

ESCAPING THE TRAP: DECISION-MAKING IN
POWER TRANSITION CRISES

by

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Abstract

With the rise of China, the question of whether the United States and China will go to war becomes more prevalent. In power transitions, the international norm is that the rising power will challenge the dominant power by going to war, a dynamic known as the Thucydides' trap. The following study analyzes the courses of action during crises that mitigated war during two such prior cases: the United States versus United Kingdom, and the Soviet Union versus the United States. Based on the findings, conclusions are drawn as to how the United States can prepare itself for a crisis with China and recognize which courses of actions will be most effective at preventing war.

Introduction

“The growth of the power of Athens, and the alarm which this inspired in Sparta, made war inevitable” (Thucydides, 1910). Thucydides’ was a Greek historian who documented the Peloponnesian War. The argument Thucydides made at the time has been used throughout history to describe a rising power clashing with the dominant power. In most cases of rising power-dominant power disputes, the result is war, as Thucydides correctly asserts. Sparta was considered to be the dominant state and Athens was the rising power. Fast forward to the 21st century, the United States finds itself in a similar situation as Sparta. Like Sparta, the United States is experiencing a threat to its power from a rising China. Although most situations have resulted in war, not all rising powers have gone to war against a dominant power during a power transition. The rise of the United States against the United Kingdom is an example of a transition that did not result in war, a case which will be explored deeper in this research.

For the United States to maintain its presence as a world leader, the country needs to focus on how to manage rising powers. The basis for prescription of what to do in future situations stems from the results of previous actions enacted towards rising powers. Based on the analysis, the United States can adapt previous decisions towards new scenarios or change the method used if the previous response was unsuccessful. With the increasing threat to the United States, the questions become: How can state actors within power transitions influence the outcome of crises? How do crisis situations during power transitions not result in war?

Literature Review

Examination of what is already known about the topic provides the necessary context to answer the previous questions. The first section of the literature review highlights the attributes

of rising powers which helps to identify them. The next section discusses approaches dominant powers take towards rising powers. Following that section is research done on power transitions and when power transitions occur. The section thereafter identifies clashes in history that have resulted in power transitions. Lastly, the literature review discusses the importance of alliances and concludes with the contribution of this research on the body of literature as a whole.

Rising Powers

Determining what constitutes a rising power is important in discerning when the rising power is capable of confronting the state in power. A common theme throughout the literature and across history has been to use military capabilities to define power. However, military power is only one dimension of a state's power. More reflective of a state's power is the combination of its military capabilities, economic wealth, natural resources, demographics, and political stability (Nye, 2010; Schiffer, 2009; Waltz, 1979). When a state has an abundance of each category, the state is considered powerful. The literature accurately reflects that power can no longer be solely measured along the military dimension, but that power is derived from other sources as well. Understanding all the sources of power is helpful in determining which states can be considered rising powers who will then eventually challenge the dominant power.

Once a state is considered a rising power, the rising state will begin to exert its influence in an attempt to change the international system. This rising state will only consider changing a stable international system if the change will allow the state to become more profitable. The way states change the international system is via territorial, political, and economic expansion. States will continue to press for change in the system until the costs of change exceed the benefits derived from the change. Lastly, if the international system enters a state of disequilibrium, it is the responsibility of the dominant power to fix the disruption; otherwise it allows the rising state

to create a new equilibrium emphasizing a new distribution of power (Gilpin, 1981). In sum, all states, especially rising states, want to maximize their power and expand their wealth (Nel, 2010). Although more difficult to discern, another important facet of recognizing a rising power is through its acknowledgement by the international community. When these powers are offered a “seat at the table,” the rising power becomes an established part of the international system (Schiffer, 2009).

Although the literature describes the factors characteristic of a rising state, the literature does not provide any concrete measures that, if surpassed, indicate the state will officially be considered a rising state. Instead, the literature concludes that determining whether a state is considered rising is subjective rather than objective. Understanding in what realm rising states’ power lies, and where they choose to expand, provides the dominant state the necessary information to develop policies that will prevent an upheaval of the power structure.

Dominant Power

The states most successful in world politics achieve the outcomes they prefer because other states are willing to submit (Nye, 1990). One way that the dominant state attempts to control other states is through the use of military force. The dominant state’s military superiority can deter emerging powers from challenging the dominant state (Layne, 2012).

Not only does the dominant state control with its military capabilities, but the dominant state typically has the largest economy and greatest economic capacity compared to other states. Power is measured through military and economic strength (Miskimmon & O’Loughlin, 2017). As the dominant power, the state will continue to grow, however do so by maintaining a moderate and stable growth rate (Lai, 2011, 7). In contrast, a rising power, due to its rapid internal economic growth, will reflect an exponential growth in power (Lai, 2011, 7).

Another important feature of the dominant state's power is the stability of its government system (Schiffer, 2009). The internal success of a country directly impacts the success of a country externally. Countries considered dominant powers, those which influence the world stage, do so because they have a political system, ideology, and culture desired by other countries (Nye, 1990). States will then be more willing to cooperate and follow the leadership of the dominant power. The collective identity within the state creates the motivation to use power to spread these ideals, providing legitimacy through which to pursue power rather than using force (Nau, 2001). For the United States, the country's strongest characteristics are its ability to command respect, build lasting partnerships, and create strong alliances (Ikenberry, Walt, & Lydon, 2007). As the dominant state, the United States is able to persuade other countries to comply with its agenda and to develop preferences or to modify their interests based on values and norms that coincide with those the dominant state, this is the essence of soft power (Nye, 1990).

Changing Power

Rising states' power threatens the dominant power structure in the system which can lead to a power transition and ultimately a shift in the power structure. Power transitions are integral to international relations and occur when the rising state eclipses the declining states in cumulative power. These power shifts are defined as significant changes to the military and economic balance in the world (Lee, 2006).

Power transition and power shift are often used interchangeably. The definition of power transition is the act of a rising power usurping the dominant power, whereas the definition of power shift refers to the overall change in power distributions within the international system. This distinction is important to maintain throughout this study to ensure clarity (Lee, 2006).

The most prominent theory of power shifts is the *power transition theory* which posits that the rising state becomes dissatisfied with the status quo when it no longer accurately reflects power realities (Organski, 1968). As soon as the dominant power shows a relative decline, the rising power will feel emboldened to test the current world order in order to reshape the international system to reflect its new interests, norms, and values (Layne, 2012).

The *power transition theory* highlights the desire of rising states to alter the status quo, because states feel the status quo should more accurately reflect their power. The moment at which rising powers seize the opportunity for change is when the dominant power is perceived to be in relative decline. This relative decline acts as a signal in the international system that the rising state will begin to flex its power and the dominant state should prepare to respond or preempt the rising state's actions. When rising states begin their transition demonstrating greater power capabilities, the change in the power relationship between countries leads to new patterns of power distribution that disrupts the international system and inevitably lead to conflict (Organski, 1968; Gilpin, 1981; Welch, 2003; Schiffer, 2009).

The steady growth of the dominant power compared to the exponential growth of the rising power is reflected through different phases in the following figure:

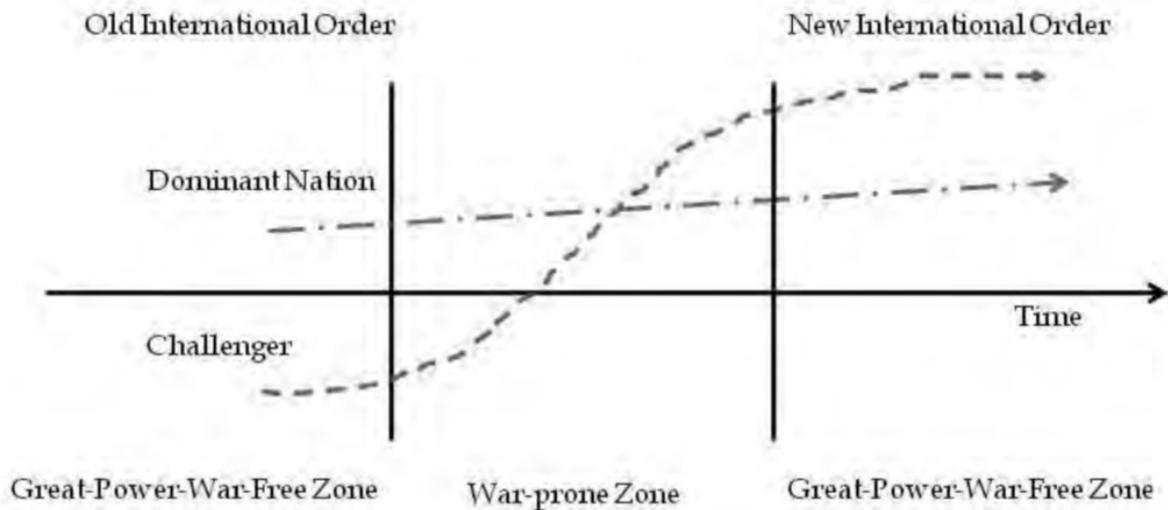


Figure 1. Logic of war and peace in power transitions. Lai, D. (2011). *The United States and China in Power Transition*. Retrieved from <https://apps.dtic.mil/dtic/tr/fulltext/u2/a555133.pdf>

The figure depicts three phases: the great-power-war-free-zone, war-prone zone, and the great-power-war-free-zone again. When the rising power, depicted as the “Challenger,” reaches the economic and military strength to *challenge* the dominant power, the two states enter the war-prone zone (Lai, 2011). Within the war-prone zone are friction points that could trigger war. The power transition continues in the war-prone zone until there a power shift which establishes a new international order in the great-power-war-free zone.

When rising states attempt to change the balance of power in the international system, the common expectation is that this change will result in war. The literature focuses predominantly on war as a method of a power transition, rather than a peaceful transition of power. The focus of this study is to determine which policies lead to an amicable power transition and power shift.

Clashes in History

War is also one of history's great catalysts in rearranging the international distribution of power. States rise and decline over long stretches of time, but war can speed the process, pushing some great powers dramatically upward and others dramatically downward.

Wars do not just produce winners and losers on the battlefield; they also break apart international order and alter the power capacities of states (Ikenberry, 2001, 257)

The significance of war between rising and dominant powers is the resulting power shift. After war, the world order is altered, and a new status quo is implemented. The most significant changes occur when the global power structure is threatened by a rising power. To provide a brief overview, beginning in the late 15th century, Portugal was the dominant state in power, with Spain challenging Portugal's global empire and trade. The result was a peaceful transition and shift in power. On the other hand, another instance of global power transition led to war. In the mid-to-late 17th century, England confronted the Dutch Republic for control of its global empire, as well as for trade and naval dominance. Soon after, with more power, England (now the United Kingdom), rose up against France to dominate its global empire and assert itself over Europe. Again, the result again was war. Later, the United States challenged the United Kingdom's role in dominating the global order. The United States surpassed the United Kingdom exhibiting both military and economic dominance. The result was a peaceful transition between the rising power and dominant power. The most recent example of a rising state vying for greater global power was the Soviet Union rising against the United States. The result was a shift to a bipolar period and the eventual collapse of the Soviet Union, without war (Allison, 2017).

Wars are triggered in response to perceived threats, and the threat for a dominant state is the rising state. As the dominant state experiences decline, it will want to engage in war to

prevent the rising power from surpassing it (Gilpin, 1981). Coupled with the rising states' willingness to fight that stems from being dissatisfied with the status quo, the two states typically go to war against each other (Lee, 2006). As Thucydides notes, the increased tensions that occur when the dominant state views its power in decline and the rising state frustrated with the status quo, make war likely. The tensions can escalate a seemingly benign situation into a crisis which can result in war and the consequent shift in power (Welch, 2003; Allison, 2017).

Value in Cooperation

Smart power, a combination of both soft and hard power is manifested through alliances. As noted earlier, soft power is the ability of states to persuade others to do what it wants (Schiffer, 2009). Hard power refers to a state's use of military force to coerce others to do what it wants (Nye, 1990). For the dominant power to continue to maintain its power in the world, it often invests in relationships with allies and partners to ensure their support is available when needed (Ikenberry, Walt, & Lydon, 2007). Then to be effective in achieving its goals, the dominant power must facilitate these relationships to help it address emerging threats and powers (Ikenberry, 2001). The soft power benefit of alliances supports the dominant power politically and supports the world order established by the dominant power. The hard power benefit of alliances are foreign bases allowing the dominant power to project its force, coupled with the defense networks the alliance establishes (Grygiel & Mitchell, 2016). Alliances strategically benefit the dominant power, and maintaining those alliances will become increasingly important as rising powers begin to assert their strength.

Contribution

To continue the story already written, this study will build on the dominant literature regarding rising and dominant powers. When a rising power challenges the dominant power, the

disruption in the international system typically results in war. The ensuing conflict stems from a crisis situation in which leaders will have to make a decision in a short period of time often without sufficient information (Hermann, 1972). As these crisis situations can be the catalysts for war, the goal for this study is to uncover actions that can be taken to deescalate crisis situations and prevent war. As in the previous literature, case studies will be analyzed for friction points that lead to crisis situations and how crisis situations are dealt with to prevent war.

Analytical Framework

The importance of this study is emphasized in the 2018 *National Defense Strategy of the United States of America* which identifies China as one of the biggest threats facing the US. Russia is also considered a rising power that could engage in war against the United States, however, Russia cannot rival the United States economically like China currently can. Consequently, China is a greater rising power threat to the United States than is Russia, and the outcome of the U.S.-Chinese power conflict is still to be determined.

To try to anticipate the outcome, this study will build upon the literature. The goal is to analyze which policies and actions taken by both rising and dominant states result in peaceful transitions. The outcome could be a peaceful power shift or no power shift, with the dominant power maintaining its status. The results of the study will offer an explanation into which policies and actions would create the most mutually beneficial outcome for both states (no war) and generate hypotheses to that effect.

Important terms to note in the study are: rising state, dominant power, power transition, and power shift. A rising state is characterized by its expansion of power and wealth and its desire to take a greater part in global affairs (Nel, 2010; Schiffer, 2009). The dominant power is

the country that is superior on military and economic fronts and has greater control over other states (Layne, 2012). Power transition is denoted as the moment when the rising state surpasses the declining, previously dominant, state (Lee, 2006). Power shift is defined as the changes to the military and economic balance in the world as a result of a power transition (Lee, 2006).

Methodology

To answer the question of how war can be avoided in these circumstances and to generate hypotheses regarding such outcomes, the research involves a comparative small-n case study analysis. The broad time parameters used to analyze relevant power transitions are from the late nineteenth century to the present. The cases begin during the late nineteenth century because, during that time, the United States began to assert its growing power. General Mark Milley, Chief of Staff of the U.S. Army, argued that the current state of China is reflective of the US at the end of the nineteenth century and start of the twentieth century. At this time, the industrial revolution was in full swing, which is considered the beginning of globalization. The impact of trade on the countries, as well new technologies due to globalization, added another level of complexity to the relationships between countries other than solely military might that dominated previous power transitions.

A comparative case study is used to determine which policies lead to which outcomes in power transitions. There is no single particular case of a power transition that reflects the situation in which the United States and China currently find themselves. Therefore, the two most recent power transitions will be examined. This small-n qualitative study allows for an in-depth analysis of the dynamics about the complicated situations of power transitions. The selection criteria for the cases follows Mill's Method of Agreement, since the outcome of each

case results in a peaceful transition. Applied history will be used to determine what historical events and precedents can be extracted and used to understand the relationship between the players in the case and then extrapolated to the current case of the United States and China. The evidence for each case comes from historical records, think tanks, research, and other published materials to gain a broad, accurate understanding.

As noted earlier, this study examines two cases. The first case is the power transition between the United States and Great Britain in the late nineteenth century, specifically focusing on a crisis during the Cleveland administration from 1893 to 1897. During this period, Great Britain was the superpower and the US was the rising power, since it had the economic and military abilities capable of challenging Great Britain's power. Due to the parallels between the United States at this time and the current Chinese assertiveness, this case study is pertinent to understanding the U.S.-Chinese case. The policies taken to resolve this conflict will then be analyzed. This overall outcome of the case is an example of a successful, peaceful power transition and ultimately a power shift.

The next case analyzed is between the United States and the Soviet Union, specifically during the Khrushchev administration from 1953 to 1964. The United States was the primary superpower, while the Soviet Union had the military capabilities to match U.S. power. With the rise of the Soviet Union, the two powers engaged in a bipolar period of power in which both states were considered superpowers, until the Soviet Union began to experience economic decline. The Soviet Union's rise was countered by the United States and the two states dominated the world stage. With the advent of mutually assured destruction via the threat of nuclear weapons and differing political ideologies, the case between the United States and the

Soviet Union is incredibly important to understand. The weapons capabilities and difference in ideology between the United States and China emphasize the similarity between the two cases.

In order to develop hypotheses from previous cases, parallels between the previous cases and the U.S.-China case need to be established. The overlaps between these prior cases and the potential upcoming case will highlight the policies that the United States could employ against China to find a peaceful resolution to a crisis.

The first two factors analyzed within the case between the U.S.-U.K. and the U.S.S.R.-U.K. are economics and force projection capabilities. The economic growth and increased force projection capabilities identify the rising power. The challenge with two case studies in different time periods means that there are no specific economic or military thresholds the rising power needs to overcome. Rather, the recognition of the rising power as a threat by the world, and specifically by the dominant power, is enough to consider it a rising power. The economic aspect of the case study reflects on the economic relationship between the two powers and the economic policies pursued during the specific administrations. The force projection capabilities refer strictly to the increased capabilities that can threaten the dominant power.

The last factor, crisis response, will focus on a specific crisis in each case. For each crisis, the point of friction will be identified and, using backwards induction, the decision points will be analyzed. The crisis for the U.S.-U.K. case study will be the Venezuela Border Crisis, a territorial argument between Venezuela and British Guiana. The United States decided to become involved and W.T. Stead, a journalist from England, remarked that the government should do whatever it takes to not “stumble into a head-on clash with the Americans” (Boyle, 1978). The crisis analyzed for the U.S.S.R.-U.S. case will be the Cuban Missile Crisis. When the United States discovered the Soviet Union was trying to establish nuclear-tipped missiles in

Cuba, in direct proximity to the United States, the situation escalated to crisis (Graham, 2017). In both cases, the crises were resolved, and war was avoided.

Case 1: The United States versus the United Kingdom

Economics

Economic policy plays a significant role in defining the rising power and the consequent relationship between the rising power and the dominant power. One characteristic of a rising power is an emerging economy that has the capability of rivaling and eventually surpassing the dominant powers' economy. The growth of the economy due to industrialization provided the United States with the power needed to rival the most powerful state at the time, the United Kingdom.

The economic relationship that formed between dominant and rising powers began with trade agreements between the two states. Without each other as trading partners, the rising power's economy could not reach the level of the dominant power. The dominant power traded with the rising power due to economic incentives. Because of their economic interconnectedness, the two powers were able to use economic policies to weaken each other without going to war.

In the nineteenth century, the burgeoning American economy had become a "fiscal-military state" focusing on increasing tax revenue and power of the federal government which allowed for its foreign policy to reflect the growing American power (Zakaria, 1998, 93). Along with its growing power, the United States was engaged in favorable trade practices with the United Kingdom. The United Kingdom overall pursued an economic policy of free trade and maintained that policy with its colonies, parts of the developing world, and the United States (Lake, 1988, 41). That free trade policy encouraged "open door" or "non-discriminatory" tariffs

while promoting the export of raw materials and import of finished products (Lake, 1988, 41). The free trade policy was beneficial for the United Kingdom until the United States began to exploit this policy for its economic benefit.

In 1887, a modification in American trade policy was intended to enact tariff policies that continued to protect infant industries in the United States while expanding exports (Lake, 1988, 40). Latin America was the primary driver of these export policies. The goal was to redirect trade from Latin America away from Europe, specifically the United Kingdom, and towards the United States. These ideas were eventually represented by the McKinley Tariff Act of 1890 (Lake, 1988, 42).

The McKinley tariff was a “protective” tariff because its primary purpose was to ensure that American industries would be safe from British manufacturing pressures (Palen, 2010, 397). The impact of the McKinley tariff was felt across the United Kingdom when its stock market crashed. The British blamed the tariff for the depression and the Canadian prime minister asserted that the goal of the tariff was to “paralyze British trade [and] ruin its industries” (Palen, 2010, 399). The *London Times* declared the tariff an “unprovoked war on the British Empire” (Palen, 2010, 399). In a sense, the tariff attacked the British economy, preempting a trade war. With the power of the British economy, it was within Britain’s capabilities to counter the tariff with its own methods of economic warfare. However, the United Kingdom refrained from engaging in retaliatory economic practices, tolerating the tariff (Lake, 1988, 41). The British economic posture was influenced by its hegemonic role and industrial superiority, allowing it to maintain its free trade policy (Palen, 2010, 395).

Although the United Kingdom was experiencing economic difficulties, it was still the largest contributor to the international economy (Lake, 1998, 41). Both the United Kingdom and

the United States sought the potential of Latin American markets to enhance their own economies. Although the United Kingdom had already established trade relations within Latin America, the United States had the additional benefit of being the northern neighbor to Latin America. The United States' location provided an economic advantage that would aid in increasing U.S. influence in the region (Lake, 1988, 41).

Despite this geographic advantage for the United States, the United Kingdom still dominated Latin America both economically and militarily. In the eighteenth and nineteenth centuries, the United Kingdom experienced the largest flow of British capital to Latin America, effectively establishing a powerful influence in the region (Humphreys, 1967, 146). By expanding into Latin American markets, the United States sphere of influence was increasing, and the rising state was preparing to overtake the dominant state economically (Humphreys, 1967, 146).

Force Projection Capabilities

In order to expand their influence, rising powers need the corresponding military strength to enforce their expansion. For the majority of modern history, force projection was measured through naval power; specifically, the larger the navy, the greater the power. During the nineteenth century, the British Navy dominated the seas. At the end of the nineteenth century, the United States authorized construction projects to build up its naval power. Included in these projects were the first battleships, highlighting a shift in American foreign policy (Zakaria, 1998). A battleship provided offensive capabilities necessary for the United States to begin focusing on interests beyond its borders. The naval buildup was an indication of the growth of United States and the establishment of the state as rising power. By the 1890s, the U.S. Navy had doubled in size and its capabilities matched those of the British Navy (Zakaria, 1998). Although the United States had built a navy to rival the British Navy, the British Navy maintained the

upper hand in force projection capabilities, as the United States had little experience deploying its navy to accomplish its foreign policy goals. With its colonial rule around the globe, the United Kingdom had extensive experience using its navy to implement its foreign policy. Nonetheless, the United States had effectively used its industrial might to create a world-class navy in a few years. With the growth of U.S. naval power, the United States could expand its foreign policy agenda.

Crisis Response

By the end of the nineteenth century, the United States met the economic and force projection capabilities required of a rising power, and the United States began to rival the United Kingdom. The news media played an important role in setting the tone for American power, furthering the rivalry between the United States and the United Kingdom. *The New York Herald* portrayed American growth by presenting news on the burgeoning rivalry between the United States and the United Kingdom, which would lead to the “inevitable American triumph” (Van Alstyne, 1939, 151).

As the United Kingdom became more heavily involved in Latin America, the United States perceived those actions as an attempt to expand the British Empire (Van Alstyne, 1939). The United States wanted to exert its influence beyond its borders, and due to its geographic proximity, Latin America was the primary target. The United Kingdom however, was unwilling to relinquish control and influence Latin America and wanted to maintain its presence as a barrier to American expansion into the region (Bourne, 1961, 287). In a letter to the Queen of England, Sir John Harding emphasized that if necessary, Great Britain could send a fleet or troops to Latin America in response to U.S. activity there (Van Alstyne, 1939). With British recognition in the late 1890s that as the “most significant rising power in the world” the United

States threatened British interests in the region leaving two options: challenge or accommodate the United States (Zakaria, 1998, 166). In response, the United States had to decide whether to comply with or challenge the United Kingdom's political agenda.

The friction point that became a crisis involved boundary issues. Since the eighteenthies, the boundary of British Guiana by the Orinoco River has been a contentious issue between Venezuela and the United Kingdom (Zakaria, 1998, 148). Over the years, Venezuela attempted to persuade the United States to become involved by emphasizing the Monroe Doctrine. The campaign for U.S. involvement warned against the consequences of Britain winning the dispute, asserting that European influence was "dangerous to the peace and security of the United States" (Humphreys, 1967, 146). In 1894, Venezuela again appealed to the United States to challenge British control of the Orinoco River (Humphreys, 1967, 142). This time, as a rising power the United States entered into the dispute.

The United States justified its involvement in the dispute due because it was occurring in the western hemisphere and it concerned U.S. "'honor' and 'interests'" (Zakaria, 1998, 149). Therefore, the United States felt obligated to respond. The United States expanded on the honor and interests aspect by emphasizing its position to defend and protect any state in the western hemisphere whose right to "self-government and freedom" were being denied (Zakaria, 1998, 149). This sentiment set the precedence for intervention in the eighteen-nineties.

In 1895, the United Kingdom issued an ultimatum to Venezuela to repay its debts further antagonizing the situation in Venezuela (Schake, 2017, 146). In response to British demands, Americans used the supremacy of the Monroe Doctrine, "'peaceably if we can, forcibly if we must'" to justify potential action taken against the British (Schake, 2017, 156). The United States, however, focused on arbitration, a diplomatic solution to the crisis. In response, Prime

Minister Salisbury rejected arbitration of the dispute (Schake, 2017, 156). The rebuttal was provided by Secretary of State Olney and was commonly referred to as “Olney’s twenty-inch gun” (Schake, 2017, 156). Olney argued that the United States has the right to determine how a dispute is to be settled between European and Latin American powers (Schake, 2017, 157).

After British rejection of the arbitration, President Cleveland continued to put pressure on the United Kingdom in regard to Venezuela which increased tensions between the United States and United Kingdom. The dispute and Olney’s argument expanded the interpretation of the Monroe Doctrine to not only include preventing the establishment of colonies, but also limiting European involvement in Latin America without prior approval by the United States (Schake, 2017, 157). The United Kingdom responded by increasing troop presence in Venezuela (Schake, 2017, 158; Zakaria, 1998, 146).

Thus, the United States and the United Kingdom were moving towards war. President Cleveland stoked the fire by asking Congress for authorization regarding the use of “every means in its power” to act against Great Britain for territories that belong to Venezuela (Schake, 2017, 157-8). President Cleveland continued to adamantly defend the Monroe Doctrine: “I am fully alive to the responsibility incurred and keenly realize all the consequences that may follow” (Zakaria, 1998, 151). The United States chose to threaten war against Great Britain, although that was not the course of action the United States truly desired (Schake, 2017, 160).

The threat of war against the most powerful state shocked the public (Zakaria, 1998, 151). Although shocked, the American public was willing to go to war with the United Kingdom, whereas the British very much wanted to remain on good terms with the United States, preventing war (Wheatcroft, 2010, 35). A war would cripple both economies due to their economic ties to each other. The threat of war was enough to cause a stock market crash in both

states which remained highly volatile until the crisis was resolved (Wheatcroft, 2010, 35; Zakaria, 1998, 151). The British High Commissioner in South Africa noted: "...this difficulty coming at the present moment is very unfortunate as it is generally feared that the United States intends to go to war with us..." (Gibb, 2005, 24). Sir William Harcourt regarded to the situation as: "...by far the gravest and by far the most important of all the difficulties with which we are surrounded" (Gibb, 2005, 24).

Because the United States and the United Kingdom were both reluctant to escalate the crisis into war, the conflict was settled quickly with arbitration of the boundary issue (Zakaria, 1998, 151). The timing was poor for the United Kingdom. Due to other problems with its colonies, Great Britain was forced to concede to U.S. demands (Gibb, 2005, 23). The acceptance of arbitration by the British government signified the arrival of the United States on the "diplomatic world stage" (Gibb, 2005, 24). The fact that the United States was not directly involved in the dispute emphasized its increase in power and legitimacy.

The acknowledgment of the expanded Monroe Doctrine by the British (that the U.S. claimed the right to intervene in any matter in the western hemisphere), paved the way for the spread of American influence and the continued rise of the United States (Zakaria, 1998, 151). Coupled with increased force projection capabilities and an expanding economy, these crises diminished the power of the dominant state as it acquiesced to the rising state.

Case 2: The Soviet Union versus the United States

Economics

Soviet economic policy was rooted in concentrating resources to increase military capabilities. The Soviet Union prioritized "means of production," including 70 percent of their

total production which focused on machines and raw materials that would promote the production of arms (Michalowski, 1959). Comparatively, the United States had 25 percent of production dedicated to “arms” production (Michalowski, 1959). Although the difference in percentages were stark and made it seem as though the United States did not spend nearly enough on military production, the level of economic development narrowed the margin between the two superpowers (Michalowski, 1959). While the Soviet economy was outperformed by non-Communist countries, the Soviet Union still spent significantly more on arms production than the United States to increase its military strength (Michalowski, 1959).

In 1957, the Soviet Union changed its economic plan (Five-Year Plan for 1956-60), announcing that its industry growth factor would decrease to a seven percent increase rather than a 10 percent (Michalowski, 1959). This change was to accommodate its new Seven-Year Plan which emphasized large-scale capital investments and industrial construction (Michalowski, 1959). The establishment of the Seven-Year Plan, and the Soviets’ aggressive behavior in pursuing trade with “underdeveloped and uncommitted” states, emphasized the Soviet desire to grow its economy (Michalowski, 1959, 22). Underdeveloped states would benefit from foreign investment, and uncommitted states in the global Cold War represented a growth opportunity for an anti-capitalist, anti-American relationship. Previously, the Soviet threat to the United States had been due to its military capabilities, but the new plans increased the likelihood the Soviet Union would pose an economic threat to the United States as well (Michalowski, 1959, 22). The economic policy of the Soviet Union directly impacted the military potential of the Soviet Union and, if used successfully, the Soviet Union could harness its economy to further its military goals, placing direct and indirect pressure on the West.

By 1963, the Soviet Union was in the fifth year of its Seven-Year Plan and had significantly increased its trade agreements with other countries. The Soviet Union had accomplished a seventy percent growth in its economy in a span of ten years (Folkin, 1965, 39). As a result, the Soviet Union had become a leader in foreign trade, behind only to the United States, Germany, Great Britain, and France (Folkin, 1965, 39). The economic power and military capabilities made the Soviet Union a formidable opponent to the United States, unlike other states with powerful economies. Soviet trade was focused to members of the Council of Mutual Economic Assistance, countries with a similar ideology to the Soviet Union (Folkin, 1965, 41). The Soviet Union was successful economically because of its trade associations with countries with similar socialist systems.

These Eastern bloc countries also played a pivotal role in the economic output of the Soviet Union. The association of the Soviet Union with the Communist regimes of Eastern Europe influenced Soviet leaders to provide resources when unrest occurred in the region. Poor living conditions in the nineteen-fifties began a series of uprisings that threatened Communist influence in the region (Michalowski, 1959). Soviet leaders recognized sent resources to Eastern Europe to protect both these Communist regimes and the Soviet Union, although the level of industrial output within the Soviet Union would decrease as a result (Michalowski, 1959, 22).

Part of this economic expansion to members of the Council of Mutual Economic Assistance was based on socialist internationalism. Socialist internationalism referred to the combining of efforts between countries for their individual economic advancement as well as the overall effort to promote the socialist system (Folkin, 1965, 42). Such cooperation caused the Soviet Union to be ahead of its estimates in the Seven-Year Plan in terms of both foreign trade and growth (Folkin, 1965, 40-43).

The Soviet Union capitalized on trade with non-socialist developing states, specifically those in Asia, Africa, and some Latin American (Folkin, 1965, 53). Within these developing countries, the Soviet Union invested through a credit, loan-repayment system (Folkin, 1965, 54). These credit loans allowed 23 developing countries to build 500 “industrial enterprises” as well as fund other investment projects (Folkin, 1965, 54). In 1963, 11% of Soviet foreign trade came directly from such developing states (Folkin, 1965, 54). By continuing their trade with these developing countries, the Soviet Union sought to establish a foundation through which these countries could become economically and politically independent (Folkin, 1965, 60). As these countries developed, their economies became more successful which contributed to the success of the Soviet economy. This aligned with the Leninist principle of “peaceful coexistence” with the Soviet Union “consistently advocating the maximum development of trade among all countries on the basis of genuine equality and mutual benefit” (Folkin, 1965, 60).

Soviet trade was by no means exclusive to developing countries. The Soviet Union traded with capitalist states including Finland, Great Britain, Japan, Germany, Italy, France, Sweden, and Austria (Folkin, 1965, 60). Trade agreements between two different economic systems were possible, and capitalist countries recognized the benefits of engaging in trade with the Soviet Union. Under long-term agreements, trade promoted stable and lasting economic relations, which in turn, promoted a peaceful coexistence (Folkin, 1965, 61) and the normalization of political relations among ideologically contrasting states (Folkin, 1965, 68). As Diumulen (1965, 47) noted: “The Soviet Union always seeks to avoid burdening the trade and payment balance of the other party and to strengthen its exchange and financial position...” (Diumulen, 1965, 47). Still, the Soviet Union incentivized trade relations with developing countries.

If there was trade with other capitalist states, why was there no trade with the United States? Trade between the United States and the Soviet Union had previously existed, but U.S. restrictions on trade with the Soviet Union during the Cold War reduced trade until it became nonexistent (Alkhimov & Fischer, 1959, 34). Premier Khrushchev reached out to President Eisenhower regarding the normalization of trade between the United States and the Soviet Union to which President Eisenhower responded, “the United States favors the expansion of peaceful trade with the Soviet Union [and is asking] the Department of State to examine the specific proposals” from Premier Khrushchev (Alkhimov & Fischer, 1959, 35). The Soviet Union indicated that it was “‘prepared to place large orders with American firms’ that would ‘help to spur American industrial activity’ and to increase consumer goods available to American buyers” (McIntyre, 1959, 1). Khrushchev appealed to the United States by quoting the late Secretary of State Cordell Hull, when he said: “commerce and association may be the antidote for war” (McIntyre, 1959, 3). Similar sentiments were repeated by other Soviet leaders to incentivize trade relations between the Soviet Union and United States. First Deputy Premier Frol Kozlov noted: “we are neighbors. The shores of our countries are washed by the same Pacific Ocean. Therefore, we favor development of trade between our two countries across this ocean” (McIntyre, 1959, 3). Kozlov focused his arguments on the benefit of improving relations, including billions of dollars in commerce, new outlets for American exports, and additional jobs for the American people (McIntyre, 1959, 3). Yet frustration was building on the lack of willingness from the United States to conduct such trade.

In summary, during the Khrushchev administration, although the Seven-Year Plan, exceeded its foreign trade goals, it did not accomplish objectives regarding national income, agriculture, standard of living, labor productivity, and so on (Sosnovy, 1966, 620). These other

objectives were vital to the internal development of the Soviet Union in establishing a standard of living.

Force Projection Capabilities

At the end of World War II, the Soviet Union had gained ground in Europe. With Soviet forces occupying the east side of Berlin and all countries east of the Iron Curtain, the Soviet Union became a greater threat to the United States and western allies. Military planners, who were focused on capabilities rather than intentions, recognize the threat this posed to Western Europe (Kennan, 1976, 681). Previously, the Soviet Union had “slow-moving ground forces, defensively strong on their own ground but not well fitted for offensive purposes against a strong Western opponent,” but now the United States had to contend with the reality that the Soviet Union had “modern, mechanized units with equipment little inferior, sometimes not inferior at all, to that of the Western armies themselves” (Kennan, 1976, 681). Increased Soviet capabilities reinforced the fear of Soviet military intentions.

The greatest threat and increase in force projection capabilities of the Soviet Union was the development of nuclear weapons. The destructive and suicidal nature of these weapons was readily understood by both players. In the United States, the perspective was maintained that if “Russians had the weapon, and the necessary carriers...that they had a desire to use it and would, if not deterred, do so” (Kennan, 1976, 682). The two superpowers recognized that war would result in the use of nuclear weapons. Policy makers understood that a war between the United States and the Soviet Union could not be won because of Mutually Assured Destruction (MAD) (Békés, 2017). Although MAD was in place, the Soviet Union and the United States retained their nuclear stockpiles and continued to produce arms throughout the Khrushchev administration.

Crisis Response

Initially, the Soviet Union's policy was: "our nuclear weapons are so powerful in their explosive force and the Soviet Union has such powerful rockets to carry these nuclear warheads, that there is no need to search for sites for them beyond the boundaries of the Soviet Union" (Allison, 1971, 40). The arrival of shipments to Cuba possibility of nuclear weapons being shipped to Cuba increased tensions between the United States and the Soviet Union. American leadership repeatedly emphasized that the US would not tolerate offensive weapons in Cuba. President Kennedy firmly stated if Cuba "become[s] an offensive military base of significant capacity for the Soviet Union, then this country will do whatever must be done to protect its own security and that of its allies" (Allison, 1971, 41). The United States established a clear red line, warning the Soviet Union of potential repercussions should the red line be crossed. On October 14, 1962 U.S. intelligence discovered offensive Soviet weapons in Cuba (Welch, 1989, 432).

The Cuban Missile Crisis signifies the height of Cold War tensions. Based on U.S. intelligence reports, U.S. leadership determined six possible courses of action in response. The options included: do nothing, pursue diplomatic measures, make a secret approach to Prime Minister Castro, invade Cuba, employ targeted air strikes, and establish a naval blockade (Allison, 1971, 59-60). In a crisis situation, the first decision that needed to be made was whether to take action or do nothing. In the Cuban Missile Crisis, doing nothing was quickly removed as an option. If the United States chose to do nothing, it would be perceived as weak and would lose all legitimacy in future engagements with the Soviet Union (Allison, 1971, 58). Since the United States chose to take action, American leadership was charged with deciding between diplomatic measures, a secret approach to Prime Minister Castro, invading Cuba, conducting targeted air strikes, or initiating a naval blockade.

The diplomatic approach was appealing to the United Nations and could include organizing an inspections team from the Organization of American States, meeting with Khrushchev in secret, or using a direct approach to meet with Khrushchev (Allison, 1971, 58). Included in the diplomatic approach was the preparation of the negotiation of U.S. withdrawal from Guantanamo and/or the removal of U.S. missiles from Turkey in exchange for the removal of Soviet missiles from Cuba (Welch, 1989, 432). The United States had already planned to replace the missiles in Turkey with submarines in the Mediterranean and such a concession would not harm U.S. nuclear posture (Allison, 1971, 59). However, the United States did not want its initial response to the Soviet Union to be a concession. By conceding immediately, the United States would lose its negotiating power because it had lost leverage against the Soviet Union.

The secret meeting with Castro was contingent on the premise that Castro would be willing to sever ties with the Soviet Union. After the 1961 Bay of Pigs invasion by the United States, Cuba had sought protection from the Soviet Union. The relationship with the Soviet Union provided the deterrence against any future invasions by the United States. Cuba would not agree to a relationship with the United States unless the United States could effectively signal to Cuba that such an invasion would never occur again. Regardless, a relationship with Cuba would not remove Soviet missiles from the island, only the Soviets were capable of withdrawing their missiles (Allison, 1971, 59).

Military action included an invasion, or air strikes against missiles sites and Cuban military targets, and potentially commando raids (Welch, 1989, 432). After evidence of Soviet missiles on Cuba, the United States immediately began preparing for an invasion (Allison, 1971, 59). The invasion was retained for use as a last resort because it would lead to the first direct

military engagement between troops of the two superpowers (Allison, 1971, 59). The air strikes initially seemed the best option, but upon further review it was decided such strikes would escalate the crisis further. American leadership recognized that targeted air strikes would not be sufficient in destroying Soviet and Cuban retaliatory means; only a massive aerial attack would provide that level of destruction (Allison, 1971, 59). If accomplished, the attack itself would ensure a military response from the Soviet Union, potentially leading to the deployment of nuclear weapons (Allison, 1971, 59). The Kennedy administration feared that a Soviet missile would be launched as air strikes were initiated (Welch, 1989, 436). Lastly, because of the U.S. reaction to the bombing of Pearl Harbor in World War II, the United States had reputational concerns about initiating an attack without warning; however, warning the Soviet Union of an impending attack would diminish its effectiveness (Allison, 1971, 59).

The last option considered was a naval blockade. The blockade would be used to prevent shipments of offensive military technology or all Soviet shipments from reaching Cuba (Welch, 1989, 432). The challenge of pursuing a naval blockade as a course of action was partly due to its legality. Under the U.S. Constitution, the president has the power to establish a blockade (Department of Justice, 1962). However, its “establishment may be questioned within the Organization of American States and the United Nations. In addition, such a blockade could be regarded by Cuba or other Soviet Bloc states as an act of war” (Department of Justice, 1962). Another potential consequence considered was the possibility of a Soviet blockade directed towards Berlin, which could result in the lifting of both blockades which would not solve the problem (Allison, 1971, 61). The blockade could also result in an escalation of the crisis in the case of a Soviet ship not respecting the blockade, forcing the United States to attack the ship and leading to a military engagement (Allison, 1971, 61). Lastly, the blockade and subsequent

quarantine, although preventing more missiles and supplies from reaching the island, would do little to prevent current missile assembly and construction of military sites already underway in Cuba (Welch, 1989, 434).

President Kennedy and his advisors did not want to pursue the diplomatic approach because that would give Soviet Chairman Nikita Khrushchev control of the situation and U.N. Ambassador Stevenson originally rejected the missile trade proposal (Welch, 1989, 433). Approaching Castro was not an option because it seemed unlikely to produce the desired result. In regard to military action, the administration recognized that the public would not be in favor of an aggressive response that could risk nuclear war (Welch, 1989, 441). That eliminated an invasion and surgical air strike. All that remained was the blockade. The blockade provided the administration with advantages that outweighed the disadvantages mentioned earlier. The blockade itself showed the intent of the United States without necessarily precipitating Soviet retaliation. However, the next move was placed on the Soviet Union, so Khrushchev needed to decide whether to strike the United States or, knowing the consequences, to keep his ships away (Allison, 1971, 61). With the blockade, the United States flexed its military might while maintaining its strategic superiority. The president and his advisors ultimately chose the naval blockade option, quarantining the island.

One of the major issues of the decision-making process of the Cuban Missile Crisis was “the group never explicitly discusses objectives or gives them such brief or cursory consideration that the decision makers fail to take into account a number of the major goals or values implicated by the choice” (Herek et al., 1987: 204, 212; Welch, 1989, 433). Time played a critical role in determining the course of action. With the threat of nuclear war, fewer and broader courses of action were presented in order to retaliate more quickly. With a more detailed

analysis, the group would have been able to understand the consequences of the actions taken. Establishing “major goals or values” prior to the crisis would have helped create a targeted response and provided more options. Some of these objectives included: “avoiding nuclear war, preserving the cohesion of the NATO alliance, preventing future Soviet penetration of the Western Hemisphere, and safeguarding the political fortunes of the president and his party” (Welch, 1989, 433).

On October 26th, President Kennedy learned through a letter from Khrushchev that the missiles were meant to be a deterrent and the Soviet Union only had peaceful intentions (“Revelations from the Russian Archives,” n.d.). In other words, the placement of missiles was to protect Cuba from another U.S. invasion, not for use against the United States (“Revelations from the Russian Archives,” n.d.). The crisis situation further escalated on October 27th, with the announcement from the Khrushchev that the Soviet Union would only remove the missiles if the United States removed its missiles from Turkey (Lindsay, 2012). The president’s advisors agreed that removing the missiles under Soviet pressure would weaken the confidence of NATO allies and incentivize Khrushchev to pursue the denuclearization of Europe (Lindsay, 2012). That same day, a U.S. plane on a reconnaissance mission was shot down by a Soviet missile (Lindsay, 2012). Further, off the coast of Florida, the U.S.S. *Cony* used depth charges to force a Soviet submarine near the blockade to surface (Lindsay, 2012). The submarine carried nuclear-armed torpedoes, and its captain was authorized to fire back if fired upon (Lindsay, 2012). The depth charges could have been perceived as being “fired upon.” Luckily, the Soviet submarine captain refused to return fire (Lindsay, 2012).

In response the president and his advisors went back and reanalyzed previously dismissed courses of action. Military action was reconsidered in response to the events of the day. The

president advocated for the diplomatic action, responding to Khrushchev that the United States would remove the missiles in Turkey later if Khrushchev removed the missiles in Cuba first (Welch, 1989, 438). As a direct result of the crisis, a memorandum of understanding was signed, establishing direct communications between the two powers in a moment of crisis, known as the “Hot line” (Department of State, 1963). On October 28th, Khrushchev announced that the Soviet Union would “dismantle the arms which you describe as offensive and to crate and return them to the Soviet Union” (Allison, 1971, 62).

The Cuban Missile Crisis ended with the diplomatic approach: the Soviet removal of missiles in Cuba and the subsequent U.S. removal of missiles in Turkey. The blockade as the initial response emphasized the U.S. willingness to risk a naval engagement to confront the Soviet Union (Allison, 1971, 63). When President Kennedy announced the blockade, he focused on the blockade as an initial response to Soviet missiles in Cuba (Allison, 1971, 63). Meanwhile, the United States was clearly preparing for an invasion, alerting its forces around the world, and implementing the blockade; all of which legitimized its threat to use force against the Soviet Union if necessary (Allison, 1971, 64). According to Secretary of Defense McNamara: “Khrushchev knew without any question whatsoever that he faced the full military power of the United States, including its nuclear weapons... We faced that night the possibility of launching nuclear weapons... *and that is the reason, and the only reason, why he withdrew those weapons*” (Allison, 1971, 65). In the decision-making process, President Kennedy maintained “above all, while defending our own vital interests, nuclear powers must avert those confrontations which bring an adversary to the choice of either a humiliating defeat or a nuclear war” (Allison, 1971, 61). The decisions made during the Cuban Missile Crisis were reflective of American leadership

developing strategic responses while recognizing the threat of nuclear war and pursuing adequate risk to prevent the crisis from escalating to war.

Upcoming Case: China versus the United States

In the developing case between China and the United States, a crisis has yet to occur. What has already been established are the economic policies and force projection capabilities. China's current economy is on track to overtake the U.S. economy, and the two countries are engaged in a trade war (Wyne, 2018). China has also spent a lot of resources on increasing the size of its military, expanding military bases to across the world, and pursuing technological advancement of its weapons ("China to Increase Overseas Military Bases," 2019).

Reflecting on the U.S. – U.K. case study provides an example for China of an effective power transition leading to a power shift. In recent history, the only country that was able to succeed in becoming the dominant power for a significant period of time is the case of the United States as a rising power. China is pursuing a very similar course of action to that of the United States versus the United Kingdom. China and the United States are involved in a trade war, using tariffs as weapons. Both states are undermining each other economically. The key difference during the U.S. – U.K. power transition was that the United Kingdom did not retaliate when the United States placed tariffs on the United Kingdom. In the current case, China has done so ("US-China trade row," 2018). In regard to force projection capabilities, China has developed its navy and other military branches. The crisis in the U.S. – U.K. case study was in the U.S. backyard. One of the most likely crises to occur in the future is in the South China Sea (Department of Defense, 2018). Just as the crisis was in the rising powers' backyard in the first case, a potential crisis can occur in the backyard of China. Based on the reaction to the crisis

from the U.S. – U.K. case study, one can draw parallels to potential outcomes of a crisis in the South China Sea.

The U.S.S.R – U.S. case study emphasizes different aspects of a power transition, in which a bipolar period occurred before the rising power declined and did not accomplish a power shift. An important difference in this case study when compared to the first case study is the ideological system. The United States and the Soviet Union had starkly different beliefs in terms of economic system and type of government. Although the United States and China are not as different as the United States and the Soviet Union, it is imperative to understand the impact the difference in economic system and type of government provide. In the economic section of the U.S.S.R – U.S. case study, the Soviet Union focused trade on underdeveloped and uncommitted states. China is pursuing a similar course of action with its Belt and Road Initiative (Department of Defense, 2018). As part of the Belt and Road Initiative, China has been investing in these states' economies. The Soviet Union maintained trade relations with all countries, interconnecting the countries' economies. The increased economic interconnectedness between China and other countries will play an important role on the outcome of a future crisis. The Soviet Union and China parallel each other in force capabilities as well. The Soviet Union focused on increasing its military power and China has continued to do so as well. The creation of hypersonic missiles is an example of technological advancements for military purposes to either deter or deploy if necessary (Clad, 2019). However, with the nuclear and hypersonic capabilities of both the United States and China, no power would win. Lastly, China may find itself in a similar situation that the Soviet Union did during the Cuban Missile Crisis. Cuba sought Soviet protection against the United States due to the American invasion. With China's increased presence on the world stage, China may be asked by a country to protect it against the

United States. Depending on the threat this creates, the United States might have to pursue similar courses of action as it did during the Cuban Missile Crisis.

Conclusion

The case studies of the United States as a rising power and the Soviet Union as a rising power aid in the understanding of China as a rising power case. While parallels can be drawn between the two prior case studies and the upcoming case, it is important to remember that patterns are not guaranteed to play out in a similar manner and cannot be generalized since there are only two case studies. However, it remains necessary to understand the factors that influenced the decisions in previous crises to help future decision-making.

This study does contain shortcomings that can affect the results. First, there are a plethora of factors that influence crises and power transitions. This study uses economic policies and force projection capabilities to provide credibility to the rising power and establish the stage for the crisis. Although key factors in a power transition, a study of more factors may uncover nuances in power transitions these two factors exclude. Second, the study focuses predominantly on a crisis resulting in traditional force-on-force war. In the twenty-first century, war can occur by other means as well. Information warfare, economic warfare, cyberwarfare, and proxy warfare are not considered as “going to war,” which explains why these types of warfare can occur and the outcome of the transition remain nonviolent. Third, the study only looks at power transition crises resulting in peaceful resolution. Major power transitions that resulted in war were the two World Wars at the start of the twentieth century. Determining the factors that led to war rather than peace would provide more context on how to avoid war in future power transitions. Lastly, power transitions are extremely complex and occur over a vast period of time.

Analyzing all the events during the entirety of a power transition are important in understanding the power transition, but in this study, would detract from the purpose which remains focused on crisis decision-making and resolution.

This study generates hypotheses as a result of the case studies to satisfy the questions: How can state actors within power transitions influence the outcome of crises? How do crisis situations during power transitions not result in war? Here are four hypotheses.

1. A crisis is required for a power transition to occur.
2. A crisis will not result in war if diplomatic action is pursued.
3. A crisis of military strength necessitates an assertive military response.
4. The dominant power needs to initiate the crisis response to retain its power status.

Hypothesis 1 indicates the need for a crisis to prompt a power transition. Within a power transition, the rising power must confront the dominant power. In the U.S. – U.K. case, the rising power challenged the dominant power via political means leading to an increase in tensions with the potential for war. The underlying economic warfare pursued in the U.S. – U.K. case study helped to assert the rising power's influence. In the U.S.S.R – U.S. case, the rising power challenged the dominant power militarily. In essence, this hypothesis contends that there will be no power transition unless China (as the rising power) is willing to trigger a crisis with the United States. While a crisis in the South China Sea seems the most likely possibility in 2019, future developments may put China on a path to a crisis with the United States elsewhere (like Taiwan perhaps) or possibly involving some other future issue creating a significant point of

friction in the Chinese-U.S. relationship. Yet the point remains, the challenger has to trigger a crisis for a transition to occur.

Hypothesis 2 highlights the importance of diplomacy and soft power in regard to crisis resolution. In both case studies, the crisis was completely resolved via diplomatic means. Regardless of the nature of the power transition, the ultimate resolution occurred through diplomatic measures. To reiterate, for the U.S. – U.K. case study, arbitration of the border dispute was the result; for the U.S.S.R. – U.S., negotiations to remove missiles from Cuba in exchange for U.S. missile removal in Turkey were the keys to peaceful resolution of the crisis.

Hypothesis 3 complements hypothesis 2 but is specific for a crisis rooted in military strength. Since power transitions often involve the means of military capabilities to achieve the end desired, a crisis that occurs needs to first be resolved by assertive military action and then diplomacy. This is due in part to the rising power needing to appear stronger than the dominant power to continue the power transition. Assertive as opposed to aggressive military action is required because assertive actions involve the show of force rather than the use of force. In the case of the United States and the United Kingdom, the United States increased troop presence in the area but did not resort to violence. The simple increase of troops was enough to legitimize any threat of force to pressure the United Kingdom to resolve the case via arbitration. In the case of the Soviet Union and the United States, an aggressive response would have been an air strike on missiles in Cuba, leading to loss of life, resulting in an escalation and retaliation by the Soviet Union, and ultimately war. On the contrary, had the dominant power taken diplomatic action at the outset of the crisis, the result would be a perceived weakness in its military power. Therefore, the use of assertive military action followed by diplomacy minimized the likelihood the crisis would result in war. The only way a potential military-based power transition is peacefully

resolved is if the assertive military action leads the opposing power to negotiate with or acquiesce to the state asserting power. Depending on which state is the successful asserting power, the result could be a peaceful power transition or the continuance of the prior status quo between the two states.

Hypothesis 4 establishes the role of the dominant power in a crisis situation. In the U.S. – U.K. case, the crisis response pursued by the United Kingdom, giving in to the United States as a rising power, provided the legitimacy needed for the United States to become the dominant power. In order to stay dominant, rather than acquiesce to the rising power, the dominant power needs to maintain the balance of power by dictating the terms of the crisis resolution. In the U.S. – U.S.S.R case, the United States pursued assertive military action which threatened the Soviet Union into then submitting to the United States' diplomatic terms. The United States led the response to the crisis, asserting to the Soviet Union and the world that the United States was still in control. By dictating the terms of the response, the United States retained its role as the dominant power, and the Soviet Union, although enjoying a bipolar period of power, was never able to overtake the United States as the single dominant power. Based on this hypothesis, the United States needs to initiate the response to a crisis with China and maintain the upper hand in all crisis resolution decisions. In the South China Sea, for example, the United States would need to first pursue an assertive military response, placing China in a weakened position that would encourage the Chinese to agree to diplomatic terms the United States offers. For the United States to remain the dominant power through this power transition (regardless of whether another bipolar moment is achieved) the United States needs to control the crisis resolution.

In summary, this research identifies the courses of action taken by rising powers and dominant powers during crises in a power transition. Instead of resulting in war, the outcome of these crises was peace. Peaceful transitions of power can occur either via the reliance on diplomacy or the acquiescence of the dominant power. The United States can learn from the decisions made during these crises to determine the best courses of action when the United States finds itself in a crisis with China. Ultimately in the eyes of these decision-makers, it is their perception of the stakes involved that will determine whether the challenger will trigger a crisis and how the dominant power will react. While we can try to understand the decisions that are made, “the essence of ultimate decision remains impenetrable to the observer – often, indeed, to the decider himself... There will always be the dark and tangled stretches in the decision-making process – mysterious even to those who may be most intimately involved.” – John F. Kennedy (Allison, 1971, i).

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Appendix

Figure A1

Logic of War and Peace in Power Transitions

