

Introduction

States have long used statecraft, a “selection of means,” for the pursuit of foreign policy goals.¹ One of the means is coercion. Coercion, otherwise known as compellence, is the threat or use of negative actions by a state to demand a change in another state’s behavior. As a major power, the People’s Republic of China (PRC, hereafter China) is no exception. When faced with issues of national security, China has used coercion since the 1990s. For example, in 1995 and 1996, China utilized missile tests to force Taiwanese voters to change their voting choices for fear that Taiwan would vote for a pro-independence president, which China perceives as threatening its sovereignty regarding the island. In 2009, it froze its Airbus orders from France, an instance of economic sanctions, over the French president’s meeting with the Dalai Lama. China employed economic sanctions once again when it imposed a ban on Philippine banana exports over disputes surrounding the Scarborough Shoal in April 2012. In the same year, it used its Coast Guard ships to patrol the territorial waters of the disputed Senkaku/Diaoyu Islands between China and Japan, hoping to change Japan’s position regarding the sovereignty of the islands.

Both scholars and policymakers have been increasingly worried that a more powerful China will become more assertive.² Media reports amplify China’s coercive behavior, or the “China threat,” and make pessimistic predictions about wars involving China. The Google query “China threat of war” yields about 154,000,000 search results. Current US Secretary of State Anthony Blinken asserts that China will take more aggressive actions as time progresses.³ Henry Kissinger warns that the Chinese threat risks not only a new Cold War

¹ Baldwin (1985, p. 8); Freeman (1997).

² Art (2010); Friedberg (2011); Ganguly and Pardesi (2012).

³ Norah O’Donnell, “Secretary of State Antony Blinken on the Threat Posed by China,” *CBS News*, May 2, 2021, www.cbsnews.com/news/antony-blinken-60-minutes-2021-05-02/.

but nuclear war.⁴ US Admiral John Aquilino is concerned about China's growing threats to Taiwan.⁵ Numerous media reports predict that the United States and China are on the brink of war, citing the "Thucydides Trap," attributed to the ancient war between Athens and Sparta, to indicate the inevitability of a major conflict between the two states.⁶

The media and US foreign policy elites paint a pessimistic picture of China's behavior and the likelihood of major conflicts. However, they fail to capture the curious variation in China's coercive behavior, which is much more nuanced than simplistic predictions that war is imminent. For one, despite the countless forecasts of major wars involving China over the past decade, China has not fought a war since the 1988 Sino-Vietnamese maritime skirmish. Instead, China utilizes a full spectrum of coercive tools, ranging from diplomatic and economic sanctions to gray-zone measures and military coercion.

As my new dataset on Chinese coercion shows, when China faced critical national security issues, including territorial disputes, Taiwan, and foreign leaders' reception of the Dalai Lama, in the 1990s, half of the cases of Chinese coercion were militarized.⁷ Specific examples include Chinese missile tests during the 1995–1996 Taiwan Strait Crisis, militarized seizure of the Mischief Reef in the South China Sea, and the use of the Navy to threaten Vietnam over contested sovereignty claims in the South China Sea. Chinese coercion became more frequent in more recent years, but unlike in the 1990s, very few of the 2000–2022 cases of Chinese coercion were militarized, except for the border dispute involving India and response to US House Speaker Nancy Pelosi's 2022 visit to Taiwan.⁸ Of the sixty-seven cases of China's coercion between 1990 and 2020 in my dataset, only nine cases

⁴ Vincent Ni, "Failure to Improve US-China Relations 'Risks Cold War,' Warns Kissinger," *The Guardian*, May 1, 2021, www.theguardian.com/us-news/2021/may/01/us-china-doomsday-threat-ramped-up-by-hi-tech-advances-says-kissinger.

⁵ Brad Lendon, "Chinese Threat to Taiwan 'Closer to Us than Most Think,' Top US Admiral Says," CNN, March 25, 2021, www.cnn.com/2021/03/24/asia/indo-pacific-commander-aquilino-hearing-taiwan-intl-hnk-ml/index.html.

⁶ See, for example, Jerome Keating, "Beijing Concocts a Thucydides Trap," *Taipei Times*, March 23, 2021, www.taipetimes.com/News/editorials/archives/2021/03/24/2003754376; Jeff Rogg, "An American-Made Greek Tragedy: Coronavirus and the Thucydides Trap," *The National Interest*, September 27, 2020, <https://nationalinterest.org/blog/buzz/american-made-greek-tragedy-coronavirus-and-thucydides-trap-169662?page=0%2C1>; Michael Klare, "Are the US and China Stumbling into War?" *The Nation*, April 2, 2021, www.thenation.com/article/world/china-biden-war/; Jonathan Marcus, "Could an Ancient Greek Have Predicted a US-China Conflict?" *BBC News*, March 25, 2019, www.bbc.com/news/world-47613416; Alex Ward, "Why There's Talk about China Starting a War with Taiwan," *Vox*, May 5, 2021, www.vox.com/22405553/taiwan-china-war-joe-biden-strategic-ambiguity; James Stavridis, "Four Ways a China-U.S. War at Sea Could Play Out," *Bloomberg*, April 25, 2021, www.bloomberg.com/opinion/articles/2021-04-25/u-s-china-sea-war-could-spread-to-japan-australia-india.

⁷ See online appendix, Ketian Zhang, "Dataset and Interview Codebook for China's Coercion 1990–2020," <https://doi.org/10.7910/DVN/H4IFH3>, Harvard Dataverse, V2, 2021.

⁸ For data regarding military coercion on Sino-Indian border disputes, see Zhang (2022b).

involve military coercion, and these include China's military coercion against Taiwan and India. In short, we have yet to see China initiate a war, but we do see it increasingly using gray-zone tactics and other nonmilitarized tools, including economic sanctions. China's preference in using nonmilitary coercion contradicts the coercion literature's conventional argument that military coercion is most effective and, therefore, if the coercer wants to succeed, it is most likely to choose military coercion for high-stakes issues.⁹ It is puzzling that China chooses nonmilitary tools when they are considered suboptimal in terms of effectiveness, especially since China considers all the issues mentioned above as high stakes.

In addition, China does not coerce all states that pose the same challenges to its national security. Existing studies have focused on evaluating the effectiveness of coercion, not cases where coercion could have taken place but did not. Interestingly, China sometimes refrains from coercion. China coerced the Philippines and Vietnam over South China Sea disputes much more frequently than Malaysia, and it used economic sanctions against the Philippines over disputes in the Scarborough Shoal in 2012 but refrained from coercion in 2001 over the very same disputes in the Scarborough Shoal. China utilized its Coast Guard ships to ram Vietnamese vessels in 2014 over disputes surrounding the Paracel Islands. Rarely, however, does China coerce Malaysia over Malaysian oil and gas exploration in what China considers to be its maritime exclusive economic zone in the South China Sea. China imposed harsh economic and diplomatic sanctions on Germany for its Chancellor's meeting with the Dalai Lama but refrained from coercion when the Australian Prime Minister did the same. Both meetings took place in 2007.

China, therefore, is curiously selective in its timing, targets, and tools of coercion. Most cases of Chinese coercion are not militarized, nor does China coerce all states that pose the same threats to its national security. Questions regarding China's coercion patterns – crucial for the prospect of peace and stability in the Asia-Pacific region and critical for understanding a rising power's foreign policy decision-making and future trajectory – have not been systematically answered. Thus, this book examines when, why, and how China attempts to coerce states over threats to its national security. This question entails two parts. First, when and why does China choose coercion over inaction, defined as not coercing? Second, if coercion is chosen, what tools does China utilize? Although states could use coercion proactively and opportunistically in pursuit of resources, this book seeks to explain China's coercive responses to the actions of other states that China views as threatening.

I propose a new cost-balancing theory to explain China's coercion decisions, while discussing the broader implications for international relations in Chapter 7. I show that instead of coercing all states and prioritizing military

⁹ Chamberlain (2016).

coercion, China is a cautious actor that balances the benefits and costs of coercion. The book identifies the centrality of reputation for resolve and economic cost in driving whether China coerces or not. China often compels one target in the hope of establishing a reputation for resolve, needing other states to view it as strong in defending its national security interests. Nevertheless, China is constrained by the imperative of developing its domestic economy and, therefore, economic costs – the degree to which China depends on the target state for markets, supply, and capital, among other resources. China is more likely to utilize coercion when the need to establish resolve is high and the economic cost is low. If both are high, China will only choose coercion over issues of the highest importance, such as Taiwan and Tibet. Moreover, China will prefer nonmilitary coercion when the geopolitical backlash cost is high. Geopolitical backlash cost is the possibility of other states balancing against China by forming or strengthening alliances and the immediate risk of militarized escalation involving a great power.

The conventional wisdom on coercion would predict that China would use military coercion over high-stakes issues to maximize expected effectiveness in the issue at hand. The cost-balancing theory, however, emphasizes a crucial benefit of coercion: China coerces to establish resolve, not just for a specific event over which it coerces the target. It also suggests that the benefits and costs of coercion are in tension with one another. China balances the reputational benefit of coercion against economic and geopolitical costs, which may lead to Goldilocks choices or, in other words, China's gambits. That is, China takes the middle path and engages in cost-balancing calculations, often preferring nonmilitary, especially gray-zone, coercion over military coercion. This seemingly suboptimal choice, therefore, originates from a rational cost-balancing calculus. In particular, the book elaborates on how globalized production and supply chains affect China's foreign and security policies, connecting international political economy and international security.

I.1 COERCION AND CHINESE FOREIGN POLICY

China's use of coercion is puzzling both empirically and theoretically. Its increase in the use of nonmilitarized and gray-zone coercion cuts against the conventional prediction that use of force from China is more likely. Theories of coercion do not examine when and how rising powers such as China coerce, especially not under what conditions China is more likely to choose certain targets and coercive tools. Explaining China's record of coercion contributes to theorizing states' coercion decisions and rising power behavior in a globalized economy. It also has empirical implications for understanding China's grand strategy and predicting its future trajectory. Examining China's coercion decisions could generate crucial policy implications regarding how to manage China's rise, avoid great power conflicts, and maintain peace and stability in the Asia-Pacific region.

1.1.1 Coercion in an Era of Global Economic Interdependence

The literature on coercion gained prominence in the Cold War era, when the United States was contemplating measures to contain the Soviet Union. Beginning with Thomas Schelling and Alexander George, scholars have focused on the effectiveness of coercion.¹⁰ George states that the central task of coercive diplomacy is to impose sufficient expected costs on the target state “to erode his motivation to continue what he is doing.”¹¹ Unsurprisingly, this fixation on identifying costs to the target state has led scholars to analyze different forms of coercion and their effectiveness, including the success or failure of military coercion, coercive engineered migration, and economic sanctions.¹² As such, the coercion literature privileges the analysis of the costs to the target state, which leads to a rich subliteration evaluating the effectiveness of economic sanctions. The first wave of studies concludes that economic sanctions are ineffective.¹³ Subsequent scholars have argued that sanctions achieve goals other than inducing behavioral changes.¹⁴ Recent scholars have specified the conditions under which economic sanctions are effective.¹⁵

However, one cannot assume that coercion occurs automatically when the coercer is facing national security threats. The literature also discusses costs to the coercer, including audience costs, the domestic political cost of backing down in a foreign policy crisis.¹⁶ However, such costs are discussed in a scenario *after* a decision to coerce has been made – in other words, audience costs in the crisis bargaining literature are related to whether one backs down from a threat or not.

Some scholars do tackle questions of sanctions and coercion decisions. David Baldwin, for example, stresses the cost–benefit analysis of sanctions over other measures.¹⁷ Similarly, Daniel Drezner utilizes the cost–benefit framework to compare the costs imposed on the coercer vis-à-vis the target.¹⁸ Branislav Slantchev argues that states balance between the utility of military coercion and the high costs of using military coercion.¹⁹ Others focus on domestic factors. For example, research has shown that the United States is more likely to impose trade sanctions when domestic producers face more competition from

¹⁰ Schelling (1966); George (1991). Similarly, see Byman and Waxman (2002); Pape (1996); Greenhill (2010); Drezner (1999a, p. 41); Carnegie (2015).

¹¹ George (1991, p. 11). Similarly, Byman and Waxman (2002, p. 28); Alexander L. George, “Coercive Diplomacy: Definition and Characteristics,” in George and Simons (1994, p. 16).

¹² Powers and Altman (2023); Carnegie (2015); Greenhill (2010); Drezner (1999b); Pape (1996).

¹³ See, for example, Doxey (1972); Wallenstein (1968); Galtung (1967).

¹⁴ See Baldwin (1985); Nossal (1989).

¹⁵ Gerzhoy (2015); Bapat and Kwon (2015); (Whang et al. 2013); Rodman (2001); O’Sullivan (2003); Pape (1997); Morgan and Schewbach (1997); Drezner (1999).

¹⁶ For audience costs, see Fearon (1994).

¹⁷ Baldwin (1985, p. 108).

¹⁸ Drezner (1999a, p. 41).

¹⁹ Slantchev (2011, p. 148). See also de Mesquita (1988, p. 635).

imports from the target and when these producers depend less on exports to the target.²⁰ Moreover, sanctions can serve as safety valves: Leaders impose sanctions to appease the public.²¹

These scholars provide a useful start for analyzing coercion decisions, but the specific costs and benefits of coercion can be further elaborated, especially in an era of global economic interdependence. Moreover, scholars focusing on domestic politics tend to study the United States or Western democracies, not China. The domestic dynamics of these countries, however, can be quite different from China, an authoritarian state rising in what it perceives to be an adverse unipolar international system. China is highly unlikely to impose sanctions for the purposes of advancing universal values. More importantly, there is a curious disconnect between scholars who focus on the external strategic calculation of the coercer and those arguing for the importance of domestic interest groups. Since China is part of the intricately connected global production and supply chains, though, it is logical to assume that its coercion decisions will consider both domestic economic and external strategic calculations.

As such, this book connects international political economy and international security to examine China's coercion decisions, arguing that they are a result of the balancing of two factors. One crucial perceived benefit of coercion is the possibility of a state establishing a reputation for resolve in defending its security interests. China believes that past actions of coercion constitute a critical aspect of maintaining its reputation for resolve. This book adds to the general coercion literature by emphasizing an important additional logic of coercion – to demonstrate resolve. At the same time, coercion has costs. China, therefore, needs to balance considerations for resolve against the economic cost of coercion, given that the Chinese economy is intertwined with the global economy down to the supply chain level and is sensitive to instability caused by political and military conflicts.

1.1.2 Tools of Coercion

The coercion literature focuses on particular coercive tools, such as military coercion and economic sanctions.²² However, when state leaders make decisions about what actions to take, they consider a range of policy choices. Relatedly, beginning with Schelling, the literature has emphasized military coercion, viewing nonmilitary coercion as a suboptimal option.²³ More recent scholars also privilege military coercion, claiming that “sanctions, political pressure, and other tools for influencing states have proven neither reliable nor efficient in

²⁰ Drury (2001).

²¹ Daoudi and Dajani (1983).

²² See, for example, Pape (1996); Greenhill (2010); Maller (2011); He (2016); Baldwin (1985, p. 15); Drezner (1999).

²³ Schelling (1966, p. 3); see also Robert Art's (1996) defense of the utility of force, which treats coercion as military coercion, and Morgan (2003, p. 3); Sperandei (2006, p. 259); Goldstein (2000, p. 27).

changing the behavior of committed adversaries.”²⁴ Slantchev argues that military coercive tools can be very effective because they are physical measures and send credible signals of commitment.²⁵ Todd Sechser and Matthew Fuhrmann examine the effectiveness of nuclear weapons for compellence.²⁶ In his classic discussion regarding the “sunk cost” mechanism of costly signals, James Fearon notes that if we follow a purely game theoretic model, then we should expect to see states signaling “all or nothing” instead of utilizing “partial signals,” which implies that anything below the use of military signals are suboptimal.²⁷ While not discrediting nonmilitary coercion completely, all the above scholars consider nonmilitary coercion as the suboptimal option.

These scholars, however, may privilege military coercion precisely because of the states that they are analyzing. Schelling wrote his book during the Cold War, focusing on the two superpowers whose economies were not interconnected. However, China, whose economy is connected to the global economy, is creating new forms of coercive measures, including gray-zone measures. It is all the more puzzling, then, that China would choose nonmilitary coercive measures if they are considered suboptimal. Thus, China’s use of these nonmilitary coercive measures calls for seriously examining the full spectrum of coercion in the toolkit of statecraft, analyzing when and why China coerces and what explains its choices of tools.

1.1.3 Theories of Rising Powers and Chinese Foreign Policy

This book contributes to the burgeoning literature on rising powers that examines specific strategies and foreign policy options of rising powers. Traditional scholarship on rising powers, such as hegemonic stability, power transition, and offensive realism, focuses on the grand theorization of war and peace. Offensive realism, for example, predicts that rising powers bide their time and become increasingly aggressive in pursuing regional hegemony as they become more capable. However, offensive realism does not discuss specific foreign policy behavior while a state is rising.²⁸ Similarly, theories of hegemonic wars do not concern the myriad behavior of rising powers in different stages of their rise, instead zooming in on the far end of statecraft: war.²⁹ More recent literature on rising powers, however, has begun to explain specific strategies of rising powers, including Shiffrinson’s book on rising power strategies and Edelstein’s research on time horizons.³⁰ In short, this book adds to the recent

²⁴ Byman and Waxman (2002, p. 2).

²⁵ Slantchev (2011, p. 5).

²⁶ Haun (2015); Sechser and Fuhrmann (2017).

²⁷ Fearon (1997).

²⁸ John J. Mearsheimer, “Can China Rise Peacefully?,” *The National Interest*, October 25, 2014, <http://nationalinterest.org/commentary/can-china-rise-peacefully-10204>.

²⁹ Gilpin (1981); Copeland (2001).

³⁰ Edelstein (2020); Shiffrinson (2018).

literature on rising powers by examining one specific kind of foreign policy option when China is still in the process of rising, China's coercive behavior.

Current theories of Chinese foreign policy behavior also leave room for analyzing China's increased use of nonmilitary coercion and its decision-making rationale.³¹ This book draws inspiration from Taylor Fravel's theory of when China cooperates or escalates into the use of force in territorial disputes.³² There is, however, a rich space between cooperation on the one hand and the use of force on the other. The rich literature on China's grand strategy does not explain China's rationale regarding coercion, either.³³ Therefore, this book seeks to contribute to the study of Chinese foreign policy by analyzing China's coercion decisions. No one has cataloged Chinese nonmilitary or gray-zone coercion yet.³⁴ As such, this book attempts to analyze one slice of Chinese foreign policy behavior – its use of coercion – while creating a new and comprehensive dataset of Chinese coercion since the 1990s.

In short, there are gaps in the current coercion literature when it comes to analyzing the conditions under which China, in this current era of global economic interdependence, chooses coercion over inaction. Moreover, the book seeks to explain China's choices of coercive tools, with particular attention paid to nonmilitarized coercion. It focuses on China because, for one, its foreign policy behavior is significantly relevant for the prospect of peace and stability in the Asia-Pacific region. For another, China provides an excellent opportunity to study contemporary rising powers. The theory that I advance below, however, could be generalizable beyond China to test the causes of coercion, as well as the conditions under which states choose certain coercive targets and tools. Chapter 7 examines what the theory might predict about non-China cases in more detail and suggests how the theory could be revised into a broader and more generalizable theory of coercion. Future research could assess its generalizability beyond China.

1.2 THE ARGUMENT

This book sets out to answer two questions: When and who does China coerce, and what tools does China utilize when it decides to coerce? Diplomatic sanctions constitute a coercer's deliberate interruption of its relations with the target state. Economic sanctions refer to instructions by

³¹ For the burgeoning literature on China's use of nonmilitary statecraft, see Wong (2018); Erickson and Martinson (2019); Norris (2016).

³² Fravel (2008).

³³ Glosny (2012); Goldstein (2005, 2020).

³⁴ James Reilly cataloged Chinese economic sanctions but did not cover the full spectrum of Chinese coercive diplomacy. See Reilly (2012). There are a few scholars who have studied Chinese economic sanctions, but they tend to focus on the evaluation of the effectiveness and effects of Chinese sanctions. See Zhao (2010); Fuchs and Klann (2013); Reilly (2021).

the government to certain actors to withdraw from trade or financial relations. Gray-zone coercion uses civilian law enforcement agencies to harass the target. Military coercion consists of the display, threat, and use of force short of war.

Drawing on insights from the literature regarding credibility and reputation, global supply chains, and coercion, this book offers the cost-balancing theory to explain China's coercion decisions. I first discuss the importance of the issue and then conceptualize the benefits and costs of coercion. I code each of the costs and benefits as either high or low. Although the coercion literature prioritizes the immediate benefit of coercion – forcing the target state to change its behavior in a given episode of coercion – I propose that one crucial perceived benefit of coercion is broader. As will be shown in Chapter 2, this broader benefit is the need to establish a reputation for resolve and be viewed as strong and credible by other states, not just the target state. China fears that it might be viewed as weak and unwilling to deter future transgressions if it does not coerce. Consequently, China might not be considered credible by other states, which could lead such states to encroach upon its national security in the future. Thus, one potential benefit of coercion is for China to establish a reputation for resolve in defending national security interests. Of course, hoping that coercion can help establish a reputation for resolve does not necessarily mean coercing states will automatically gain a reputation for resolve. This book focuses on when, why, and how China coerces, not its effectiveness or lack thereof. It examines under what conditions the need to establish resolve is high and when such a fear of appearing weak in front of other states actually leads China to employ military or nonmilitary coercion, taking into consideration the economic and geopolitical costs of using coercion. In short, China's coercion decisions are not a simple story of resolve, but rather a complex balancing of the costs and benefits of coercion in an era of global economic interdependence.

The cost-balancing theory thus predicts the following. First, China will choose coercion when the need to establish a reputation for resolve is high and the economic cost is low. Second, in circumstances when both the need to establish resolve and the economic cost are high, China will only coerce if the issue is of the highest importance. Third, China is much more likely to choose nonmilitarized coercive tools, such as diplomatic sanctions, economic sanctions, and gray-zone coercion, when the geopolitical backlash cost is high. Fourth, China is more likely to selectively target challengers than to coerce all challengers, also due to concerns about the geopolitical cost.

Economic cost is a negative disruption to China's domestic economic production and foreign economic relations, which might result in losing markets, supply, or capital. Geopolitical backlash cost is the cost of other states balancing against China if coercion is chosen. Balancing is the creation or aggregation of military power through internal mobilization or the forging of alliances to prevent the political and military domination of the state by a

foreign power or coalition. By geopolitical backlash, I mean concerns about balancing, as expressed by Stephen Walt, who argues that states tend to balance against threats instead of “bandwagoning.”³⁵ If coercion is applied, the target state or its neighbors might interpret the coercer as a threat. If China is aware of this logic, it will be concerned about geopolitical backlash: The target might side with other states against the coercer, especially by drawing in external great powers with whom the target has military alliances. This could lead to a military confrontation or the tightening of an alliance, at the very least. As such, China might not want to use military coercive tools for fear that the target state might bring in a great power ally. Chapter 2 will further elaborate on each component of the cost-balancing theory, as well as how to measure them.

I test the cost-balancing theory in three issue areas: China’s territorial disputes with states in East, South, and Southeast Asia; its policy toward Taiwan; and its behavior toward states that have received the Dalai Lama. I create a new and comprehensive dataset regarding the timing, frequency, tools, and targets of Chinese coercion. I use qualitative research methods, such as process tracing and congruence tests. Regarding evidence, I use primary Chinese language sources, some of which are internal and never before seen by scholars. In my two years of fieldwork in China, I leveraged my native-Chinese language capability to conduct over 150 interviews with Chinese government analysts and former civilian and military officials. I also interviewed foreign diplomats, officials, and military officers during my nine months of fieldwork in Washington, D.C. to triangulate against Chinese sources.

1.3 OVERVIEW OF THE BOOK

This book focuses on Chinese coercion over its core or important national security issues, post-1990s. I choose Chinese behavior since the post-1990s for two reasons. First, China is an important rising power, necessitating the study of its coercive behavior to understand how and in what ways China is becoming assertive. Second, the post-1990s is in the post-Cold War era, making it possible to control for polarity as a confounding explanation. Concerning China’s important national security issues, this book examines three sets.

First, the book examines issues involving Taiwan. There is a wide range of issues, from China’s perspective, when it comes to Taiwan, including foreign arms sales to Taiwan, other states’ diplomatic relations with Taiwan, and Taiwanese leaders’ own behaviors, as expressed in elections. China views the first two kinds of behavior as a breach of the one-China principle and, by extension, harmful to Chinese national security interests. China also sees the possibility of electing a pro-independence Taiwanese president as a national

³⁵ Walt (1983).

security concern. For the book, I focus on two sets of issues: US arms sales to Taiwan and the Taiwan Strait Crisis of 1995–1996.

Second, the book also looks at territorial disputes. Chinese maritime territorial disputes are disputes in the South and East China Seas regarding the sovereignty of claimed islands and maritime delineation (over resources, for example). In this sense, China has disputes with Japan in the East China Sea, and with Vietnam, the Philippines, Malaysia, Brunei, and Indonesia in the South China Sea. Elsewhere, I have examined land-based territorial disputes with India.³⁶

Third, the book analyzes issues involving Tibet. Specifically, this involves foreign leaders' reception of the Dalai Lama, the Tibetan spiritual leader, which China views as a breach of its sovereignty over Tibet, interference with its domestic affairs, and threats to China's territorial integrity.

China considers Taiwan and Tibet as core interests, whereas territorial disputes – concerning sovereignty and territorial integrity – are important national security concerns. I analyze these three sets of issues because of the high stakes that are involved. As David Shambaugh points out, China is “hyper-vigilant and diplomatically active” on issues such as Taiwan, Tibet, and maritime territorial claims.³⁷ Therefore, if China were to employ coercion *at all*, it is most likely that these three sets of issues would constitute the majority of Chinese coercive measures. That is, we should most readily observe coercion in issues of high national security concern to China. As such, focusing on these issues might help us better get at China's logic for applying coercion. This is especially the case for territorial disputes. As Fravel indicates, in an international system composed of sovereign states, behavior in territorial disputes offers a “fundamental indicator” of whether a state pursues status-quo or revisionist foreign policies.³⁸ In terms of the period that this book will examine, Chinese behavior during the post-1990s period could potentially help predict the trajectory of China's rise as a great power.

Following this introductory chapter, Chapter 2 discusses the literature, the cost-balancing theory, observable implications, alternative explanations, measurement, and research design.

Chapter 3 examines Chinese coercion in the South China Sea. My previous work examines the overall trends of Chinese coercion in the South China Sea.³⁹ I find that China used coercion in the 1990s because of the high need to establish a reputation for resolve and low economic cost. China used militarized coercion because the US withdrawal from the Subic Bay in Southeast Asia and the focus on Europe reduced China's geopolitical backlash cost of using coercion. China then refrained from coercion from 2000 to 2006 because of the

³⁶ Zhang (2022b).

³⁷ Shambaugh (2013, p. 9).

³⁸ Fravel (2008, p. 3).

³⁹ Zhang (2019b).

high economic cost and low need to establish a reputation for resolve. It began to use coercion again after 2007, but because of the increasing geopolitical backlash cost since the post-2000 period, Chinese coercion remains nonmilitarized. Chapter 3 also examines three case studies: the cross-national comparison of China's coercion against the Philippines, Vietnam, and Malaysia; the Sino-Philippine Mischief Reef incident in 1995; and the Sino-Philippine Scarborough Shoal incident in 2012 (which is contrasted with the negative case of the Sino-Philippine Scarborough Shoal incident in 2001, when China did not use coercion). These case studies demonstrate that the mechanisms of the cost-balancing theory are present in them.

Chapter 4 focuses on Chinese coercion in the East China Sea, where China has maritime territorial and jurisdictional disputes with Japan. I explain the trend of Chinese coercion in the East China Sea while conducting two in-depth case studies: the Sino-Japan boat clash incident of 2010 and the incident of Senkaku nationalization in 2012.

Chapter 5 looks at Chinese coercion regarding Taiwan, involving foreign arms sales to Taiwan and the Taiwan Strait Crisis of 1995 and 1996. It demonstrates the significance of the issue importance variable in issues involving Taiwan and shows that the cost-balancing theory travels beyond territorial disputes.

Chapter 6 turns to Chinese coercion regarding foreign leaders' reception of the Dalai Lama, the Tibetan spiritual leader. This chapter indicates that the cost-balancing theory applies not only to territorial disputes or Taiwan but can also generalize to political issues, such as visits with the Dalai Lama.

Finally, in Chapter 7, I briefly recap the cost-balancing theory and arguments, extend the theory to other issue areas in Chinese foreign policy and the behavior of other states, and finally discuss the implications of this book for the study of international relations and Chinese foreign policy.