

# FORUM

## DISCONNECTED



**CCP Narrative  
Fails to Resonate**



# features

## 10 **Shaping the Narrative**

Beijing furthers party agenda by influencing global bodies.

## 16 **Operationalizing Deterrence in the Indo-Pacific**

Dampening Chinese assertiveness through strong alliances among Australia, the U.S. and like-minded countries.

## 22 **CCP Backlash**

The Chinese Communist Party's attempts to control the global narrative are increasingly backfiring, causing targeted audiences to challenge its authority.

## 30 **Carefully Crafted Narratives**

Fear of rejection prompts Hollywood filmmakers to portray China in a positive light.

## 36 **The U.S.-China Economic Conflict**

Implications for Indo-Pacific security.

## 40 **Building Resilience**

Pandemic exposes weaknesses in China-centric supply chains.

## 44 **Disconnect and Divide**

Russia's growing presence in the Indo-Pacific and why China accepts it.

## 48 **Does Russia's Future Include China?**

The likely scenarios and their consequences.

## 56 **Understanding the CCP Threat**

National security expert David Maxwell exposes Chinese Communist Party tactics for gaining influence.



# departments

## 4 Indo-Pacific View

## 5 Contributors

## 6 Across the Region

News from the Indo-Pacific.

## 8 Terrorist Update

Ex-businessman facing murder charges in Mumbai terror attack.

## 62 Culture & Custom

Indonesian choreographers provide digital stage for dancers.

## 64 World Horizons

UAE launches first Arab mission to Mars; EU to surpass 2030 renewable energy goal.

## 66 Contemplations

Islands can adapt to changing conditions, study finds.

## 67 Parting Shot

66



### ABOUT THE COVER:

This cover illustration uses the imagery of the Great Wall of China to convey the ramifications of the People's Republic of China's virtual and real-world attempts to influence and interfere.

FORUM ILLUSTRATION



Dear Readers,

Welcome to *Indo-Pacific Defense FORUM*'s issue on influence and interference.

This edition explores the web of influence activities conducted by nations across the Indo-Pacific in this era of Great Power Competition. Distinguishing between beneficial and detrimental forms of influence — and knowing when the latter crosses the threshold of interference — are key to

ensuring a Free and Open Indo-Pacific and the security and prosperity of the region.

Interference occurs when nations conduct covert, deceptive, and coercive activities to affect other nations' economic, political, and civil processes to erode regional security and stability. Technologies, such as applications for surveillance and control, increasingly factor into influence and interference operations. We must work together with our allies and partners to counter unacceptable forms of foreign influence and interference that infringe on national sovereignty.

In this issue, *FORUM* probes the Chinese Communist Party's (CCP's) engagement in influence and interference operations that harm the region and the world. The opening article reveals how CCP officials and their proxies are filling key leadership positions in international organizations to garner more support for the CCP's agenda. Complementary articles investigate how the CCP's campaigns to control the global narrative are backfiring, causing targeted audiences to question the party's credibility, and why Hollywood filmmakers face pressure to portray the CCP in a positive light.

This edition also offers solutions to curtail CCP aggression and assertiveness in its influence operations and beyond. Researchers Ashley Townshend and Dr. David Santoro explore how regional deterrence and countercoercion efforts are strengthened by enhanced cooperation between Australia, the U.S. and other like-minded partners. We also look at how Indo-Pacific nations are moving away from their heavy reliance on Chinese supply chains to build resiliency when responding to future crises (such as pandemics).

I hope these articles energize the regional conversations on influence and interference, and I welcome your feedback. Please contact the *FORUM* staff at [ipdf@ipdefenseforum.com](mailto:ipdf@ipdefenseforum.com) to share your thoughts.

All the best,

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## IPD FORUM

### Influence and Interference

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**DR. DAVID SANTORO** is vice president and director for nuclear policy at Pacific Forum and co-chair of the U.S.-Australia Indo-Pacific Deterrence Dialogue. He specializes in strategic and deterrence issues, as well as nonproliferation and nuclear security, focusing on the Indo-Pacific and Europe. Santoro previously worked on nuclear policy issues in Australia, Canada, France and the United Kingdom. In 2010, he was a visiting research fellow at New York University's Center on International Cooperation, and in 2010-2011, he was a Stanton Nuclear Security Fellow at the International Institute for Strategic Studies in London. *Featured on Page 16*



**DR. SHALE HOROWITZ** is a professor in the Department of Political Science at the University of Wisconsin-Milwaukee. His research has examined international and ethnic conflict, with an emphasis on East and South Asia and the post-communist world; the politics of international trade and finance; and the politics of market transition and institutional change in post-communist countries and East Asia. He has conducted research in China, India, South Korea, Taiwan and many countries of Eastern Europe and the former Soviet Union. His current research interests include the causes and consequences of foreign and domestic policy change in China. *Featured on Page 36*



**DR. ALEXANDER KOROLEV** is a senior lecturer in politics and international relations at the University of New South Wales in Sydney. Previously, he was an assistant professor of political science in the School of Asian Studies at the National Research University Higher School of Economics in Moscow and a research fellow in the Centre on Asia and Globalisation at the National University Singapore, Lee Kuan Yew School of Public Policy. He received a master's degree in international relations from Nankai University, Zhou Enlai School of Government, and a doctorate in political science from the Chinese University of Hong Kong. His research interests include international relations theory and comparative politics with special reference to China and Russia; and China-Russia-U.S. relations in East and Southeast Asia. *Featured on Page 44*



**DR. DREW NINNIS** is the research and liaison advisor to the chief of the Australian Defence Force. He has worked as an intelligence analyst and in defense capability development and has taught at Australian National University (ANU). He holds a Ph.D. in philosophy from ANU and attended the George C. Marshall European Center for Security Studies' Program on Applied Security Studies in 2013. In 2019, he was a Marshall Center alumni fellow. His research interests are in the possible futures of major powers, ethics and artificial intelligence. *Featured on Page 48*



**RETIRED U.S. ARMY COL. DAVID MAXWELL** served 30 years in the U.S. Army, retiring in 2011 as a Special Forces colonel. For his final assignment, Maxwell served on the military faculty teaching national security strategy at the National War College. He specializes in China, military and political power, North Korea and U.S. defense policy and strategy. He served in various command and staff assignments in the infantry in Germany and South Korea, as well as in Special Forces at Fort Lewis, Washington; Seoul, South Korea; Okinawa, Japan; and the Philippines, with total service in the Indo-Pacific of more than 20 years. *Featured on Page 56*

## Join the Discussion

### WE WANT TO HEAR FROM YOU!

*Indo-Pacific Defense FORUM* caters to military and security personnel in the Indo-Pacific region. A product of U.S. Indo-Pacific Command, the quarterly magazine provides high-quality, in-depth content on topics that impact security efforts across the region – from counterterrorism to international cooperation and natural disasters.

*FORUM* provokes thoughtful discussions and encourages a healthy exchange of ideas. Submit articles, pictures, topics for discussion or other comments to us online or at:

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INDIA

## *Curbing sales of* **CHINESE PRODUCTS TO GOVERNMENT**

**A**mid calls for a boycott of Chinese goods after a border clash in June 2020 left 20 Indian Soldiers dead, India's government instructed sellers to declare the country of origin for goods and services purchased via a state-run online portal. (Pictured: An Indian journalist holds a placard calling for a boycott of Chinese products during a protest in New Delhi on June 30, 2020).

The government announced the change in requirements for users of its Government e-Marketplace portal in a June statement. It did not single out the People's Republic of China (PRC), but an official source said the main objective was to identify items coming from the PRC.

Separately, the portal will provide a "Make in India" filter so the government or its agencies could choose to buy only those products that meet the minimum 50% local content criteria, the statement said.

Welcoming the decision, the industry chambers, pressure groups close to Prime Minister Narendra Modi's party, asked the government to extend the new rules to private online platforms.

The economic wing of the Rashtriya

Swayamsevak Sangh, the guiding body of the ruling Bharatiya Janata Party, said the late June 2020 move would help curb Chinese imports and should be applied to other entities such as Amazon.

"The government should extend the rules to all platforms so that consumers get a choice not to buy Chinese products," said Ashwani Mahajan, co-convenor of Swadeshi Jagran Manch, an affiliate of Rashtriya Swayamsevak Sangh.

The portal, which was set up in 2016 to promote small businesses, has been misused by many companies to sell imported Chinese products such as office furniture, computers, air conditioners, auto parts and machinery, according to officials.

"The decision will encourage domestic producers, as many domestic sellers were so far importing goods from China and selling through this portal," a government source said.

India is also planning to impose higher trade barriers and raise import duties on about 300 products from the PRC and elsewhere as part of an effort to protect domestic businesses, two government officials said. Reuters





## POLL FINDS CITIZENS IDENTIFY AS NON-CHINESE

**A**bout two-thirds of Taiwan citizens don't identify as Chinese, according to a survey released in May 2020 that highlights the challenge the People's Republic of China (PRC) would face in bringing the self-governing island under its control.

The Pew Research Center found that 66% view themselves as Taiwanese, 28% as both Taiwanese and Chinese and 4% as just Chinese. The telephone poll of 1,562 people, conducted in late 2019, has a margin of error of 3.2 percentage points. (Pictured: Supporters of Taiwan President Tsai Ing-wen participate in a rally outside the Democratic Progressive Party headquarters in Taipei on January 11, 2020.)

The results are consistent with other polls showing that people in Taiwan increasingly identify only as Taiwanese, Pew said.

Younger generations, in particular, have developed a distinct identity, with 83% of respondents under 30 saying they don't consider themselves Chinese.

Alexander Huang, a professor at Tamkang University in Taiwan, said it is a question of politics, not ethnic background. Younger Taiwan citizens grew up in a democracy, while the PRC is a one-party state. Another factor, Huang said, is the diplomatic pressure the PRC puts on Taiwan and the military exercises it conducts in Taiwan's vicinity.

"We are ethnic Chinese for sure. But politically, I think that's the big difference," he said. "It is quite understandable that people don't want to be identified as Chinese."

In addition, about 2.3% of Taiwan's people are members of Indigenous groups who are not ethnically Chinese.

The PRC still considers the island of 23.6 million people part of its territory and bristles at any talk of independence. It favors peaceful unification but pointedly does not rule out the use of force.

The Pew survey found that about 60% of Taiwan citizens have an unfavorable view of China. While 52% support closer economic ties with China, only 36% favor closer political ties.

Conversely, more than two-thirds have a favorable view of the United States, with 79% supporting closer political ties. The Associated Press

PALAU

## U.S. WELCOME TO BUILD MILITARY BASES AMID PRC'S INFLUENCE PUSH

**T**he tiny Pacific nation of Palau has urged the United States to build military bases on its territory, which lies in a region where Washington is pushing back against growing influence attempts by the People's Republic of China (PRC).

U.S. Defense Secretary Mark Esper visited the island nation in September 2020 and accused the PRC of "ongoing destabilizing activities" in the Indo-Pacific.

Palauan President Thomas Remengesau told Esper that the U.S. military was welcome to build facilities in his country, an archipelago about 1,500 kilometers east of the Philippines.

"Palau's request to the U.S. military remains simple — build joint-use facilities, then come and use them regularly," he said in a letter to the U.S. defense chief.

The note said the nation of 22,000 was open to hosting land bases, port facilities and airfields. Remengesau also suggested a U.S. Coast Guard presence in Palau to help patrol its vast marine reserve, which is difficult for the nation to monitor. While Palau is an independent nation, it has no military, and the U.S. is responsible for its defense under an agreement called the Compact of Free Association.

Under the deal, the U.S. military has access to the islands, although it has no troops permanently stationed there.

"We should use the mechanisms of the Compact to establish a regular U.S. military presence in Palau," Remengesau said, adding that bases would increase U.S. military preparedness and help the local economy, which is struggling as the COVID-19 pandemic has halted tourism, its main industry.

In addition to its close U.S. ties, Palau is one of Taiwan's four allies in the Pacific.

The Chinese Communist Party, which sees Taiwan as part of its territory, has tried to win over Taipei's allies in the Pacific, persuading the Solomon Islands and Kiribati to switch sides in 2019.

Palau has refused, prompting the PRC to effectively ban Chinese tourists from visiting the island in 2018.

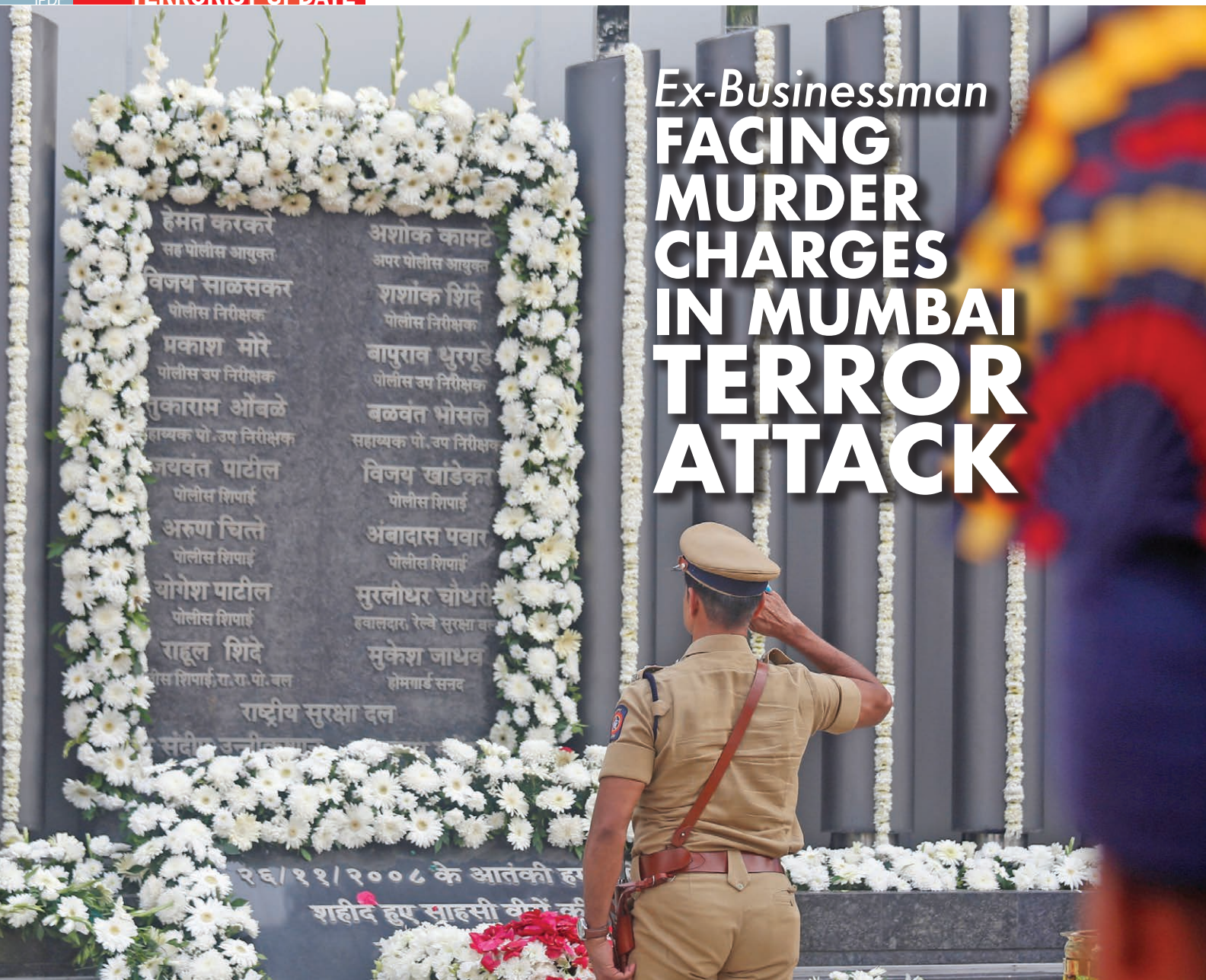
"It would appear that President Remengesau sees this, in part, as a potential economic solution to counter Palau's significant dependence on tourism — including Chinese tourism," said Anna Powles, an expert in Pacific security at New Zealand's Massey University.

While not naming the PRC, Remengesau told Esper that "destabilizing actors have already stepped forward to take advantage" of the virus-related economic crises that small island nations are experiencing. Agence France-Presse





# Ex-Businessman FACING MURDER CHARGES IN MUMBAI TERROR ATTACK



THE ASSOCIATED PRESS

**A** former businessman imprisoned for aiding terrorist groups was arrested in the United States in June 2020 to face murder charges in India over the 2008 Mumbai terror attacks that killed more than 160 people, U.S. prosecutors said.

Tahawwur Rana, a Pakistani-born Canadian, has been charged in India with conspiring to plot and carry out the deadly attacks that are sometimes referred to as India's 9/11.

Rana, 59, was convicted nine years ago of a terrorist charge connected to the group behind the Mumbai slayings, though U.S. prosecutors failed to prove he directly supported the four-day rampage.

Rana was serving a 14-year sentence when he was granted early release from a Los Angeles

federal prison in June 2020 because of poor health and a bout of coronavirus. He never got out of prison before being arrested to face extradition to India, prosecutors said.

He has been charged with murder and murder conspiracy in India, according to court documents.

Rana was convicted in Chicago in 2011 of providing material support to the Pakistani terror group Lashkar-e-Taiba, which planned the India attack, and for supporting a plot to attack a Danish newspaper that printed cartoons of the Prophet Muhammad in 2005. The cartoons angered many Muslims because pictures of the prophet are prohibited in Islam. The plot was never carried out.

Jurors cleared Rana of a more serious charge of providing support for the attacks in Mumbai,





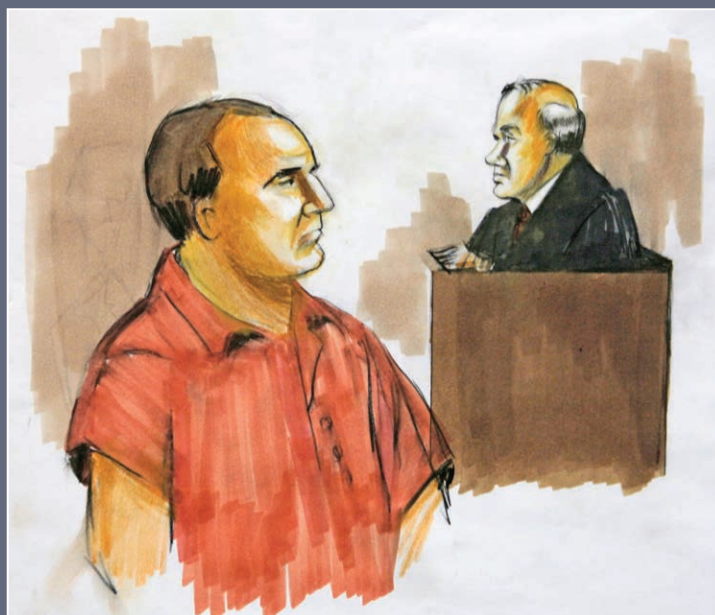
A police officer pays his respects at a memorial honoring officers who died during the November 26, 2008, attacks in Mumbai, India.

REUTERS



Ex-businessman Tahawwur Rana, shown during a 2010 U.S. court appearance, faces murder charges in India over the 2008 Mumbai terror attacks.

THE ASSOCIATED PRESS



David Coleman Headley, shown during a 2009 U.S. court appearance, is serving 35 years in prison after pleading guilty to conspiracy to murder in the 2008 terror attacks.

THE ASSOCIATED PRESS

India's largest city, that killed 166, injured nearly 240 and caused U.S. \$1.5 billion in damage.

Rana's lawyer said at trial that his client had been duped by his high school buddy David Coleman Headley, an admitted terrorist who plotted the Mumbai attacks. The defense called Headley, the government's chief witness who testified to avoid the death penalty, a habitual liar and manipulator.

Rana was accused of allowing Headley to open a branch of his Chicago-based immigration law business in Mumbai as a cover story and to travel as a representative of the company in Denmark.

Prosecutors said Rana knew Headley had trained as a terrorist. Headley shared information of the scouting missions he conducted in Mumbai and of the Taj Mahal Palace hotel, where gunmen later

slaughtered dozens of people.

Headley, who was born in the U.S. to a Pakistani father and American mother, said his hatred of India dated to his childhood when his school in Pakistan was bombed by Indian military planes during a war between the countries in 1971.

Headley did not take part in the Mumbai attacks but told Rana months later that he was "even with the Indians now," according to a court document. Rana said they deserved it.

Headley pleaded guilty to conspiracy to murder and was sentenced to 35 years in prison. As part of his plea deal, he can't be extradited to India.

Only one of the 10 Mumbai terrorists survived the attack and went on trial. He was convicted, sentenced to death in India and hanged.



# SHAPING THE NARRATIVE



## Beijing Furthers Party Agenda by Influencing Global Bodies

FORUM STAFF |

**W**ith the world watching, a global health organization deferred to political pressure from the Chinese Communist Party (CCP), as Chinese officials tried to obscure the genesis of a worldwide pandemic while keeping their political opponents in check. World Health Organization (WHO) officials lavished public praise on the People's Republic of China (PRC) for its transparency in fighting the coronavirus while privately complaining about Beijing's refusal to hand over data after the disease was first detected in Wuhan, China. WHO officials even lambasted countries for imposing travel bans on Chinese citizens.

It's a pattern playing out across a wide spectrum of sensitive areas of global governance and industry. Chinese officials or their proxies take over leadership positions in international organizations — from civil aviation and telecommunications to human rights bodies — and steer the agencies into supporting the CCP's often corrupt agenda.

"Beijing has never been shy about using every tool in its toolkit to pursue its agenda, and global organizations play an important role in that objective," Daniel Wagner, chief executive officer at Country Risk Solutions, told *FORUM*. Wagner, a widely published author on public affairs issues who has worked in risk management in the Indo-Pacific, summed up the PRC's

goals: "Beijing is in the process of creating an alternative world order based on its unique world view, which sees Chinese interest as paramount. The danger is that these institutions become hijacked without even understanding what Beijing is doing, based on gaps and inconsistencies in their operating regulations."

### Viral Video, Rising Alarm

Although Taiwan is viewed as having achieved great success in stopping the spread of COVID-19, it remains locked out of WHO membership due to the agency's relationship with the PRC. The extent of the PRC's influence over WHO went viral in March 2020 when a top WHO official not only avoided a reporter's questions about Taiwan but even hung up on her when she persisted. Video of the incident elicited worldwide criticism of the agency.

By mid-July 2020, Taiwan's population of nearly 24 million had recorded 455 COVID-19 cases and seven deaths. Taiwan officials argued they should not

Taiwan Health Minister Chen Shih-chung, far right, parliament members and activists conduct a news conference in May 2020 about Taiwan's efforts to get into the World Health Organization.

REUTERS





be left out of the pandemic discussion when they had pertinent information to share. Taiwan health officials had emailed WHO on December 31, 2019, asking for more information about “atypical pneumonia cases.” Getting no response, Taiwan instituted health screenings that day for all flights from Wuhan and charged ahead with protecting its citizens. On January 26, 2020, Taiwan became the first territory to ban inbound flights from Wuhan. Besides quarantining travelers early in the spread of the disease, Taiwan’s COVID-19 measures included closely monitoring people in quarantine.

“We hope through the test of this epidemic the WHO can recognize clearly that epidemics do not have national borders. No one place should be left out because any place that is left out could become a loophole. ... Any place’s strength shouldn’t be neglected so that it can make contributions to the world,” Taiwan Health Minister Chen Shih-chung said at a news conference, the BBC reported.

Unlike many neighboring countries, Taiwan achieved a five-month streak from mid-April 2020 to mid-September 2020 of having no locally transmitted coronavirus cases, reported the online magazine *The Diplomat*. Every

positive case after April 12 was either imported from a person traveling abroad who tested positive during a mandatory 14-day quarantine or from a cluster aboard a Taiwan Navy ship returning from a goodwill mission to Palau, *The Diplomat* reported.

Questions concerning WHO’s response to the pandemic run much deeper, however, than its exclusion of Taiwan. An investigation by *The Associated Press* (AP) revealed that while WHO officials praised the PRC throughout January 2020 for its speedy public health response and for sharing the genetic map of the virus “immediately,” officials inside the agency were privately complaining that they were not getting timely medical data. Chinese officials refused to release the genetic map of the deadly virus for more than a week after multiple government labs had fully decoded it and did not share details necessary for designing tests and vaccines. Records obtained by AP show that WHO officials were frustrated that the PRC was stonewalling at a time when the outbreak could have been slowed.

“We’re currently at the stage where yes, they’re giving it to us 15 minutes before it appears on CCTV,” WHO’s top official in China, Dr. Gauden Galea, said in one meeting,

**Residents of Wuhan, China, wear face masks as they line up for coronavirus testing. Critics say People’s Republic of China officials initially withheld details of how severe the Wuhan outbreak had become.** REUTERS





## International Influence

The People's Republic of China has assumed leadership roles in dozens of global governing bodies. Here are some of the most influential posts held by Chinese leaders.

### Houlin Zhao

#### SECRETARY-GENERAL, INTERNATIONAL TELECOMMUNICATION UNION (ITU)

Houlin Zhao was elected to head the ITU in October 2014 with a four-year term that started in January 2015. He was reelected in November 2018 and began his second four-year term in January 2019. He is the first Chinese national to lead the ITU, a specialized agency of the United Nations. Before joining the agency, he served as an engineer in the Design Institute of the former Chinese Ministry of Posts and Telecommunications.



### Fang Liu

#### SECRETARY-GENERAL, INTERNATIONAL CIVIL AVIATION ORGANIZATION (ICAO)

Fang Liu began her first term as secretary-general of ICAO, an agency of the United Nations, in August 2015 and was reappointed for a second three-year term that lasts until July 2021. Prior to her appointment, she served for eight years as the director of ICAO's Bureau of Administration and Services. Before that, she spent 20 years serving in government civil aviation posts in the People's Republic of China.



**Tedros Adhanom Ghebreyesus, director-general of the World Health Organization, wears a mask after leaving a ceremony in Geneva in June 2020. Tedros has come under fire for his agency's response to the COVID-19 pandemic.** AFP/GETTY IMAGES

referring to the state-owned China Central Television.

The WHO didn't declare COVID-19 a global emergency until January 30, 2020, during a meeting in which WHO Director-General Tedros Adhanom Ghebreyesus of Ethiopia profusely thanked the PRC for its cooperation. "We should have actually expressed our respect and gratitude to China for what it's doing," he said, according to an AP report. "It has already done incredible things to limit the transmission of the virus to other countries."

Tedros won the election to lead WHO in 2017 over a candidate from the United Kingdom because of fierce lobbying by Beijing and about 50 African states. Tedros worked closely with the PRC when he was Ethiopia's health minister during a time when his country was borrowing billions from the PRC. Many analysts suggested that he acted as a PRC proxy after becoming head of WHO. Just months after taking the helm, he named former Zimbabwe dictator Robert Mugabe, a notorious human rights violator, a goodwill ambassador. He only backed down after an international uproar ensued.

"Diplomats said [Mugabe's] appointment was a political payoff from Tedros Adhanom Ghebreyesus — the WHO's first African director-general — to the PRC, a longtime ally of Mugabe, and the 50 or so African states that helped to secure Tedros' election earlier this year," columnist Rebecca Myers wrote in the U.K.'s *The Sunday Times* newspaper in October 2017.

The WHO's perceived deference to Beijing during the spread of COVID-19 was not without consequence. The United States suspended payments to the health organization for 60 days in April 2020 pending an investigation into what officials called an information cover-up and crisis mismanagement. The U.S. formally withdrew from the health body in early July 2020. The World Health Assembly in May 2020 approved an independent review of the WHO-coordinated virus response, including the source of the virus and how it was transmitted to humans.



## Global Effort

The PRC's ability to ascend to leadership positions in global bodies is key to furthering CCP narratives, Wagner said. In many cases, it exercises an outsized influence compared with its financial investments. "Although Beijing does not have the same level of shareholding in most multilateral organizations that the U.S., Japan and some European nations do, it has used its membership in these organizations to make up for the difference through enhanced influence," Wagner said. "For example, it leads four subdivisions of the U.N. [more than any other member country] and wields a lot of influence in the decision-making process at the multilateral development banks — far beyond what its shareholding would dictate."

The PRC holds leadership positions in dozens of international governing bodies and owns the top positions in the U.N.'s International Telecommunication Union, the International Civil Aviation Organization, the Industrial Development Organization and the Food and Agriculture Organization.

The WHO debate, Wagner explained, is an example of Beijing's influence being far greater than its investment. Public data shows that at the end of 2019, the PRC contributed U.S. \$86 million to WHO while the U.S. contributed 10 times that much: U.S. \$893 million. Still, Beijing's influence over the agency is pervasive. "The world's countries recognize Beijing's growing importance economically, politically and diplomatically, so that enables Beijing to punch far above its weight," Wagner said.

## Alternate Narrative

When it comes to potential human rights violations, the PRC has been able to create a new storyline about its treatment of the Uighur Muslims it locks up in so-called reeducation camps. Its influence came into sharp focus in July 2019 when Beijing used its political and economic clout to affect the impartiality of a U.N. body. Thirty-seven ambassadors, mostly from Africa and the Middle East, wrote a letter to the U.N. Human Rights Council (UNHRC) giving positive reviews of the PRC's treatment of Uighurs, despite the fact that many countries have criticized Beijing for mass incarceration — up to 1 million Uighurs have been held — and for trying to destroy the detainees' indigenous culture and religious beliefs.

The letter, addressed to the president of the Geneva-based council and the Office of the U.N. High Commissioner for Human Rights, said China's counterterrorism and deradicalization efforts were a success. Twenty-two nations, mostly Western, signed a letter days earlier urging the world body to investigate Beijing's human rights violations in the Xinjiang region. "If [people] continue to tolerate and connive China's infiltration into the UNHRC,

**"The world's countries recognize Beijing's growing importance economically, politically and diplomatically, so that enables Beijing to punch far above its weight."**

*~ Daniel Wagner, chief executive officer  
at Country Risk Solutions*

## Yong Li

**DIRECTOR-GENERAL,  
UNITED NATIONS  
INDUSTRIAL  
DEVELOPMENT  
ORGANIZATION (UNIDO)**



Yong Li has served as the director-general of UNIDO since June 2013. Previously, he was vice minister of the People's Republic of China's Ministry of Finance and was a member of the Monetary Policy Committee of the People's Bank of China from 2003-13. While there, he was involved in coordinating fiscal, monetary and industrial policies to support economic growth.

## Qu Dongyu

**DIRECTOR-GENERAL,  
FOOD AND AGRICULTURE  
ORGANIZATION (FAO)**



Qu Dongyu became director-general of FAO, a United Nations agency, in August 2019. Earlier, he served as the vice minister of agriculture and rural affairs in the PRC. He previously served as vice governor of the Ningxia Hui Autonomous Region from 2008 to 2011.





Beijing used its lobbying power within the United Nations to paint possible human rights violations at reeducation camps as counterterrorism work. This camp is in China's northwestern Xinjiang region. AFP/GETTY IMAGES

## Meng Hongwei

### FORMER PRESIDENT, INTERPOL

Meng Hongwei became the first Chinese national to head the France-based international police organization Interpol in 2016. He went missing from Interpol in September 2018 after departing for a trip to China. The cause of his disappearance soon became clear: Chinese authorities had detained him on corruption charges. In January 2020, Meng received a 13½-year prison sentence for taking more than U.S. \$2 million in bribes between 2005 and 2017. Prior to his election as Interpol president, he was the People's Republic of China's vice minister of public security.



## Liqun Jin

### PRESIDENT AND CHAIRMAN, ASIAN INFRASTRUCTURE INVESTMENT BANK (AIIB)

Liqun Jin is the inaugural president and chairman of the AIIB board of directors. Previously, he served as secretary-general of the AIIB Multilateral Interim Secretariat. He also has served as chairman of China International Capital Corp. Ltd., the People's Republic of China's first joint-venture investment bank.



people will have to be doubtful if the council can still truly remain impartial," said Dilxat Raxit, spokesman for the exile World Uighur Congress, according to Voice of America.

## Industry Influence

PRC observers note that narrative shaping by the CCP extends far beyond health and human rights issues. "China has employed its sway within the International Civil Aviation Organization, including the presence of Chinese nationals in key leadership positions, to marginalize Taiwan by denying it permission to attend meetings," wrote Hal Brands, a Henry A. Kissinger distinguished professor of global affairs at the Johns Hopkins School of Advanced International Studies. Brands, in an opinion piece for Bloomberg, also pointed out that after a former Chinese official was elected secretary-general of the U.N. International Telecommunication Union in 2014, that organization became far friendlier to Beijing's Digital Silk Road project, which is meant to dominate the world's advanced telecommunications networks and make the internet more conducive to authoritarian control.

The PRC's three state-owned wireless carriers, China Mobile, China Unicorn and China Telecom, unveiled 5G subscription packages in October 2019. The wireless carriers advertised that they would charge customers for speed rather than data use, promising to unleash a technological revolution in which internet subscribers would pay only U.S. \$45 per month.

Many scholars who study the PRC's attempts to become a telecommunications juggernaut see something more sinister afoot than cheap, speedy internet. The PRC's telecommunications and cyber goals are "openly geopolitical in nature," wrote Dr. John Hemmings, an associate professor at the Daniel K. Inouye Asia-Pacific Center for Security Studies. In his March 2020 article for *The National Interest* magazine, Hemmings said Beijing's expanding digital infrastructure projects across Europe and the Indo-Pacific will have "real-world effects on the people who live within such systems, impacting systems of governance and state power over data."

It's not the infrastructure alone that is worrisome,





**Police officers in Luoyang, China, display their smart glasses powered by artificial intelligence. Some experts fear the People's Republic of China could export surveillance technology through its participation in international governing bodies.**

REUTERS

Hemmings said, but the training the PRC exports with it. Beijing is selling cities worldwide on its so-called Smart Cities technology. Built upon 5G networks, the technology integrates disparate information from different sources to “create a centralized data-exchange platform critical to day-to-day operations” of everything from industrial manufacturers and energy companies to government security systems, Hemmings wrote. “The premise is that a better-integrated and effectively operated city boosts economic activity and promotes sustainable growth into the future, a promising technology for many municipalities in South Asia where population growth is creating fast-growing new cities,” he said.

Beijing exports its values, too. It is training future users of the technology on how to handle big data on “public opinion management,” according to a 2018 Freedom House report. The Chinese telecommunications company ZTE, for example, helped Venezuela conduct surveillance on its citizens and control the population through a smart ID card system. The cards are linked to Chinese satellites and store location data, financial information, banking transactions and even voting records. “The government uses the cards to control access to public benefits,” Hemmings wrote.

## Words of Warning

For decades, leaders in the U.S. and other Western powers tried to persuade a reticent Beijing to participate in international organizations with the idea that by socializing the PRC into the patterns of responsible governance, Chinese officials would realize they could thrive in such a system, Brands wrote. The approach had

merit in the early stages. A country that once steered clear of international bodies became one of the largest contributors to U.N. peacekeeping missions. When Beijing found itself under attack in the U.N. after the Tiananmen Square massacre in 1989, however, it began to see its role in such bodies as one of protecting the dominance of the CCP at home and projecting the party’s influence abroad, Brands wrote.

Brands told *FORUM* that Beijing has used its roles in the U.N. Human Rights Council and other key agencies to do two things: “First, to shield Beijing from scrutiny of its own abuses at home; and second, encouraging the promotion of perverse concepts of human rights that emphasize ‘social harmony’ and the sovereignty of authoritarian states. That is both a defensive maneuver, meant to prevent interference in China’s domestic affairs, and an offensive maneuver, meant to make the world more conducive to the spread of illiberal ideas,” he said.

Allowing Beijing to achieve these goals could come with high costs. “The United States and its democratic allies have long worked to shape a global environment where democracy is the most prevalent and strongest form of government and human rights are widely respected,” he said. “If Beijing is successful in promoting the spread of its own, illiberal norms, it would create a world in which American conceptions of human rights are weakened, democracy is less prevalent, and authoritarianism is on the ascent.” □



*Operationalizing*  
**DETERRENCE**  
*in the*  
**INDO-PACIFIC**





# *Dampening Chinese assertiveness through strong alliances among Australia, the U.S. and like-minded countries*

ASHLEY TOWNSEND AND DR. DAVID SANTORO

In an increasingly contested Indo-Pacific, Australia, the United States and their regional allies and partners face myriad strategic challenges that cut across every level of the competitive space. Driven by the People's Republic of China's (PRC's) use of multidimensional coercion in pursuit of its aim to displace the U.S. as the region's dominant power, a new era of strategic competition is unfolding. At stake is the stability and character of the Indo-Pacific order, founded on U.S. power and long-standing rules and norms, all of which are increasingly uncertain.

The challenges that Beijing poses to the region operate over multiple domains and are prosecuted by the Chinese Communist Party (CCP) through a whole-of-nation strategy. In the gray zone between peace and war, tactics such as economic coercion, foreign interference, the use of civil militias along with political warfare have become Beijing's tools of choice for pursuing incremental shifts to the geostrategic status quo. These efforts are compounded by the CCP's rapidly growing conventional military power and the PRC's expanding footprint in the Indo-Pacific. All of this is taking place under the lengthening shadow of Beijing's nuclear modernization and its bid for new competitive advantages in emerging strategic technologies.

Strengthening regional deterrence, defense and countercoercion in light of these challenges will require Australia and the U.S. — working independently, together and with their like-minded partners — to develop more integrated strategies for the Indo-Pacific region and novel ways to operationalize the alliance in support of these objectives. There is widespread support for this agenda in Canberra and Washington.

Forging greater coordination on deterrence strategy within the U.S.-Australia alliance, however, is no easy task. Although Canberra and Washington have overlapping strategic objectives, their interests and threat perceptions regarding the PRC are by no means symmetrical. Each has different capabilities, policy priorities and tolerance for accepting costs and risks. Efforts to operationalize deterrence must proceed incrementally and be based on robust alliance dialogue.

## **BOLSTERING CONTRIBUTIONS**

Australia and the U.S. need to bolster their contributions to deterrence and defense in an increasingly contested Indo-Pacific. Developing integrated and combined approaches to deterring gray-zone coercion, political warfare, economic leverage, military threats and nuclear pressure should be a top priority for the alliance.

The CCP's willingness to use coercion in pursuit of regional dominance places it in competition with Indo-Pacific countries that want to preserve a strategic order in which all nations are free to exercise their sovereignty.



**Members of the Royal Australian Air Force, U.S. Air Force and Japan Air Self-Defense Force participate in a simulated live-fire during Defender Pacific 20-1 at the Pacific Regional Training Center near Andersen Air Force Base, Guam. STAFF SGT. ZADE VADNAIS/U.S. AIR FORCE**

This contest plays out in multiple domains, with the CCP using influence campaigns, information operations and other forms of political warfare at the low end; gray-zone tactics, economic leverage, cyber attacks and coercive statecraft at the midlevel; and conventional military threats and the specter of strategic-nuclear escalation at the high end. Its underlying approach is to combine these vectors of coercion to incrementally transform the geostrategic status quo to its advantage.



*Upholding a favorable balance of power in the Indo-Pacific will increasingly depend on the ability of the U.S. and its allies to coordinate conventional armed forces around shared deterrence objectives.*

Any effective strategy by Australia or the U.S. to deter Chinese coercion must operate across this same spectrum of competition. Denying the CCP the ability to gain or wield coercive leverage cheaply — by building domestic resilience, strengthening physical and legislative defenses and issuing credible deterrence threats — is the surest way to give Chinese policymakers reason to pause. This, however, raises difficult decisions for governments about their interests, redlines and willingness to accept costs and risks.

There is a broad agreement that Canberra and Washington need to accept greater risks and take the initiative to deter Chinese gray-zone coercion. This involves understanding and anticipating how Beijing builds influence to acquire nonmilitary leverage and the willingness to take steps that neutralize or flip this dynamic. To achieve the latter, allies could consider more attribution of CCP gray-zone actions, targeted bans or indictments for malign actors and the use of countervailing gray-zone operations.

Upholding a favorable balance of power in the Indo-Pacific will increasingly depend on the ability of the U.S. and its allies to coordinate conventional armed forces around shared deterrence objectives. Australia and the U.S. should gradually pursue collective deterrence goals by co-developing warfighting concepts, enhancing

technological development and experimentation, and advancing combined capability, interoperability and force posture objectives.

It remains unclear whether strategic competition with the PRC should be understood as a contest between spheres of influence or a search for a favorable balance of power. Although there is a growing rhetorical consensus that, in contrast to the Cold War, Washington will not grant Beijing preferential control over its immediate periphery, the establishment of a de facto Chinese sphere of influence remains a possibility. Preventing this outcome must proceed in ways that do not undercut the broader regional appeal of the U.S., which is a function of its long-standing support for stability, rules, institutions and order.

#### **DETECTING AND DEFENDING AGAINST GRAY-ZONE COERCION**

The CCP's gray-zone coercion is the day-to-day reality of strategic competition in the Indo-Pacific. As a contemporary form of political warfare, gray-zone coercion is characterized by the PRC's pursuit of incremental shifts in the regional equilibrium to create geostrategic advantages over time. While the PRC's tactics are by no means new — broadly involving a mix of nonmilitary coercion, corruption and covert influence



Japan Self-Defense Forces in assault amphibious vehicles come ashore in Bowen, Australia, during Exercise Talisman Sabre 2019, the largest exercise conducted by the Australian Defence Force with all four services of the U.S. Armed Forces.



activity — the transformative connections of globalization have exposed the soft underbelly of liberal democracies, magnifying the reach and impact of gray-zone conduct. This disproportionately benefits authoritarian regimes like the CCP that are hardly inhibited by legal or ethical constraints, and better able to mobilize whole-of-nation resources to exploit the new vectors of coercion and influence that globalization has opened.

With regard to countering gray-zone coercion, however, there is no consensus on whether or how best to apply a framework of deterrence. Many contend that the fluid, persistent, and cross-cutting nature of the CCP's activities make risk reduction and resilience-building more appropriate approaches than deterrence or defense. Others argue that deterrence by denial is a useful framework for developing strategies to counter various types of gray-zone coercion. Not only does the logic of denial incorporate efforts to bolster defenses by mitigating risk and building resilience, it also provides a strategic rationale by which the U.S. and Australia can work to deter gray-zone coercion — or its more egregious forms — by threatening to respond or impose costs in predetermined ways.

Notwithstanding these different schools of thought, there is broad agreement that Canberra and Washington need to focus on the following to deter gray-zone coercion: Be willing to accept costs and risks; be more proactive; strengthen a whole-of-society approach; and develop an allied approach alongside other regional actors.

Deterring Chinese gray-zone coercion entails political costs and risks that Australia and the U.S. must be willing to bear and sustain. Measures to strengthen domestic resilience — such as laws criminalizing covert foreign interference, screening of foreign direct investment and efforts to reduce economic dependence on the PRC — could be financially and politically costly in the short-term, and involve a process of legislation, regulation and public awareness that may well be exploited by Beijing to stir opposition. Measures to call out Chinese actions and/or impose costs — such as attributing cyber attacks, enacting sanctions or adopting countervailing gray-zone tactics — will be even more risky for governments. Clearly defining core interests, redlines and preferred courses of action ahead of time will assist Australia and the U.S. to prepare for these inevitable burdens. These efforts must be accompanied by frank public conversations and signaling to strengthen domestic support. Legitimacy is the most important advantage that democracies hold over authoritarian systems, so Australia and the U.S. must ensure that counter gray-zone strategies are rooted in liberal norms and, at a minimum, do not damage the democratic spaces — such as the media, civil society and political institutions — where political warfare typically takes place.

The U.S. and Australia also need to adopt a more proactive stance that will allow them to take the initiative in deterring PRC gray-zone coercion. Until recently,

both have been too focused on countering the gray-zone problem by responding to actions after the fact. This has ceded momentum to Beijing and forced Canberra and Washington into a reactive posture that is ill-equipped to deal with the dynamic nature of the challenge. Moving to a more proactive stance involves understanding and anticipating how Beijing builds influence to acquire nonmilitary points of leverage, and a willingness to take concrete steps to neutralize or flip this dynamic on its head. Australia's decision to ban Huawei from its 5G network is one example of how states can preemptively neutralize a gray-zone threat. Flipping the dynamic to disadvantage the PRC requires shifting the burden of escalation back on Beijing by raising the costs and risks of its undesirable activities.



**Operators from the United Kingdom and Australia run a virtual space operations center at Lockheed Martin's Center for Innovation in Suffolk, Virginia, during Global Sentinel 19.**

STAFF SGT. J.T. ARMSTRONG/U.S. AIR FORCE

A cohesive whole-of-government approach is critical to deter and counteract Chinese coercion. This, however, will likely need to be broadened to a whole-of-society approach to be effective, given the vulnerability and capabilities of the nongovernment sector. Both strategies are difficult for liberal democracies, with the latter posing especially thorny state-society challenges. Australia has had success implementing a whole-of-government approach, including reforms to the Foreign Investment Review Board's decision-making processes to account for national security considerations and interdepartmental coordination on Indo-Pacific infrastructure financing. Although there are efforts to knit together whole-of-society coalitions — for example, by fostering coordination between universities and the intelligence community on foreign interference — this will require sustained effort, new regulations and better information sharing.

Finally, Australia and the U.S. need to understand where their collective interests are under threat and pursue greater deterrence capabilities using all levers of national power within an alliance framework. This will take a determined effort. Australian and American



interests do not align seamlessly in all respects and allied perspectives on the nature, severity and implications of China's gray-zone activities often differ in critical ways. The new bilateral Indo-Pacific alliance coordination mechanism will be useful in managing these differences and focusing collective action on shared goals. More broadly, shared interests, values and a mutual commitment to the rule of law should undergird the way in which the U.S.-Australia alliance is operationalized with other like-minded partners in the Indo-Pacific. This means that efforts to engage regional nations need to go beyond simply countering PRC coercion if Canberra and Washington are to cement their position as security partners of choice.



**Royal Australian Air Force Group Capt. Mark Larter, center, commander of Cope North 20 Multi-National Task Force, shakes hands with a Japan Air Self-Defense Force Airman during humanitarian assistance/disaster relief operations at Camp Baker, Tinian, Northern Mariana Islands.** STAFF SGT. CURT BEACH/U.S. AIR FORCE

## NUCLEAR AND STRATEGIC DETERRENCE REQUIREMENTS

Even as China intensifies competition against the U.S. and its allies along a conflict spectrum, it views nuclear weapons as important shadow-casters over its activities, rather than as a tool for deterrence or conflict termination exclusively. Its strategy has paid off: Washington and its allies no longer have the decisive advantages they once enjoyed. If this trend continues, decoupling between the U.S. and its allies will become a possibility.

Because they are on the front lines of Chinese (and Russian and North Korean) coercion, U.S. allies are driving the formulation of new deterrence demands. Indo-Pacific allies have been the most vocal. Japan, for its part, insists that Washington should not accept mutual vulnerability as the basis of U.S.-China strategic relations for fear that this could embolden Beijing to act more aggressively against Tokyo. Japan has also opted to become a more proactive ally in U.S.-extended deterrence. Both Japan and South Korea have pressed the U.S. for a more NATO-like defense commitment

in Northeast Asia, even as Washington has already significantly strengthened its extended deterrence dialogues and operations with Tokyo and Seoul to give them a greater sense of enfranchisement. Australians, too, have begun to think anew about whether and how Canberra should increase its contribution to strategic deterrence. Structured, transparent and deliberate communications by U.S. Strategic Command have gone a long way toward building the current level of U.S.-Australia security and deterrence cooperation.

U.S. allies have advanced their deterrence demands and discussions within the framework of their alliances, rather than doing so outside, or in opposition to, these long-standing arrangements. This is a testament to the way they view their relationship with Washington and a function of the fact that the U.S. remains critical to their defense.

While there are various views and disagreements about the best way to respond to the new concepts and capabilities developed by China, there is consensus in Canberra and Washington that an ambitious intellectual effort is needed to reflect more deeply on these issues in an alliance context and develop effective collective responses. This should involve more collaborative, in-depth and systematic analysis of competitors' evolving warfighting strategies and theories of victory.

## OPTIMIZING THE ALLIANCE FOR COLLECTIVE DETERRENCE AND DEFENSE

There is broad agreement between Canberra and Washington that the U.S.-Australia alliance needs to bolster its contribution to collective deterrence and defense in an increasingly contested Indo-Pacific. Australian Minister of Defence Linda Reynolds encapsulated this view during a speech in Washington in November 2019 when she observed that "deterrence is a joint responsibility for a shared purpose, one that no country, even the United States, can undertake alone." Yet, realizing this objective will be an ongoing challenge as there is no consensus on what degree of alignment is needed for deterrence or what is politically feasible in each country.

Some argue that a shift toward capability aggregation and integrated policy planning for specific deterrence objectives will be required to deter Chinese adventurism, and that this should, over time, draw in other close security partners such as India, Indonesia, Japan and Singapore. Others agree that this kind of alignment sends a powerful deterrent signal, but contend that it would encounter myriad legal, operational and bureaucratic obstacles. Crucially, it would depend fundamentally on the ability of Washington and Canberra to establish common positions on thorny questions concerning risk-taking and military escalation by the CCP. As neither government wants to be locked into such decisions, both will have to approach the goal of collective deterrence in an incremental way by following the lodestars of greater cooperation, coordination and interoperability.





**The Ronald Reagan Carrier Strike Group and units from the Japan Maritime Self-Defense Force and Australian Defence Force participate in trilateral exercises supporting shared goals of peace, stability and a Free and Open Indo-Pacific in the Philippine Sea in July 2020.** PETTY OFFICER 2ND CLASS CODIE SOULE/U.S. NAVY

Any steps to enhance collective deterrence and defense in the high-end conflict spectrum will require the U.S. to read-in Australia on its military planning at a much earlier phase than it does today. This is no easy task. Despite the focus on allies in the U.S. 2018 National Defense Strategy, this kind of integration is at odds with the Pentagon's traditional preference for fielding a self-reliant joint force that operates on the basis of independent plans. It demands very high levels of diplomatic trust, deep confidence in Canberra's support and the political will to entrust Australia with key enabling, if not warfighting, roles. At the same time, it would also hinge on Canberra's willingness to elevate its involvement in U.S. military planning to the operational level, at least around certain predefined contingencies.

Moves to enhance the alliance's contribution to deterrence must involve a discussion about the appropriate division of labor among the U.S., Australia and other security partners. This requires clear decisions about roles and responsibilities and a shared understanding of the conditions under which different allies will participate in specific missions and contingencies. While all this is central to the credibility of alliance commitments to enforce shared redlines, none of these issues has received sufficient leadership focus within the U.S.-Australia alliance. Crucially, as decisions about a strategic division of labor have major implications for force structure and investment priorities, they must be considered well ahead of time.

One of the most promising ways to optimize the U.S.-Australia alliance for collective deterrence is to strengthen military interoperability and defense industry collaboration. Both allies would gain by

relaxing U.S. barriers to software transfers to enable Australian platforms to use the same military systems as their U.S. counterparts, which would ensure consistency and effectiveness on the battlefield. More specifically, steps must be taken by the U.S. Congress and U.S. State Department to remove the practical, legal and licensing restrictions that surround U.S. technology sharing and transfer practices with allies and partners. Such obstacles inhibit Australia's full incorporation into the national technology and industrial base, limiting both countries' ability to leverage each other's advanced technology sectors. To build alliance synergies for future high-end scenarios, Canberra and Washington should prioritize co-developing new concepts, lead technological experimentation and hold in-depth discussions about capability development, interoperability and regional posture.

In negotiating all the above, Australia should be a forthright ally and not hesitate to raise critical issues about the direction of the alliance or the Indo-Pacific strategic environment. Especially in a period of political uncertainty, the U.S. would welcome a greater leadership role from allies such as Australia.

In the final analysis, preventing the establishment of a Chinese sphere of influence will require Australia, the U.S. and other allies and partners to increase their commitments to defending the regional order, while accepting that they will no longer enjoy all-domain military dominance. □

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FORUM excerpted and edited this article from an April 2020 report titled "Operationalising Deterrence in the Indo-Pacific" written by Ashley Townshend and Dr. David Santoro. Their report is a joint publication by the United States Studies Centre and Pacific Forum. To access the original report in its entirety, visit: <https://www.ussc.edu.au/analysis/operationalising-deterrence-in-the-indo-pacific>



# CCP

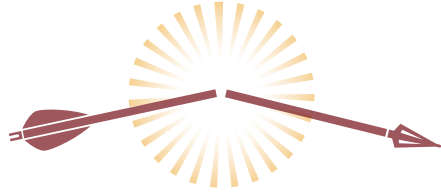
## *Backlash*

**The Chinese Communist Party's attempts to control the global narrative are increasingly backfiring, causing targeted audiences to challenge its authority**

FORUM STAFF

FORUM ILLUSTRATION





**T**he Chinese Communist Party (CCP) is waging a relentless information war against the rest of the world. Its campaigns, however, are waning in their effectiveness and increasingly fueling backlashes that diminish the party's influence.

Despite the CCP pouring billions of dollars every year into propaganda efforts across its expansive network of multimedia platforms and other influence tools, growing numbers of citizens are rejecting the party's messaging. The Chinese government's influencing failures have been widespread during the coronavirus pandemic but also frequent during events such as the 2020 elections in Taiwan and the ongoing pro-democracy demonstrations in Hong Kong.

The CCP's propaganda is backfiring in large part because reality is getting in the way. The messages and promises clash with the experience of everyday citizens, analysts say. Moreover, the CCP's core values blind the party to the belligerence and arrogance of its messaging, exposing the party's self-centered intentions. If instead the CCP's arrogance and belligerence are a deliberate attempt to show the party's superiority of will and readiness to use force, the outcome is also negative. Use of such coercive and repressive tactics only serves to undercut CCP messaging abroad and at home.

### **Confronting Coronavirus**

The coronavirus crisis opened the eyes of many around the world, especially younger generations, to the negative consequences of the People's Republic of China's (PRC's) brand of authoritarian government. When the CCP silenced whistleblowers such as Wuhan ophthalmologist Dr. Li Wenliang, who later died from COVID-19, the world saw the harm caused by restricting freedom of

speech. Clever media campaigns and cascades of messages from paid online armies and automated bots, no matter how sophisticated or massive, couldn't change the reality or the perception that the PRC government withheld the truth about the outbreak — its origin, its severity and how it spread — not only from the world but also from its people and then tried to cover up the party's malfeasance.

"In China, when doctors and journalists warn of the dangers of a new disease, the CCP silences and disappears them, and lies about death totals and the extent of the outbreak," U.S. Secretary of State Mike Pompeo said in a June 6, 2020, statement addressing the CCP's "obscene propaganda."

The coronavirus "has dispelled the myths around the Beijing consensus," Vijay Gokhale, India's former foreign secretary who retired in 2020, wrote in March 2020 on the Strat News Global website. His comments referred to the PRC's model of authoritarian rule, which promises economic growth and security yet is void of transparency, human rights concerns and democratic institutions.

"Try as the Chinese authorities might to showcase their system as having efficiently tackled a national emergency, even the remotest nation on Earth has learned about their failure," Gokhale wrote. "This time it will not be so simple to whitewash. After all, it has adversely impacted the last person on Earth."

The PRC's attempts to blame the United States and other countries for the outbreak that originated in Wuhan fueled lasting disdain. Washington forcefully repudiated PRC Foreign Ministry spokesman Zhao Lijian's suggestion in March 2020 that U.S. military personnel had brought the virus to China. Likewise, the PRC's attempts to spread rumors the virus might have originated in Europe, likely in Italy, were quickly repudiated by scientists and a

***The CCP's propaganda is backfiring in large part because reality is getting in the way. The messages and promises clash with the experience of everyday citizens.***





***Overall negative sentiment toward the PRC has increased worldwide as a result of the party's callous mismanagement of the pandemic.***

disinformation watchdog agency of the European Union, *The Washington Post* newspaper reported in April 2020.

The PRC's efforts to prop itself up as a hero in the coronavirus battle also backfired, especially after the medical and protective gear it delivered to many countries, even paying ones, were found to be faulty. The Czech Republic, the Netherlands and Spain, among other nations, had to recall defective Chinese masks and test kits. Further analysis also revealed that during the pandemic, the PRC tried to control the supply of protective gear internationally, hoarding the best equipment for itself.

The PRC's propaganda didn't stop at extolling itself, however, but cast aspersions on other countries from Europe to the Middle East to South America. "In France, the Chinese embassy posted on its website a wild accusation that French retirement homes leave old people to die," described Bloomberg columnist Andreas Kluth. "In Italy, Chinese sock puppets [fake

**A woman wearing a mask in Prague, Czech Republic, walks past a poster of Li Wenliang, a Chinese ophthalmologist who died from the coronavirus at a hospital in Wuhan. REUTERS**

online users] disseminated tales that the coronavirus had in fact originated in Europe, or doctored video clips to show Romans playing the Chinese anthem in gratitude. In Germany, Chinese diplomats (unsuccessfully) urged government officials to heap public praise on China."

The PRC's practices spurred many countries, including France, Germany, Japan, the United Kingdom and the U.S., to immediately reevaluate their dependence on the PRC for key health and security supplies, Lucrezia Poggetti, a researcher at the Mercator Institute for China Studies in Berlin, Germany, told *The Washington Post* in April 2020. "There will be a reckoning after the pandemic ends," she said. Other countries, such as the Czech Republic and India, incensed by the PRC's



"It's China's fault," the sign reads, blaming the country for being the source of the coronavirus pandemic. The sign was part of a protest in front of the Chinese consulate in Rio de Janeiro, Brazil, on May 17, 2020.

REUTERS



bungling of the coronavirus crisis, began looking to forge stronger trade relationships with Taiwan.

Overall negative sentiment toward the PRC has increased worldwide as a result of the party's callous mismanagement of the pandemic. "Anti-Chinese sentiment was already rampant in the developing world before the coronavirus, thanks to issues as varied as rising debt, aggressively hostile media and online fights, and China's mass imprisonment of Muslim Uighurs. The CCP's demonstrably poor initial response to the pandemic's outbreak has added fuel to the fire," wrote Charles Dunst, an associate at LSE IDEAS, a foreign policy think tank at the London School of Economics.

The PRC has extended loans to many countries for projects that aren't financially viable, such as the one that forced Sri Lanka in late 2017 to hand over its Hambantota port to China for 99 years.

"Djibouti, Kyrgyzstan, Laos, the Maldives, Mongolia, Pakistan and Tajikistan each owe more than 45% of their GDPs [gross domestic products] to China over Belt and Road [One Belt, One Road] projects, and are at risk of similarly ceding control of areas of interest to Beijing. For these countries, along with two dozen that owe at least 20% of their GDPs to China, the economic calamity

caused by the coronavirus poses a tangible threat to sovereignty," Dunst wrote.

African nations, which make up half of the top 50 nations most indebted to China, find themselves under similar strain from the PRC, which as of mid-2020 was slow to offer debt relief to countries struggling as a result of the PRC facilitating the spread of the virus.

### Hegemonic Blind Spot

Often, the CCP's diplomatic belligerence in its demands for absolute loyalty also sparks retribution because such campaigns offend citizens from other countries, analysts explain. For example, a music video released in mid-April 2020 to highlight the PRC's efforts to aid the Philippines during the coronavirus pandemic instead stirred widespread anger because many Filipinos interpreted it as a "veiled attempt by Beijing to reassert its claims over the whole of the South China Sea," as *The Straits Times* newspaper reported. The video appeared within days of the Philippines filing a diplomatic protest against the PRC for creating two new districts that are not internationally recognized to administer islands in the South China Sea, including expanses the Philippines claims.

"While engaging every side in full-fledged narrative



warfare may reinforce China's nationalism at home, the belligerency is antithetical to the image of a 'responsible major power' China is trying to portray and undercuts Xi's [CCP General Secretary Xi Jinping's] vision of 'building a community with a shared future for mankind,'" journalist Jo Kim explained in a commentary published in late April 2020 in *The Japan Times* newspaper.

"The CCP's compulsion with 'finding enemies and uniting the front' created the 'China-versus-all' scenario and thereby constricted partnerships. The purpose of propaganda is, after all, not to alienate the audience," Kim wrote. In its propaganda campaigns during the coronavirus pandemic, however, the CCP has publicly antagonized officials from Brazil to Iraq and Nigeria to Sri Lanka.

"As in the case of the ongoing coronavirus pandemic, Beijing's information warfare in the international arena may not be as good as it hoped. This, however, doesn't mean that the Chinese information warfare is so poor that it can be ignored," Kuni Miyake, president of the Foreign Policy Institute and research director at the Canon Institute for Global Studies, wrote in a March 2020 commentary in *The Japan Times*.

"That Beijing could not successfully deflect criticism in the international community that China had started a global pandemic is welcome. This, however, doesn't mean that China's domestic information control is also poor. The government's skill to control the flow, quantity and quality of information inside the modern Chinese empire should not be underestimated," Miyake said. "Some people in Tokyo may hope the pandemic will eventually lead to the fall of the People's Republic of China. This is wishful thinking. As long as the Chinese government can tightly control information internally, the regime will survive for the foreseeable future. That's what authoritarian dictatorship is all about."

### Failures at Home

Signs indicate, however, that the CCP's propaganda is increasingly backfiring on the homefront as well, causing some Chinese citizens to question authority. In the past year, the CCP's narrative stumbled domestically because the COVID-19 pandemic hit the nation hard, and the party's messaging contradicts the reality that Chinese citizens experienced, King-wa Fu, an expert on Chinese censorship at the University of Hong Kong, told *The Wall Street Journal* newspaper in February 2020. Even worse, the PRC negated its tacit agreement with its people who

trade their individual rights for security, causing them to question the competence of the CCP's governance, analysts said.

The PRC was unable to contain the truth about the virus's toll on its citizens, given the volume of online chatter, which included accounts of the horrible treatment of patients and anecdotes of corpses piling up and cremated remains being improperly handled. "The sheer amount of criticism — and the often clever ways in which critics dodge censors, such as ... by comparing the outbreak to the Chernobyl catastrophe — have made it difficult for Beijing to control the message," journalist Raymond Zhong wrote in *The New York Times* newspaper in January 2020.

"Chinese social media are full of anger, not because there was no censorship on this topic, but despite strong censorship," Xiao Qiang, a research scientist at the School of Information at the University of California, Berkeley, told *The New York Times*. "It is still possible that the censorship will suddenly increase again, as part of an effort to control the narrative," said Xiao, who founded China Digital Times, a website that monitors Chinese internet controls.

The CCP's attempts not just to censor but to manipulate the narrative failed at home, too. For example, a CCP campaign by its Communist Youth League to introduce a brother-and-sister pair of "virtual idols" to win over the younger generation fell flat. "The announcement was swiftly swamped with criticism from Weibo users, who accused the organization of gimmickry that cheapens China's image," *The Wall Street Journal* reported. "While people are painfully persevering on the battle front against the epidemic, why are you messing around with two-dimensional idols?" a Weibo user wrote, according to the *Journal*. Another Weibo poster accused the league of "wasting resources and ignoring the national disaster."

The CCP quickly pulled down the memes.

Instead of trending virtual heroes, the CCP's campaigns and suppression of voices during the coronavirus created real heroes who encouraged a new generation of resisters to the CCP. "If we can't become a whistle-blower like Li Wenliang, then let's be a person who can hear the whistle blowing," Beijing-based novelist Yan Lianke said during a lecture at the Hong Kong University of Science and Technology in February 2020, according to *The New York Times*. Yan's books and short stories are satirical, which has resulted in some of his most renowned works being banned in China.

***"While engaging every side  
in full-fledged narrative  
warfare may reinforce  
China's nationalism at home,  
the belligerency is antithetical  
to the image of a 'responsible  
major power' China is trying  
to portray ..."***

~ Jo Kim, *The Japan Times*



To avoid CCP censorship, he has admitted to self-censorship while writing his stories “If we can’t speak out loud, then let’s become a whisperer,” Yan said. “If we can’t be a whisperer, then let’s become a silent person who remembers and keeps memories. ... Let’s become a person with graves in our heart.”

### Taiwan Election Rejection

The January 2020 Taiwan elections, in which voters strongly repelled the CCP’s attempts to influence and interfere in the vote, represent another prominent example of the diminishing influence of the CCP’s propaganda machine. Taiwan President Tsai Ing-wen and her ruling Democratic Progressive Party won by large margins despite massive interventions by the CCP, which views Taiwan as part of the PRC’s territory and engages in coercive measures to get it under its control.

The CCP’s hackers, disinformation bots and microblogging services were no match for a public and a political leader attuned to the CCP’s tactics and accustomed to barrages of propaganda and misinformation. “China has a long history of meddling in Taiwan,” Joshua Kurlantzick, a senior fellow at the Council on Foreign Relations, wrote in November 2019 on the council’s website.

The extent of the CCP’s operations were revealed that same month when two executives from a Hong Kong-listed company were detained on suspicion of violating Taiwan’s National Security Act, Taiwan prosecutors said. A PRC defector alleged the two suspects were working to control Taiwan media to influence election outcomes, Reuters reported. “Taiwan was the most important work of ours: the infiltration into media, temples, and grassroots organizations,” Wang “William” Liqiang, the asylum seeker and a self-described Chinese spy, said through a translator on Australia’s *60 Minutes* program on November 24, 2019, CNBC reported. Wang gave a sworn statement to the Australian Security Intelligence Organisation about the PRC’s activities to influence politics in Australia, Hong Kong and Taiwan, Reuters reported.

In Taiwan, the CCP had long since shifted from methods of persuasion to those of coercion without violence, according to Brookings Institution scholar Richard Bush. For some time before the elections, the CCP had been employing its “troll factory” to establish accounts on Weibo, Facebook, YouTube, Twitter and other social media platforms to conduct “cognitive space combat,” the *Taiwan News*, an English-language daily newspaper, reported in November 2018. For example, the CCP’s 50-Cent Army, which is composed of netizens who are paid nominally to make pro-CCP comments on social media sites, was regularly launching at least 2,500 attacks per day against websites in Taiwan, according to a January 2019 edition of *Asia Report*.

In the lead-up to the 2020 Taiwan elections, the PRC also used other aggressive tactics such as stealing Taiwan’s diplomatic partners, restricting mainland tourists from

visiting Taiwan and increasing air and naval military exercises in the area to intimidate Taiwan, according to Bonnie Glaser, a senior advisor and director of the China Power Project at the Center for Strategic and International Studies.

The CCP’s efforts to oust Tsai hit new levels of political manipulation, however. The CCP helped promote a pro-Beijing candidate, Han Kuo-yu, who challenged the incumbent president in 2020. Analysts allege the CCP manipulated Taiwan media during 2018 local elections to help Han be elected mayor in Kaohsiung to enable his later presidential bid. The CCP employed a professional cyber group based in China to help Han achieve victory in the mayoral contest, *Foreign Policy* magazine reported in June 2019.

Not only did Tsai win by a landslide in the January 2020 contest but voters in Kaohsiung ousted Han as mayor six months later in June. The number of votes to recall Han far exceeded the threshold required to pass the measure, according to The Associated Press (AP). Analysts hailed the success of the recall, which was Taiwan’s first such vote, as another sign of the strength and accountability of the island’s democracy, AP reported.

To counter the CCP’s information war in Taiwan, the incumbent president and Taiwan’s lead intelligence agency issued warnings about the PRC’s activities and introduced new laws to combat foreign infiltration and political interference in the democratic process. “The Chinese government attacked Taiwan purposely before our presidential and legislative elections, obviously aiming to meddle with the voting. The government strongly condemns this and urges people to hold on to its sovereignty and the value of freedom and democracy,” Joseph Wu, Taiwan’s foreign minister, said in September 2019, according to Reuters.

Information platforms were put on high alert to monitor fake news as the election drew close. In early December 2019, Facebook said it removed 200 accounts, pages and groups for violating the platform’s standards as they related to fake news regarding the Taiwan elections. Fact-checking groups in Taiwan also held seminars and created websites and chat rooms to help voters identify fake news, Reuters reported.

### Milk Tea Alliance

Another example of CCP messaging gone bad is the emergence of a social media opposition network in April 2020 known as the Milk Tea Alliance, so named for a shared passion for tea drinks popular in Southeast Asia and elsewhere outside China.

Two Thai celebrities tied to a popular Thai soap opera that is also watched in China were targeted by the PRC’s online armies for supporting Hong Kong and Taiwan independence in their online comments. Thai citizens battled back by forging an online alliance that kept growing across borders. A Hong Kong pro-democracy activist posted a meme of three figures clinking glasses of





milk tea and called for pan-Asian solidarity “to fend off all forms of authoritarianism from China.” The hashtags #MilkTeaAlliance and #MilkTeaIsThickerThanBlood appeared in over a million tweets.

The pan-Asian network reflects the difference between official opinion and public opinion in these countries when it comes to China, Thitinan Pongsudhirak, an international relations professor with Chulalongkorn University in Bangkok, told Voice of America. “There is divergent posture between Southeast Asian governments and their people,” Pongsudhirak said. “Their governments actually are pro-China, such as the Philippines and Thailand.”

What began as a petty online attack by the CCP caused #MilkTeaAlliance and its memes to become symbols of solidarity among internet users in Thailand, Hong Kong, Taiwan and beyond to resist the PRC’s coercive propaganda. In the ensuing weeks and months, users in the Philippines joined the online coalition to show their opposition to the PRC’s militarization of the South China Sea. Australians and Indians also entered the online fray to oppose PRC aggression.

The resulting online alliance could enable powerful dialogue among transregional pro-democracy groups, some analysts say. “When your shared adversary is as big as the Chinese Communist Party, there’s an increased

recognition of the power that comes with banding together,” Dan McDevitt, a technology and human rights researcher, told the Axios website. The alliance has led to “increased awareness, attention and sympathy” across the region, he said, “especially when they’re facing their own pro-democracy struggles at home.”

Already there is evidence the alliance may have real-life ramifications. In June 2020, Thai student activists baked cookies in the shape of the Tiananmen gate in Beijing and the iconic “Tank Man” figure and handed them out in front of the Chinese Embassy in Bangkok on the anniversary of the Tiananmen Square massacre, the Khaosod English news website reported. The cookies had milk tea flavor in a nod to the Milk Tea Alliance. Meanwhile, Taiwan President Tsai has conveyed her solidarity with Hong Kong in a Facebook post. Taiwan has also pledged to help Hong Kong residents who want to move to Taiwan as a result of the PRC passing a restrictive national security law that has had chilling effects on civil liberties.

Danny Marks, an assistant professor with the City University of Hong Kong, told Voice of America that the online discussion has evolved into a wider political protest because residents of these countries are increasingly dissatisfied with China’s one-sided actions. “It also shows the limited ability of Chinese to wage





Chinese paramilitary policemen stand guard near Tiananmen Square in Beijing on June 4, 2020.

THE ASSOCIATED PRESS

Thai student activists hand out milk tea cookies in Bangkok's Chinatown in June 2020 to commemorate the anniversary of the 1989 Tiananmen Square crackdown. TWITTER



internet warfare,” he said. “They had previously been pampered by the one-sided Chinese internet.”

## Message Failure

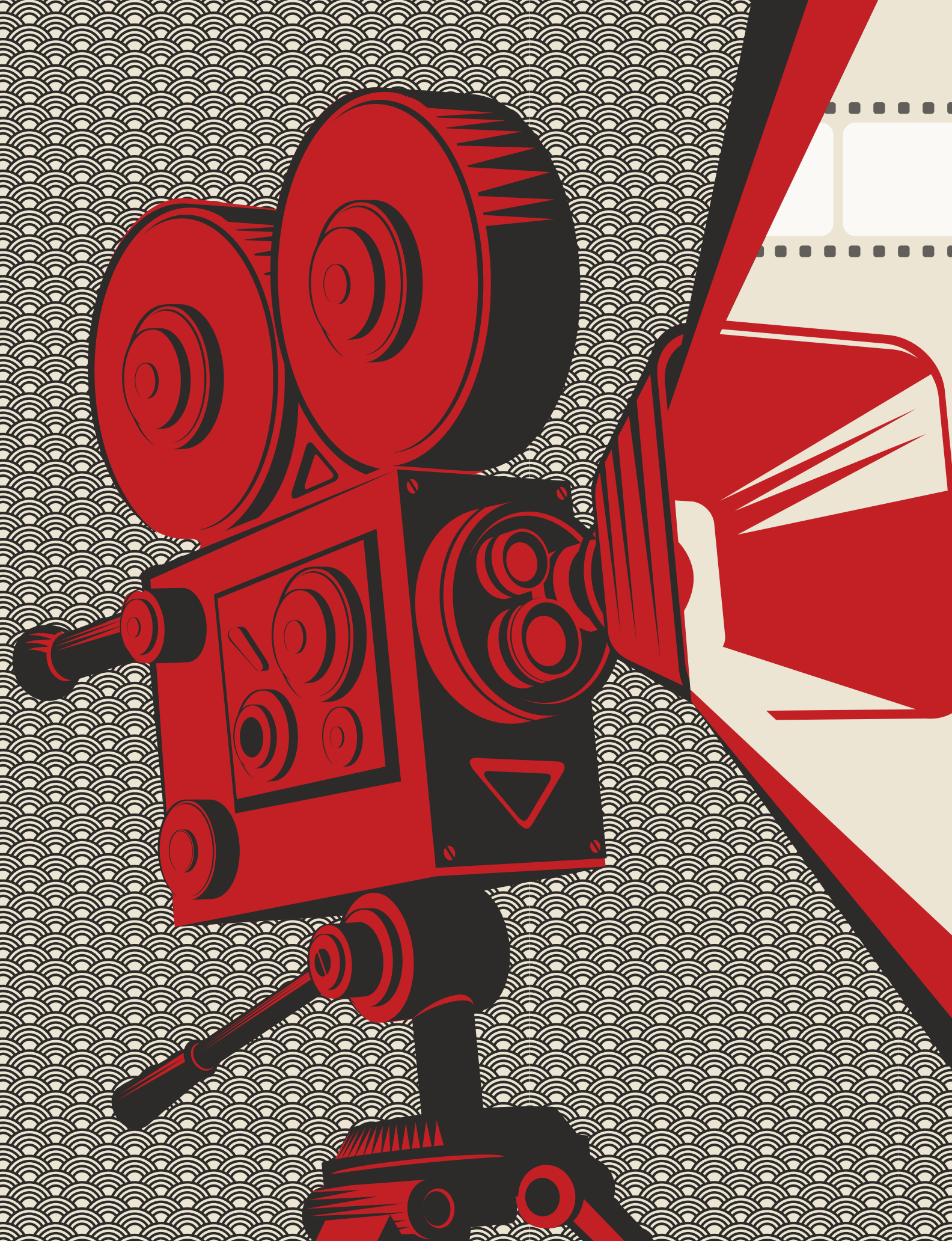
Despite the scale of the CCP’s propaganda war on the world, its campaigns seem to only be deteriorating the party’s image. Its tactics during the coronavirus pandemic, in particular, may have caused irreparable damage to the CCP’s credibility and reputation abroad and to its authority at home.

“As China started getting control over the virus and started this health diplomacy, it could have been the opportunity for China to emphasize its compassionate side and rebuild trust and its reputation as a responsible global power,” Susan Shirk, a China scholar and director of the 21st Century China Center at the University of California, San Diego, told *The New York Times* in May 2020. “But that diplomatic effort got hijacked by the Propaganda Department of the party,

with a much more assertive effort to leverage their assistance to get praise for China as a country and a system and its performance in stopping the spread of the virus.”

Moreover, the resulting backlash against the CCP was more severe because the CCP sought to fuel its propaganda machine with fake news and misinformation and to leverage the destabilization of countries that its wanton policies only exacerbated during the coronavirus crisis. At a time when the world needed leadership and compassion, Chinese leaders showed none. Instead the CCP laid bare its goal, according to many analysts, to become the dominant world power, even if it comes at the expense of citizens of other countries or even its own. Message received. □







# CAREFULLY CRAFTED NARRATIVES

## FEAR OF REJECTION PROMPTS HOLLYWOOD FILMMAKERS TO PORTRAY CHINA IN A POSITIVE LIGHT

FORUM STAFF

*Box office hits won't be the only ones breaking records in the upcoming months.*

Analysts predict that for the first time, China will move into the No. 1 spot as the country with the highest-grossing box office sales, according to *The Hollywood Reporter* magazine. By the end of 2020, China's movie sales were expected to take the lead at U.S. \$12.28 billion compared to U.S. \$11.93 billion in the United States.

Projections call for China to dominate in the category for the foreseeable future. "That means it's key for Hollywood studios to do all they can to ensure that their tentpoles can pass the standards of the country's strict censors," according to Axios.com.

Chinese censors have always had a tight grip on media it allows into its mainland cinemas and across social media platforms. Growing economic influence in the film industry means the People's Republic of China (PRC) will likely exercise even greater control over storylines that involve China.

The Chinese Communist Party (CCP) allows only 34 foreign films a year to be shown in the nation's theaters, and each must obtain approval from censors, the State Administration of Press, Publication, Radio, Film and Television, according to *The Epoch Times* newspaper. Foreign film studios earn only 25% of box office profits in China, but if the film is co-produced with a Chinese company, the foreign studio can keep closer to 50% of profits, *The Epoch Times* reported.

Generating more profits comes at a cost. Foreign studios that elect for co-production often must shoot scenes in China, cast Chinese actors, allow Chinese investors and portray the Chinese government with positive images, according to *The Epoch Times*.

These censorship controls also extend to video games. Take for example the game *Devotion*, which was only available for one week in early 2019 on the gaming network Steam before the PRC asserted its influence.

Indievent, the China-based company that had published *Devotion*, pulled the game from Steam after Chinese players discovered and complained about an image that referenced General Secretary Xi Jinping and Winnie the Pooh, a controversial comparison of the CCP leader to the Disney character.

Chinese authorities would later revoke Indievent's business license, according to Engadget.com. In the aftermath, *Devotion's* creator, Taiwan-based developer Red Candle, issued a letter apologizing. Red Candle also lost its account on Weibo, one of China's largest social media platforms.

"This is Chinese censorship in action," according to an August 2019 article on Engadget.com. "After two years of intense upheaval in the Chinese video-game market, with new laws restricting creative freedoms and gigantic companies like Tencent gaining traction across the globe, China today has enormous influence over the trajectory of the entire industry."

When it comes to movies, many U.S. films do receive approval for release by Chinese censors. That stamp of approval, however, often means filmmakers have had to tone down scenes involving violence and sex. More often, it means crafting narratives that align politically with the CCP's paradigm. Here is a sampling of how Hollywood has adjusted plotlines to win CCP approval or was rejected because studio executives refused to kowtow to censor demands.



## MOVIE: *TOP GUN* (2020)

**PLOT CHANGE:** The 1986 classic *Top Gun* features main character Maverick, portrayed by actor Tom Cruise, a standout student at the U.S. Navy's elite fighter weapons school. In the original film, Maverick wears a leather jacket with a large patch that reads, "Far East Cruise 63-4, USS Galveston." The patch commemorates the U.S. battleship's tour of Japan, Taiwan and the Western Pacific and therefore included the U.S., United Nations, Japan and Taiwan flags. The 2020 remake "reimagines" Maverick's jacket and strips away the Japan and Taiwan flags, replacing them with unidentifiable look-alikes, according to Business Insider.

Tencent Pictures, the film division of Chinese internet conglomerate Tencent, co-financed the remake, according to *The Hollywood Reporter*. Tencent is also part owner of Skydance, which co-produced the movie with Paramount.

**WHY IT MATTERS:** The PRC has battled Japan for regional influence, particularly in the past decade as the PRC has used checkbook diplomacy to buy influence. Until Japanese Prime Minister Shinzo Abe's trip to China in October 2018, it had been eight years since a Japanese leader made a state visit to the PRC. Having the financial influence to erase any mention of Japan in a movie destined to be popular among Chinese audiences would be well within the PRC's purview as a power

move. The tensions between the CCP and Taiwan are even more palpable. The CCP views Taiwan as part of its territory and rejects any claims or representations that portray Taiwan as an independent country.



## MOVIE: *ABOMINABLE* (2019)

**PLOT CHANGE:** China-based Pearl Studio spent a year working with DreamWorks Animation to craft a version of the animated movie *Abominable* that Chinese censors would approve for release. Pearl Studio worked to change jokes and character backstories, according to Business Insider.

Perhaps the biggest show of Chinese influence is in a scene depicting a map of East Asia with lines marking China's nine-dash line, pictured, in the South China Sea. *Abominable* was the first film co-produced between the U.S. company DreamWorks and China's Pearl Studio, according to Business Insider. The nine-dash line has no mention in the film's plot, and no reason has been given for its inclusion.

**WHY IT MATTERS:** The South China Sea is a strategically important body of water. The PRC has built artificial features in and around the contested area in an attempt to subvert competing claims to resources. Malaysia refused to allow the film's release unless the map was removed. Vietnam officials pulled the film. In the Philippines, officials called for a boycott. The PRC continues to have competing claims with several countries in the region regarding the South China Sea. In July 2016, an international tribunal ruled against China's nine-dash line expansive claims to the sea, including within the Philippines' exclusive economic zone. Beijing has rejected the ruling, which lacks an enforcement mechanism.



## MOVIE: **DOCTOR STRANGE** (2016)

**PLOT CHANGE:** The original comic book storyline for *Doctor Strange* contains a character called the Ancient One, a peaceful farmer born in Kamar-Taj, a village in a hidden land in the Himalayas now known as Tibet. The Marvel Studios movie adaptation cast British actress Tilda Swinton, pictured in the movie's poster, for the role, thereby allowing the storyline to skirt any mention of Tibet.

**WHY IT MATTERS:** The CCP and its army occupied Tibet in 1951, and many non-Chinese believe that Tibet should have independence or greater autonomy, according to *The New York Times* newspaper. "He originates from Tibet, so if you acknowledge that Tibet is a place and that he's Tibetan, you ... risk the Chinese government going, 'Hey, you know one of the biggest film-watching countries in the world? We're not going to show your movie because you decided to get political,'" *Doctor Strange* movie writer C. Robert Cargill explained in an April 2016 podcast on DoubleToasted.com about the decision to change the ethnicity of the Ancient One.



Creator Stan Lee attends the Hollywood premiere of *Iron Man 3*.

## MOVIE: **IRON MAN 3** (2013)

**PLOT CHANGE:** *Iron Man 3* audiences in China saw bonus scenes not shown outside the country. In fact, an extra four minutes of product placement were added to the Marvel film, which Marvel Studios collaborated with Chinese distributor DMG Entertainment to produce, according to Business Insider. *The New York Times* newspaper reported that one addition to the Chinese version includes the film opening with the question: "What does Iron Man rely on to revitalize his energy?" The answer appears with the words Gu Li Duo, the brand of a milk drink in China. In 2012, the drink's manufacturer removed baby formula from shelves because it was tainted with mercury; the Chinese government later began a campaign to reassure parents that the company's milk was indeed safe, according to Business Insider. Other exclusives in the Chinese version include Chinese schoolchildren cheering with Iron Man, product placement of Chinese electronics and the use of Chinese medicine to aid Iron Man, according to Business Insider.

**WHY IT MATTERS:** Chinese box offices yield big profits. Just as *Iron Man 3* was scheduled to debut, China overtook Japan as the second largest box-office market in the world after the U.S., according to the entertainment news site Vulture.com. That gives China a growing economic voice when it comes to Hollywood movies. It also potentially places even more pressure on filmmakers to partner with Chinese companies and bow to their requirements of pro-Chinese narratives.



## MOVIE: **PIXELS** (2015)

**PLOT CHANGE:** A 2013 script for Sony’s animated comedy *Pixels* included a scene in which intergalactic aliens blast a hole into China’s Great Wall.

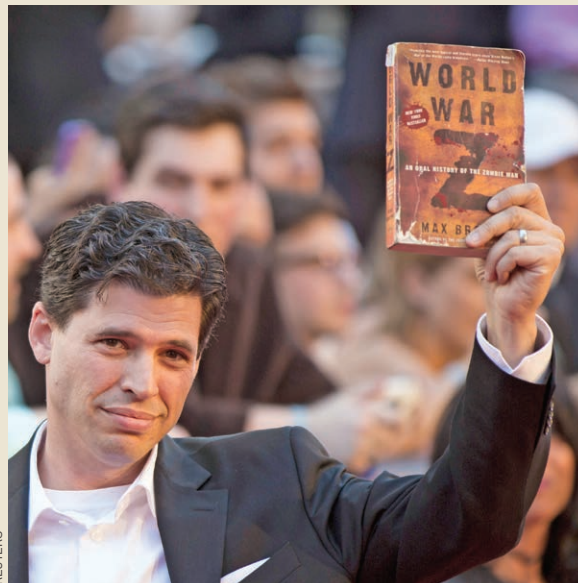
“Even though breaking a hole on the Great Wall may not be a problem as long as it is part of a worldwide phenomenon, it is actually unnecessary because it will not benefit the China release at all. I would then, recommend not to do it,” Li Chow, chief representative of Sony Pictures in China, wrote in a December 2013 email to senior Sony executives, according to Reuters. Sony executives — anxious to have the movie released in China — obliged, Reuters reported. Instead of blasting a hole in the Great Wall, aliens strike India’s Taj Mahal, the Washington Monument and parts of New York City.

**WHY IT MATTERS:** Li’s email was one of tens of thousands of confidential Sony emails and documents hacked and released to the public in late 2014. Chinese government officials and film industry executives refused to comment on them, according to Reuters. The documents revealed multiple discussions on ways Sony could change other productions to make them more palatable to Chinese authorities to secure approval from censors. “The Sony emails provide a behind-the-scenes picture of the extent to which one of the world’s leading movie studios exercised self-censorship as its executives tried to anticipate how authorities in Beijing might react to their productions,” according to Reuters. “The internal message traffic also illustrates the deepening dependence of Hollywood on audiences in China.”

The removal of the Great Wall scene in *Pixels* shows how global audiences are being subjected to standards set by China, Reuters reported, “whose government rejects the kinds of freedoms that have allowed Hollywood to flourish.”



Film director Chris Columbus attends the New York City *Pixels* premiere.



REUTERS

## MOVIE: **WORLD WAR Z** (2013)

**PLOT CHANGE:** Author Max Brooks deliberately chose China as ground zero for his 2006 novel *World War Z*.

“In my zombie apocalypse novel, cases of a mysterious new disease start showing up somewhere in China. The government responds by suppressing news of the infection, threatening several doctors who try to sound the alarm. That coverup allows the virus to spread throughout the country, and then beyond its borders to the rest of the world,” Brooks wrote in a February 2020 opinion piece titled, “China barred my dystopian novel about how its system enables epidemics,” for *The Washington Post* newspaper. “Sound familiar?”

Brooks goes on to say he chose the PRC for a reason. “When I was thinking up an origin story for my fictional pandemic, it wasn’t enough to choose a country with a massive population or a rapidly modernizing transportation network. I needed an authoritarian regime with strong control over the press. Smothering public awareness would give my plague time to spread, first among the local population, then into other nations. By the time the rest of the world figured out what was going on, it would be too late. The genie would be out of the bottle, and our species would be fighting for its life.”

In an uncanny turn of events, the COVID-19 pandemic can be seen as life imitating art.



REUTERS

The PRC banned the book, and people Brooks identified only as “collaborators overseas” asked him to remove any chapters about China because they contained politically sensitive material. He refused.

Brad Pitt portrayed the lead character in the 2013 film adaptation of the same name. Unlike Brooks, Paramount executives elected to avoid pointing to China as the origin of the outbreak that causes the zombie apocalypse.

**WHY IT MATTERS:** Some critics say that mention of China being the origin of the outbreak in the film would have been a minor point in the story arc. This demonstrates that even the smallest negative detail will cause Chinese censors to reject a film. Others also point to the lasting effect of participating in a project disapproved of by China.

Pitt starred in the 1997 film *Seven Years in Tibet*. China banned the movie, and some say Pitt because of his participation.

**Author Max Brooks holds a copy of his book as he arrives for the New York City premiere of the film *World War Z*.**

**ABOVE: Cast member Brad Pitt, right, and then-fiancee Angelina Jolie arrive at the Berlin premiere of *World War Z*.**

## MOVIE: *RED DAWN* (2012)

**PLOT CHANGE:** The original script for 2012’s *Red Dawn*, a remake of the 1984 film, called for Chinese troops to invade the United States. Once backlash from CCP-controlled media ensued, movie producers at MGM made North Korean troops the villain.

*Global Times*, a Chinese state-run newspaper, published two editorials blasting Hollywood as “demonizing” and “planting hostile seeds against China,” DailyMail.com reported. The 1984 film centers on an invasion by the Soviet army.

MGM reportedly spent U.S. \$1 million going frame by frame to digitally alter Chinese symbols and replace them with North Korean emblems.

“While the Communist nation is notorious for its nuclear capabilities, Hollywood big wigs evidently figured that it is better to incur the wrath of the pariah of the Far East rather than alienate the region’s economic juggernaut,” DailyMail.com reported at the time of the film’s release.

Due to mounting criticism, *Red Dawn* was shelved for two years after its completion, and the film declared bankruptcy before ultimately changing its central storyline.

“While changing Chinese symbols into Korean ones was just a matter of a few — albeit expensive — clicks of the keyboard,” DailyMail.com wrote, “the choice of the new baddies raises some important questions: Why and how would a nation of 24 million starving people cross the ocean to invade a nation of 313 million well-armed and well-fed Americans?”

Actor C. Thomas Howell, who starred in the 1984 version, mocked the remake’s changes in an interview



WIKIPEDIA

with *USA Today* newspaper.

“Quite frankly, we all know North Korea cannot afford to invade [itself],” Howell said. “How is that going to happen? That’s already stupid in my book.”

**WHY IT MATTERS:** International collaborations can come with strings attached and certain concessions — an expensive lesson that producers of *Red Dawn* learned as the filmmaking process unfolded. “When we made the movie, it was very different circumstances,” an unnamed MGM insider told entertainment news site Vulture.com. “We were owned by a hedge fund, and we could do what we liked.”

The studio went bankrupt before the movie’s release. Sony Pictures took over distribution and its relationships with China came into play, Vulture.com reported. “The truth of it is,” another unnamed MGM insider told Vulture, “no company that’s multinational can afford to piss off the Chinese.” □





# *The U.S.-China* **ECONOMIC** **CONFLICT**

## *Implications for Indo-Pacific Security*

DR. SHALE HOROWITZ/UNIVERSITY OF WISCONSIN-MILWAUKEE

FORUM ILLUSTRATION

**U.S.-CHINA ECONOMIC RELATIONS** seem to have reached a turning point. As the People's Republic of China's (PRC's) development and General Secretary Xi Jinping's leadership heighten economic and security challenges, what are the most realistic and effective policy responses? One approach is to use economic bargaining and diplomatic engagement to convince the Chinese Communist Party (CCP) regime to continue down the road to a Western-style market economy, while coexisting under the geopolitical status quo. It is argued below that this option no longer exists. The PRC's economic and security policies have developed too far in the direction of upending the economic and geopolitical status quo, and Xi is markedly more committed to such disruption than his predecessors.

### **XI'S ECONOMIC AND SECURITY POLICIES**

When Xi came to power in 2012, he inherited a fast-growing, state-led market economy, alongside a rapidly modernizing People's Liberation Army (PLA). Although the PRC's roughly 10% annual economic growth since 1979 increasingly depended on markets and on a dynamic and innovative private sector, the CCP preserved a leading state role to safeguard control and stability in both economics and politics.

While Xi was widely expected to reemphasize market-based development, he has instead doubled down on state control. He has used regulation and credit subsidies to favor state-owned enterprises and large, well-connected private companies over small and medium private enterprises and foreign companies.



Xi has also intensified his predecessors' efforts to use the state's deep pockets to upgrade the PRC's economy. The U.S.-China Economic and Security Review Commission highlights "an ambitious whole-of-government plan to achieve dominance in advanced technology." Thus, the Made in China 2025 plan seeks self-sufficiency across almost the entire array of high-tech industries — from computing hardware to artificial intelligence software, from biotechnology to transportation equipment. Self-sufficiency is to be followed by penetration of foreign markets.

This plan has two important implications. First, Xi does not envision the PRC entering the decentralized, constantly evolving global division of labor in high-tech products, such as exists among the United States, Western Europe, and Japan and other Indo-Pacific countries. He intends to use subsidies and regulation to reserve the Chinese market increasingly for domestic suppliers and then to leverage the resulting price advantages to dominate foreign markets. Second, the targeted high-tech industries have dual-use military applications, which can be used to close or even reverse the technological advantage enjoyed by U.S. and allied militaries.

Externally, Xi has continued his predecessors' military buildup, while adopting more assertive rhetoric and policies. As has been true since the early 1990s, defense spending has risen at double-digit rates, and the PLA continues its impressive qualitative modernization. At the same time, Xi has definitively abandoned Deng Xiaoping's foreign policy of "concealing strength" and "never being the highlight." Xi's China Dream covers not only rising living standards but a return to China's traditional central role on the international stage. This rhetoric has been matched by more aggressive policies along China's entire eastern and southern periphery — from the Japanese-administered Senkaku Islands to Taiwan and the nine-dash line claims, and on to India's Himalayan frontier. There is also One Belt, One Road, a worldwide effort to use subsidized infrastructure construction to buy political, economic, diplomatic and military influence.

These policies are designed to have maximum impact in the Indo-Pacific region. Again, rather than entering into the existing economic division of labor and coexisting within the existing security architecture, Xi seeks to substitute a new order dominated by the PRC. Just as the high-tech industries of the U.S., Japan, India, South Korea and Taiwan would be displaced from their regional markets, the lower- and middle-income economies of the region would be prevented from moving up the value-added chain as their economies mature. If Xi's vision comes to fruition, there will be a unified regional supply chain, with China at the top and other regional economies at the bottom. Similarly, once the U.S. military has lost its qualitative edge, a mixture of economic and military carrots and sticks can be used to deter regional coordination and to extract substantive concessions and diplomatic obedience, if Xi gets his way.

## UNSUSTAINABLE STATUS QUO

As Deng's market reforms took hold, China's economy looked to be converging toward a Western-type market economy. While the state took a leading role — using financial and regulatory discrimination and technology theft to favor well-connected large firms, and in the process running up artificially large trade surpluses — the U.S. and its allies could afford to bide their time. The PRC specialized in producing labor-intensive manufactured goods — industries already in steep decline in the U.S. and other advanced countries. At the same time, if the PRC were to continue down the road toward an ordinary market economy, its huge domestic market promised irresistible opportunities for the West's capital-intensive, high-tech sectors.



**A woman clad in a red jacket walks past a new shopping mall decorated with an eye design in Beijing.** THE ASSOCIATED PRESS

This status quo policy of patience and engagement has been cumulatively undermined by fundamental geopolitical and economic changes. The 1991 collapse of the Soviet Union eliminated the greater common enemy that had been the basis for Sino-American security cooperation since the 1970s. After facing a near-death experience at Tiananmen Square in 1989, a shocked CCP turned to Chinese nationalism (so-called patriotic education) to revive its legitimacy and began to pour huge resources into modernizing the PLA. Meanwhile, the PRC's continued rapid growth and technological modernization increasingly created direct competitors for foreign capital-intensive industries. Chinese state patronage tended to reserve the domestic market for its own companies, while its subsidies eased their conquest of foreign markets. More recently, Xi has ramped up these assertive security and economic policies through aggressive actions including the use of military force.

Over the past decade, these changes have shattered the old China policy consensus in the U.S. Few



Protesters gesture with five fingers, signifying the “five demands – not one less” slogan, in a Hong Kong shopping mall June 1, 2020.

THE ASSOCIATED PRESS



*The bargaining between Chinese and U.S. leaders does not lead to a future of free and open competition and trade. Xi will continue to seek a unitary world supply chain in China, which continually absorbs more capital-intensive and high-tech sectors.*

political leaders and policy elites seriously debate anymore whether the PRC is a military threat. Most capital-intensive, high-tech businesses feel shut out or marginalized in the Chinese market. Their Chinese competitors meanwhile use subsidies and stolen technology to gain unfair advantages abroad. These realizations have become more bipartisan and penetrated public opinion. While U.S. President Donald Trump’s Indo-Pacific national security strategy and his use of tariffs to bargain for greater adherence to fair trade norms and access to the Chinese market have sped the process, they are more a consequence than a cause. Such a policy turn was made inevitable by changing conditions, and future presidents are unlikely to deviate significantly from the new course.

#### WHAT DOES THE FUTURE HOLD?

Structural political characteristics and personal inclinations make it unlikely that Xi will alter the PRC’s course. To stay in power, the CCP must exercise direct control over

politically sensitive sectors such as telecommunications, social media, internet services, and related hardware and software inputs. To guarantee economic stability — also seen as necessary to avoid political instability — the CCP must also control the largest banks and other financial services companies. Apart from defense industries, a range of dual-use technologies attract state support for national security reasons.

Fundamentally, the CCP supports market development, not by using a Western-style rule of law that strives to guarantee equal protection and rights to all economic actors, but by a complex series of local partnerships between party elites and large enterprises. Thus, the CCP cannot stop providing connected companies with special treatment without transforming its entire regulatory approach in a way that would threaten political control and entrenched economic interests.

Xi’s own inclination is to deal with every problem by heightening CCP control. This means not increasingly

open competition but a more determined drive for self-sufficiency. The need for such self-sufficiency is further heightened by Xi's desire to cultivate the dual-use high-technology industries necessary to build the PLA into a peer competitor of the U.S. military.

Thus, the bargaining between Chinese and U.S. leaders does not lead to a future of free and open competition and trade. Xi will continue to seek a unitary world supply chain in China, which continually absorbs more capital-intensive and high-tech sectors. The U.S. and its allies can only respond by protecting crucial components of their domestic markets from Chinese competition, thus preserving a second, largely independent supply chain. What are some important principles to follow to make this response most effective?

First, the U.S. and its allies and partners must use tariffs and research and development subsidies to preserve technological independence and, if possible, leadership in important dual-use high-tech sectors, such as artificial intelligence, high-performance and cloud computing, avionics and robotics. The same is true for militarily strategic capital-intensive sectors, such as telecommunications, computing and pharmaceuticals. Critical infrastructure — such as telecommunications networks, electronic banking and payments networks, and electrical grids — must be protected with Huawei-style restrictions. Continued Chinese competition in many high-end markets is desirable, but it should be conditioned on better access to Chinese markets and retaliation against Chinese subsidies and technology theft.

Second, such measures will be far more effective if they are negotiated and implemented multilaterally. Parallel supply chains will be less efficient and coherent if built in countries or regions. They will be most robust if built on a broad, open and competitive division of labor, which includes the U.S., the European Union and Japan, along with other allies and partners, particularly from the Indo-Pacific region. Protecting independent supply chains will give allies and partners access to large markets that are not dependent on Chinese control. This in turn will maximize the productive capacities and bargaining leverage of allies and partners as they continue to seek maximum access to the Chinese market. The alternative is a more unitary, PRC-dominated supply chain in which each country bargains separately from a position of lower capacity and greater dependence.

Third, such common economic policy efforts are bound by a common geopolitical threat, which is best addressed collectively. Economic dependence on Chinese markets, technology and infrastructure will imperil military capabilities and independent diplomacy and strategy. A good example of these dangers is provided by the PRC's reaction to South Korea's deployment of the Terminal High Altitude Area Defense missile defense system. The PRC protected and assisted North Korea's increasingly capable nuclear weapons capability and then retaliated against



**The flags of the People's Republic of China, left, the Chinese Communist Party, center, and the U.S. are displayed in a flag stall at the Yiwu Wholesale Market in Yiwu, Zhejiang province, China. REUTERS**

South Korea's defensive response by blocking tourism and sanctioning informal boycotts of South Korean products. While South Korea will always want to maintain maximum access to China's market, securing a parallel supply chain uncontrolled by the PRC not only protects South Korea's capacity to compete effectively outside China but also its freedom to choose the most effective national defense strategies. "China's retaliation is undermining Korea's sovereignty, and there can be no bigger threat to any country," according to an editorial in South Korea's *Chosun Ilbo* newspaper. More recently, China responded to Australia's support for an investigation into the origins and transmission of the COVID-19 virus by restricting imports of Australian barley and beef and threatening broader restrictions and a consumer boycott. The trade-offs are the same for India, the Association of Southeast Asian Nations member states and Taiwan. China has repeatedly used economic leverage to pressure other countries to compromise their diplomatic independence and military security. Countries that work together economically will preserve the strength and independence necessary to act together to protect their security.

Broad economic and security cooperation among the U.S. and its allies and partners, particularly in the Indo-Pacific region, is the only realistic response to the economic challenges and geopolitical threats posed by Xi's China. Economically, protecting a broad, open and competitive supply chain largely independent of China will preserve economic autonomy and strength. This best protects military capacities and strategic and diplomatic flexibility, maximizing the capacity of regional coalitions to deter military threats. Such economic independence and military security are necessary to preserve Indo-Pacific governments' freedom of action to define and protect their national interests as they see fit. □





# BUILDING RESILIENCE



# Pandemic Exposes Weaknesses in China-Centric Supply Chains

FORUM STAFF

**T**he coronavirus pandemic that infected more than 22 million people worldwide through mid-August 2020 laid bare more than the grocery store shelves ravaged by panicked buyers from Singapore to Tokyo. The manufacturing lockdown in the People's Republic of China (PRC) caused by the spread of COVID-19 exposed critical weaknesses in supply chains that left Indo-Pacific leaders searching for products ranging from personal protective equipment to pharmaceuticals. It also prompted a call to action: Build supply chain resilience to keep history from repeating itself.

"We have become dependent on China," Japanese Economic Revitalization Minister Yasutoshi Nishimura said in early June 2020, according to Reuters. "We need to make supply chains more robust and diverse, broadening our supply sources and increasing domestic production." Officials in India, Japan, Singapore and Taiwan echoed his sentiments as governments began to analyze the resilience of their supply chains and, in some cases, provide subsidies to companies willing to relocate.

In Japan, Prime Minister Shinzo Abe launched a U.S. \$2 billion program to provide stimulus funds to help companies shift production home. Some government officials in Tokyo deemed the need to diversify the supply chain a matter of national security. Although the pandemic provided fresh evidence of supply chain vulnerabilities, Japanese leaders have been talking about the need to build resilience since the early 2000s, when the cost of Chinese labor started to soar, Reuters reported. Those cost increases sparked discussions in Japan of a "China plus one" strategy — a policy of managing risk by situating plants in the PRC and at least one other Indo-Pacific country.

"Many companies have already begun adopting a China plus one manufacturing hub strategy since the U.S.-China trade war began in 2018, with Vietnam having been a clear beneficiary," said Anwita Basu, head of Asia country risk research at Fitch Solutions, according to a June 2020 report by Bloomberg News. Although the pandemic will continue that trend, "shifts away from China will be slow as that country still boasts an annual manufacturing output that is so large that even a group of countries would struggle to absorb a fraction of it."

Still, Indo-Pacific industries and governments see the perils of overreliance on their larger neighbor. Taiwan officials in 2019 encouraged companies on the island to build a "non-red supply chain" outside mainland China. They approved laws that provided low-cost loans, tax breaks, rent assistance and simplified administration to companies that invested in Taiwan. A major development in the supply chain reshuffle occurred in May 2020 when one of the world's leading computer chipmakers, Taiwan Semiconductor Manufacturing Co., said it would build a factory in the U.S. western state of Arizona.

Singapore, meanwhile, has also been promoting the need to diversify. Singapore Trade Minister Chan Chun Sing said the pandemic's paralyzing effect on supply chains has been eye-opening. "Today, China is not just producing low-end, low-value products. They are also in the supply chains of many of the high-end products. And that means that the impact on the supply chains will be significant across the entire globe," he told CNBC's *Squawk Box Asia*.

For essential items, Singapore "will carefully build up some local capacities that we can surge in times of need," Chan said, according to *The Straits Times* newspaper. That includes looking at "where the goods come from, where the manpower comes from, which market supplies to us" and even which shipping line brings the goods into Singapore.

China-centric supply chains aren't the only concern, he pointed out. Singapore has diversified its rice supply, which in the past mostly came from Thailand and Vietnam. Now, Singapore also gets rice from Japan and India, he added.

The sheer volume of companies dependent on Chinese manufacturing illustrates the need for alternatives. A March 2020 analysis published by the *Harvard Business Review* magazine noted that the world's largest 1,000 companies or their suppliers own 12,000 facilities — factories, warehouses and other operations — in COVID-19 quarantine areas of the PRC, Italy and South Korea.

Companies worldwide scrambled to identify which of their invisible suppliers — those with whom they don't directly deal — were based in the affected regions of the PRC, the analysis stated. "Many companies are probably also regretting their reliance on a single company for items they directly purchase. Supply-chain managers





**A New Delhi pharmacy employee takes an order for generic drugs.**



**Employees check the quality of face masks produced at the Thai Nguyen Garment factory in Vietnam.**

AFP/GETTY IMAGES

know the risks of single sourcing, but they do it anyway in order to secure their supply or meet a cost target,” the article stated. “Often, they have limited options to choose from, and increasingly those options are only in China.”

### **Diversification Brings Opportunity**

As global companies build supply chain resilience, Indo-Pacific nations stand poised to reap the benefits. Indian Foreign Secretary Harsh Vardhan Shringla said in a June 2020 speech that countries “will be looking for maximum diversification of their production and supply chains in the medium to long term, weaning away from extreme dependence on any one particular country or region,” according to a report in *The Economic Times* newspaper.

India, he added, has the opportunity to develop into a low-cost manufacturing hub. He said companies could pinpoint shortfalls in supply chains sooner if they worked with India, which has highly functioning democratic systems and higher levels of transparency than the PRC.

India plans to focus some of its manufacturing efforts on pharmaceutical ingredients to become an alternative supplier for drugmakers affected by factory shutdowns in the PRC, Bloomberg reported. The Indian government, the report said, wants to identify essential drug ingredients, provide incentives to domestic manufacturers and revive ailing state-run drug companies.

India, which is the world’s largest exporter of generic drugs, experienced raw material shortages caused by the coronavirus outbreak, signaling its dangerous dependence on the PRC for those supplies. India imports almost 70% of the chemicals it uses to make generic drugs from the PRC. Some of these sources are in Hubei province, where the coronavirus outbreak emerged in December 2019.

To kickstart the supply chain overhaul, the Indian government established a U.S. \$1.8 billion fund in March 2020 to set up three drug manufacturing hubs and identified 53 key starting materials and active pharmaceutical ingredients that will be made a priority. These include the fever-reducing medicine paracetamol and antibiotics that include penicillin and ciprofloxacin.

India isn’t the only Indo-Pacific nation looking to become an integral part of global supply chains. Low-cost labor and low land prices have long paid dividends for Vietnam as companies a few years ago started relocating their manufacturing sites outside the PRC. The global pandemic will do nothing to slow that trend, according to an April 2020 report from Jones Lang LaSalle (JLL), a global real estate consultancy based in the United States.

U.S. Census Bureau data, for example, showed a nearly 36% surge in goods imported into the U.S. from Vietnam in 2019 compared with a 16.2% contraction in goods imported from the PRC. “Data for this year [2020] will be distorted by the effects of the coronavirus on global supply chains, but the trend of manufacturing moving from China to Southeast Asia will continue,” said Stuart Ross, JLL’s head of industrial and logistics for Southeast Asia.

### **Like-minded Partners**

The eye-opening shortages of the pandemic could stimulate new partnerships. The U.S. is pushing to create an alliance of partners dubbed the Economic Prosperity Network. The network would include companies and civil society groups operating under a single set of standards on everything from digital business and energy to research, trade and education, Reuters reported.

In the Indo-Pacific, the U.S. wants to work with Australia, India, Japan, New Zealand,

South Korea and Vietnam to “move the global economy forward,” U.S. Secretary of State Mike Pompeo said in April 2020, according to Reuters. The discussions include “how we restructure ... supply chains to prevent something like this from ever happening again.”

A key plank in the U.S. economic security strategy is the expansion and diversification of supply chains that protect “people in the free world,” according to Keith Krach, a State Department official who leads efforts to develop international economic growth policies. Krach said the Economic Prosperity Network would be built for critical products such as pharmaceuticals, medical devices, semiconductors, automobiles, textiles and chemicals.

### Getting Untangled

Chinese manufacturing is so deeply woven into the fabric of international supply chains that diversification and resilience building in Indo-Pacific countries won’t happen overnight. Japan is a good example. The government’s U.S. \$2 billion program to lure companies into domestic production is a start, but Japanese companies are deeply invested in Chinese manufacturing hubs. Japanese companies had at least 7,400 affiliates in the PRC as of March 2018, according to a trade ministry survey, Reuters reported. That number is up 60% from 2008.

The development of more automation and the onset of artificial intelligence-based technology could be one of the answers to developing more supply chain resilience. Japan Display Inc. and chipmaker Rohm Co. Ltd. told Reuters that potential shifts to full automation for labor-intensive, back-end processes could lead to new assembly lines being built in Japan.

For others, however, the PRC will remain in their supply chains for cost reasons. Sharp Corp., which makes display panels and televisions, ships products to the PRC where backlights, connectors and other parts are added. The process requires manual testing and machinery adjustments. “The back-end process has long been done in China because it’s labor-intensive,” said a spokesman at Sharp, which was acquired by Taiwan’s Foxconn in 2016. “It would be expensive to bring it back home.”

### A Way Forward

Supply chain experts point out that the PRC engineered its manufacturing advantage by creating a supply chain network that is bolstered by a vast distribution system and efficient transportation infrastructure. It also offers a large pool of workers who are trained in operating complex machinery. As firms reexamine their supply chains in a post-pandemic economy, however, the “pressure from

governments to re-shore operations versus the attractiveness of China as a manufacturing hub will be a persistent geo-economic tension they will have to navigate,” according to an article published by Yogaanathan S/O Theva, an associate research fellow in the Policy Studies Group at the S. Rajaratnam School of International Studies, Nanyang Technological University, in Singapore.

***“We need to make supply chains more robust and diverse, broadening our supply sources and increasing domestic production.”***

~ Yasutoshi Nishimura, Japanese economic revitalization minister

To navigate a post-coronavirus economy, he argued, “firms should avoid a rigid, binary approach of completely relying [on] or decoupling from China. Instead, firms should pursue supply chain resilience by being nimble and strategically switching their operations between China and other countries when needed.”

Strategies to achieve this, he said, could include investments in building multisource supply chain networks and creating circular supply chains that enable companies to reuse discarded materials. Global companies also need maximum visibility on their supply chain networks to anticipate disruptions emanating from the PRC or elsewhere, he argued.

To achieve this visibility, companies such as Corning, Emerson, Hayward Supply and IBM are using digital technologies such as blockchain to create a reliable audit trail that tracks an asset from production to delivery. “Armed with such data, firms will be able to quickly identify the specific supply chains that will be disrupted and activate alternative supply chains,” Theva wrote.

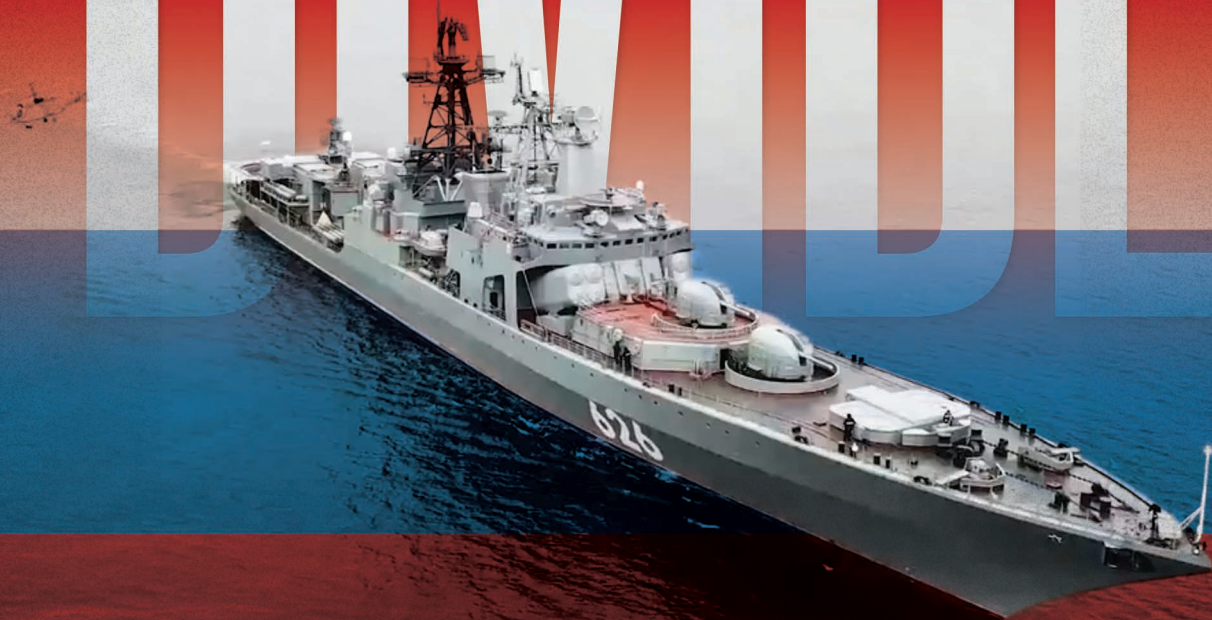
Whether decoupling completely from the PRC or simply diversifying supply chains to build resilience, Indo-Pacific industry leaders agree that the status quo of heavy dependence on Chinese manufacturing needs to be addressed. “Everyone agrees we really have to reconsider the sustainability of supply chains,” Hiroaki Nakanishi, chairman of Hitachi Ltd. and head of Japan’s biggest business lobby, said in a May 2020 televised interview. “It’s unrealistic to suddenly return all production to Japan. But if we are totally reliant on one specific country and they have a lockdown, there will be huge consequences.” □



# DISCONNECT

— *and* —

# DIVIDE



# *Russia's Growing Presence in the Indo-Pacific and Why China Accepts It*

DR. ALEXANDER KOROLEV/UNIVERSITY OF NEW SOUTH WALES, SYDNEY

**A**t first sight, the Indo-Pacific doesn't appear to be of strategic interest for Russia. Geography makes Russia a remote extraregional player. Russia is not a full-fledged maritime power, and its traditional focus has always been on continental geopolitics. Moscow does not act as a rule-maker in the region. Since the concept of the Indo-Pacific was introduced and started to reshape international relations in the region, Russia has remained inactive and has failed to present a coherent Indo-Pacific doctrine or vision. Not only has Moscow not systematically engaged with the United States version of the Indo-Pacific, but it also failed to contribute to the debate over the concept among states with differing visions or even to the dialogue among regional states on good terms with Russia. Finally, with Russia's reorientation to Asia strategy, intended to diversify Russia's regional links, increasingly turning into a pivot to China strategy, one might conclude that Russia and the Indo-Pacific are worlds apart and the role of the former in the latter is marginal and inconsequential.

Nevertheless, this conclusion is misleading. Behind the facade of disengagement are fast-growing arms and energy deals that make Russia a substantial player in Indo-Pacific geopolitics. Moreover, Russia's naval activities in the Indo-Pacific have increased in recent years and included drills in the Philippine and Coral seas, with calls to the ports of Malaysia, Singapore and Indonesia. Since 2015, the Pacific Fleet of Russia has conducted numerous maneuvers with the Navy task groups, either passing through the South China Sea (SCS) or nearby areas to demonstrate Russia's capacity to project considerable military presence in the region.

Also, Russia has been assisting Vietnam in building a submarine base and repair dockyard at Cam Ranh Bay, a former Soviet military base in Vietnam, which

was used as a U.S. base during the Vietnam war for ships and aircraft. While this will not transform this facility into Russia's own military base, the Vietnamese leadership emphasized that Russia would enjoy strategic privileges there, according to Dr. Grigory Lokshin of the Russian Academy of Sciences' Institute of Far Eastern Studies.

What often escapes observers' attention, which is predominantly focused on high-profile deals between Russia and other large powers such as the People's Republic of China (PRC) and India, is the rather surprising fact that Russia has become the largest supplier of major arms to smaller Southeast Asian states, which now purchase more arms from Russia than the PRC and India combined, according to a 2019 Stockholm International Peace Research Institute report. Within the Association of Southeast Asian Nations (ASEAN), Russia also outsells the U.S., the report said.

This despite Russia lagging the U.S. as a global arms exporter and Southeast Asia presumably not being a strategically important region for Russia. According to some assessments, Russia has leapfrogged other countries in its arms exports to the Indo-Pacific, which now accounts for more than 60% of its total arms sales, the Lowy Institute's online publication *The Interpreter* reported in 2019.

Given that arms deals are never just arms deals but also include personnel training, equipment maintenance, military technical cooperation and, sometimes, joint military exercises, Russia's soaring arms sales to Indo-Pacific states add layers of complexity to regional geopolitics.

One major puzzle is how Russia's growing military influence in the region sits within the context of the consolidating PRC-Russia strategic alignment. Southeast Asian states spend billions on Russian arms precisely to enhance their defense capabilities against the PRC. For example, Vietnam's purchases from Russia (including six advanced Improved Kilo-class submarines, 12 new Sukhoi Su-30MK2 multirole fighter aircraft, two Gepard-3 frigates and two K-300P Bastion-P, or SS-C-5 STOUGE, coastal defense anti-ship cruise missiles) "will almost certainly be deployed to protect Vietnamese interests in the South China Sea," the online magazine *The Diplomat* reported.

Is Moscow trying to balance against the PRC by arming up the PRC's strategic rivals in the SCS region and thus compromise the PRC-Russia alignment? Or does Russia's alignment with the PRC come at the cost of Moscow's relations with Southeast Asian states?

The answer to both questions is no. The geopolitics that surround this puzzling dynamic



involving Russia, the PRC and the Indo-Pacific states turns out to be more complex than a simple zero-sum logic would suggest.

Building on Soviet era experience in the area during the Cold War, Russia has historical ties to many countries in the region, many of which were either communist-led or nonaligned former Western colonies. In addition to the historical ties, a geopolitical rationale behind Russia's behavior in the Indo-Pacific has to do with checking, blocking or otherwise frustrating the geopolitical goals of the U.S., not the PRC. It is the U.S., not the PRC, which the Kremlin views as a major existential threat. Moscow reads the Indo-Pacific project through the lens of its systemic balancing against the U.S., especially in the context of Washington labeling Russia a "revitalized malign actor" in the Indo-Pacific, according to the U.S. Defense Department's 2019 "Indo Pacific Strategy Report: Preparedness, Partnerships, and Promoting a

Indeed, Russia stationed IL-78 tanker aircraft at Cam Ranh Bay that were used to refuel Tu-95 nuclear strategic bombers for resumed patrols near Japan and the U.S. territory of Guam. Washington admonished Hanoi in January 2015 for letting Russia use the base, which, Washington believed, raised tensions in the region, as researchers Nhina Le of George Mason University's School for Conflict Analysis and Resolution and Koh Swee Lean Collin of Nanyang Technological University's S. Rajaratnam School of International Studies in Singapore described in *The Diplomat* in March 2015.

The logic of balancing against U.S. policies also permeates Russia's reaction to the U.S. version of the concept of the Indo-Pacific. Moscow believes the term Indo-Pacific to be an artificial construct based on Cold War-style bloc mentality that is explicitly aimed at undermining ASEAN's regional centrality and creating containment rings around the PRC. That's how Observer Research Foundation scholars Nivedita Kapoor and Nandan Unnikrishnan described Russia's stance in a January 2020 post on the Valdai Discussion Club website. As a result, Moscow has preferred to use the terms Asia-Pacific or Eurasian Partnership, which bring the PRC back into the picture.

Some leading Russian experts on Southeast Asia have advised that because the PRC, India and ASEAN member states are all Russia's close and highly valued partners, Moscow needs to consider how to neutralize "unhappy trends" among them. Moreover, Moscow's special relationships with these states should not be underestimated in this regard, as Russian Academy expert Dr. Victor Sumsky has described. Russia should also encourage the formation of some sort of PRC-Vietnam alignment, according to the Russian Academy of Sciences' Dr. Dmitry Mosyakov. Thus, Moscow's dominant geostrategic aspiration

in the region is not to use smaller Southeast Asian states to hedge against the PRC's growing clout. Instead, it is to figure out how to make balancing against the U.S. a common denominator in its dealings with the PRC and its actual and potential rivals.

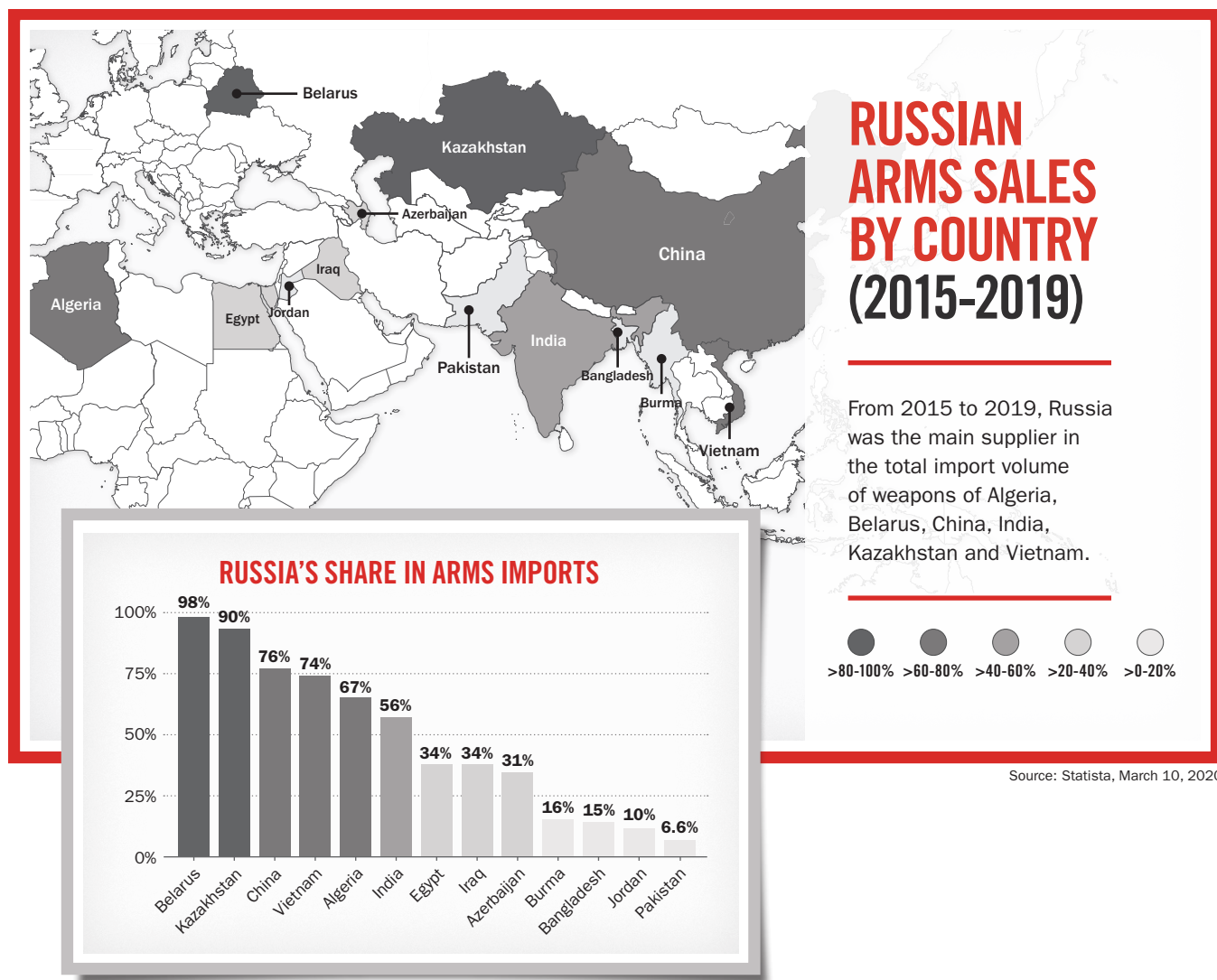
This logic of systemic balancing on Russia's part explains why the PRC — concerned about the growing military capabilities of its SCS rivals due to Russia's arms transfers — is satisfied overall with the situation. First, Russia's presence contributes to slowing down, if not preventing, the Southeast Asian states' strategic turn to the U.S., which would close the containment ring around the PRC. While the current trend might not be ideal, the alternative is worse for Beijing. Second, and given Moscow's aspiration to iron out unhappy trends among the PRC, India and Southeast Asian states, Russia's growing role in the region creates extra channels for



**The Vietnamese Navy's first Kilo-class submarine, purchased from Russia, launches at Cam Ranh Bay, Vietnam, in January 2014.** AFP/GETTY IMAGES

Networked Region." What Russia does in the Indo-Pacific region, toward both the PRC and smaller Southeast Asian states that are threatened by the PRC, is in accord with its larger global strategy of balancing against the U.S.

Especially telling in this regard is the Russian State Duma's internal discussions of reestablishing a military presence in Vietnam. The return to Cam Ranh Bay military base, for example, is justified on the basis that Russia's strategic partners in Washington "do not understand the language of diplomacy and rattle the sabre," according to an October 2016 analysis in the Russian newspaper *Parlamentskaya Gazeta* [*The Parliament Newspaper*]. "Russia undoubtedly needs military bases in Cuba and Vietnam," Franz Klinzewitsch, Russia's first deputy chair of the Federation Council's Committee on Defense and Security, said in the article.



Beijing to engage with its otherwise opponents — something the PRC values a lot. Third, decision-makers in Beijing understand that Russia agrees with the PRC on major issues of global politics — a crucial asset for Beijing, especially in the context of deteriorating PRC-U.S. relations. As confirmation of Russia's special status in the PRC's regional geopolitical calculus, one can look at the fact that Beijing, while pressuring Indian, Malaysian and U.S. energy companies not to cooperate with Vietnam in the SCS, has remained silent about Russia's involvement in Vietnam's offshore energy projects. Russia's arms transfers to Southeast Asia or other military engagements with the region are equally immune from criticism by Beijing.

The implications of these intricate geopolitical configurations for the U.S. are significant. Russia is gaining access to more instruments for promoting its version of multipolarity. The PRC will receive Russia's political backing and access to energy resources and military technologies, which are important for the PRC in its growing tensions

with the U.S. in the Indo-Pacific. Closer PRC-Russia relations in the region also mean limited Russia-U.S. and PRC-U.S. cooperation on issues of crucial strategic importance for the United States. Moreover, given that not all Indo-Pacific states fully share the U.S.' geopolitical vision for the region, Russia's growing military-technical connection with Southeast Asian states and the PRC's acceptance of it can deepen the fault lines that exist between different interpretations of Indo-Pacific.

Because the way Russia approaches the Indo-Pacific is affected by the logic of system-level balancing against the U.S., the only possible effective response for Washington must be at the same level. Fighting a war on multiple fronts against the PRC and Russia at the same time doesn't seem a leading strategy, as some U.S. strategists have pointed out. Instead, the U.S. should take advantage of the ample opportunities the Indo-Pacific presents to slow down, if not reverse, undesirable trends in PRC-Russia military cooperation. □



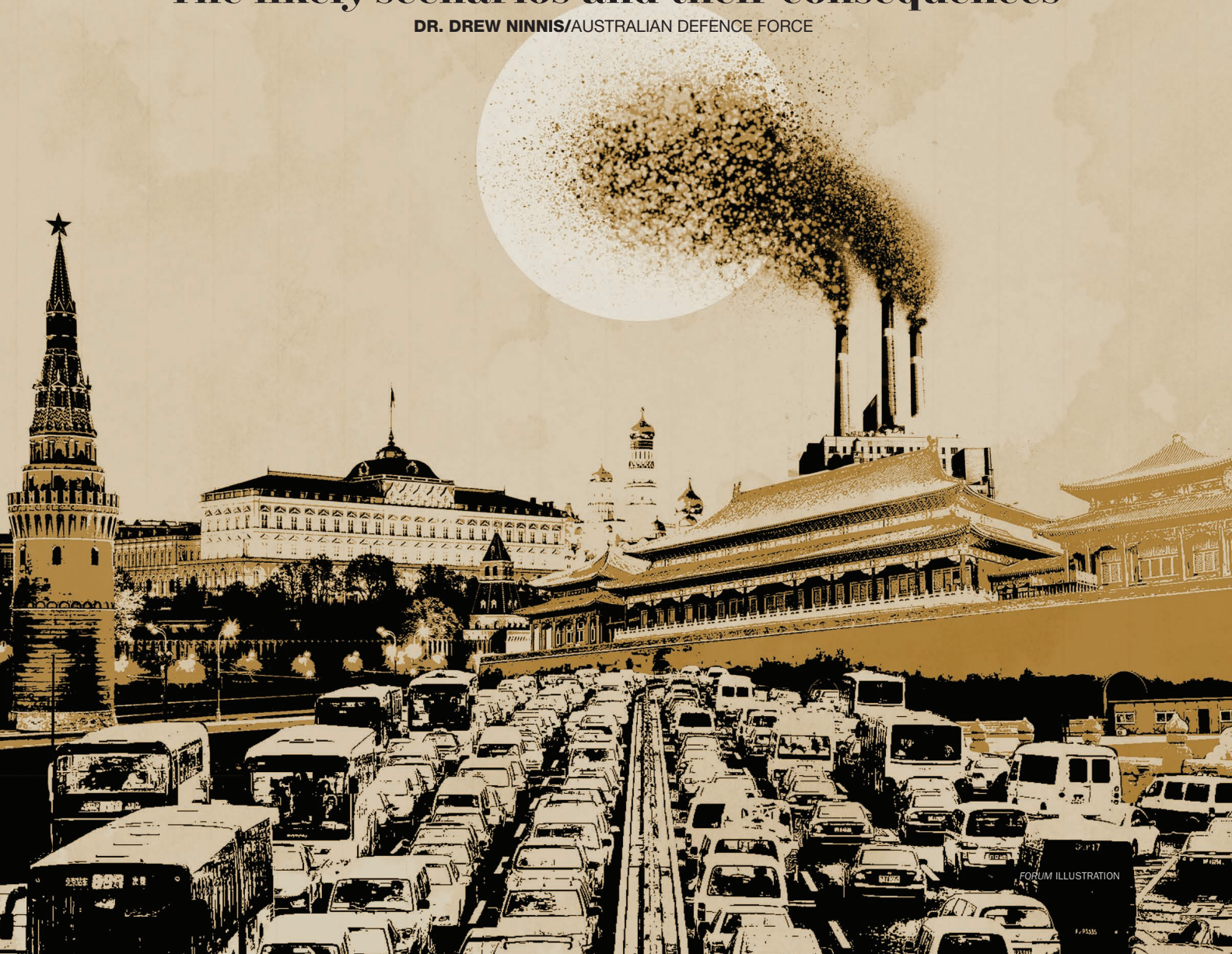
DOES

# RUSSIA'S FUTURE

INCLUDE CHINA?

**The likely scenarios and their consequences**

**DR. DREW NINNIS/AUSTRALIAN DEFENCE FORCE**



FORUM ILLUSTRATION

“How much anger those European gentlemen have accumulated!” proclaims Andrei Danilovich Komiaga, a loyal oprichnik (guardsman) of the new czar. “For decades they have sucked our gas without thinking of the hardship it brought our hardworking people. What astonishing news they report! Oh dear, it’s cold in Nice again! Gentlemen, you’ll have to get used to eating cold foie gras at least a couple of times a week. Bon appetit! China turned out to be smarter than you.”

At least, that is the Russian (and Chinese) future that the post-Soviet provocateur Vladimir Sorokin depicts in his novel *Day of the Oprichnik*. Set in the New Russia of 2028, the czarist regime is back in full swing and has erected a big, beautiful wall on its border with Europe to keep out the “stench [of] unbelievers, from the damned, cyberpunks, ... Marxists, fascists, pluralists, and atheists!” Russia is rich and awash in Chinese technology but inward looking, while reverting to the feudal structures of Ivan the Terrible (or the Formidable as this new generation of Russian leaders might have it).

While the answer Sorokin provides may be fanciful, the questions he poses are worth asking — what might Russia look like in 2028 and beyond? Does Russia’s future include the People’s Republic of China (PRC)? And what are the consequences of these potential futures for Europe and the rest of the world? The intertwined trajectories of Russia and the PRC will force consequential decisions for the United States, Europe and their allies that will shape the 21st century. One way to anticipate, inform and prepare for these decisions is by contemplating the potential futures they might imply.

Of course, the future is inherently uncertain and futures analyses, such as this one, deal less in making likely calls and more in envisioning scenarios. This isn’t done entirely in the flamboyantly satirical style of Sorokin; instead, the analysis below considers key trends and indicators, available empirical data for tentative forecasts and counterfactual cases before offering a range of possible future scenarios.

This analysis divides the questions of Russia’s and the PRC’s potential futures into several sections: first, considering their mutual history and the possible ways in which these may be used; second, considering the potential trends and futures of both; third, examining the central role the PRC’s One Belt, One Road (OBOR) program has in shaping those futures; and finally, considering the potential scenarios and strategies within these futures.

These speculations have a fundamental policy application, prompting clear thinking on which of these futures Western nations might prefer and what can be done to achieve the best future for all. Ultimately, it is far better to have planned for many potential responses and not need them than to be caught by surprise and without options.

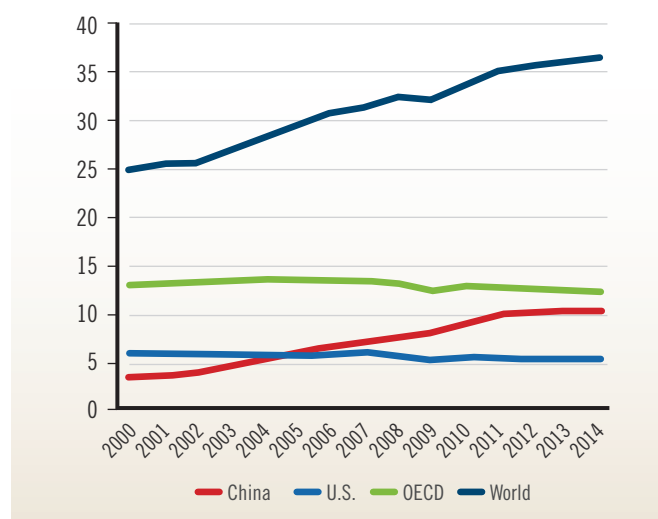
## POTENTIAL FUTURES FOR CHINA

Let us turn to the PRC’s future and, in particular, the trends and sectors that are likely to define the realm of the possible. These are: the PRC’s physical environment,

demographics and economy, Chinese politics and society, and the PRC’s foreign relations and security. Finally, what are the PRC’s future strategies likely to be and what options does the PRC have in pursuing them?

In short, the PRC’s environmental future does not look good — and that’s bad news because environmental trends are the least likely to suddenly turn around, and the Chinese Communist Party’s (CCP) options in tackling these long-term trends are limited. The PRC’s carbon dioxide emissions are approaching those of the developed world combined and, without drastic intervention, are likely to dramatically exceed them by 2050 (Figure 1), as data reveals from the Organisation for Economic Co-operation and Development (OECD). Its members are Austria, Australia, Belgium, Canada, Chile, Colombia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Latvia, Lithuania, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovakia, Slovenia, South Korea, Spain, Sweden, Switzerland, Turkey, United Kingdom, and the United States.

Figure 1: CO<sub>2</sub> emissions — China, U.S., OECD and world  
(millions of kilotons)

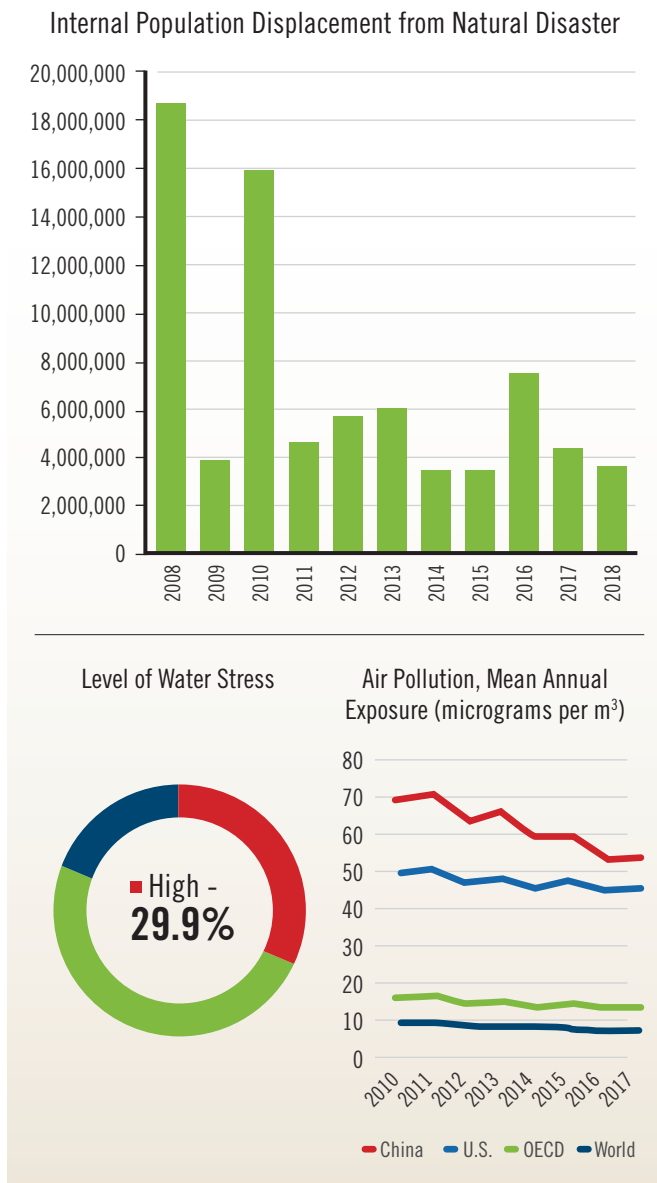


Source: OECD

While it has made some progress in increasing nonrenewable electricity production, the PRC lags behind most other developed nations. This has significant global consequences and severe local consequences. The PRC’s arable land has decreased dramatically, from 118 million hectares in 2000 to 106 million hectares just 15 years later, while its population has continued to grow — making food security a huge issue. Compare this to the U.S., which over the same period went from 175 million hectares to 154 million hectares. While this is also a sharp decrease, it indicates that despite the short-term effects of the ongoing trade war with the U.S., the PRC is likely to remain dependent on agricultural imports from the U.S. unless it can quickly grow the number of trade-partner farming super states as part of OBOR.



Figure 2: China's key environmental indicators



Other environmental indicators for the PRC tell a similarly alarming story — with the number of people internally displaced by natural disasters remaining high, averaging 7 million each year. Its level of water stress is extremely high, and the mean annual exposure to air pollution outpaces the rest of the world (Figure 2).

The point of this survey is to establish that the PRC faces significant limits on the growth of its other sectors (demographics, economy) that stem directly from the future environmental problems it will face. A key source of these problems is the water-food-energy nexus because as these environmental issues grow alongside Chinese demand for food and energy, there will be increasingly less water or other key inputs to support this growth.

A second limiting factor on the PRC's growth, and its future, is its demographics. A legacy of China's draconian

population controls (including the One Child policy) is that by 2025 the PRC will no longer be the most populous nation — that honor will go to India, whose growth rate is projected to continue rising until 2050. In fact, by as early as 2030 the PRC's population will have begun to shrink, being surpassed by the total population of OECD members in 2040 (Figure 3). The very foundations on which the PRC has built its wealth — a manufacturing economy with cheap and plentiful labor, a limitless capacity for economic growth built on the backs of an enormous population — will erode. If the size and growth of global economies remains linked to the youth and size of a nation's population, then Western nations may soon be asking whether India's rise is coming at the PRC's cost.

Figure 3: A projection of China's population and age dependency ratio

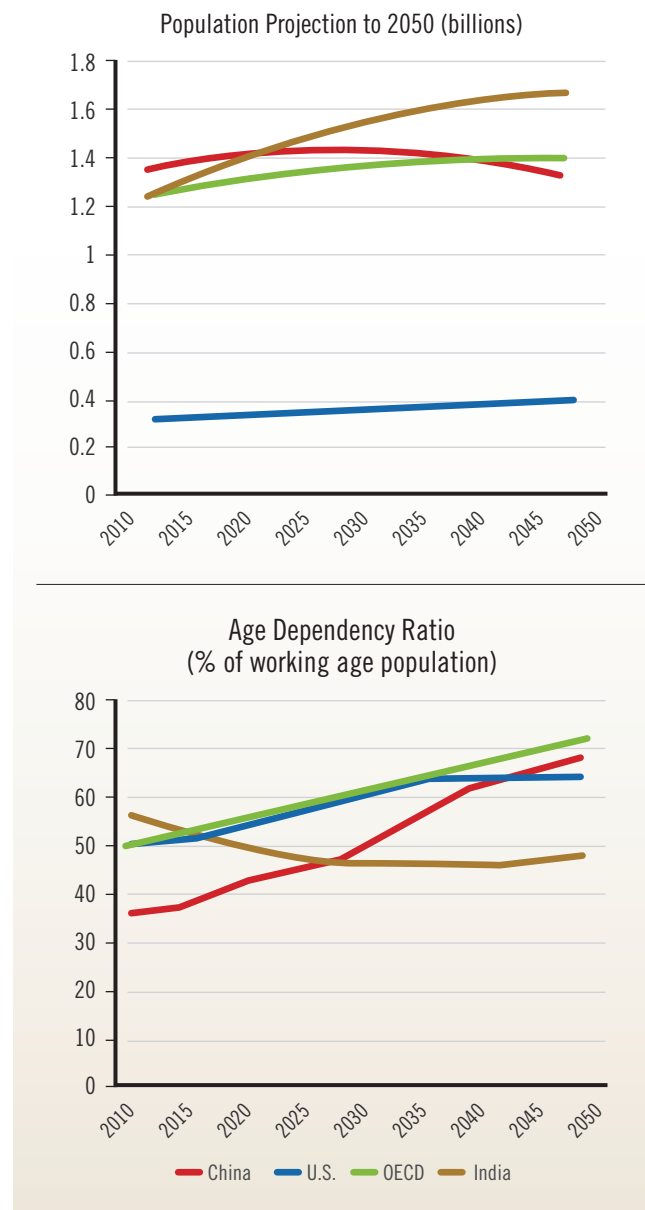
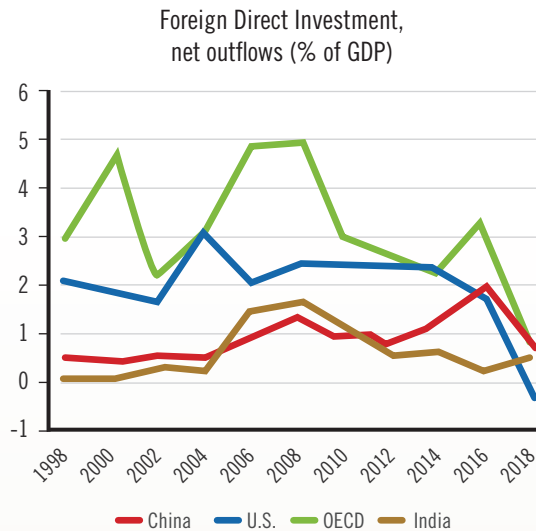
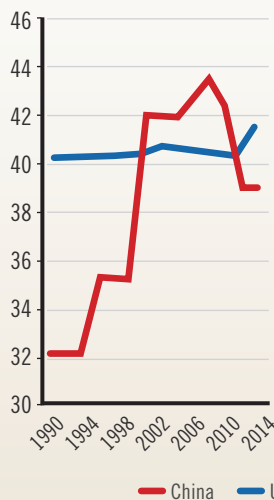


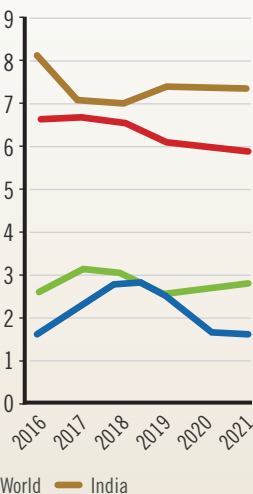
Figure 4: Key Chinese economic indicators



GINI Coefficient (higher = greater inequality)



GDP Growth (constant 2010 USD)



Source: World Bank

And the news gets worse: as the PRC's population shrinks, it also grows older, meaning that a smaller proportion of workers must support the retirement of a larger number of Chinese citizens. This leads to the question of whether the PRC will succeed in growing rich — and moving up the value chain of the global economy — before it grows old.

In turn, the PRC's political stability continues to depend on the CCP's strength and effectiveness — a proposition likely to be stress tested in a variety of unexpected ways over the decades to come. First, there is the internal stability of the party itself, which may seem monolithic under General Secretary Xi Jinping but is far more factional and prone to internal disagreement than it seems. Indeed, Xi's coronation was almost disrupted when he disappeared for two weeks in September 2012 — an

absence, *The Washington Post* newspaper reported, caused when a chair thrown by a senior Chinese leader during a contentious meeting injured Xi when he tried to intervene.

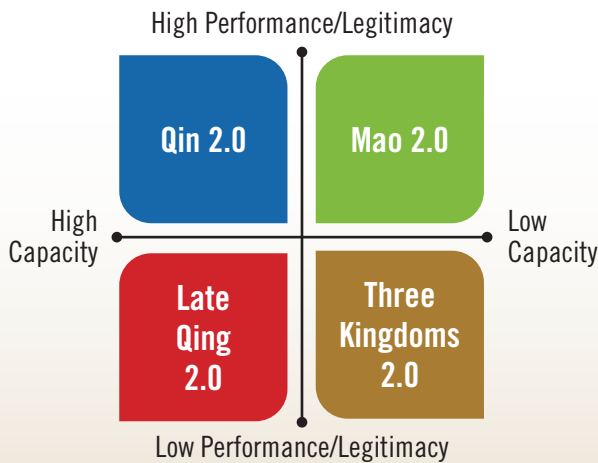
In terms of the PRC's foreign relations and security, this translates into three key projects the CCP must advance — deliver Xi's "China Dream," stand firm on its geopolitical must-haves and avoid conflict as much as possible. China Dream rests on the CCP's calculation that it has a 20-year window of opportunity in which the PRC can grow rich enough to build a firm foundation for the future of Chinese wealth and power. During this time, the CCP is unlikely to fundamentally challenge the post-World War II economic or political order because most parts of it work in the PRC's favor for now and it costs the PRC little to maintain. On top of this, the PRC looks to quietly lay the foundations to replicate the CCP's control of its internal circumstances to control its external circumstances, first economically but eventually politically. OBOR performs a fundamental task in this transition. While doing this, the PRC must remain firm on its geopolitical must-haves — maintaining the primacy of the CCP in all sectors, maintaining its territorial integrity in Xinjiang and Hong Kong while closing in on Taiwan, and remaining internally postured while deterring outside intervention through an anti-access/area denial military strategy. Lastly, the CCP almost certainly wants to avoid open military conflict with other capable nation states, believing that even small conflicts over issues beyond its geopolitical must-haves will compromise the window of opportunity for China Dream.

The PRC's future, therefore, depends on the successful execution of these goals — particularly growing rich before it grows old and evenly distributing the gains. OBOR is a central means of achieving this. It is also likely that the CCP fears internal threats and instability more than it does outside actors, although it still plans for the latter. Two key factors drive the PRC's potential futures — whether its economy is running on all cylinders (and is high capacity), as well as the CCP's performance and legitimacy. If we arrange these two trends on X and Y axes, we get four interesting potential futures for the PRC (Figure 5).

In a high capacity, high performance/legitimacy future for the PRC, we get a high-tech repeat of China's first emperor — a ruling party that uses future tech to tightly control the lives of its populace and its internal security (the "iron grid" of Qin Shi Huang implemented on Chinese life that pinned every subject in their place), while still delivering a rich and comfortable life for the majority of its citizens. In a high capacity, low performance/legitimacy scenario, we get a late-Qing redux — with a booming economy and much wealth transferred to actors both internal and abroad, but a slow, and then rapid, fracturing of the CCP's hold, which may lead to a liberalization of Chinese society or a division of the spoils among its most wealthy and influential actors. Alternately, in a high performance/legitimacy, low capacity scenario, we may see a repeat of Chairman Mao Zedong's repeated attempts to transform China amid bitter circumstances — with



Figure 5: Four potential futures for China



the CCP exercising draconian control but to little effect, with growth stalling and a poor populace seeing global economic progress migrate elsewhere. Finally, the worst of all possible worlds is contemplated in a low performance/legitimacy, low capacity scenario where a return to the instability of China's Three Kingdoms brings less harmony and more collapse.

This simple way of thinking about the PRC's futures doesn't predict one or another as more likely; indeed, the truth is likely to be a unique variant on all these scenarios and far more complicated. But it does allow us to envision different states and then contemplate the place that the success or failure of OBOR, and the PRC's relationship with Russia, could have in these futures.

## POTENTIAL FUTURES FOR RUSSIA

In terms of future strategies, it is likely Russia will attempt to walk a fine line of provocation and concession with the West, betting European allies won't have the staying power to commit to a full confrontation or containment policy and trying to extract concessions where it can. At the same time, it would be valuable for Russia to advance its hedging strategies in China and Eurasia, seeking out new markets and allies where possible. Finally, the regime is likely to attempt to strengthen internal resilience and dependence while trying to mitigate the effects of any downtime during a resource supercycle. What is most interesting about these strategies is that the three latter objectives seem to intersect directly with OBOR and the pressing question of whether Russia forms a fundamental part of it. It would not be too far from Sorokin's fictional future to envision a resurgent Russia that has successfully staved off pressure from the West, forged close economic and security relationships in China and Eurasia, found new markets and means to mitigate its current economic problems and, therefore, steadied itself at home.

This leads Russia into an interesting but potentially perilous set of alternate futures (Figure 6). While one of

the PRC's axes of alternate futures rests on the CCP's effectiveness and authority, in Russia's case it might be more accurate to pin the trend on the level of dissent within the nation and how that impedes the objectives of Russia's elites. Similarly, while the PRC's economic capacity and ability to power the global economy were key questions, for Russia it is a simpler matter of whether it is economically resurgent or depressed. The four scenarios that present themselves are subtly different from the PRC, representing Russia's different internal structures and sources of strength and vulnerability, but they again have rough historical analogues. An economically strong and united Russia might present something of Peter the Great 2.0, allowing Russia's future leaders and elites the scope to challenge or co-opt certain parts of the West while forging a unique relationship and identity in the East (a new Treaty of Nerchinsk, or special friendship). The world may have a lot to fear from this geopolitical alignment and, indeed, it has been a topic of conversation among crusty old Cold Warriors such as Paul Dibb and Henry Kissinger. An economically strong but politically fractured

Figure 6: Russia's alternative futures



Russia, on the other hand, might resemble an early Nikita Khrushchev period redux where elites struggle to contain popular dissent while rotating between periods of thaw and crackdown that are not completely within their control. As with the PRC, this would likely lead to a less consistent and more volatile Russia on the world stage, as foreign policy is driven by internal fluctuations. An economically weak but low internal dissent Russia might represent a return to the stagnation of the Leonid Brezhnev years, where no one is particularly happy and Russia is withdrawn, but a fear of the potentially far worse prevents drastic action either internally or externally.

Finally, the most feared situation for Russia would be a return to a period of high dissent and economic collapse represented most potently in the Russian imagination by

the transition from Mikhail Gorbachev to Boris Yeltsin and the years of “shock therapy” to reform the economy. While the PRC’s worst-case scenario represented a collapse of institutions and uncertain transition, it did not necessarily represent the collapse or split of the PRC itself. In Russia’s case, we should not be so certain given the numerous frozen conflicts (Chechnya, South Ossetia and Abkhazia, Donetsk, Crimea) that Russia maintains to solidify its borders and what it perceives as its satellite states. Russia might just split apart under the pressure, simultaneously igniting numerous cold conflicts into hot wars. We may be faced with the reality that the only thing worse than an aggressive and resurgent Russia is one that is collapsing.

## ONE BELT, ONE ROAD

Finally, it is worth considering OBOR and how it might act as a key pivot among these alternate futures. Specifically, OBOR was announced in 2013 by Xi as part of his broader China Dream and “Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era,” and the name was changed to the Belt and Road Initiative in 2016. Consisting of U.S. \$575 billion worth of railways, roads, ports and other projects, it establishes six overland corridors of the Silk Road Economic Belt and the 21st Century Maritime Silk Road as defined by the PRC. As of March 2019, 125 countries had signed collaboration agreements with the PRC as part of the initiative — although this should be taken with a grain of salt, as the World Bank assesses that only 71 of those 125 economies are in any meaningful way connected to OBOR. There is also confusion over the Belt-Road part that is worth clarifying: the land routes are “belts” because they allow economic corridors of industry and markets across their length, which will fuel the PRC’s global ambitions, while the “road” routes are sea lanes, which simply convey goods from port to port.

As several commentators have pointed out, the PRC’s economy faces the reality of a slowdown. The PRC must continue its high rates of growth, even with this slowdown, to generate employment and stability. But for many years, the CCP’s tools of choice to do this have been debt and uncompetitive state control. This is no longer likely to deliver the results the CCP needs. Second, the PRC must rebalance its economy from that of a cheap-exports manufacturer to one that supplies higher-value products and services (such as cars, indigenous technology and finance) to internal and external markets. All of this is aimed at avoiding the middle-income trap, or the country growing old before it grows rich.

So far, there are two competing theories of how OBOR achieves this. The “maximalists,” such as political scientist Bruno Macaes, see it as nothing less than the start of an economic new world order presided over by the PRC. Macaes writes that “whoever is able to build and control the infrastructure linking the two ends of Eurasia will rule the world. ... By controlling the pace and structure of its investments in developing countries, China could transition much more smoothly to higher

value manufacturing and services.” The World Bank has also observed that the “countries that lie along the Belt and Road corridors are ill-served by existing infrastructure — and by a variety of policy gaps. As a result, they undertrade by 30% and fall short of their potential FDI [foreign direct investment] by 70%. OBOR transport corridors will help in two critical ways — lowering travel times and increasing trade and investment.” Therefore, China is simultaneously filling a gap and building goodwill within the developing world, hoping to lead the next phase of the global economy as it overtakes more developed OECD countries that currently sit atop value chains.

But there is also the “minimalist” theory arguing that the so far successful publicity campaign elements of OBOR disguise something that is much less than it seems. For example, Jonathan Hillman, senior fellow at the Center for Strategic and International Studies, argues that the “Belt and Road is so big it is almost impossible for one person to have mastery of it, sometimes I wonder if China grasps the whole thing,” while the World Bank places a large caveat on its previously mentioned analysis. In the same report, the authors argue that the program works “only if China and corridor economies adopt deeper policy reforms that increase transparency, expand trade, improve debt sustainability, and mitigate environmental, social, and corruption risks.” This theory argues that the program is a clever narrative to get more out of what is simply stimulus for the Chinese economy, particularly the construction sector, and that it is a simultaneous marketing pitch to get foreign capital and buy-in for a program that is only going to benefit the PRC. Further, some commentators have highlighted that rather than helping bordering economies, the projects that make up the program are useful debt traps that give the PRC leverage over neighboring governments. Finally, several have highlighted that the program is a useful cloak for the CCP to buy the loyalty of interconnected party cadres and businesses and that corruption siphons off a good proportion of any investment.

So, which is it? This is a particularly important question because the program is a key pivot that may decide whether a certain set of the PRC’s or Russia’s alternative futures are more likely than others. And while OBOR is a huge undertaking that will take many years to assess, so far the picture is not good. It has operated as a debt trap for more vulnerable nations, with Sri Lanka borrowing heavily to invest in new ports but then allowing a state-owned Chinese company a 99-year lease in exchange for debt relief — leaving little for Sri Lanka but setting up a strategic facility for the PRC along its key shipping lanes. The U.S. \$62 billion China-Pakistan Economic Corridor offered a promising demonstration of OBOR’s potential with a key partner but has been stalled amid Pakistan’s significant debt problems. Burma has scaled back its initial U.S. \$7.5 billion port deal with the PRC, settling for U.S. \$1.3 billion; the Malaysian government has canceled U.S.



\$3 billion worth of pipelines and is threatening to abandon a U.S. \$11 billion rail deal. The Maldives is seeking debt relief and cancellation due to widespread corruption among its OBOR projects, while a power plant in Kenya has been halted by the country's courts due to corruption and environmental concerns.

Yet OBOR has scored gains. The World Bank estimates that it has seen trade growth in connected economies of between 2.8% and 9.7% (1.7% to 6.2% worldwide), while offering significant advantages to the PRC and its trading partners in time-sensitive sectors such as fruit and vegetables or electronics supply. It further estimates that low-income countries have seen a 7.6% increase in FDI due to new transport links. But it is also clear that OBOR is likely to fall well short of the claims of the maximalists; indeed, placed in historical perspective, this is what we would expect. Against the PRC's U.S. \$575 billion of investment, the post-World War II economic order was shaped by the U.S. and its allies with trillions of dollars of investments over decades, including the reconstruction of West Germany and Japan. Scholars are still grappling with the costs the Soviet Union outlaid to build a parallel communist order that eventually collapsed. It was perhaps optimistic to think the PRC could accomplish a similar transformation on the cheap.

## AN ANSWER

But back to the original question, or at least a variation of it. Does the PRC's future include Central Asia, Southeast Asia, Iran, Turkey, Europe and Africa? Clearly, the answer is yes. Even if only modest elements of OBOR are delivered, the PRC will be looking to establish mutually beneficial markets in all these regions — whether it be for resources, food security, new industries or other elements of the PRC's value chain of production. They simultaneously offer the access, cheap labor, skills and resources the PRC needs to improve the wealth and satisfaction of its citizens. These markets are close to China, they are amenable to Chinese investment and degrees of control, and they and the PRC stand to gain from the same outcomes.

But does the PRC's future include Russia? After examining the evidence, while it is possible, on balance the answer is no for a few overlapping reasons — namely resources, markets, geography, competition and Russia's outlook. On resources, Russia has a narrow range to offer, mainly energy and natural resources, which the PRC can source from various nations closer to its economic arteries than Russia is likely to be. The PRC is not just after supplies but also a reciprocal market for its value-added goods to ensure a strong two-way trade — Russia

is unlikely to provide the latter as it gets smaller and relatively poorer. Despite their treaty of friendship and the construction of an extensive network of pipelines, the inability of Xi and Russian President Vladimir Putin to reach a natural gas deal is emblematic of this problem. Related is the issue of markets — Russia is just not a large enough or convenient market for value-added Chinese goods, which tend to bypass it and instead flow to Europe.

Then there is the issue of geography. While images of OBOR show grand railways traveling through Russia — or perhaps the novelist Sorokin's superhighway — the reality is that unless these “belts” have lucrative markets along the way, shipping remains the cheapest way for the PRC to move goods by an order of magnitude. While the opening of Arctic shipping may help Russia in the short term, it is simply more cost effective for the PRC to bypass Russia and seek transport (and markets) by other

means. Additionally, the World Bank has pointed out that Russia is not within the PRC's economic corridor and that the benefits of the program are far likelier to flow to regions such as Southeast Asia, Africa and Central Asia. It is also worth bearing in mind that Russia and the PRC remain geopolitical competitors, seeking influence in Central Asia and elsewhere. Both view formal alliances or constraints on their actions warily and would rather decide issues on a case-by-case basis — making anything beyond the rhetoric of a “special relationship” unlikely. Institutions such as the Shanghai Cooperation Organisation and Eurasian Economic Union remain, for Russia-China

relations, more akin to forums for discussion than organizations for long-term action, such as the European Union and NATO are.

Finally, there is the issue of Russia's attitude and disposition more broadly (as well as that of the PRC). Despite having loose, common grievances against the West, it is unlikely that relations would be any easier with the PRC in the driver's seat. Russia likely would have the same problem it has with the West — resentment at not being treated as an equal. This is fundamentally because it isn't one and certainly is not going to gain in stature by 2050, given the trends previously mentioned. Under a Chinese new order, the PRC would be even more likely to actively pursue its interests and ignore Russian ones. Russia might even grow wistful and miss its old geopolitical competitors in the Occident.

## POTENTIAL STRATEGIES

But futures analysts must consider a range of alternate futures. If the PRC and Russia do grow closer, what might

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***There is no obvious reason to believe that a close Russia-China relationship is more likely than their current relationship of convenience and occasional strategic alliance.***

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be the West's options? Four strategies to deal with Russia and forestall the PRC present themselves: a new Marshall Plan, "self-strengthening" under the PRC, integrating Russia, or confronting and isolating (... forever).

A new Marshall Plan would entail the U.S., its allies and partners competing with OBOR by offering developing nations, and those the PRC is trying to capture, access to other markets and opportunities. This would involve spending a great deal on infrastructure, investments and other development projects. It would be nation building for new markets, creating an alternative to the PRC and opening more attractive opportunities to countries in Southeast Asia, Africa and the Middle East. Nations could specialize in niches of the global economy (something Japan tried in South and East Asia in the 1990s). It would be a big, expensive plan with all the drawbacks that come with a project of that size. This would require a huge amount of coordination and agreement, which Russia and the PRC would try to undermine at every opportunity. Yet, there are precedents — the EU, the European Organization for Nuclear Research, the work of the World Bank and the International Monetary Fund. But have the days of George C. Marshall, Franklin D. Roosevelt, reconstruction and nation building come to an end?

Option two would be self-strengthening under the PRC, a phenomenon the Chinese are intimately familiar with. Following the reign of unpopular but powerful emperors, or even lower-level, corrupt officials, actors would simply bide their time and gather what resources they could while avoiding the pitfalls of the regime. This could involve the West letting the PRC take the lead under OBOR, working out where it can be used to its advantage and making what profits it can while the going is good. Developed nations could integrate into the PRC's supply chain, offer opportunities for Chinese investment and smooth the way for the PRC (e.g., via World Trade Organization market economy status). This would also entail accepting Chinese-mandated limits on political speech and interventions that nations could engage in — for example, criticizing the PRC's human rights abuses or protecting the status of Taiwan. Indeed, Facebook, Google, Disney and other companies have already shown a willingness to engage in exactly this sort of self-strengthening (with some hitches) and may be willing to do more. The National Basketball Association controversy in the PRC in late 2019 shows what this would entail — the opportunity to make billions in Chinese markets but no room for negative tweets about the PRC's actions in Hong Kong. But are we willing to pay this price?

A third option would be the most drastic — avoiding a close relationship between Russia and the PRC by reintegrating Russia into Europe and the global community. Given Russia's recent adventurism and delinquency, this may be hard to embrace. But it would isolate the PRC as the only major holdout to the post-

World War II international order. Allowing Russia back into the club would allow the West to make use of its influence in Central Asia and the Middle East to shut out the PRC from its main OBOR objectives. It would involve negotiating an end to current Russian hostilities and outsider status (almost certainly to the disadvantage of Ukraine), and let Russia achieve the European integration it hoped for prior to 2008. The U.S. and its allies would have to accept a Russian sphere of influence, as well as the Russian way of doing business within it and possibly in the rest of Europe (a way which generally involves petro-politics and varying degrees of corruption or gray-zone legality). This would incentivize Russia and its dependencies to work with the West, while closing out the PRC, almost in a mirror image of U.S. President Richard Nixon's 1972 opening to China. But can Western nations live forever with Russia as it is now? And can they sell important allies short to achieve it?

The final option would be for Western nations to continue their current approach, now and forever. This would continue the strategy of profiting from the PRC and Russia where they can while reducing dependence — and confronting them strongly on nonnegotiable issues. It would push the PRC and Russia to bend to the post-World War II consensus, while acknowledging that this is likely to have limited success. It would continue to turn economic problems (OBOR) into security problems (a parallel system, and therefore a base of Chinese power). The U.S. and its allies would have to advance significantly into gray-zone and hybrid warfare to counter Russian and Chinese below-the-threshold operations. It would entail the creation of parallel economic and political systems, while pushing nations between the two blocs to pick sides. Ultimately, it would contemplate complete economic decoupling and disinvestment from the PRC and Russia, potentially leading to Chinese instability and Russian collapse. But the question remains, what would be the desired end state of this strategy?

## FUTURE RELATIONS

There is no obvious reason to believe that a close Russia-China relationship is more likely than their current relationship of convenience and occasional strategic alliance. Yet, it is useful to contemplate, and attempting to formulate responses to a range of alternate futures allows Western nations to expand their thinking and the realm of the strategically possible. Several things are clear: Western nations must think carefully about their preferred future, consider the range of scenarios and how they might respond to them to get there and keep a sharp eye for indicators in which direction events are heading.

Andrei Danilovich Komiaga may not get his desired comeuppance for the complacent gentlemen of Nice, but achieving a better future than the dystopia Sorokin envisions will require a great deal of planning, forethought, futures analysis and smart strategy from Western nations and from their future leaders. □



# UNDERSTANDING **THE** **CCP** THREAT

*National security expert David Maxwell exposes Chinese Communist Party tactics for gaining influence*

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**R**etired U.S. Army Col. David Maxwell delivered the keynote address during the Transregional Resistance Working Group conference at the Naval Post Graduate School in Monterey, California, in February 2020. Speaking to an audience of mostly special operations forces (SOF) personnel, Maxwell described the critical role SOF play in political warfare. He also exposed tactics used by the Chinese Communist Party (CCP) and People's Republic of China (PRC) in attempts to gain regional and global influence. Exposing and understanding those tactics, Maxwell said, is key to a country's ability to counter them.

Maxwell served 30 years in the U.S. Army, retiring in 2011 as a Special Forces colonel. For his final assignment, Maxwell served on the military faculty teaching national security strategy at the National War College. He specializes in China, military and political power, North Korea and U.S. defense policy and strategy.

What follows are statements Maxwell made about the CCP and PRC during his speech at the Transregional Resistance Working Group.

***It's critical for SOF to understand the region's "fundamental problem" — which Maxwell identifies as the PRC.***

More specifically, it is the CCP that is a threat. I am not afraid to say it. The CCP seeks to undermine U.S. and Western influence and the influence of individual freedom and liberty, liberal democracy, free market economy and human rights and human dignity of all. These are the common values the U.S. and like-minded countries share.

We should all take some time and reread *Unrestricted Warfare*, which was written by two People's Liberation Army (PLA) colonels in 1999 as an academic exercise on how to counter a superpower. It was based on their assessment of the U.S. military in the post-Cold War world and, in particular, the so-called revolution in military affairs, which we were chasing in the 1990s. I think this was a very prescient book using all means available in an unrestricted manner. When I received my letter from the U.S. Office of Personnel Management after the





**Maldives National Defence Force Special Forces clear a compartment during a visit, board, search and seizure operation to develop shared techniques, tactics and procedures with U.S. Special Forces during the 2020 Balance Metal exercise.** U.S. SPECIAL OPERATIONS COMMAND PACIFIC





A woman uses a Chinese national flag to shade herself as she listens to Cambodian Prime Minister Hun Sen speak during the inauguration ceremony of a sky bridge funded by the People's Republic of China in Phnom Penh, Cambodia. THE ASSOCIATED PRESS

Chinese hacked all our security clearance forms, I returned to *Unrestricted Warfare*, and I was amazed at how many references there were to hacking and obtaining data for later exploitation. Again, this was written in 1999.

In 2004, when I was at the National War College, the Chinese minister of defense addressed the students. I asked only one question at these distinguished leader presentations all year long. I asked the defense minister that since *Unrestricted Warfare* has proved so prescient, is the PLA using it to inform its doctrinal development and strategic and operational concepts? He walked off the stage and conferred with his handlers and returned to tell me the book has been debunked and I should not believe everything I read. My inside voice said: “He doth protest too much.”

### ***Identifying and understanding CCP warfare strategies are key.***

We should know the CCP’s “three warfares” just as our brethren from Europe know Russia’s next generation or nonlinear warfare and its little green men.

- Psychological warfare seeks to disrupt an opponent’s decision-making capacity, create doubts, foment anti-leadership sentiments, and deceive and diminish the will to fight among opponents.
- Legal warfare — lawfare — can involve enacting domestic law as the basis for making claims in

international law and employing bogus maps to justify PRC actions.

- Media warfare is the key to gaining dominance over the venue for implementing psychological and legal warfare.

### ***PRC investment schemes are shaping the conversation on the CCP threat.***

We should know One Belt, One Road (OBOR) and the economic strategy behind it that causes debt traps for vulnerable countries. Just ask Sri Lanka how the PRC gained controlling interest of its major port. This is happening not just in Asia but in Latin America and Africa as well.

We should understand CCP investment strategies and the industries in which it invests. Sure, economically it makes sense for the PRC to invest in energy and other resources, and we know it is a very extractive investor — takes all the benefits and provides little in return. In places such as Taiwan, it has made major investments to achieve controlling ownership of media companies. We should ask, is this purely for profit or does this provide the CCP with important capabilities?

### ***CCP influence campaigns, infiltrating networks and communities are widespread.***

We need to be aware of Chinese espionage operations and the CCP’s attempt to recruit spies



**Police in Taipei, Taiwan, escort Chinese student Zhou Hongxu to a court hearing on charges that he tried to develop a spy network for China.** REUTERS

*The PRC has a vast intelligence network. They have infiltrated governments, militaries, businesses, the media, nongovernmental organizations and much more.*

in our countries. The thousand talents and the thousand grains of sand concepts are designed to gather information and knowledge for the PRC. The Confucius Institutes provide money to cities, towns and school districts in return for providing education in Chinese language, culture and history. Local governments become addicted to these funds, which in turn allow the PRC to conduct aggressive influence operations at the grassroots level. The PRC has a vast intelligence network. They have infiltrated governments, militaries, businesses, the media, nongovernmental organizations and much more. It is difficult to keep information from the CCP because they seem to have eyes almost everywhere. However, this can have a positive benefit because the development of resistance capabilities and resilience in society will show the CCP that its strategy is not working, and it may give its leaders pause from pursuing it further or even shifting to more violent operations and actions. We should think about our political processes. While we know what Russia has done and is doing to undermine the democratic processes in the U.S. and European countries, we should be observing Chinese actions. Although I do not have specific data and evidence in the United States, I think it is something that we

must defend against, especially because I think the Chinese will be more subtle and sophisticated than the Russians.

***The CCP attempts to use movies and gaming to control the narrative.***

We have seen the CCP censorship of Hollywood movies such as *Red Dawn*, where the enemy had to be changed from the PRC to North Korea. But one of the most insidious influence operations ever conducted is the Chinese takeover of the gaming industry. There are perhaps only a few people in this room who partake in massive multiplayer online gaming. Yet for some of the championship games, the amount of people watching is many times greater than the Super Bowl audience. What is really important about these games is the CCP is shaping the narrative storylines creating Chinese character heroes and favorable descriptions of the PRC versus negative portrayals of the U.S. and the West. This is shaping a whole next generation of youth who see the PRC in a very favorable light based on false information and propaganda. The question is how do we resist this and how to develop the resiliency necessary to counteract this?

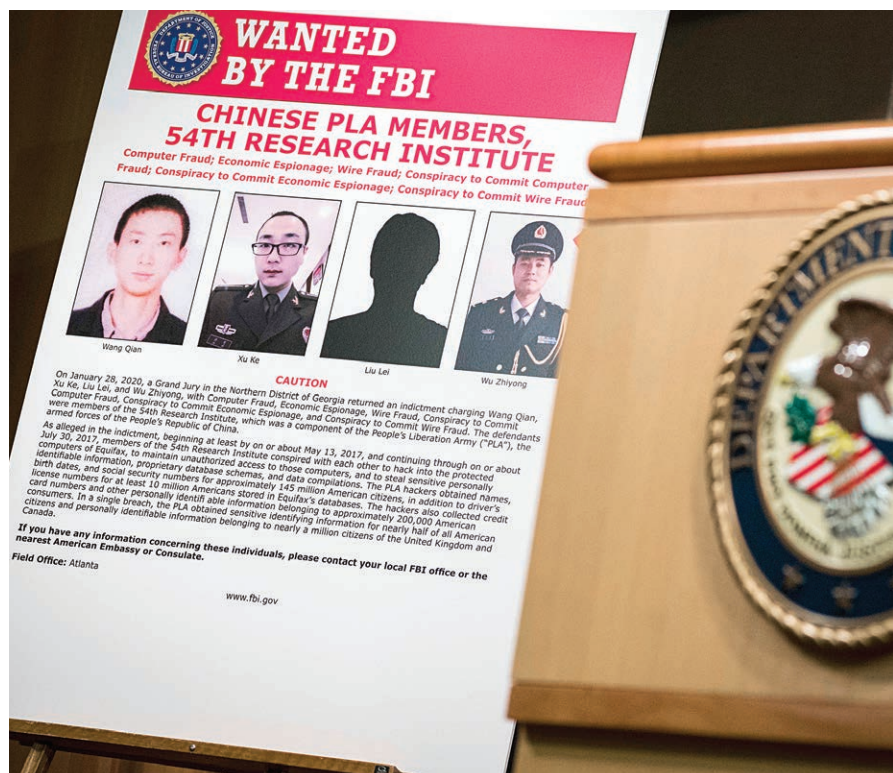
***The coronavirus pandemic has unmasked elements of CCP influence tactics.***



*The Chinese system is not one designed to take care of the people. It is a system designed to protect and keep in power the CCP at the expense of its people.*

It is important to see how the coronavirus changes the PRC's strategy. We do not know for sure what happened. I do not want to be a conspiracy theorist and say the PRC was developing a bioweapon, though we understand there was a bio lab 30 miles (48 kilometers) from Wuhan. In fact, bio experts have told me that it makes no sense to use this type of virus as a bioweapon. However, it may not have been deliberate. Perhaps there was an accident at the lab or perhaps it was some kind of test that went wrong. Maybe it was a deliberate test to see the response and reaction or perhaps to deplete resources on a global scale. If it was a deliberate act, the PRC appears to already be suffering blowback. When the stock market reopened, it lost billions of dollars in value. The question is, if this was deliberate, what do we do about it? In addition, although I am loath to exploit tragedy, it is obvious even if it was not deliberate, the Chinese reaction to the problem illustrates the vulnerability of authoritarian regimes. The lack of transparency allowed the virus to spread. The Chinese system is not one designed to take care of the people. It is a system designed to protect and keep in power the CCP at the expense of its people. That should be a key theme and message in any information and influence activities campaign.

***Countries should consider the following when developing counterapproaches to the PRC's political warfare strategy.***



**The U.S. Justice Department displays a sign depicting the four members of the People's Liberation Army indicted on charges of hacking into Equifax Inc. and stealing data from millions of Americans.** GETTY IMAGES

We must consider new approaches, as well as recall old approaches that are still likely to be relevant and effective. This is by no means a thorough approach.

First, there are really only three options for a country facing the PRC's political warfare strategy:

1. Accept and acquiesce. Accept that the PRC can't be stopped, accept their investment and influence, which will undermine the government's legitimacy and lead to the PRC's objective of creating instability and insecurity among U.S. friends, partners and allies.
2. Create a civil-military resistance capability to defend your country.
3. Develop a civil-military resistance and conduct a countersubversion campaign and actively subvert the hostile power.

I would posit that there are three elements to resistance and resiliency that we need to focus on. Resilience of governments and institutions to withstand attacks on their legitimacy. Resilience of the people to maintain their values and belief in their nation and form of government (as imperfect as all our governments are). Third, a civil-military resistance capability to resist Chinese political warfare but also contribute to their own country's

superior form of political warfare. Ultimately, countries must develop resistance that will deter military adventurism and, if deterrence fails, will contribute to defeating an attack. Nations and their people must undertake these tasks themselves. No one can do it for them. However, because we are like-minded countries that share values, interests and strategies, the U.S. can provide advice, assistance and support in some areas to help countries protect their sovereignty.

***A paradigm shift is needed to implement counterstrategies.***

The first thing we need to do is change our mindset. We need to take a campaign approach rather than a preparation approach. It is good that our strategic planning process has eliminated the standard phasing template that begins with phase zero and preparation. What we have to shift to is to be able to conduct a campaign within that time and space we once called phase zero. We need to conduct a political warfare campaign that has as part of its foundation developing resilience in government and society and developing a civil-military resistance capability.

The second thing is, we need to attack the Chinese strategy. The first step in that is to expose its strategy. We need to bring sunshine on the strategy. By doing so, we can inform, educate and influence the population. We can, in fact, inoculate the population against the Chinese strategy because if they know it, they can recognize it and take measures not to succumb to it.

We have to develop aggressive, comprehensive and sophisticated information and influence activities campaigns to counter Chinese propaganda. One thing I understand that Taiwan is doing is fact-checking Chinese content but using humor. This apparently is an attention-getter and is useful for exposing propaganda. And it apparently upsets the Chinese, so we know it must be working.

***Offensive measures are key to counter CCP messaging.***

Countries must strengthen their human rights to serve as an example for those in authoritarian countries. This will allow them to have the moral high ground when they contribute to international efforts that focus on Chinese human rights with the Uighurs, other ethnic minorities and Hong Kong. There should be no hesitation among free nations of the world to call out the CCP's terrible human rights record. It is one of the most subversive acts we can conduct.

We have to be aggressive in cyberspace, not

only in defense but offense as well. We should consider combined cyber task forces to counter PRC cyber-enabled economic warfare, its online espionage efforts, its infrastructure-attack capabilities and its influence operations. We need to take back the online gaming and entertainment industries to shut off a key propaganda line of effort. Simultaneously, we need to inoculate our youth against CCP propaganda in online gaming because they will continue gaming operations.

We need to develop civil-military resistance capabilities along some similar lines. This is especially true for Taiwan. As I see the terrain of Taiwan, I get the sense that if Taiwan were ever to be invaded, it would be a black hole, meaning what goes in will never come out. Taiwan conventional military capabilities may be insufficient to defend against a PLA attack. However, a civil-military resistance could create devastating conditions for the PLA. Taiwan SOF could move away from direct-action, commando-type operations to a more unconventional warfare-focused posture. It could lead an effort to organize, train and equip local civil defense forces. It could learn from the Poles and the Swiss and the development of their civil defense and stay-behind forces. U.S. SOF could advise Taiwan SOF in this work. The No. 1 purpose is for local civil defense. But such a plan would also contribute to governance and most importantly influence. The civil-military linkage would reinforce government legitimacy. From an influence perspective, due to the large number of Chinese spies, this could not be done in secret.

***Allies and partners must work together to counter CCP and PRC influence operations.***


The bottom line is the U.S. and its friends, partners and allies face an aggressive and hostile PRC that is operating well below the threshold of conflict, operating in the so-called gray zone. It is conducting a form of political warfare that seeks to undermine the international nation-state system and attack many of the international institutions for which the U.S. had a large role in developing. The SOF trinities of irregular warfare, unconventional warfare and support to political warfare, along with governance, influence and support to Indigenous forces and populations, can play a role in helping to advise and assist in these areas. Most important is that we need to adopt a new campaign approach and learn to lead with influence so that we can execute a superior political warfare strategy built on the foundation of resistance and resilience. □





Indonesian dancer Nala Amyrtha performs during a video recording for the *Saweran Online* program on the Indonesia Dance Network's YouTube channel at a Jakarta studio in May 2020. THE ASSOCIATED PRESS





# *Indonesian choreographers provide* **DIGITAL STAGE FOR DANCERS**

THE ASSOCIATED PRESS

**B**efore the coronavirus pandemic arrived, 2020 seemed fated to be a great year for Siko Setyanto's dance career: touring Germany and South Korea, performances in Indonesia, classes and more classes.

Now, this man in motion has spent more than two months holed up at home.

"For dancers, it is like the blood line stopped in our body," he said. "I cannot move freely, no more job ... while my economic responsibilities do not stop. Personally, I was stressed, too."

Two choreographers in Indonesia's capital rescued him. They gave a traditional system for tipping artists, *saweran*, a modern twist — posting video recordings of dancers' work on YouTube and asking for donations to keep the dancers and their art alive.

"We remember a long time ago we watched performances with the *saweran* system," said Rusdy Rukmarata, who masterminded the project with Yola Yulfianti.

"No ticket box, no promotion, only space in the market and the musicians. People can watch them for free; if they like it, they give the tip to the performers," Rukmarata said.

Rukmarata and Yulfianti, members of the Jakarta Arts Council, started *Saweran Online* on the Indonesia Dance Network channel on YouTube. On this digital stage, dancers can show their work; the shows are free, but viewers are encouraged to donate.

More than 60 videos by individuals and dance groups from various backgrounds and genres are available to viewers. Included are traditional Indonesian dance, contemporary ballet and even dance workouts for older viewers. Some dancers provide videos, while others record performances at Rukmarata's studio.

Each donation is divided: 75% for the performer, 20% to COVID-19 needs in Indonesia and the rest to pay for the project's costs.

Setyanto saw money deposited into his bank account two weeks after his video went up. The cash is important to Setyanto, but so is the opportunity to show his art: "I really appreciate how this program can be a place for the dancers to express our works."

Yulfianti said performers are responsible for attracting viewers and support. "The dancers should be as creative as they can. They should attract their viewers, too," Yulfianti said.

Independent art producer Ratri Anindyajati, who has recovered from COVID-19 and is renowned as Case 03 in Indonesia, joined the two Jakarta-based choreographers in the effort. Anindyajati said her survival has inspired her to do more for others during the pandemic. "As I grew up with the dance community, I would like to help them. Moreover, it is not only helping people around the dance community" but also others who need aid, Anindyajati said.



## Cobalt-Rich Province to Centralize Mineral Sales

All minerals produced through small-scale mining in the Democratic Republic of the Congo's (DRC's) southeastern Lualaba province must be tested and sold at a centralized trade hub starting in June 2020, the provincial governor said.

The move, which the provincial governor said was intended to fight mining fraud and maximize state revenues, reflects a national push to centralize cobalt trading through a state monopoly created in January 2020, the *Entreprise Generale de Cobalt*.

The sale of all nonindustrially sourced material, including large quantities of cobalt, was suspended until the new arrangements were put in place, Lualaba Gov. Richard Muyej said in a June 2020 letter.

The new regulations are intended to improve transparency in the supply chain, Muyej said.

Small-scale miners account for about 20% of the cobalt output from the DRC, the world's largest producer of the metal. The majority is mined in Lualaba and neighboring Haut-Katanga province.

The metal is a key component in rechargeable

### DEMOCRATIC REPUBLIC OF THE CONGO



Miners work at a former industrial copper-cobalt mine in Lualaba province.

lithium-ion batteries used in mobile phones, laptops and electric cars. Trading of artisanal cobalt, which is extracted with rudimentary tools and often associated with child labor and dangerous working conditions, is dominated by Chinese middlemen, usually linked to the Chinese Communist Party. The material is often mixed with industrially produced cobalt, raising the risk of contaminating supply chains for end users such as Apple, Tesla and Microsoft. *Reuters*

## EUROPE

## EU to Surpass 2030 Renewable Energy Goal

The European Union looks set to slightly beat its goal to get a third of its energy from renewable sources by 2030, but public support will be needed to offset a drop in clean power investment due to COVID-19, the bloc's top energy official said.

EU countries' latest energy policy plans would see the bloc surpass its target by 1 percentage point, EU Energy Commissioner Kadri Simson said in June 2020.

Renewable sources including wind, solar, hydropower and bioenergy made up just under 19% of final EU energy consumption in 2018.

Previous versions of energy policy plans suggested the bloc would miss its 2030 renewables target by up to 3 percentage points.

Simson said the EU would push tens of billions of euros into clean energy projects from its proposed coronavirus recovery fund to ensure the economic crisis caused by the pandemic does not thwart its green goals.

"In the context of the crisis and the fall of renewable energy investments, we must make sure that progress in this area continues," Simson said.

The International Energy Agency expected global growth in new renewable energy capacity to slow for the first time in two decades in 2020, as the pandemic caused financing challenges and delayed construction projects.

It said renewable power additions should rebound in 2021 to the 2019 level, but this would depend on continued government support. *Reuters*



## UNITED ARAB EMIRATES

# BLAZING NEW TRAILS IN MARS MISSION

The United Arab Emirates (UAE) launched its first mission to Mars in July 2020 to develop its scientific and technological capabilities and reduce its reliance on oil. The Hope Probe, pictured, blasted off from Japan's Tanegashima Space Center for a seven-month journey to the red planet, where the rocket will orbit and send back data about the atmosphere.

The Emirates Mars Mission, the first Arab Mars mission, cost U.S. \$200 million, according to Minister for Advanced Sciences Sarah Amiri. It aims to provide a complete picture of the Martian atmosphere for the first time, studying daily and seasonal changes.

There are eight active missions exploring Mars; some orbit the planet and some have landed on its surface. The People's Republic of China and the United States each plans to send another by the end of 2020.

The UAE announced plans for the mission in 2014 and launched a national space program in 2017 to develop local expertise. Its population of 9.4 million, most of whom are foreign workers, lacks the scientific and industrial base of the big spacefaring nations. The UAE has an ambitious plan for a Mars settlement by 2117. Hazza al-Mansouri became the first Emirati in space in September 2019 when he flew to the International Space Station.

To develop and build the Hope Probe, Emiratis and Dubai's Mohammed Bin Rashid Space Centre worked with U.S. educational institutions. The space center in Dubai will oversee the spacecraft during its 494 million-kilometer journey at an average speed of 121,000 kilometers per hour. Reuters



## EUROPE



## EU and U.S. to Face PRC Together

The United States and European Union need a shared understanding of the People's Republic of China (PRC) to resist it, U.S. Secretary of State Mike Pompeo said in June 2020, calling Beijing a threat and accusing it of stealing European know-how to develop its economy.

Pompeo said he had accepted a proposal by EU Foreign Affairs Minister Josep Borrell to create a formal U.S.-EU dialogue on the PRC.

"There is a trans-Atlantic awakening to the truth of what's happening," Pompeo told a think tank event via video link. "This isn't the United States confronting China, this is the world confronting China."

Borrell had raised the idea of a U.S.-EU dialogue in a video call with Pompeo and EU foreign ministers.

Two EU diplomats said the dialogue could be a forum for tackling issues such as how to combat what the West says is Chinese disinformation, rather than forging a common trade policy.

However, while the EU shares many of Washington's concerns about what it says are predatory Chinese trade practices to dominate strategic industries, Brussels wants to tread a middle path between the PRC and the U.S.

The EU, the world's biggest trading bloc, held talks with Chinese leaders in June 2020 and sees Beijing as a partner in fighting climate change as well as an economic rival.

Pompeo accused the PRC of stealing intellectual property in Europe and abusing the rules-based trading system, and said the EU needed to act against the PRC to protect its economies.

"They have access to our capital markets in ways we don't have access to theirs," he said of the PRC's financial system. Reuters





## SURVIVING THE *Rising Seas*

Islands can adapt to changing conditions, study finds

In recent years, leaders and inhabitants of many small-island nations such as Kiribati and Tuvalu have warned that extreme weather poses a threat to their homelands. They fear their nations could disappear under rising seas.

Research published in June 2020, however, concludes that small, low-lying islands in the Pacific and the Caribbean — often seen as the places most vulnerable to extreme weather — can naturally adapt and rise to elevations above encroaching waves.

A three-year study led by Britain's University of Plymouth, which looked at coral reef islands such as the Maldives and the Marshall Islands, found that tides move sediment to create elevation, a process that may keep the islands habitable. "The dominant discourse is that of an island drowning, and the outcome of that is coastal defences and relocation. ... We think there are more trajectories for the islands," said lead author Gerd Masselink, professor of coastal geomorphology at the University of Plymouth.

Conventional wisdom has held that low-lying island states are at greatest risk from increasingly powerful storms and rising oceans. Some such nations are preparing to resettle their people within decades. Many are already building sea walls, moving coastal villages to higher ground, appealing for international aid or setting up projects to repair damage caused by climate impacts.

Although mostly uninhabited, the world's tens of thousands of coral reef islands are home to about 1 million people who largely rely on fishing or tourism for a living, Masselink said.

Varying weather and wave patterns create islands with different structures, but they tend to be relatively small, low-lying, sandy or gravel platforms atop a living reef. The islands were formed hundreds of thousands of years ago by waves piling up reef material or sediment, which is a natural defense mechanism that continues, he noted.

For the study published in the journal *Science Advances*, scientists built a model coral reef and island in a laboratory tank with rising water levels and used computer simulations to replicate how such islands respond to higher seas.

The results suggest that by opting for climate-resilient infrastructure that allows for occasional flooding, such as buildings on stilts and movable houses, islanders with enough space could adapt to their shifting environment, Masselink said. Dredging coral sand and sediments found in island lagoons and moving it to beaches could also aid the natural process of raising the islands, he said.

Sea walls, however, are compromising the islands' natural abilities to adjust to rising sea levels: "If you stop the flooding of the islands, you also stop the movement of the sediment on top of the island," he said. Most coral islands do not depend on agriculture and import food and fresh water, making saltwater contamination during flooding less of an issue.

Hideki Kanamaru, natural resources officer with the United Nations Food and Agriculture Organization in the Indo-Pacific, said the study provided a new perspective on how island nations could tackle the challenge of sea-level rise. *Reuters*

**A cruise ship docks at Port Vila in the small South Pacific island of Vanuatu.** AFP/GETTY IMAGES

A full-page photograph showing the silhouette of a Sri Lanka Air Force officer in uniform, standing and lowering a flag. The officer is positioned on the right side of the frame, with their arm extended to the left. The background is a vibrant orange and red sunset sky, with a large, bright sun visible behind the officer's head. The horizon line is visible in the lower third of the image.

# DAY'S END

A Sri Lanka Air Force officer participates in the daily national flag-lowering ceremony at the Galle Face Green promenade in the capital city, Colombo.

PHOTO BY: AFP/GETTY IMAGES



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