Managing China's Rise: Lessons from 1914

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That China is a power seeking to move to the center stage of world politics, no one can doubt. That this will inevitably result in war is a much more dubious proposition. This is not to suggest that China's rise will necessarily be peaceful. The argument that the economies of both powers are so intertwined as to make war unthinkable is reminiscent of similar fairy tales that people – including prominent intellectuals like Norman Angell – were telling themselves about Europe's great powers in the summer of 1914. Nor are any of the other soothing sounds emanating from the sirens of splendid globalism terribly convincing. But neither is it to suggest that China's rise will inexorably result in a global conflagration. Thucydides argued over two millennia ago that wars are not merely the result of big structural forces like tectonic shifts in the balance of power. Instead, they are the product of the interaction of these big structural forces and with events: political decisions, diplomatic signaling, military moves, alliance dynamics, and so on. In China's case, the tectonic shifts have already occurred. The PRC has arrived at a point where, structurally, it poses a real challenge to US hegemony. Systemic, hegemonic, or world war is, therefore, a real possibility. But it is not a foregone conclusion. The specific outcome will be determined by the concrete actions taken by political leaders in the US, China, and elsewhere – actions that will either amplify the structural tendency toward war or flatten the curve in ways that allow war to be avoided.

Let me illustrate the nature of this current moment by drawing a historical parallel between China's rise today and Germany's rise in the late 19th and early 20th centuries. It has been done before, I know. Indeed, it has become something of a favorite with those who see a Thucydides Trap around every historical corner. But I'm going to approach it a little differently. Specifically, I'm going to sketch a plausible counterfactual scenario in which Germany's rise resulted in a systemic crisis in 1914 but did *not* result in a world war. That will allow me to isolate the factor or factors that led to peace in my counterfactual scenario where war had been the outcome of the actual historical crisis of 1914. And that, in turn, should shed some light on China's rise today.

Such counterfactual thought experiments can, of course, be mishandled: The "what-if" premise can be arbitrary, alternative historical pathways can be hopelessly speculative and, at the end of the day, the alternative outcome can be little more than an endorsement of the author's priors. Indeed, as the historian E.H. Carr put it, any history that begins with the words "what if" is little more than a "parlour game."

Done well, however – that is, with due attention to potential methodological pitfalls – counterfactual histories allow us to draw causal inferences by hypothesizing that factor x made a crucial contribution to outcome y and then deleting or modifying x and seeing if y remains a plausible outcome. If it does not, then it is possible to assert with some confidence that x caused y; if it does, then causality is much more questionable. Counterfactual histories also alert us to the role of contingency in human affairs, challenging the deterministic account that focus on the inexorable working out of this or that historical process. The method, of course, is always suggestive or probabilistic. History cannot be rerun and repeated in the manner of a scientific experiment, and we can never know for certain what the outcome of any changes to x would have had. But in the skilled hands of historians such as Andrew Roberts and Niall Ferguson counterfactual experiments have proven helpful in both isolating key factors leading to specific historical event and sensitizing us more broadly to the complex interplay of chance and necessity leading to any historical phenomenon.

In this article I will adhere to the generally accepted protocols for doing counterfactual history. In particular, I will follow Max Weber's advice and attempt only a minimal or plausible rewrite of history, hewing as close as possible to

the actual history and venturing no farther than the first-order consequences of my tweaking of historical antecedents. I will also adhere as close as possible to what we know about the debates and calculations within the British and German foreign policy establishments, considering as plausible only those alternatives that can be shown on the basis of contemporary evidence to have been actually considered by contemporaries.

Faltering Powers: Wilhelmine Germany, Xi's China

Before entering into a discussion of the July Crisis and outbreak of war in 1914, let me first lay the predicate for my argument by establishing that the rise of Germany in the early 20th century and the rise of China in the early 21st parallel each other in a number of important ways.

To start, the two cases are similar in that they both involved a rising power seeking its 'place in the sun' – a term coined by Kaiser Wilhelm II in 1901 to refer to the central position on the world stage he sought for Germany. Both also involve the rising power initially adopting a strategy designed to create a secure space within which it could build its power in relative security. Bismarck famously used balance of power diplomacy to maintain Germany's position in a peaceful Europe, juggling a very complex set of alliances to maintain Germany's security and position within the European order. Similarly, China adopted a strategy of "hide and bide" in which it adopted a non-threatening posture and constructive engagement on the global stage.

In both cases, however, an inflection point was reached at which the rising power decided it was ready to assume preeminence on the world stage, but felt it was being blocked, frustrated, or 'contained' by the existing hegemon. In the German case, the first signs of this emerged with Kaiser Wilhelm II's ascension to the throne in 1888. Wilhelm opposed Bismarck's balance-of-power foreign policy, preferring bold and aggressive efforts to secure Germany's place in the sun. In China's case, it began with the ascension of Hu Jintao in 2003 but accelerated when Xi Jinping came to power in 2012. On Xi's watch, China decisively abandoned the strategy of 'biding time' and even Hu's 'peaceful rise' variant in favor of one of "moving to centre stage."

In Europe in the early 20th century and the Western Pacific in the early 21st, this dynamic culminated in an unstable balance of power, in which a rising power believed it was being stymied and contained by status quo powers, and status quo powers feared that they would be picked off one by one by that rising power.

And, finally, in both the German and Chinese cases, instability was compounded by concerns that demography was working against them in the long run. For Germany the fear was not of absolute decline, but of being decisively outstripped by Russia. German military and political leaders were obsessed Russia's accelerating industrialization, the development of its (dual-use) railroads and the explosive growth of its population base. In China's case, the concerns are with demographic collapse – China's population is both shrinking and getting older – and with the prospects of being ensnared in in the so-called "middle income trap." The problem in Germany's case was, and in China's case is, one of a faltering power seeing its window of opportunity closing and being tempted to act before that window closed firmly shut.

While the two cases are not identical, of course, they are similar enough that the lessons learned from the German case can be usefully applied to that of China. In the next section, I develop a counterfactual history of the July Crisis in which that crisis did not result in a world war. My goal is to demonstrate not only that there was nothing inevitable about Germany's rising leading to a global conflagration, but that a more more prudent strategy of offshore balancing on Britain's part would have led to the same sort of peaceful resolution of the crisis as in the case of the Agadir Crisis of 1911.

The July Crisis: War Averted

From about 1912, the actual arc of Germany's rise began to bend rapidly in the direction of war. But war did not erupt in 1914 because of any ironclad law of history or Thucydides Trap. Nor did Germany go war against the Triple Entente of France, Russia, and Britain because Germany's leaders believed that they could easily cement their rise to regional hegemony by quickly and decisively defeating France and Russia and then bullying Britain into accepting

German pre-eminence.

No. As historian David Fromkin put it succinctly in his book *Europe's Last Summer: Who Started the Great War in 1914?*: 'Germany deliberately started a European war to keep from being overtaken by Russia.' The argument Fromkin and like-minded historians make is that German military planners, looking East, saw a Russia growing demographically, developing industrially, and building the kind of rail and road infrastructure necessary for rapid mobilization in time of war. And this terrified them. Indeed, it terrified them so much that they decided that they needed to trigger a war sooner rather than later because sooner they might have some chance of defeating Russia and its allies, whereas later, they would simply be crushed by them. This, against the backdrop of their racialized fear of conquest by Slavs, drove the Germans to issue the now infamous 'blank check' encouraging the Austrians to punish the Serbs for their role in the assassination of the Archduke Franz Ferdinand, to undertake concerted efforts to frustrate British and French peace initiatives, and ultimately to launch an attack on France through Belgium that brought the wavering British firmly into the war on the Allied side. And they did all of this to bring about war with Russia before that country had completed its economic and military modernization and before population growth bequeathed the Tsarist empire a conscript pool that dwarfed that of the Kaiser's. It was a war of desperation.

This being the case, it seems reasonable to assume that Britain could have changed Germany's strategic calculus and kept it from leaping through a closing window by convincing Germany the window was already closed – that a war in 1914 was as unwinnable as the one Berlin feared fighting in the dreaded future. Indeed, it had done during the Agadir crisis only a few years earlier. In that crisis, the deployment of a substantial force of French troops to the interior of Morocco in April 1911 prompted the deployment of a German gunboat to the Agadir, a Moroccan port. Playing on fears that this might ultimately result in Germany acquiring a permanent naval facility on the Atlantic, Foreign Secretary Sir Edward Grey was able to overcome the non-interventionist majority in the Cabinet and induce the government to send a clear signal to Berlin that London considered Germany's actions an unacceptable threat to the European balance of power. Britain sent warships to Morocco and there was open talk of war if Germany didn't back down. In the end, Berlin relented, entering into an agreement with Paris and withdrawing its warship from Agadir. As in 1914, in 1911 Germany was rising and flexing its muscles and a crisis ensued. Unlike in 1914, Britain showed resolve, raising the costs of German revisionism. As a result, in 1911 Berlin judged the risk of war unacceptable and backed down. Again unlike in 1914, war was averted.

The reasons for Britain's failure to signal 1911-like resolve in 1914 are complex and multilayered, involving changes in the nature of Britain's governing coalition, and the all-consuming nature of the Irish Home Rule issue. The bottom line however, is clear: during the period immediately prior to and during the July Crisis London was reduced to sending mixed and vacillating signals regarding how it would respond to the gathering German threat.

As a result, neither friend nor foe was sure what Britain would do and this ambiguity allowed German military and civilian leaders to convince themselves that the time was ripe for a final push for continental pre-eminence. As a result, when Archduke Franz Ferdinand was assassinated in July 1914, Germany rolled the dice. Sizing up the correlation of forces, and deciding that Britain would either stay out or make an irrelevant military gesture, German forces invaded Belgium and France. And the rest, as they say, is history.

But let us rewind the historical tape and make a simple – yet eminently plausible – change to the actually existing history of the July Crisis. Let us assume that beginning around 1912, Britain had more deftly played its role as offshore balancer. Specifically, let us assume that it had done two things that, in reality, it did not. First, let us assume that London clearly and unequivocally signaled its support for the French and Russian balancers. There was support for this in the cabinet, the Foreign Office and the military and Agadir had demonstrated that this could work. London might have sent troops to France earlier, used it fleet to signal British resolve, sent clear and unambiguous diplomatic signals as it did in 1911, and done whatever else was within its power to convince Germany that the prospects of victory in 1914 were no better that at some imagined future date. These were live options.

In reality, of course, these voices lost out. But had things turned out differently – had the voices favoring a tougher and less vacillating line with Germany won out – it is not unrealistic to assume that such a recalibration of the correlation of forces would have altered German calculations such that the status quo would have been preferable to

any attempt to alter it via the use of force. Again, there is ample evidence that there were those in the German foreign policy establishment who firmly believed that Britain would either stay out or could be maneuvered into doing so. Had these key players, mostly in the civilian leadership but also a minority within Germany's military leadership, understood that Britain was absolutely resolved not to allow Germany to coerce it neighbors into submission – into accepting German hegemony on the continent – then the July Crisis of 1914 might have resolved itself as did the Agadir Crisis of 1911. The assassination of Archduke Ferdinand would not have prompted Germany to issue the so-called "blank check" to Austria-Hungary, Berlin wouldn't have worked to frustrate last-minute attempts to reach a negotiated settlement, Russia would not have been prodded into mobilizing, Germany would not have rolled the dice and attacked France through Belgium, and the world would not have slithered over the edge into a cataclysmic world war.

Lessons Learned

What does this counterfactual tell us about the rise of China today? First, it suggests that, as in 1914, the structural conditions-of-possibility for a hegemonic war are clearly in place. China now, like Germany then, aspires to regional dominance and a more central role on the world stage – at least if President Xi is to be believed. Britain then, like the US today, had a strong interest in preventing an aspiring regional hegemon from overturning a regional order favorable to its interests. Then as now the result was, if not quite a geopolitical tinderbox, then a situation in which a crisis has the potential to degenerate into a systemic war.

Second, however, it suggests that in the early 21st century, as in the early 20th, the rise of a challenger, with all the geopolitical flux and instability that entails, does not necessarily have to culminate in systemic war. There was nothing inevitable or foreordained about the First World War. Rather, that conflict was the product of many factors, some structural and some contingent. Chief among them, though, was the failure of British diplomacy, and specifically Britain's failure to implement its centuries-old grand strategy of offshore balancing as it had done successfully during the Agadir Crisis. Had Britain acted differently, had it signaled more clearly and credibly its interests and its resolve to defend those interests, the outcome of the crisis of July 1914 would have been different. A risen Germany would have assumed its place at the heart of the European order, but would not have dominated that order in the way that it sought to by invading Belgium, France, and Russia in 1914. Strategic ambiguity – or, less charitably, vacillation – did not help the cause of peace and stability in the early 20th century. And it will not do so today. This counterfactual strongly suggests that if – or, rather, when – the US and China find themselves in a crisis, the cause of peace and stability will best be served by clear and credible signaling of US intentions, interests and red lines. This may seem intuitively obvious. But for those who require persuasion, the 1914 case drives home the point decisively.

But finally, this counterfactual also suggests that such clear and credible signaling is likely to be exceedingly difficult, complicated as much by domestic political factors as by geopolitical ones. In the 1914 case, Britain had to find a way to balance Germany without emboldening France and Russia. That is, it had to find a way of sending signals to Germany – both before and during the crisis – that were clear and unambiguous enough to deter German aggression or adventurism without issuing its own blank check to France and Russia. This proved challenging given both the ?domestic and intergovernmental politics within the various European capitals and the complexity and unpredictability of diplomatic interactions in the European international system as a whole.

Focusing, as this counterfactual has, on the decisive British role in the outbreak of war. It is important to remember that during almost the entire tenure of the country's Liberal government (1905-15) those cabinet members who advocated a strong line with Germany were outnumbered by those who did not favor such a line. In 1911, Foreign Secretary Grey managed to get his way because he could count on the support of both the Conservatives in parliament and influential military officers who had the ear of liberal MPs. In 1914, while non-interventionists remained in the majority, Conservative and military opposition to the Irish Home Rule Bill meant that Grey could no longer count on this support as both Conservative MPs and senior military leaders believed the army would be needed in Ireland and so could not be spared even for a mere show of force on the Continent. ?As a result, while the essentials of Grey's hardline policy remained in place, between 1911 and 1914, he had to walk a tightrope between clearly conveying Britain's red lines to Germany and the insistence of the non-interventionists in cabinet that he do no

such thing. Needless to say, this balancing act compounded the complexity of Grey's task enormously. If the Foreign Secretary ultimately erred on the side of not adequately signaling British resolve in the run up to the July Crisis – in the process baffling and vexing French, Russian and German policy-makers – he can thus perhaps be forgiven. Such were the realities of British parliamentary politics and the country's domestic politics more broadly.

Either way, though, Britain failed to implement its strategy of offshore balancing effectively. Had it done so – had Grey found a way to replicate his success in 1911 – the result of the July Crisis of 1914 would have been similar to that of the Agadir Crisis of 1911: revisionism blunted, a balance maintained, an order preserved, and a war avoided. While the situation in the early 20th century differs in many ways from that of the early 21st, as a resolution to a crisis these outcomes are as desirable now as they were then. Let's hope that in any future Sino-American crisis, US policy-makers have more success managing both the foreign and domestic politics than did Sir Edward.

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