge to the existing hegemon in a bid to capture the latter's pre-eminent position in the international system. But why would this latecomer want to precipitate a confrontation if, with the passage of time, differential growth rates would make it more powerful than the erstwhile leader? It seems that a rational challenger would want to postpone such a confrontation in the hope that it will become stronger over time. It may even be able to achieve hegemony without having to incur the costs of waging a war if the erstwhile leader accepts its inevitable decline. In contrast to this putative challenger, a hegemon in relative decline would have an incentive to start a preventive war. Assuming that the challenger's hostility is unalterable and expecting that its own position will suffer a

6 Introduction

deep and irreversible setback, the dominant but declining power should prefer to fight an earlier rather than a later war. This state's relative power will only deteriorate further if it postpones an inevitable showdown with the upstart. This logic argues that wars tend to be started by a declining but still stronger hegemon, and not by a rising challenger. This attribution is controversial because it reassigns the source of instability from the latecomer to the dominant power. It certainly contradicts the prevailing view that systemic war is more likely to originate from the former than from the latter. Yet, as I argue in Chapter 4, this prevailing view departs from rationalist explanations of war, and it also contradicts what we know about how people respond to prospective gains and losses in their personal lives.¹⁷

In Chapter 5 I take up several historical cases in order to show how structural conditions influenced a declining state's decision to wage a preventive war or, alternatively, to seek accommodation and retrenchment. I offer a revisionist interpretation of World Wars I and II, arguing that these conflicts can be more reasonably explained as an attempt by Germany to confront Russia/the USSR's rising power rather than that country's challenge to British dominance.¹⁸ At the same time I show that preventive war is not the only or even the most likely policy available to a state whose power has peaked. Whereas Germany was motivated by the logic of preventive war in 1914 and again in 1939, the U.K. chose to appease the U.S. in the Western Hemisphere from the 1890s on and, more recently, the USSR under Mikhail Gorbachev accepted retrenchment and concessions to the West. The historical circumstances surrounding these different responses to relative decline point to the influence of structural conditions in shaping policy choices. I conclude Chapter 5 by arguing that power transitions do not always end in war. Whether these processes turn out to be peaceful or violent, however, does not appear to be related to the nature of the overtaking regime or the one being overtaken. Contrary to popular expectation, an authoritarian regime does not necessarily resort to war when faced with the prospect or reality of facing a sharp demotion in its international status. Conversely, even in the absence of an ongoing or impending positional reversal working to its disadvantage, a democracy can attack a weaker adversary by recourse to the logic of preventive war.¹⁹

I return to the concept of "satisfaction" or "dissatisfaction" in Chapter 6. It is puzzling why the accumulation of power by a rising latecomer and its improved status in the international hierarchy do not turn it into a more satisfied country. That is, why does this country remain dissatisfied even after it has joined the ranks of the most powerful states in the world? In the standard rendition of the power-transition theory and other similar formulations, rising states such as Napoleonic France, Wilhelmine and Nazi Germany, Czarist Russia and communist USSR, and militarist Japan remained unhappy with their international status despite their upward mobility, and their unmitigated dissatisfaction and enormous ambition motivated them to initiate war. Imperial Britain and democratic U.S., however, are typically seen as satisfied or status-quo powers during their periods of initial ascendance and subsequent dominance, and they are

therefore not supposed to present a threat to the other states or to destabilize the international system. This attribution seems odd in view of the fact that both the U.K. and the U.S. made huge territorial acquisitions after 1815 (the year of the Congress of Vienna, marking the beginning of the modern international system), and have been involved in more wars and militarized interstate disputes than the other great powers.²⁰

In Chapter 6 I argue that the ideas of “satisfaction” and “dissatisfaction” should be linked more specifically to the benefits a state is receiving from the international system. A state may be dissatisfied with its pay-off under the current system without necessarily raising fundamental objections to its rules. Thus, the ideas of “dissatisfaction” and “revisionism” (or anti-status-quo orientation) should not be conflated. Power-transition theory proposes that when a dissatisfied state is poised to overtake the hegemon, the danger of systemic war heightens. I formulate a different argument, claiming that the combination of dissatisfaction and rising power is not the basic cause for war. Rather, I submit that wars will not pay for any state (including the ascending latecomer) unless it expects to improve its current benefits from the system. Whether or not this expectation is warranted depends on the extent to which its current benefits are less than what its current power assets would entitle it to. The greater this discrepancy, the more a state can expect to gain from going to war. I explore the implications of this formulation, including the application of appeasement by a declining hegemon and the decision by a surging latecomer to defer the full adjustment of its benefit share.²¹ One of the more important and, in some ways, contrarian propositions derived from this discussion is that a latecomer still experiencing rapid growth is more easily appeased than one whose growth has slowed or even stopped. Thus, China’s continued growth should introduce a stabilizing rather than destabilizing influence for international relations.

Given the prevailing view that international instability originates from a rising, revisionist state, it is unsurprising that much of the discourse in current U.S. commentaries emphasizes efforts either to check China’s power ascent or to reform its regime and society. In Chapter 7 I take on a critical examination of the premises pertaining to the competing advice to contain China or to engage it.²² The proponents of containment appear to face several constraining considerations. Domestic factors tend to be more important sources of national growth than external factors. Moreover, the Phoenix phenomenon suggests that states previously defeated in a war are usually able to resume their prewar growth trajectory in a reasonably short time. In addition, the neighbors of a rising state do not typically form a coalition in order to balance it. This coalition usually results from repeated aggression by a state whose pattern of behavior leaves its neighbors no option but to fight back, or when such behavior exacerbates these neighbors’ security concerns to such an extent that they are energized to abandon their neutrality.²³ As for the proponents of engagement, their logic is often (though not always) based on the hope of influencing a target regime’s values and interests, or to create points of bargaining leverage in order to obtain political compliance or conformity. The propositions that increased economic and cultural