Total Competition
China’s Challenge in the South China Sea

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“What is a true bastion of iron? It is the masses, the millions upon millions of people who genuinely and sincerely support the revolution. That is the real iron bastion, which it is impossible for any force on earth to smash.”

—MAO ZEDONG
SECOND NATIONAL CONGRESS OF WORKERS’ AND PEASANTS’ REPRESENTATIVES, 1934

“No force can stop the Chinese people and the Chinese nation forging ahead.”

—XI JINPING
SECRETARY-GENERAL, CHINESE COMMUNIST PARTY 70TH ANNIVERSARY CELEBRATION OF THE PEOPLE’S REPUBLIC OF CHINA, 2019
Introduction: An Unstoppable Force?

China’s bid for ascendency remains anchored in the South China Sea and surrounding Southeast Asian countries. The Chinese Communist Party (CCP) deems it economically and militarily vital to dominate the resources and sea lines of communication of a body of water twice the size of Alaska. Achieving this goal requires tethering neighboring countries into Beijing’s ambit while making the existing ruleset more favorable to China and displacing the dominant power behind the existing regional order. Some may find comfort in describing the scenario underway as a return to a “China-centered” rather than “Sino-centric” region. However, an authoritarian China’s coercive attempts to wield hegemonic control of the South China Sea threatens the sovereignty of Southeast Asian states and international freedom of the seas, both of which are of fundamental national interest to the United States. Yet the South China Sea and Southeast remain the least defended and most bountiful region susceptible to Chinese predations and inducements.

The CCP leadership is obsessed with the idea that outside forces intend to contain China’s development, foment internal unrest, and prevent it from retaking what it considers to be its rightful place center stage in regional and global affairs. In partial response to deep-seated insecurities and renewed great-power ambitions, Xi Jinping and the CCP are in the process of attempting to exercise control over the entire nine-dash line claim covering the vast majority of the South China Sea and to turn Southeast Asia into a latter-day tributary system. CCP propaganda casts China’s quest for control over maritime Asia as an inexorable outcome of China’s rise and America’s decline. Curiously, the only government speaking seriously about “stopping” China is Beijing, suggesting that its policies are influenced more by subjective internal fears than by objective external realities. China wants nothing to stop it from consolidating its maximalist historic claims, from denying the United States the ability to intervene in regional conflicts, and from dismantling America’s postwar alliance system.

As a consequence of China’s fear and ambition, Beijing is engaging in a long-term assault on the prevailing order in the South China Sea. Daily, the CCP employs multiple instruments of national power to achieve its ends: diplomatic, informational, military, economic, and psychological. A diverse toolkit is employed by an array of regular and irregular forces; this preys upon the strategic vulnerabilities of other states while masking the fragilities of China. Because state-owned media organs churn out glossy narratives trumpeting benevolent intentions and a tenaciously unified message, even as Beijing gradually acquires control of the South China Sea, it is necessary to scrutinize China’s actions and words in the round. Local claimant states—the Philippines, Vietnam, Malaysia, and Brunei—feel the brunt of Beijing’s slow-motion hegemony, and the strategic autonomy of every Southeast Asian country is at risk. Southeast Asian governments are unwilling to express the problem in such stark terms, but the concern is real nevertheless. Singapore Defense Minister Ng Eng characterized the dilemma facing smaller regional powers as follows: “The further the U.S. and China pull apart, the harder it [will] be for all countries to keep to [a] principled and neutral position.” Ng diplomatically pleads with both major powers to make compromises. But from the view of the United States, China’s malign behavior is neither acceptable nor unstoppable. For the sake of preserving the sovereignty of neighboring maritime states, Southeast Asians should hope the Washington view will prevail. As a great power, the United States incurs an obligation to play a leading role in preserving a free and open order. To do so, however, it is crucial to understand the pattern of Beijing’s behavior that threatens to undermine that order.

This report argues that China is waging total competition in the South China Sea. Beijing’s campaign of total competition, like George Kennan’s concept of “political warfare,” involves the use of all tools at the state’s disposal short of war. Total competition differs from ordinary competition in its virtually unrestricted execution. It includes illegitimate and destabilizing methods that are ordinarily avoided by benign competitors. China’s total competition or political warfare campaign has five essential pillars: economic power, information dominance, maritime power, psychological warfare, and “lawfare.”

In short, China now appears to be an unstoppable force in the South China Sea. Despite its apparent doubts, China would like for the world to think that it will inevitably dominate the region. If China’s trends are linear—and there are compelling reasons to question the likelihood of that trajectory—the country can be
expected to continue marginalizing U.S. regional power. By 2035, before the People’s Republic of China’s (PRC’s) centennial that marks the realization of the “Chinese Dream of national rejuvenation,” China could:

- Determine the distribution of all the resources within the nine-dash line area
- Secure shipping lanes, supply chains, and logistics hubs
- Control regional communications and achieve information dominance
- Become the rule-maker and legally transform international waters into internal seas
- Hasten the U.S. military withdrawal from the region

Certainly, the United States appears to be losing the immediate competition over strategic influence. It does not help that the United States takes some actions far afield to counter the perception that it is retreating to a more isolationist posture. However, in the South China Sea, the United States is routinizing and expanding freedom of navigation operations (FONOPs) in both frequency and complexity. It is also, both on its own and in coordination with allies, augmenting programs aimed at building local maritime domain awareness and partner naval and coast guard capacity. Moreover, the United States is joining others in making transparent China’s opaque investments under the rubric of the Belt and Road. For instance, the United States, Japan, and Australia have launched the Blue Dot Network to provide a good-housekeeping seal of approval on major infrastructure development projects. Many promises of finance and development are slow to materialize, lack accountability, bring questionable returns on investment for the recipient country, and can lead to long-term hazards such as indebtedness. An international assessment can make China’s investments more transparent and hold them to a higher standard. But despite these and other U.S. initiatives, Beijing appears well on track to further militarize the South China Sea and expand its influence throughout Southeast Asia.

China increasingly seeks to flip the script, turning criticisms of its behavior into the accusation that the United States is the principal rule-breaker and leading destabilizing force in the region. Seventy years prior to Admiral Davidson’s judgment on China winning control in all scenarios short of war, George F. Kennan, then Director of Policy Planning at the U.S. State Department, coined the term “political warfare” to refer to “the employment of all the means at a nation’s command, short of war, to achieve its national objectives.” While no phrase can fully capture the complexity of Beijing’s approach to the South China Sea—and “warfare” suggests physical violence—describing it as “political warfare” aptly captures China’s total competition campaign to win without fighting. The expression also usefully encompasses a diverse array of policy instruments being employed. It remains relevant today, but this report builds on recent scholarship to make the case that “total competition” more accurately describes China’s approach.

To respond to China’s campaign, the United States needs to implement a two-pronged strategy. The first must attack China’s strategy while deterring escalation and helping democratic societies to become more competitive and resilient. The second prong should involve an appealing, positive vision of engagement with Southeast Asia and the broader Indo-Pacific region to strengthen bonds of cooperation with the United States and one another. Importantly, pursuing only a single prong is likely to fail. The United States requires both a firm policy for China and an attractive—and not bullying—policy for Southeast Asia.
Only by widening horizons to consider China’s broader strategy, and not singularly fixating on the South China Sea, can the United States and like-minded countries have a better chance of constraining malign behavior in Southeast Asia. Even then, constraining malign behavior is only half of the equation, for it is the sum of positive activities of the United States and its allies and partners that can provide the surest means of offsetting any one country’s attempts to dominate the region. The United States must work on improving its understanding of Southeast Asia’s interests. As this report argues, “winning” this total competition necessitates avoiding the hypothetical 2035 scenario outlined earlier, which will ensure that no single state enjoys absolute control over the South China Sea. It necessitates preserving the strategic autonomy of Southeast Asian countries and deepening economic, diplomatic, cultural, and security ties with regional actors. In short, to generate the most significant beneficial impact, the United States needs a multidimensional strategy to widen the strategic room for maneuver vis-à-vis China and narrow the scope of serious and sustained engagement in parts of Southeast Asia. But to explain this general recommendation and then add more specificity, it is first essential to put into context China’s strategy and the South China Sea.
“So to win a hundred battles is not the highest excellence; the highest excellence is to subdue the enemy’s army without fighting at all.”

—SUN TZU
THE ART OF WAR, C. 5TH CENTURY BC

“The richest source of power to wage war lies in the masses of the people.”

—MAO ZEDONG
ON PROTRACTED WAR, 1938

“[M]ankind has no reason at all to be gratified . . . because what we have done is nothing more than substitute bloodless warfare for bloody warfare as much as possible.”

—COL. QIAO LIANG AND COL. WANG XIANGSUI
UNRESTRICTED WARFARE, 1999

“To us, this is truly a people’s war.”

—GLOBAL TIMES EDITORIAL
RESPONDING TO U.S. TRADE WAR, 2019
China’s Total Competition Strategy

The origin of this study is rooted in the idea that China’s words and actions in the South China Sea are tantamount to an insurgency against the rules-based order. Although that notion is incomplete, there is merit in highlighting how China runs roughshod over the prevailing rules-based system, in contravention of contemporary international law that governs freedom of the seas. China’s maritime “cooption, coercion, and concealment” is, among other things, an attack on freedom of the seas, which in turn has been a pillar of U.S. national security since the founding of the Republic. The United Nations Convention on the Law of the Sea (UNCLOS) provides the overarching governance framework for the oceans. While the United States is not formally a party to UNCLOS, it adheres to it as a matter of customary law. Meanwhile, even though China has ratified UNCLOS, it has repeatedly made clear that it will not be bound by it, as demonstrated by Beijing’s willful disregard for the arbitral tribunal ruling handed down from the Permanent Court of Arbitration in The Hague in 2016. China employs its own definitions of sovereignty and maritime zones, and it abides by UNCLOS when convenient.

However, China’s strategy involves far more than an insurgency against the rule of law. The ideas and means China uses today are rooted in the first instance in China’s own historical experience and reading of relevant history. To better appreciate Beijing’s present strategy, it is helpful to review a few formative ideas from Chinese strategic texts and experience influencing CCP officials—drivers that harken back to ancient times and continue through to the founding and evolution of the People’s Republic of China. Although some of the most respected China scholars are rightly cautious about the prospect of equating modern behavior with ancient or even more recent Chinese behavior, the point here is to demonstrate that Beijing’s current approach has important historical antecedents. Specifically, it is worth highlighting five principles: (1) shaping conditions to achieve objectives indirectly; (2) controlling information by amassing information, contextualizing and applying information, protecting information, and strategically disseminating propaganda and disinformation; (3) using deception, including disinformation; (4) employing irregular and guerrilla tactics; and (5) mobilizing the masses to maintain popular support.

Sun Tzu’s famous aphorism about subduing the enemy “without fighting” is but an entry point to grasping the long arc of Chinese strategic thought, which “runs contrary to the military and strategic ‘common sense’ of the West and many major tenets of Western strategic thought.” For instance, instead of equating strategy with military strategy, one enduring Chinese tendency is to think of strategy as part of “a more grand-strategic (i.e. holistic) picture.” Similarly, Western concepts of “war” and “warfare” are for many Chinese
better thought of in terms of “struggle,” which is not restricted to military instruments or even direct contests between participants.\textsuperscript{25}

Since the time of Sun Tzu, the Chinese have preferred an indirect approach that contrasts a “condition-consequence” style with the Western idea of ends and means. “For something to be realized effectively, it must come about as an effect. It is always \textit{through a process} (which transforms the situation), \textit{not through a goal} that leads (directly) to action, that one achieves an effect, a result.”\textsuperscript{26}

In other words, instead of the Western approach—to rely on situation-specific policies that are implemented when an issue arises and directly target another state with a clear objective in mind—the Chinese conditions-consequence approach prescribes policies that are implemented long in advance of an issue. These cultivate a general environment in which other states believe it is in their best interest to proactively behave as China prefers. It requires no direct action from Beijing. By pursuing this thinking, China can accomplish its objectives and solve problems before they actually arise, because other states “self-censor” their own actions.

By establishing economic dependence, the CCP creates conditions that lead other states to act in China’s interest with little or no prompting. (Paula Bronstein/Getty Images)

China has launched major construction projects in the Diamond Island of Phnom Penh in Cambodia. Cambodia has grown closer to China in recent years and stands as one of the largest benefactors in Southeast Asia of China’s influence. By establishing economic dependence, the CCP creates conditions that lead other states to act in China’s interest with little or no prompting. (Paula Bronstein/Getty Images)

The “Psychological Warfare” section of this report discusses in more depth how China’s leadership is using a conditions-consequence approach today in Southeast Asia. Even when wielding power directly against a specific state, those actions often have a broader psychological effect on other states and reinforce a perception that China is dominant, the United States is in decline, and other nations should not stand between China and its objectives.

Classical Chinese texts like those of Tai Gung’s \textit{The Six Secret Teachings} and Sun Tzu’s \textit{The Art of War} emphasize, \textit{inter alia}, the necessity of amassing superior intelligence, safeguarding that information, and using it for strategic effect in combination with other instruments of power.\textsuperscript{27}

“He who knows the enemy and himself will never in a hundred battles be at risk.”\textsuperscript{28} As Robert Ames explains, “The foreknowledge required to be in complete control of events is gained by acquiring complete information, by anticipating the ensuring situations, and by going over and scoring the battle strategy in a formal exercise.”\textsuperscript{29}
Controlling information also means both preserving secrecy and controlling disinformation. Tai Gung wrote about the importance of secrecy in terms of keeping critical types of intelligence (referred to as “tallies”) from the enemy: “These . . . tallies, which only the ruler and general should secretly know, provide a technique for covert communication that will not allow outsiders to know the true situation. Accordingly, even though the enemy has the wisdom of a Sage, no one will comprehend their significance.” The ancient teaching point is to invest in opacity, in deliberately keeping outsiders from understanding an evolving security environment. Sun Tzu underscored the importance of deception in warfare to heighten an opponent’s uncertainty, as well as to drain the resources of an adversary. Sun Tzu’s embrace of the “Tao of deception” encompasses deliberately “creating false impressions” and sowing disinformation: “Thus although [you are] capable, display incapability then. When committed to employing your forces, feign inactivity. When [your objective] is nearby, make it appear as if distant; when far away, create the illusion of being nearby.” All of these conceptual themes—including the careful management of information and disinformation central to China’s current political warfare strategy—can be readily found in historical texts dating back at least to the Zhou Dynasty.

Leaping to modern times, the CCP’s violent rise to power in 1949 sheds further light on China’s current political warfare campaign. For Mao Zedong, guerrilla warfare offered a means of surviving a better-armed opponent (the forces of the Chinese Nationalist Party or Kuomintang and those of the Empire of Japan) while buying time to mobilize the masses of peasants behind a revolution. The “people’s war” was firmly rooted in seeking an overriding political objective, with irregular tactics and propaganda used to achieve a moral edge over a materially advantaged foe, at least until such time as one could erect a more robust military force. In the aftermath of the Red Army’s Long March (October 1934–October 1935) to avoid the Kuomintang forces, and the invasion of Japanese forces beginning in 1937, Mao devised a body of thought known as people’s war because: “It is people, not things that are decisive.” Mao offered a famous series of lectures delivered in spring 1938 at the Yenan Association for the Study of the War of Resistance against Japan. His lessons included that in a war against the superior forces of Japan, a “semi-colonial and semi-feudal country” must be protracted, fought with mobility and a fluid front, and mobilize total popular resistance. Moreover, the three stages of protracted war involve moving from a strategic defensive posture to preparing for a counter-offensive, and finally waging a counter-offensive as the enemy conducts a strategic retreat. Modern developed China has moved beyond the strategic defensive phase to preparing for a counter-offensive that seeks to culminate in a U.S. withdrawal to the other side of the Pacific, presumably between 2035 and around mid-century.

While China builds on its reemergence as a major power, both economically and militarily, it increasingly acts out of strength rather than weakness. Concealment of true purposes endure, but Chinese leaders no longer see the need to follow Deng Xiaoping’s slogan: “Hide our capabilities and bide our time.” More to the point, officials in Beijing are not only less risk-averse but also more willing to make direct assaults on an adversary’s presumed advantages. Yet because the CCP’s legitimacy remains in question, a constant people’s war is required to mobilize a national resistance that, in turn, helps to sustain the PRC. At least that would be a logical conclusion from Xi’s growing cult of personality and a litany of titles and accolades such as “man of the people,” a catchphrase previously reserved for Mao. More important, China’s resurgence of Maoist thought influences everything from a revival of On Protracted War, re-tooled for economic competition, to the inchoate strategic concepts of “unrestricted warfare” and an updated wielding of “the ‘Assassin’s Mace’—a weapon in ancient Chinese folklore that ensures victory over a more powerful opponent.” People’s war is a common link between ancient Chinese thought and present-day PRC strategy, and yet one more reason for which it is useful to think about Beijing’s strategy through the prism of irregular or unconventional conflict, even if most of that conflict remains largely non-kinetic for now.

China’s present practice of maritime coercion in the South China Sea goes beyond its own historical experience. Chinese practitioners are careful students of U.S. experience and writing. They are no doubt learning from America’s experience in irregular maritime warfare, as well as from the growing nontraditional challenges in littoral reaches of the world. The United States needs to do better at drawing from both Chinese history and its own experiences. One example is in the idea of piracy.
China’s protracted experience in anti-piracy operations off the Gulf of Aden have had far less to do with fighting bandits than with creating a blue-water navy capability. At the same time, however, Beijing and Washington can learn a great deal from the type of small but unrestricted warfare that characterize the anti-piracy experience.

China’s largely unrestricted pursuit of strategic influence today is, in some ways, a type of piracy. Rather than immediately posing the China challenge in terms of major-power warfighting, U.S. practitioners would do well to draw on its own counter-piracy experience. The United States has been fighting pirates and waging special maritime operations from its formative days. Historian Benjamin Armstrong sees U.S. Navy raiding operations in the first 60 years of the American Republic as a direct antecedent to what is happening today in the South China Sea, the Gulf of Aden, and the Persian Gulf.37 “The reality,” argues Armstrong, “is that maritime raiding and naval irregular warfare are not irregular at all; instead, they’ve always been a fundamental part of American sea power.”38

Maritime law enforcement is another area China leans on to expand power in the South China Sea. U.S. practitioners would do well to incorporate local maritime law enforcement challenges and capabilities into the U.S. regional posture. While not addressing major-power competition, Joshua Tallis’s work highlights the security challenges in the littorals, a problem that should be countered with not just conventional naval forces, but also maritime law enforcement and constabulary forces.39 One insight gleaned from the scholarship of Tallis is the benefit of taking a criminological lens to maritime security. In Southeast Asia, pressing maritime crimes include illegal trafficking, destruction of the marine environment, and illegal and unregulated fishing. The United States should help Southeast Asian partners with dealing with those issues on their own terms, without conflating them with a major-power struggle. Doing so will maximize partner capacity building and support for assistance from the United States and its allies, including Japan, without putting partners into compromised positions vis-à-vis China.40 Furthermore, it is no accident that China is stepping up its security assistance with Southeast Asian countries, increasingly offering a full spectrum of “win-win” promises. Even if many of these
assurances ring hollow—for instance that marine science will be freely shared, or that China is a leading steward of the marine environment (when in fact its dredgers are responsible for destroying delicate ecosystems)—regional actors prefer cooperation to confrontation. They also are ready to accept China’s offer of “public goods,” including joint naval exercises. While Southeast Asian officials want to hear more than criticisms of China, the realities separating that nation’s grandiose claims from a combination of action and inaction remain ripe for examination.

It is useful to view this selective analysis of Chinese strategic precepts, as they apply to the South China Sea, in the broader context of China’s grand strategy. Liza Tobin explains that Xi’s catchphrase of a “community of common destiny for mankind” encapsulates “Beijing’s long-term vision for transforming the international environment to make it compatible with China’s governance model and emergence as a global leader.” Moreover, China’s unconventional and comprehensive approach poses a strategic challenge for the United States because of its defiance of Western distinctions and categories, whether through “military-civil fusion” or “the party’s intrusions into private and foreign firms, and its growing use of political influence activities overseas.”

Building on these ideas, Daniel Tobin offers a trenchant explanation of how the CCP’s “socialism with Chinese characteristics” is at root a Leninist ideology and drives China’s grand strategy and ambitions to become the world’s leading power. But whether China is driven by ideology, fear, or the desire for power, its strategy is being meted out through largely non-military means. Some refer to this as “gray-zone operations,” while others characterize the strategy as “political warfare.” This study calls it total competition, but there is much insight to be gleaned from the burgeoning literature on these subjects.

Analyzing China’s Gray-Zone Operations

Foreign attempts to comprehend China’s extended strategic experience, along with lessons learned from others’ strategic concepts, can lead to new, if not always accurate formulations about Beijing’s policies. This is the case with the popular U.S. defense phrase “anti-access/area denial” (A2/AD), a Western construct that helps to capture how the People’s Liberation Army (PLA) has in the past three decades erected a precision-guided missile regime to deter attacks on its perimeter, especially out to the first or even second island chain of territories. Unfortunately, the acronym A2/AD conveys little about strategic intentions, including the ultimate political goals being sought by such operations. Similarly, the tendency to want to label China’s actions in the South China Sea as gray-zone operations is useful and yet limiting. “Gray-zone campaigns are designed to achieve specific objectives of aggressive or revisionist states, such as territorial aggrandizement and the achievement of regional hegemony, without crossing key thresholds that would prompt escalation.”

For China, gray-zone operations in the East and South China Sea are seen as particularly useful because they avoid conflict with the predominant military power, the United States, while reinforcing the perception that Beijing is law-abiding and not “an international outlaw.” By shaping the narrative, resorting to maritime coercion but not overt conflict, by employing paranaval forces, and by using dredging equipment to create island-reef outposts, China’s maritime gray-zone operations aim to “gradually assert a coercive hegemony over the entire region, primarily including the East and South China seas.” But in the end the concept of the gray zone is unsatisfying, because the phrase tends to shut down analysis of Beijing’s broader strategy and its underlying rationale for irredentism and revisionism.

Nevertheless, to the extent that China’s recent assertiveness in the South China Sea has been thought of as
political warfare it is often labeled gray-zone activity. In 2019, for instance, despite advancing friendly diplomatic and economic policies with Vietnam, China deployed a survey vessel, complete with armed escorts, around Vietnamese-controlled Vanguard Bank in the Spratly Islands, blocking Hanoi's own oil exploration project. Likewise, notwithstanding Manila's courting of Beijing, China resorted anew to swarming vessels around the Philippines' Pagasa (Thitu Island) and also deployed China Coast Guard vessels to block Filipinos from resupplying their ship near Ayungin (Second Thomas Shoal). Even if Beijing and Manila were to agree on a memorandum of understanding regarding joint development of resources around Reed Bank, for instance, a fair and enforceable agreement may be as elusive for the Philippines as it has been for Japan.

The 2017 report Countering Coercion in Maritime Asia: The Theory and Practice of Gray Zone Deterrence examines how to respond to the most likely acts of maritime coercion by China. These include unsafe air or sea intercepts, the announcement of a South China Sea air defense identification zone (ADIZ), the reclamation of Scarborough Shoal, a challenge to Second Thomas Shoal, and the militarization of island-reef outposts in the Spratly Islands. Recommendations sensibly focus on a combination of restraint, resolve, and calculated risk, although determining the right level and timing of each is harder than it sounds; in addition, the report recommends clarifying deterrence commitments and tightening alliances and partnerships. These are sound, if operational, policy prescriptions.

Gray-zone operations have also been the subject of an outstanding 2019 volume, China's Maritime Gray Zone Operations, edited by Andrew S. Erickson and Ryan D. Martinson. Among other things, Erickson is a leading analyst of China's use of paranaval forces, especially its so-called third navy, the People's Armed Forces Maritime Militia (PAFMM). In addition to being mobilized by Beijing, the Chinese government has provided many fishers and militia members with steel-hulled vessels capable of ramming smaller neighbors. Meanwhile, chief among Ryan Martinson's growing list of publications is his 2018 monograph Echelon Defense: The Role of Sea Power in China Maritime Dispute Strategy. Martinson dissects what others sometimes call the “cabbage” strategy, in which Beijing presses its control and claims by putting out front ostensibly civilian PAFMM and maritime law enforcement including the China Coast Guard (all under the People's Armed Police), while keeping further back PLA naval and air forces.

The use of white hulls puts teeth in Chinese claims and jurisdiction over territory, waters, and resources, without explicitly using warships. Perhaps because great-power navies are associated with military interventions or even gunboat diplomacy, China has redefined an imperial navy. Toward that end, the China Coast Guard is the biggest and most heavily armed coast guard in the world. The fact that the China Coast Guard and maritime law enforcement agencies have been consolidated in recent years into the PAFMM and placed under military command suggests that China's white hulls are just another shade of gray—military defenses of sovereignty by slightly other means.

Gray-zone operations, by definition, tend to address sub-strategic issues, but the literature on these operations is enriching. Adding to the earlier work by RAND, in summer 2019, CSIS completed the study “By Other Means: Part 1: Campaigning in the Gray Zone.” This research analyzes gray-zone operations by China, Russia, Iran, and North Korea, and identifies standard tools to achieve goals short of war. The study focuses on seven gray-zone tools: information operations and disinformation, political coercion, economic coercion, cyber operations, space operations, proxy support, and provocation by state-controlled forces.

In the second volume of the study, “By Other Means: Part 2: Adapting to Compete in the Gray Zone,” the CSIS research team recommends several prudent ideas for adaptation, including a dynamic campaign comprising lines of effort such as improving strategic oversight for and early warning of gray-zone campaigns, establishing a new strategic communications capability for shaping the battle over information and narratives, buttressing national cyber capabilities, and advancing diverse coalition-building methods. All of these are appropriate policy recommendations, but to defeat China's strategy, the United States will require a deeper understanding of Beijing's true strategic intent. While it is hard to be certain, this intent appears to fall within the wider rubric of political warfare, and to be focused primarily on economic aims.
From Gray Zones Back to Political Warfare
Stimulated by the Trump administration’s placement of major-power competition at the pinnacle of U.S. strategic thinking, a series of recent studies converge around the idea that China, Russia, and a few other actors are pursuing a strategy of political warfare.59 First, in 2018, RAND published a study on Modern Political Warfare: Current Practices and Possible Responses, which examined the common elements of non-military struggle pursued by Russia, Iran, and the Islamic State of Iraq and the Levant (ISIL).60 The study resuscitates Kennan’s idea of political warfare, which, in a top-secret memo from 1948, the then—Director of Policy Planning at the State Department described as “the logical application of Clausewitz’s doctrine in time of peace.” Political warfare explains some of the success and endurance of the British Empire, Kennan observed, adding that resorting to “overt and covert means” short of force can also further a nation’s influence and weaken the authority of adversaries.61 Although broadening the idea of political warfare to all instruments short of military force, Kennan ultimately narrowed down the response needed to adding a handful of officials capable of organizing “public support of resistance to tyranny in foreign countries.”62 The expansion of thinking about Moscow’s strategy, together with the contraction of thinking about what new actions were needed to combat it, offer potential guidelines for U.S. responses to China’s total competition campaign and how to counter it in the South China Sea.

In 2019, the Center for Strategic and Budgetary Assessments (CSBA) released a two-volume study, “Winning Without Fighting,”63 as well as a companion two-volume survey on China’s hybrid warfare, “Stealing a March.” Centered on the threat posed by major-power competitors Russia and China, CSBA describes a five-fold authoritarian political warfare arsenal comprising:

1. Information operations ranging from state propaganda to China’s United Front Work Department influence operations;
2. Geostategic instruments such as the Belt and Road, in part because it offers a branding above and beyond mere trade, investment, and development policies;
3. Economic instruments emphasizing Beijing’s targeted, mercantilist (with favorable trade balances), and industrial policies, such as “Made in China 2025,” with the intent of achieving global leadership in critical technologies driving the 21st-century global economy;
4. A blend of military and paramilitary instruments, which are used to make incremental gains in territorial and resource control through physical demonstrations and limited actions sufficient for intimidating smaller neighbors but not instigating war; and
5. Legal and paralegal instruments through China’s resort to lawfare, which is the use and misuse of international law to achieve strategic gains.

These and other studies are filling out new thinking about emerging threats related to political warfare. Broad patterns and commonalities among actors can be useful, but so can focusing on a particularly challenging actor such as China. True, both Russia and China resort to disguising aggressive actions by deploying “little green men” (Russian soldiers fighting in Ukraine) or “little blue men” (China Coast Guard carrying out aggressive missions). But China’s concept of “military-civil fusion”64 poses a unique challenge. This may nullify the superior conventional military forces of the United States and its key allies. Similarly, it is necessary to think about specific scenarios and geographical contexts. To the credit of some of these studies, they have offered accompanying case studies, for example regarding the issue of how China uses legalistic approaches to defending its excessive claims in the South China Sea. China simultaneously wishes to appear in compliance with UNCLOS and in harmony with Association of Southeast Asian Nations (ASEAN) norms. In reality, Beijing ignores international maritime law when it suits its purposes, and it has deliberately engaged ASEAN in a protracted dialogue on a South China Sea Code of Conduct that could codify Beijing’s interests and curtail the sovereignty of smaller neighbors. In trying to fathom Beijing’s strategy in the context of Southeast Asia, this study identifies five major interlocking elements of China’s total competition campaign in the South China Sea, which are addressed in the next section.

To defeat China’s strategy, the United States will require a deeper understanding of Beijing’s true strategic intent. While it is hard to be certain, this intent appears to fall within the wider rubric of political warfare and to be focused primarily on economic aims.
**Total Competition**

Although political warfare’s definition is well suited for describing the scope of China’s behavior, the term itself may be problematic. First, “warfare” may be misleading, because the strategy employs methods that stop short of actual war. Second, such activity is typically considered the responsibility of military forces. China’s strategy is mostly non-military, and the U.S. response should be mostly non-military as well. If observers want to avoid saddling the U.S. Department of Defense with yet another non-military mission and ensure that non-military agencies lead the U.S. response strategy, it may be best to avoid the term “political warfare.”

An alternative used in this report is “total competition.” This is based on the concept of “total warfare,” which refers to “war that is unrestricted in terms of the weapons used, the territory and combatants involved, and the objectives pursued, especially when the laws of war are disregarded.” China is pursuing the peacetime equivalent of total warfare.

China’s strategy of total competition involves the unrestricted use of methods and actors that are usually off limits in ordinary competition. The strategy is global and unrestricted by territorial boundaries. Some of China’s objectives, for instance silencing criticism and suppressing information in other countries, are incompatible with benign competition. China knowingly violates and misrepresents the laws and norms that are meant to govern peacetime competition. This is not healthy competition. This is total competition.
“China is a big country and you are small countries, and that is a fact.”

—CHINESE FOREIGN MINISTER YANG JIECHI
SPEAKING TO ASEAN REGIONAL FORUM IN HANOI, 201066

“In the final analysis, it is for the people of Asia to run the affairs of Asia, solve the problems of Asia and uphold the security of Asia.”

—XI JINPING
“ASIA FOR ASIANS” SPEECH AT THE CONFERENCE ON INTERACTION AND CONFIDENCE BUILDING MEASURES IN ASIA, 201467

“We think non-regional countries should not deliberately amplify such differences or disputes left from the past.”

—CHINESE COUNCILOR WANG YI
SPEAKING ABOUT THE SOUTH CHINA SEA AT AN ASEAN MEETING IN BANGKOK, 201968
China’s Political Warfare Campaign in the South China Sea

Before delving into the five most important facets of China’s total competition campaign in the South China Sea and Southeast Asia, the nation’s main strategic objectives and some likely specific regional goals are enumerated in this section.

China’s broadest objectives are visible in the statements of Xi Jinping and the Chinese government. They include: achieving national reunification (not just with Hong Kong and Macao but also Taiwan—which puts Taiwan in a unique position as both a rival claimant and a claimed territory); defending sovereignty, including territories and waters claimed as part of China; preserving the power of the CCP; returning China to center stage in international affairs; and achieving the Chinese dream of national rejuvenation, which is most often defined in economic terms such as building a moderately prosperous society and making a modern socialist country. These goals played into the 70th anniversary of the PRC on October 1, 2019, but are meant to be realized in two centenary goals: building a “moderately prosperous society” in time to mark the 2021 centenary of the founding of the CCP and building “a modern socialist country” to achieve national rejuvenation by mid-century to celebrate the centenary of the PRC.69

From broad national goals, concrete objectives regarding the South China Sea and Southeast Asia can also be culled from official statements or deduced from Beijing’s actions. These include:

- Control claimed territory (disputed islets and waters) and prevent rival claimants (especially the Philippines, Vietnam, and Malaysia) from increasing control over the same
- Increase control over the airspace and seas of the South China Sea and seek to overwhelm regional militaries (including those of the claimant states as well as those of Singapore and Indonesia)
- Control the resources within the nine-dash line area and decrease the control of those resources by others
- Legitimize China’s policies and the CCP at home and abroad
- Delegitimize unfavorable rules (parts of UNCLOS) and rivals (the United States, Japan)
- Increase China’s influence over regional neighbors’ key policies and decrease the influence of others over those neighbors

- Coopt regional leaders and build a network of supportive or at least nonaligned clients and weaken unity between the United States and its allies and Southeast Asian states
- Develop information superiority through all means and erode other states’ advantages in intelligence, surveillance, and reconnaissance (ISR); innovation; and advanced technology
- Preempt or defeat “outside” military intervention into the first island chain (sea control), and, at a minimum, block the same within the second island chain (sea denial)70

In short, China is seeking to expand its positive control over the South China Sea and Southeast Asia. Leaving aside the unknowable question of future Chinese intentions, the CCP plans to be in the driver’s seat in Southeast Asia in the coming years, and the implications for the strategic autonomy of its neighbors and freedom of the seas are both in potential peril. Ultimately, China hopes to control the communications and logistics systems shaping international relations. Control in the South China Sea is a critical step in that direction.

The peril seems especially real when one considers the range of conventional, unconventional, and proxy agents China employs to enact its multi-pronged irregular warfare campaign. Perhaps the best breakdown of Chinese actors in the South China Sea constitutes a trio of “navies.” As suggested in the previous section, this covers People’s Liberation Army Navy (PLAN) and other military forces; the China Coast Guard and other maritime law enforcement forces under the control of the People’s Armed Police; the PAFMM (with the civilian fishing fleet adding another layer).

The breadth of China’s total competition campaign showcases a similar diversity of actors. For instance, to achieve full information dominance, Beijing mobilizes all hands on deck. That is, to control the narrative, hoard big data, and prepare to win a possible short, swift war in an “informationized” setting. China can reach across all strata of society. A unified government messaging machine is reinforced by state-owned media, and influence operations in the region are supported by groups and programs organized and funded by the CCP, using think tanks, academics, and overseas Chinese and non-Chinese. The recently created Strategic Support Force (SSF) provides China’s principal military-civil organization innovation to address the digital revolution. The SSF is the fulcrum of activity within the PLA to pull across all domains and government, supporting preparations for high-end conflict in the all-critical electromagnetic spectrum.71
These regular, irregular, and proxy actors employ multiple instruments of national power. The U.S. armed forces use the acronym DIME (diplomatic, informational, military, and economic) to refer to the four major instruments of national power that should be considered in devising strategy. China uses each of these in its own way and generally orients them toward achieving psychological advantages. Across these five instruments, the U.S. national security establishment tends to segregate economic factors rather than integrate them tightly with diplomatic and military tools, overlook the breadth of China’s thinking regarding information dominance, and downplay psychological elements. Accordingly, the five dimensions of China’s total competition campaign are ordered and renamed to offer this study’s assessment of what matters most in Beijing’s strategy vis-à-vis the South China Sea and Southeast Asia.

**Economic Power**

The essence of the global and regional struggle with China is economic. Economic power is itself an instrument of coercion and inducement. It finances all the other instruments of power, and economic progress is a source of popular support and stability. If the United States and its partners fall behind economically, their influence will wane, their other forms of power will atrophy, and their domestic stability could deteriorate.

Long-term competitions are fundamentally contests of endurance. Xi Jinping is preparing the Chinese Communist Party for a long-term struggle. The PRC is pursuing a neo-mercantilist, techno-nationalist agenda. Mercantilism can be defined in various ways, but it amounts to “economic nationalism for the purpose of building a wealthy and powerful state.” The CCP is using subsidies, “talent recruitment” programs, intellectual property theft, and other economic policies to provide China’s economy with every advantage possible, even when the methods suppress healthy market competition and violate rules and norms. China’s willingness to use methods that are ordinarily off limits and inherently zero-sum is a distinguishing feature that separates total competition from ordinary competition.

At the same time, Beijing is reversing privatization and consolidating state control over China’s economic actors. Centralization allows the CCP to mobilize its firms, banks, and other actors toward political objectives, even when those objectives are not economically profitable. This marks a key distinction between China and nations with market-driven economies, such as the United States and its partners. By sacrificing market efficiency for control, China is able to mobilize the whole of society toward competition and toward the CCP’s political objectives.

The other key feature of China’s economic strategy is the emphasis on high technology. The world is entering a fourth industrial revolution, and China is attempting to position itself at the forefront of this economic transformation. China’s government is attempting to transform its economy into a “global high-tech leader” so that the country can “catch up and surpass” the United States and other developed nations and become the principal beneficiary of the next-generation economy. Technology investments are significant, because dual-use technologies can pay dividends for both economic and other forms of power, for example, in China, information and maritime power.

Jonathan Ward provides one of the best articulations of China’s economic-focused strategy. His book *China’s Vision of Victory* concludes that CCP leaders believe economic power is the means to both party survival and ultimate military superiority. As Ward argues, “If the economic and industrial foundation is laid, global Chinese military power and submission to Chinese interests will follow.” He admonishes the United States and its allies and partners, urging them to win by “disempowering the rise of China and winning the competition for economic and industrial power.” Ward’s prescriptions include harnessing alliances and alliance-based trading systems, improving major-power diplomacy, revising trade and engagement with China, and strengthening an integrated global deterrence system—all worthy general ideas embedded in the conclusion of this report.

The bitter experience of the Soviet Union reinforces China’s strategic inclinations. Economic power was key to winning the Cold War against the USSR. While military strength deterred the outbreak of direct major-power war, and the power of ideas undermined the legitimacy of the Soviet Communist Party, it was a competitive economic strategy that resulted in the sudden downfall of the Soviet Empire. China sees economic
strength as the surest means of sustaining the CCP, eclipsing the United States, and underwriting ultimate military superiority. Thus, using economic leverage is at the crux of Beijing’s strategy for achieving its aims in the South China Sea.

THE BELT AND ROAD
China’s economic fixation is illustrated by how Xi Jinping began rolling out what would become the Belt and Road. In September 2013, just six months after his elevation to CCP General Secretary, Xi traveled to Central Asia. His remarks in Astana, Kazakhstan, received scant international attention because the world had not cottoned on to what would become a potent brand for Beijing-style development throughout Eurasia and the globe. Recalling the old Silk Road, Xi waxed poetic: “I can almost hear the ring of the camel bells and the wisps of smoke in the desert.” But Xi had more on his mind than camel bells when he and President Nursultan Nazarbayev signed $30 billion worth of trade and finance agreements and then “together pushed a button at the Palace of Independence . . . to symbolically open a 700-mile pipeline that will take gas from the Caspian Sea in western Kazakhstan to the South.”

The next month, in October 2013, Xi became the first foreign leader to address Indonesia’s parliament. Once again, he came prepared with more than $30 billion worth of deals, including those involving critical resources such as minerals to sustain China’s economic growth. At the same time, Xi announced an upgrading of China-Indonesia relations to constitute a strategic partnership. He unveiled a “21st Century Maritime Silk Road,” which was far from an afterthought. This maritime road connected China to Southeast Asia, the Indian subcontinent, the Arabian Peninsula, Egypt, and Europe, representing an ambitious design. The multiple silk roads—that would eventually include polar, cyberspace, and outer space pathways—was rooted in a strategy sketched out by academic Wang Jisi. For Wang, China could not be contained if it developed simultaneously into both an Asian and a global great power.

Historically, the land route Silk Road represented a “march West” strategy that would expand China’s geostrategic maneuvering room, even as Beijing remains focused on its maritime frontier in Southeast Asia. The notion of greater strategic space, moreover, would enlarge China’s map of competition, perhaps not unlike the Free and Open Indo-Pacific vision articulated by Japanese Prime Minister Shinzo Abe and U.S. President Donald Trump.
The Belt and Road has not only broadened China’s maneuvering room, it has become synonymous with ready financial instruments linked to major infrastructure projects and thus a leading brand of international development. Belt and Road is now shorthand for China’s external economic trade, investment, and development, as well as a brand meant to signify China’s commitment to advancing peace through new infrastructure projects built to deliver prosperity, high-tech connectivity, and civilizational amity.84

Despite myriad shortfalls and problems, China’s Belt and Road is a strong brand, and Beijing works overtime marketing it. A “Belt and Road Primer” released by the Chinese Embassy in Manila states that after five years, China has signed more than 170 cooperation documents on Belt and Road projects with more than 150 countries or international organizations. The programs are said to align with the European Union’s Junker Investment Plan, the Russia-led Eurasian Economic Union, Mongolia’s Prairie Road, Kazakhstan’s Bright Path, the UN 2030 Agenda for Sustainable Development, the Master Plan on ASEAN Connectivity, Agenda 2063 of the Africa Union, the Eurasian Economic Union, and the Europe-Asia Connectivity Strategy of the European Union.85

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While the devil is in the details, promises of funded projects are dangled in front of Southeast Asian audiences like maritime militia vessels swarming neighbors’ territorial claims. Despite the fact that Japan’s infrastructure-related efforts in Southeast Asia surpass those of China’s Belt and Road ($230 billion versus $150 billion), China is arguably better at selling its efforts.86 While China likes to announce large deals, the reality of these supposed investments is far less impressive. In the first half of 2019, China announced more than $11 billion in new contracts for mostly energy and transport projects in Southeast Asia. Yet even a doubling in funded contracts raised questions about follow-through, ulterior motives, debt-trap diplomacy, and other worries.87 In the South China Sea claimant states of the Philippines, Vietnam, and Malaysia, for instance, China has announced recent Belt and Road-related efforts, all of which have earned support from regional leaders.

No Southeast Asian leader in maritime Asia has tried as hard as President Rodrigo Duterte to curry favor with Xi Jinping. However, having staked out a more pro-China policy stance since his election in 2016, Duterte has secured big promises from China (some $24 billion in aid and investment on his first visit, and some $44 billion worth of deals by fall 2019), but with minimal implementation.88 Some projects have been delayed or scuttled altogether because of security concerns, such as a “smart city” project on Fuga Island overlooking vital waterways and Taiwan, or a shipyard in Subic Bay.89 Only one big infrastructure project—Chico River Pump Irrigation—appeared to have cleared preliminary stages of implementation by October 2019. Also, two possibly unnecessary bridges across the Pasig River have been built.89 Still, Duterte remains a strong advocate of Belt and Road investment in the Philippines.

In Vietnam too, the leadership supports Belt and Road investments despite a growing set of questions raised about various projects. For instance, reports that a Chinese company might build a proposed 1,205-mile coastal North-South Expressway from Hanoi to Can Tho raised questions about Hanoi’s ability to protect its claims in the South China Sea.91 Questions about Vietnam’s sovereignty have arisen regarding possible 99-year leases for Chinese-owned and operated firms inside special economic zones.92 Furthermore, Chinese investments may be leading toward not sustainable development but greater environmental damage, as Vietnam appears to be the recipient of the most Chinese-financed coal-fired power plants.93

Even in Malaysia, where Prime Minister Mahathir Mohamad initially expressed concerns about possible Chinese neocolonialism, Kuala Lumpur appears fully on board with Belt and Road. Mahathir was converted from a critic to an advocate after renegotiating a massive joint rail project and saving some $5 billion in the bargain (with a total cost of about $11 billion after reaching new terms). That enormous infrastructure project is the China-backed and -built 400-mile-long East Coast Rail Link. It will connect Port Klang, just west of Kuala Lumpur on the Strait of Malacca, across the peninsula, to the city of Kota Bharu.94

CHINA’S BROADER ECONOMIC TOOLKIT

While Belt and Road may provide the best-known brand of development in the region, China’s economic clout is multifaceted. Southeast Asian countries are highly
exposed to economic pressure from China, especially in terms of trade, and the inducement of promises of more investment or threats to dial back investments provide real leverage, with Beijing able to turn on or off tourists or commodities as if with a rheostat. As of 2018, China provided more total trade ($587 billion) and more total tourism (25.3 million visitors) to Southeast Asia than the United States and Japan combined (approximately $544 billion total trade and 9.1 million visitors). This makes Southeast Asian countries susceptible to allowing China to create the information superhighway that could give it ownership of big data and economic advantage for decades to come. This possibility is discussed below, in the section on information dominance.

Economic leverage and control of the regional maritime space converge when it comes to Beijing’s private offers to other claimant states for schemes of joint development of the energy, seabed minerals, or fishing resources inside the South China Sea. Affected areas include inside the exclusive economic zones (EEZs) of the Philippines, Vietnam, Malaysia, and Brunei. Perhaps the most brazen offer was made to President Duterte: Although prohibited from sharing resources inside its EEZ by dint of the Philippine constitution, Duterte was being asked by the Chinese to accept a more favorable joint development arrangement in exchange for dropping the 2016 arbitral tribunal ruling. In other words, China would offer the Philippines economic incentives as a quid pro quo for putting China-made rules over the rule of law.

Similar development schemes have been offered to Malaysia and Vietnam. While a deal on joint oil and gas development, around disputed Reed Bank, for example, could be finalized and may as a result reduce tensions, it is even more likely that such a deal could fail to be successfully implemented. After all, even an arrangement “giving” the Philippines the majority of the resources, if the resources were the Philippines’ to begin with, then clearly China would have benefitted from such a deal. More important, China may be willing to appear to be generous to the Philippines in exchange for having a justification for increasing its local presence.

China’s economic leverage is diluted by its various problems and potential concerns. However, among elites polled from Southeast Asian countries in late 2018, nine of 10 ASEAN members saw China as the dominant economic and strategic power in the region. Only those elites polled in Singapore dissented from that view. At the same time, U.S. power and influence was seen as having declined since 2017. To reinforce public sentiment, China touts constant growth in trade with ASEAN, even portraying new trade protocol as a major upgrade. The trend in trade is impressive. Since a China-ASEAN Free Trade Agreement was signed in 2002, bilateral trade has jumped from $55 billion to $588 billion in 2018. In the first half of 2019, for the first time in more than 20 years, ASEAN surpassed the United States as China’s second-largest trade partner. China also likes to promise an even brighter future, emphasizing still-unfinished regional trade pacts such as the Regional Comprehensive Economic Partnership (RCEP) and suggesting exponentially higher linear growth that may never materialize. Thus, the China-ASEAN Strategic Partnership Vision 2030, adopted in 2018, set a goal of $1 trillion in bilateral trade and $150 billion in investment by 2020.

For the attention paid to economic matters, however, China continues to combine economic policy with other instruments of national power. Military power is essential to safeguarding China’s growing position, and there is little doubt that China would like to achieve military primacy in and around the South China Sea. But because Washington is focused on military power for historical reasons and global purposes, and because Southeast Asian countries are quickly repulsed by the thought of becoming a battleground for major-power military conflict, it is important for U.S. officials to understand military power as applied to China’s total competition. In this sense, and in the South China Sea, China’s military instrument is predominantly—but not exclusively—constituted in maritime power. While not reducing the long-term threat posed by China’s massive defense investments, devising a counter-strategy to China in Southeast Asia requires an emphasis on how Beijing uses and invests in maritime power of all varieties.

**Information Dominance**

Information dominance permeates everything China does to extend its control over the South China Sea and Southeast Asia. Although public opinion is considered one of the “three warfare” areas, the term “information dominance” better reflects the fact that the CCP is doing more than trying to influence domestic and international public opinion. Yes, Beijing wants to change opinion, but less by winning hearts and minds of the masses and more through coopting regional leaders. At the same time, China is hoarding big data like no other country, because it understands that big data is the holy grail of intelligence, and that information power is the secret to economic preeminence in the 21st century. China’s domestic industrial policies and internet protocol (IP) theft represent another dimension of its efforts to achieve information and economic dominance. Not only do these
policies help stimulate China’s economy, which feeds back into the other forms of power the country uses to execute its strategy, but these operations are also helping China to gain an advantage in the production of critical dual-use technologies that have military and intelligence value, in addition to their commercial value.

Unmanned systems, 5G telecommunications, quantum encryption and communications, artificial intelligence (AI), machine learning, and additive manufacturing are just a few of the cutting-edge technologies China hopes will propel both its economic and military power. These and other technologies that are part of China’s Made in China 2025 industrial policy aim to propel the nation into economic and military primacy. An ability to control peacetime and wartime communications, domain awareness, and space communications are some of the means by which Beijing hopes its technology-driven economy will produce military supremacy, completely nullifying U.S. power projection capabilities and thereby deeply constraining the strategic autonomy of all of its neighbors.102

Some of the specific forms in which China’s information dominance is playing out include the following:

- Propaganda, subversion, and cyber operations reinforce the main direction of Beijing’s narrative and attack counter-narratives.
- Siphoning big data from all sources, from the Internet and undersea cables to oceanic surveys and espionage; and leapfrogging the United States in telecommunications, encryption, computation, and outer space, all these put Beijing in the driver’s seat for both economic and military preeminence in the long term.
- ISR is a military subset of big data. The PLA is using its information hard points in the South China Sea to achieve maritime domain awareness and prepare to deny the United States and others the same awareness. This will be pivotal, especially in the event of having to fight a swift and short informationized war.

In short, it is information-based instruments of power that will drive China’s economic ascent and deliver military security in the 21st century. The concept of information dominance connects aspects of China’s policy that the United States and others see as separate and discrete components of policy, such as public opinion warfare and information superiority for economic and military purposes, or influence operations and undersea warfare.

For instance, data hoarding is at the nexus of public opinion warfare and the CCP’s desire to expand economic and military power in Southeast Asia. China is pursuing information dominance by developing its ability to collect, control the flow of, and disseminate information. State support for Huawei and other data-driven firms is helping Chinese firms expand their market share and, consequently, their access to data at home and abroad. The social credit score system that China is now piloting shows how the government can use user data to monitor people, and Beijing is using facial recognition technology to target people by ethnicity—phenotyping.103 This information will undoubtedly help authorities to better censor dissidents and tailor propaganda. As Chinese firms amass data from users in foreign markets, China could develop a similar cache of data to help support foreign influence operations. This will help as the nation flexes its Belt and Road finance to support the export of Huawei “smart city” technologies and 5G telecommunications, thereby expanding its information hold on neighbors.

Regarding how other information-centered aims, such as shaping public opinion and waging informationized warfare, merge in China’s approach, the undersea aspect of CCP midterm plans is of note. For instance, China’s 13th Five-Year Plan for economic and social development, which is to be followed by the 14th plan at the end of 2020, includes an ambitious set of targets for achieving marine information dominance.104 The CCP investments in marine engineering equipment and high-technology vessels will further empower Beijing to explore, map, exploit, and control the critical undersea waters and seabed resources of the South China Sea and beyond. While cast as investment in the “blue economy,” marine projects such as the Dragon Palace-I deep-sea experimental platform and efforts related to creating

Information dominance is the connecting thread between a desire to create undersea situational awareness, exploit seabed minerals, police undersea cables, and otherwise win the stealth war beneath the waters of the South China Sea.
an “AI Atlantis” using a fleet of unmanned underwater vehicles (UUVs) to scour the South China Sea ocean floor are intertwined with China’s efforts to deny the United States the ability to maintain its longstanding advantage in undersea warfare. At the same time as China gains information about the marine seabed, it also is thinking about how to control the second island chain. Beijing is devising ways to paralyze the Internet’s underwater cables—the “Internet of Underwater Things.” Information dominance is the connecting thread between a desire to create undersea situational awareness, exploit seabed minerals, police undersea cables, and otherwise win the stealth war beneath the waters of the South China Sea.

Big data and information power are also the core of China’s military doctrine. As one close observer notes, “The PLA’s overarching focus on achieving information superiority as a tactical, operational and strategic requirement cannot be overstated.” Having lagged behind Western military power, China’s plan to catch up and surpass U.S. capabilities involves a systems approach designed for the digital age. Informationized warfare is nothing less than the transformation of warfare made possible by advanced information-based technologies. Furthermore, the PLA’s Systems-of-Systems doctrine is predicated on employing information power and securing information dominance. Xinxi li (Chinese) information power is the capability of a military force to achieve information superiority, ensuring the use of information for friendly operational forces while simultaneously denying adversary forces its use. PLA doctrine assumes that information superiority is necessary to seize and maintain initiative on the battlefield, and that it is a prerequisite for air and maritime superiority. Above all, information superiority is applied in a System-of-Systems warfare concept, the PLA’s fundamental theory of modern warfare.

China’s pursuit of information dominance transcends the usual barriers between propaganda and influence operations on the one hand, and espionage and the realization of informationized warfare on the other. The concept is centered on paralyzing or destroying the enemy’s “operational system” to render its forces useless, rather than solely focusing on destroying enemy units on the battlefield. While some dismiss what China has erected on its Spratly Island outposts, “The primary purpose of these bases [man-made islands in the Spratly Islands] is not to [support] general conventional military power, but to facilitate information superiority with substantial C4ISR [command, control, communications, computers, intelligence, surveillance, reconnaissance] and counter-C4ISR capabilities in keeping with China’s informationized warfare operational concepts.” In effect, China has transplanted the suites of multiple types of communications and sensor hardware on land, all of which are designed to perform multiple missions aimed at information dominance to win a possible high-end warfare contest. This would pit a carefully prepared Chinese system against an opponent’s system—one possibly replete with critical vulnerabilities to be exploited.

China’s island-building efforts have transformed “rocks or low-tide features [into] ‘information hard points.’” Capabilities of this terrestrial segment of an integrated System-of-Systems approach include: (1) secure C4; (2) layered ISR; (3) battlespace monitoring; (4) counter-reconnaissance; (5) interference and strike capabilities. The development of ISR and counter-ISR capabilities on China’s island outposts, mainland bases, and naval platforms (including the autonomous undersea vehicles showcased at China’s 70th Anniversary parade on October 1, 2019) enable the government to collect detailed information about maritime conditions and traffic in the South China Sea, while maintaining the capacity to deny rivals the ability to collect that

A security ship crew of Indonesia’s Ministry of Maritime Affairs and Fisheries monitors radar during a patrol in the South China Sea. Through its island-building efforts, China has transplanted the suites of multiple types of communications and sensor hardware on land, which could support high-end warfare. (Ulet Ifansasti/Getty Images)
information. The information gathered in the South China Sea plays a role in China’s strategy even during peacetime, because it helps the country’s maritime forces to more effectively track and harass foreign vessels operating in disputed waters.

China may be mostly in the reconnaissance business as of now. Still, its siphoning of big data and mastery of advanced computation and AI will, over time, use information across the spectrum: to create narrative, for influence operations and subversion, in intellectual property theft and espionage, in cyber operations, and for C4ISR and counter-C4ISR in informationized warfare.

Some analysis of China focuses on influence and espionage operations, while other studies concentrate on information operations broadly defined. Still others are interested primarily in positioning information dominance to fight and win informationized warfare, including in the South China Sea. Putting these all together, U.S. analysts need to think broadly about the information-centric approach of China as it wages a political warfare campaign in the South China Sea and beyond.

Even while China seeks to win without fighting by waging a mostly non-kinetic political warfare campaign, it is preparing for the moment when it may need to jump to the use of force in what is hoped by the PLA to be a short, swift altercation. Moreover, it is hoped that creating such a capability will further dissuade the United States from using its military superiority and demoralize neighbors into assuming there is no alternative but to kowtow to Beijing—ideas reinforced by multifaceted psychological operations.

**Maritime Power**

Although the South China Sea is a maritime theater, China’s political warfare campaign uses the full panoply of maritime-related policy tools to enhance its local control. This includes not only the world’s largest armed forces, including the “three navies” and a modern amphibious capability, but also an organized civilian fishing fleet. China’s maritime forces incorporate not just the gray-hulled combatants of the PLAN, but also the white-hulled ships of the China Coast Guard (CCG) and the blue-hulled vessels of the PAFMM. But on top of this, China also mobilizes a diverse set of capabilities including but not limited to the following: the world’s largest container ships and most modern deep-sea oil platforms, unsurpassed excavation and reclamation machinery, a growing inventory of UUVs, seabed survey vessels and other scientific ships, state-of-the-art cruise ships and organized Chinese tours to littoral destinations in and around the South China Sea, infrastructure development for key ports, investments in maritime legal analysis and arguments, a massive propaganda campaign on marine environment and sharing the blue economy, high-level official military exchanges, enhanced exercises and training with regional navies, investments in space and cyberspace platforms to establish maritime domain awareness and assured navigation, and similar investments to deny those security benefits to others.

Taken separately, each of these activities might be viewed as benign. However, seen together, these activities and investments speak to Beijing’s unspoken intentions to gain primacy in the South China Sea. At its sharpest power point, the maritime power component of China’s political warfare strategy involves the effort to develop an array of maritime units, and to use these units coercively to assert control over disputed waters, territory, and natural resources.

To explain this perspective, it is useful to begin with a synopsis of China’s recent coercion against the Philippines and Vietnam.

**THE PHILIPPINES**

In 1995, the Chinese occupied Mischief Reef, a low-tide elevation within the Philippines’ EEZ, by ostensibly building a fishermen’s shelter on stilts. Two decades later, China wrested control of Scarborough Shoal and proceeded to flout the 2016 Permanent Court of Arbitration tribunal ruling upholding UNCLOS. China’s unrelenting pressure on Manila continues despite President Duterte’s attempt to appease Xi Jinping.

One recent incident encapsulates a kinetic variant of China’s maritime coercion: In June 2019, a Chinese fishing vessel rammed and sank a Filipino fishing boat near the energy-rich but contested waters around Reed Bank, yet another feature well within the Philippines’ EEZ.
Vietnamese fishing vessel rescued all 22 Filipinos left stranded in the water after the incident. China deployed a cabbage strategy involving concentric circles of civilian, paramilitary, and military vessels around Thitu (Pagasa) Island to intimidate the Philippines as it attempted simple repairs.

China Coast Guard cutters also once again blocked Manila’s attempt to resupply marines on the Philippine ship Sierra Madre, grounded in the shallow waters near Second Thomas (Ayungin) Shoal. Outside of the South China Sea, in the Philippine Sea near Benham Rise, China’s survey ships have been scouring seamounts for rich mineral deposits, and in some cases announcing Chinese names for some features.

VIETNAM

Not long after the 1973 Paris Peace Accords signaled the end of U.S. military engagement in Vietnam, China escalated its campaign to control the Paracel Islands, and South Vietnamese forces initially suppressed Beijing’s six-month intimidation campaign to control the Crescent Group in the western half of the Paracel Islands, but in January 1974, Chinese killed or wounded some 100 Vietnamese and took complete control of the Paracel Archipelago. In 1988, China and Vietnam engaged in another deadly naval skirmish, this time at Johnson Reef in the Spratly Islands. PLAN frigates sank two Vietnamese ships, killing 64 sailors, some gunned down while stranded on a reef. The military clash catalyzed Vietnam into fortifying several South China Sea outposts that remain under coercive pressure from China.

More recent exercises of coercion against Vietnam have centered on China’s apparent desire to control the South China Sea’s wealth of resources, including oil and gas. In 2014, the China National Offshore Oil Corporation (CNOOC) maneuvered a billion-dollar, deep-sea drilling rig, Haiyang Shiyou 981, into Vietnamese-claimed waters off Triton Island in the Paracel Archipelago. China again employed multiple perimeter defenses in a cabbage or echelon strategy, blocking Vietnamese vessels attempting to approach the oil rig, in some cases ramming them. In 2019, Beijing resorted to similar aggression in resource-rich Vanguard Bank, the westernmost reef of the Spratly Islands, with a drawn-out deployment of the geological survey ship Haiyang Dizhi 8 and escort vessels inside Vietnam’s EEZ. The vessel refueled at Fiery Cross Reef before returning, apparently aiming to signal to Vietnam to quit its joint energy venture with Russia’s Rosneft oil and gas company.

China is investing in the world’s largest fighting force, one vital mission of which is to block outside military intervention from surrounding seas or the Pacific Ocean. Taiwan remains the focal point of PLA contingency planning, and counter-intervention capabilities encompass cruise and ballistic missiles, modern fighter and bomber aircraft, aircraft carriers, surface combatants, and submarines. The PLAN is Asia’s largest navy, with more than 300 ships, compared with a U.S. Navy comprising just over 280 combatants. By 2030, it is estimated the PLAN will consist of some 550 ships: 450 surface ships and 99 submarines. China’s navy is on track “to achieve sea control in the global maritime commons by 2030 and potentially even sea superiority by 2049.”

In addition to countering possible intervention and protecting sea lanes, a principal PLAN mission centers on defending maritime sovereignty, including territorial claims and maritime rights. This puts China directly at odds with other South China Sea claimant states.

A more powerful PLAN is closely threaded together with more centrally organized maritime law enforcement and paranaval forces “to improve its ability to respond flexibly to contingencies while avoiding escalation to military conflict and maintaining a veneer of advancing peaceful global interests.” Operations in the South China Sea fall under the South Sea Fleet, headquartered in Zhanjiang, in southwest Guangdong Province, facing Hainan and beyond that the Paracel Islands (Xisha) to the south. The Defense Intelligence Agency also notes that “China’s land reclamation and outpost expansion in the Paracel and Spratly Islands include port facilities from which it can surge PLAN, China Coast Guard (CCG), and People’s Armed Forces Maritime Militia (PAFMM) ships to enforce better maritime sovereignty claims, as well as airbases to support reconnaissance, fighter, and strike aircraft.”

While Xi Jinping was unveiling the Belt and Road in 2013, he was also busy reorganizing into a unified organization the “five dragons” representing China’s maritime law enforcement capability. This organization was transferred to the People’s Armed Police under the ultimate command of the Central Military Commission. Coast Guard vessels, including the world’s largest cutter, the CCG 3901, larger than current U.S. cruisers and destroyers, often escort other vessels when they are conducting provocations to deter retaliation. Coast Guard vessels also conduct law enforcement patrols in disputed waters in an effort to demonstrate control and intimidate foreign vessels. Lyle Morris explains how the centralization of China’s five dragons into a new Coast Guard...
under military command allows China more capable white-hulled protection of its maritime rights. Despite inherent limitations, the CCG is arguably the world’s largest and best-armed coast guard in the world. The maritime inventory of China’s sea forces is reinforced by the growing concentration of power and wealth in the nation’s shipbuilding industry. As with the amalgamation of military law enforcement agencies into a single China Coast Guard placed under military command, the recent rejoining of China’s two shipbuilding behemoths after a 20-year separation is an excellent example of military-civil fusion. The new entity resulting from the merger of the China State Shipbuilding Corporation and the China Shipbuilding Industry Company will be able to build everything from container ships to aircraft carriers. It will boast revenue in excess of $140 billion.

All of these units engage in a range of coercive behavior to try to repel or intimidate other nations’ vessels and demonstrate China’s ability to administer and control access to claimed territory. China’s civilian fishing vessels are encouraged to fish in disputed waters within foreign EEZs, and foreign fishing boats must consider whether to risk provoking the boats of a bigger neighbor. The periodic resort to sharp coercive tactics leaves neighbors wondering whether or when China will use force, suggestive of the kind of psychological operations discussed below.

PLA Navy vessels also occasionally escort Coast Guard and smaller vessels. They harass foreign military vessels to discourage innocent passage through disputed areas. For example, in 2018, a PLA Navy destroyer deliberately sailed within 45 meters of a U.S. destroyer traveling near Gaven Reef. The PLA Navy vessel risked causing a collision and forced the U.S. vessel to adjust its course. This tactic of using irregular forces to execute the most provocative forms of coercion, while regular forces provide protection and support, is exemplified by the so-called cabbage or echelon strategy. When using the echelon strategy, China’s forces operate in rings. Maritime Militia are at the center, as their vessels swarm contested waters and harass foreign vessels. Coast Guard vessels occupy the next layer and loiter nearby, while PLA Navy ships provide the outer layer of protection as they loiter on the horizon. In 2019, China employed this tactic around Thitu Island, which is administered by the Philippines. At its peak, China swarmed at least 95 suspected militia vessels in the area.

Maritime Militia (and occasionally civilian fishing vessels) harass, ram, and water-cannon foreign vessels to repel them from disputed territory. Thus, the Chinese “fishing ship” on patrol that collided with a Philippine ship may have been part of China’s maritime rights protection mission. Sovereignty enforcement justifies using whatever means are available. In May 2019, for instance, suspected Militia vessels used lasers to flash Australian navy pilots conducting an exercise in the South China Sea. China regularly sends a combination of warships, marine survey vessels, and commercial ships into foreign territorial waters and EEZs in and around the South China Sea, but even when concerns are raised, they are mostly sloughed off with double-speak and denial. Chinese vessels depart disputed waters usually after completing their mission. Some Chinese Maritime Militia vessels appear to disable their automatic identification systems. International maritime requirements call for all ships above 300 gross tons engaged in international transit to maintain navigational transmitters that allow for states and authorities to track movement. The deviation is surprising, if only because chief among the uses of China’s diverse maritime enterprises and platforms is the practice of lawfare, of casting China’s actions as law-abiding.

Psychological Operations

For the Chinese, the mind is a critical part of the battlefield. Psychological operations are not relegated simply to military tactics, but to the strategic level of total competition. Close study of China’s words and behavior in the South China Sea in recent years reveals that this appears to be the case. Although a sliver of the U.S. national security community understands psychological operations, there appears to be no equivalent response to the breadth and scope of China’s psychological operations.

“The specific purpose of psychological operations (PSYOP),” according to Joint Publication 2.13.2 produced by the U.S. Joint Chiefs of Staff, “is to influence foreign audience perceptions and subsequent behavior as part of approved programs in support of USG policy and military objectives.” More generally,
“Psychological warfare involves the planned use of propaganda and other psychological operations to influence the opinions, emotions, attitudes, and behavior of opposition groups.” For both good and bad reasons, the United States and other democracies have difficulty digesting the idea of psychological operations, especially beyond military tactics or operations in wartime conducted by Special Operations Forces.

By contrast, psychological warfare is integral to the historical development of Chinese strategic thinking. “‘Psychological warfare’ means imposing one’s national interest by dominating a rival nation’s perception of its own strengths and weaknesses.” Intelligence was employed to reduce judgments stem from a thorough and necessary reconstruction. As Mao reasoned: “A commander’s . . . correct judgments are powerful when based on thorough intelligence collection. As Mao reasoned: “A commander’s . . . correct judgments stem from a thorough and necessary reconnaissance.” Intelligence was employed to reduce resistance and bolster support. “The vital impact would be in the psychological rather than the physical sphere,” Lawrence Freedman explains. “This required calculating the factors affecting the will of the opponent. So while movement might be the key to catching the enemy out physically, surprise was the key to influencing the enemy’s psychology.”

The aim of this strategy is dislocation and throwing an adversary off balance, to win the battle of political will by discouraging opponents and making them feel resigned to a new normal. How the Chinese calculate the will of neighboring governments and the United States is a question that deserves greater attention. Historically, Freedman clarifies:

In the psychological sphere, dislocation required that these physical effects be impressed on the commander’s mind, creating a “sense of being trapped.” Moving directly against an opponent would not throw him off balance. At most, it would impose a strain, but even if successful, the enemy would retreat to his “reserves, supplies, and reinforcements.” The aim was, therefore, to find “the line of least resistance,” which translated in the psychological sphere into “the line of least expectation.” It was also important to maintain a number of options. Having alternatives kept the enemy guessing, putting him on the “horns of a dilemma,” and allowed for flexibility should the enemy guard against your chosen route.

Even today, we should not dismiss the idea that authoritarian actors—especially China—place a premium on influencing “the opinions, emotions, attitudes, and behavior of opposition groups.” As already mentioned, psychological warfare is part of the PLA’s concept of three warfares. But the CCP’s General Work Department has been busy conducting psychological operations since its inception. Just as the PLA “targets the adversary’s will to fight and is designed to lower the efficiency of enemy forces by creating dissent, dissatisfaction, and dissatisfaction in their ranks,” China brings a whole-of-society approach to mobilizing opinion to achieve varied but similar psychological advantages.

There is a close relationship between Chinese propaganda and psychological operations. The psychological dimension of China’s strategy goes beyond propaganda messages. China makes a concerted effort to use all instruments of power to shape how other states perceive the nation and the political environment in the region. While the success of these operations is open to debate, it is clear that Beijing has mobilized state media, foreign policy tools, and business and academic representatives to deliver messages designed to turn public opinion in a clear direction—often the opposite of what the United States argues, and sometimes flagrantly in contradiction with objective facts.

China’s political warfare campaign in the South China Sea relies heavily on economic, legal, maritime, and informational policy tools, but the fifth aspect of the approach is harder to comprehend. A close examination of China’s behavior reveals persistent attempts to achieve a specific or general psychological impact on foreign and domestic audiences. Yet because psychological operations designed to plant ideas in the minds of influential audiences—or reinforce or erode preexisting ones—are anathema to the conduct of foreign policy in most democracies as well as very hard to prove concretely, it is tempting to overlook this part of China’s political warfare toolkit.

The CCP, however, is set up to steer policies toward achieving particular political outcomes, marshal ideological sympathy, and alter assumptions about future trends. The psychological dimension of policy is baked into the party apparatus and standard operating procedures. For instance, China’s United Front Work Department is much noted of late for its foreign influence operations, first and foremost with overseas ethnic Chinese populations but also toward influential officials and communities where support can be won. The United Front Work Department played a storied role in the CCP’s success in defeating Chiang Kai-shek and the
Kuomintang. Once the PRC was established in 1949, Zhou Enlai and other Chinese officials used the United Front and other means to “influence foreign parties and governments to obtain the support of public figures to help build a ‘new China.’”  

China conducts a set of additional operations, including shows of force and prestige projects, that help generate psychological effects intended to spread and continually reinforce ideas that are favorable to the CCP. Examples of this include military parades, major exercises and missile tests in the South China Sea, and building fortified island-reefs in the Spratly Islands. Prestige project examples include the 2008 Beijing Olympics and the Belt and Road infrastructure projects. *China Daily* boasts of “10 Amazing Belt and Road Projects,” but Beijing obscures that it often is only building one portion of such projects as it takes credit: “The Temburong Bridge, the largest infrastructure project in Brunei’s history, will become the country’s longest sea-crossing bridge with a total length of about 30 km.”  

If these were just lines from state-owned organs, we could call it propaganda. But when all instruments of power line up to reinforce such statements—to actually plant ideas in the minds of others and then constantly reinforce them—this constitutes psychological operations designed to induce or reinforce behavior favorable to the CCP. The PRC’s 70th anniversary extravaganza was a celebration with psychological overtones for multiple audiences. As Xi Jinping stated, “No force can stop the Chinese people and the Chinese nation.”  

Displays of modern hardware were meant to stoke nationalism at home while signaling to neighbors they should not oppose Beijing. China seeks to displace U.S. alliance commitments and forward presence by suggesting that missiles, drones, nuclear weapons, and economic and political power spell the end of U.S. power projection in Asia. China’s rise is inevitable, and America’s retreat is inexorable.  

Psychological operations reinforce ideas for varying reasons. When China unveils landmark Belt and Road projects, it is about more than just a bridge or a port. These projects are meant to reinforce the image of an emerging, China-led economic order in the region. The projects are not just to show what a state is getting from China today, but also to convey ideas of what countries can gain in the future if they cooperate with China.

### China’s Instruments of Power

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<tr>
<th>Actor</th>
<th>Activity</th>
<th>Objective</th>
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| People’s Liberation Army (PLA): all branches of service | ■ Military exercises  
■ Weapons tests  
■ Port visits  
■ Patrols throughout the South China Sea  
■ Military parades  
■ Participation in echelon formation | ■ Rally support domestically  
■ Deter the United States  
■ Intimidate neighbors and encourage appeasement/compliance |
| China Coast Guard | ■ Deployment of large vessels  
■ Participation in echelon formation | ■ Rally support domestically  
■ Deter the United States  
■ Intimidate neighbors and encourage appeasement/compliance |
| Maritime Militia | ■ Swarming | ■ Intimidate neighbors and encourage appeasement/compliance |
| Dredging fleet and island construction teams | ■ Large-scale dredging and island-building  
■ Construction of permanent facilities on disputed features | ■ Rally support domestically  
■ Deter the United States  
■ Intimidate neighbors and encourage appeasement/compliance |
| State banks and state-owned enterprises | ■ Highly visible economic projects around the region (bridges, ports, rail lines). | ■ Tempt neighbors to cooperate in exchange for future economic benefits  
■ Reinforce image of China as an economic powerhouse |
| State media | ■ Propaganda about the PLA  
■ Propaganda about China’s influence (military might, economic might, political importance)  
■ Propaganda about U.S. decline or weakness  
■ Propaganda about other states conceding to China’s preferences | ■ Rally support domestically  
■ Deter the United States  
■ Intimidate neighbors and encourage appeasement/compliance |
When China’s military paraded through the streets of Beijing, that show of military might was meant to have a psychological effect on domestic and foreign audiences. For domestic audiences, the PRC’s 70th-anniversary extravaganza reinforced the narrative that China and its people were unstoppable, that China under CCP leadership was strong, and that the Chinese should be proud of their state. For foreign audiences, the displays signaled that they should question U.S. security assurances and that China was already in power. For the United States and its partners, the parade of advanced military capabilities (especially China’s latest missile lineup) are meant to evoke ideas about the risks of competition with China—and possibly raise doubts about the cost and benefits of U.S. commitments in the region.

Across all of China’s policies, there is a recognizable pattern of appealing to multiple audiences: domestic (the West wants to contain us and hold us back from achieving our rightful place); regional (we want to connect with you, but the United States insists on destabilizing security because of its frustration over losing hegemony); and the United States (accept your decline, accept our rise—it is inevitable despite legitimacy questions about the CCP pertaining to economic slowdown and demographics). Moreover, China wants the United States to stop interfering by exaggerating about the Uighurs, stirring unrest in Hong Kong, assisting separatism in Taiwan, complaining about Chinese influence operations and cyber espionage, and so on.

Two essential ideas in China’s psychological warfare campaign are as follows: The United States (and definitely not China) is the most destabilizing power in the region, and regional nations should acquiesce to Beijing’s policy wishes or forfeit economic development. If the United States and its partners offer only a weak response to such propaganda, then they risk being accessories to the CCP’s psychological operations. China’s political warfare campaign, as irregular and comprehensive as it is, requires a multifaceted and strategic riposte.

**Lawfare**

Political warfare is hard-wired into China’s institutions, including its armed forces. In 2003, the PLA formally adopted the concept of three warfares (san zhong zhanfa) to defend the CCP and extend PRC strategic influence. Legal warfare, or lawfare, public opinion warfare, and psychological warfare are “three forms of political or information warfare [that] can be performed in unison or separately, bringing into harmony the PLA’s actions, the intent of the Communist Party, and the goals of the senior party leadership.” In addition to economic and mostly maritime military instruments of national power, China’s other three major tools in the South China Sea can be seen as related, whole-of-government efforts. Lawfare and psychological operations are included in this analysis of China’s weapons for waging political warfare in Southeast Asia. But public opinion or media warfare is far too modest a concept to explain Beijing’s total information warfare campaign that is herein referred to as information dominance. In the age of AI and quantum computing, the PRC uses all of its institutions to shape propaganda, hoard big data, and prepare for what it calls informationized warfare.

China’s lawfare tactics are manifest in its approaches to legal disputes and institution-building, whether with regard to trade and development or to a South China Sea Code of Conduct and regional norms. During disputes, the Chinese government uses legal and pseu-do-legal arguments to legitimize its actions, raise doubts about unfavorable rulings, and provide a pretext for states to side with China or remain neutral.

These arguments often mix genuine legal arguments with extra-legal arguments. For example, when acceding to UNCLOS, China appended a declaration that referred to its island claims as “archipelagoes and islands.” After UNCLOS went into effect, China passed a domestic law—the 1996 Law of the People’s Republic of China on the Territorial Sea and the Contiguous Zone—claiming straight baselines around one of the island groups, the Paracel Islands. UNCLOS allows for straight baselines around archipelago states, not around an archipelago that belongs to a continental state. UNCLOS defines an archipelago state as “a state constituted wholly by one or more archipelagos and may include other islands.” China is not constituted wholly by islands. The Paracels are not a sovereign state. UNCLOS does not allow China to declare straight baselines around the Paracel Islands.

The 2016 Philippines v. China arbitral tribunal ruling explicitly clarified that UNCLOS “excludes the possibility of employing straight baselines in other circumstances [than those expressly listed in the convention], in particular with respect to offshore archipelagos not meeting the criteria for archipelagic baselines.” However, by borrowing UNCLOS terminology (“archipelagoes” and their association with “straight baselines”), but not their definitions, China can give its claims the guise of legitimacy. These arguments are not just intended for international courts, they also target domestic audiences, claimant states, and third-party...
states. In addition to the issue of straight baselines, China asserts “historic” claims (waters, rights, territories), thereby offering concepts of sovereignty that are at odds with contemporary international law.

Another dimension of China’s lawfare approach is its effort to codify treaties that establish alternative institutions and agreements relating to trade, development aid, and maritime conduct that favor China’s interests. These efforts are meant to help China change elements of the existing ruleset to serve Beijing’s interests better, but the new institutions and agreements also serve to promote the narrative that China supports a rules-based system, reinforce the perception that China is an emerging leader of the rules-based order, and to offset criticism of the nation’s ongoing violation of other international agreements, such as UNCLOS and World Trade Organization rules. In this respect, China-led institutions and agreements also contribute to its psychological campaign.

China covets approval for appearing to abide by trading rules and is often praised in the region for adhering to World Trade Organization trade regime rules. However, China is only partially abiding. It also shows an unparalleled ability to orchestrate and subsidize state-owned enterprises to take advantage of countries with private enterprises and free markets, to rely on a system set up for extraordinary IP theft, and to implement market-distorting structures and policies. Beijing clings to a thin veneer of upholding rules, but the CCP uses a variety of instruments to game the system and circumvent restraints facing the United States and other market democracies. Similar extensions of lawfare underpin regional trade negotiations.

On trade, China is promoting the Regional Cooperation Economic Partnership (RCEP), a 16-nation free-trade agreement that would lift border tariffs, as an alternative to the higher-standard Comprehensive and Progressive Trans-Pacific Partnership (CPTPP), the 11-nation successor to the TPP. While the United States remains outside of both of these ongoing negotiations for RCEP and CPTPP, it is more likely to seek high-standard bilateral trade deals (as it has with CPTPP members Australia, Chile, Mexico, Peru, Singapore and, pending final approval, Japan). RCEP offers a more favorable ruleset for China because it has weaker intellectual property (IP) protections and labor requirements than CPTPP. By promoting RCEP and convincing states representing approximately 39 percent of the global economy to sign on, China can guide states to build their regulations around RCEP’s low standards, thus ensuring that China’s preferred standards become the norm, and that China does not have to raise its standards or change its economic behavior.

Southeast Asian country leaders pose for a group photo before the start of the ASEAN-China summit. China is pressuring ASEAN states to agree to a proposed South China Sea Code of Conduct that would establish new regional rules favoring Beijing. (Ore Huiying/Getty Images)
On development aid, China established the Asian Infrastructure Investment Bank (AIIB) to provide itself with a leadership position in international development aid (the headquarters is in Beijing) and to channel international aid to potential partners that want to fund unsustainable projects or cannot meet the standards for transparency, anti-corruption, and good governance.

On the maritime front, China is pressuring ASEAN states to agree to a proposed South China Sea Code of Conduct that would establish new regional rules favoring Beijing. In particular, Beijing wants to build a dispute settlement system that does not include the UNCLOS dispute arbitration mechanism. It also wants to create a rule prohibiting joint military exercises with countries outside the region (i.e., the United States) unless prior approval is provided by all parties to the agreement. Similarly, Beijing wants to establish a rule prohibiting resource development with countries outside the region. These proposals would allow China to avoid another embarrassing arbitration case that it cannot win on the merits, to veto ASEAN participation in U.S. military exercises, and to reduce outside competition over the resources that China wants to monopolize.

In sum, the PLA concept of legal warfare represents in a microcosm the larger legalistic efforts of the CCP to help gain control over the South China Sea. Lawfare in its myriad forms goes beyond legal defense of historical claims and attempts to justify altered facts on the ground and in the sea, to include its approach to trade agreements and regional rules of the road. All of these lawfare efforts, moreover, are magnified by unrelenting attention to narrative and information warfare, both of which are subcomponents of the fourth element of China’s total competition: information dominance.
“They say we do not bully people around, they follow international law, but I said you are not, what you are telling is not what you are doing on the ground.”

—DEFENSE SECRETARY DELFIN LORENZANA OF THE PHILIPPINES

SPEAKING ABOUT CHINA’S ACTIONS IN THE SOUTH CHINA SEA, JULY 2019

“The distinction between politics and strategy diminishes as the point of view is raised. At the summit true politics and strategy are one.”

—WINSTON CHURCHILL

THE WORLD CRISIS, VOLUME II, 1923
Counter, Deter, Adapt: Mobilizing for Total Competition

Competition over the South China Sea is mounting, and the United States needs to be better prepared for the contest ahead. While the United States could prevail in a direct confrontation with China, it would be a Pyrrhic victory. A more sophisticated and indirect approach is required. As Sir Winston Churchill suggested regarding the fusion of politics and strategy, the solution requires elevating our thinking. Success requires blending seemingly contradictory ideas into a single strategy. Those ideas are enshrined in the concepts of peaceful cooperation on the one hand and total competition on the other hand. For some, this resembles a variation on the old theme of trying to engage and hedge a rising China. For others, perhaps influenced by the CCP’s scaremongering and unitary messaging machine, it looks like a descent into a new cold war. Neither of those views correctly characterizes what this report advocates.

At the level of high policy, Secretary of State Mike Pompeo explains a similar duality in U.S. foreign relations with China. While Americans have “long cherished our friendship with the Chinese people,” Pompeo observes, “the Communist government in Beijing is not the same as the people of China.” Citing an ideological, economic, military, political, and legal assault on the prevailing order, Pompeo declares, “China’s Communist Party leaders have made clear that they want to achieve primacy in the world.” He adds, “We collectively need to confront these challenges from the PRC head-on—in all their many facets.” Importantly, Pompeo argues that the United States preserves a strong interest in cooperative relations with China:

Let me be clear. The United States doesn’t want a confrontation with the People’s Republic of China. We want, in fact, just the opposite. We want to see a prosperous China that is at peace with its own people, and with its neighbors. We want to see a thriving Chinese business community that transacts with the rest of the world on fair and reciprocal terms. We want to see a liberalized China that allows the genius of its people to flourish. We want to see a China that respects the basic human rights of its own people, as guaranteed by its own constitution. But above all, we as Americans must engage China as it is, not as we wish it to be.
Countering China’s Strategy

To counter China’s total competition or political warfare campaign, a similarly broad approach is required. A successful opposition to malign behavior and coercion necessitates three basic lines of effort: an improved understanding of China’s strategy to avoid feckless and reactive responses to mere tactical moves by Beijing; timely and persistent truth-telling, making China’s underhanded acts of cooption, coercion, and concealment transparent for all to see; and effective and far-sighted policies that better integrate the diverse array of available U.S. and partner tools.

The United States shows increasing awareness of the challenge, and it has begun to build human capital and research around China’s strategy and its political warfare and gray-zone operations. For instance, the Department of Defense has for the first time created a Deputy Assistant Secretary of Defense portfolio responsible for all things China. Likewise, the new Global Engagement Center provides an initial response to unwanted political interference from autocratic regimes. In addition, the United States has done a better job in the past three years of naming and shaming Chinese coercion in the South China Sea, as well as shining a spotlight on the opacity and shortcomings of promised Belt and Road infrastructure investments and other inducements. Finally, Washington is certainly not shying away from using FONOPs to draw attention to China’s excessive maritime claims, nor from trying to engage allies and partners in a respectful and frank discussion of both the problem and the solution. All these adjustments are needed, but a larger coalition needs to develop a shared sense of urgency to overcome lost time, inertial forces, and cope with the magnitude of the long-term challenge. In the meantime, as the United States confronts malign behavior and constructs positive alternative forms of cooperation and engagement, it cannot neglect traditional military defenses.

Deterring the Use of Force

The United States does not seek confrontation with China, and China’s total competition campaign is premised on trying to win without fighting. However, as credible responses to China’s strategy are put into place, the United States and its allies should expect China to up the ante on the threat of force. In recent years China has certainly made noise about the threat of escalation, knowing full well it has little desire to use overt force that might trigger a response. At some point in the next decade, a China that is simultaneously insecure and more capable may escalate from political warfare to hybrid warfare, hoping that the limited use of force will frighten others into standing down and thereby learning a lesson. China may also hope that it can win a short, sharp informationized war that might not escalate further.

Throughout the 2020s, the United States needs to ensure that it maintains a balance of legacy capabilities and investments in cutting-edge technologies to signal to Beijing that any escalation from political warfare to the use of lethal force will incur a resounding response. Special attention is required to address China’s concept of information dominance and its creation of new organizations such as the blandly named Strategic Support Force. Moreover, although difficult to address in public, the area of undersea warfare remains a growing stealthy competition that may determine whether China can push U.S. power projection capabilities outside of the so-called first island chain to include the South China Sea.

Others have already thought through some of the chief ways of adapting deterrence for political warfare and gray-zone operations, including by rethinking the political risk calculus. Another element of effective deterrence is direct engagement with the PLA and preserving existing crisis-avoidance protocols and mechanisms for de-escalation in the event of a clash.
In addition, detailed contingency planning, as well as the continuous red teaming and wargaming of possible contingencies, should be conducted by the United States and with essential allies and partners. Ultimately a standing, combined command and control center in or near the South China Sea can provide a permanent basis for signaling U.S. interests and resolve, thereby helping to keep total competition beneath the threshold of violence.

**Adapting Mindsets and Institutions**

The United States and its allies need to recognize that China’s strategy is not limited to gray-zone operations or acts of political warfare, but in fact constitutes total competition. For the United States, this is a global competition, but for Southeast Asia the epicenter of the challenge lies in the South China Sea.

Western-oriented market democracies need to be renewed for a protracted struggle over political philosophies of a more autocratic nature. At question is the scope and accountability of state power, the ability of states to retain their sovereignty and autonomy, and the rights of individuals to exercise freedom. These challenges are not all emanating from China. A combination of decrepitude in democratic policies and pressure from a fourth industrial revolution, along with mounting environmental stressors, also create momentum for autocratic sentiments.

New mindsets require nothing less than a far more concerted effort to revamp American education at all levels. National security can no longer be divorced from the attention paid to basic education, from the humanities to the hard sciences, from regional studies and languages to technological innovation and ethics. Children in kindergarten today will inherit policies for tackling the China challenge, along with wicked problems such as climate change. They will be responsible for crafting the essential policies of the second half of this century.

The education and training of the U.S. government workforce, including its rotating political class of appointees, also needs to be upgraded when it comes to working across diplomacy, economics, technology, and military issues. The armed forces continue to have the best-resourced education and training programs, yet rather than carrying on the adaptation of these institutions to fully tap expertise across the stovepipes of government, institutions such as the National Defense University have been slowly moving back to a predominantly military-first education system.

The breadth of challenges for adapting U.S. institutions is equally gigantic. In question is how market democracies will adjust to the onslaught of modern technologies that threaten privacy, may destabilize deterrence by breakthroughs in technology such as quantum encryption and AI, perpetuate the diffusion of lethal and disruptive power to more state and non-state actors, and further erode the credibility of democratic governance. The United States should be helping to foster and support big debates about these issues.

Meanwhile, the government should conduct an audit of every department and agency to determine its strengths and weaknesses for conducting total competition using American democratic characteristics. At the same time, Washington should coalesce around a more full-throated public diplomacy capacity and mindfulness of the scope of threats from rising information power. This requires elevating the Global Engagement Center into a far more potent 24-7 political warfare capability, as well as education, standard-setting, and investments in information power and dominance and related technologies. When it comes to 5G telecommunications, the United States needs to strengthen the coalition around trusted technologies. It needs to inform friends in Southeast Asia and elsewhere about the export of private data through less-than-trustworthy technology, and how this jeopardizes independence and political order.

**Positive Engagement with Southeast Asia**

Even as the United States seeks strategic decoupling from China in some areas, it should be careful to separate its positive engagement with Southeast Asia from its global struggle with Beijing. Southeast Asian governments cannot begin to think in terms of a major-power competition any more than Washington can grasp the subtleties of engaging an autocrat like Hun Sen simply because of hope that he will align with Beijing just a bit less than he would otherwise. Southeast Asian countries have myriad local concerns and seek positive and mostly bilateral engagement. The United States must tailor interest-based agreements covering multiple instruments of policy with each Southeast Asian state, recognize that all have governance challenges, and prioritize countries with stronger ties to the U.S. economy and security.
Hence, U.S. strategy must also be tailored to ASEAN and Southeast Asian states. Above all else, these should highlight common interests—sovereignty, fair and reciprocal trade, the peaceful settlement of disputes, and so on. The United States should not look at the region solely through the prism of major-power competition with China. Local solutions should be embraced. For instance, if the Southeast Asian claimant states agree to call for turning the Spratly Islands into a protected marine zone, then at a minimum China will be pressed to explain why it opposes such an idea. Indeed, protecting the fisheries in the Spratly Islands is perhaps the only way to stave off overfishing in the South China Sea.167

In other words, the struggle for influence in the South China Sea is not just about China, but also about the United States and how it establishes relations with others. The competition is over the rule-set that the United States seeks to preserve, adapt, and construct, and the values for which it stands. The test is about the depths of genuine U.S. concerns about local actors in and around the South China Sea.

Because the Belt and Road is a more persuasive brand than the Free and Open Indo-Pacific (FOIP), at least in Southeast Asia, then the United States needs a new regional economic agenda that accounts for mutual relations and not just China. But instead of rapidly injecting new investment and development into Southeast Asia, the United States is seen as highlighting its military power through well-intended FONOPs and exercises. Some of this is essential, because deterring conflict requires strength. However, it is essential to understand why this effectively imposes a security tax on local powers in Southeast Asia, without promising new benefits or development.

Moreover, the U.S. presence is increasingly susceptible to China’s largely psychological—but also very real—campaign to nullify U.S. power projection capabilities and the promissory political obligations associated with those capabilities. U.S. military power is based too much on expensive legacy systems that are increasingly at risk from China’s impressive array of missiles and Strategic Support Force capabilities in the new domains of cyberspace, outer space, and the electromagnetic spectrum. Meanwhile, China is also nullifying the political effect of U.S. policies like FONOPs, tariffs, and Huawei restrictions, by mischaracterizing these actions as “destabilizing” or “navigational hegemony.” If the United States limits its engagement to these policies without addressing local demands, solving real problems, and bringing tangible benefits for Southeast Asian partners, then it should not be surprised by further hedging, or even defection, to a China-controlled region that is based on China’s rules and driven by Chinese information and economic supply chains.

As the United States rethinks and adequately mobilizes resources for serious, long-term economic engagement with strategic centers in Southeast Asia, it should do so without reference to China. This is possible because the United States cares about relations with its allies and partners. It can support healthy competition, pool resources with like-minded allies and partners, and plant the flag to create a peaceful footprint. If the United States, Japan, and others do a better job of branding and drawing attention to the engagement that is already taking place, it will have a greater impact.

Rather than buy into the Chinese narrative or only countering the Chinese narrative, the United States needs to create a separate, positive vision, with serious implementation, that speaks to the aspirations of Southeast Asian centers of power. A positive vision must be projected and acted upon. Ultimately, all nations represent the values upon which they act, and not merely the words they utter. Southeast Asia is not reorganizing around Chinese leadership or authoritarianism, but there is palpable concern about the centrifugal forces tearing apart international institutions and blocking cooperation. Countries want to remain independent, yet they also want to be mobilized around a common vision for a brighter future. Therefore, as the United States fashions a counter, deter, and adapt strategy to deal with China’s political warfare campaign, it should accompany that strategy with a positive vision for cooperation with Southeast Asia.

The United States has the requisite resources and political will to successfully compete with China in the South China Sea, in Southeast Asia, and globally. But countering malign behavior, deterring aggression, and adapting mindsets and institutions will take sustained attention, leadership, resources, and determination. Given the strategic stakes, total competition from the United States and like-minded states is the right response.


3. This is the view of Allan Gnygell, former Director-General of the Australian Office of National Assessments, who was using the phrases of Professor Nick Bisley. See Allan Gnygell, “How to Train Your Dragon,” The Australian, October 11, 2019.

4. The military uses the acronym DIME (diplomatic, informational, military, and economic) to refer to the four major instruments of national power that should be considered in devising strategy. See Strategy, Joint Doctrine Note 1-18 (Washington, DC: U.S. Joint Chiefs of Staff, April 25, 2018), https://fas.org/irp/doddir/dod/Doctrine Note 1-18.pdf.


7. One does not have to agree with the claim of U.S. isolationism to see the impact of perceived American retreat as a result of the decision to pull back from Syria, leaving Kurdish partners to fend for themselves. See “Donald Trump’s Betrayal of the Kurds Is a Blow to America’s Credibility,” The Economist, October 17, 2019.


17. Qiao Liang and Wang Xiangsui, Unrestricted Warfare: China’s Master Plan to Destroy America (Panama City, Panama: Pan American Publishing Company, 2002), 190.


20. The phrase is H. R. McMaster’s summation of China’s political warfare campaign, as discussed with the authors, October 26, 2019.

22. For instance, Odd Arne Westad is one of the outstanding Western scholars of Chinese history. He acknowledges that “China’s written tradition can help us understand” Beijing’s actions. But he creates a strawman by arguing that “the belief that we can fathom more of what China will do in a conflict today through studying, for instance, Sun Zi’s The Art of War—is a far-fetched proposition.” Yes, it is far-fetched, but few would attempt to make such a claim. See Odd Arne Westad, Restless Empire: China and the World Since 1750 (New York: Basic Books, 2012).


25. Yuen, Deciphering Sun Tzu, 15.


27. See The Seven Military Classics of Ancient China, translation and commentary by Ralph D. Sawyer with Mei-chun Sawyer (New York: Basic Books, 2007); and C Yuen, Deciphering Sun Tzu.


31. Yuen, Deciphering Sun Tzu, 69.


35. For instance, when Patrick Cronin engaged in official exchanges between the U.S. National Defense University and the PLA in the 1990s, the Chinese interest in emulating and learning from America’s experience in the first Gulf War was unmistakable. The subsequent creation of a precision-strike regime within the PLA has also been a clear byproduct of China’s adaptation of U.S. experience.


38. Benjamin Armstrong, speaker at Hudson Institute June 26, 2019, event “Maritime Irregular Warfare.”


40. Although the U.S. Coast Guard’s resources are heavily constrained, it has begun to play a larger role in the region. See Prashanth Parameswaran, “What’s Behind the Rising U.S.–Southeast Asia Coast Guard Cooperation?” The Diplomat, August 27, 2019, https://thediplomat.com/2019/08/whats-behind-the-rising-us-southeast-asia-coast-guard-cooperation/.


43. Tobin, “Xi’s Vision for Transforming Global Governance.


46. Erickson and Martinson, eds., China’s Maritime Gray Zone Operations, 257.

47. Erickson and Martinson, eds., China’s Maritime Gray Zone Operations, 258–60.


52. Erickson and Martinson, eds., China’s Maritime Gray Zone Operations.


57. Hicks et al., “By Other Means, Part I.”


59. The Trump administration’s December 2017 National Security Strategy remains the cornerstone document that reversed the previous demotion of major-power rivalry that had occurred after the tragic events of September 11, 2001. A hint of the Trump administration’s active stimulation of this thinking can be found in Robert Spalding, Stealth War: How China Took Over While America’s Elite Slept (New York: Portfolio/Penguin, 2019), 115–16.


61. Kennan, “The Inauguration of Organized Political Warfare.”


73. Laura LaHaye, “Mercantilism,” The Library of Economics and Liberty, https://www.econlib.org/library/Enc/Mercantilism.html. LaHaye’s definition sums up China’s approach, even if, as Derek Scissors argues, China seeks to remain capitalist within its border and mercantilist with foreign countries. See Derek Scissors, “Forcing China to be Trustworthy,” American Enterprise Institute, August 20, 2018, https://www.aei.org/economics/forcing-china-to-be-trustworthy/.


77. “Two Chinese Hackers Associated with the Ministry of State Security Charged with Global Computer Intrusion


84. Perlez, “China Looks West As It Bolsters Regional Ties.”


86. On the idea of the Belt and Road as an afterthought, but also its evolution, see Salvatore Babones, “China’s Accidental Belt and Road Turns Six,” Foreign Policy, September 6, 2019, https://foreignpolicy.com/2019/09/06/chinas-accidental-belt-and-road-turns-six/.


88. For example, see “Full Text of President Xi’s Speech at Opening of Belt and Road Forum,” Xinhua, May 14, 2017, http://www.xinhuanet.com/english/2017-05/14/c_136282982.htm.


93. Venzon, “Duterte Struggles to Sell His China Pivot at Home.”

94. Venzon, “Duterte Struggles to Sell His China Pivot at Home.”


114. Erickson and Martinson, eds., China’s Maritime Gray Zone Operations.


117. Viray, “China’s Blockade of Ayungin Shoal Resupply ‘Objectionable.’”


120. Schuster, “Battle of Paracel Islands.”


122. Tarode, “Spratly Islands Dispute.”

123. Tarode, “Spratly Islands Dispute.”


126. Green et al., “Counter-Coercion Series.”


130. As of 2018, the PLAN consists of more than 330 surface ships and 66 submarines—nearly 400 combatants. As of May 4, 2018, the U.S. Navy consisted of 283 battle-force ships, including 211 surface ships and 72 submarines. See “Status of the Navy,” Navy.mil, May 4, 2018.


148. Qiao Liang and Wang Xiangsui, Unrestricted Warfare: China’s Master Plan to Destroy America, xii.


150. Freedman, Strategy, 137.

151. Freedman, Strategy, 137.


162. Secretary of State Michael R. Pompeo, “The China Challenges” (remarks at Hudson Institute, New York, October 30, 2019).


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