A proto-peer does not exist in a vacuum. Its choice of a strategy, the extent of its dissatisfaction with the status quo, and its potential to pursue a path that leads to competition and rivalry with the hegemon are influenced profoundly by the power differential between itself and the hegemon, the net rate of change in that power, and the actions of other players. Among the latter, hegemon actions are particularly important, since that is the state that the proto-peer may challenge and the one it uses to measure its own progress. Indeed, a dynamic process of interaction takes place between the proto-peer and the hegemon that shapes the degree of success that the proto-peer achieves in developing national power.

The preceding chapter presented, by way of analytical constructs, the proto-peer’s set of long-term strategies for power aggregation. This chapter, after outlining the assumptions that underpin the hegemon’s role in the international state system, examines the rationale and the choice of strategies (also analytical constructs) available to the hegemon for dealing with a proto-peer, most centrally in its ability to affect the proto-peer’s aggregation of power.

THE HIERARCHY IN THE INTERNATIONAL STATE SYSTEM

Distinctions between states on the basis of their power act as an organizing principle within the international state system. In this sense, the international state system has a hierarchy, with the most powerful state at the top and the less powerful states at lower points,
with their specific position depending on their power levels. The hegemon, or the state at the apex, establishes the “rules” of international relations and upholds the status quo structure governing relations between states. The “rules” established by the hegemon per-

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1 We accept the core assumptions of the realist paradigm: states are unitary actors operating in conditions of a lack of a sovereign power, relations within the international system are inherently conflictual in that states hold different preferences about the distribution of scarce resources, and outcomes of interstate bargaining over resources reflect the threats and incentives that, in turn, are based on the existing power structure. These core assumptions are widely shared among scholars of international relations. The assumption of rationality is not an essential one. Although we accept the view that states attempt to act in a purposive fashion, it is the underlying context—the international system—that socializes states into certain behavioral patterns. Within the realist paradigm, the power transition theory is most relevant to the problem of anticipating the rise of a peer competitor, as it deals specifically with the circumstances under which a challenge to the hegemon might take place and the path such a challenge might follow. The power transition theory focuses on a dyadic interaction, in opposition to the “balance of power” theory, which focuses on the systemic structure. Contrary to what some proponents of each theory advocate, we do not see the two theories as contradictory; they simply aim to explain different questions. Though we use insights from the power transition theory, we do so selectively. We do not subscribe to the idea of inevitability of conflict, nor do we accept the strictly economic formulation of national power that is common among the power transition theorists. For a recent review of the power transition literature, see Jonathan M. DiCicco and Jack S. Levy, “Power Shifts and Problem Shifts: The Evolution of the Power Transition Research Program,” *Journal of Conflict Resolution*, 43:6 (December 1999), pp. 675–704. For the seminal works in the power transition literature, see A.F.K. Organski, *World Politics*, New York: Alfred A. Knopf, 1958; A.F.K. Organski and Jacek Kugler, *The War Ledger*, Chicago: University of Chicago Press, 1980; and Jacek Kugler and Douglas Lemke (eds.), *Parity and War: Evaluations and Extensions of “The War Ledger”*, Ann Arbor, MI: University of Michigan Press, 1996. For a prospective look at the power transition theory as it applies to potential conflicts in the 21st century, see Ronald L. Tammen, Jacek Kugler, Douglas Lemke, Allan C. Stam III, Mark Abdollahian, Carole Alsharabati, Brian Efird, and A.F.K. Organski, *Power Transitions: Strategies for the 21st Century*, New York and London: Chatham House Publishers, 2000. For a rebuttal of the proposition that the balance of power and power transition theories are contradictory, see Randall L. Schwerer and William C. Wohlforth, “Power Test: Evaluating Realism in Response to the End of the Cold War,” *Security Studies*, 9:3 (Spring 2000), pp. 60–107.

2 It is a basic assumption here that the state will remain a fundamental building block of human global relations for the foreseeable future, even as its roles and functions change in accordance with technological advances and the accompanying social changes. The phenomenon has evolved enormously over the past few centuries, from the dynastic state of overlapping jurisdictions to the contemporary demarcated state, and it will no doubt continue to evolve and adopt to the new circumstances of greater interdependence and communication. The growth—over the course of the 20th century—of international organizations and the emergence of norms that delegitimize the use of force have provided new conflict-resolution mechanisms for states and, arguably, have placed some constraints on the use of force. However, such long-term
tain to the functioning and structure of international political and economic interactions. For example, after World War II, with the United States ascending to a role of the hegemon in the international state system, it played a leading role in establishing such institutions as the United Nations, the Bretton Woods system, the International Monetary Fund, and a host of others. These institutions either were new or replaced ones with a similar role (such as the United Nations replacing the League of Nations), and the United States has dominated their functioning. Similarly, and fitting its hegemon’s role of upholding the rules, the United States has played a consistent role as the ultimate arbiter and mediator in international conflicts since the end of World War II.

Within the hierarchy of power in the international state system, the main distinction is between the states that are satisfied with the rules and those that are not. By definition, since the hegemon sets up and then upholds the rules, the hegemon is satisfied. But many other states perceive the rules as detrimental or at least not optimal in terms of their interests and, to a varying extent, are dissatisfied. Dissatisfaction may stem from any number of reasons, ranging from being excluded from setting up the rules to dependence on domestic political interests that see themselves penalized by the rules.


3The case of the United States is unique in modern history in that, in the first half of the 20th century, it was among the most powerful, if not the single most powerful, country in the world but, until the end of World War II, was not the hegemon and did not use the full extent of its power to advance its position in the power hierarchy of states. An explanation of U.S. behavior within the conciliate strategy of the existing hegemon is offered below.

Satisfied states have a stake in the preservation of the rules, since they gain from it. Dissatisfied states have less of a stake in the system or oppose it. Either way, dissatisfied states want to change the rules to structure the system in a way that gives them greater advantages. The combination of (1) the extent of power disparity between the hegemon and the dissatisfied state and (2) the level of a state’s dissatisfaction with the rules of the international system mainly determines whether a dissatisfied state will compete within those rules.

An attempt to change the basic rules of the international system without the hegemon’s permission (i.e., an effort that is noncooperative vis-à-vis the hegemon and threatens the hegemon’s position) contains the potential to evolve into military conflict. Therefore, any state contemplating such a challenge must consider it carefully. If the challenge evolves into a crisis in which the challenger backs down, that challenger will lose power, having been shown unable to follow through with a threat. Moreover, the hegemon is likely to remain wary of future challenges and adjust its policy toward such a dissatisfied state accordingly. If the challenge escalates to a military conflict, then the challenger has to consider the possibility of catastrophic defeat.

The hegemon has little leeway, since failing to respond to a challenger that openly violates the rules amounts to an admission that it cannot enforce the rules, leading to a loss of relative power between it and the challenger. Not surprisingly, empirical studies show that challenges to the hegemon generally occur when the challenger has about as much power as the hegemon, with power parity calculated in a dyadic fashion and defined as the challenging state having at least 80 percent of the hegemon’s power. At parity, the challenger may believe that it stands to make a net gain even if a military conflict ensues. In short, at parity, the danger of a military conflict between the principals is the greatest, since both think they can win.

Whether the risk of war is worth it to the challenger depends on how
dissatisfied it is with the rules and its calculation of the potential net
gain from changing them. In other words, the challenger needs to
calculate an expected gain before challenging the hegemon. Power
parity enhances the chances that such a calculation will come out
positively, but ultimately it is the regime-specific calculation of
potential gains and losses that leads to a conflict.

The Hegemon’s Problem

The most fundamental question that the hegemon faces is how to
remain one. Power distribution within the international state system
is always changing, as the power of some states grows at faster (or
slower) rates relative to the hegemon. Under such conditions, the
hegemon must constantly calculate and recalculate the power ratios
and make projections, with the ultimate policy concern being how to
preserve its dominant position at the least cost. The question is most
difficult in conditions of parity or near parity, but it remains a major
policy challenge even under conditions of huge power disparities.
This is so because the hegemon relies on the submission to its rules
by the other main actors to sustain its hegemonic role. Using coer-
cion to uphold the rules, however, can alienate as well as intimidate.
Thus, the hegemon must steer carefully, employing positive incen-
tives toward those states that are willing to behave in accordance
with the rules, even adjusting them at times to deflect potential
challenges, and using force only toward those states clearly unwilling
to abide by the rules.6

6The behavior described here is based on the concept of general deterrence, defined
as an adversarial relationship between two states in which the leadership in one state
would consider resorting to force to change the status quo but is deterred from doing
so because the leadership in the other state, knowing that the opponent is willing to
use force, maintains force of its own and makes it clear that it will retaliate against the
opponent’s use of force that is contrary to its own interests. If a hegemon were to rely
on outright coercion to sustain its role within the international state system, such a
stance would be bound to be short-lived, since it would raise the levels of dissatisfac-
tion among the other major actors in the state system. Even in conditions of huge
power disparity between the hegemon and other main actors in the state system, the
hegemon’s position would be untenable if all the other major actors were to unite
against it. On general deterrence, see Patrick Morgan, Deterrence: A Conceptual
The hegemon must pursue different strategies toward the various proto-peers and prospective competitors, depending on the assessment of the other main actors’ propensity to comply “voluntarily” with the rules. The main difference among the strategies lies in the extent of conflict imposed within the strategy, with conflict referring to the exacting of additional costs from the proto-peer that it would not otherwise incur. Examples of conflict imposition include anything from trade tariffs that offset a comparative advantage a proto-peer may have, to incitement of internal unrest, to favoring a neighboring rival, all the way to a military strategy that forces the proto-peer to build up its military forces and siphon off investment funds. The common thread among them is that the hegemon’s actions force the proto-peer to divert attention, money, and effort in ways the hegemon sees as inimical to the proto-peer’s optimal power growth. Thus, conflict imposition is the primary means of reducing a proto-peer’s power growth rate. The mere threat of a hegemon imposing greater degree of conflict onto a proto-peer has a deterrent effect and greatly influences the proto-peer’s behavior and its choice of a strategy for power growth. The greater the hegemon’s preponderance of power and the greater the power differential between it and the proto-peer, the more likely the proto-peer is to tread carefully and consider how the hegemon perceives its behavior, because the consequences of incurring the hegemon’s wrath are greater.

Absence of conflict imposition and inclusion of positive incentives are the other side of the coin in the hegemon’s strategy. A lack of conflict imposition in the hegemon’s strategy is the norm and should

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7The idea of conflict imposition as a tool of state policy against a perceived rival builds on Richardson’s seminal work on arms races: Lewis F. Richardson, *Arms and Insecurity*, Pittsburgh: Boxwood, 1960. Kadera proposed the concept of conflictual behavior as a policy tool and provided a formal proof of the link between a state’s power level and its ability to direct conflict against perceived rivals. The concept of conflict imposition, as used here, builds on Kadera’s work. Though similar to “cost imposition,” the term “conflict imposition” is more nuanced in that it refers to a growing set of conflictual relations (which entail costs), though not necessarily militarized relations. Kelly M. Kadera, “The Power-Conflict Story: A Synopsis,” *Conflict Management and Peace Science*, 17:2 (Fall 1999), pp. 149–174.

8The value of conflict imposition as a policy tool in preventing certain actions and the importance of greater capabilities for this deterrent to be effective has been demonstrated by looking at U.S. use of force since the 1950s; see James Meernik, “Force and Influence in International Crises,” *Conflict Management and Peace Science*, 17:1 (1999), pp. 103–131.
be expected by the other main actors in the international state system, since the hegemon rewards the states that adhere to the rules with cooperation. However, it is the perception (by other states) of the hegemon’s ability to impose conflict that leads others, sometimes grudgingly, to adhere to the rules.

Although the hegemon is in a strong position, it faces a continuous and difficult calculation of the proper mix of conflict-imposing policies in its strategy toward a proto-peer. If the hegemon reacts with more force and conflict than are warranted, then it may strengthen that proto-peer’s determination to become a peer and a competitor. On the other hand, if the strategy is too conciliatory in that it contains less conflict imposition than the proto-peer’s behavior warrants, then the hegemon risks hastening the emergence of a peer and potentially a competitor.

The hegemon’s decision on the extent of conflict imposition toward a proto-peer stems from a threat assessment that has two main elements. First, the hegemon assesses its own future vulnerability to a specific proto-peer, based on projections of its own and the proto-peer’s growth. Second, the hegemon also assesses the specific proto-peer’s revisionist tendencies, based on projections of future power growth estimates. The first assesses other actors’ ability to achieve parity, while the second assesses other actors’ likelihood of becoming competitors.

Because of the profound nature of a potential challenge a peer may pose and the enormous costs that competition entails, the hegemon must be prudent and consider all possible actors that may emerge as peers within a generation (20–25 years) and their likelihood of challenging the hegemon’s rules. For identified proto-peers, estimates even beyond the quarter-century mark are prudent.

The assessment of both power growth and revisionist potential has two essential characteristics. First, it is primarily dyadic, focusing on the two central actors’ projected power levels. Likely allies are only considered secondarily, since the proto-peer’s ability to gain major allies depends on dyadically calculated chances of success. The assessment of revisionist potential is also dyadic. At issue is the specific proto-peer’s level of dissatisfaction with the system (and
thus, the hegemon) and consequent determination to pursue a path toward parity that may lead to tradeoffs in the search for allies.

Second, the assessment is made at both the regional and global levels. In other words, the hegemon assesses the proto-peer’s projected power level in the region where the proto-peer is located as well as in the international state system. In cases of power preponderance and projections of no global peer emerging within a generation, a proto-peer may still be present at the regional level. Since the hegemon has global commitments, it cannot commit all its power and resources to one region. However, a proto-peer can concentrate almost all of its resources in its own region. The assessment and projections need to take this disparity into account. Similarly, the hegemon needs to assess the proto-peer’s level of dissatisfaction with a regional status quo as well as with the larger rules of the international state system.

In conditions where peers and proto-peers likely to be competitors are clearly present, the hegemon’s assessment is even more complicated, because it needs to take into account the attraction of the proto-peer to other dissatisfied actors and how that may impinge on the global position of the hegemon.

All the calculations and assessments made above are fraught with deep uncertainty because of the long time frame involved. Extrapolations on the basis of existing trends have little use beyond the short term, since nonlinear evolution is more the rule than the exception when it comes to long-term projections. However, forecasting nonlinear change with any kind of confidence remains virtually impossible, because no technique has yet been developed that would predict a nonlinear occurrence before the actual event.9 Since the correct strategy can be discerned only retrospectively, the hegemon faces the decision on how much conflict imposition it should include in its strategy toward a proto-peer, knowing that the range of error is bound to be substantial and to grow larger as the time frame lengthens. Moreover, the assessment is subject to error along both the power growth and revisionist axes.

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The Hegemon’s Strategies

Just as the proto-peer has a limited number of power-growth strategies, the hegemon too has a limited set of strategies for dealing with a proto-peer. With the primary point of reference for distinguishing among the hegemon’s strategies being the extent of conflict imposition they contain, there are four main strategies realistically available. They range from emphasis on cooperation and avoidance of conflict imposition, to a hedging strategy with a predominance of cooperative aspects, to a hedging strategy emphasizing conflict-imposition elements, to a highly competitive strategy that emphasizes conflict imposition. We refer to these four strategies as conciliate, co-opt, constrain, and compete.

The strategies are analytical constructs, identifiable by the extent of conflict imposition within them and, at a deeper level, by the whole range of calculations and a resulting threat assessment that lead to the adoption of a specific strategy. The relationship between the hegemon’s threat perception and the extent of conflict imposition in its strategy toward a proto-peer is directly proportional, though the costs to the hegemon of a specific strategy imposition may not be proportional to its effect on the proto-peer. Figure 3.1 provides a notional representation of the relationship. The 20, 40, 60, and 80 percent marks represent the median points of the extent of conflict imposition in each strategy, though there is a range within each and an overlapping area between them.

Theoretically, the range of strategies could be extended further, to include extreme cases of (1) total absence of conflict imposition and (2) total conflict imposition. The first amounts to a surrender by a hegemon to a proto-peer, whereas the second means a preventive war. Although both are theoretically possible, neither is plausible because of the fundamental uncertainty about the evolution of the proto-peer (as outlined above) and the potentially enormous costs entailed by a mistaken assessment leading to the adoption of such a strategy. The conciliate and compete strategies are the realistic end points on strategy choices for the hegemon (and, in any event, the upper portion of the compete strategy comes close to a preventive war). We describe each of the strategies in detail below.
THE CONCILIATE STRATEGY

The conciliate strategy has the goal of increasing common interests between the proto-peer and the hegemon, thus giving the proto-peer incentives not to challenge the rules established by the hegemon as well as a greater stake in the system. The strategy has a minimal amount of conflict imposition elements. The hegemon’s goal is to limit friction with the proto-peer, and the strategy is predicated on allowing the proto-peer’s rapid growth. The hegemon’s desired result is a peer that is a potential ally rather than a competitor.

To pursue this strategy, the hegemon must assess the threat of the proto-peer as low, based on a calculation that the proto-peer has low revisionist tendencies and that such tendencies, even with a leap to parity, will remain low. In fact, by choosing the strategy that is low in conflict imposition, the hegemon is betting on the preservation of the main elements of the rules even if the proto-peer were to overtake the hegemon. There is also the expectation that if a proto-peer
were to overtake the hegemon, the transition to a new hegemon would take place without armed conflict since the two states have largely similar interests. No reigning hegemon ever desires a power transition, for it entails the loss of the most privileged status and the decisive voice in establishing the rules. Every hegemon will be reluctant to give up its position. No matter how much common interests may link the old and new hegemon, even a friendly power transition introduces some uncertainty about the old hegemon’s rules and the potential for the old and new hegemons to retain the same level of common interests in the future. But it is a rational strategy under certain circumstances.

The conciliate strategy may apply when a proto-peer’s power is projected to grow at a high rate (and bound to overtake the hegemon within a generation), it does so within the rules, and the hegemon does not assess such a proto-peer as having major revisionist potential. Although the prospect of being replaced by another state is never pleasant, the old hegemon expects that it will fade slowly because of common interests with the new hegemon and knows that it will retain the resources that otherwise would have been squandered on competition. Moreover, after such a friendly transition, the old hegemon would retain a powerful role in shaping the further evolution of the new one. In other words, the competition would not have been worth the costs, for two reasons. First, such competition would only have encouraged revisionist tendencies in the proto-peer (creating the potential for substantial changes to the rules and leading the proto-peer to penalize the old hegemon if it won), leading to a situation that could be much worse than the one absent the competition. Second, the goal of such competition, which would probably take enormous resources to win, would not be all that different from an end goal of a friendly power transition.

The higher the expected rate of power growth relative to the hegemon, the more conciliatory the strategy is likely to be. The higher relative growth rate and expected power transition simply make the cost calculations of potential competition with such a proto-peer even less worthwhile. Conceivably, assuming a meteoric rise of a proto-peer and that all the conditions necessary for the adoption of the conciliate strategy are in place, the conflict-imposition content would decline to virtually nil.
When it has preponderant power, a hegemon is likely to be strict and cautious in interpreting a proto-peer's revisionist aspirations. Thus, proto-peers that exhibit a low level of revisionist tendencies might, rather than being treated with a conciliate strategy, be subjected to one with a higher conflict-imposition content. This occurs because the hegemon is used to having its way, leading it to overestimate the gravity of otherwise minor revisionist tendencies.

In the presence of several revisionist regional peers and proto-peers, the calculations that may lead a hegemon to adopt a conciliate strategy may be relaxed and lead to the strategy being adopted toward states that have either (1) moderately revisionist tendencies and high rates of power growth or (2) no revisionist tendencies and moderate or low rates of power growth. The crucial element here is the hegemon's assessment of the set of peers and proto-peers. In the first instance, if facing highly revisionist peers or proto-peers, the hegemon will need to pick the "least revisionist" one because it needs allies to engage in competition with, and fend off the challenge from, the more fundamentally dissatisfied proto-peers or peers. In the second instance, if facing fast-growing revisionist peers and proto-peers, the hegemon may choose to encourage the faster growth of a proto-peer whose rate of power aggregation is relatively slow but whose interests parallel the hegemon's. In both cases, the hegemon's calculations stem from a need to strengthen its own position when challenges loom. The choice of the course of action depends on the specific preferences of the hegemon and the overall threat assessment.

The British policy toward the United States beginning in the mid-1890s and the early 20th century provides an example of the conciliate strategy. Faced with a United States that was gaining power rapidly, confronted simultaneously with competition from France and Russia (later replaced by Germany), and realizing the vulnerability of British holdings in the western hemisphere (Canada) to the United States, Britain concluded that its interests would not be threatened by allowing the United States to assert regional hegemony over the western hemisphere and that such a move would gain it a potential ally against continental proto-peers and competitors. Thus, in a multiactor situation, the British made a calculated choice to avoid conflict with the United States and nurture it as a potential ally, a decision that, over several decades, led to a friendly power
transition and retained for Britain many benefits of its earlier hegemony. Even today, the “special relationship” between the United States and the United Kingdom reflects the earlier policy choice. A contemporary example of the conciliate strategy might be the U.S. policy toward the European Union, as the EU has similar interests in upholding existing rules.

THE CO-OPT STRATEGY

The co-opt strategy is a hedging strategy designed to lower the potential for the proto-peer to compete with the hegemon. The strategy has a fair amount of conflict-imposition elements and the hegemon does not shy away from disputes with the proto-peer, though cooperative aspects form the majority of the hegemon’s policies. This is a predominantly “carrots” hedging strategy, wherein the hegemon remains cautious about allowing a rapid rise of the proto-peer and uses the interim period to strengthen the proto-peer’s tendencies in favor of the existing rules while avoiding overt conflict. The hegemon’s desired result is to allow the rise of the proto-peer but with a sustained change in its behavior.

For this strategy to be pursued, the hegemon must assess the specific proto-peer as a moderate threat, based on a calculation that it has some revisionist tendencies but also that these tendencies could change in response to threats and blandishments. The expectation is that by the time the proto-peer attains parity with the hegemon, it will subscribe to most of the rules. In other words, by choosing this strategy, the hegemon is betting that the proto-peer’s revisionist tendencies are not fundamental.

However, there is a cautionary note in the hegemon’s assessment, in that a rapid rise of the proto-peer along its current path would be detrimental to the hegemon. In the hegemon’s assessment, the proto-peer needs further behavioral adjustment. The hegemon realizes that this hedging strategy eventually may shift to a new strategy either upward (higher conflict imposition) or downward (lower conflict imposition) and that this strategy represents a temporary phase (though “temporary” may still mean a decade or more). If the proto-peer seen as warranting a co-opt strategy were to continue accruing power faster than the hegemon without moderating its revisionist tendencies, then the hegemon’s assessment of the threat would grow.
and lead at least to a higher level of conflict imposition within the co-opt strategy or to a more punitive hedging strategy (the constrain option). On the other hand, if such a proto-peer were to moderate its revisionist inclinations and show greater acceptance of the rules, then the hegemon’s assessment of the threat would decrease and lead to a lower level of conflict imposition within the co-opt strategy. If the proto-peer continued to accrue power at a fast rate and the hegemon were convinced that it no longer retained any revisionist tendencies because the co-opt strategy had worked, it might shift to a conciliate strategy.

A co-opt strategy may apply when a proto-peer’s power is projected to grow at a high rate (and is bound to overtake the hegemon within a generation), and it either does not follow some of the rules or is assessed as likely to alter them substantively as it becomes more powerful. The revisionist potential of such a proto-peer cannot be regarded by the hegemon as fundamental, since it would then pursue a more punitive strategy. The revisionist tendencies must be pronounced and sufficiently threatening so that the hegemon is willing to expend resources, draw clear lines, and risk disputes with the proto-peer as part of its attempt to shape its evolution. In other words, the hegemon makes clear the limits of permissible behavior for such a proto-peer and is willing to raise its level of conflict imposition if they are exceeded. Although the strategy remains optimistic about shaping the long-term evolution of the proto-peer, the punitive consequences of straying from the envisioned path should be clear to all. Ultimately, the hegemon’s calculation is that domestic interests that have a stake in upholding the rules will grow in importance in the proto-peer, while those with revisionist tendencies will lose out in a relative sense.

As for the range of conflict imposition within the co-opt strategy, the primary determinants of its higher levels are the combination of the projected rate of relative power growth and the extent of revisionist tendencies. When both are on the high end of the spectrum (while still fitting within the co-opt scale), then the co-opt strategy is likely to have a high content of conflict imposition, bordering on the constrain strategy. When the two are related inversely to each other, that is, either a moderate rate of power growth and more substantial revisionist tendencies or a high rate of power growth and less pronounced revisionist tendencies, then the strategy is likely to have a
medium level of conflict imposition. The rationale stems from the less immediate threat assessment and longer time for the co-opt strategy to work in the first case above, to a lower assessment of overall threat and an emphasis on nurturing a fast-growing proto-peer in the second. When both are low, then conflict imposition is likely to be on the lower end of the strategy, bordering on the conciliate strategy.

When a hegemon has preponderant power, it tends to exaggerate threats and choose strategies that involve more conflict imposition than a proto-peer’s capabilities might warrant. A proto-peer’s revisionist aspirations that would, under conditions of a fundamental threat in a multiactor situation, be considered of low significance and amenable to a conciliate strategy, might be seen as more threatening and lead to a co-opt strategy. With several revisionist regional peers and proto-peers, whether a hegemon adopts a co-opt strategy depends greatly on the identification of the greatest or the most immediate threat and the assessment of other actors from that point of reference. If the proto-peer poses a clear and fundamental threat, the hegemon’s scale of what are moderate revisionist tendencies may shift appreciably toward the more forgiving side and include proto-peers that otherwise would fit into the category of having more fundamental revisionist tendencies.

The decision on the direction of the shift vis-à-vis specific proto-peers depends on how long it would take the proto-peer to pose a more fundamental threat. With short-term threat, the hegemon decision to adopt a co-opt policy toward less-deserving proto-peers would focus more on a proto-peer growing in power rapidly. With longer-term threat, the hegemon would be more likely to adopt a co-opt policy toward a less-deserving proto-peer on the basis of its lower revisionist tendencies. In both cases, the hegemon’s calculations stem from an evaluation of the time frame available to strengthen its own position in the face of a looming challenge. Beyond the above, the choice of the course of action may also be subject to additional specific preferences of the hegemon.

British policy toward Germany in the early 1890s provides an example of the co-opt strategy. The passing of Bismarck made Britain cautious about German intentions and led it to adopt a co-opt strategy. But as long as Germany remained outwardly muted in exhibit-
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ing revisionist tendencies toward the rules upheld by Britain, the British did not see a rapid rise of German power as problematic. Only with the rise of a more assertive German policy that directly challenged Britain (build-up of a navy and colonial ambitions) did the hedging strategy escalate toward more punitive elements and direct competition. A contemporary example of the co-opt strategy might be the U.S. policy toward China, based on goals of increasing the Chinese stake in the existing rules but also drawing clear lines on any use of force.

THE CONSTRAIN STRATEGY

The constrain strategy, too, is a hedging one, but it is designed to display the hegemon’s ability to punish the proto-peer for flouting the existing rules. Most of the strategy’s elements consist of conflict imposition, and the hegemon accepts a high level of disputes with the proto-peer. Yet cooperative elements still play a substantial role, and the hegemon hopes to prevent a militarized competition with the proto-peer. However, this is a predominantly “sticks” hedging strategy, whereby the hegemon is pessimistic about the chances of the proto-peer not turning into a competitor and uses the interim period to delay the proto-peer’s leap to peer status and strengthen its antirevisionist tendencies in the meantime. The hegemon wants to slow the rate of power growth and effect a sustained change in the proto-peer’s aspirations and behavior.

For this strategy to be pursued, the hegemon must assess the threat of a specific proto-peer as high, based on a calculation that the proto-peer has strong revisionist tendencies and that they cannot be altered easily. The hegemon’s strategy focuses on constraining the proto-peer, so that, finding its power aggregation rate decreased over a prolonged period because of hegemon actions, it will shed some revisionist aspirations (because they will seem increasingly distant or unachievable) and reconcile itself to working within the hegemon’s rules. The strategy entails mostly negatives because the hegemon wants to throw up as many obstacles as possible to the proto-peer’s power aggregation, since it sees the leap to peer status as leading to a full challenge. In other words, by choosing this strategy, the hegemon is betting that the proto-peer potentially represents a fundamental threat and therefore wants to halt or at least slow its power
growth. Because of the proto-peer’s strong revisionist tendencies, positive incentives are not a wise choice for the hegemon, because they will only quicken the proto-peer’s growth and emergence as a full-blown competitor. Positive incentives retain a role in that areas of common interests remain, and the hegemon is responsive to signs of moderation in the proto-peer’s behavior. However, the dominant aspect of the constrain strategy is the hegemon’s attempt to use conflict imposition to slow the pace of the emerging threat, decrease the proto-peer’s revisionist tendencies, and buy time.

The hegemon realizes that this hedging strategy may eventually shift to an even more conflictual one, though it retains hopes that the negative incentives may work. Thus, if the proto-peer continues to accrue power faster than the hegemon and does so without moderating its revisionist tendencies (i.e., the constrain strategy fails), then the hegemon’s assessment of the threat would grow and lead at least to a higher level of conflict imposition within the constrain strategy and perhaps even outright conflict (the compete strategy). On the other hand, if the strategy shows signs of eliciting the desired response, then the hegemon would decrease its assessment of the threat and, to encourage the positive behavior, employ less conflict imposition within the constrain strategy or shift to a lower conflict imposition strategy (co-opt). Either way, this is a hedging strategy, and it represents a temporary phase (though “temporary” may still mean a decade or more).

The constrain strategy may apply when a proto-peer aggregates power at a high rate (and is projected to overtake the hegemon within a generation) but follows the rules only loosely, and the hegemon assesses this proto-peer as having even less stake in the system as it becomes more powerful. The hegemon still sees a possibility that a sustained and punitive lesson may change the proto-peer’s behavior, but, in the hegemon’s assessment, its fundamental revisionist tendencies put it on a clear trajectory to becoming a major threat. As such, the hegemon is willing to expend resources and risk crises with the proto-peer as part of its punitive strategy. To the hegemon, the proto-peer must be shown the limits, or it will evolve into an even more powerful foe.

As for the range of conflict imposition within the constrain strategy, the combination of the proto-peer’s projected rate of power growth
and extent of its revisionist tendencies primarily determines the higher levels. When both are on the high end of the spectrum, then the constrain strategy is likely to have a high content of conflict imposition, bordering on the full-blown competition that characterizes the compete strategy. When the two are inversely related, that is, either a moderate rate of power growth and fundamental revisionist tendencies or a high rate of power growth and strong but not firmly entrenched revisionist tendencies, then the strategy is likely to have a medium level of conflict imposition. The rationale stems from the lower immediate threat assessment and longer time for the constrain strategy to work in the first case, to a lower assessment of overall threat and a greater possibility for positive incentives to have an effect. When both are low, then the conflict-imposition aspects are likely to be on the lower end of the strategy, bordering on the co-opt strategy.

In conditions of power preponderance, the hegemon is likely to have a propensity to view revisionist aspirations more cautiously; proto-peers that would, under conditions of a fundamental threat in a multiactor situation, be considered as amenable to a co-opt strategy might be assessed as warranting a constrain strategy instead. The probable low costs of conflict imposition to the hegemon may act as incentives to push the hegemon into adopting more punitive strategies than necessary, but the overall need for efficiency in the hegemon’s actions will moderate such incentives. With several revisionist regional peers and proto-peers, the calculations that may lead a hegemon to adopt a constrain strategy depend greatly on the identification of the greatest or the most immediate threat and the assessment of other actors from that point of reference. When a hegemon is already engaged in a rivalry, a proto-peer that might otherwise be assessed as having fundamental revisionist tendencies may in fact be treated much more leniently, as in a lower end of conflict imposition within the constrain strategy. Such a proto-peer would have to be assessed by the hegemon as “less threatening” and the policy would be adopted only as the “less bad” choice. Specific preferences and contextual factors also would affect the hegemon’s decision.

The British policy toward Russia in the 1890s and into the early 20th century (until 1905) provides an example of the constrain strategy. Russian challenges to British colonial possessions, its alliance with France, and the potential for its power to grow rapidly because of
industrialization made it Britain’s primary opponent. Only Russia’s much lower overall power level led Britain to choose a constrain rather than compete strategy, in which the British focused on blockading further Russian inroads. There is no contemporary example of the constrain strategy, although, depending on China’s potential further evolution, a U.S. shift to a constrain strategy toward China is plausible.

THE COMPETE STRATEGY

The compete strategy attempts to decrease the proto-peer’s power relative to the hegemon by imposing conflict to punish the proto-peer. The strategy is highly conflictual. The hegemon’s goal is to curtail the further growth of the proto-peer’s power, and the strategy rests upon the hegemon’s willingness to risk repeated militarized crises to effect change in the proto-peer. The hegemon already views the proto-peer as a competitor and wants to keep it from becoming a peer.

To pursue this strategy, the hegemon must assess the threat posed by a specific proto-peer as high, based on a calculation that the proto-peer has fundamental revisionist tendencies that are unlikely to be moderated by measures short of threat of force. By choosing a strategy high in conflict imposition, the hegemon is betting that the proto-peer represents a fundamental challenge to the rules and is willing to risk war to prevent it. The hegemon’s assessment is that if the proto-peer were to overtake it, then the hegemon’s current form of existence would be threatened. In other words, the hegemon expects a national calamity if it were to be overtaken by the proto-peer. The fundamental difference in interests leaves little room for positive incentives, and the hegemon expects that armed conflict would accompany any power transition. Rather than trying to channel the proto-peer’s evolution into a more hegemon-friendly pathway, the hegemon emphasizes punishing the proto-peer and preventing any relative power. Given the assessment that the proto-peer has fundamental revisionist tendencies, the hegemon has little hope that less conflictual strategies might moderate the proto-peer’s views. Moreover, the decision to embark on a compete strategy has long-term consequences. Once adopted, it is likely that domestic
interests that have a stake in the competition will make it difficult to de-escalate.

The compete strategy may apply when a proto-peer aggregates power at a high rate (and is projected to overtake the hegemon within a generation), and it does so by flouting the established rules. The hegemon assesses such a proto-peer as not only having little stake in the system but also as fundamentally opposed to it, and the hegemon sees that opposition as likely to grow with the proto-peer’s power. Reconciliation is impossible, and the hegemon calculates that the proto-peer must be stopped before it becomes even more powerful. Since the hegemon sees no alternative to sustained punishment as a way to deal with the challenge, it is willing to embark on what may be a long-term rivalry, expend massive resources, and risk crises. The hegemon is betting that the threat is so fundamental and the consequences of a power transition so calamitous that a costly rivalry is preferable.

As for the range of conflict imposition within the compete strategy, the higher the expected rate of relative power growth, the more conflictual the strategy is likely to be. The higher relative growth rate and, consequently, an expected earlier time frame for a power transition add urgency to the hegemon’s actions and justify higher risk and costs. Since fundamental revisionist aspirations by the proto-peer are a given, any differentiation within the revisionist tendencies may affect the nuances of the hegemon’s strategy but is not likely to modify greatly the extent of conflict imposition. Conceivably, given a proto-peer in a meteoric rise when all the conditions necessary for the adoption of the compete strategy are in place, conflict imposition would constitute almost all the actions of the hegemon.

Two issues regarding the compete strategy arise when the hegemon has preponderant power. First, a proto-peer that has such fundamental revisionist tendencies is less likely to appear because of the dominant role of the hegemon and its ability to isolate such a proto-peer at an early stage. Open flouting of the rules when the hegemon wields an enormous power advantage is not a rational way to aggregate power. Even dissatisfied proto-peers are likely to mute their revisionist tendencies, and they are bound to have some stake in the existing system. Second, the hegemon is likely to have a propensity to view revisionist aspirations with caution, thus tending to over-
estimate the level of threat the proto-peer poses. Eventually, over-
estimation of the threat and adoption of a highly conflictual hedging
strategy might lead to further escalation and adoption of the com-
pete strategy.

With several revisionist regional peers and proto-peers present, the
state posing the most fundamental threat soonest is going to be the
target of the hegemon’s compete strategy (assuming it meets the cri-
teron of having fundamental revisionist tendencies). That state then
would provide the hegemon with a frame of reference for judging
other actors. Conceivably, if two states have fundamental revisionist
aspirations, the hegemon might adopt a compete strategy toward
one and a hedging strategy (either constrain or co-opt) toward the
other. Thus, when a hegemon is already engaged in a rivalry, a
proto-peer that might otherwise be assessed as having fundamental
revisionist tendencies may in fact be treated much more leniently.
Of course, if the hegemon were to emerge victorious over the main
proto-peer, it would most likely reassess its policy toward what were
previously assessed “less threatening” states.

The U.S. policy toward the USSR between the late 1940s and late
1980s provides an example of the compete strategy (with the most
conflictual period in the 1950s and 1960s). The United States
assessed the Soviet challenge as fundamental in that imposition of
Soviet rules on the international system would have meant, at a
minimum, a very different United States, both internally as well as in
terms of U.S. relations with other countries. There is no contempo-
rary example of the compete strategy, and such a shift seems im-
plausible in the short term, although, in the long term, a U.S. shift
toward such a strategy is plausible.

THE EFFECT OF POWER PREPONDERANCE

The hegemon’s relative power within the international state system
is a crucial variable underpinning the logic for adopting the strate-
gies outlined above. A preponderance of power favors lasting hege-
mony, while a system of multiple actors with the hegemon being
“first among equals” rather than in a class by itself make continued
hegemony much more tenuous. There are simply more ways for
proto-peers or existing peers to evolve as competitors when multiple
actors are present. Conversely, the greater the gap in relative power,
the less likely a proto-peer will be to choose an aggressive strategy, since it does not want to risk a confrontation that forces it to back down or suffer defeat (with all the consequences that implies).

Moreover, power preponderance is self-reinforcing in that it allows the hegemon to use less costly (meaning less conflict-imposition content) strategies toward proto-peers. Power preponderance provides the hegemon a safety margin. Internally centered power growth strategies by the proto-peer, even if highly successful, are bound to take many years, if not decades, to achieve parity with the hegemon. In that time, the hegemon can assess carefully the type of a challenge that may be in the making and, if necessary, build coalitions or affect the growth of the proto-peer accordingly. In addition, the potential to use the full spectrum of strategies toward a proto-peer, available because a challenge is not immediate, enables the hegemon’s shaping policy to work, causing potentially competitive proto-peers to abandon or scale back revisionist tendencies. The greater the power preponderance, the greater the likelihood that the system of incentives and disincentives established by the hegemon will channel the proto-peer’s evolution in line with the hegemon’s intent.

The potential problem the hegemon faces when it has preponderant power that offsets partially the self-perpetuating characteristics is its own tendency to overestimate threats and potential challenges and adopt strategies that are unnecessarily conflictual. As long as the difference in power levels between the hegemon and a proto-peer remains the same or increases (in favor of the hegemon), this problem is absent. But when a proto-peer shows a faster rate of power growth than the hegemon, and the hegemon calculates that it could achieve parity in the foreseeable future, then the hegemon will see its position threatened and, even if the proto-peer is an ally, is likely to be suspicious. Thus, somewhat paradoxically, in conditions of power preponderance there is a stronger tendency for the hegemon to be wary of any major actor than there is with multiple actors and existing peers and proto-peers.\(^{10}\) The costs of high-conflict-

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\(^{10}\)Prospect theory, with its premise that a decisionmaker will accept risks to avoid losses but will refuse to take risks to make similar gains, offers a link between overly cautious behavior and potentially conflict-generating behavior. Accepting the premise of prospect theory, it could be argued that the same would apply to the proto-
imposition strategies add up and weaken the hegemon in a relative sense, making it susceptible to other proto-peers. In addition, the hegemon faces the risk that its overestimation of the challenge from proto-peers may, in the aggregate, subtly shift the rules of the international state system that it upholds. For example, greater reliance on conflictual strategies may threaten other actors, leading to a coalition against the hegemon. Failing a shift in the rules toward a system upheld more by direct rather than implied power and sanctions, the more likely it is that a regional peer will challenge the status quo. In other words, a proto-peer with some revisionist tendencies is likely to attempt to alter regional hierarchy first. Because of its global responsibilities, the hegemon will be able to concentrate only a portion of its power at the regional level, whereas the regional proto-peer is likely to be able to concentrate almost all of its power there. In such circumstances and depending on the behavior of the other actors and their level of dissatisfaction with the rules, the proto-peer may force the hegemon to back down or accept an unfavorable compromise. Such an outcome has tremendous consequences for the hegemon’s standing, since it shows that its power is less than others may have calculated.

**PRINCIPAL RIVALRIES**

Even when the hegemon tries to prevent the emergence of a peer by using highly conflictual strategies, a peer may emerge anyway. Alternatively, an exogenous shock might turn a benign and cooperative peer into a competitor. A transformation of an existing competitor into a peer, or the metamorphosis of an ally peer into a competitor, making it similarly cautious. However, the consequences of the prospect theory may not apply in the same fashion to the proto-peer and the hegemon. For example, if the proto-peer perceives the risk of losing its relative power status, then it might adopt an extremely risky behavior to deal with the hegemon. The case of Japanese behavior in 1941 is a case in point. Although prospect theory is in direct challenge to rational choice approaches, empirical tests have shown its robustness in a variety of applications. See Paul A. Kowert and Margaret G. Hermann, “Who Takes Risks? Daring and Caution in Foreign Policy Making,” *Journal of Conflict Resolution*, 41:5 (October 1997), pp. 611–637; Rose McDermott, *Risk-Taking in International Politics: Prospect Theory in American Foreign Policy*, Ann Arbor, MI: University of Michigan Press, 1998; and Kurt Weyland, “Risk Taking in Latin American Economic Restructuring: Lessons from Prospect Theory,” *International Studies Quarterly*, 40:2 (June 1996), pp. 185–208.
tor, does not necessarily mean armed conflict with the hegemon. Though a war between such a peer competitor and the hegemon is certainly possible and the relationship may have numerous crises, the enormous costs of such a conflict and the potential catastrophic result that the loser would suffer dampen the prospects of such a war. Instead, a contentious rivalry may ensue.

A rivalry is a long-standing and competitive relationship between two states or two states and their allies. To meet the definition of a rivalry, a competition must have the following elements: the same set of adversaries, a perception of threat and hostility toward each other, and a temporal dimension that reflects the impact of previous interactions and shapes expectations of future interactions. Rivalries usually come into being through an exogenous shock, such as civil wars, major interstate wars, or territorial changes. The common thread among the various shocks is a dramatic change in the distribution of power in the international state system. While such sudden events trigger the rivalry, typically there has to have been an evolutionary decrease in the power difference between the proto-rivals. That evolutionary change may be linear in its slow drift into ever-greater competition, which generates further and greater conflicts that may eventually evolve into a rivalry. In such cases, history matters and can condition each party toward a more escalatory and hostile response. A large body of empirical data suggests that rivalries account for most of the world’s conflicts and confrontations, and they are relatively more prone to escalation and war

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than are confrontations between states not engaged in a rivalry.\(^\text{15}\) Moreover, within rivalries, relations tend to become more conflictual over time, because once a rivalry is in place, it has self-perpetuating internal dynamics and becomes entrenched in domestic politics on both sides, making it increasingly difficult to break the cycle of competition and conflict.\(^\text{16}\)

A rivalry between principal states, as between a hegemon and its main peer competitor, is the central axis of international relations in any given era. Although the rivalry may include disputes over resources or territory, such a “principal rivalry” is most of all about the power status of the competitors and their ability to establish rules. In other words, it is about the relative position of the two competitors in the hierarchy of the international state system, either in a specific region or on a global scale.\(^\text{17}\)

Principal rivalries fall into two categories: global and regional-global.\(^\text{18}\) Global rivalries pertain to competition for leadership at the apex of the international state system; they involve competition between a hegemon and a competitor that is at near parity with the hegemon and aspires to hegemony. Global-regional rivalries concern competition between a regional leader and the global leader; they involve a regional peer competing with the global hegemon to establish regional primacy. Regional primacy can then serve as a stepping stone to a global challenge. There is a premise here that a proto-peer’s gaining of a regional leadership role is more power additive than power draining. Though this may not be necessarily true in practice, a prudent hegemon cannot take the chance that a proto-peer that is also a regional leader will use the new role inefficiently. Thus, the prudent hegemon will look with alarm upon any


\(^\text{18}\)Thompson has suggested a distinction into three main types: regional, global, and regional-global. The categories suggested here are similar, though not the same as Thompson’s categories. Regional rivalry falls outside the scope of our peer competitor work.
proto-peer aspiring to regional leadership in a fashion unsanctioned by the hegemon. Global rivalries arise when the hegemon plays the dominant role but at least one other actor is near parity with it. In other words, global rivalries do not arise when the hegemon is the preponderant, unless some exogenous shock rapidly transforms the international power hierarchy. On the other hand, global-regional rivalries can arise under conditions of power preponderance as well as power parity.

Principal rivalries usually last for decades and generations, since they pit states that are the most powerful and roughly comparable in power against each other. Because they are powerful, the states involved can draw on massive resources to fuel the rivalry. In an overall sense, principal rivalries are enormously expensive, since they entail war-like expenditures for decades. Global and global-regional rivalries differ somewhat in their propensity for war. On the basis of limited historical data, global rivalries tend to be relatively pacific in that open warfare between the two rivals is not a given, and war is often waged by their proxies and on the periphery of their areas of control. Eventually, one side wins but not necessarily as a result of a war between the two principals. Internal collapse or downgrading of power of one of the principals, due to exhaustion, and either a power transition to a new hegemon or a strengthening of the old hegemon’s position, has been the primary way of ending a global principal rivalry. In this sense, the outcome of the U.S.-Soviet rivalry is typical. Global-regional rivalries are more war-prone, if the limited historical data provide any indication of a larger pattern. The rise of a European regional leader has led to a militarized competition in almost every case during the past three centuries.

The high presence of war in global-regional rivalries is an anomaly to the logic of the evolution to war of principal rivals. The relative absence of war between principals in a global rivalry makes sense, since the two states are near parity and neither is eager to launch a war directly on the other because of the reasonable chance that it will lose. Thus, even though the conditions are in place for a war, it takes some miscalculation or propensity for risk on one side to bring about

19Thompson, “Principal Rivalries,” p. 211.
a war between the principals. Consequently, the global principal rivalry is characterized by attrition.

The same logic applies to global-regional rivalry, the only difference being that parity is calculated at the regional level. That also explains the incidence of direct armed conflict between principals. The regional challenger’s calculation of the hegemon’s ability and willingness to engage in war in the challenger’s region is subject to a serious error, namely, the different perspectives of the challenger and the hegemon. The challenger may see an incremental step on the path to a greater regional role as unlikely to provoke an armed response from the hegemon because the stakes in play are limited and important only at the subregional level. However, the hegemon’s view is on the evolutionary trend of the regional challenger, its tendency not to abide by the rules, and its potential to become a regional hegemon that can then mount a global challenge. After a certain point, incremental changes within a region amount to a trend that the hegemon must curtail to avoid a greater challenge down the road. The end result of the different perceptions is a rivalry and, potentially, armed conflict.20

Whether or not the rivalry leads to armed conflict, the drawing of the United States into a principal rivalry is something that the intelligence community must anticipate at the earliest possible time, so as to alert the national decisionmakers and allow them to take appropriate steps either to head off the rivalry or prepare for it. Thinking about the emergence of a peer competitor boils down to the following point: under current conditions of U.S. power predominance in the world, the most important task is the early warning of an emerging principal rivalry. Unfortunately, identifying an evolving principal rivalry before it starts is impossible with any certainty. One problem is that the origins of the demand for positional goods—status—in the international state system are murky and difficult to translate into operational terms.21 Moreover, some proto-peers may have a deep


21Higher status means higher costs, by way of increased expenditures on defense (to uphold that status) and greater likelihood of using the military, yet the benefits of such
interest in allying with the hegemon as a way of gaining power and status. However, keeping in mind that the hegemon’s threat perception and the proto-peer’s pace of power growth provide a key axis of the relationship and determine the choices of strategy for each, a matrix of the proto-peer strategies for power aggregation and the hegemon’s shaping strategies provides a starting point for observations on the evolution of principal rivalries. The logic behind the evolution to a rivalry can be illustrated by the use of simple game theory, which we describe in detail in the next chapter.

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