Competition in the Gray Zone

Countering China's Coercion Against U.S. Allies and Partners in the Indo-Pacific

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Few studies have systematically tracked how China is using gray zone tactics—coercive activities beyond normal diplomacy and trade but below the use of kinetic military force—against multiple U.S. allies and partners. Lacking a foundational empirical baseline, it is difficult to determine patterns and trends in Chinese activities to develop effective counters to them.

APPROACH

RAND Project AIR FORCE developed a framework to categorize China's use of gray zone tactics against five U.S. allies and partners in the Indo-Pacific and to identify the most problematic People's Republic of China (PRC) tactics that the United States could prioritize countering. Based on open-source material, this report provides a more in-depth understanding of Chinese operations in the gray zone.

CONCLUSIONS

- China views gray zone activities as natural extensions of how countries exercise power and employs such tactics to balance maintaining a stable, favorable external environment with efforts to alter the status quo in China's favor without triggering major pushback or conflict.
- Four factors—centralization of government power; growing geopolitical, economic, and military power; linkages between military and economic growth; and co-optation of a variety of actors for military operations—enable China to engage in a variety of gray zone operations.
- Over the past decade, China employed nearly 80 different gray zone tactics across all instruments of national power against Taiwan, Japan, Vietnam, India, and the Philippines.
- China tailors its gray zone activity to the target and has more options, and its options for doing so have increased over time.
- Beijing layers different types of tactics to pressure targets via multiple dimensions. As a result, Beijing may not need to engage in significant escalation in any one specific domain.
- Since the mid-2010s, China has continued to rely on military tactics, exercised caution in using high-profile tactics, wielded more influence in international institutions or via third-party actors, and expanded its grassroots activities via local proxies or influence operations.
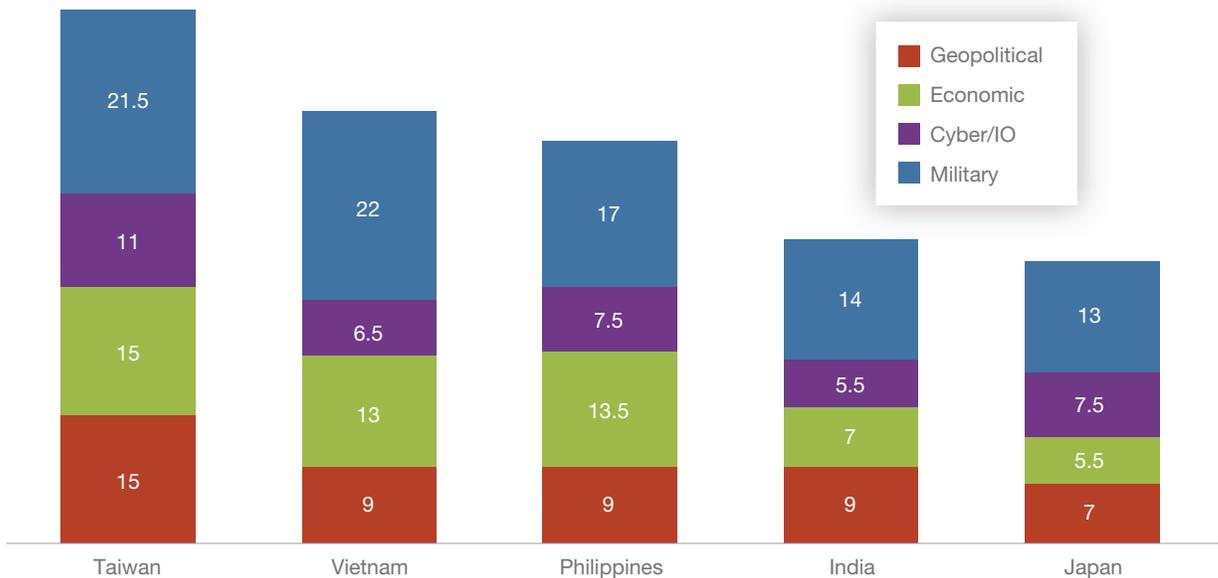
- On the nonmilitary side, China has emphasized geopolitical and bilateral tactics. On the military side, China has relied heavily on air- and maritime-domain tactics.
- There is no single agreed-on criterion for assessing which PRC tactics are most problematic. Experts could consider aggregating three different criteria or indicators to provide an inclusive picture: (1) the extent to which PRC tactics undermine U.S. objectives, (2) how difficult it is for allies and partners to counter tactics, and (3) how widely China uses the tactics.
- Many of the most challenging PRC tactics involve Chinese military or civilian activities around disputed territories, although several PRC geopolitical, economic, and cyber and information activities also pose significant challenges to U.S. allies and partners.

RECOMMENDATIONS

- The U.S. government should hold gray zone scenario discussions with key allies and partners to better understand their concerns, responses, and needs.
- National Security Council staff or the U.S. Department of State should identify a set of criteria for determining the most problematic PRC gray zone tactics to counter via whole-of-government efforts. Given the three criteria this report lays out, the United States could prioritize countering Chinese activities in disputed territories and responding to PRC geopolitical international tactics and economic tactics.
- The U.S. Department of Defense should develop gray zone plans similar to existing operational plans but focused on responding to a variety of more-escalatory PRC gray zone scenarios.
- The U.S. Air Force should continue to build out intelligence, surveillance, and reconnaissance infrastructure in the Indo-Pacific and to improve regional cyberdefense capabilities to increase domain awareness, identify and attribute PRC activities, and counter PRC cyber and information tactics.

CHINA'S USE OF DIFFERENT TYPES OF GRAY ZONE TACTICS AGAINST ALLIES AND PARTNERS

Legend:
- Geopolitical
- Economic
- Cyber/IO
- Military

Country	Geopolitical	Economic	Cyber/IO	Military
Taiwan	15	15	11	21.5
Vietnam	9	13	6.5	22
Philippines	9	13.5	7.5	17
India	9	7	5.5	14
Japan	7	5.5	7.5	13

NOTE: Counts of PRC tactics may not sum to whole numbers because of the way each tactic was coded. A 1 indicates relative confidence that China has used the tactic, while 0.5 indicates a suspicion that China has used the tactic against an ally or partner. IO = information operations.

continued

TIERED LIST OF THE 20 MOST PROBLEMATIC PRC GRAY ZONE TACTICS

Tier	Category	Tactic
Top	Military	Establish military or dual-use air bases or facilities in disputed territories
	Military	Land or forward deploy military aircraft or equipment in or near disputed territories
	Military	Establish military or dual-use ground bases or facilities in disputed territories
	Military	Land or forward deploy military ground troops or equipment in or near disputed territories
	Economic	Use PRC companies or economic assets to advance disputed PRC territorial claims
	Military	Use People's Liberation Army Navy, China Coast Guard, or maritime militia to harass or disrupt target commercial activities in disputed territories
	Geopolitical	Support the target's adversaries or rival countries using a combination of political, economic, and military means
	Military	Establish military or dual-use maritime bases or facilities in disputed territories
	Military	Anchor maritime vessels and/or forward deploy military maritime troops and equipment in or near disputed territories
Second	Economic	Reduce trade or flow of specific goods (exports or imports)
	Geopolitical	Use diplomatic or political threats to disrupt normal business activities within the target
	Cyber/IO	Buy or control existing target media outlets (directly or through proxies)
	Military	Engage in highly publicized and large-scale, cross-service military exercises or shows of force near or against the target
	Military	Deepen military cooperation and/or establish military bases or potential dual-use facilities in neighboring countries to threaten the target
	Military	Build up or acquire military capabilities for deterring or countering the target
Third	Economic	Control or reduce availability of public or international resources to the target
	Economic	Engage in PRC economic or civilian activity in or near target-sensitive or key geopolitical locations
	Cyber/IO	Engage in cyber operations against target government or military activities
	Cyber/IO	Engage in cyber operations to disrupt or undermine target economic activity
	Geopolitical	Limit international sanctions or crack down on violent nonstate actors opposing the target and/or operating against the target