

## Hybrid CoE Strategic Analysis 18

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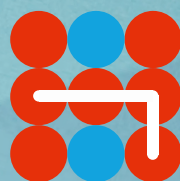
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# China in the grey zone

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Hybrid CoE

**Hybrid CoE Strategic Analysis** is typically a short paper (around 2,000 words) written by academic and research community experts. Strategic Analyses are based on long-term research experience, or on current or completed research projects. The idea behind the Strategic Analysis papers is to enhance understanding of different phenomena in the realm of hybrid threats. They do not present direct recommendations but aim to explain processes and identify gaps in knowledge and understanding, as well as highlight trends and future challenges. Each Strategic Analysis paper includes a literature list for further reading. Topics are related to Hybrid CoE's work in all of its main functions: training and exercises, communities of interest (hybrid influencing; strategy and defence; and vulnerabilities and resilience) as well as research and analysis.

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# China in the grey zone

*Although China is not the only actor using grey zone approaches to seek geopolitical advantage, the long-term consequences of its efforts may be the most disconcerting for the continuation of a liberal global order.* – write Kathleen H. Hicks, Joseph Federici, and Connor Akiyama from the Center for Strategic and International Studies in Washington, D.C.

President Xi Jinping's tenure has corresponded with a more assertive Chinese foreign policy, breaking from Deng Xiaoping's admonition to "hide your strength, bide your time, never take the lead".

**China's national security efforts are intended to advance several core objectives, which include perpetuating the Communist Party's rule, maintaining domestic stability, sustaining economic growth and development, defending national sovereignty and territorial integrity, securing China's status as a great power, and ultimately reacquiring regional pre-eminence.**

Its actions, and the interactive effects of competition in the economic, military, and geopolitical spheres, have increased tension between China and the United States and its allies and partners in the Asia-Pacific. Increasingly, China's actions are affecting security outside of the region, including in Europe.

**China's growing military, economic, and diplomatic power has been fuelled in part by traditional investments in its security and foreign policy tools. At the same time, it is increasingly reliant on malign tactics that skirt the distinction between conflict and peace.** These grey zone actions, also referred to as hybrid activity, malign interference and influence, is defined in CSIS report *"By Other Means. Part I: Campaigning in the Gray Zone"* as follows: "An effort or series of efforts intended to advance one's security objectives at the expense of a rival using means beyond those associated with routine statecraft and below means associated with direct military conflict between rivals. In engaging in a gray zone approach, an actor seeks to avoid crossing a threshold that results in open war."

**Although China is not the only actor using grey zone approaches to seek geopolitical**

**advantage, the long-term consequences of its efforts may be the most disconcerting for the continuation of a liberal global order.** Its clearest

effort to undermine international law has been its artificial construction and militarization of islands in the South China Sea, which has helped shift the balance of power in that region to the point where the Commander of the US Indo-Pacific Command has declared that "China is now capable of controlling the South China Sea in all scenarios short of war with the United States". These efforts are significant but China's grey zone toolkit is expansive and also includes the following:

- information operations and disinformation,
- political and economic coercion,
- cyber and space operations, and
- provocation by state-controlled forces.

## The China hybrid challenge set

### *Information operations and disinformation*

The threat posed by malign information operations has received significant attention in the United States and Europe. Concern typically centres on Russia, which has proved itself an unabashedly malicious actor in the disinformation space. China has taken a less confrontational approach to date, but its efforts are also targeting free societies.

For example, **China's Ministry of Education has established Confucius Institutes throughout the world. These non-profit organizations nominally exist for language promotion and cultural awareness – traditional soft power purposes – but some reports suggest that the presence of these Institutes on university campuses has hampered academic freedom around issues the Chinese government sees as sensitive.** There is also



evidence of China using information operations to stifle external criticism of the Chinese Communist Party, such as from dissidents living abroad. Perhaps most concerning is the statement by the US Director of National Intelligence that China, alongside Russia and Iran, engaged in influence operations to affect the 2018 US congressional election.

### **Political and economic coercion**

China has sought to influence the domestic political affairs of foreign countries with more than just information operations. In both Australia and New Zealand, donors with ties to China have faced credible accusations of buying access to politicians. Such activities are often the work of members of the United Front Work Department – an organization that is an arm of the Chinese Communist Party. Similar efforts may also be underway in Europe, where China is developing an expansive network of political connections that transcend European political party affiliations.

**Undergirding the potential for Chinese political influence is the dependency of countries and companies on the Chinese market and Chinese investment. Evidence of the coercive power of China's economic tools is substantial.**

Coercion against foreign companies seeking to do business in China includes contractually-enforced transfers of intellectual property, selective application of regulations, targeted customs inspections, extralegal embargoes, and boycotts. Similarly, President Xi Jinping's signature Belt and Road Initiative (BRI) and Digital Silk Road initiative are a cause for concern beyond Chinese shores. Some even question whether the BRI's "debt-trap diplomacy" might create opportunities for China to introduce military forces or capabilities into their acquired assets. Recent attention has focused on the Digital Silk Road's implications in the race for 5G. The US government and numerous experts fear China will use networks installed by Chinese-owned and government-controlled companies like Huawei for intelligence purposes and political coercion. Just as China cut off Japanese access to rare earth metals during an unrelated 2010 maritime dispute, the Chinese government could seek to punish or alter the policy of a hosting nation by turning off its 5G access, even if briefly.

### **Cyber and space operations**

China's cyber operations enable all of its other grey zone activities. In addition to its use of cyberspace to manipulate information, interfere and influence foreign politics, as described above, China has used denial of service attacks and breaches to steal intellectual property from the US commercial and military sectors. It is widely reported to be the source of the 2013 hack of the US Office of Personnel Management, providing it with access to personal information for past and present civilian government personnel. Furthermore, Chinese cyberattacks against US targets may be increasing amid US-Chinese trade tensions.

China's space programme likewise enables grey zone activity. **China is on a pathway to developing a co-orbital anti-satellite weapon and directed-energy technology, which, like Chinese electronic attack options under development, can threaten the communications of others and civilian sectors as well as military assets.** China has also conducted cyberattacks against US satellites and the computers that control them.

### **Provocation by state-controlled forces**

**The most prominent element of China's grey zone campaign is its effort to assert air and maritime claims, using a range of state-controlled and proxy forces.** For instance, Chinese air forces have sought to enforce an Aircraft Defence Identification Zone in the East China Sea. China has also changed flight patterns over the Taiwan Strait without prior consultation with the Taipei leadership. At sea, China has harassed foreign vessels in what it considers to be its territory, even expelling some from unilaterally claimed waters. China also blurs the lines between military and non-military use, with state-controlled Coast Guard and the People's Armed Forces Maritime Militia (PAFMM) augmenting the capabilities of its Navy. In March 2009, both the Chinese Navy and the Coast Guard were involved in harassing and interfering with the USS Impeccable as it lawfully attempted to conduct undersea intelligence gathering in international waters beyond China's territorial sea. China's successful creation of artificial islands in the South China Sea is a particularly noteworthy form of grey

zone coercion. Some of these locations are now militarized, “complete with radar domes, shelters for surface-to-air missiles and a runway long enough for fighter jets”, allowing it to project power across the South China Sea.

### Resiliency and response

Democracies can seem uniquely vulnerable to malign interference, influence, and grey zone tactics: they have open societies and free markets, and there are multiple levers of political and economic influence. **China has perhaps the greatest capacity and long-term capability to exploit grey zone tactics to undermine liberal democratic systems in Europe and the United States. This is not to dismiss the significant threat Russia currently poses, with its rejection of international law and embrace of malign influence operations.** However, China’s power is on the rise while Russia’s future is less promising; the United States

and Europe cannot allow concern about Russian aggression to crowd out needed awareness and responses to China’s coercion.

**Despite the challenges democracies face today, internally and externally, they have proved to be incredibly resilient forms of government. One-man rule, as practised in China and Russia, is brittle and vulnerable to violent transitions.** Western societies may be messy and complicated, presenting a multitude of targets for those who wish to mask their motives, but they endure precisely because they avoid single points of failure and because citizens want to protect their freedoms. **Adapting to the hybrid challenges presented by authoritarian states like China will require changes in the United States as well as Europe, but it would be self-defeating to take actions that fundamentally undermine the principles and norms that are our greatest sources of strength.**

### Authors

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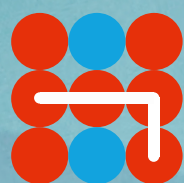
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