Mounting costs, risks, and public misgivings of waging war are raising the importance of U.S. power to coerce (P2C). The best P2C options are financial sanctions, support for nonviolent political opposition to hostile regimes, and offensive cyber operations. The state against which coercion is most difficult and risky is China, which also happens to pose the strongest challenge to U.S. military options in a vital region.

**RESEARCH QUESTION**

- What alternatives to force can coerce unfriendly states to comply with U.S. wishes?

**KEY FINDINGS**

**U.S. Power to Coerce Is increasing Even as the Utility of U.S. Offensive Military Force Is Diminishing**

- The state against which coercion is most difficult and risky is China, which also happens to be the United States’ strongest anti-access/area denial (A2AD) rival and aims to reduce U.S. hard power options in a particularly vital region.

- Russia, Iran, and other states that are less powerful and prominent than China are more-susceptible targets for coercive power.

The Three Potentially Most Cost-Effective P2C Instruments Available to the United States Are Financial Sanctions, Support for Nonviolent Political Opposition, and Offensive Cyber Operations

- Financial sanctions can deliver calibrated economic pain with precision, from targeting individuals, to hurting targeted sectors, to slowing economic activity as a whole. Financial sanctions on China would be more complex, difficult to implement and maintain, and perilous for the world economy than are such sanctions on Russia or Iran.
• Support for prodemocracy opposition can be very threatening and therefore high leverage. This method of coercion is most likely to work against Iran and least likely to work against China.

• Offensive cyber operations are a high-return, high-risk coercive option. They may be regarded as a nonphysical form of warfare, thus as much hard power as P2C. Still, if skillfully targeted and calibrated, with collateral damage avoided, they could be very effective. The risks and costs of retaliation and escalation are considerable if the target country is a “cyber power,” as China and Russia are. Iran is more susceptible to cyber coercion.

RECOMMENDATIONS

• The United States and its friends should redouble their efforts and refine their ability to monitor financial assets and flows, and when necessary effect the isolation of recalcitrant states and banks that might do business with them. The G7 (plus Switzerland) could endorse and enable the cooperation of its leading banks.

• The U.S. State Department and intelligence community should hone their capabilities to influence political developments in hostile states. But the United States should tread carefully and not assume that it can control the dynamics or result of political opposition.

• Offensive cyber operations may be the most powerful but also the riskiest P2C option. More work is needed on how to deal with the dangers of retaliation and escalation. It may be that U.S. reliance on computer systems and the vulnerabilities that stem from this reliance will make cyber operations a tool of coercion that the United States wishes to discourage, not use.

• The U.S. government ought to prepare for the use of coercive power as it does military warfare. This includes analysis of options, assessing requirements and capabilities, and conducting war games and other exercises to refine these capabilities.

• Just as authorities, lines of command and control, and support responsibilities are delineated for the use of hard power, so should they be for coercive power.

• Given the critical importance of allies to the effectiveness of P2C, consultations and joint planning should be conducted.