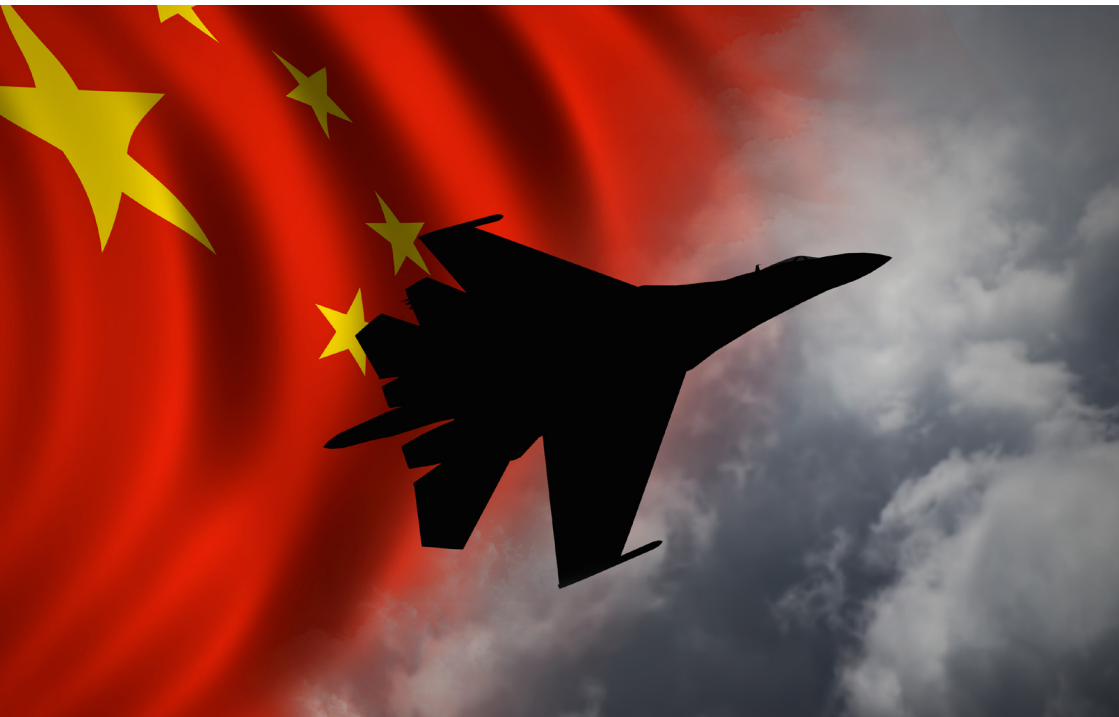




CHINA'S ENDURING GREY-ZONE CHALLENGE



Peter Layton



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FOREWORD

China's grey-zone activities are perplexing on several levels. The reasons for them are often uncertain, the gains from the high costs involved in undertaking them seem limited and the ways to respond to them puzzling. Even so, they are an important part of the current geostrategic situation. The 2020 Australian Defence Strategic Update directed Defence to be prepared to respond to grey-zone challenges, both today and in the future.

Chinese strategists have been particularly innovative and imaginative in designing and implementing a series of protracted grey-zone activities. Each step has incrementally changed the local strategic situations seemingly in China's favour. The nature of strategy though is such that it generates its own response. What works today, may not succeed tomorrow and this dynamic may be emerging as many countries become increasingly concerned about China's grey-zone actions. Responding to China's actions however is likely to require as much creativity and ingenuity as their design suggests.

Dr Layton has written a forward-looking paper that aims to inform, stimulate thinking and provoke new ideas. Commencing with a review of pertinent traditional Chinese strategic thinking, the paper discusses present People's Liberation Army grey-zone guidance and advice, and examines three topical grey-zone cases. The paper then moves into the future in considering how today's Chinese grey-zone activities might change, hopefully for the better but possibly for the worse. The paper's final chapters propose a measured forward planning response approach before concluding with several air and space domain operational and technological suggestions.

The 2020 Defence Strategic Update has identified a clear, if disconcerting, contemporary strategic challenge. Air and space power

can be an important part of addressing this. It's time for some focussed creativity and purposeful innovation.

Jason Baldock
Group Captain,
Director Air and Space Power Centre
June 2021

ABOUT THE AUTHOR

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INTRODUCTION

Over the past several years, the relationship between Australia and China has become increasingly awkward. This experience is not unique to Australia; many nations have been similarly affected and often to a much greater degree. A new term, coined initially to describe the difficult relationships emerging between Russia and numerous European states, now also applies to the type of prickly, intermittent interactions many Indo-Pacific states have developed with China. The ‘grey-zone’ expression is today often used as a short-hand label for China’s new form of fractious interstate relations. These are most troubling but fall short of war.

The current use of the term dates back to the mid-2010s when ‘grey-zone’ started appearing in briefings and articles about using Special Operations Forces.¹ The term applied then to conflicts ranging from Russia’s seizure of Crimea and interventions in the Donbass, to Boko Haram in Nigeria, and to the rise of the Islamic State.² Further debate about these conflicts that fell between traditional war or peace led to

¹ Stoker, Donald and Whiteside, Craig (2020) ‘Blurred Lines: Gray-Zone Conflict and Hybrid War—Two Failures of American Strategic Thinking,’ *Naval War College Review*, Vol. 73, No. 1, Article 4, p. 7, <<https://digital-commons.usnwc.edu/nwc-review/vol73/iss1/4>>. A seminal paper of the time was: *The Gray Zone*, White Paper, United States Special Operations Command, 9 September 2015, <<https://www.soc.mil/swcs/ProjectGray/Gray%20Zones%20-%20USSOCOM%20White%20Paper%209%20Sep%202015.pdf>>.

² David Barno and Nora Bensahel, ‘Fighting and Winning in the ‘Gray Zone’, *War on the Rocks*, 19 May 2015, <<https://warontherocks.com/2015/05/fighting-and-winning-in-the-gray-zone/>>.

the grey-zone term becoming more precisely defined, thus narrowing its scope and characteristics.

Mazarr comprehensively examined the idea in his seminal work of 2015. He categorised grey-zone conflicts according to four approaches: involving purposefully pursuing political objectives through carefully designed operations; moving carefully towards the objectives rather than seeking decisive results within a specified time period; acting to remain below key escalatory thresholds so as to avoid war; and using all instruments of national power, particularly non-military and non-kinetic tools.³

Adding a characteristic to this framework, Barno and Bensahel argue that the defining feature of grey-zone activities was their ambiguity, regarding either “the ultimate objectives, the participants, whether international treaties and norms have been violated [or] the role that military forces should play in response.”⁴ Reinforcing this characteristic, grey-zone activities are often hidden, undeclared and combined with active deception measures aimed to obscure and confuse. For example, Russian grey-zone actions in the Ukraine occurred simultaneously with carefully targeted cyber-attacks across the Ukrainian government in Kiev, Poland, the European Parliament, and the European Commission.⁵

Grey-zone activities are thus clearly complex strategic-level endeavours. Achieving grey-zone success requires implementing a carefully-designed campaign plan that uses multiple diverse means to steadily change the status quo across space and time, all without

³ Michael J. Mazarr, *Mastering the Gray Zone*, Carlisle: U.S. Army War College Press, 2015, p. 58.

⁴ Barno and Bensahel, *op.cit.*

⁵ James J. Wirtz, ‘Life in the “Gray Zone”: Observations for contemporary strategists’, *Defense & Security Analysis*, 33:2, (2017), pp. 106-114, p. 107.

provoking a war. Considering this, the 2019 Perry Group at the Australian War College assessed that:

This [campaign] characteristic, more than any other, makes grey-zone operations effective and distinguishes them from traditional statecraft. In grey-zone operations, the main effort is not a single line of operation or entity, rather it is the orchestration of all elements and effects of the campaign. This is necessary to achieve the greatest gains with the least resistance. As with 'surfaces and gaps,' the campaign is flexible and will exploit opportunities as they arise and reduce or avoid obstacles as required. Such operational artistry requires effective strategic command.⁶

Moreover, given the protracted nature of the grey-zone approach, this strategic command needs to be in place for an extended period.

Grey-zone activities actively try to avoid starting a war but they are not intended to reinforce a state of peace either. Instead, the grey-zone idea blurs the distinction between war and peace, creating an undefined middle ground. If war involves using violence while peace is the 'the absence of violence,' the grey-zone idea generates a conceptual puzzle in not being either strictly war or peace.⁷ Grey-zone activities are instead specifically intended to push the limits of others' tolerance to just short of the breaking point.

⁶ Thomas Dobbs, Garth Fallon, Sarah Fouhy, Tennille Marsh and Machlan Melville, *Grey-Zone Activities and the ADF: A Perry Group Report*, Canberra: Australian Defence College, 2020, p. 5, <https://theforge.defence.gov.au/sites/default/files/2020-10/Grey%20Zone_0.pdf>.

⁷ Chiara Libiseller & Lukas Milevski, 'War and Peace: Reaffirming the Distinction,' *Survival*, 63:1, 2021, pp. 101-112, p. 105.

Grey-zone aggressors do not intend to start a major conflict over individually relatively minor issues.⁸ The existing peace needs to be able to absorb the grey-zone activities and bounce back, not shatter. A core aspect of the grey-zone is that for its activities to succeed, aggressors rely on the existing peace being sufficiently resilient.

Such notions of a resilient peace extend into deterrence. Deterrent strategies focus on the threat of using force to preserve the peace; the state aiming to deter others' wishes to maintain the status quo, not revise it. On the other hand, an aggressor's use of grey-zone activities relies on the other nations involved not wanting to start a major war in response to a limited provocation.⁹ The aggressor deliberately uses grey-zone actions to sidestep these other states' use of deterrence strategies involving threatening punishment or denial. This creates an unusual situation where grey-zone activities rely for their effectiveness on their targets remaining, to some degree, cooperative.

Grey-zone actions gradually accumulate successes, with each step a deliberately modest advance to 'cooperatively' diminish the risk of war and maintain the resilient peace. This approach is clever but will inherently still create pushback.

China's seminal grey-zone activity in the South China Sea has gradually strengthened its military position, and positioned it to assert greater influence over the area. Worried by this, both regional and distant nations are now taking counter-measures including strengthening existing security ties, building new defence relationships, expanding national defence forces, diversifying economically, organising cyber defences, hardening domestic industries, applying trade sanctions and taking diplomatic actions.¹⁰ The protracted nature

⁸ Wirtz, *op.cit.*, p. 111.

⁹ *Ibid.*, p. 107.

¹⁰ Hal Brands, *Paradoxes of the Gray Zone*, Foreign Policy Research Institute, 5 February 2016, <<https://www.fpri.org/article/2016/02/paradoxes-gray-zone>>.

of grey-zone campaigns inherently allows considerable time for those targeted to decide to take individual actions and to join with other like-minded nations to thwart these campaigns.

Australia has now also become concerned about Chinese grey-zone actions. Australia's Defence Strategic Update 2020 examined grey-zone actions and found that:

The conduct of 'grey-zone' activities has...expanded in the Indo-Pacific. These activities involve military and non-military forms of assertiveness and coercion aimed at achieving strategic goals without provoking conflict. In the Indo-Pacific, these activities have ranged from militarisation of the South China Sea to active interference, disinformation campaigns and economic coercion. Defence must be better prepared to respond to these activities, including by working more closely with other elements of Australia's national power.¹¹

In a major change, decades-old Australian defence planning assumptions about a long warning time before possible military actions have now been deemed invalid. The Strategic Update 2020 declared: 'coercion, competition and grey-zone activities directly or indirectly targeting Australian interests are occurring now.' This call for better Defence preparedness involves both being able to employ the force-in-being today against grey-zone activities and to develop the future force to be more able to meet tomorrow's grey-zone challenges. For Australia, these challenges are current, and are expected to continue and potentially worsen over time.

Accordingly, this paper looks from today to 2030 and beyond. The future is always uncertain but generally lies within definable boundaries. The past and present shape the future, which does not

¹¹ Department of Defence, 2020 *Defence Strategic Update*, Canberra: Commonwealth of Australia, p. 5.

arise in some temporally independent manner. Given this, a small number of possible alternative futures are discernible. This is important because force structure changes in large organisations like the Royal Australian Air Force (RAAF) take time. It is advantageous to think about possible grey-zone futures now so that changes can be gradually made to prepare the RAAF, and the wider Australian Defence Force (ADF), for whichever future eventuates.

The paper's first half discusses the challenges that China's grey-zone activities create. The first chapter looks at the background to China's contemporary grey-zone activities. This chapter includes the traditional Chinese strategic thinking that informs present-day PLA activities, a conceptual framework within which grey-zone operations fit, the Chinese perspective on relevant global trends and the formal guidance that Chinese strategic policy and the PLA sets out for grey-zone activities. The second chapter briefly examines three current Chinese grey-zone activities: the seminal South China Sea activities, the air incursions in the East China Sea, and the violent clash between Indian and Chinese armed forces in the Ladakh region of the Himalayas.

After setting the scene, the paper's second half moves to the future with the third chapter devising four potential Chinese grey-zone alternative futures for 2030. These futures are not based on geo-strategic drivers but instead focus narrowly on how Chinese grey-zone activities might evolve, for better or for worse. The fourth and fifth chapters then use these four futures to underpin each chapters' arguments and proposals.

The fourth chapter discusses contesting China's increasingly problematic grey-zone activities. It suggests a measured forward planning approach, describes some pertinent high-level planning issues, ponders deterrence and escalation, and discusses relevant organisational matters mainly relating to Australia and the ADF. The fifth chapter further narrows down into just air and space

power matters; this discussion includes air policing, crisis hotlines, surveillance drones, and emerging technology.

In examining Chinese grey-zone activities, this paper focusses principally on the People's Liberation Army (PLA). There could be many other Chinese government agencies, state-owned enterprises and sub-state groups involved in major and minor Chinese grey-zone activities. However, these non-military entities ultimately rely for their effectiveness on the sometimes concealed, hard military power wielded by the PLA. Without the PLA providing backup and acting as the ultimate guarantor of the non-military entities' survival, Chinese grey-zone activities would be very different and probably be much less effective.

In this, the PLA differs from many other defence forces in that it is the Communist Party of China's defence force, not the nation's. This may appear to be mere semantics given the Communist Party is the present national government of China and thus comparable to democracies wherein the national government of the day commands the national defence forces. However, the Party does not consider that a change of government would place the PLA under the control of the succeeding government. Contemporary Chinese civil-military relations remain in accord with Mao Zedong's 1927 dictum that 'the party commands the gun.'¹²

In practical terms, this means that interactions with PLA headquarters, units and naval vessels involved in undertaking grey-zone activities involves direct interaction with the Communist Party of China. At most levels of command, a political commissar of equal rank commands in conjunction with the PLA military commander. This dual-command structure is further broadened when making decisions to include the headquarter's, unit's or naval vessel's Party standing

¹² Zhang Hui, 'Party commands gun: Xi', *Global Times*, 3 November 2014, <<https://www.globaltimes.cn/content/889686.shtml>>.

committee; the decisions taken are thus effectively collective ones. The PLA and the Party are deeply and deliberately intertwined so they act as one.¹³

This paper also does not include some concepts at times associated with grey-zone matters. Firstly, the paper considers grey-zone activities fundamentally different to hybrid warfare. Hoffman popularised hybrid warfare in 2007 defining it as 'waged by states or political groups, and incorporating a range of different modes of warfare including conventional capabilities, irregular tactics and formations, terrorist acts including indiscriminate violence and coercion, and criminal disorder'.¹⁴

The concept has since expanded somewhat. The major distinguishing feature of hybrid warfare is now considered the integrated combination of conventional and irregular military forces, psychological operations and information warfare. The Russian campaigns in Georgia and Ukraine, and the forces Hezbollah developed to fight Israel and now uses in Syria are considered examples of hybrid warfare.¹⁵ In recent years however, the hybrid concept has become increasingly applied to Russian activities only.¹⁶

Hybrid warfare seeks to conclusively win a campaign through using or threatening with force, in sharp contrast to grey-zone's strategic incrementalism. Mazarr argues:

¹³ Jeff W. Benson and Zi Yang, *Party on the Bridge: Political Commissars in the Chinese Navy*, Washington: Center for Strategic and International Studies, June 2020, pp. 9-21.

¹⁴ Frank G. Hoffman, *Conflict in the 21st Century: The Rise of Hybrid Wars*, Arlington: Potomac Institute for Policy Studies, December 2007, p. 58.

¹⁵ Frank G. Hoffman, 'Examining Complex Forms of Conflict: Gray Zone and Hybrid Challenges', *PRISM: The Journal of Complex Operations*, Vol. 7, No. 4, November 2018, pp. 37-38.

¹⁶ Chiara Libiseller & Lukas Milevski, 'War and Peace: Reaffirming the Distinction', *Survival*, Vol. 63, No. 1, 2021, pp. 101-112, p. 103.

the hybrid warfare concept clearly imagines a far more violent clash that involves direct use of many military instruments. In this sense, hybrid war is truly “war” in a Clausewitzian sense, whereas grey-zone strategies are a less violent and looser form of conflict.¹⁷

Secondly, the grey-zone concept is considered to differ from Kilcullen’s idea of liminal warfare. He sees such warfare as having been adopted by Russia and as encompassing actions taken below the threshold of perception.¹⁸ Kilcullen declares liminal warfare involves ‘riding the edge of observability, surfing the threshold of detectability’ so that others do not perceive hostile activity is underway.¹⁹ While some Chinese grey-zone activities may be undertaken covertly, much is purposefully overt and deliberately designed to be evident for protracted periods. It is designed to stay below the level of war, not the level of perception.

Lastly, Kilcullen specifically ties a further notion to China, that of ‘conceptual envelopment’. This is considered a horizontal escalation that widens the spectrum of competition and confrontation so that the ‘battlefield is everywhere and warfare is everything.’²⁰ Conceptual envelopment, as its name suggests, envisages manoeuvring outside the traditional thinking on warfare and military power, by attacking from unexpected directions.²¹ Although this concept resonates in

¹⁷ Mazarr, *op.cit.*, pp. 46-47.

¹⁸ David Kilcullen, *The Dragons and the Snakes: How the Rest Learned to Fight the West*, Oxford: Oxford University Press, 2020, pp. 150-161.

¹⁹ Octavian Manea, ‘Liminal and conceptual envelopment: warfare in the age of dragons,’ *Small Wars Journal*, 26 May 2020, <<https://smallwarsjournal.com/jrnl/art/liminal-and-conceptual-envelopment-warfare-age-dragons>>.

²⁰ *Ibid.*

²¹ Kilcullen, *op.cit.*, pp. 167-214.

the grey-zone's use of all the instruments of national power, many of China's grey-zone activities tend to be geographically constrained as highlighted by the three case studies (see Chapter 2). Because conceptual envelopment is as yet under-developed, the grey-zone concept is more useful for the purposes of this paper.

1.

THE CONCEPTUAL BACKGROUND

There are several conceptual frameworks that inform the thinking behind China's grey-zone activities. These frameworks range from traditional Chinese thinking on strategy to contemporary PLA advice on the conduct of non-war military activities. This chapter's first section discusses traditional Chinese thinking and the major historical trends shaping the modern era and thus directedly determining China's future path. The second section lays out the formal strategic guidance that underlies today's PLA force development and employment. This section concludes with the advice that the PLA's Academy of Military Science's Military Strategy Department provides to Chinese military officers on conducting non-war military activities. In Chinese military thinking, grey-zone activities fall within this category.

TRADITIONAL CHINESE STRATEGIC THINKING

Western militaries often use the broad thinking and generic ideas elaborated by 19th Century military thinkers like Clausewitz or Jomini, occasionally even going further back to the 5th Century BC to consider Thucydides's analysis of the Peloponnesian War between Greek City States. In a similar manner, the PLA looks back to the writings of the

icons of Chinese military thought during the 3rd to 5th Century BC when various states fought for dominance in East Asia; these icons include Sun Tzu, Wu Qi, Sima Rangju and Sun Bin.

A recent study of the Chinese way of war argues that the most important concept from these early thinkers currently used is that of gaining strategic advantage. The concept of strategic advantage, or *shi*, 'is the foundational principle behind almost any PLA action,' Chinese diplomatic activities, and geo-strategic manoeuvres.²²

Zhongqi believes that the *shi* concept conveys contemporary Chinese strategic thinking better than Western international relations theoretical concepts can. Under *shi*, Chinese strategists seek a relative advantage over their opponent, no matter how slight. In this approach, *shi* is more akin to a vector than a fixed situation, in being both dynamic and representing the direction of the relationship between the two states. China's 1962 war against India aimed to achieve an improved relative advantage while also leaving India frustrated with a disadvantageous position for an extended period of time. Zhongqi argues that:

What China fights for is not just national interests, but relative advantage in *shi*. ... In terms of the [current] strategic goal, China aims to build, accumulate and maintain a relative advantage of *shi* vis-a-vis other countries including the US at regional level, and probably at global level as well.²³

In more specific terms, *shi* is a condition that has several attributes: having control of the situation when taking all factors into account, an ability to set the agenda of the issue in question, having the initiative,

²² Timothy Thomas, *The Chinese Way of War: How Has it Changed?*, McLean: MITRE, June 2020, p. 2, 5, 45, 77.

²³ Zhongqi Pan, 'Guanxi, Weiqi and Chinese Strategic Thinking', *Chinese Political Science Review*, Vol. 1, Iss. 2, 2016, pp. 303–321, p. 312.

forcing the opponent to always consider your response first before they take any action, the opponent respecting your capabilities and potentially self-policing, and annexing others' imaginations and so constraining their strategic thinking. *Shi* is thus a belief about the present context rather than a quantifiable material circumstance, although such a belief may be influenced by the local military force disposition. In being contextual, *shi* is necessarily dynamic as how the various factors are perceived can change as the situation evolves and the countervailing strategies of all involved are implemented. In that respect, *shi* is then an understanding by one side of the current state of the interaction between it and another.

However, the degree to which *shi* is foundational to any particular circumstance will depend on many variables. Concepts by their nature are arbitrary; reality does not dictate them. They are constructs that cannot be definitively proven to be right or wrong but which people may choose to use according to their judgments. In this, the key determinant of the value of a concept can be considered its usefulness in problem-solving.²⁴ In the case of attempting to comprehend Chinese grey-activities, *shi* provides a helpful way to structure our thinking.

Jullien describes how traditional Chinese strategic thinkers considered strategic advantage could be gained. Underlying such thought is a view of time as a process that simply progressively unfolds.²⁵ Jullien argues that Western thinkers like Clausewitz developed models of strategy that were then imposed on situations that were effectively considered 'frozen' in time. In contrast, Chinese thinkers held that situations were constantly evolving, making how one viewed time as one of anticipation.²⁶ The flow of time, often expressed

²⁴ Chiara Libiseller & Lukas Milevski, *op.cit.*, p. 101

²⁵ François Jullien, *A Treatise on Efficacy: Between Western and Chinese Thinking*, Translated by Janet Lloyd, Honolulu: University of Hawaii Press, 2004, p.92.

²⁶ *Ibid.*, p.189.

using water metaphors, could then be purposeful shaped: 'strategy is always a matter of knowing how to impinge upon the process upstream, in such a way that an effect will then tend to 'come' of its own accord.'²⁷

In this way, strategic outcomes can be indirectly achieved if strategists anticipate conditions are emerging that could lead to particular outcomes if they are able to be appropriately steered. In this very early stage, "everything is still flexible and offers no resistance" allowing even minor actions to have a major influence downstream.²⁸ Jullien considers that:

In China thought on military strategy deflected its attention away from the moment of the launching of an attack in order to focus on the initial moment when the tendency that culminated in that attack could first be glimpsed. ...military thought is concerned with spotting the 'potential of a situation' at its 'embryonic, initial' stage.a general will then be able to count on the development of the potential and allow himself to be carried along by it. The sooner he spots the initial appearance of the potential, the better he will be able to profit from it...²⁹

Having discerned the potential in a situation to unfold in a positive direction, the founding text of the Daoist school, the *Laozi*, advises that such potential requires help to be realised. In discussing this, Confucian scholar Mencius using a plant metaphor suggests that, while you cannot force a plant to grow, neither should it be neglected; consequently, anything preventing it from developing correctly should

²⁷ *Ibid.*, p.121.

²⁸ *Ibid.*, p.127, 129.

²⁹ *Ibid.*, p.66.

be thwarted.³⁰ Such purposeful support to steer a situation's evolution was held to be more efficient than trying to actively create an event as a conventional Western strategy model might seek to do. The support given to the situation was not risky as the outcome sought was already manifest although in its early stages; the support given simply reinforced the activities already underway; and the support worked with the flow not against it, a much harder task.³¹

The ideal outcome was to have intervened so early in a relationship with a potential adversary that it evolved in such a way that the conflict was resolved before it even began. This idea underlies Sun Tzu's advice that: 'ultimate excellence lies not in winning every battle but in defeating the enemy without ever fighting.'³² Such an outcome relies on being able to follow Mencius's advice and achieve two inter-related actions: firstly, by maintaining the initiative to keep steering the evolution of the situation, and secondly, by progressively limiting the adversary's ability to react as they observe the gradual worsening of the situation.³³

Jullien closes his analysis by summarising Du Mu, a writer on strategy in the late Tang Dynasty (618-907) who commented on Sun Tzu's ideas. Today, the Tang Dynasty is considered as China's golden age and worthy of emulation.³⁴ Chinese President Xi Jinping's premier national goal of the 'great rejuvenation of the Chinese nation' refers to China resuming its status as the world's most advanced state, as it

³⁰ *Ibid.*, p.90.

³¹ *Ibid.*, p.98.

³² Sun-tzu, *The Art of War*, Translated by John Minford, London: Penguin Books, 2005, p. 12.

³³ François Jullien, *op.cit.*, p.138.

³⁴ Mark Edward Lewis, *History of Imperial China : China's Cosmopolitan Empire: The Tang Dynasty*. Cambridge: Harvard University Press, 2009, p. 1.

is perceived occurred early in the Tang Dynasty.³⁵ Quoting Du Mu, Jullien writes that:

... a general ... from a great distance...arranges the conditions for success. It is by 'going back' to that most 'subtle' stage for determining things that he 'makes victory easy to win.' While there are not yet any 'signs' of conflict, 'he evolves in a subterranean fashion', in an underhand way, so as to attack the plans of the enemy. At this stage, 'the strength brought to bear is slight', and 'victory can be determined by an infinitesimal factor', 'so it is fair to say that victory is easy.'³⁶

MODERN CHINA'S PERCEIVED GREAT TRENDS

The early Chinese strategic thinkers laid out a logical roadmap that they believed would consistently lead to gaining strategic advantage. In applying this framework to current circumstances, the initial judgment to be made is to determine the characteristics of the river of time to be shaped. To determine good foreign policy, Chinese scholars believe it necessary to have a sound understanding of the existing shi and that this requires identifying two key elements of international affairs: firstly, the distinctive feature of our times or the broad trends

³⁵ Yan Xuetong, 'From Keeping a Low Profile to Striving for Achievement', *The Chinese Journal of International Politics*, Vol. 7, Iss. 2, Summer 2014, pp. 153–184, p.164

³⁶ Du Mu quoted in: François Jullien, *op.cit.*, p.195.

discernible in the contemporary world, and secondly, *guoji geju* which broadly alludes to the international power configuration.³⁷

The notion that there are major trends that are influencing the future is an idea found across many fields. Financial advisors for example suggest the saying ‘the trend is your friend’ can inform investment decisions. While in the field of forecasting, the expression ‘mega-trends’ is well established and describes an approach to thinking about possible alternative futures. This includes in international relations, such as when Japanese leaders speak of *sekai no taisei* (trends of the world) and *jisei* (trends of the time).³⁸

There are several great trends that current PLA strategists might be expected to broadly subscribe to and aim to exploit to gain strategic advantage. The principal trend appears that of ‘the East is rising, the West is in decline and the tide of history is flowing in China’s favour’. The changeover point in this trend, where the East definitely overtook the West, is held to be the global financial crisis.³⁹ Indeed, further confirmation of such a trend might be seen in China’s success in managing COVID-19 and uniquely achieving economic growth when placed against the storming of the Capitol building in Washington in early 2021. If that for China is a positive trend, the constant comparison with the US also reinforces a negative trend that Chinese

³⁷ Colin Flint and Zhang Xiaotong, Historical–Geopolitical Contexts and the Transformation of Chinese Foreign Policy, *The Chinese Journal of International Politics*, Vol.12, No.3, 2019, pp. 295–331, p. 309; Zhu Liqun, ‘China’s foreign policy debates’, *Chaillot Papers*, EU Institute for Security Studies, September 2010, p. 17.

³⁸ Kenneth B. Pyle, ‘Profound Forces in the Making of Modern Japan’ *The Journal of Japanese Studies*, Vol. 32, No. 2, Summer 2006, pp. 393-418, p. 408

³⁹ Colin Flint and Zhang Xiaotong, ‘Historical–Geopolitical Contexts and the Transformation of Chinese Foreign Policy’, *The Chinese Journal of International Politics*, 2019, Vol. 12, No. 3 pp. 295–331, p. 327.

perceive of America holding hegemonic ambitions, being unwilling to accommodate China's rise, and intent to contain it.⁴⁰

The second trend is the shift in the international structure to multipolarity. Under this trend, America's unipolar hegemony will give way to a multi-polar international system where the big powers balance against each other, are checked and thus constrained.⁴¹ This long-held, enduring trend is sensed not just by most Chinese international relations scholars but is also strongly adhered to by the Communist Party of China.⁴²

Accompanying these primary trends and, in some respects animating them, is a belief that economic power is now central with military and diplomatic strengths of less importance. Such a belief, perhaps not unexpected given the Party's grounding in Marxism, holds that economic—not military—power is now decisive in structuring the international system.⁴³ Accordingly, the evolution of the contemporary international system is determined by economic factors, with China set to overtake the US as the world's largest economy. The dominant place accorded economics suggests that China will continue to concentrate on upgrading its national economy and its intention to develop high-technology industrial sectors.

PLA strategists might then seek to exploit China's perceived unstoppable rise while working to negate America's assumed policy of containment. For both trends, grey-zone activities might

⁴⁰ Nigel Inkster, 'Seeing things China's way', *IJSS*, 16 February 2021, <<https://www.ijss.org/blogs/analysis/2021/02/china-global-power-shift>>.

⁴¹ Zhu Liqun, *op.cit.*, p. 26.

⁴² Zhou Fangyin, 'Chinese scholars view of international structure', pp. 23-43 in Huiyun Feng, Kai He and Xuotong Yan (ed.), *Chinese Scholars and Foreign Policy: Debating International Relations*, London: Routledge/ Taylor and Francis Group, 2019, pp. 36-37.

⁴³ Zhou Fangyin, *Ibid.*, pp. 24-25.

be advantageous. Working with China's rise can maximise the effectiveness of PLA actions while counteracting containment will indirectly further reinforce China's inexorable ascent. The belief in economic power then becomes important in implying that in the modern international system there is a resilient peace within which military power can be carefully used, confident that at worst only a minor conflict might be triggered.

The belief in a resilient peace is buttressed by a broadly accepted pacifist cultural theory developed by the Communist Party of China. The Party asserts that 'China's strategic culture is peace-based, derived from the historic fact that China has never invaded any state, resolves disputes peacefully, [with]...the tribute system as evidence.'⁴⁴ The tribute system involved several neighbouring countries and was strongest around the middle of the Ming dynasty (1368-1644). The Party's peace-based theory provides a reassuring cultural moral superiority while being broad enough to justify an active defence strategy.

In considering grey-zone activities, there are some anomalies in the theory that allow a more extensive use of force than may be readily apparent. For example, a military-led unification of China and Taiwan would not break the dictum of China being defensive or never invading others because Taiwan is held to be part of China and thus is a domestic, not an international, issue. Accordingly, if any territory becomes considered a part of China by the Party, the pacifist strand in China's strategic culture is still applicable regardless of any use of armed force. Of concern, the South China Sea is an area where the Party has been increasingly expansive in relabelling territory as now being part

⁴⁴ Yin Jiwu, 'Debates about China's use of force', pp. 127-151 in Huiyun Feng, *op.cit.*, p.132.

of China. While, 'China follows the principle of not attacking others unless it is attacked', much rests on how attack is defined by the Party.⁴⁵

THE COMMUNIST PARTY OF CHINA'S GUIDANCE

The Party has developed a logical, well-structured series of documents to guide and inform PLA force development and employment, including publishing several defence white papers in recent years.⁴⁶ There are elements of these specifically related to grey-zone operations.

The latest is the 2019 *China's National Defense in the New Era*.⁴⁷ The catchphrase 'The New Era' was initially unveiled by Xi Jinping at the Party's 2017 National Congress in a remarkably long speech that stressed how China has 'stood up, grown rich, and become strong' and, in international affairs, will now move 'closer to centre stage'.⁴⁸

⁴⁵ *What China Aims to Achieve by Pursuing Peaceful Development*, Beijing: Information Office of the State Council of the People's Republic of China, 6 September 2011, <http://www.china.org.cn/government/whitepaper/2011-09/06/content_23362712.htm>.

⁴⁶ Andrew Erickson, Professor of Strategy at the US Naval war College, has helpfully crafted a webpage with links to numerous official Chinese government documents. See: *China Defense White Papers—1995-2019*, 23 July 2019, <<https://www.andrewerickson.com/2019/07/china-defense-white-papers-1995-2019-download-complete-set-read-highlights-here/>>.

⁴⁷ *China's National Defense in the New Era*, The State Council Information Office of the People's Republic of China, July 2019, Foreign Languages Press Co. Ltd., Beijing, 2019.

⁴⁸ Tom Phillips, 'Xi Jinping heralds 'new era' of Chinese power at Communist party congress', *The Guardian*, 18 October 2017, <<https://www.theguardian.com/world/2017/oct/18/xi-jinping-speech-new-era-chinese-power-party-congress>>.

The basis of China's current defence policy is summarised in the first paragraph of the paper's second section: 'The socialist system of China, the strategic decision to follow the path of peaceful development, the independent foreign policy of peace, and the best of cultural traditions ... determine that China will pursue a national defense policy that is defensive in nature.'⁴⁹

The nine declared fundamental goals of China's defence policy reflect this rhetorical stress on peace. Four goals are pertinent to grey-zone aspects; these are in the paper's words:

1. To safeguard national political security, the people's security and social stability.
2. To safeguard national sovereignty, unity, territorial integrity and security.
3. To safeguard China's maritime rights and interests; [and]
4. To safeguard China's security interests in outer space, electromagnetic space, and cyberspace.⁵⁰

The goals illustrate the Party's broad understanding of peace while providing the PLA with concise guidance. The defensive nature of China's defence policies remains an important Party theme and is reiterated regularly. In early March 2021, the Defense Ministry had another news release on the issue. This declared that China had not initiated a war since the Party won the civil war and took government in 1949. Accordingly, China does not pose a threat to other countries, aiming only to 'safeguard' itself. The Ministry's news release though subtly warned other countries that China will 'not lose an inch of the

⁴⁹ China's National Defense in the New Era, op.cit., p. 5.

⁵⁰ *Ibid*, pp. 5-6.

territory that the country's ancestors have left behind.⁵¹ Territorial expansion, based on the Party's constantly evolving understanding of China's history, is then justifiable and reasonable.

China's National Defence in the New Era highlights that the Party still formally believes it faces threats concerning homeland security, its land borders, island and reef sovereignty, and maritime boundaries. It adds that nations from China's region are undertaking frequent close-in air and sea reconnaissance of China, thus 'illegally enter[ing] China's territorial waters and the waters and airspace near China's islands and reefs, undermining China's national security.'⁵²

The South China Sea islands and Senkaku (Diaoyu) Islands in the East China Sea are particularly concerning in being considered by the Party as inalienable parts of the Chinese territory. Accordingly, it is considered necessary to build appropriate infrastructure and deploy defensive capabilities to the South China Sea islands and to actively patrol around the Senkaku Islands.⁵³ For the PLA, such patrolling involves maintaining situation awareness of the adjacent waters, conducting joint rights protection and law enforcement operations, and firmly responding to security threats, infringements and provocation when necessary.⁵⁴

The importance of such tasks had become evident to the PLA well in advance of their publication in unclassified, web-accessible Chinese defence white papers. The somewhat monumental military strategy publication by the Academy of Military Science of the Chinese People's Liberation Army, the highest-level PLA research institute, had already

⁵¹ Li Jiayao, *China unswervingly pursues defensive national defense policy: Defense Ministry*, Beijing: Ministry of National Defense of the People's Republic of China, 1 March 2021, <http://eng.mod.gov.cn/news/2021-03/01/content_4880163.htm>.

⁵² *China's National Defense in the New Era*, op.cit., p. 4.

⁵³ *Ibid.*, p. 6.

⁵⁴ *Ibid.*, p. 10.

included these tasks in its latest edition published in 2013. The *Science of Military Strategy* noted:

... the military security problems on the borders, in the air, and in the coastal areas are prominent; the strategic position of the border areas especially in the ocean direction is rising day by day, and seaside defense has gradually changed from the original 'signal lights' during response to a large-scale war of aggression, to 'forward support' (*ianchu yituo*) for expansion of state interests in the new century and new phase.⁵⁵

In common with other military forces internationally the PLA divides military operations into war-like and non-warlike; Western conceptions of grey-zone operations fall within this latter category. Importantly, the PLA has a more expansive perspective on such activities than most other militaries. While this category commonly includes peacekeeping, non-combatant evacuations, humanitarian assistance and disaster relief operations, the PLA also adds maritime rights protection, border and coastal defense, air and sea control, deterrence operations, and suppressing domestic unrest. This means that the non-war military activities category includes coercive threats and violence albeit below the level of armed conflict between states.⁵⁶ Non-war does not mean non-violent.

From a national perspective, Chinese non-war military activities are considered an important strategic means for 'achieving the nation's

⁵⁵ Academy of Military Science Military Strategy Studies Department, 'The Science of Military Strategy (2013 Edition)', Beijing: Military Science Press, December 2013, translated and republished in Project Everest, *In Their Own words: Science of Military Strategy (2013)*, Montgomery: China Aerospace Studies Institute, 2021, p. 299

⁵⁶ Office of the Secretary of Defense, *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China*, Washington: Department of Defense, 2020, p. 32

political intentions.⁵⁷ In such operations, the views of traditional Chinese strategic thinkers still apply. The dictum of 'defeating the enemy's troops without fighting' is considered the most important goal for non-war military activities, just as it is with major warfighting.⁵⁸

Regarding grey-zone operations, the most relevant of the four types of non-war military activities discerned by the PLA is the second concerning law enforcement. Within this category, the most germane are 'border and coastal sealing and control (or blockades), air alerts (or blockades), [and] defence of rights at sea.'⁵⁹

PLA units are used for such enforcement because they have specialised military capabilities. These units are instructed to: 'shock and awe the opponent [so] that they control the situation....' Armed force should only be used in special circumstances in a constrained manner to achieve limited goals and when the situation is controllable. The Science of Military Strategy summarises PLA non-war military activity as responding:

to fairly large-scale, organized, and provocative activities that endanger security and development, through rational, favourable, and restrained military law enforcement activities to uphold rights, thus restraining the escalation and growth of the situation, eliminating major factors for insecurity and instability, and restoring and maintaining a normal security environment and social order.⁶⁰

Readily apparent is a strong focus on controlling conflict escalation. PLA thinking notes that 'confrontational' non-war military activities

⁵⁷ In Their Own Words: Science of Military Strategy (2013), *op.cit.*, p.200.

⁵⁸ *Ibid.*, p.200.

⁵⁹ *Ibid.*, p.204.

⁶⁰ *Ibid.*, p.204.

involving hostile states or alliances can trigger a major war. This may happen in situations where both sides suspect each other's operational strategy, conflicts of interest are apparent, policies of confrontation are being followed and there is increased competition.⁶¹ In such circumstances non-war military activities involving significant events will be commanded at the highest national level to avoid any accidental escalation into major war and China being placed in a situation of strategic disadvantage. At this time:

the Party Central Committee and the Central Military Commission [will] make decisions, issue orders about the activities, make disposition for the activities, and clarify the requirements of the activities, based on specific conditions and on the needs of relevant aspects.⁶²

CONCLUSION

China's grey-zone activities can be considered as one approach the Party can use to gain its desired strategic advantage over other states. In this, grey-zone actions can be most effective and efficient if they are designed to reinforce, not oppose, contemporary trends. PLA strategists are likely to perceive the dominant trend of the time as the rise of East Asian nations, in particular China, and the decline of the West, in particular the US. When undertaking significant grey zone activities, the Party and the PLA place considerable importance concerning controlling these activities at the highest level, both to succeed and to avoid an unwanted major war.

⁶¹ *Ibid.*, p.207.

⁶² *Ibid.*, p.208.

Importantly, grey-zone activities are only sensible to undertake in a time of resilient peace that can absorb a shock and return to the status quo. A fragile, unstable peace could shatter and quickly advance to major conflict if countries attempted to then use grey-zone activities to gain strategic advantage.

2.

CHINA'S GREY-ZONE ACTIONS

The use of examples can provide a more comprehensive picture of the strengths and weaknesses of any strategy. In China's case, three ongoing grey-zone operations illustrate the variety of tactics and techniques being used. While there are some differences between the three, there are also strong commonalities as they are based on the same conceptual heritage. The three cases are the South China Sea, the Senkaku Islands (in China called the Diaoyu Islands) and the Indian-China border.

Given its long duration, the South China Sea case has become the poster child for Chinese grey-zone activities. However, in this case, there is only a limited use of PLA assets with more reliance placed on other Chinese government agencies and civilian entities. In contrast, this balance reverses in the Senkaku Islands with the PLA the primary means employed, with other Chinese government agencies and civilian entities having more minor roles. With this paper's focus on air power, the principal discussion in the Senkaku case study centres on the air domain. The PLA Air Force is very active in intruding into airspace around the Senkaku Islands.

This paper's final case study discusses the use of PLA units in the Ladakh area on the Indian-Chinese border. This is the most recent grey-zone case examined here and involved the PLA violently assaulting Indian troops, killing 20. This level of violence marks a worrying new phase in Chinese grey-zone activities that could be repeated in other grey-zone areas in the future.

SOUTH CHINA SEA

In the South China Sea, China is undertaking a long-term, carefully planned program of territorial expansion at the expense of several ASEAN states: Vietnam, Malaysia, Indonesia, Brunei and the Philippines. The island groupings most disputed are the Paracel Islands, Scarborough Shoal and the Spratly Islands. All are in deep water of 1000 metres or greater, and well beyond China's continental shelf; the Paracels are 300km from the southern-most coastline of China's Hainan island, Scarborough Shoal some 700km and the Spratlys are located in the far south at about 1000km.

China claims not just these island groups but all of the South China Sea lying within the so-called nine-dash line. This rather imprecise boundary first appeared on a map published by the pre-communist Kuomintang government in December 1947. The nine-dash line encompasses more than 80 per cent of the South China Sea and cuts across the Exclusive Economic Zones (EEZ) of Vietnam, Malaysia, Indonesia, Brunei and the Philippines agreed under the 1982 United Nations Convention on the Law of the Sea (UNCLOS).⁶³

China initially established permanent settlements in the Amphitrite Group in the Eastern Paracel Islands in 1955 and then, in 1974, towards the end of the Vietnam War, seized the Western Paracels from South Vietnam. In a brief military action, 58 Vietnamese were killed, one corvette was sunk, and three frigates were damaged.⁶⁴ In 1988, this process was repeated in the Spratly Islands, with the Johnson South

⁶³ Oriana Skylar Mastro, 'How China is bending the rules in the South China Sea,' *The Interpreter*, Lowy Institute, 17 February 2021, <<https://www.lowyinstitute.org/the-interpreter/how-china-bending-rules-south-china-sea>>.

⁶⁴ Toshi Yoshihara, 'The 1974 Paracels Sea Battle: A Campaign Appraisal,' *Naval War College Review*, Vol. 69, No. 2, Spring 2016, <<https://digital-commons.usnwc.edu/nwc-review/vol69/iss2/6>>.

Reef Skirmish in which 70 Vietnamese sailors and soldiers were killed and three landing ships lost.⁶⁵ These two events occurred in the late Cold War when China was a strategic partner against the USSR and were thus largely ignored internationally.

After the Cold War, the waters and islands of the South China Sea remained in dispute but only at a relatively low level of conflict and competition. However, in 2009 China moved sharply away from a decade-long 'charm offensive' during which it sought to persuade ASEAN countries and the wider global community of its peaceful intentions and instead adopted a much more assertive posture.

At Woody Island in the Paracels, the military facilities have been improved, surface-to-air and anti-ship missile systems installed, and fighter aircraft deployed on regular rotations. At Scarborough Shoal, China has erected a barrier to prevent Philippine fishing boats entering, backed up by regular Chinese Coast Guard patrols; in May 2020, three coast-guard cutters were deployed there.⁶⁶

In the Spratlys, considerable land has been reclaimed and extensive infrastructure built including sizable airfields, port facilities, military barracks and lighthouses. China has constructed 72 fighter aircraft hangars at its three Spratly airbases (Fiery Cross, Mischief, and Subi Reefs) and another 16 hangars at Woody Island in the north.⁶⁷ China

⁶⁵ Joshua Lipes, translated by An Nguyen, 'Vietnam Marks Anniversary of Naval Clash With China Over Spratly Island Reefs', *Radio Free Asia*, 13 March 2018, <<https://www.rfa.org/english/news/vietnam/anniversary-03132018160914.html>>.

⁶⁶ Drake Long, 'China Coast Guard Increases Presence at Scarborough Shoal', *Benar News*, 5 May 2020, <<https://www.benarnews.org/english/news/philippine/philippines-china-05052020184013.html>>.

⁶⁷ 'UPDATED: China's Big Three Near Completion', *Asia Maritime Transparency Initiative*, 29 June 2017, <<https://amti.csis.org/chinas-big-three-near-completion/>>. 'UPDATE: China's Continuing Reclamation in the Paracels', *Asia Maritime Transparency Initiative*, 9 August 2017, <<https://amti.csis.org/paracels-beijings-other-buildup/>>.

has not yet deployed combat aircraft to the Spratlys but rotates J-11 fighters frequently through Woody Island. In addition, the PLA has deployed YJ-12B and YJ-62 anti-ship cruise missiles to the Spratlys and Woody Island, and installed extensive radar and signals intelligence capabilities across all islands.⁶⁸

China is gradually establishing a forward defence network able to be activated when it wishes to allow the PLA to militarily control the southern parts of the South China Sea.⁶⁹ China's grey-zone activities have succeeded in allowing it to gain the strategic advantage over the ASEAN nations.⁷⁰ China's continuing activities will ensure this advantage is entrenched.

The potential use of military power by regional nations to repulse these Chinese grey-zone activities has been negated through the use of a carefully calibrated blend of naval, private and commercial measures. These are combined in a manner that makes the use of military force in response appear grossly inappropriate.

In 2013, Rear Admiral Zhang Zhaozhong of the PLA Navy explained that, in a carefully timed sequence, China first sends fishing ships to the disputed territory, then fisheries patrol vessels, then Coast Guard ships, and finally PLA Navy warships. In this so-called 'cabbage strategy ... the island is ... wrapped layer by layer like a cabbage' with the

⁶⁸ Gregory B. Poling, 'The Conventional Wisdom on China's Island Bases Is Dangerously Wrong', *War on the Rocks*, 10 January 2020, <<https://warontherocks.com/2020/01/the-conventional-wisdom-on-chinas-island-bases-is-dangerously-wrong/>>.

⁶⁹ Oriana Skylar Mastro, 'Beijing's line on the South China Sea: "Nothing to see here"', *The Interpreter*, Lowy Institute, 27 November 2020, <<https://www.lowyinstitute.org/the-interpreter/beijing-s-line-south-china-sea-nothing-to-see-here>>.

⁷⁰ Peter Layton, 'Let's face it, China's military now dominates ASEAN', *The Interpreter*, Lowy Institute, 16 January 2017, <<https://www.lowyinstitute.org/the-interpreter/lets-face-it-chinas-military-now-dominates-asean>>.

ships of other nations' progressively prevented from gaining access.⁷¹ This type of approach is also employed around oil-drilling platforms that Chinese state-owned enterprises place in disputed waters.⁷² In mid-2020, a Chinese state-owned oil-survey ship, accompanied by four Chinese Coast Guard ships and militia vessels, spent a protracted period inside Malaysia's EEZ, eventually involving the Malaysian Navy and, for a short time, US and Australian warships.⁷³

The manner in which the 'cabbage strategy' is implemented is in a piecemeal, incremental fashion that gradually asserts Chinese sovereignty over a disputed area. Dubbed 'salami slicing' by non-Chinese commentators, each individual action is by itself too inconsequential to provoke a strong diplomatic pushback or a forceful military response. Nevertheless, over time, the slowly accumulating minor gains gradually add up to significant change.

Developing the Spratly Islands into forward operating bases is proving particularly useful for the Chinese Coast Guard. Before the bases, its ships needed to sail back to China to refuel and resupply while now the vessels can remain in the disputed areas for much longer periods. This allows China to better demonstrate its claim to sovereign rights over the South China Sea, improves protection of Chinese commercial activities such as fishing and resource surveying in the area, and allows China to easily harass ASEAN fishing vessels.

⁷¹ Jeff Himmelman, 'A Game of Shark and Minnow', *The New York Times*, 27 October 2013, <<https://www.nytimes.com/newsgraphics/2013/10/27/south-china-sea/index.html>>.

⁷² Vu Trong Khanh, 'Cnooc Oil Rig Fuels Vietnam-China Tensions', *The Wall Street Journal*, 5 May 2014, <<https://www.wsj.com/articles/SB10001424052702303417104579542722782830580>>.

⁷³ Damon Evans, 'Tensions boil in South China Sea as Petronas drills', *Energy Voice*, 8 May 2020, <<https://www.energyvoice.com/oilandgas/asia/240336/tensions-boil-in-south-china-sea-as-petronas-drills/>>.

Moreover, if ASEAN nations try to use their own naval power to push back, Chinese Coast Guard ships can rapidly mass in response.⁷⁴

With this salami slicing technique, China has carefully and deliberately shifted the decision to use armed force onto others. Chinese Coast Guard and other paramilitary vessels have used crowding manoeuvres and ramming tactics, and turned high pressure fire hoses onto the crews of other ships, but crucially have avoided directly firing at other nations' fishing vessels. On the other hand, defensive actions by other South China Sea claimant nations have been obstructed through using large numbers of apparently unarmed Chinese fishing boats swarming in the disputed areas.

Some of the Chinese fishing boats are crewed by the People's Armed Forces Maritime Militia, a reserve force of civilians mobilised when necessary to support coordinated grey-zone activities. As part of this, the Hainan provincial government has built 84 large militia fishing vessels with reinforced hulls and ammunition storage, manned by salaried ex-PLAN and Coast Guard sailors, which frequently operate across the Spratlys.⁷⁵ In March 2021, 220 large maritime militia vessels swarmed Julian Felipe Reef in the southern South China Sea and within the Philippine EEZ. The ships were anchored in line formation and showed no indication of fishing, simply blocking others from mooring.⁷⁶

The ability to take forceful actions short of opening fire is now being built into the Chinese Coast Guard. It has had constructed two

⁷⁴ Olli Pekka Suorsa, 'China's Artificial Islands in South China Sea: Extended Forward Presence', *RSIS Commentary*, Singapore: Nanyang Technological University, 19 March 2020.

⁷⁵ Office of The Secretary Of Defense, *op.cit.*, pp. 71-72.

⁷⁶ Sofia Tomacruz, 'Chinese ships swarm reef in West Philippine Sea', *Rappler*, 21 March 2021, <<https://www.rappler.com/nation/maritime-militia-chinese-ships-near-juan-felipe-reef-west-philippine-sea>>.

new 12,000 ton ships, the largest such vessels in the world, able to shove aside ASEAN's much smaller coast guard vessels and warships or threaten them with ramming.⁷⁷ For example, on April 2020, a 3,500-ton Chinese Coast Guard ship rammed and sank a wooden hulled Vietnamese fishing vessel operating in disputed waters.

For all disputants, avoiding firing first is a primary objective because much international law approves using armed force only in self-defence. China's considerable emphasis on this aspect is intended to help legitimatise its ongoing actions as fundamentally peaceful, while allowing it to claim the moral high ground if another fires first. The Party has apparently given the PLA orders not to fire the first shot, advised the US Navy of this instruction, and publicly revealed the order as a way to help control any incidents at sea.⁷⁸

To assist making any future Chinese use of force in the South China Sea appear legal, the Party has recently introduced numerous laws intended to extend its domestic enforcement powers across all and any vessels operating in the 80 per cent of the South China Sea that China claims.⁷⁹ These enforcement powers include boarding,

⁷⁷ Jarius Bondoc, 'China navy disguises as civilian, while coast guard acts as military,' *The Philippine Star*, 11 December 2020, <<https://www.philstar.com/opinion/2020/12/11/2062929/china-navy-disguises-civilian-while-coast-guard-acts-military>>.

⁷⁸ Wendy Wu and Minnie Chan, 'South China Sea: Chinese military told not to fire first shot in stand-off with US forces,' *South China Morning Post*, 11 August 2020, <<https://www.scmp.com/news/china/diplomacy/article/3096978/south-china-sea-chinese-military-told-not-fire-first-shot>>.

⁷⁹ Zachary Haver, 'CCP governance comes to the South China Sea,' *The Interpreter*, Lowy Institute, 12 February 2021, <<https://www.loyyinstitute.org/the-interpreter/ccp-governance-comes-south-china-sea>>.

inspecting and, if necessary, using armed force.⁸⁰ Such unilateral legal schemes aim to gradually shift most of the South China Sea under Chinese domestic law and could be used to justify using violence in some future incident.⁸¹ China can then continue to project the Party's preferred image of being a peaceful nation. That is, it is simply only enforcing its own laws.

In considering the future of the disputes in the South China Sea, nothing indicates China will abandon its current strategy. A pullback seems most improbable with:

...a consensus within the Chinese policy community that time is on China's side as its power continues to rise. Many Chinese policy analysts believe that Beijing should not rush to resolve these disputes because as its hard power grows it may have more options in the future. All these current Chinese policies and emerging new thoughts for future policies suggest that China's non-compromising hard line stance in the disputes in the East and South China Seas is very likely to prevail.⁸²

⁸⁰ Viet Anh, 'An act of war: implications of China's coast guard law', *VN Express International*, 28 January 2021, <<https://e.vnexpress.net/news/news/an-act-of-war-implications-of-china-s-coast-guard-law-4227416.html>>.

⁸¹ Ryan D. Martinson, 'Gauging the real risks of China's new coastguard law', *The Strategist*, The Australian Strategic Policy institute, 23 February 2021, <<https://www.aspistrategist.org.au/gauging-the-real-risks-of-chinas-new-coastguard-law/>>.

⁸² Fang Yang¹ and Mingjiang Li, 'Comparing China's Claims and Policies in the East and South China Seas: Implications for Regional Security', *Journal of Asian Security and International Affairs*, Vol. 3, Iss. 2, pp. 135–156, p. 152.

THE SENKAKU'S AIRBORNE GREY-ZONE

China has created a significant dispute with Japan over the Senkaku Islands by claiming ownership based on obscure legal claims and domestic law creation. In this area, China's grey-zone activities are broadly similar to those in the South China Sea but with one major difference. Instead of being almost all sea-based, in the Senkaku Islands, China is also undertaking significant grey-zone actions in the air.

Since the early 2000s, the PLA Air Force (PLAAF) has undertaken low-rate air incursions into Japan's air defence identification zone (ADIZ) around and above the Senkaku Islands. An ADIZ is a block of international airspace adjacent to a country's territorial airspace where the country can request unknown aircraft entering it to comply with specified identification protocols. If the aircraft do not, they may be intercepted by a fighter aircraft that can visually determine who the intruders are.⁸³

From 2009 to 2013, the number of incursions annually into Japan's East Asia Sea ADIZ rose sharply from a few dozen to several hundred. In November 2013, China declared the airspace above the Senkaku Islands as the East China Sea ADIZ, thus overlapping with Japan's ADIZ. China asserts that aircraft traveling through this zone must comply with China's Ministry of National Defense rules and, if not, may be intercepted by PLAAF aircraft.

JASDF scrambles to identify ADIZ-penetrating PLAAF and PLA Navy (PLAN) aircraft have steadily risen from about 306 annually in 2012 to peak at about 850 in 2016. While some Chinese aircraft have proceeded towards Japan's southwestern islands north of the

⁸³ Pratik Jakhar, 'Analysis: Why is airspace in East Asia becoming contentious?', *BBC Monitoring*, 31 July 2019, <<https://monitoring.bbc.co.uk/product/c200zen7>>.

Senkakus, most have tracked towards the Senkaku Islands.⁸⁴ The rate of penetration into the southern part of Japan's ADIZ by PLAAF and PLAN aircraft remains high as JASDF scrambles highlight: in 2017 (500), 2018 (638) and 2019 (675).⁸⁵ Averaged over the year, this represents about one-to-two penetrations each day. While most Chinese aircraft are fighters, occasionally long-range bomber and reconnaissance aircraft are involved.

In response, the JASDF mainly uses its fleet of 200 F-15J/DJ aircraft. The F-15 is an excellent platform for such air-policing tasks, having a fast cruise speed and so capable of reaching the intruding aircraft quickly, a good range and endurance, and reasonable manoeuvrability for close-in visual identification of air targets. Since 2016, the JASDF has typically launched four aircraft for each scramble. The front two aircraft undertake the visual identification while the two in the rear handle any additional aircraft that join in to interfere. Scrambles now also include more frequent use of E-2C airborne early-warning and control aircraft to coordinate the intercept, sanitize the airspace, and avoid being tactically surprised.

The JASDF takes daily scrambles very seriously however, they are gradually wearing out the F-15 fleet. The 'new normal' heavy scramble rates are using up the fatigue lives of the JASDF F-15 fleet considerably sooner than was planned. The concern is that China has six times as many fighters then the JASDF and could further ramp up air intrusions whenever it considers appropriate. The in-service life of Japan's F-15

⁸⁴ The statistics regularly released by the Japanese Joint Staff helpfully include aircraft track maps. For an example see: *Statistics on Scrambles through the Third Quarter of FY2020*, Joint Staff Press Release, 22 January 2021, <https://www.mod.go.jp/js/Press/press2021/press_pdf/p20210122_03.pdf>, p. 3.

⁸⁵ Japan Ministry of Defense, *China's Activities in East China Sea, Pacific Ocean, and Sea of Japan*, March 2021, <https://www.mod.go.jp/e/d_act/sec_env/pdf/ch_d-act_a_e.pdf>, p. 5.

fleet may now depend on choices made by China. A recent RAND study determined:

China's air activities have...spurred Japan to extraordinary measures, such as reorganizing its air defence structures, including establishing new units in all domains, doubling the number of fighters in the sector to respond to Chinese aviators and increasing its defence spending...In the long term, Japan's approach to responding to the higher level of Chinese military air activity is not sustainable.⁸⁶

The easiest solution seems to be reducing the number of scrambles undertaken. A recent commander of US forces in the Pacific, now retired Admiral Dennis Blair, believes the number of scrambles should be limited to be no more than 10 per cent of the normal annual flying training hours.⁸⁷

Somewhat unwillingly, the JASDF has conceded defeat and is now limiting scrambles to only responding to aircraft on track to penetrate Japan's territorial airspace, rather than simply entering its much larger ADIZ. In the first nine months of fiscal year, 2020, the JASDF scrambled only 331 times, 192 less than the same period the previous

⁸⁶ Edmund J. Burke, Timothy R. Heath, Jeffrey W. Hornung, Logan Ma, Lyle J. Morris and Michael S. Chase, *China's Military Activities in the East China Sea: Implications for Japan's Air Self-Defense Force*, Santa Monica: RAND Corporation, 2018, p. 23.

⁸⁷ Dennis Blair, 'Commentary: Japan, Taiwan must re-evaluate how they're intercepting Chinese threats', *Military Times*, 26 August 2018, <<https://www.militarytimes.com/opinion/commentary/2018/08/26/commentary-military-confrontations-in-peace-and-war/>>.

year.⁸⁸ (Note: these figures include scrambles against Russian as well as Chinese military aircraft.)

Such a move is a noticeable strategic shift for Japan which considers China is engaging in a salami-slicing strategy of incremental power projection to gain *de facto* control of the Senkaku Islands, just as it successfully did to some islands in the South China Sea. China's 2013 ADIZ declaration over the islands is seen as a part of this strategy. With Japan reducing intercepting intruding Chinese aircraft, this may create a vacuum that China will fill. Moreover, if China's air activities go unchallenged, other countries may gradually come to acquiesce in, or at least accept China's claims over Japan's.⁸⁹ This worry drives Japan to believe it needs to continually demonstrate Japan's strong will to China to maintain the sovereignty of its territory. For Japan, the scrambles have a prominent role in creating a favourable security environment and deterring future Chinese adventurism.

In contrast, Russia's frequent air intrusions into Japan's northern ADIZ are seen as linked to the US alliance rather than to a grey-zone threat to Japan's territorial integrity. Oguro and several of his US interlocutors suggest a strategy of 'strategic silence' that would mean the JASDF only occasionally intercepts Russian intruders.⁹⁰ This would make Japan's air defence activities strategically unpredictable while sustaining deterrence and cutting numbers of scrambles significantly.

⁸⁸ 'Japan scrambling jets less against China as more F-35 deployment eyed', *The Mainichi*, 3 March 2021, <<https://mainichi.jp/english/articles/20210303/p2g/00m/0na/018000c>>.

⁸⁹ Masataka Oguro, *Ensuring Japan's Future Air Security: Recommendations For Enhancing The JASDF's Readiness To Confront Emerging Threats*, Washington: Brookings, p. 19.

⁹⁰ *Ibid.*, p. 25.

LADAKH TROUBLES

The border between India and China has been disputed since the Communist Party of China took power and India gained independence. There is a long history of confrontations and even a war in 1962 that China won. In recent years, China has ramped up its grey-zone activities along the so-called line of actual control (LAC), which separates the two nations. In early May 2020, in the eastern Ladakh part of the border, the PLA began pushing forward into areas previously under Indian control and started blocking Indian border patrols.

The PLA penetrations were relatively shallow but allowed the occupation of 40 to 60 square kilometres of territory claimed by India. These intrusions were then strengthened to involve battalion-sized forces, many with heavy weapons, that bivouacked in areas that previously lacked a Chinese presence. New infrastructure was quickly built including roads, bunkers, and barracks.⁹¹ Of this sizeable incursion, Menon, a senior Indian diplomat and national security adviser, under Prime Minister Manmohan Singh, later wrote,

What China did...by changing the situation on the ground, shifting the LAC, and preventing Indian patrols on territory hitherto controlled by India was a fundamental and consequential shift in behaviour, a successful salami-slicing manoeuvre. Because India's initial response was non-strategic, we were forced to cede ground, and now face a fait accompli. Both [Indian] deterrence and strategy had failed. By occupying

⁹¹ Ashley J. Tellis, *Hustling in the Himalayas: The Sino-Indian Border Confrontation*, Carnegie Endowment for International Peace, 4 June 2020, <<https://carnegieendowment.org/2020/06/04/hustling-in-himalayas-sino-indian-border-confrontation-pub-81979>>.

territory on the Indian side, China put the onus of escalation on India if it wished to restore the status quo.⁹²

Border negotiations between local military commanders started with corps commander-level meetings on 6 June. However, on the night of 15 June, in what appears to have been a pre-meditated move, PLA forces, some reputedly special forces, ambushed a small Indian patrol leading to a prolonged battle through the night.⁹³

The battle involved hand-to-hand combat using rocks and wooden clubs, but without shots being fired. The consequence was 20 Indian soldiers were killed including Colonel Santosh Babu, Commanding Officer 16 Bihar Regiment. Chinese deaths are less certain with the PLA conceding four were killed including battalion commander, Chen Hongjun. Qi Fabao, the regimental commander from the Xinjiang Military Command, was also acknowledged to have been seriously injured.⁹⁴ On the other hand, Indian Lieutenant General YK Joshi, General Officer Commanding-in-Chief of the Army's Northern Command believed at least 45 PLA soldiers died.⁹⁵

⁹² Shivshankar Menon, 'What China Hopes to Gain From the Present Border Standoff With India', *The Wire*, 3 December 2020, <<https://thewire.in/external-affairs/what-changed-india-china-ties-2020-result-rising-tensions>>.

⁹³ Manu Pubby and Kumar Anshuman, 'Colonel Babu got hit in the head: A detailed account of the brawl at Galwan with Chinese soldiers', *The Economic Times*, 22 June 2020, <<https://economictimes.indiatimes.com/news/defence/indian-soldiers-put-up-a-strong-fight-pla-officer-killed/articleshow/76499852.cms?from=mdr>>. David Devadas, 'How the army taught the Chinese a lesson', *Rediff News*, 28 July 2020, <<https://www.rediff.com/news/special/how-the-army-taught-the-chinese-a-lesson/20200728.htm>>.

⁹⁴ Liu Xin and Zhang Hui, 'China unveils details of 4 PLA martyrs at Galwan Valley border clash for first time, reaffirming responsibility falls on India', *Global Times*, 19 February 2021, <<https://www.globaltimes.cn/page/202102/1215914.shtml>>.

⁹⁵ '45 Chinese soldiers killed in Galwan clash: Gen YK Joshi', *Rediff News*, 17 February 2021, <<https://www.rediff.com/news/report/45-chinese-soldiers-killed-in-galwan-gen-yk-joshi-china/20210217.htm>>.

In response, India imposed economic sanctions on Chinese firms operating within India and moved closer to the USA and its allies, including Japan and Australia. In terms of military reaction, horizontal escalation in other parts of the border or at sea was ruled out in favour of vertical escalation. The largest mobilisation of the Indian Armed Force for decades was undertaken whereby almost three army divisions (one armoured) were deployed and the Air Force moved Mig-29, Sukhoi-30 and Mirage 2000 fighter and strike aircraft into the region.⁹⁶ By this time, it seems China had deployed some 60,000 soldiers to the disputed region to support its efforts.⁹⁷

On the night of 29/30 August, Indian forces advanced and captured the dominant heights of the Kailash mountain range overseeing Chinese forces deployed on the lower ridges. This move was seen by some Indian commentators as giving India the tactical advantage so long as the conflict remained limited to the LAC thus leading the PLA to become more interested in de-escalation.⁹⁸ After eight further rounds of corps commander-level meetings and some diplomatic activity, the two sides agreed to disengage, commencing on 10 February 2021.

The 15 June clash was the most violent with India since 1962. More broadly, it marked a new point in China's evolving grey-zone tactics. Previously, such actions did not intentionally aim to kill others. The earlier chapter noted PLA guidance that dictated that significant

⁹⁶ Harsh V. Pant and Yogesh Joshi, *Did India just win at the Line of Actual Control?* ORF: Observer Research Foundation, 25 February 2021, <<https://www.orfonline.org/research/did-india-just-win-at-the-line-of-act>>.

⁹⁷ 'China has deployed 60K soldiers on India,' *Times of India*, 10 October 2020, <<https://timesofindia.indiatimes.com/india/china-has-deployed-60k-soldiers-on-indias-northern-border-pompeo/articleshow/78585977.cms>>.

⁹⁸ Lieutenant General (Rtd) Syed Ata Hasnain, 'Disengagement in Ladakh: With Unmet Objectives, It is Aggressor China That Has Lost Face,' *News18*, 18 February 2021, <<https://www.news18.com/news/opinion/ladakh-disengagement-aggressor-china-loses-face-india-gains-respect-3447479.html>>.

grey-zone actions would be commanded at the highest level given the fear of unwanted escalation. With the PLA's initial crossing of the LAC in April-May significant in scale and intent, it seems reasonable to assume that the decision to then move to deadly violence was both deliberate and made at the highest levels, and not inadvertently by some low-level tactical commander. Future Chinese grey-zone activities may now also be violent.

CONCLUSION

In some respects, one of the more impressive aspects of Chinese grey-zone activities is the Party's tenacity. Quite costly actions involving numerous militia units, many state-owned enterprises, the Chinese Coast Guard, and three branches of the PLA have been undertaken and then sustained, sometimes for more than a decade. While the Party's objective of gaining and then maintaining strategic advantage over others has probably be achieved, this is an intrinsically expensive strategy. Moreover, with the design of the strategy being never-ending, the Party's grey-zone activities will remain a permanent burden on Chinese society and the economy.

Accordingly, nations planning to challenge Chinese grey-zone activities need to also take a long-term perspective and design counters that are sustainable. Japan's problems with sustaining ADIZ air defence coverage highlights how Chinese extravagance could overstretch a smaller nation's capabilities and capacities. There are echoes here of the 1950s Cold War period when real concerns were felt about Western democracies having to turn themselves into garrison states to meet the Soviet challenge. In the end, it was the Soviets who became a garrison state and collapsed while the democracies that struck a better balance thrived. Meeting the Communist Party of China's grey-zone challenge may require a similar degree of innovation and persistence.

3.

FUTURE PATHS 2030+

The future is uncertain but not necessarily completely random. In the case of China's grey-zone activities, the nature of such operations means a resilient peace must be maintained. If the future does not feature this, other kinds of military operations will be called for, but not grey-zone ones. Grey-zone activities are both a feature and a product of our time.

In thinking about the future there a number of issues and possibilities that can suggest a general direction of travel. These are not future grey-zone certainties but more potential evolutionary paths that may or may not unfold. By their nature these are somewhat general, speculative and dynamic. They may be thought of as strategic-level possibilities.

On the other hand, at the more tactical level of grey-zone activities, the possibilities are much more constrained. While attempting a point prediction of the future appears unwise, developing a range of possible alternative futures seems practical. Such a range could be based on two salient features that grey-zone theory and practice suggest. The four alternatives these two features create might then be how future grey-zone activities could be undertaken at the tactical level, irrespective of the strategic-level evolutionary path that eventuated.

The chapter follows this two-part flow with the first half discussing strategic-level paths and the second, how tactical-level grey-zone activities might develop.

POTENTIAL EVOLUTIONARY PATHS

China has been using grey-zone methods for at least a decade, enough time to allow some judgments to be made about how these might evolve. In general terms, these are judgements about trends emerging in China's strategic use of grey-zone operations.

The first trend is that the more China uses grey-zone approaches, the more other nations are becoming involved in one way or another. China prefers to have bilateral relationships with other states but grey-zone activities tend to work against this. Other nations notice China's assertiveness and worry about being targeted themselves at some stage in the future. These third party nations don't wish to counter China individually and so are now increasingly taking sides, joining in to actively or passively support the country being targeted by China.

China has been undertaking grey operations in the South China Sea for more than a decade and over this time, more and more nations have been dragged in. Originally, China sought to negotiate solely bilaterally but, swayed by regional diplomatic pressure, has grudgingly agreed to accept multilateral discussions under ASEAN. This has further evolved to involve the United Nations in the South China Sea issue. Moreover, the dispute has been part of the rationale for the formation of the Quad, comprising the USA, India, Japan and Australia. The Quad is steadily becoming a more cohesive, pseudo-alliance as India's border troubles with China worsen and China steps up pressure in the Senkaku Islands. More third parties are joining in, with the European Union beginning to view China unfavourably and starting to term it a

'systemic rival'.⁹⁹ The UK, France and Germany are now sending naval patrols to the South China Sea.¹⁰⁰

A second trend is that China is making increasing use of non-military means, particularly coercive diplomacy and cyber. Over the past 10 years, there were 152 cases of such coercion affecting 27 countries and the EU, with an exponential increase in such tactics since 2018.¹⁰¹ China has long been known for its cyber intrusions that try to steal intellectual property and industrial secrets. A recent shift though is towards using cyber means to inflict damage on others as part of a grey-zone operation. In a notable recent example, China mounted a cyber-campaign against India's electrical power grid that coincided with the two nations' military border clash in Ladakh.¹⁰² Cyber technologies give China some major advantages when undertaking coercive diplomacy in terms of providing global reach. China's grey-zone activities can now impact on very distant nations not just those in its region.

A third trend is a perceptible movement towards more violent actions. The deaths on the Ladakh border in 2020 have been discussed earlier. That year also saw a PLAN warship aim its gun control director

⁹⁹ Andrew Small, *The meaning of systemic rivalry: Europe and China beyond the pandemic*, Berlin: European Council on Foreign Relations, 13 May 2020, <https://ecfr.eu/publication/the_meaning_of_systemic_rivalry_europe_and_china_beyond_the_pandemic/>.

¹⁰⁰ Ralph Jennings, 'Western Countries Send Ships to South China Sea in Pushback Against Beijing', *VOA News*, 22 February 2021, <<https://www.voanews.com/east-asia-pacific/voa-news-china/western-countries-send-ships-south-china-sea-pushback-against>>.

¹⁰¹ Fergus Hanson, Emilia Currey and Tracy Beattie, *The Chinese Communist Party's coercive diplomacy*, Canberra: Australian Strategic Policy Institute, 2020, p.3.

¹⁰² David E. Sanger and Emily Schmall, 'China Appears to Warn India: Push Too Hard and the Lights Could Go Out', *The New York Times*, 28 February 2021, <<https://www.nytimes.com/2021/02/28/us/politics/china-india-hacking-electricity.html>>.

at the Philippine Navy's anti-submarine corvette, BRP *Conrado Yap*, in the Spratly Islands; at sea, such an action can be considered a hostile act. Importantly, this seems the first time a Chinese naval warship has directly threatened a Philippine government vessel in the South China Sea.¹⁰³ A second incident involved a PLAN warship pointing a laser at a US Navy P-8 maritime patrol aircraft and was criticised by the US Navy as being provocative, 'unsafe and unprofessional'.¹⁰⁴ This was also a new step as such actions have previously emanated from Chinese fishing vessels, not PLAN warships.¹⁰⁵

A fourth trend is that Chinese grey-zone activities are causing long-term strategic changes in the Indo-Pacific. The recent Ladakh border clash has caused a major re-orientation of the Indian defence forces away from the Pakistani border to instead face China. The Indian force posture of the last 50 years is now being rapidly adjusted as its military undertakes large-scale redeployment.¹⁰⁶

The final trend is that having undertaken apparently successful grey-zone activities, China may use the technique elsewhere including against Taiwan. Jakobson considers that President Xi Jinping will not leave the unification of the mainland and Taiwan to future generations. While large-scale military conflict is improbable, she believes a more

¹⁰³ Renato Cruz de Castro, 'Implications of the Recent Philippines-China Naval Stand-Of', *Asia Maritime Transparency Initiative*, 7 May 2020, <<https://amti.csis.org/implications-of-the-recent-philippines-china-naval-stand-off/>>.

¹⁰⁴ Teddy Ng, 'US Navy says Chinese warship pointed laser at patrol aircraft near Guam', *South China Morning Post*, 28 February 2020, <<https://www.scmp.com/news/china/military/article/3052852/us-navy-says-chinese-warship-pointed-laser-patrol-aircraft-near>>.

¹⁰⁵ Jamie Seidel, 'Chinese fishing boats are blinding US military pilots with lasers', *News.com.au*, 25 June 2018, <<https://www.news.com.au/technology/innovation/military/chinese-fishing-boats-are-blinding-us-military-pilots-with-lasers/news-story/0e4ca5befb6c21c3d7928dd8c00392a4>>.

¹⁰⁶ Harsh V. Pant and Yogesh Joshi, *op.cit.*

likely scenario is a protracted and intensive campaign by Beijing, using 'all means short of war'. A grey-zone operation could be commenced that aims to destabilise Taiwanese society and force its government to enter into unification talks.¹⁰⁷

WILD CARDS

Trends alone are not enough. There is always a chance of a sharp deviation onto a very different path. By their nature such changes are not easily predictable as they are not an extension of existing trends but instead may be thought of as wild cards: unlikely but possible.

Embracing Hybrid War. While China is destabilizing the existing international order using grey-zone activities, so also is Russia through using hybrid war techniques. China may be tempted at some stage to move up the conflict continuum somewhat and shift from grey-zone activities to Russia's hybrid warfare model.

In broad terms, Russian hybrid war is considered a type of war, rather than a way to achieve policy ends as grey-zone activities are.¹⁰⁸ Chinese grey-zone activities, as earlier discussed, aim to gain lasting strategic advantage over other nations. In contrast, the Russian armed forces define hybrid war as a specific type of war in which the means used, including military operations, support an information campaign. The aim of this campaign is to gain 'control over the fundamental worldview and orientation of a state', shift its geo-strategic alignment,

¹⁰⁷ Linda Jakobson, 'Why should Australia be concerned about...rising tensions in the Taiwan Strait?', *China Matters*, January-February 2021, pp. 1-2, <<https://chinamatters.org.au/policy-brief/policy-brief-february-2021/>>.

¹⁰⁸ Mason Clark, *Russian Hybrid Warfare*, Washington: Institute for the Study of War, p. 11.

and shape its governance.¹⁰⁹ China's grey-zone actions may be irritating but Russia's hybrid wars aim at regime change.

Playing the Russia Card. While Russia and China may choose to actively work together, how they might combine their actions remains uncertain, in particular how Russia might amplify Chinese grey-zone efforts. China is currently mainly leveraging its Russian relationship to fill gaps in its military capabilities and to accelerate its technological innovation.¹¹⁰

In terms of grey-zone activities related to the air domain, a new development has been the undertaking of joint China-Russia air patrols in the East China Sea. The first in July 2019 was heralded as taking the two nations' military-to-military cooperation to a new level appropriate to 'the new era' but finished with South Korean fighters firing warning shots when one of the Russian aircraft intruded into Korean territorial airspace.¹¹¹

Given this fiasco, a second try was not attempted until late December 2020. The Russian involvement was now somewhat larger: two Tu-95 bombers, an A-50U airborne early warning and control aircraft, and 12 Su-35S fighters, presumably to warn off any pesky South Korean fighters.¹¹² In contrast, China's participation remained modest: four PLAAF H-6 heavy bombers. The Communist Party of

¹⁰⁹ *Ibid.*, pp. 15-16.

¹¹⁰ Andrea Kendall-Taylor and David Shullman, *Navigating the Deepening Russia-China Partnership*, Washington: Center for a New American Security, January 2021, p.1.

¹¹¹ Peter Layton, 'The trouble in the air on a tense Tuesday in Northeast Asia', *The Interpreter*, Lowy Institute, 29 July 2019, <<https://www.lowyinstitute.org/the-interpreter/trouble-air-tense-tuesday-northeast-asia>>.

¹¹² Christopher Woody, 'Russian and Chinese bombers conducted another joint patrol between South Korea and Japan', *Business Insider Australia*, 23 December 2020, <<https://www.businessinsider.com.au/russian-chinese-bombers-do-joint-patrol-between-south-korea-japan-2020-12?r=US&IR=T>>.

China's media outlet, *Global Times*, optimistically forecast that 'China-Russia joint aerial strategic patrol will become routine in the future' while avoiding dwelling on the first patrol's problems.¹¹³

Nevertheless, such patrols hint at the possibilities of Russia and China coordinating actions in their border zones. For example, Russia might conduct hybrid war operations in Europe while China ramped up concurrent grey-zone activities in the South and East China Seas. Such an approach of working together but separately could tax any Western responses.¹¹⁴

Proxy Wars. While China might not move as far as hybrid wars, its grey-zone activities could be extended to include supporting proxy wars. In the Cold War, the Soviet Union and the USA fought each other vicariously through their various client states. Wars in countries as varied as Ethiopia, Angola, Nicaragua and Afghanistan all engaged the superpowers of the day in providing overt and covert support for their chosen sides.¹¹⁵ If the USA-China relationship deteriorates into approximating a new Cold War, proxy wars may return. Indeed, China has arguably already been laying the foundations for future proxy wars in Africa.¹¹⁶

Mirror Image. If China is pleased with its grey-zone activities, other nations could follow suit and try to use such techniques to solve their problems. This potentially might include using grey-zone activities in reverse against China. China has more borders than any other country in the world and so has considerable room for others to undertake

¹¹³ Guo Yuandan and Liu Xuanzun, 'China, Russia hold second joint aerial strategic patrol, which could become routine', *Global Times*, 22 December 2020, <<https://www.globaltimes.cn/content/1210708.shtml>>.

¹¹⁴ Kendall-Taylor and Shullman, *op.cit.*, P.24.

¹¹⁵ Odd Arne Westad, *The Global Cold War*, Cambridge: Cambridge University Press, 2007, pp. 207-363.

¹¹⁶ Andrew Mumford, *Proxy Warfare*, Cambridge: Polity Press, 2013, pp. 90-96.

matching nefarious grey-zone actions. Moreover, the Party faces many domestic problems and continually worries about such stability.¹¹⁷ A grey-zone activity over an extended period, using diverse means, that is ambiguous, avoids direct escalation, stays below red lines, and exploits the Party weaknesses could be a definite annoyance that cedes strategic advantage to others. China's grey-zone sword might become two-edged and able to inflict damage on its originator.

THE SHAPE OF THE FUTURE GREY ZONE

There is a tendency in thinking about the future to imagine it as simply the present extended. Alan Gyngell, Head of the Office of National Assessments, 2009–2013, writes about attending a major US conference in 1988 on the future of the Soviet Union: 'the astonishing thing in retrospect was that not one of us came close to predicting that just 12 months later the Berlin Wall would be torn down. .. and that within three years the Soviet Union itself would cease to exist.'¹¹⁸ The crucial issue for those missing the end of the USSR was that the defence agencies dealt in what was expected to happen not what might happen.

Similarly, China is generally expected to continue its spectacular rise of the last 30 years as it has so far, and indeed it might. Some speak of the competition between the USA and China lasting multiple

¹¹⁷ Geoff Raby, *China's Grand Strategy and Australia's Future in the New Global Order*, Carlton: Melbourne University Press, November 2020, pp. 24-26.

¹¹⁸ A. Gyngell, 'Death of Dualism', *Griffith Review*, Vol. 1, No. 1, Spring 2003, p. 80.

generations, that it will be a ‘superpower marathon.’¹¹⁹ Others prefer the term ‘infinite games’ when thinking about great power competition with China.¹²⁰ In reality, change will come and some think in the next decade.

Beckley and Brands argue that, ‘China has entered a particularly perilous period as a rising power: it has gained the capability to disrupt the existing order, but its window to act may be narrowing.’¹²¹ Others agree, believing that in the 2020s China may reach peak power, with 2035 marking the end of today’s ‘window of vulnerability’ where there is a heightened risk of conflict between China and its neighbours.¹²² Many of these notions rest on an understanding that, because of internal problems, China’s current economic growth is unsustainable. In the best tradition of gloomy strategic thinkers, such a perspective is not seen necessarily to lead to some imagined nirvana. Instead, Charles Parton suggests that: ‘

The result is likely to be a China which is ever-more eager to reshape global governance and conditions, as it senses the high tide of its power receding. There may also be a more brittle and dangerous China by 2030: when facing unrest and

¹¹⁹ Michael Brown, Eric Chewning and Pavneet Singh, *Preparing the United States for the Superpower Marathon with China*, Washington: Brookings Institution, April 2020, p.1.

¹²⁰ Jennifer-Leigh Oprihory, ‘Ray: Great Power Competition Is an ‘Infinite Game’ with Russia, China’, *Air Force Magazine*, 10 December 2020, <<https://www.airforcemag.com/ray-great-power-competition-is-an-infinite-game-with-russia-china/>>.

¹²¹ Michael Beckley and Hal Brands, ‘Competition With China Could Be Short and Sharp’, *Foreign Affairs*, 17 December 2020, <<https://www.foreignaffairs.com/articles/united-states/2020-12-17/competition-china-could-be-short-and-sharp>>.

¹²² Gabriel Collins and Andrew S. Erickson, *Hold the Line Through 2035: A Strategy to Offset China’s Revisionist Actions and Sustain a Rules-based Order in the Asia-Pacific*, Houston: Rice University’s Baker Institute for Public Policy, November 2020, p. 3.

external opposition, the temptation for autocrats is to play the nationalist card. We are seeing this already in Xi's emphasis on the zhonghua minzu (Chinese race or nation). It may get considerably worse.¹²³

While the future remains uncertain, it is prudent to be aware of the possibilities of change. Collins and Erickson suggest acting to maintain the status quo into the next decade. They suggest that cautious statecraft be embraced so as to avoid any irreversible disasters, while giving China some manoeuvre space allowing it to return in around 2035 to the global rules-based order if it so wishes.¹²⁴

This idea carries with it some implications. The first is that the concept of grey-zone activities may have a life beyond which their utility declines. The possibility was mooted earlier that the grey-zone may become irrelevant if resilient peace fails. The notion of China's possible return to a rules-based order further suggests that its grey-zone activities could also end because of positive, rather than negative, reasons.

Such considerations can help when thinking about future grey-zone activities however the framework needs to be much more specific to be useful. The earlier discussions of grey-zone theory suggest that, in applying such actions practically involves two principal variables. They are whether violent or non-violent actions are undertaken and whether non-military or military instruments are used.

Most grey-zone implementations will lie somewhere between those four extremes of violence/non-violence and non-military/military. This characteristic makes using a quad chart appropriate as it visually avoids a too rigid distinction between each cell that a table might.

¹²³ Charles Parton, '2020 Foresight: The Challenges Facing China', *RUSI Journal*, Vol. 165, No. 2, March 2020 pp. 10–24, p. 24.

¹²⁴ Collins and Erickson, *op.cit.*, p. 3.

The four drivers create four possible alternative futures: 'Playing by the rules China', 'Whatever it takes China', 'Pushing the envelope China' and 'Do as you are told China'. These are the manner in which future Chinese grey-zone activities might be undertaken irrespective of the context that eventuates, but assuming the geostrategic environment remains allowing such activities. None of these four alternative futures is considered more probable than another but the future that actually occurs should be broadly captured somewhere within the wide span of possibilities encompassed. These alternative futures are portrayed in Figure 1 (on page 54) and detailed in the section that follows.

'PLAYING BY THE RULES' CHINA

Such an optimistic alternative future envisages a responsible stakeholder China that abides by the rules it has agreed to in both spirit and deeds. However, China is not the only country that has at times only obeyed mutually-agreed rules when it suits. This future might see China still making other countries uncomfortable but this time by highlighting other states' hypocrisy. In a 'playing by the rules China' future, diplomacy would be stressed; agreed rules enforced including by using international judicial processes; there would be public naming and shaming of rule breakers; an embrace of transparency and openness so that all using the same rules have confidence others are also abiding by them; and positive economic sanctions employed to encourage rule making and keeping.

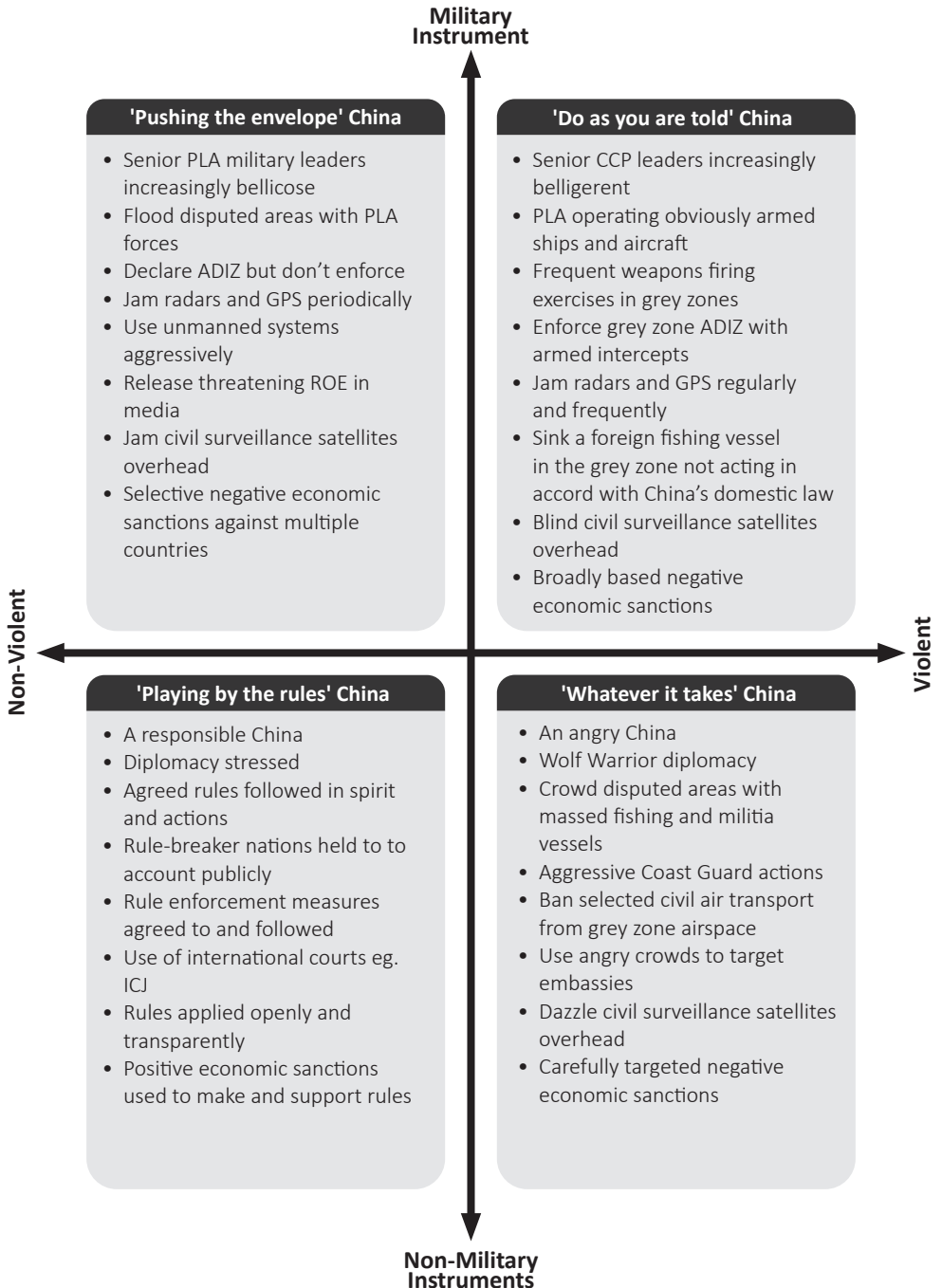


Figure 1. Possible Chinese Grey-Zone Futures

'WHATEVER IT TAKES' CHINA

This alternative future is a minor deterioration from now and so is perhaps a near-term prospect. This future imagines an angry China engaging in wolf warrior diplomacy; using aggressive Coast Guard actions; boarding, arresting and seizing solitary fishing vessels as circumstances allowed; flooding disputed maritime zones with hundreds of fishing vessels including some crewed by people's armed militia personnel; the use of angry crowds to besiege some embassies or consulates; undertaking aggressive legal action inside China against those foreign individuals or entities it could; banning particular nations' civil air transport from specific airspace but not enforcing the ban; dazzling civil surveillance satellites that could potentially capture optical imagery of the grey-zone areas; building more dual-use structures, dismantling foreign-built structures in areas China claims and using targeted negative economic sanctions to inflict harm on particular nations.

'PUSHING THE ENVELOPE' CHINA

In this evolved future, China would make much more use of the PLA in non-violent ways. This would be a bellicose China behaving as follows: senior PLA military (but not Party) leaders making threatening and at times overbearing statements through the Party's more intemperate media outlets (such as the *Global Times*); the regular crowding of disputed areas with massed military forces; declaring ADIZs across specific grey-zone areas but not enforcing them; targeting using radar other nation's government-owned vessels, Coast Guard ships, naval warships and military aircraft; periodically jamming civil and military radars electronically; jamming GPS occasionally; having PLA and PLAN aircraft fly obvious attack profiles

against other nation's government-owned vessels, Coast Guard ships and naval warships; using unmanned systems aggressively; directing other nations' vessels to leave grey-zone areas; publicly releasing apparently current Chinese Coast Guard and PLA rules of engagement that suggest serious consequences for not obeying Chinese directions; jamming civil surveillance satellites that could potentially capture information on the grey-zone areas; building sole-use, obviously military structures; placing cyber malware into other nation's infrastructure systems and publicising this; and using targeted negative economic sanctions on an increasing number of nations simultaneously.

'DO AS YOU ARE TOLD' CHINA

This is a near-worse-case alternative future with activities undertaken to the limits of the grey-zone concept; there would be a high risk of the resilient peace breaking down and a serious armed conflict starting. This would be an belligerent China wherein senior Communist Party of China leaders would making threatening, imperious statements through the Party's more mature media outlets; the deployment of sizeable PLA forces and units into the disputed areas on a semi-permanent basis; the PLA and PLAN would operate obviously armed ships and aircraft in grey-zone areas; weapons firings would be undertaken in frequent exercises in the grey-zones; specific grey-zone area airspace would be declared to be ADIZs; PLA armed fighters would be allowed to approach selected civil and military aircraft closely; radars would be used to target other nation's government-owned vessels, Coast Guard ships, naval warships and military aircraft frequently; there would be regularly jamming of the electronics of civil and military radars; GPS navigation systems would be continually jammed; belligerent Chinese Coast Guard and PLA

rules of engagement would be published in the Party's more formal media outlets; the vessels and aircraft of other nations would be directed to leave grey-zones or else risk being fired upon (threatening but not acting upon); a foreign fishing vessel deemed not acting in accordance with China's extended domestic legal framework would be engaged and sunk; blinding using potentially damaging means civil surveillance satellites that could possibly capture information on the grey-zone areas would be blinded using potentially damaging means; sole-use military facilities would be built in grey-zone areas; foreign-built structures in areas under Chinese claims would be destroyed through gun-fire; previously inserted cyber malware in other nation's infrastructure systems would be occasionally activated; and broadly-based negative economic sanctions would be used against selected weak, but usefully influential, nations.

In this future, deliberate shooting down of lone military aircraft operating in grey-zone areas would be possible. During the 1950's Cold War period, US and allied aircraft were attacked in the Soviet Union's border zones both overtly and covertly.¹²⁵ Such a future event in a Chinese grey-zone activity would probably be foreshadowed by the shooting down of an uncrewed air vehicle (UAV), such as a maritime surveillance drone. This could be similar to the 2019 Iranian shooting down of a USAF Global Hawk UAV.¹²⁶

¹²⁵ Paul Glenshaw, 'Secret Casualties of the Cold War', *Air & Space Magazine*, December 2017, <<https://www.airspacemag.com/history-of-flight/secret-casualties-of-the-cold-war-180967122/>>.

¹²⁶ Jeff Mason and Susan Heavey, 'Trump Says He Aborted Retaliatory Strike to Spare Iranian Lives', *Reuters*, 20 June 2019, <<https://www.reuters.com/article/us-mideast-iran-usa-idUSKCN1TL07P>>.

CONCLUSION

Chinese grey-zone activities need to be considered as not just static, isolated events. Instead, they are conducted within an integrated campaign plan extending over lengthy, possibly decades-long, periods. Given this, the activities need to be thought of as dynamic and steadily evolving although not always necessarily worsening. As these long-duration activities are undertaken at the direction of the highest levels of the Communist Party of China's leadership group, they could easily be wound back to something approximating the 'playing by the rules China' future. However, the converse is also equally conceivable.

Ascertaining the direction that Chinese grey-zone activities are evolving towards could give an early indication of China's likely next steps. Therefore, the broad trendlines appear important to track because they could warn about potential developments. Suitable responses could then be considered in a measured manner and without the time pressures created by a sudden, unexpected crisis. To reiterate, the trendlines may not necessarily be negative. However the killing of 20 Indian soldiers on the border with China is worrying. Monitoring the trendlines may ensure future Chinese grey-zone actions do not surprise nor create panic.

4.

GREY-ZONE STRATEGIC RESPONSES AND PLANNING

The Communist Party of China uses grey-zone activities to try to gain an ongoing strategic advantage over other states. To achieve this, Chinese traditional strategic thinking suggests that strategic actions can be most valuable and efficient if they are designed to reinforce, not oppose, the principal contemporary trends. In other words, strategies should always strive to win without fighting; this is deemed the greatest accomplishment any strategy could achieve.

There are some contradictory aspects in this schema. Seeking ongoing strategic advantage highlights that there is no end; the river of time flows on and on meaning that actions required to maintain the desired advantage are similarly forever, with the accompanying implicit high resource burden. Moreover, the river model leaves out that in human society actions tend to inherently lead to counter-actions; the river does not continue unchecked indefinitely

Luttwak termed this 'the paradoxical logic of strategy' where successful actions cannot be repeated as the other party adapts in response to ensure the same outcome cannot be gained in this way

again.¹²⁷ Strategy is simply a particular form of interactive social activity that involves interacting with intelligent and adaptive others, whether friendly, neutral, or adversarial. Each party involved constantly modifies their position, intent and actions based on the perceptions and actions of the others participating.

China's grey-zone activities are now generating their own countervailing forces. On the one hand, the Party has aggressively contested territory on its borders with India, with Japan in the East China Sea and with ASEAN states in the South China Sea. In adopting this course, China has gained considerable notoriety and the regional influence that formidable belligerence brings. However, it is unclear how effective these activities will be over time. The ASEAN states bordering the South China Sea, Japan and India are becoming increasingly concerned and taking more and more steps to resist these unwanted Chinese intrusions. China's grey-zone activities may now be going against the emerging regional pushback trends that China has unintentionally created.

This chapter discusses contesting China's increasingly problematic grey-zone activities. The first section suggests a forward planning approach while the second considers some pertinent high-level planning issues and ponders matters relating to deterrence and escalation. The final section narrows the gaze and discusses matters mainly relating to Australia, including the Australian Defence Force (ADF).

¹²⁷ Edward N. Luttwak, *Strategy: The Logic of War and Peace*; Cambridge: Belknap Press, 1987, p. 7-65.

A MEASURED FORWARD-PLANNING APPROACH

China uses a variation of strategic gradualism in its grey-zone activities that involve, ‘the slow accumulation of small changes, none of which in isolation amounts to a *casus belli* (i.e., a political event that motivates a declaration of war) but which gradually changes the strategic picture substantially.’¹²⁸ These incremental steps are designed to be the catalyst to shift the strategic situation in China’s favour. The Party’s leadership seeks strategic change but is willing to be patient to achieve a transformation without a risky destabilisation that could lead to major conflict.¹²⁹ Mazarr writes that ‘The key to a grey-zone campaign is not so much the tools...as much as the phased and incremental way they are employed.’¹³⁰

With the Chinese grey-zone approach a shape-shifting, chameleon that evolves over time in incremental steps, the response might need to be similar. This means adopting a measured forward planning approach that allows iteration step-by-step into the future. This is in contrast with more conventional planning that works backward from an identified end state.¹³¹

The step-by-step approach replicates China’s approach in being able to proceed carefully and permit changes along the way as necessary to avoid triggering a strong response from China. It also means that

¹²⁸ Robert Haddick, ‘America Has No Answer to China’s Salami-Slicing,’ *War on the Rocks*, 6 February 2014, <<https://warontherocks.com/2014/02/america-has-no-answer-to-chinas-salami-slicing/>>.

¹²⁹ Mazarr, *op.cit.*, p. 38.

¹³⁰ Mazarr, *op.cit.*, p. 60.

¹³¹ Ilan Goldenberg, Nicholas A. Heras, Kaleigh Thomas, and Jennie Matuschak, *Countering Iran in the Gray Zone: What the United States Should Learn from Israel’s Operations in Syria*, Washington: Center for a New American Security, Center for a New American Security, April 2020, p. 1.

the Party leaders adjust to each step and become accustomed to the new norm before the next one develops; the incremental approach means each pushback does not appear escalatory or threatening as it is undertaken.

Admittedly, the reverse also applies. If a long-term, multi-phased campaign is laid out for consideration at the start it may appear too complicated and risky overall to be adopted.¹³² A step-by-step approach also builds confidence in those using it. This suggests that measured forward planning might be managed using design thinking principles.

The term 'design thinking' can encompass a very wide array of problem solving methods. The variant considered here is the human-centric design methodology devised by Stanford; it is similar to the double diamond methodology of the UK Design Council.¹³³ Stanford's method is to empathise, define, ideate, prototype and test.¹³⁴

Within such a measured forward planning approach, the test phase noted in Stanford's design thinking is particularly important. As each step is devised, it is tested against real-world Chinese grey-zone activities and then evaluated for its performance before restarting the process. This testing applies the broader idea of battlefield

¹³² *Ibid.*, pp. 15-16.

¹³³ Aaron P. Jackson, 'Introduction: What is design thinking and how is it of use to the Australian Defence Force?', pp 1-26 in Aaron P. Jackson (Ed.), *Design Thinking: Applications for the Australian Defence Force*, Joint Studies Paper Series, No. 3 (Canberra: Department of Defence, 2019). p. 4.

¹³⁴ DC Design, 'What Is Human-Centered Design?', *Medium*, 15 August 2017, <<https://medium.com/dc-design/what-is-human-centered-design-6711c09e2779>>.

experimentation driving change; it effectively involves a process of continually encouraging organisational learning.¹³⁵

Each step can also be conceived as sensing the Chinese grey-zone environment and learning more about Chinese thinking, tactics, techniques and procedures. In being iterative, and acknowledging the paradoxical nature of strategy, each step may build from the previous, but could need to change to succeed.

Each measured step focuses on limited operational objectives that broadly align with the overarching grand strategic goal. This could possibly be to encourage the Communist Party to move towards the 'playing by the rules China' future noted in the previous chapter. The forward planning approach means that each small step is considered independently in terms of risk of escalation and in its individual operational concept.¹³⁶

GREY-ZONE STRATEGIC RESPONSE PLANNING ISSUES

The specific implementation of the measured forward planning approach depends on the context. The approach is simply a framework to apply to a problem. In the Chinese grey-zone case there are several issues that might usefully inform such an application.

First, China's grey-zone actions occur within a deliberately protracted campaign. Countering it using a measured forward planning approach will, by design, be similarly protracted. Such a counter-campaign 'is likely to persist for years, generating occasionally

¹³⁵ John A. Nagal, *Learning to Eat Soup With a Knife: Counterinsurgency Lessons from Malaya and Vietnam*, Chicago: University of Chicago Press, 2005, pp. 3-14, 191-225.

¹³⁶ Ilan Goldenberg, et al, *op.cit.*, pp. 10-11.

clear advances, frequent reversals, and no final objective outcomes.¹³⁷ Such a potentially drawn-out operation will be taxing for all, not least because of the extra people, funds and equipment required during the long process. To add to the gloom are concerns over the possible need to become a garrison state to adequately repel China's grey-zone activities.

Second, an important part of a successful grey-zone counter may be the capability to respond quickly to new developments. Allowing for a new Chinese grey-zone step to become the accepted new norm may make reversing it, or even registering disapproval, problematic. Responding in a timely manner may mean establishing adequate policy mechanisms to coordinate crises. Moreover, being timely suggests developing and exercising various scenarios before the new grey-zone development occurs so decisionmakers and analysts in some future time of crisis can quickly access considered possible responses.¹³⁸

The development of these responses may involve using wargames of varying fidelity. A rigorous procedure of wargaming the reactions of numerous participants can suggest how the situation may evolve and the possible outcomes. Even if this assessment of the future proves inaccurate, such wargaming will allow high-quality analysis of the potential political and military risks associated with each operation.¹³⁹

Third, high quality intelligence is an essential element. This is both quantitative intelligence of the battlespace in terms of detailed information about each participating military unit and civilian entity, and qualitative intelligence about each of the various actors so as to understand how they will react. Given this, there will be a good

¹³⁷ Michael Mazarr, *op. cit.*, p. 66.

¹³⁸ Lyle J. Morris, Michael J. Mazarr, Jeffrey W. Hornung, Stephanie Pezard, Anika Binnendijk, Marta Kepe, *Gaining Competitive Advantage in the Gray Zone*, Santa Monica: RAND Corporation, 2019, p.130.

¹³⁹ Ilan Goldenberg, et al, *op.cit.*, p. 11.

understanding of the military and political dynamics shaping the situation as it evolves. This element though makes it important to have sufficient intelligence resources, collection systems and skilled analysts available.

Fourth, the legal environment is continually changing and this may include adjustments to the laws and norms in use. For example, grey-zone actions try to stay below the conflict threshold and so, while they may be coercive and aggressive, may not meet the legal standards of armed attack that allow retaliation under the UN Article 51's right of self-defence.¹⁴⁰ Even though, the grey-zone is a poorly defined environment in terms of legal standards and judgments, it may still lead to the creation, intended or not, of new customary laws and norms. Such changes may alter the escalation calculus for all involved.

Fifth, the geo-strategic environment is dynamic. Over the protracted grey-zone period, China is salami-slicing its way towards building a new regional strategic environment. China's actions may then progressively undermine the utility of earlier strategies and plans that focussed on achieving defined outcomes.¹⁴¹ Elaborate and possibly practised contingency plans for large-scale regional conflict may become irrelevant as China's grey-zone activities change the geo-strategic settings. China's new island airbases in the South China Sea for example have created a new geo-strategic reality.

Sixth, in matters of force development, investments in grey-zone capabilities should generally acquire a wide range of different means. Being dominant in a single area is likely to be less important than baseline capabilities across many mutually supporting ones.¹⁴² Grey-zone activities by their nature can be readily realigned to make

¹⁴⁰ Michael Mazarr, *op. cit.*, pp. 65-66.

¹⁴¹ Michael Mazarr, *op. cit.*, pp. 87-88.

¹⁴² *Ibid.*, p. 133.

a particularly impressive capability of an opponent of little use when countering the other's grey-zone actions. A wide range of means is more difficult for unfriendly grey-zone activities to work around and gives greater response flexibility.

Seventh, the approach would be most effective if it was complemented by involving regional actors diplomatically so as to create the political manoeuvre space for timely action.¹⁴³ Broad-based consultations with regional partners would create a favourable political environment, ensure worries over possible unwanted escalation were addressed, public statements were consistent and harmonised, and the timing of media messages was coordinated.

Finally, in addition to diplomacy, selective institution building may be undertaken to develop mechanisms for resolving grey-zone crises. These may feature military-to-military deconfliction hotlines between all involved - including China - in areas of grey-zone tensions so as to help avoid unwanted military escalation and accidents. Institution building may also incorporate expanded ways to share information among partner armed forces and militaries, an expansion of military-to-military contacts and formalised systems for passing appropriate real-time intelligence.¹⁴⁴

TAILORED DETERRENCE

The measured forward planning approach favours a tailored type of deterrence. To achieve success, Chinese grey-zone activities integrate a number of different means across multiple domains. For example, in the South China Sea the so-called 'cabbage strategy' can

¹⁴³ Ilan Goldenberg, *op. cit.*, p. 1.

¹⁴⁴ Mazarr, *op.cit.*, p. 129.

include commercial fishing boats, the armed maritime militia, fisheries patrol vessels, Coast Guard ships and naval warships of various types, PLAN and PLAAF aircraft, and at times oil rig platforms. These may all operate in conjunction with social media campaigns, radio misdirection, cyberwarfare and GPS interference. This array of means when combined are much more formidable in prosecuting a grey-zone action than individually.

A tailored deterrence approach might accept this and not try to deter the grey-zone activity as a whole. Instead, such a concept might aim to disaggregate the collective threat into individual non-supporting means and then deter specific vulnerable components of China's grey zone operation as was practical.¹⁴⁵ Such tailored deterrence could be further customised among the various regions in which China is undertaking grey-zone activities. The land border with India, the South China Sea and the Senkaku Islands all feature different types of grey-zone activities, although all strive to advance incrementally. The general ways to tailor the deterrence of grey-zone activities include:¹⁴⁶

1. *Disaggregating the local grey-zone strategy.* This constructs a tailored deterrence tactic targeting specific elements of the local grey-zone campaign. It involves not deterring grey-zone activities as a whole but rather at an individual element or action level, such as Coast Guard vessels, PLAN maritime reconnaissance aircraft or GPS interference.
2. *Seeking marginal gains.* Just as the impact of grey-zone activities stems from the cumulative effect of carefully coordinated

¹⁴⁵ Multinational Capability Development Campaign, *Hybrid Warfare: Understanding Deterrence*, MCDC Countering Hybrid Warfare Project, March 2019, p.3, <<https://www.gov.uk/government/publications/countering-hybrid-warfare-information-notes>>.

¹⁴⁶ These four sub-paragraphs draw on: *Ibid.*, pp. 43-44.

actions, tailored deterrence aims to tip the balance in small steps. The most viable approach is to seek these marginal gains through targeting accessible vulnerabilities. This may have the greatest impact if it is possible to target those specific assets central to China's local grey-zone campaign.

3. *Thinking performatively about the best means to deter.* A deterrence posture may be best built around the defending elements considered most likely to be useable in a grey-zone situation, rather than around the most capable elements in terms of dispensing punishment. These most capable defending elements may not be credible to Chinese decision-makers as they may hold them unlikely to be used given worries over unwanted escalation. This returns to the idea of declaring red lines and whether the entity being deterred thinks the retribution promised if the red lines are crossed is improbable in a time of resilient peace.
4. *Focus on the decision-makers involved.* Central to all successful deterrence is understanding those who it is wished to deter. The specific decision-makers at the various levels controlling a local grey-zone activity may have goals, motivations and vulnerabilities that can be discerned and exploited to inform a tailored deterrence strategy. The more these actors can be understood, the more tailored the deterrence measures can be made and the more effective they will be.

Against the complicated, incrementalist Chinese grey-zone approach the best deterrence posture may be to deter whatever is feasible, as effectively as is practical. The tailoring of the deterrence posture and the adoption of the forward planning approach are both then in harmony with the incremental Chinese grey-zone approach. The overall intent is to frustrate, undermine, and deny the individual Chinese elements being used in a collective manner in the local

grey-zone actions. As frustrations mount up, these may tip the balance away from grey-zone activities being an attractive option for Chinese statecraft.

RESPONSES AND ESCALATIONS

Any response to a grey-zone activity carries some risk of escalation. There is however a large opportunity space between a response being undertaken and starting a large-scale conflict. There is not an either/or choice between a grey-zone response and major war, but rather a broad continuum where off-ramps can be taken and deescalation occur. An imagined worst-case scenario is not just often the least likely but also does not allow for the agency of the parties involved.

As earlier noted, Chinese grey-zone activities assume a resilient peace. Moreover, China undoubtedly values its status as a legitimate and respected member of the international system. It is unlikely to abandon concern about such status in exchange for some unrestrained, aggressive reaction to a grey-zone pushback.¹⁴⁷ Moreover, China also probably wishes to avoid other nations becoming so alarmed by its actions that they move to balance against China and possibly form military alliances. In South East Asia for example, some states with minor concerns are hedging but they could move sharply into balancing and military build ups if today's resilient peace was perceived as being broken by China.¹⁴⁸ In this way, making a response

¹⁴⁷ Lyle J. Morris, et al, *op. cit.* p. 133

¹⁴⁸ An example is Malaysia. Alfred Gerstl, 'Malaysia's Hedging Strategy Towards China Under Mahathir Mohamad (2018–2020): Direct Engagement, Limited Balancing, and Limited Bandwagoning', *Journal of Current Chinese Affairs*, Vol. 49, Iss. 1, 2020, pp. 106–131.

to a Chinese grey-zone action can shift the risk and cost calculus onto China and away from the responder.

Even so, responding to a Chinese grey-zone action requires being able to accept and take calculated risks. A recent study of Israel's' grey-zone actions summed up such issues in noting that:

taking risks does not mean being reckless, which is precisely what the Trump administration did when it killed Qassim Soleimani and nearly triggered a direct military conflict. The risk of every operation needs to be evaluated, but there is certainly some space for manoeuvring between doing nearly nothing and killing one of Iran's most important military leaders.¹⁴⁹

In considering the type of response, there are several interlocking factors. In terms of proportionality, not all of China's grey-zone activities have the same equal significance for regional allies and partners, or for global norms.¹⁵⁰ A large response in some circumstances may appear to be an unwanted overreaction to many. In that regard, a grey-zone response as part of a measured forward planning approach is seeking a small win, not a decisive victory and can be designed accordingly. Indeed, it may be more efficacious in some situations to use positive as well as negative measures; balancing 'carrot' and 'stick' may bring better results than stick alone.¹⁵¹

There are further issues of horizontal versus vertical responses. A vertical response is a symmetric one that is inherently escalatory. In contrast, a horizontal response is asymmetric and may be undertaken in any domain and be of any type, such as using a targeted information response on Chinese social media to a foreign fishing vessel arrest by the Chinese Coast Guard. Such asymmetric responses increase the

¹⁴⁹ Ilan Goldenberg, *op.cit.*, p. 13.

¹⁵⁰ Lyle J. Morris, et al, *op. cit.*, pp. xiii-xiv

¹⁵¹ Multinational Capability Development Campaign, *op.cit.*, pp. 55.

offending country's target 'surface area' through accessing a wider range of vulnerabilities. Moreover, this cuts back to deterrence and red lines in that low-level, horizontal threats of retaliatory action in defined circumstances may be more credible because they are easier to implement.¹⁵²

Lastly there are matters of messaging. A government could be silent about whether China has committed a grey-zone action and if a response has been made. In not announcing a response, China's public standing would not be adversely impacted, thus avoiding encouraging it to take a strong counter-response that might escalate tensions.

Such messaging is not about denying a response was made at all. After tensions cool, a strategic leaks campaign into regional media could signal deterrence postures and pass other messages to China and other nations in the region. Such leaks though would aim to not be needlessly inflammatory. An example of such a misstep was the Chinese diplomatic staff passing a list of 14 demands to the Australian media; this served simply to fruitlessly exacerbate international tensions and incite a negative response.¹⁵³ In another example, the study of Israel's grey-zone actions (mentioned earlier) observed that the USA in 2019 actively publicised its potential responses to Iran provocations:

In almost every instance of increasing tensions with Iran, President Trump tweeted provocative language that only increased the likelihood of escalation. He consistently took credit for any US operation against Iran. For example, after the

¹⁵² *Ibid.*, pp. 56.

¹⁵³ Jonathan Kearsley, Eryk Bagshaw and Anthony Galloway 'If you make China the enemy, China will be the enemy': Beijing's fresh threat to Australia', *The Sydney Morning Herald*, 18 November 2020, <<https://www.smh.com.au/world/asia/if-you-make-china-the-enemy-china-will-be-the-enemy-beijing-s-fresh-threat-to-australia-20201118-p56fqs.html>>.

Iranian shootdown of a U.S. drone in June 2019, the president very publicly threatened a harsh response, saying Iran will “find out they made a very big mistake,” thus escalating. He then pulled it back, likely undermining U.S. deterrence by sending a confusing message to Iran regarding the U.S. commitment to push back on its activities.¹⁵⁴

AUSTRALIAN DEFENCE ASPECTS

The Australian War College's 2019 Perry Group examined grey-zone operations from an Australian perspective. The group considered that Australia's grey-zone policy should be led and coordinated by an augmented National Security Division of the Department of Prime Minister and Cabinet (PM&C). PM&C is appropriate given grey-zone activities and responses are inherently whole-of-government, and can be whole-of-society. In a similar vein, the group suggested the Office of National Intelligence (ONI), as the peak analytical intelligence body, should be responsible for the national understanding of Chinese and others' grey-zone activities.¹⁵⁵

PM&C and ONI however are not well-placed to develop the necessary implementing strategies, doctrines and operational procedures and processes. With regard to these, Mazarr noted that:

To begin with, [a nation]...should build concepts of operations for grey-zone conflicts, broad theories of success and planned

¹⁵⁴ Ilan Goldenberg, *op. cit.*, p. 14.

¹⁵⁵ Thomas Dobbs, Garth Fallon, Sarah Fouhy, Tennille Marsh and Machlan Melville, *Grey-Zone Activities and the ADF: A Perry Group Report*, Canberra: Australian Defence College, 2020, p. 7, <https://theforge.defence.gov.au/sites/default/files/2020-10/Grey%20Zone_0.pdf>.

approaches for employing a range of tools for combined effect. Grey-zone campaigns are complex, integrated endeavours, and stumbling into one without a clear sense of how one intends to employ available tools is a prescription for failure.¹⁵⁶

The complicated whole-of-government nature of grey-zone operations means no single Department is an obvious candidate to undertake the response planning and implementation tasks. For the rather different US governmental structure, Mazarr suggests that a new office be established in the State Department (equivalent to Australia's Department of Foreign Affairs and Trade) or in the National Security Council at the White House. This new office would include seconded military officers, civilian experts in non-military instruments of power, and academics knowledgeable about the application of coercive diplomacy.¹⁵⁷ Where such a grey-zone response office should be located in the Australian governmental structure is uncertain, but the need for such an office to undertake the tasks noted is undoubted.

In delving lower down into the Department of Defence, the Perry Group decided that the ADF needed to 'develop an awareness of grey-zone activities' and include them in the ADF's exercise program and professional military education system. The ADF should also teach campaign planning to other government departments and agencies. In addition, an ADF-specific counter grey-zone concept and military strategy should be devised and a joint doctrine developed 'to counter the long-term nature of persistent grey-zone activities.'¹⁵⁸

Regarding this, Mazarr considers the writing of doctrine might be problematic given that grey-zone activities do not meet the traditional criteria for warfare. He thought that the grey-zone challenge was

¹⁵⁶ Michael Mazarr, *op.cit.*, p. 133.

¹⁵⁷ Michael Mazarr, *op.cit.*, p. 133.

¹⁵⁸ Thomas Dobbs, et al, *op.cit.*, p. 7.

particular to its nature, meaning that response doctrines might need to differ somewhat to existing conventional warfare ones.¹⁵⁹ On the other hand, the task of writing grey-zone doctrine may be somewhat eased by the access to the PLA's advice from its Academy of Military Science (see Chapter One) on how to conduct such non-war military activities. The book has 20 pages solely devoted to this topic with other relevant advice scattered across its hundreds of other pages.¹⁶⁰

A final area is worth considering. An Australian response to Chinese Grey-zone activities is very likely to, in turn, lead to Chinese cyber intrusions against Australian governments, companies and non-governmental organisations. Given this, it may be prudent to prepare the civilian domain for such an event. A great deal of work on this is already underway on strengthening Australian's national cyber defences.

In addition to such actions, Braw suggests exercises be held involving government, industry and business concerning responding to fictional cyber intrusion scenarios related to grey-zone activities. She suggests motivating private sector participation through giving participating companies some ISO-style certification if they complete at least one such grey-zone exercise. The need for such exercises is driven by its high likelihood but also because building resilience will deter illicit cyber intrusions in the first place.¹⁶¹

¹⁵⁹ Michael Mazarr, *op.cit.*, p.65.

¹⁶⁰ Chapter 8 concerns 'The Development of Practices and Theory for Non-War Military Activities'. See: Academy of Military Science Military Strategy Studies Department, *The Science of Military Strategy* (2013 Edition), Beijing: Military Science Press, December 2013, translated and republished in Project Everest, *In Their Own words: Science of Military Strategy (2013)*, Montgomery: China Aerospace Studies Institute, 2021, pp. 193-212.

¹⁶¹ Elisabeth Braw, *The Case for Joint Military–Industry Greyzone Exercises*, London: Royal United Services Institute, 2020, p.13, < <https://rusi.org/publication/briefing-papers/joint-military-industry-greyzone-exercises>>.

CONCLUSION

The grey-zone paradigm is a novel one and so perhaps the counter to it might also need to be. The suggested measured forward planning approach that evolves over time might be a protracted option but does offer opportunities to leave and adopt another if a future circumstance necessitates.

This chapter has looked at planning and organisational measures that might begin to help address Chinese grey-zone activities. This discussion though is somewhat static in effectively taking a snapshot of today not a long-term perspective leaning into tomorrow. The next chapter looks into the future and accordingly includes some proposed technological innovations that might be helpful. In this regard, grey-zone characteristics of being protracted and incremental can be made to work in our favour.

China's Enduring Grey-Zone Challenge

5.

AIR AND SPACE POWER GREY-ZONE RESPONSES

There are many possibilities when considering how the air and space domains might be used to counter Chinese grey-zone activities both today and into the future. To help structure such thinking, the three horizons model can be useful. The first horizon is today's way of doing business that forms the foundation for the future, the second is the medium term that builds from today and represents achievable change, while the third is longer term and envisions a new and different future.¹⁶²

This chapter discusses air and space domain issues in the first, second and third horizon. Air policing, crisis hotlines, emerging technologies, today's surveillance drones, and future interceptor uncrewed air vehicles all have potential as regards grey-zone responses for today and tomorrow.

¹⁶² 'Enduring Ideas: The three horizons of growth', *McKinsey Quarterly*, December 2009, <<https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/enduring-ideas-the-three-horizons-of-growth>>.

FIRST HORIZON

Air Policing

Over the next decade, China is likely to impose an air defence identification zone (ADIZ) on parts of the South China Sea (see Chapter 3). A situation may arise that is broadly similar to that encountered over the Senkaku Islands today and where Japan is having difficulty in maintaining a continual air policing posture.

The RAAF could periodically contribute fighter aircraft to support Japan's air policing activities. This would assist a strategic partner develop expertise in such practices useful for any future Chinese ADIZ declaration in the South China Sea and improve its knowledge of Chinese air tactics, techniques and procedures. The occasional deployment of several RAAF fighters to an airbase in Japan would leverage off the Japanese air defence network, experience and support infrastructure. Such a deployment would use the valuable air training opportunities the PLAAF and PLAN provide in flying aircraft into the East China Sea on a daily basis.

The most suitable fighter aircraft for a RAAF deployment would be the F/A-18F Super Hornet rather than the newer F-35. Although the JASDF is operating the F-35, it considers the F-15 better suited for air policing and quick-reaction scrambles role noting, "The F-35 is not suitable for emergency lift-off, and it will become difficult to maintain the same [scramble] system as before."¹⁶³ A Super Hornet deployment might also include a KC-30A air refuelling aircraft to support such air policing through extending the endurance of fighters operating over the more distant parts of the East China Sea.

¹⁶³ Japanese defense ministry quoted in: David Axe, 'Japan Has A New Air-Defense Plan — Ignore Chinese Planes', *Forbes*, 5 March 2021, <<https://www.forbes.com/sites/davidaxe/2021/03/05/japan-has-a-new-air-defense-plan-ignore-chinese-planes/?sh=4d3944626f17>>.

In time, such a deployment might grow to include the E-7A Wedgetail airborne early warning and control aircraft. The JASDF currently uses E-767 and E-2C/D aircraft for this role and, as with the F-15 squadrons, being supplemented by a RAAF aircraft occasionally would be valuable. A unique contribution might be periodically deploying two EA-18G Growler aircraft as part of the Super Hornet air policing package. This would helpfully train Growler crews in a real-world heavy electronic environment crowded with radar systems of various types.

The Super Hornets, Growler and Wedgetail units would all benefit from taking advantage of the air training opportunities that PLAAF and PLAN air units provide daily in the East China Sea. After becoming aware that they were giving very valuable, free training to RAAF aircrews, the PLAAF and PLAN may reduce their rate of operations. Notably, ADIZ intrusions occur at higher rates towards the end of each month, indicating they are part of an established Chinese military training schedule.¹⁶⁴ The RAAF replicating how PLAAF and PLAN use the JASDF might be most useful.

Crisis Hot Line

In this decade, the PLAAF and PLAN will most likely deploy an increasing number of military aircraft to the southern South China Sea and base them for varying periods of time on the three island airbases. The airspace will become more crowded and the possibility of an air incident will increase. Such incidents if mishandled could lead to an inadvertent crisis and even potentially military escalation. It may be prudent to begin discussions with the PLAAF and PLAN on formal risk

¹⁶⁴ Mercedes Trent, *Over the Line The Implications of China's ADIZ Intrusions in Northeast Asia*, Washington: Federation of American Scientists, 2020, p. 14; 'Japan scrambling jets less against China as more F-35 deployment eyed', Kyodo News, 3 March 2021, <<https://english.kyodonews.net/news/2021/03/ef1d2ba18bec-japan-scrambling-jets-less-against-china-as-more-f-35-deployment-eyed.html>>.

management initiatives. As these could be expected to take some time to agree on and implement, commencing talks early is important.¹⁶⁵

Such an initiative could be undertaken under the aegis of the Five Power Defence Arrangement (FPDA) between Australia, Malaysia, New Zealand, Singapore and the UK. The 50-year old FPDA is currently constrained to peninsular Malaysia and includes maritime and air defence exercises.¹⁶⁶ The large Bersma Lima joint service exercises are held annually under the auspices of the FPDA with the 2021 series possibly including the new British aircraft carrier, HMS Queen Elizabeth and its F-35B fighters.¹⁶⁷

As a multilateral organisation, FPDA would carry more weight than any single nation in working with China to devise risk-management procedures. This could include installing a hotline between the FPDA command facilities and similar Chinese facilities in the South China Sea so as to both occasionally trial agreed rules and if necessary coordinate responses to an air incident.

There may be some national sensitivities in the FPDA agreeing risk-management rules with China given its island air bases are beyond peninsular Malaysia. However, Malaysia has begun military exercises with other countries in East Malaysia and may be open to

¹⁶⁵ Asia Society Policy Institute Independent Commission On Regional Security Architecture, *Preserving the Long Peace in Asia: The Institutional Building Blocks of Long-Term Regional Security*, New York: Asia Society Policy Institute, September 2017, p. 14.

¹⁶⁶ Euan Graham, 'The Five Power Defence Arrangements at 50: what next?', *IJSS*, 10 December 2020, <<https://www.iiss.org/blogs/analysis/2020/12/five-power-defence-arrangements>>.

¹⁶⁷ Ahmad Syah Ejaz Ismail, 'Ensuring freedom of navigation', *New Straits Times*, 13 March 2021, <<https://www.nst.com.my/opinion/columnists/2021/03/673374/ensuring-freedom-navigation>>.

discussing the matter.¹⁶⁸ Recent flights by PLAAF transport aircraft deep into Malaysia's EEZ, around East Malaysia, may also make the use of the FPDA institution for risk management an attractive option to consider.¹⁶⁹

Over the next several years Chinese military air operations in the South China Sea are nonetheless likely to spread west and butt up against the FPDA region. While there is time and before a crisis, it would be prudent to begin agreeing with PLAAF and PLAN risk management rules, including perhaps installing a crisis coordination hotline.

Surveillance Drone Deployments

Surveillance drone technology now offers some new options for countering grey-zone activities. This technology is neatly encapsulated in the 12 MQ-9B Sky Guardian and seven MQ-4C Triton uncrewed aircraft systems being acquired for the RAAF.¹⁷⁰

In 2020, the idea of grey-zone 'deterrence by detection' emerged. It assumed that countries undertaking grey-zone activities would be deterred if they knew they were under constant surveillance and that any actions would be widely and quickly publicised. Successful deterrence would not require that China's or others' grey-zone activities were always detected. Instead, the likelihood of detection

¹⁶⁸ Ahmad Syah Ejaz Ismail, 'Reassessing role in old defence pact', *New Straits Times*, 12 March 2021, <<https://www.nst.com.my/opinion/columnists/2021/03/673054/reassessing-role-old-defence-pact>>.

¹⁶⁹ Dzirhan Mahadzir 'Chinese Air Force Fly 16 Aircraft Through Malaysian Airspace in Large-Scale Exercise', *USNI News*, 1 June 2021, <<https://news.usni.org/2021/06/01/chinese-air-force-fly-16-aircraft-through-malaysian-airspace-in-large-scale-exercise>>.

¹⁷⁰ Andrew McLaughlin, 'Feature: SKY GUARDIAN', *ABDR: Australian Defence Business Review*, 9 March, 2020, <<https://adbr.com.au/feature-sky-guardian/>>. *MQ-4C Triton Unmanned Aircraft System*, Canberra: Royal Australian Air Force, 2020, <<https://www.airforce.gov.au/technology/aircraft/intelligence-surveillance-and-reconnaissance/mq-4c-triton-unmanned-aircraft>>.

should simply be sufficiently high enough to create uncertainty in a nation's leadership groups.¹⁷¹ Moreover, publicising detected grey-zone activities would not need to include any conclusions or normative assessments. Simple warning of such activities occurring would be sufficient for 'deterrence by detection' to operate.

The concept of deterrence by detection could be realised using a network of MQ-9B and MQ-4C uncrewed aircraft systems to maintain real-time, persistent surveillance in important geographic areas. In Australia's situation, the most important area to monitor is the southern part of the South China Sea where China has built several new islands that have now been militarised.

Analysing the operational requirements and the uncrewed aircrafts' capabilities suggests that such surveillance could be met with the low number of systems Australia is acquiring. Persistent surveillance around the Spratly Islands in the southern South China Sea could be achieved by maintaining one MQ-9B on station (from four online) and complemented by periodic sweeps across the whole southern South China Sea by one MQ-4C (again from four online).¹⁷²

In extremis, this surveillance could be undertaken from northern Australian airbases. However, it would be considerably easier if drones were deployed into South East Asia, especially the shorter-ranged MQ-9Bs. These small turbo-prop aircraft only require a minor civil airfield to operate from and so could be flown out of various locations in Brunei, East Malaysia, the Philippines or the Natuna Islands. However, with Malaysia's central role in the FPDA, East Malaysia may be preferred, with Kota Kinabalu a possibility. The Royal Malaysian Navy's Eastern Command is located at Kota Kinabalu and small Sea

¹⁷¹ Thomas G. Mahnken, Travis Sharp and Grace B. Kim, *Deterrence By Detection: A Key Role For Unmanned Aircraft Systems In Great Power Competition*, Washington: Center for Strategic and Budgetary Assessments, 2020, p. 6.

¹⁷² *Ibid.*, p. 32.

Scan UAVs already fly from there on close-in maritime surveillance tasks.¹⁷³

An important issue with such surveillance is that to deter most successfully, the information gained must be shared. In the South China Sea, this would mean sharing among the local states involved, especially Vietnam, Malaysia, Indonesia, Brunei and the Philippines. Such sharing would provide all with a common picture of potentially concerning activity in their area of interest. There could also be a case for sharing with China.

As deterrence by detection relies on being visible, all regional states must know that the area is being continually monitored for indications and warnings of grey-zone activities. Presumably, China would also 'watch the watchers' but, in doing so, would use resources that might otherwise be employed for grey-zone purposes. In this, the high vulnerability of the MQ-9B drone to air defence systems becomes a useful attribute. While this low performance air vehicle cannot be perceived as a highly capable offensive weapon system, at the same time attacking the drone is discouraged as it would escalate regional tensions.¹⁷⁴ The MQ-9B is visibly a more non-confrontational platform than most manned military aircraft.

Using the low-cost MQ-9B would also allow a semi-permanent, readily sustainable, low-end presence to be maintained in the area. Currently, for cost and crewing reasons, high-end, large warships or small naval task groups are only occasionally deployed into the southern part of the South China sea. A semi-permanent deployment of 4-5 MQ-9Bs there would provide a robust grey-zone activity

¹⁷³ Dzirhan Mahadzir, 'U.S. Sends Warships on Patrol Near South China Sea Standoff', *USNI News*, 8 May 2020, <<https://news.usni.org/2020/05/08/u-s-sends-warships-on-patrol-near-south-china-sea-standoff>>.

¹⁷⁴ Thomas G. Mahnken, et al, *op.cit.*, p. 20.

surveillance capability while being sufficiently permanent to politically reassure regional nations of Australia's enduring commitment.

Ideally, over time, regional nations would acquire small numbers of MQ-9Bs and become an active participant in the maritime grey-zone surveillance network. For their part, the Europeans have developed a model whereby several nations come together to acquire and operate high-end surveillance platforms like the E-3 airborne warning and control system aircraft and the RQ-4 Global Hawk, the uncrewed aircraft from which the RAAF's new MQ-4 was derived. This model would be difficult to replicate in the ASEAN region as such aircraft are technically advanced and very costly, but the comparative simplicity of the MQ-9B and its low cost may make a scaled-down regional sharing approach feasible. Australia could initiate discussions about such a possibility. Simply exploring such an idea amongst regional nations would be in itself a grey-zone response.

SECOND HORIZON

In the second horizon, about five years hence, new technological options could be developed optimised for grey-zone response missions and then fielded when circumstances required. Such technologies would be those already in an advanced stage of development, around technology readiness Level 7 or greater, and thus able to be brought into limited service quickly. This would be an application of emerging prototype warfare concepts to meet the current and evolving grey-zone challenges.¹⁷⁵

¹⁷⁵ Peter Layton, *Prototype Warfare and the Fourth Industrial Age*, Canberra: Air Power Development Centre, 2019.

Chinese grey-zone activities can be innovative and imaginative especially in the use of non-military equipment and the capabilities of its state-owned enterprises. Accordingly, conventional military forces equipped to fight major wars may not have the best capabilities at hand to respond to new and unexpected Chinese grey-zone challenges. Being able to quickly access new low-cost technological solutions optimised for the specific grey-zone challenge encountered in a particular region might be very useful.

The ADF already has a range of organisations and processes in place to find potentially useful new Australian technologies including the Defence Innovation Hub, Army Innovation Days, Navy Warfare Innovation Workshops and Air Force Plan Jericho. Using this formalised system, challenge statements could be sent out to local Australian industry to find and then present possible solutions to grey-zone activity issues. The intent would be for the ADF to be as dynamic and innovative in grey-zone matters as China is today.

Six technology areas exist where rapid prototype solutions might have value.

First, artificial intelligence (AI) and big data analytics could be developed to assess and fuse data collected from various commercial and military sources to provide a comprehensive, near real-time picture of activities in the southern portion of the South China Sea.¹⁷⁶ The use of AI could also allow such a system to predict, with varying degrees of precision, the movements and actions of various ships and aircraft operating in that area. Such a system could be designed to provide the fused data picture quickly to regional partners — and possibly the Chinese Coast Guard and PLA — to help avoid accidents, aid oceanic management activities and, if necessary, highlight

¹⁷⁶ *Confidence in Chaos: How to use emerging technologies to combat grey-zone threats*, Farnborough: QinetiQ, September 2020, p. 17, <<https://www.qinetiq.com/en/insights/grey-zone-warfare>>.

grey-zone actions as they begin. Moreover, there would be the option of giving everybody access to the picture through putting it up on the internet. This would be very useful in the difficult task of South China Sea fisheries management and in preventing further environmental damage especially through over fishing and reef destruction.

Second, robotic autonomous systems (RAS) have great potential for improving southern South China Sea surveillance. As well as using drones, the RAS envisaged here would involve drifting or propelled surface or sub-surface sensor-equipped robots collecting and feeding data into the earlier described maritime surveillance system. Such a RAS application has been examined in a recent publication.¹⁷⁷

Third, secure navigation and communication systems are likely to become increasingly important. As discussed earlier, there is a possibility of GPS jamming and spoofing in some Chinese grey-zone futures. Having a counter-capability at hand would allow a quick response to this threat if it arose and may indeed be sufficient to deter such jamming. In that regard, communications signals, including Wi-Fi, can also be jammed or spoofed for service denial or misdirection, although it can be hard to determine an attack is underway and then locate the source. Specialist technology can assist in countering such attacks but it needs to be combined with adequate operator training.¹⁷⁸

Fourth, there is a need to devise counter-deception techniques. Chinese ships have apparently started to use deceptive tactics including going 'dark' by turning off automatic identification systems (AIS) and by using fishing boats to conduct covert surveillance operations. British research agency QinetiQ considers that to counter this, new

¹⁷⁷ Peter Layton, *Fighting Artificial Intelligence Battles: Operational Concepts for Future AI-Enabled Wars*, Joint Studies Paper Series No. 4, Canberra: Department of Defence, 2021, pp. 40-43.

¹⁷⁸ Confidence in Chaos, *op.cit.*, p. 12

signals intelligence technology able to identify suspicious activity and determine intent is needed. The agency believes that such equipment might be best carried by low-observable airborne and sub-surface uncrewed vehicles, given crewed platforms risk escalating tensions.¹⁷⁹

An emerging alternative might be nanosats optimised to surveil grey-zone operations; these could be either nationally developed and launched, or accessed from commercial providers. Such alternatives are feasible because technological advances driven by the fourth industrial revolution are dramatically lowering the costs of space operations. New Zealand's Rocket Lab, now launching from the North Island, exemplifies the possibilities. The company-designed two-stage rocket is constructed using carbon-composites and includes 10 engines built using additive manufacturing; the rocket can insert about 220kg into orbits of 300-700km for about \$5m.¹⁸⁰ In March 2021, Rocket Lab launched the experimental M2 CubeSat surveillance satellites developed in a collaboration between UNSW Canberra Space and the RAAF.¹⁸¹

An example of the payloads that such rockets could launch is the Kelos Scouting Mission nanosat (<10kg weight) that uses radio frequency sensors to detect, identify and geolocate concealed maritime activity, such as fishing vessels with inactive AIS.¹⁸² Such performance at an affordable cost means middle powers like Australia

¹⁷⁹ Confidence in Chaos, *op.cit.*, p. 43.

¹⁸⁰ *Payload Users Guide Version 6.6*, Long Beach: Rocket Lab, November 2020, <<https://www.rocketlabusa.com/assets/Uploads/Payload-User-Guide-LAUNCH-V6.6.pdf>>.

¹⁸¹ 'UNSW Canberra Space launches world-leading CubeSat satellites', *UNSW Canberra*, 23 March 2021, <<https://www.unsw.adfa.edu.au/unsw-canberra-space-launches-world-leading-cubesat-satellites>>.

¹⁸² 'Kleos Scouting Mission Smallsats Deployed', *Satnews*, 10 November 2020 <<https://news.satnews.com/2020/11/10/kleos-scouting-mission-smallsats-deployed/>>.

can increasingly launch and operate their own national space-based systems to counter surface vessel-deception techniques.¹⁸³

The ADF could use Australian-developed nanosats to provide data to help build a difficult-to-deceive picture of grey-zone activities underway across the southern South China Sea. The nanosats would be designed for the specific grey-zone deception activities of most concern and then be launched into the optimum orbits. Moreover, as the grey-zone activities steadily evolved, new nanosats could be quickly devised and launched.

Fifth, novel systems to meet new challenges that future Chinese grey-zone activities present may need to be made available. There is some interest in directed energy systems that can disrupt and disable commercial, off-the-shelf communications and computer systems using high powered radio frequency technology.¹⁸⁴ Such systems do not damage structures or endanger humans. This non-kinetic approach could be useful in stressful grey-zone situations where a quick response is necessary but the possibility of escalation needed controlling.

Lastly, Clark et al suggest using offensive electronic warfare as a new rung on the escalation ladder.¹⁸⁵ The concept envisages degrading or deceiving Chinese radar systems ranging from long-range air surveillance radars located on several of the recently built islands, to missile targeting radars on PLAN warships, to Chinese Coast Guard

¹⁸³ Peter Layton, 'Sustainable Middle Power Military Space Operations', pp. 31-44 in 2019, *Project Asteria 2019: Space Debris, Space Traffic Management and Space Sustainability*, Canberra: Air Power Development Centre 2019, pp. 37-39.

¹⁸⁴ Confidence in Chaos, *op.cit.*, p. 13; Ken Cormier, 'U.S. Air Force missiles disable electronics with microwaves', *Evaluation Engineering*, 21 May 2019, <<https://www.evaluationengineering.com/industries/mil-aero/article/21081466/us-air-force-missiles-disable-electronics-with-microwaves>>.

¹⁸⁵ Bryan Clark, Mark Gunzinger and Jesse Sloman, *Winning In The Gray Zone: Using Electromagnetic Warfare To Regain Escalation Dominance*, Washington: Center for Strategic and Budgetary Assessments, 2017, p. 21

surface search radars and fishing vessel navigation radar. An advantage of offensive electronic warfare is its precision in allowing specific radars to be impacted only as a grey-zone response plan requires. A carefully graduated approach can be used that signals resolve and if needs be intent, permitting escalation control. Being non-kinetic, offensive electronic warfare poses no physical danger to aircraft, ships, infrastructure or people.

The RAAF is developing a comprehensive electronic warfare capability making such an offensive use plausible. Some problems arise though because Chinese aircraft or ships could misinterpret the use of electronic warfare as a precursor to an imminent attack. Jamming naval warship fire-control radar in particular is considered a hostile act. A further problem is that no military service wishes to reveal some of its best capabilities except in a war or very serious crisis. The true potential of a nation's electronic warfare systems is usually a closely guarded secret that would not willingly be revealed in peacetime.

The idea of prototype warfare might fall between the pros and cons of the debate. Single -role electronic warfare systems could be devised using commercial off-the-shelf technology which, while unsuitable for major conflicts, could be successful for a short time in some grey-zone situations. Such systems might be optimised for surface surveillance radars and so not used for fire control fitted to Chinese Coast Guard and fishing vessels. Degrading such non-military radars might send a message in a tense grey-zone and make it harder for the Coast Guard and fishing vessels to escalate their activities. However, such prototype warfare systems would be compromised by revealing their operation and may thus be able to be used only once.

THIRD HORIZON

In and beyond this decade, the PLAAF and PLAN are likely to operate fighter, bomber and surveillance aircraft at high rates of effort into other nations' EEZs and just outside their territorial airspace. The last two decades of air operations in the East China Sea have revealed that China is willing to undertake costly grey-zone air activities for protracted periods. Since 2013, China had undertaken more than 4,400 intrusions into the ADIZs of Japan, South Korea and Taiwan.¹⁸⁶ The South China Sea can be anticipated to become an area of future intrusive Chinese air operations.

Chinese grey-zone air activities have caused the JASDF considerable problems as discussed earlier. This can be seen as a warning to regional air forces of the difficulties the PLAAF and PLAN could create for them as Chinese grey-zone activities steadily expand. The greatest difficulty is the need to continually launch fighter aircraft to verify the identity of the intruder and to buttress national airspace sovereignty claims. UAVs may offer a partial way to address this problem.

A UAV designed for the air policing mission would not need to be armed but instead simply be able to collect and then pass imagery of the intruder aircraft intercepted to a distant command centre. Several high-performance UAVs are already flying, making developing an air vehicle capable of being commanded to intercept an approaching aircraft initially detected by a ground-based long-range air surveillance

¹⁸⁶ Mercedes Trent, *op.cit.*, p. 6.

radar, a straightforward engineering task.¹⁸⁷ While the UAV would need a short-range sensor to find, approach and accurately track the intruder, it would not need to be designed for extensive manoeuvring. The new Australian loyal wingman design might be eminently suitable for air policing.¹⁸⁸

In being simpler than a crewed fighter, such a UAV may also be able to operate from small, sparse airfields close to the grey-zone area where the PLAAF and PLAN aircraft are operating. In such a role, the purpose-built UAV could be relatively small and perhaps more like a missile than an aircraft. For example, USAF's experimental XQ-58A Valkyrie UAV becomes airborne from a static launcher and lands vertically using a parachute; there are proposals for basing this UAV in relocatable shipping containers.¹⁸⁹ Such technology may allow new air power concepts with air policing UAVs in launch containers distributed

¹⁸⁷ For examples see: Joseph Trevithick, 'Navy Establishes First Squadron To Operate Its Carrier-Based MQ-25 Stingray Tanker Drones', *The Drive*, 1 October 2020, <<https://www.thedrive.com/the-war-zone/36859/navy-establishes-first-squadron-to-operate-its-carrier-based-mq-25-stingray-tanker-drones>> ; Kyle Mizokami, 'Russia's 'Hunter' Is Unlike Anything in America's Arsenal', *Popular Mechanics*, 10 August 2020, <<https://www.popularmechanics.com/military/aviation/a33548209/russia-hunter-combat-drone/>> ; Rick Joe, 'China's Growing High-End Military Drone Force', *The Diplomat*, 27 November 2019, <<https://thediplomat.com/2019/11/chinas-growing-high-end-military-drone-force/>>.

¹⁸⁸ Valerie Insinna, 'Australia makes another order for Boeing's Loyal Wingman drones after a successful first flight', *Defense News*, 2 March 2021, <<https://www.defensenews.com/air/2021/03/02/australia-makes-another-order-for-boeing-made-loyal-wingman-drones-after-a-successful-first-flight/>>.

¹⁸⁹ Joseph Trevithick, 'This Containerized Launcher For The XQ-58A Valkyrie Combat Drone Could Be A Game Changer', *The Drive*, 16 October 2019, <<https://www.thedrive.com/the-war-zone/30474/this-containerized-launcher-for-the-xq-58a-valkyrie-combat-drone-could-be-a-game-changer>>.

over a wide area, and with the nearest UAV being commanded to launch to identify an intruder as it approached.¹⁹⁰

An uncrewed aircraft may also be less provocative than scrambling an armed crewed fighter aircraft. This may help keep the grey-zone situation at a lower level of tension. However, emerging norms are changing the overall dynamic somewhat, as they may make an intruder aircraft shooting down an air policing UAV not a reason to escalate and so more likely.

Today, shooting down a crewed aircraft in peacetime in international airspace is improbable given the perceived high penalties of global disdain and the possibility of unintentionally starting a war. UAVs appear different in that the US accepted the loss of a Global Hawk UAV to an Iranian Surface to Air Missile system in 2019 without responding.¹⁹¹ This may have set a behavioural norm.

In the same vein, downing a UAV in international airspace may be done deliberately in an attempt to gain technical intelligence on the UAV and its surveillance systems. Parts of the Global Hawk drone were recovered by Iran thus allowing detailed inspection.¹⁹² Several years earlier, Iran had also recovered a USAF RQ-170 Sentinel reconnaissance UAV, reversed engineered it, and put a copy into service, just as they

¹⁹⁰ See also Peter Layton, 'Fighting Artificial Intelligence Battles' *op.cit.*, pp. 72-73.

¹⁹¹ Jeff Mason and Susan Heavey, 'Trump says he aborted retaliatory strike to spare Iranian lives', *Reuters*, 20 June 2019, <<https://www.reuters.com/article/us-mideast-iran-usa-idUSKCN1TTL07P>>.

¹⁹² H I Sutton, 'Iran Rebuilds U.S. Navy Global Hawk UAV It Shot Down', *Forbes*, 14 July 2020, <<https://www.forbes.com/sites/hisutton/2020/07/14/shot-down-us-navy-global-hawk-reconstructed-by-iran/#15d3cc187fd1>>.

had done before that again with a small US Navy Scan Eagle drone.¹⁹³ This shutdown, retrieval, inspection, copy and manufacture process may become customary. The possibility of a peacetime compromise of an air policing UAV would need to be considered regarding both its design and how it operates in a grey-zone.

On the other hand, it is very likely that China will also begin to employ UAVs in a grey-zone air intrusion role. These are likely to be electronic surveillance UAVs collecting technical intelligence information on the ground-based sensors used to detect and track it, and on air policing crewed aircraft. Such electronic surveillance UAVs would be of lower cost than large crewed aircraft and have a much longer range. The PLAAF reportedly currently operates the Guizhou WZ-7 Soar Dragon high-altitude, long-range surveillance drone from Hainan Island bordering the South China Sea.¹⁹⁴ Improved versions of the WZ-7 may be able to operate from China's southern South China Sea airbases and conduct electronic surveillance across the northern Australia region by 2030.

Beyond 2030, air policing UAVs may be intercepting Chinese surveillance UAVs in grey-zone regions on a regular basis. The problems possibly arising from this were previewed in 2013. In September of that year, a Chinese reconnaissance UAV intruded into Japanese airspace above the Senkaku Islands and a JASDF F-15 was scrambled in response. These led the Japanese government

¹⁹³ Barbara Opall-Rome, 'Israel Air Force says seized Iranian drone is a knockoff of US Sentinel', *Defense News*, 12 February 2018, <<https://www.defensenews.com/global/mideast-africa/2018/02/12/israel-air-force-says-seized-iranian-drone-is-a-knockoff-of-us-sentinel/>>; Michael Peck, 'Iran gifts ScanEagle copy to Russia', *C4ISRNET*, 2 November 2015, <<https://www.c4isrnet.com/unmanned/uas/2015/11/02/iran-gifts-scaneagle-copy-to-russia/>>.

¹⁹⁴ Wonjune Hwang, 'Development of Peoples' Republic of China's Unmanned Aerial Vehicles (UAVs) and Its Impact on the East China Sea', *International Journal of China Studies*, Vol. 11, No. 1, June 2020, pp. 121-144, p. 132, 135, 137.

to announce it would introduce new rules of engagement specific to drones. This allowed any foreign UAVs intruding into Japanese territorial airspace to be potentially engaged if warnings for it to leave were ignored.¹⁹⁵ In response, the Chinese government warned that shooting down an intruding Chinese UAV could be regarded as 'an act of war.'¹⁹⁶ The standoff continues but the emerging norm after the 2019 Iranian Global Hawk shoot seems to make the Japanese drone rules of engagement a possible glimpse of the future.

CONCLUSION

Given its long duration, the integrated campaign plan to counter China's grey-zone activities should not include only measures to take now but also provide a roadmap for the uncertain future. This future will evolve as Chinese grey-zone activities change making the campaign plan dynamic, not simply 'set and forget'. The three horizons view gives such a plan a useful way to think about making the most of the next ten years and beyond. Time is always scarce and should not be wasted; others will not do so.

The first horizon incorporates the last chapter's measured forward planning approach as well as the more tangible air policing, crisis hotline and surveillance drone deployment discussions of this chapter. The second and third horizon look further forward although increasing digitisation, the fourth industrial revolution, and prototype warfare could realise these ideas quickly if the integrated campaign plan decided. The Communist Party's grey-zone approach is innovative. The solutions to it may also need to be.

¹⁹⁵ *Ibid.*, p.135.

¹⁹⁶ 'Chinese drone training in line with international law, practice', *Xinhua*, 27 October 2013, <<https://www.globaltimes.cn/content/820484.shtml>>.

CONCLUSION

China's grey-zone activities grind remorselessly on but in so doing educate all about grey-zone characteristics and create an opposing pushback. As is customary, the paradoxical nature of war applies in that those impacted by a damaging strategy will over time devise optimised counter-moves.

Today's China is an interesting case in having a long tradition of strategic thinking that is in some respects quite different to contemporary Western strategic notions. Arguably, this difference is most evident in the early Chinese notion that strategies effectively have no endpoint. Time is a river that flows ever onwards; its path may be deflected but it cannot be made solely by our own actions into the tomorrow we want. If European strategic thinkers placed great emphasis on using one's agency to shape the world, early Chinese strategic thinkers stressed exploiting the course the world was already on.

Given such a foundation, this is seemingly a great time for today's Communist Party of China's strategists. Gaining strategic advantage, or *shi*, deemed by some as the foundation of most Chinese actions in the international system, involves working mainly with the flow. China simply needs to manipulate what are seen as favourable trends to succeed.

The most important perceived trend is that 'the East is rising, the West is in decline and the tide of history is flowing in China's favour'. Given such a foundation, several characteristics of the international system are apparent to Chinese strategists: the international system is becoming multipolar so providing abundant space for China to strategically manoeuvre within; China's strongest card, economics, is

the dominant force shaping the world today, not military might; there is a resilient peace making major power war improbable; and modern Chinese culture is morally superior to others given its continually restated, long-standing predisposition towards peaceful interaction with all. China's grey-zone activities are both made possible by these discerned trends and designed to reinforce them.

The Party's strategists accordingly have created a grey-zone approach that leverages the trends to give China a persistent permanent strategic advantage over all others. Their grey-zone strategy is consequently incremental, slowly nibbling at the edges, making use of diverse military and non-military measures, being careful not to drive others into a major war, controlled at the highest Party levels and enduring. A pushback by another country may mean a temporary Chinese pullback, but the Party's grey-zone strategists will be back better than ever having learnt from their short-term reversal. China's particular grey-zone model is an approach that is a forever drain on the other, smaller country's resources.

The happy times for Communist Party strategists may though be coming to an end. Their strategies are creating their own counter. Over the last few years there has been a steadily deepening concern about Chinese grey-zone activities. International attention is now focused on them and they have become of great global media interest. Countries are starting to take actions in response, reorient their defence force structures accordingly and, most worryingly for China, beginning to come together to act collectively.

Mirroring China's incrementalism by responding with a measured forward planning approach might be effective and efficient. Each individual pushback taken would be a separate and discrete step in itself, evaluated for success after use, adjusted or abandoned as necessary, and a means to sense and understand the Chinese grey-zone environment.

The measured forward planning approach is not containment or even rollback in the territorial understanding of these words.

Instead, it's a response to an unwanted activity, leaving China with the unwelcome choice of other stopping its activity or moving to escalate. The latter is improbable given the success of China's grey-zone activities rely on today's peace holding. Escalation would globally signal a significant Communist Party failure. Nevertheless any pushback, even verbal complaints, carries risk and needs managing.

In terms of the life cycle of the strategy, Chinese grey-zone activities have arguably reached their Clausewitzian culminating point.¹⁹⁷ The Party's chosen strategy has reached a point where it might have achieved the greatest effects for the effort expended. Beyond this point, greater efforts may well yield diminishing effects and bring only marginally greater benefits.

China could sense this and move to another strategy, hopefully abandoning its present course and shifting to the optimistic 'playing by the rules' future earlier discussed. On the other hand, the Party may double down, embracing some of the more gloomy futures also described. Chinese grey-zone activities may grow more aggressive and violent, as the recent deaths of Indian soldiers on its border with China suggest.

The future is uncertain and so prudence would suggest being prepared, both today and tomorrow, for good and bad possibilities. In this, we have perhaps much greater agency than early Chinese strategic thinkers would imagine.

¹⁹⁷ Carl Von Clausewitz, *On War: Edited and Translated by Michael Howard and Peter Paret*, Princeton: Princeton University Press, 1984, p. 528.

CHINA'S ENDURING GREY-ZONE CHALLENGE

Over the last decade, China's strategists have devised an imaginative grey-zone approach that leverages perceived fundamental geo-strategic trends to give China a persistent strategic advantage over others. This grey-zone strategy is incremental, slowly nibbling at the edges, making use of diverse military and non-military measures, being careful not to drive others into a major war, controlled at the highest Party levels and enduring. A pushback by another country may mean a temporary Chinese pullback, but China's grey-zone strategists will be back better than ever having learnt from their short-term reversal.

Australia is now concerned by China's ongoing grey-zone actions. In a key judgment, Australia's Defence Strategic Update 2020 determined that, 'Defence must be better prepared to respond to these activities, including by working more closely with other elements of Australia's national power.' This is no simple task. The Communist Party's grey-zone approach is innovative. The solutions to it will also need to be.

This paper initially discusses the background to China's contemporary grey-zone activities. This includes the conceptual frameworks within which China's grey-zone operations fit and an examination of three current Chinese grey-zone activities: the seminal South China Sea activities, the air incursions in the East China Sea, and the violent clash between Indian and Chinese armed forces in the Ladakh region of the Himalayas. The paper's second half moves forward in time to set out how China's grey-zone operations may evolve over the next decade. This forms the basis for discussing strategic-level responses including a possible measured forward planning approach, deterrence concerns and organisational changes. The final chapter further narrows down into just air and space power matters and involves air policing, crisis hotlines, surveillance drones and emerging technology.



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