
SUMMARY

The United States is playing an unparalleled role in its history on the world stage. Its foes are few and weak, its allies strong and numerous. The United States has the most robust economy in the world, the dominant ideology, and a military that secures the homeland from any major conventional threat. Such a favorable situation is bound to end at some indeterminate point in the future. Though there is nothing to indicate that the situation will end in the near term, the possibility exists that the United States could be slow to recognize the rise of a state or alliance that could compete with it on equal terms (as a peer) and thus respond too late. However, moving too soon could be just as detrimental. By reacting prematurely, the United States could exhaust its resources and turn a state that might have been willing to cooperate or coexist peacefully into a competitor.

The potential emergence of a peer competitor is probably the most important long-term planning challenge for the Department of Defense. This report addresses the issue by developing a conceptual framework of how a proto-peer (meaning a state that is not yet a peer but has the potential to become one) might interact with the hegemon (the dominant global power). The central aspect of the framework is an interaction between the main strategies for power aggregation available to the proto-peer and the main strategies for countering the rise of a peer available to the hegemon. Then, using exploratory modeling techniques, the pathways of the various proto-peer and hegemon interactions are modeled to identify the specific patterns and combinations of actions that might lead to rivalries.

WHAT IS A PEER COMPETITOR, AND HOW MIGHT ONE ARISE?

For a state to be a peer, it must have more than a strong military. Its power must be multidimensional—economic, technological, intellectual, etc.—and it must be capable of harnessing these capabilities to achieve a policy goal. For a proto-peer also to be a competitor (and thus a danger), it must have the desire to challenge the status quo and the rules of the international system that are largely upheld by the United States, the current hegemon. To be a true peer, it has to be capable of challenging the hegemon on a global scale (and wish to do so), and the outcome of that challenge has to be uncertain, even if the hegemon effectively marshals its assets.

Analytically speaking, the proto-peer's problem is how to aggregate power quickly without provoking the hegemon into a response that would slow its pace of growth. A proto-peer has four main paths to becoming a peer: reform, revolution, alliance, and conquest. These terms are analytical constructs rather than conscious strategies a state might adopt on its ascent to power. A proto-peer can (and indeed is likely to) pursue more than one strategy simultaneously, but generally one will dominate. Externally focused strategies (alliance and conquest) can build power faster than internally focused ones (reform and revolution), but they are also more likely to attract the hegemon's attention and provoke a hostile response from other states. Especially when the hegemon has a preponderance of power at the global level, a proto-peer must tread carefully, since it faces a potentially devastating response that could delay or end its aspirations to become a peer.

In a **reform** strategy, the proto-peer builds power by increasing national resources, or "inputs," by such means as improving its educational base or spending more on scientific research and development efforts. This strategy is incremental and generally respects the accepted "rules" of the international system. Since this strategy is gradual, relatively predictable, and follows the existing rules, the hegemon has considerable time to respond and is unlikely to be threatened.

A **revolution** dramatically transforms a state's ability to extract resources by such means as more effective governance or substantial

improvement in the country's capability to provide resources. This strategy carries with it more uncertainty but has the potential to increase a state's power greatly and relatively quickly. The unpredictability of the strategy—for revolutions often bring new governments as well as new capabilities—means that the hegemon may have less time to respond (meaning a greater sense of potential threat to the hegemon), and the hegemon needs to keep a wary eye on a proto-peer following such a strategy.

An **alliance** strategy, entailing an alliance by a proto-peer with another major state or states, clearly challenges the hegemon because it can overturn the status quo and reduce the hegemon's dominant role. An alliance has an immediate effect on power calculations, although it may take years to integrate the allies (without necessarily making them dependable). The hegemon can only see such a move as threatening.

A proto-peer can also attempt to increase its power by **conquest**, forcefully subjugating another state. Such a strategy immediately changes power calculations and represents an overt attempt to overturn the existing order. Typically, such a strategy requires large and capable military forces, both to make the conquest and to consolidate its gains. Not surprisingly, the hegemon finds this strategy highly threatening.

POSSIBLE HEGEMON RESPONSES

In analytical terms, the hegemon's problem is how to remain one for as long as possible, at an acceptable cost. A peer does not arise in a vacuum. If the hegemon sees a peer competitor emerging, it will impose additional costs upon the proto-peer to slow its growth and prevent a challenge from emerging. Imposing costs can range anywhere from punitive trade measures to outright sponsorship of internal strife. Such "conflict imposition" is a tool of the hegemon in regulating potential challenges. However, the hegemon wishes to avoid direct armed conflict because it can be expensive, may alienate allies, and can lead to overextension.

A hegemon could respond in four main ways: conciliate, co-opt, constrain, and compete. Like the proto-peer strategies, these terms are analytical constructs, and the primary difference among them is the

level of conflict the hegemon imposes on the proto-peer, with conciliate representing the least conflict and compete the most. The goal is to prevent any proto-peer from metamorphosing into a “principal rival,” reminiscent of the Soviet role vis-à-vis the United States during the Cold War.

The **conciliate** strategy, as its name implies, entails mostly cooperative behavior by the hegemon and is designed to increase common goals and limit friction. The hegemon expects the proto-peer to be an ally rather than a competitor as it grows in power, and its actions toward such a proto-peer are relatively free of conflict. Inherent in this strategy is the hegemon’s belief that the proto-peer does not pose a fundamental threat even if it matches the hegemon’s capabilities because the states have similar or compatible interests.

The **co-opt** strategy is a hedging strategy designed to increase the stake of the proto-peer in the status quo, thus reducing the motivation to change it. It is primarily a “carrots” approach, but the cooperation is more conditional than it would be in a conciliation strategy. The hegemon is willing to let the proto-peer’s power rise, but only if it modifies its behavior sufficiently so that it does not threaten the international system.

If the co-opt strategy hinges on “carrots,” the **constrain** strategy employs “sticks.” Its goal is to delay peer status without provoking a military conflict. The hegemon concludes that the proto-peer is likely to be a competitor and, to moderate its rise to power, aims to make clear the costs of such a competition. Conflict-imposition predominates in such a strategy, although the hegemon still sees a possibility of forestalling the emergence of a long-term competitor. The hegemon can modulate its strategy, increasing the sticks if the proto-peer continues to be bellicose or adding carrots if it becomes more conciliatory.

The **compete** strategy is primarily one of conflict designed to impose costs on the proto-peer, reduce its power, and keep it from achieving peer status. Ideally the conflict is not military, but that is the ultimate risk of this strategy. Given the high costs of the compete strategy, the hegemon must conclude that competition with the proto-peer is inevitable, that this poses a fundamental threat, and that the risks of not engaging in a strategy of conflict outweigh the costs. This

strategy offers little positive reinforcement, since the competition is seen in zero-sum terms. Once adopted, such a strategy may be difficult to modify or abandon.

Like the proto-peer, the hegemon can blend strategies. However, the hegemon must walk a fairly narrow line: too much conciliation can speed the growth of a competitor, and too much conflict can do the same. The time horizons associated with the strategies tend to be long, and a good deal of uncertainty surrounds all the possible choices.

THE INTERACTION OF PROTO-PEER AND HEGEMON STRATEGIES

Predicting the emergence of a peer competitor is difficult. However, aggressive proto-peer strategies of power aggregation and a hegemonic response high in conflict imposition are likely to lead to rivalry and competition. Exploratory modeling techniques presented in this report can clarify the specific patterns and combinations of strategies that might lead to rivalries. We stress, however, that the model is a reasoning tool, not a forecasting tool. It is useful for understanding the implications of decisionmaking represented in the decision rules of the framework (the two sets of strategies), though it has the potential to be developed into an operational tool.

The theoretical and modeling work leads to at least three inferences regarding the potential for emergence of a peer competitor:

- The U.S. preponderance of power makes the emergence of a peer competitor unlikely in the near future;
- The most likely route for the emergence of a peer competitor any time soon is by way of an alliance;
- Errors in a hegemon's assessment of a proto-peer are more critical than errors in a proto-peer's assessment of a hegemon.

With the predominance that the United States currently enjoys, emergence of a peer competitor stems as much from U.S. actions as from those of potential peers. The United States can either delay a peer's emergence or try to moderate its potential competitive tendencies. A potential peer has a limited number of options available

to become a peer, and it faces a difficult balancing act in pursuing policies that enable it to amass power without simultaneously alarming the United States. On the other hand, the United States faces its own delicate balance between not taking an overly confrontational stance in its policies toward potential peers and avoiding any actions or inactions that might hasten the rise of a peer competitor. The role of error in long-term assessment of a potential peer can be crucial, because a miscalculation can lead to unnecessary escalation and rivalry that would be difficult to undo.