

# 1 Embedding China's maritime disputes in generic IR research

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When the US president telephoned, he was told that his call has come too late. It is now impossible to recall the military forces on their way to invade the islands. This situation has come about because, as the voice at the other end of the telephone line explains, protracted negotiations have been unproductive. This counterpart leader feels that his country has been “strung along” for years by delaying and evasive tactics. Various concessions to woo the islanders have evidently failed to change their mind. Now his government has lost patience. It hopes and expects the US to adopt a neutral position in the impending military showdown. In planning their invasion project, this leader and his colleagues have calculated that they would achieve an easy and quick victory and that their opponent would concede rather than resist. These beliefs turn out to be mistaken. The US decides not to stay on the sideline but instead intervenes on behalf of their opponent, who fights back to evict the invading force after considerable bloodshed. This outcome on the battlefield, however, does not resolve the underlying dispute about sovereignty. It continues to fester and to cause recurrent political tension and military strain.

These words are not about an imaginary scenario intended to conjure up what could possibly come to pass if the impasse across the Taiwan Strait were to come to blows. They describe what actually happened in the 1982 war between Argentina and Britain over the Falklands/Malvinas. This war occurred even though neither side had wished for it – indeed, Buenos Aires and London would have much preferred a negotiated settlement, even a face-saving one, to a military confrontation. The contested islands had but a small population, few resources (although rumors abound that the surrounding seas hold large oil reserves), and little strategic value. In the words of the poet Jorge Luis Borges, this war over a small, barren, wind-swept archipelago in a far corner of the world reminds one of two bald men fighting over a comb (Ellyatt 2013).

Yet Argentina and Britain did go to war. Moreover, despite intense US efforts to mediate a settlement between its two allies, war happened

nonetheless. Although the islanders (the Kelpers, whose number was about 2,500 in 2013 but only about 1,800 in 1982) have declared their wish to continue as a British Overseas Territory in a March 2013 referendum, the status of this contested territory is still very much in limbo as Argentina, supported by its South American neighbors, has refused to accept the current state of affairs. Even though Britain had prevailed in the 1982 war, it finds itself in a situation that is hardly sustainable in the long run, politically, militarily, and economically (notwithstanding possible royalties from oil exploration and production in the surrounding seas – a prospect that will face considerable practical and legal difficulties in the face of Argentine opposition). Because of their geographic location (being barely 300 miles away from Argentina), the future of the Falklands/Malvinas is inevitably tied more to Argentina's economy than Britain's and these islands are within closer range of the former country's military force. In contrast, Britain suffers from the disadvantage of being located 8,000 miles away.

Although it is common to characterize interstate conflicts as a zero-sum game, the situation involving the Falklands/Malvinas is more accurately described as negative sum. There are no winners, as all concerned parties have borne heavier costs without additional benefits after the 1982 war. Even for the Kelpers, whose right to self-determination was supposed to have been London's reason for going to war, a negotiated accommodation with Buenos Aires would have surely improved some important aspects of their lives, such as those relating to travel, communication, and commerce. The deadlock on clashing sovereignty claims has a significant opportunity cost, in terms of not only imposing heavier defense burdens and transaction costs for the disputants (money that could have gone to other worthwhile purposes) but also the foregone benefits of peaceful interstate relations such as those that could have been gotten from profitable exploitation of the ocean's resources. Political risks and legal uncertainties tend to frighten away business investments with promising socio-economic returns.

The Falklands/Malvinas conflict and other maritime disputes have much to teach us about China's ongoing relations with Taiwan and its other sovereignty claims in the East and South China Seas, claims that are being contested by several of its neighbors that are formal or tacit US allies. I am interested in introducing a broader comparative context to inform inquiries about these disputes as most extant analyses have tended to focus on the more specific and even idiosyncratic aspects pertaining to Beijing's pronouncements, decisions, and moves. They have therefore generally missed an opportunity to learn from historical parallels or precedents offered by other countries' experiences. These studies have also

by and large bypassed a large and cumulative body of empirical evidence developed by quantitative research of past episodes of militarized interstate disputes (MIDs) or research based on comparative case studies, especially variables that have played a significant role in the occurrence, persistence, and termination of enduring rivalries.

In writing this book, I intend to draw on these research approaches and to benefit from various strands of international relations (IR) theorizing such as bargaining theory and extended deterrence. By offering the pertinent cross-national evidence and generic explanations, I hope to broaden the study of China's foreign relations beyond the domain of country specialists, and to situate this study as a part of international relations inquiry in general. Reciprocally, I hope that the latter inquiry can be enriched by insights from China's perspective and experience. In advancing this agenda, I obviously believe in the value of empirical generalizations, the importance of *not* treating China as *sui generis*, and the analytic priority of trying common (i.e., generic) explanations before appealing to particularistic ones (i.e., before appealing to case-specific or idiosyncratic factors) – notwithstanding personal assets in language proficiency, research contacts, and life experience in undertaking the idiographic approach.

### **Bargaining as a general perspective**

Misperception and miscalculation certainly contributed to the escalation of the Falklands/Malvinas conflict (e.g., Lebow 1985). I contend in this book, however, that the tragedy of this conflict and others like it is more deeply embedded in the nature of the situation that confronts the leaders of the disputing countries. I therefore apply a rationalist perspective which asks what people with common sense would have generally done if they found themselves in similar circumstances. This rationalist perspective does not assume that people are infallible in their judgments, but rather takes as its starting premise that people are strategic in the sense that they try to formulate their policy and adjust their action in anticipation of how others are likely to react to their behavior. We thus need to first of all identify and grasp those structural conditions that shape the incumbent officials' perceptions and calculations. Only after we have gained a more sound understanding of the influence of the pertinent structural conditions can we begin to explain their policy choices and to recommend strategies intended to defuse or resolve their disputes.

As in the case of the Falklands/Malvinas, China's ongoing maritime disputes involve to varying extent the issues of contested sovereignty, competing regime legitimacy and popularity, complicated historical

legacies, and an aroused sense of past grievances and popular appeals to national solidarity and ethnic identity. Freedom of navigation, ocean resources, geostrategic rivalry, and the dynamics of alliance politics are also engaged. In 1982, budgetary stringencies, economic hardship, and fractious domestic politics (e.g., the miners' strike in Britain, the military junta's brutal suppression of leftists in Argentina) characterized the decision context on both sides of the Atlantic. Today's Asia Pacific faces a somewhat different situation even though the reverberations from increasingly pluralistic politics (if not necessarily democratization in China) and deep global recession (2008–12) have had their own not inconsequential effects. There was in 1982 a widely shared perception that Britain was in decline and anxious to trim its military commitments outside of its obligations to the North Atlantic Treaty Organization (NATO). Today it is almost impossible to discuss China's maritime disputes without an obligatory reference to regional power shifts resulting from "China's rise" (e.g., Raine and Le Miere 2013). In both situations, Washington has been *the* critical third party, one that has the wherewithal to affect the bilateral balance of capabilities and incentives between the direct contestants.

I apply the general theory of bargaining to study China's maritime disputes. In broad terms, this theory is about how states try to communicate with each other in their efforts to reach a mutually acceptable deal (e.g., Fearon 1995, 1997). Various obstacles, such as deliberate misrepresentation and private information, stand in the way of concluding this settlement (for important emendation to this generalization, see Kirshner 2000; Slantchev 2010). States therefore sometimes find themselves fighting a war which they would have preferred to avoid. Bargaining theory calls attention to the challenges of undertaking effective communication whether the intended audience is foreign or domestic. They are relevant to attempts to persuade foreigners about one's intentions and capabilities such as in demonstrating one's resolve to stand firm and to fight if pushed too far. They also involve efforts to reassure foreigners about one's limited objectives and one's commitment and capacity to carry out the terms of a deal if a bargain is struck (foreigners are unlikely to waste their political capital if they believe that one is unable to deliver on a negotiated deal – that is, if one cannot overcome domestic opposition to a negotiated deal). The intense US domestic debate on whether to ratify the nuclear deal negotiated by President Barack Obama with Iran (a deal that has also involved five other major states as negotiation partners) highlights this latter concern.

Officials may also feign doubts and weaknesses in order to extract more generous concessions from foreigners in negotiating the terms of a

settlement or, alternatively, in order to abet foreigners' complacency and overconfidence so that they can be exploited by a strategic surprise. The latter consideration in turn presents a dilemma: should a state communicate its resolve by undertaking highly visible and credible actions which, however, can also have the effect of tipping off the other side about its intention to escalate and therefore inviting this counterpart to undertake counteraction to prepare for a possible showdown? That is, there is a trade-off between demonstrating one's resolve to deter a counterpart and forfeiting the advantage of strategic surprise should this deterrence fail and a war have to be fought. Efforts to enhance one's deterrence credibility during the pre-war period can diminish one's capabilities in fighting a subsequent war should deterrence fail. Bratislav Slantchev (2010) points to China's intervention in the Korean War as an illustration.

As just mentioned, bargaining and signaling do not "stop at the water's edge." The metaphor of two-level games (Putnam 1988; Evans *et al.* 1993) suggests that incumbent officials must negotiate not only with their foreign counterparts, but also with their own domestic constituents (including the political opposition) so that whatever deal is reached with foreigners will have the necessary domestic support or at least the acquiescence of important stakeholders. Therefore, bargaining theory encompasses efforts to reassure, mobilize, or otherwise communicate to domestic audiences. Former US Secretary of Labor John Dunlop is said to have remarked that every bilateral deal requires three agreements, one across the table and one on each side of the table (Putnam 1988: 433).

Because democracies obviously have more veto groups that can block a deal with a foreign adversary, their negotiators will be more constrained in making concessions to the latter (they will have a smaller win set or bargaining space to negotiate with their foreign counterpart). Conversely, because authoritarian leaders will have more control over the policy process and are less likely to face a divided government, they face less domestic opposition and have more room to negotiate. This latter consideration in turn implies that they are less able to argue that their hands are tied by their domestic constituents, and they are therefore less able to use this argument credibly to resist foreign demands for concession and are more likely to be "pushed around" to make concessions. A corollary of this inference is that autocracies will have an easier time in trying to reach a deal with a foreign adversary than democracies and that democratization can actually make it more difficult for countries caught in disputes to reach an accord. The more authoritarian former Soviet republics, namely Kazakhstan and Tajikistan, were able to reach border accords with Beijing more quickly and with less fuss than the less authoritarian Kyrgyzstan (Chung 2004: 138). India's democratic institutions

and vocal political opposition have often caused problems for government officials who might have preferred a softer line in negotiating with China in these countries' border dispute (Chung 2004: 151).

Interstate and intrastate communication in bargaining situations can involve both verbal and nonverbal means. Public declarations and military displays offer ways for a government to signal its resolve. This resolve can be communicated by other means such as economic sanctions, nuclear tests, regime-sponsored mass protests, and even deliberate shocks administered to financial markets. Naturally, politicians do not just engage in such disclosures, they also often try to disguise their intentions, hide their country's capabilities, and mislead both their domestic constituents and foreign allies (not to mention their adversaries). Or they can choose to be intentionally vague, declining to be locked into a pre-determined position. Finally, they can be purposefully inconsistent, conveying different messages to different audiences in different forums and on different occasions (e.g., through official statements, private reassurances, tacit acknowledgments, informal accommodation, and messages delivered by intermediaries). Bargaining theory thus pertains to both formal negotiations and tacit exchanges. It opens the analytic door to various other theories – such as power transition, democratic peace, and diversionary war – to inform us, for example, about how the shifting power balances among states, rising tides of economic interdependence and nationalism, and evolving elite solidarity and regime popularity can facilitate or constrain officials' efforts to reach a negotiated settlement.

Such a settlement, as already noted, requires ratification in the sense of support, approval, or at least indifference by important veto groups both at home and abroad (Cunningham 2011; Tsebelis 2002). The relevant "abroad" includes multiple states with a direct or indirect stake. Thus, for example, the reunification of Germany took a multilateral deal involving not just the two German sides and their respective domestic constituencies, but also the US, the USSR, France, Britain, and Poland (among others) and their respective internally negotiated pacts (Stent 1999). With respect to China's various maritime disputes, the US clearly looms large as a significant other. Its role in these disputes has been prominently featured whether in the discourse on pivotal deterrence or that on extended deterrence (e.g., Crawford 2003; Huth 1988a), topics that I will discuss in more detail later.

Just as my analytic style and approach tend to depart from the mainstream of scholarship on China's foreign relations, my substantive conclusions also differ from those reached by perhaps most other colleagues. In my judgment, the impression conveyed by most current analyses, especially those published in the more popular media, tends to be too

pessimistic and even alarmist. Predictions of impending armed clashes, even a large military conflict between the US and China, appear to be too dire. They overlook ongoing trends, such as increasing economic interdependence and political de-alignment, which offset the effects of territorial disputes and competitive rivalry. One may even argue that precisely because relations among Asia Pacific countries have reached a more stable and peaceful situation, they should feel less restrained to quarrel loudly because they realize that the risk of a run-away escalation has now been greatly reduced. This logic would argue analogously that because democracies rarely, if ever, go to war against one another, these countries should be more disposed to enter into disputes of lower intensity because compared to their authoritarian counterparts, they can be more assured that such quarrels would not affect their fundamental friendship and that their disagreements would be resolved long before reaching the point at which blows are exchanged. Conversely, when states find themselves in a dangerous hair-trigger situation, their leaders should be more cautious so that their actions will not produce an unwanted confrontation or escalation.

This line of reasoning illustrates my earlier point about people being strategic and being capable of planning their moves in anticipation of others' reaction. The example introduced above also provides an unusual interpretation that disagrees with conventional wisdom. In the analyses that follow, I offer other inferences and conjectures, such as those about the prospects of US military intervention in the Taiwan Strait, the danger of China's resort to armed forces in its maritime disputes, and the probable effects of democratization on Beijing's foreign policy. These inferences and conjectures often offer unorthodox propositions. These propositions could of course turn out to be wrong. Whether they do, or do not, is an empirical matter – to be settled by history's verdict. Falsifiable prediction provides one (albeit an important) criterion for judging the validity of our analysis. Being explicit rather than vague in stating one's propositions is an analytic virtue, and even if a proposition is contradicted by subsequent events it is helpful for advancing our knowledge. What the readers of this book will not encounter is an "echo chamber" that repeats much of the received wisdom featured in many extant studies of China's foreign relations. What is sometimes taken as a matter of fact reflects rather constructed reality and common interpretation shared by members of particular communities. An unnamed Wall Street pundit has been quoted saying, "I get scared when everyone gets to one side of the boat." Irving Janis (1982) has coined the phrase "group-think" to describe the tendency for people, even very smart ones, to jump on the conveyor belt of conventional and consensual thinking.

### **What about cognitive and affective factors?**

Rationalist explanations attend to the common structure of decision making faced by all incumbent officials regardless of their national origin. This perspective introduces generic considerations – rather than turning to cognitive and affective factors that influence the views and motivations of particular leaders, organizations, or cultures – as the first order of business for empirical inquiry. This analytic disposition suggests that we should consider common structural properties in attempting to understand decision choices before resorting to those variables pertaining to lower levels of analysis.

Certainly, motivated biases and just plain ignorance have contributed to distrust and miscalculation in interstate disputes. It is, however, usually difficult for analysts to make such causal attributions when they lack good access to classified archives disclosing the pertinent officials' actual perceptions and true reasoning (retrospective memoirs and even contemporaneous documents may suffer from well-known validity problems due to their authors' natural desire to bolster their political position and protect their reputation). We know that officials often disguise their real intentions and issue statements that later turn out to be false or misleading. I argue in this book that in many situations, one does not necessarily have to invoke perceptual or judgmental errors (or for that matter, divergent cultural dispositions) in order to explain the occurrence or escalation of interstate disputes. In advancing this argument, I do not mean to suggest that these variables are irrelevant or unimportant. Rather, their analytic purchase should be judged by the extent to which they are able to address that which has not yet been accounted for by generic rationalist explanations. One should consider the more general or commonly shared factors in proposing explanations before introducing others that are less so.

This analytic posture raises the possibility that dispute impasse and conflict recurrence may be due to common, even understandable, reasons that are inherent in the nature of interstate relations. As in the game of poker, deliberate misrepresentation (i.e., deception intended for the very purpose of inducing misperception and causing misjudgment) and imperfect information (in the sense that one lacks access to observe a foreign counterpart's decision processes) are an integral part of the nature of interstate interactions (what is the point of playing poker if bluffing is not allowed or if the players can see others' "hole cards"?). As Mark Twain reportedly quipped, "what makes a horse race is a difference of opinion." The same goes for poker games and interstate disputes – and as I will argue later, these differences of opinion are not necessarily a result



of psychological biases or cultural misunderstanding. It is also pertinent to note that as the reference to horse races (or other such comparable situations, for example stock transactions and sports matches such as the games of the National Football League; Kirshner 2000) suggests, a difference of opinion can exist even when complete information is publicly available to all the participating actors.

War is a costly business. The belligerent countries expend money, lives, time, and political goodwill on their fight, resources that could have otherwise been used for other purposes. War is also a risky proposition because it can end badly for these countries, sometimes ending in their military defeat and foreign occupation. The leaders of the vanquished can suffer not only the loss of their political power but also their personal demise (e.g., Adolf Hitler, Benito Mussolini, Hideo Tojo, and Saddam Hussein). If the leaders of the opposing sides had reached an agreement to settle their dispute peacefully, they would have spared themselves the costs and risks associated with fighting a war. They could not reach such an agreement because they did not have 20/20 foresight about how a military conflict would eventually turn out. What factors then stand in the way of their ability to anticipate this outcome? Even though leaders realize that wars are inefficient in the sense just described, they still often decide to fight instead of coming to a negotiated settlement. This phenomenon presents the central analytic puzzle that scholars of bargaining theory try to explain (Blainey 1973; Fearon 1995; Gartzke 1999; Wagner 2000).

As the proverbial saying goes, it takes (at least) two to tango. To state the obvious, the persistence of China's maritime disputes with the other claimants is a result of their discordant expectations. When the parties continue to carry on and even escalate their dispute, they evidently believe that their behavior will gain for them a better deal than their counterpart is currently willing to accept in a negotiated settlement. When they choose war to settle their differences, both belligerents must believe that they hold a stronger hand than they are given credit for by their opponent (Fearon 1995). A resort to arms thus becomes a way for both sides to communicate their greater resolve or stronger capabilities that in their view should entitle them to a more favorable settlement (they use military displays and actual fighting to do the "talking" for them just as poker players rely on their betting to communicate or represent the strength of their hand). Typically in such situations, the costlier and riskier the signals to a sender (costs whether in terms of tangible resources or intangible reputation, and risks in the sense of Schelling's 1966 advice of following policies that deliberately leave something to chance), the more likely that this sender is sincere and not bluffing (even though he/she can still be wrong). This is so because insincere actors (i.e., those

who are just pretending) would not have accepted the high costs and great risks that a sincere actor is willing to take on in order to demonstrate his/her seriousness. The fact that the contestants evidently disagree about the terms of a possible settlement does not necessarily imply that cognitive and affective distortions are responsible for this disagreement. This disagreement can also stem more fundamentally from the inherent structure of their relationship. Both contestants cannot be correct in their discrepant anticipation of how a protracted dispute or military confrontation (or horse race) will turn out, and in that sense there must be miscalculation by at least one and perhaps even both sides.

It also stands to reason that when a dispute results in a standoff and negotiation is at an impasse, the parties are likely to have different expectations about what the future holds. If both sides had shared the same expectation of the future, they could and would have settled on the basis of that common anticipation, thereby sparing themselves the costs of a gridlock in the meantime. In other words, one strong plausible reason for holding out is if one believes that the prevailing trends and also one's own ongoing efforts can make a difference in changing the future in one's favor – or more accurately, in demonstrating or enhancing one's bargaining position to a greater extent than the other side is currently willing to acknowledge and concede. Again, both sides cannot be right even though they can both be wrong in continuing a deadlock – unless of course delaying a deal into the future will somehow make both sides better off (which of course begs the question of what is preventing them from reaching this deal now).

Playing for time may make sense if the costs of accepting and ratifying an agreement are expected to abate in the future. These prospective costs very much include calculations about domestic partisan politics (such as anticipated hostile popular reaction to reaching an accommodation with a foreign adversary and criticisms from domestic lobby groups, opposition parties, and dissident elite segments). Thus, for example, several US presidents were said to have professed a readiness to initiate supposedly controversial policies, such as ending a foreign war (e.g., Vietnam, Afghanistan) or conciliating with an adversary (e.g., China, Cuba), after having secured for themselves a second term in office. Significantly, this formulation points to a potential principal-agent problem: the chief negotiator (e.g., the president) and the country he/she is representing may not have identical interests, so that the chief negotiator may postpone or veto a foreign deal even if it may be politically feasible and in the country's objective interest (Putnam 1988). Another important implication of this perspective is that officials may put off reaching a deal if they expect that their foreign counterpart's next administration will be more

accommodative (Wolford 2007). Conversely, if hardliners are waiting in the wings to succeed this counterpart's current administration, they should be more willing to reach a deal now rather than waiting until later. As a general proposition, whether incumbent politicians are politically secure has a bearing on their propensity to compromise with or confront their foreign counterparts in an ongoing dispute (Huth and Allee 2002). Politically insecure leaders are generally more constrained from making concessions to their foreign counterparts in order to reach a deal, and they are more tempted to resort to tactics aimed at using foreign crises to boost their domestic popularity (as shown by the escalation of the Falklands/Malvinas dispute).

That the various parties to China's maritime disputes have not yet come to an agreement to settle could be due to another plausible reason: deadlock or delay can simply be due to a lack of any attractive policy option at the present and a concomitant unwillingness to make a hard choice among all the unpalatable options available. With severe resource constraints, domestic discord, and distraction from other more pressing issues of higher priority, playing for time – "talking simply for the sake of talking" or what Lawrence Freedman (1988: 30–33) describes simply as "prevarication" – is not an unnatural response, as exemplified by Britain's negotiation with Argentina about the status of the Falklands/Malvinas before the 1982 war (Freedman and Gamba-Stonehouse 1991). Similarly, strategic ambiguity, as shown in Washington's policy for the Taiwan Strait, can be an attempt to make a virtue out of necessity when one wants to avoid expending political capital on a divisive bureaucratic or partisan debate and publicizing such domestic division for foreigners to listen in. Deliberate vagueness in some aspects of this US policy predated 1979, when Washington switched its diplomatic recognition from Taipei to Beijing. Throughout the 1954–55 offshore crises, the US remained purposefully ambiguous about whether it would defend Quemoy and Matsu (Chang and He 1993; Wang 2002; Zhang 1998: 210–224). As another example of "playing for time," Beijing was willing to shelve its dispute with Tokyo over the Senkaku/Diaoyu Islands until it perceived the Japanese side to have violated a tacit understanding not to disturb the status quo (in part prompted by Tokyo Governor Ishihara Shintaro's campaign to purchase these disputed islands from their private owners, a situation that in turn illustrates how domestic political opposition might attempt to influence an incumbent government's policy agenda and shape its choices).

These illustrations suggest that a difference of opinion held by the parties to a dispute does not have to be due to biases in perception or judgment (although such factors need not be ruled out). Indeed, to the

extent that these contestants have had extensive experience in dealing with each other and also have a common culture and shared history (as exemplified by relations on the Korean Peninsula and across the Taiwan Strait and, to a lesser extent, in relations between India and Pakistan and between Israel and its Arab neighbors), they should *ceteris paribus* be less prone to commit such errors than officials from countries that have had far less contact and familiarity with each other such as Chad and Denmark or Bolivia and Cambodia (Chan 2013). Contesting neighbors should be the *least* likely to commit misperception or misjudgment. Learning theory suggests that after repeated confrontations, they should be in the best position to gauge each other's intentions and capabilities, just like two seasoned poker players who have had many prior encounters. Who should be in a better position to understand Pyongyang than those in Seoul, and vice versa? The same goes for Beijing and Taipei.

Indeed, in view of my previous reference to officials' occasional resort to deliberate misrepresentation (i.e., to lying), it is not unnatural for them to pretend misunderstanding even when they understand each other perfectly well. As an example, it would seem preferable to blame the furor over Washington's issuance of a visiting visa to Taiwan President Lee Teng-hui on diplomatic misunderstanding, bureaucratic snafu, congressional pressure, or anything else other than a deliberate decision to renege on a promise to the contrary given to Beijing's officials just a few days prior to this decision (Garver 1997). To cite another example from recent events, it is more convenient to explain Hong Kong authorities' decision to allow Edward Snowden to leave for Moscow as some kind of mishandling or misunderstanding of the US request to extradite him than to acknowledge that this decision was a deliberate effort to obstruct and embarrass Washington in its efforts to prosecute this individual who has leaked information about secret surveillance programs conducted by the US government.

In light of this discussion, I am more inclined to interpret the distrust shown by Beijing's leaders toward Taiwan's Lee Teng-hui and Chen Shui-bian (and vice versa) as stemming from the bargaining situation characterizing their relationship than as a product of mutual or one-sided misperception (e.g., Bush 2005). Their reciprocal skepticisms are natural and to be expected given the circumstances they find themselves in. For instance, what is there to prevent future Chinese leaders from disregarding Beijing's current promises to Taipei after the latter's government renounces its claim to sovereignty? Similarly, one need not introduce culture to explain Beijing's suspicions about Washington's motives with respect to Taiwan (e.g., Zhang 1998), as the US had also

questioned similar Soviet aid to the nearby island Cuba. Beijing's objection to Washington's arms sales to Taipei should not be too difficult to comprehend if one recalls that Washington had not reacted with equanimity to Soviet military assistance to Havana – after the US had orchestrated the Bay of Pigs invasion of the island. A cultural explanation offers little additional analytic value when a geostrategic interpretation can already account for both cases (e.g., Wachman 2007).

As mentioned previously, national leaders may be unwilling to conclude a foreign deal even when they personally prefer it because they face or anticipate strong objections from powerful domestic interest groups. And even when they favor such a deal privately, they may feign doubts in order to squeeze further concessions from their opposite number (just as in the case of a poker player who may deliberately misrepresent his/her hand in order to extract the maximum amount of payoff from others). Finally, leaders may put a public spin on a foreign deal and deliberately omit key aspects of this bargain from public knowledge – such as the *quid pro quo* involved in the withdrawal of Soviet missiles from Cuba, with Washington pledging to also remove US missiles from Turkey and not to invade Cuba again (Allison and Zelikow 1999). I will elaborate on these remarks further in later discussion, suggesting that situational explanations should be tried first before resorting to motivational explanations. The motivational factors are often inherent in the situational or structural conditions. It is inherently more difficult to decipher others' intentions which, just like their capabilities, are also subject to change in the future (in part in response to one's own current behavior). This is why officials often dismiss their counterparts' "cheap talk" and insist on tangible evidence of credible commitment from these counterparts.

### **Attending to cross-national patterns**

Renowned international relations scholar James Rosenau often counseled his students to start their inquiry by asking "what is this an instance of?" (Anand 2011). His advice recommends situating one's topic of analysis in a general empirical and theoretical context, thereby enabling one to gain analytic and policy relevance beyond the particular case or actor being studied. I will follow this advice, starting from the premise that China can be studied as a "regular" state like any other in international relations analyses. In so doing, I choose to focus on what it shares in common with other countries (such as the decision logics presented by the rationalist perspective) rather than what sets it apart. I ask how much generic formulations of interstate conduct can advance our understanding without having to appeal to China's supposed uniqueness or resorting to the

more idiosyncratic aspects of its decision processes. I believe that the general theories and broad empirical patterns offered by international relations research can teach us much about individual cases such as China's maritime disputes.

Naturally, an event or situation can belong concurrently to several analytic categories (i.e., it can be an instance of several classes of phenomena). Thus, China's maritime disputes can be considered instances of contested sovereignty over disputed territory and as such, they can be informed by empirical patterns concerning territorial conflicts in general. These disputes also represent instances of extended deterrence (Huth 1988a) to the extent that a third party such as the US is involved in checking China's assertiveness. As instances of protracted impasse, they exemplify negotiation failures. Rationalist explanations (Fearon 1995) provide a generic account for such failures and even the occurrence of war despite its known inefficiency. Finally, China's maritime disputes highlight the interactions of domestic politics and foreign relations, and they can be analyzed as instances of "two-level games" (Putnam 1988). As already indicated, I will analyze Beijing and its counterparts' behaviors in the general context of bargaining interactions (e.g. Weiss 2012).

The various strands of theoretical and empirical research just mentioned are usually overlooked in commentaries on China's territorial disputes. I argue that this research can provide important and even counterintuitive insights on this topic. For example, quantitative studies based on systematically collected data on territorial disputes are useful in calling attention to those conditions that escalate these contests to outright war and subsequently spread it to engulf third parties. Alliance politics, armament competition, and recurrent militarized crises have typically played an important role in the dynamics of escalation (e.g., Vasquez 2009). Given this stylized fact, we can ask whether these ingredients for a combustible brew have increased or decreased in China's current territorial disputes.

As another example, officials can try to communicate their country's commitment to defend an ally either by publicizing clear, consistent statements that engage their reputation, or by making visible, costly allocation of tangible resources to defend this ally ("tying hands" and "sinking costs" as described by Fearon 1997). This perspective in turn directs our attention to analyzing how the US, evidently the most important ally for most countries involved in maritime disputes with China, has acted in recent years in view of these injunctions for credible (extended) deterrence. Has it "talked the talk" and "walked the walk"? With respect to the dynamics of two-level games and the distinction between cheap talk and credible commitment, what are foreign audiences likely to conclude

from the Pentagon's declared intention to "pivot to Asia" and the recent and ongoing debate about the "fiscal cliff" and "budgetary sequestration" in Washington?

As a final example, territorial disputes are more likely to enflame popular emotions and arouse nationalism than other kinds of interstate controversies. As such, they are more easily manipulated, even hijacked, by politicians for domestic partisan reasons, such as when foreign crises and confrontations are used by officials to distract citizens from their domestic problems as suggested by the diversionary theory of war (Tir 2010). There is also an obverse side to this possibility of politicians manufacturing or exploiting foreign tension for domestic partisan reasons. As a country's political process becomes more pluralistic, its leaders are more likely to compete for public support or at least to attend to public opinion which is often more bellicose and nationalistic than elite attitudes. This development can in turn become a more serious constraint on politicians, discouraging them from making the necessary compromises with their foreign counterparts in order to break a deadlock. Certainly, dovish leaders have been known to pay a heavy political price and even with their lives (e.g., Anwar Sadat, Yitzhak Rabin) for their conciliatory policies (Colaresi 2004).

The general phenomenon of democratization, elite fragmentation and competition, or just a trend toward more pluralistic politics tends to limit the domestic win set (which in Putnam's 1988 terminology means the range of politically feasible terms for a negotiated deal, given the prevailing distribution of interests and influence of domestic constituents) for concluding a foreign deal, a development that in turn suggests a less sanguine view of the peaceful disposition of those countries in the midst of political transition than is typically portrayed by the "democratic peace" literature (Mansfield and Snyder 2005). Thus, contrary to some commentaries (e.g., Friedberg 2011), a more democratic China does not necessarily mean a more accommodating China in its international relations. At least according to the so-called accountability model that tries to explain the democratic peace phenomenon (Huth and Allee 2002), democratic leaders, especially those who are politically insecure (such as when they face tough re-election challenges), tend to be less conciliatory and more belligerent in their foreign disputes.

Parenthetically, there may be an important distinction between politically insecure leaders and politically insecure regimes. When an authoritarian regime with strong leaders faces domestic economic difficulties or separatist insurgencies, its response to this situation could very well be a greater inclination to seek accommodation on its border disputes. China's past behavior is congruent with this

pattern (Fravel 2008). In contrast, democratic leaders facing a strong domestic opposition (in this case, the regime itself is not threatened but the incumbent officials are unpopular and thus likely to be rejected by the voters) may be expected to adopt a hard-line policy and even escalate territorial conflicts.

This line of reasoning implies that by credibly restricting the Kuomintang's (KMT) bargaining space to strike a deal with Beijing, Taiwan's Democratic Progressive Party (DPP) actually enhances a "pan blue" (that is, a Kuomintang-led) government's leverage to demand concessions from Beijing – while at the same time, limiting the extent to which this administration is prepared to make concessions to Beijing due to its potential vulnerability to a domestic political backlash. Intriguingly, this same logic would suggest that Beijing has a vested interest in Ma Ying-jeou's popularity and likewise, Taipei has a similar interest in Xi Jinping consolidating a strong position in Chinese domestic politics because *ceteris paribus*, such conditions expand a counterpart's win set, thereby increasing this chief executive's bargaining space to make concessions and thus reducing the danger of his/her "involuntary defection" (the risk that this chief executive is unable to deliver on a deal already negotiated with a foreign counterpart because strong domestic opposition prevents its ratification). The so-called Sunflower Movement in Taiwan in 2014 illustrates such an instance whereby a politically unpopular Ma Ying-jeou was unable to overcome domestic opposition to a pact he had negotiated with Beijing for free trade in the service sector. This inability to "deliver" on a negotiated pact in turn damages an incumbent politician's credibility and undermines foreigners' willingness to enter into further negotiations with him/her in the future.

According to this logic, politically strong and popular leaders are more credible and are in a better position to negotiate and ratify deals with foreign counterparts. As a thought experiment, would any of China's current leaders have the political stature and influence to undertake what Mao Tse-tung did in launching the initiative and concluding the agreement to open Sino-American relations in 1971–72? As for "involuntary defection," the example of the US Senate's refusal to join the League of Nations comes to mind. But even when legislative approval is eventually given to a treaty (such as the deals pertaining to the Panama Canal and the Strategic Arms Reduction), the substance and process of domestic political discourse leading up to this outcome (disclosing, for example, strong objections from key congressional leaders) can discourage future attempts by both sides to seek another accord, because this information would make the leader of the ratifying country more wary of repeating the same experience and because foreign leaders may infer from



the same information that their counterpart is in a weak domestic position to negotiate and conclude a settlement.

On a more ominous note, domestic politics on both sides of the Atlantic Ocean exacerbated the Falklands/Malvinas conflict. The tragedy of this conflict is of course that Argentina and Britain went to war in 1982 even though their officials had previously wanted to settle their dispute and avoid a fight. Once armed hostilities had broken out, however, domestic politics made it near nigh impossible for officials on both sides to back down rather than to face further escalation. Having won a military victory and retaken these islands, London is now saddled with an expensive defense commitment that it had preferred not to take on before the war (Freedman 1988). Its pyrrhic victory does not resolve its dispute with Buenos Aires, a dispute that will become increasingly costly for Britain to sustain militarily, politically, and financially in the long term. Although the 1982 military campaign turned out to be politically popular and boosted Margaret Thatcher's domestic standing, it is not nearly as clear whether Britain's long-term interests have been advanced by it. To the extent that Britain's domestic lobbies and partisan competition had tilted the conduct of diplomacy and popular discourse leading up to the war (e. g., Gamba 1987), one is again reminded that partisan politics does *not* necessarily stop at the "water's edge" of foreign relations and that political representatives who are their people's agents may have incentives that differ from their principals. The domestic unpopularity stemming from the Argentine generals' mismanagement of the economy and their brutal suppression of leftists also contributed to their motivation to invade the archipelago (for the sake of mobilizing public opinion to rally to their support).

Other people may suggest different analytic categories to which China's maritime disputes may belong. They may also disagree with my analytic placement of the cases and my characterization of the relevant categories. For instance, the official Japanese position is that there is *not* a dispute between Tokyo and Beijing over the Senkaku/Diaoyu Islands. In an interview with CNN, former Japanese Prime Minister Yoshihiko Noda argued that this issue involves "only a question of ownership emanat[ing] within Japan." He was quoted saying, "The Senkaku Islands are an inherent part of Japanese territory, historically as well as under international law, so there's no territorial claim issue between the two countries ... Right now, it is the ownership issue – whether the individual owns these islands, or the Tokyo metropolitan government or the state. And I think we have to clearly and solidly explain these stances to the Chinese side" (Whiteman 2013). In light of this official position, when former

Japanese Prime Minister Yukio Hatoyama acknowledged the existence of a dispute while visiting China in January 2013, his remarks were controversial back home. Japanese Defense Minister Itsunori Onodera stated publicly that upon hearing Hatoyama's acknowledgment, "the word of [sic] 'traitor' arose in my mind" (Yuan 2013).

As another example, Manila tried to clarify Washington's commitment under their mutual defense treaty during its confrontation with Beijing over the Scarborough Shoal/Huangyan Island in May 2012. US officials, however, refrained from either confirming or denying whether Washington is bound by its treaty obligation (e.g., Simon 2012). Even though the terms of this treaty include a reference to an armed attack on "the island territories under [either party's] jurisdiction in the Pacific or on its armed forces, public vessels, or aircraft in the Pacific," unnamed people were reported to have "come to conclude [that the US] security cover applies to only acts of aggression by a foreign military entity on the main Philippine islands" (Samaniego 2012). Thus, there is some vagueness about whether extended deterrence by the US is applicable in this case and possibly others (Manila and Washington have entered into an Enhanced Defense Cooperation Agreement since then). With respect to relations across the Taiwan Strait, strategic ambiguity has been described as the US policy (Tucker 2005). This policy declines to formally commit the US one way or the other should a war break out between China and Taiwan. Indeed, whether the two sides across the Taiwan Strait are parties to interstate relations or participants in an unfinished civil war points to the very crux of the controversy regarding their legal and political status – despite efforts by both sides to engage in creative ambiguity to finesse this fundamental issue.

Therefore, possible disagreements about "what X is an instance of" are hardly trivial. As later discussion will try to show, these disagreements are in themselves highly informative about competing attempts by the parties involved to frame issues, set agendas, and gain bargaining leverage. As a quick illustration, the US would naturally like to present its role as an impartial intermediary engaged in "pivotal deterrence" (Crawford 2003) in the Taiwan Strait – that is, to present its policy objective as seeking to deter *both* Beijing and Taipei from upsetting the status quo by non-peaceful means. It is, however, not unnatural for Beijing to interpret this US policy to preserve the status quo as having both the intent and effect of perpetuating Taiwan's *de facto* separation from China. Beijing is more likely to see the US policy as an attempt at extended deterrence rather than pivotal deterrence (which is sometimes also described as dual deterrence aimed at discouraging both Beijing and Taipei from unilaterally changing the status quo).

As another example of competitive efforts to frame discourse and manage public relations, self-determination was the key theme played up by the British in the Falklands/Malvinas War, and emphasized by Western supporters for Taiwan's independence and for the right for Kosovo, Bosnia, Slovenia, and Croatia to secede from Yugoslavia. In the 2014 controversy about a referendum held to determine whether the people of Crimea should break away from Ukraine and join Russia, the same Western countries chose to emphasize instead the sovereignty and territorial integrity of Ukraine, pointing to Ukraine's constitution and the right of *all* of its people (not just those residing in Crimea) to have a voice in deciding Crimea's fate. The latter arguments of course reflect Beijing's position with respect to Taiwan.

To return to the topic of aggregating cases into particular classes of phenomena, I am certainly aware that the labeling of analytic categories and the placement of individual cases in these categories can be controversial. That I have included Taiwan, the Senkaku/Diaoyu Islands, and China's maritime disputes in the South China Sea in the same analytic category called "maritime disputes" can be expected to encounter objections. Not the least of such challenges is likely to be voiced by Beijing, which views its relations with Taiwan as an internal (i.e., intrastate) matter and its disputes about the status of islands in the East and South China Seas as involving its external (i.e., interstate) relations. An overwhelming majority of other states, including the US, have basically accepted this position. They have accorded diplomatic recognition to Beijing as the sole legitimate representative of China, and they have also acknowledged Beijing's position that Taiwan is a part of China. Therefore, there is a basis for arguing that most other states will view China's treatment of the Taiwan issue as a special case, one that is distinct from and one that is therefore not necessarily indicative of its foreign policy disposition in general (e.g., Kang 2007).

My seeming aggregation of "apples" and "oranges," however, reflects an alternative rationale, one that attends more to interpretive logic than legal status. To the extent that nearly all states in fact view the Taiwan issue as China's domestic matter and thus as qualitatively different from China's other maritime disputes, this consensus implies that Beijing would be likely to face fewer adverse international repercussions if it were to undertake various coercive moves – including a resort to military invasion – in the former case than in the latter ones. *Ceteris paribus*, if Beijing eschews coercive steps under this more permissive circumstance, this self-restraint could in turn be informative about its unwillingness to undertake similar coercive moves under less permissive circumstances, such as those involving its disputes in the East and South China Seas. That the Taiwan issue

is far more salient in Chinese domestic politics than the other maritime disputes again lends itself to the same interpretive logic. If China is willing to compromise on the former, one may infer that it will be similarly disposed or even more so inclined in the latter cases. The basic underlying logic is of course that Taiwan represents the “most likely” case over which Beijing is willing to risk a setback in its general reputation for peacefulness and even a war that could destabilize its external relations and upset its domestic development plans. According to this logic, if it eschews violence in this “most likely” case, a resort to arms is even less probable in the other cases, *ceteris paribus*.

### **Biases in history remembered**

Historical memories – such as the so-called lessons of Munich and Vietnam – shape officials' perceptions of policy situations and influence their responses to these situations (e.g., Khong 1992; May 1973). Scholars also often invoke historical parallels and precedents in their research. Like other people, they are not immune from hindsight bias (Fischhoff and Beyth 1975), a tendency to exaggerate the certainty of historical outcomes after they learn how events have actually turned out. There is therefore the danger of seeing historical developments in a more deterministic and less stochastic way than warranted (Lebow 2010). Moreover, like people in general, scholars are often drawn to remember and study those situations that are dramatic, recent, or familiar to them (the so-called retrievability or recall bias, Tversky and Kahneman 1974) and, conversely, to overlook others that are less so. They are also susceptible to the tendency to invoke situational attributions when explaining their own country's or an ally's questionable and even objectionable behavior but to make motivational attributions when explaining similar behavior by an adversary (Mercer 1996). That is, they are inclined to explain unpopular or undesirable conduct by themselves or someone close by appealing to compelling circumstances (“my hands are tied”), but to interpret similar behavior by a disliked other as evidence of its aggressive disposition or shady character (“inherent bad faith”).

As a consequence, one often uses alternative logic to explain similar behavior by different countries, depending on one's affinity to them. To illustrate, US–Cuba relations and China–Taiwan relations are at least comparable in geostrategic terms. As a counterfactual experiment, how would most American analysts interpret China's behavior toward Taiwan if Beijing were to replicate US actions in the Bay of Pigs invasion and its blockade of Cuba in October 1962? Would they be inclined to accept Beijing's reasoning in such a situation if it were to invoke justifications

similar to those given by Washington with respect to Cuba? As another source of cognitive and affective bias, some historical analogies come to mind more easily than others because they may be politically more convenient or congenial to one's self-image. Thus, as another example, are the two sides across the Taiwan Strait to be considered participants in interstate relations or parties to an unfinished civil war and if the latter, is their relationship comparable to the fight between the Union and Confederacy in 1861–65? The right to secede and the legitimacy of foreign intervention tend to be treated very differently in these cases and others such as Vietnam, Korea, Germany, the former Yugoslavia, and most recently, the controversy over Crimea's status involving Ukraine, Russia, and the West.

For reasons similar to those given above, students of current disputes in the South and East China Seas do not typically assign these quarrels to the same general class of phenomena that includes other comparable cases such as the Beagle Channel settlement between Argentina and Chile, the 1920 Svalbard Treaty that recognized Norway's qualified sovereignty in that maritime episode (Khanna and Gilman 2012), or for that matter, US relations with its neighbors in the Caribbean and Gulf of Mexico. Similarly, Western analysts of relations across the Taiwan Strait do not generally frame their analyses in terms of secessionist movements seeking to gain political independence (Heraclides 1990; Young 1997), and rarely consider possible precedents or parallels from episodes that are more distant in time or personal familiarity (or those more prone to engender cognitive or affective dissonance), such as Norway's separation from Sweden, the American Civil War, and the breakup of the USSR, Yugoslavia, Czechoslovakia, Singapore's union with Malaysia, or, from an earlier era, Gran Colombia and the Austro-Hungarian Empire. They almost never ask whether there may be lessons to be drawn from these historical cases as well as others such as those involving Biafra, Bangladesh, Eritrea, and Ireland, representing both peaceful and violent episodes producing secessionist successes as well as failures. For those secessionist movements involving civil wars, what conditions affect the prospects of durable peace in their aftermath (Mason *et al.* 2011; Tir 2005a, 2005b)? Legal or physical partition does not necessarily mean that a conflict has ended (e.g., Cyprus, Kashmir, Ulster, and Palestine).

Most people tend to also dwell on just a particular set of cases or outcomes – in the parlance of social scientists, to select on a dependent variable – such as when they decide to focus on disputes that are featured in current news headlines, especially those that appear to augur heightened interstate tension. As a consequence, they miss the opportunity to ask, for instance, why Beijing evidently adopted a generally conciliatory

policy in settling nearly all of its land borders while appearing to be more assertive in its current maritime disputes. Beijing conceded much larger tracks of land to Czarist Russia in the 1800s when it settled its borders with Moscow but is currently embroiled in a dispute with Japan over small uninhabited islands whose controversial status also dates back to the period of China's historical weakness and humiliation at the hands of imperialists. (Japan argues that it acquired the Senkaku/Diaoyu Islands as *terra nullius* before the 1895 Treaty of Shimonoseki forcing China to cede Taiwan to it, whereas China points to the Potsdam Declaration and Cairo Declaration stipulating that Japan must give up territories it had gained by military conquest). Similarly, what could have accounted for China's different attitudes toward the juridical independence of Mongolia and Taiwan? The former's territory is much larger, representing one sixth of the area of contemporary US (about as large as Texas, New Mexico, Colorado, and Arizona taken together, or an area roughly equivalent to Britain, Ireland, France, Spain, Portugal, Switzerland, and the Benelux countries combined; Sanders 1987: 1). Ironically, while claiming to represent the Republic of China, Taiwan's maps for many years showed Mongolia to be part of China even though Beijing had recognized that country's independence as early as 1949 (the US did not establish diplomatic ties with Mongolia until 1987; previously when Taiwan represented China in the United Nations, it vetoed Mongolia's admission until 1961).

Both the Chinese Nationalists and Communists were inclined to compromise on Mongolia's independence and Soviet influence in that country in order to pursue more important goals such as to counterbalance the puppet regime Manchukuo created by the Japanese during the Sino-Japanese war and subsequently, the control of Manchuria during the Chinese Civil War. The Kuomintang government recognized Mongolia's independence in 1945 as part of a deal to ensure Moscow's neutrality in the latter conflict and as a consequence of the Yalta Accord, to get the USSR to fight Japan in the waning days of World War II. In 1949–50, the newly formed Communist government again subordinated the Mongolia issue in negotiating the Sino-Soviet Treaty and used it as a bargaining chip to gain Soviet concessions in northeast China, restoring China's sovereignty over the Changchun Railroad and the ports of Lushun and Dalian (Liu 2006; Shen and Li 2011). Thus, as shown by Fravel (2008) on other occasions, China has quite often shown flexibility in compromising on its territorial disputes and pursuing settlements in order to achieve higher goals (in the Chinese Communist parlance, to focus attention on the “main contradiction” or the most important and pressing problem of the moment).

For example, Chi-kin Lo (1989) has shown that Beijing's policies toward its counterparts in the South China Sea disputes have been motivated by the larger geostrategic picture, specifically its relations with the USSR and the US during the 1970s and 1980s. Another example was provided by Chien-peng Chung (2004: 38–41) who reports that Beijing's leaders had side-stepped the dispute with Japan over the Senkaku/Diaoyu Islands in the late 1970s, when they were more interested in concluding a peace and friendship treaty with Tokyo professing a joint "anti-hegemony" (meaning anti-Soviet) position.

This discussion points to various biases inherent in an approach that singles out a particular actor or case for attention, and treats it in isolation from other comparable actors or situations. It thus makes an argument in favor of nomothetic as opposed to idiosyncratic analysis. China is often treated in a separate analytic category by itself, and its conduct is not compared to that of other countries. As a result, we often attribute to the current government in Beijing special and even unique qualities, and overlook its possible similarities with others (including earlier Chinese governments). As another illustration in addition to the example given above concerning the policies adopted by the Chinese Communists and Nationalists toward Mongolia, the nine-dash line propagated by Beijing to stake out its claim in the South China Sea was actually first introduced by the Kuomintang in 1947 when it still ruled the mainland (in the form of an eleven-dash line, with two of the dashes demarking the Gulf of Tonkin, deleted subsequently by the Communists, Hayton 2014: 58–59). The logic of comparative social inquiry calls for substituting the proper names of our cases with the names of the pertinent variables for explaining an empirical phenomenon (Przeworski and Teune 1970).

As mentioned earlier, there is still another analytic tendency that deserves to be highlighted. Scholars are more inclined to study the occurrence of dramatic, even sensational, events than to attend to the non-occurrence of the expected. In the parlance of research design, they tend to select on the dependent variable (focusing just on those occasions when X has happened and not when it has failed to happen). Unlike Sherlock Holmes, most of us do not ponder about those cases when "the dog did not bark." Non-events are typically absent in our analyses and always excluded from the standard data sets (which, for example, have not thus far reported a Chinese invasion of Taiwan). Such omission means that one does not obtain sufficient variation in the dependent variable being studied. If one just looks at China's current maritime disputes without also considering its previous border settlements with its other neighbors (when acrimonies did not occur or when disputes have ended), one may

end up with the mistaken impression that Beijing has always followed an uncompromising approach in such disagreements.

Selecting on the dependent variable often involves another important analytic issue, one that has been described as selection bias. Recognition of this bias stems from the realization that people are strategic; they choose to enter – or not to enter – into certain encounters or relationships based on their anticipation of how these episodes will turn out. When they eschew involvement, history records their decisions as non-events. By recording only those occasions when people decide to engage each other, history presents a biased sample that excludes those encounters that could have happened but did not.

To illustrate the analytic importance of this selection bias, consider the fact that most attempts at economic sanction have failed to achieve their declared purpose (Hufbauer *et al.* 1990; Pape 1997). Does this phenomenon mean that sanctions are ineffective? Not necessarily – because such a conclusion does not take into account those unobserved cases when the potential targets of sanction agreed to make the necessary concessions before sanctions had to be actually imposed (that is, their concessions had made the imposition of a sanction unnecessary; Drezner 1999). As a consequence of this consideration of sanction threats succeeding preemptively, those historical episodes recording when sanctions did occur tend to represent the more difficult cases for this policy to succeed (hence, a biased sample), cases for which the targets (e.g., North Korea, Iran, Cuba, Russia, and China) must have been more determined to resist (because the less resolved targets would have already “selected” themselves out of these encounters). A valid assessment of the efficacy of sanctions would have to include those occasions when an unpublicized threat of undertaking them has had the desired effect, thus nullifying the need to actually implement them. Of course, as a practical matter it is impossible to include in one's analysis a universe of all potential sanction situations – or more generally for the purpose of our discussion, to identify all cases where bluffs have not been called or when states have decided not to start a confrontation because of a preexisting deterrence threat.

Naturally, leaders also sometimes decide to “select” themselves into particular encounters. Just as when they choose inaction or non-involvement, these decisions can be meaningful – especially when they seem to be counterintuitive. For instance, why would Beijing and Washington, depicted in some accounts as inevitable adversaries, want to enter into an intense economic relationship as shown by the two countries' heavy trade, investment, and loan exchanges (Chan 2012d)? Adversaries are not supposed to enter into such exchanges because they can contribute to the other side's military strength and increase one's own vulnerability to a



political holdup. As another example, Beijing backed down in several previous confrontations after Washington threatened to intervene on Taiwan's behalf. In view of this experience, what does the selection logic imply if Beijing were to mount another challenge? Similarly, having observed the results of Chen Shui-bian's initiatives promoting Taiwan's independence, what inferences can one draw if another leading politician from the Democratic Progressive Party were to adopt a similar policy stance in the future?

I will pursue such questions in more detail later. For now, I would just mention that much of the literature on deterrence hinges on the idea of reputation – which assumes interdependency between events and actors (what X does or does not do today will influence how Y will behave toward it tomorrow). But is there any empirical support for this reputation effect (e.g., Mercer 1996)? Or can knowledge about the other side's prior behavior turn out to be even self-invalidating (Mercer 2013)? For instance, knowing that the other party (whether in a poker game or interstate confrontation) has bluffed before, should I expect that he/she will repeat this behavior next time (e.g., Sartori 2005) – or should I instead suspect that his/her prior (called) bluff was a deliberate advertisement designed to set me up for entrapment the next time (such as when repeated Arab military exercises were used as a ruse to disguise Egypt and Syria's true intention to subsequently attack Israel in October 1973)? Having conceded in a previous dispute, should I expect the other side to concede again – or to be less inclined to yield again the next time (as the Russians apparently felt about German intimidation in July 1914)? If I care about my reputation for firmness and reliability, shouldn't my counterpart also care about his or hers – especially if this counterpart has backed down previously and has thus suffered an embarrassing setback?

People try to learn from the past and use this information to deliberate their future choices. If not self-invalidating, perhaps this phenomenon implies that history should show a self-correcting tendency (if I know you have bluffed before, and you know that I know, and I know that you know I know, and so on and so forth). If true, this tendency means that events reflecting people's decisions should *not* exhibit serial dependency – so that, for example, the idea that one needs to fight or stand firm for the sake of protecting one's general reputation (e.g., the admonition that appeasement this time will invite further aggression in the future, the fear of falling dominoes, etc.) is unwarranted. Paul Huth (1988a: 81) shows that a state's past behavior presents an ambiguous indication of its future behavior: past weakness appears to undermine a defender's deterrence credibility but past firmness does not necessarily contribute to this credibility. Moreover, a defender's past behavior toward *other* challengers does not

offer a good basis for making inferences about how it will respond to a *current* challenger. Indeed, shouldn't one expect a country with a strong record of having resisted others' challenges in the past to be more inclined to take advantage of this reputation and to therefore be tempted to bluff more often (e.g., to pretend that it will fight again in order to gain concessions on the cheap)? Only those with a weak reputation will have to invest more effort to convince others that they are serious *this time*.

Returning to the question posed earlier, knowing that the US has sent credible signals to intervene in the Taiwan Strait in previous crises and having failed to intimidate Taiwan in these prior encounters, what must have changed in the minds of Beijing's leaders if they were to start another armed confrontation? Should we conclude that they must have become more optimistic – or more desperate – based on the information that has become available to them in the interim?

### **Anticipating the book's substantive conclusions**

In contrast to many extant studies of China's maritime disputes and especially its relations with Taiwan, I see bilateral and regional ties in the Asia Pacific moving generally in the direction of greater stability and mutual accommodation. This view does not imply that contentious relations will disappear and disputes will be resolved quickly. It does suggest a generally favorable tendency whereby contested sovereignty will be kept in check so that it will not jeopardize the current political and economic ties binding the disputants. The parties may not be able to reach a definitive settlement in the near future, but their disagreements are also unlikely to erupt into war. Dampening and shelving these disagreements while continuing to maintain and even strengthen the other aspects of bilateral and multilateral relations is the most likely development for the immediate future. Although the issues standing in the way of a negotiated settlement may appear intractable, the longer-term prospects for resolving these disputes are reasonably promising.

This promise hinges on the emergence of what Robert Keohane and Joseph Nye (1977) described as a world of complex interdependence characterized by dense and deep transnational networks of stakeholders with cross-cutting interests. Even in the case of historically tense relations across the Taiwan Strait, a new relationship “premised on high-level contact, trust, and reduced level of force” (Gilley 2010: 50) has taken shape. The evolution of this relationship tends to vindicate the liberal position that “a broad integration of domestic interests will pacify relations between states far more than a militarized balance of power” (Gilley 2010: 60). Similarly, despite recent news on Sino-Japanese acrimony,

these countries' relationship has generally shown more accommodation than confrontation in recent years (e.g., Hagstrom 2012; Jerden and Hagstrom 2012). Prognoses based on realists' core expectations have often turned out to be too pessimistic. One fundamental fact stands out in this respect: China's foreign policy was much more bellicose in the first few decades after 1949 when it was much weaker, but this bellicosity has declined even while it has become much stronger in recent years. Thus, the temporal correlation between China's bellicosity and its capability is in the opposite direction to realists' prediction.

In the following chapters, I will present my rationale for being generally more sanguine than most other commentators on China's maritime disputes. This rationale incorporates multiple considerations. I mention just three of them here. First, contrary to the impression given by some accounts, China has actually been a rather "average" country in its management of territorial disputes. It has not been more inclined to use force or less prepared to compromise compared to other countries involved in such disputes (Fravel 2008: 40–41). It has been rather patient and inclined to shelve these disputes unless it believes that the other side is trying to change the status quo such as evidenced by Jawaharlal Nehru's "forward policy," Chen Shui-bian's "referendum politics," and, most recently, Shintaro Ishihara's campaign to purchase the disputed Senkaku/Diaoyu Islands.

Significantly, this pattern of Chinese behavior contradicts the tenet of offensive realism (Mearsheimer 2001), contending that states would push to expand their power as much as their capabilities would enable them – that is, until and unless they are stopped by other states' countervailing power. In China's recent history of territorial disputes, Beijing has actually pulled back and refrained from seizing large chunks of disputed territory after defeating its opponents in military actions, such as India and Vietnam. This pattern suggests a defensive, reactive, and even status-quo orientation rather than an offensive motivation (e.g., Fravel 2007a, 2007b). China's actual historical conduct appears to suggest an insistence that other parties must first recognize the principle of its sovereignty claims, and having achieved this recognition, Beijing has actually been quite willing to compromise and even accept terms of a settlement that are generally more favorable to its counterparts.

This observation is supported by Chien-peng Chung (2004, 171), who argues that Beijing has actually demanded few border concessions in its territorial conflicts; it has been willing to settle these disputes on reasonable terms if its counterpart is willing to acknowledge that a border problem exists and that this problem reflects past injustice. Beijing's demand for the other side to accept the latter conditions, however,

presents a serious challenge of credible commitment. This is so because acceptance of these conditions would make China's counterpart vulnerable to a possible subsequent defection by Beijing. That is, once this counterpart admits to a border problem and acknowledges past injustices, its claims would be severely undermined if Beijing were to use such an admission as a bargaining lever to gain concessions.

Second and related to the above discussion, a more secure and powerful China has been historically less disposed to initiate military action. This tendency is seemingly counterintuitive and contradicts much of the recent literature that argues that Beijing's capability gains will incline it to become more assertive and even aggressive in its foreign policy. In the past, Beijing's resort to force has in fact tended to be associated with its domestic weakness or declining bargaining position. Thus, as a general proposition, "a stronger China might be less prone to using force" (Fravel 2008: 314). This proposition makes sense in view of the central tenet of prospect theory (Kahneman and Tversky 1979, 2000), which claims that people tend to accept greater risks in order to forestall a setback or recover from a loss whereas they tend to behave conservatively in the domain of gain (i.e., when they have improved or expect to improve their relative position).

Significantly and emphasizing the idea of strategic anticipation (Copeland 1996), this observation contradicts the power-transition theory's expectation. States that are making relative gains and expect a benign future to bring additional gains from cooperation would behave conservatively (they would rather not rock the boat because a continuation of present trends is likely to bring them further gains), and they are more inclined to postpone or compromise on territorial conflicts from a position of bargaining strength. It is not in their interest to destabilize the status quo and thereby to jeopardize their ongoing and anticipated gains. Conversely, those states that are suffering from a relative decline or expect a future rupture of relations are more disposed to take risky actions. They do so in order to reverse their recent or impending losses. That states, and people in general, are forward looking is important even though this observation may seem obvious. This observation calls attention to the phenomenon that when making decisions, people try to anticipate and take into their consideration the possible ramifications of their own and others' actions.

Third, people's awareness that their behavior can affect future relations in turn suggests that their perceptions of their interests and even their identity are not fixed. Interests and identities can evolve as a result of increased exchanges and interactions – and vice versa, producing a positive reinforcement between the two. This idea was propagated quite some

time ago by Karl Deutsch and his associates (1957) in writing about the formation of the North Atlantic security community. Richard Merritt (1966) also wrote about the emergence of a common American identity even before the Declaration of Independence. In the current context, these studies point to a third reason for relative optimism. Public attitudes on Taiwan have shown some signs conducive to national reconciliation. A 2013 poll conducted jointly by Taiwan Competitiveness Forum, a private think tank, and the Apollo Survey and Research Company reports an overwhelming majority (90.4%) of respondents identifying themselves as Chinese in ethnicity (Kuomintang 2013). This identity can coexist with a strong Taiwanese identity. It also does not preclude dramatic swings in election outcomes, such as when the voters provided Ma Ying-jeou with a decisive re-election victory in 2012 and then an overwhelming rejection of his party's candidates two years later in mayoral elections.

Increasing economic exchanges and social interactions across the Taiwan Strait (as well as between China and the other claimant states in the East and South China Sea disputes) have tended to restrain the danger of military escalation. The survey cited above also reports Taiwanese people's views on the prospective benefits of increasing economic interdependence and the concomitant danger implied by the ongoing power shifts between the two sides of the Taiwan Strait. It discloses that 52.5% of the respondents regarded China's development as an opportunity for Taiwan to take advantage of, compared to 18.7% who considered this development to constitute a threat to the island, and 14.9% who thought that Taiwan should proactively take part in China's development (Kuomintang 2013). These figures speak to the central point of contention between classical liberal views about the promises of economic cooperation and traditional realist fears about the danger of unfavorable power shifts, and they indicate how far things have changed since the days of military confrontation across the Taiwan Strait.

Returning to the idea of selection logic, recent news about maritime disputes involving China and others (such as between Taiwan and the Philippines) actually implies a greater confidence in the pertinent countries' ability to manage conflicts and more mutual awareness on their part. Although not framed explicitly in terms of the selection logic, Brantly Womack's (2011: 375) astute remark corresponds with this view: "To put it simply, there is no threshold of military superiority that would make it beneficial for China to establish its control over all the Spratlys at the cost of strategic hostility with Southeast Asia. Therefore, ironically, all parties can persist in their contention without fear of a major international conflict since the costs of decisive victory exceeds the benefits even for the

strongest contender, and the prospect of oil wealth makes each anxious to expand claims and reluctant to yield.”

As the “game” is currently structured, a failure to take tangible actions to challenge others’ claims means to forfeit one’s standing in a dispute. Thus, this situation necessitates and encourages the claimant states to participate in highly publicized contests. Moreover, selection logic implies that the weaker Southeast Asian countries’ decisions to challenge China’s sovereignty claims actually indicate their relative confidence that the latter will be restrained from escalating their conflict. As a thought experiment, what inferences would one draw if Mexico or Venezuela were to confront the US navy over some disputed islands in the Gulf of Mexico? The logic presented here argues that these countries must have been reasonably confident that they would not be subjected to the full force of US retaliation.

Naturally, propositions such as this one should be subjected to empirical verification. History is the ultimate arbiter of competing opinions (Ray and Russett 1996), and falsifiable prediction provides an important albeit hardly exclusive basis for judging the relative merit of alternative approaches or perspectives (one may make accurate predictions that are based on faulty reasoning, and similar predictions may actually be based on different logic and evidence). Moreover, some cases can deviate from a general pattern, so that, for example, China acted offensively and opportunistically when it attacked the South Vietnamese in 1974 to take over the Paracels entirely (this case therefore contradicts the characterization of Beijing’s strategic posture as reactive assertiveness).

Do situations evolve in the general direction expected by an analysis, and produce outcomes that are generally in accord with its expectations? Given the probabilistic nature of these expectations or predictions, isolated cases of disconfirmation may be disappointing but not devastating. But when predictive failures persist and happen in many instances and forms, the damage done to an analysis or perspective is far more serious. Likewise, when an analysis or perspective fails to pass easy tests (i.e., when it turns out to be inadequate in circumstances where it should have performed especially well) or when history actually contradicts its central claims, its credibility is more severely strained. Thus, for example, critics of realism call attention to major anomalies (from realism’s perspective) to discredit it, pointing to various occurrences of the unexpected and non-occurrence of the expected (again, from realism’s perspective) such as the USSR’s voluntary dissolution, Germany and Japan’s decision not to arm themselves with nuclear weapons, the formation of the European Union with its supranational institutions, the reunification of Germany supported by its former enemies in World Wars I and II, and the failure of

the other major states to form a countervailing coalition against US preponderance. These are momentous developments in recent history that cut to the very core of realism with respect to its claims about the primacy of anarchy, self-help, states, and policies seeking to balance against the most powerful state.

### **The rest of the book**

The remainder of the book unfolds in the following sequence. Chapter 2 presents brief reviews of international relations research following the nomothetic approach pertinent to several topics of interest, such as democratic peace, economic interdependence, militarized interstate disputes, and polarity and polarization. Based on large and systematically collected historical data, this scholarship has produced some persistent empirical patterns. Several patterns are sufficiently robust to represent “stylized facts” (such as that associating territorial contests with the occurrence and recurrence of militarized interstate disputes). They point to the “central tendencies” in interstate interactions, and thus offer a set of initial baseline expectations for thinking about China's foreign relations in general and its territorial disputes more specifically.

Chapter 3 turns to an attempt to explain bargaining failures, such as the impasse that has characterized relations across the Taiwan Strait. It draws particularly from James Fearon's (1995) insights that seek to explain why wars happen even though the belligerents have a shared interest to avoid this costly undertaking. His seminal article points to several seemingly intractable factors that hamper efforts to reach a negotiated settlement. Deliberate misrepresentation to disguise one's capabilities and intentions, and the inaccessibility of a counterpart's decision processes, are inherent in the structure of these bargaining situations. A reciprocal deficit in trust is another impediment to reaching an agreement because the disputants cannot be confident that a deal struck today will be honored tomorrow. Some issues such as those dealing with tariffs and currency exchange rates are by their nature more easily addressed in terms of quantitative obligations to be discharged by the parties to an agreement. Compliance to such an agreement should also be more easily monitored and enforced than others with more subjective or intangible terms. According to the theory of collective action (Olson 1965), “narrower” issues tend to engage the attention and mobilize the actions of only a small set of special interests rather than a broad spectrum of the electorate. In contrast, symbolic issues such as those pertaining to national sovereignty and regime legitimacy are inherently less subject to division (i.e., to being quantified and partitioned) and they are also more

politically charged. By their very nature, such issues involving greater political salience or controversy are more difficult to resolve than the less politicized ones.

Chapter 4 expands on the abstraction of bilateral bargaining games. It takes up the topics of pivotal deterrence and extended deterrence (e.g., Crawford 2003; Huth 1988a). This discussion introduces the US as the critical third party in China's maritime disputes. Washington's role has been variously described as a defender of the status quo seeking to discourage all sides to a dispute from unilateral assertion, or as a countervailing force to discourage Chinese aggression. In either case, the bargaining game becomes more complicated and interesting, now that there are at least three parties involved. The dynamics of alliance politics becomes relevant. Whether as a formal ally or tacit partner to one or more of the parties challenging China's sovereignty claims, or as an impartial defender of the status quo, how can Washington communicate to the pertinent parties its credibility? Or should it?

US officials are evidently aware of the danger of moral hazard, referring to the perverse tendency for a declared policy to produce behavior that it is supposed to discourage in the first place. Perceptions of Washington's support and protection may incline its formal or informal allies to escalate their dispute with Beijing in the hope of leveraging and committing the US to their own cause. Indeed, when caught in a lopsided dispute with a much stronger adversary, the weaker side's most obvious strategy is to avoid being caught in a bilateral contest and to offset its inherent disadvantage by internationalizing the conflict. Washington therefore faces the challenge of navigating between the Scylla of supporting its allies and the Charybdis of entrapment by them (Snyder 1997). How are Beijing and Taipei likely to interpret signals coming from Washington? Drawing inferences from selection logic, this chapter will discuss the danger of a Sino-American confrontation over the Taiwan Strait.

Chapter 5 further expands the analytic terrain by bringing into the picture domestic groups in the context of two-level games. A critical factor in the evolution of the Falklands/Malvinas conflict is the acceptance and assertion by Britain that this dispute hinged on the central issue of the islanders' right to self-determination (something that it did not insist on while negotiating with Beijing over Hong Kong's repatriation; moreover, when pressed, only 24% of respondents in a British poll supported a policy to be determined by the Kelpers' wishes alone – compared to 72% who wanted to take into account the interests of Britain as a whole; Freedman 1988: 100). Once the issue was framed as a matter of the islanders' right to self-determination and once the islanders' representatives joined the talks as a third party (and thus exercised



veto power over any negotiation progress; Freedman and Gamba-Stonehouse 1991: 10; Kinney 1989: 46–52), London had in effect forfeited the initiative to the Kelpers who did not have any wish to live under Argentina's jurisdiction – and who still do not, as shown by their overwhelming vote in the March 2013 referendum in favor of remaining as a British Overseas Territory (before the war Buenos Aires and London had tried to finesse their deadlock by negotiating over the fine distinction between the Kelpers' "rights" versus their "interests;" e.g., Gamba 1987: 155).

The Kelpers' incentives are easy to understand. They wished to receive the benefits of economic assistance from and trading with Argentina without the associated political costs of living under its rule. Prior to the 1982 war, they had tried to extract economic benefits from Buenos Aires without, however, yielding to its political demands. In the meantime, London also agreed to Buenos Aires's economic courtship of the Kelpers but was reluctant to put pressure on the latter to accept Argentine sovereignty. It was moreover unwilling to expend on military measures to deter an Argentine attempt to seize the islands (Lebow 1985; Lippincot and Treverton 1988). It sought to buy time by protracted negotiations with Buenos Aires, "talking just for the sake of talking." Argentina naturally felt that it had been "strung along." Richard Ned Lebow (1985: 104) described the Argentines' sense of frustration: "They came increasingly to believe, and not without reason that they were behaving like the proverbial donkey, tricked into pulling the cart by a carrot on a stick dangled before him." Facing serious domestic political unpopularity, the Argentine generals finally concluded that in view of Britain's evident unwillingness to commit to the islands' defense, a quick successful military invasion would achieve a *fait accompli* that London would not try to reverse. In the end, leaders in both Argentina and Britain chose to fight rather than disengage because they agreed on one thing: they could not otherwise sustain their respective domestic political position. War happened despite both sides' wish to settle rather than fight and despite US efforts to mediate. The main driver for escalation came more from a domestic than a foreign source.

Taiwan's political economy features a much more heterogeneous set of interests and incentives than depicted above for the Kelpers. By and large, the island's large financial institutions are internationally oriented and have favored economic opening abroad (Kastner 2009). Many of Taiwan's manufacturers, even medium-sized firms, have diversified their operations to China and have acquired an important stake in sales to the mainland market. Even for those firms that have not physically moved their operations to China, many have become deeply integrated

in cross-border production chains. Compared to these commercial interests, farmers, small labor-intensive producers, and companies catering to domestic services have faced competitive pressures from the mainland. Chapter 5 investigates how these evolving economic interests, civilian transactions (e.g., tourism, cultural exchanges), and public opinion are likely to affect bargaining across the Taiwan Strait. From the study of domestic institutions in mature democracies (Tsebelis 2002), we know that the larger the number of veto groups and the farther apart their respective preferences, the greater the difficulty of moving from policy stasis to a new consensus. The power of these groups and their preferences, however, are not fixed but are subject to change due to changing circumstances and political entrepreneurship.

Turning to the East and South China Sea disputes, Chapter 6 further expands the analytic landscape by considering multilateral relations for which the theory of collective action is pertinent (Olson 1965). It is well known that Vietnam and the Philippines want to see more active involvement by the ASEAN (Association of Southeast Asian Nations) as an organization, thereby multilateralizing their disputes with China. They are supported in this approach by Washington. In contrast, Beijing has thus far stressed its preference for bilateral talks – understandably so since its bargaining leverage can be enhanced in such one-on-one negotiations. In order to forestall a united coalition against China, Beijing is likely to focus on the weakest link in any coalition that may be formed against it and to encourage this country's defection by making timely concessions. Those contesting China's sovereignty claims have, conversely, the choice of making separate deals with Beijing or sticking to united action. Collective action by China's counterparts in Southeast Asia is complicated by the fact that these countries are also involved in their own territorial disputes, such as between Malaysia and the Philippines, or other kinds of competition.

In the terminology of coalition politics, the Southeast Asian countries have offsetting incentives that tempt them to shirk, hide, free ride, or appease Beijing (Schroeder 1994). The first one to break ranks and negotiate a separate deal with Beijing is likely to receive the best terms, whereas the last holdout is likely to be left in the cold. Thus, timing seems to be important. This view points to the contesting parties' mixed motives so that all those involved would want to be the first one to strike a deal and none of them would want to be the last. This tendency could of course engender a self-fulfilling momentum to reach bilateral accords with China. At the same time, the prospect of reaching a multilateral deal is hampered by the difficulties of organizing collective action among those contesting Beijing's sovereignty claims, including those difficulties attributable to

other claimants' information asymmetries and divergences in their domestic political calendars.

There is also a corollary to the above remarks. The state that is most adamant and vigorous in resisting China's claims is likely to pay the heaviest price as it will attract Beijing's hostility and retaliation, while the benefits of its resistance may actually redound to the other claimant states. The general logic presented by this observation should be familiar to those who have tried to explain the failure of a countervailing coalition to form against US global hegemony: the state that makes the first move in this direction is most likely to end up focusing Washington's wrath on itself and runs the risk of being "picked off" before a countervailing coalition has a chance to consolidate (Brooks and Wohlforth 2008).

Finally, the presence of multiple maritime disputes – such as Japan's other disagreements with South Korea and Russia over the Dokdo/Takeshima and Southern Kuril/Northern Territories, respectively – suggests that moves made in one case can affect the others. As in the case of some Southeast Asian countries with their own territorial disputes, this phenomenon presents an interesting empirical and theoretical question: which factors – such as geographic proximity, cultural affinity, historical animosity, commercial ties, shared democracy, or common alliance ties (with the US) – appear to be more influential in a state's decision to give greater priority to some disputes than others? Different theories (e.g., democratic peace, balance of power, economic interdependence) make different predictions about which disputes the pertinent states will contest more vigorously and which ones they will prefer to set aside for the time being.

Finally, studies on civil wars invite a parallel inquiry about bargaining over maritime disputes. It pertains to the issue of a state's reputation when it is involved in several disputes at the same time. Why do some incumbent governments accommodate separatist groups but others fight them? One hypothesis that has been advanced and that has received some empirical support contends that these decisions incorporate anticipation of other secessionists who may be encouraged by the governments' concessions (Walter 2003, 2006). In other words, this reasoning argues that governments (rightly or wrongly) invest in their reputation; they choose to fight rather than accommodate when they want to discourage other possible separatist challenges in the future. Does a similar reasoning apply to states when they are involved in several concurrent foreign disputes? Does this simultaneous involvement encourage their intransigence or does it have the opposite effect of inducing them to settle some disputes so that they can concentrate on others?

In Chapter 7, I summarize my arguments. The 1982 war fought by Argentina and Britain shows that there is always a risk of unwanted escalation. Moreover, reaching territorial settlements requires overcoming formidable domestic and foreign obstacles standing in their way. Yet as attested by the boundary agreements that China has already reached with almost all its land neighbors, such accords are far from improbable. Comparing the security and peacefulness of China's land borders today with the situation prevailing in the first three or so decades of the People's Republic's existence, there is reason for optimism that the general trend has been favorable to settling its remaining territorial contests. Rising economic interdependence in particular tends to restrain China's current maritime disputes from destabilizing bilateral and regional relations. Therefore, the glass is more half full than half empty.

Additionally, if Beijing refrains from using its stronger capabilities to impose a settlement of its maritime disputes and instead accommodates other claimant states in reaching compromises with them, this behavior communicates a peaceful disposition in conducting its foreign relations in general. The reverse also holds. To the extent that Beijing applies its increasing power for self-aggrandizement, this behavior signals aggressive intentions. As argued previously, how Beijing intends to use its increasing power presents a more demanding and important question than the prognosis that it is likely to further improve its relative power. How Chinese intentions are likely to be influenced by Chinese capabilities cuts to the very core of debates about Chinese foreign policy, and international relations theorizing in general. This book's tentative conclusion questions and reverses the expectations of offensive realism and power-transition theory. Contrary to these theories' expectations, it suggests that China's capability improvements tend to moderate its intentions. This proposition, based on the study of just one country (albeit one that is becoming increasingly powerful), demonstrates that country-specific analyses and theoretical generalizations are not inherently incompatible enterprises.

This said, one should also consider historical precedents. What should be the benchmark for assessing whether China's behavior indicates an expansionist ambition or a modest agenda? One parallel comes naturally to mind: how did Washington behave during its period of rapid ascendance in the late 1800s and early 1900s? What policy agenda did it pursue in the Caribbean and the Gulf of Mexico and, more broadly, in the Western Hemisphere and even the Pacific? How does conduct such as its proclamation of the Monroe Doctrine, its confrontation with London in the Venezuelan boundary dispute, its invasion of Cuba in the Spanish-American War, its annexation of Guam, the Philippines,

and the Hawaii archipelago, and the construction of the Panama Canal compare with Beijing's current and recent behavior? The overwhelming consensus of international relations scholars has been that the US was a status-quo power, and this attribution helps them to explain why war was avoided when it overtook Britain as the world's dominant power. They also tend to agree that today's China is a revisionist power. Many of these analysts share the premises of offensive realism and power-transition theory, but appear to want things both ways, shuttling their analytic logic and conclusion depending on the proper names of the cases being studied rather than these countries' actual conduct.