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ZONE DEFENSE

Countering Competition in the
Space between War and Peace

By Kathleen H. Hicks,
John Schaus, and
Michael Matlaga

Report of the 2018
Global Security Forum
Experts Workshop



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ABOUT CSIS

For over 50 years, the Center for Strategic and International Studies (CSIS) has worked to develop solutions to the world's greatest policy challenges. Today, CSIS scholars are providing strategic insights and bipartisan policy solutions to help decisionmakers chart a course toward a better world.

CSIS is a nonprofit organization headquartered in Washington, D.C. The Center's 220 full-time staff and large network of affiliated scholars conduct research and analysis and develop policy initiatives that look into the future and anticipate change.

Founded at the height of the Cold War by David M. Abshire and Admiral Arleigh Burke, CSIS was dedicated to finding ways to sustain American prominence and prosperity as a force for good in the world. Since 1962, CSIS has become one of the world's preeminent international institutions focused on defense and security; regional stability; and transnational challenges ranging from energy and climate to global health and economic integration.

Thomas J. Pritzker was named chairman of the CSIS Board of Trustees in November 2015. Former U.S. deputy secretary of defense John J. Hamre has served as the Center's president and chief executive officer since 2000.

CSIS does not take specific policy positions; accordingly, all views expressed herein should be understood to be solely those of the author(s).

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FOREWORD

Over the past 27 years, the United States has often planned and operated as though competition has ended and that there would be an inexorable pull toward U.S.-led institutions and world views. The growing reemergence of state-based competition, even when it falls short of military conflict, signals that the optimism of U.S. policy has outpaced the reality of other countries' own ambitions to create their own realities.

Events over the past decade have led to a growing realization by many in Washington that several states have been investing in the tools and concepts necessary to gain advantage—economically, politically, and geographically—in ways that do not involve the military. Some of the most well-known examples are Russian efforts to sow discord in national elections throughout NATO member countries and China's building of military outposts in international waters in the South China Sea. Many other examples exist of states competing while avoiding the risk of war. It has taken Washington some time to realize that these activities are deliberate efforts to advance a country's interest and are often at the expense of the United States or a U.S. ally.

Earlier this fall, CSIS convened a day-long workshop to examine the range of challenges the United States faces in this re-emerging area of state competition. The workshop brought together more than 70 national security experts from a range of disciplines and from across the political spectrum. Over the course of the day, participants engaged in a robust—and respectful—discussion about the challenges and opportunities facing the United States in an increasingly competitive world. The discussions led to proposed initiatives the United States could undertake to better advance U.S. interests over the coming decade.

The workshop continued CSIS's long history of bridging the political landscape in Washington and looking at the substance of problems to find solutions that can contribute to a stronger, more secure United States. Seemingly now, more than any time in recent memory, Washington needs more of these efforts to focus on developing real solutions to real problems, with shared purpose overriding partisanship.



John J. Hamre

President, CEO, and
The Pritzker Chair, CSIS

INTRODUCTION

Events of the past decade have convincingly demonstrated that other major nations are ready and capable of competing with the United States for relative economic and security advantage. Some of this competition is manifesting in the growth of advanced capabilities that challenge U.S. military dominance in traditional domains. Much of it, however, is exhibited in a range of activities occurring somewhere in the zone between the routine execution of foreign policy and the threshold of what most citizens would recognize as warfare. Many analysts in the United States have come to refer to this area in the spectrum of conflict as the gray zone.

In September 2018, the Center for Strategic and International Studies (CSIS) hosted a day-long Global Security Forum (GSF) workshop to question key assumptions about the so-called gray zone, explore the contours and dimensions of its challenges, and identify areas of greatest promise for U.S. policymaking. Approximately 70 national security thought leaders joined the off-the-record discussion, representing a diverse cross-section of political and ideological viewpoints on U.S. foreign policy and coming with a range of public- and private-sector experiences in such fields as diplomacy, development, international economics, irregular warfare, energy, and defense (See Appendix A). CSIS organized the workshop into three equally diverse groups, by ideology and areas of expertise, with each group led by bipartisan co-chairs. Groups were asked to develop initial findings and recommendations, which were compared at the end of the day.

This paper distills the major themes and points of tension revealed in the September 2018 GSF workshop. The workshop's goal was to advance a needed conversation and action plan for the United States as it executes its national security policy amid a multidimensional gray zone of competition. The paper organizes findings and recommendations into the following categories:

- **Definitions and assumptions:** What is gray zone competition and why does it matter?
- **Challenges:** What are the greatest risks to U.S. interests from others' gray zone tactics?
- **U.S. strengths:** Where does the United States have relative advantages it can leverage?
- **Priorities for action:** Where should the highest priorities be for improving U.S. competitive posture in light of others' expected gray zone tactics?

The paper concludes by offering initial policy prescriptions, actionable today, that the CSIS study team assesses as critical for advancing U.S. competitiveness against gray zone challenges.

“We have not developed the...muscle memory to be able to deal with the kinds of activities that come above the line of normal diplomacy and statecraft, and below the line of war.”

Jake Sullivan

Carnegie Endowment
for International Peace

DEFINITIONS AND ASSUMPTIONS

Problem delineation is often the most difficult aspect of strategy development. For an emergent challenge set like modern gray zone competition, where terminology is not yet common, the challenge is particularly daunting. Our GSF Experts Workshop validated the lack of a shared national security community definition of gray zone challenges. At the same time, our experts were universal in their agreement that there is a problem set, roughly defined between peace and war, besetting U.S. policymakers.

The CSIS research team proffered a working definition for use in the day's discussion, one it had previously formulated for CSIS's [Countering Coercion in Maritime Asia](#) report. That report defined coercion in the gray zone as follows:

An effort or series of efforts beyond steady-state deterrence and assurance that attempts to achieve one's security objectives without resorting to direct and sizable use of force. In engaging in a gray zone strategy, an actor seeks to avoid crossing a threshold that results in open war.

Participants spent significant time discussing the definition as well as possible modifications to it. One group generally preferred a broader conceptualization that defining gray zone tactics as any tools of statecraft used by any state below the threshold of war. Participants in another group found it most compelling to focus on defining the challenge more fluidly, by virtue of where the United States had chosen to allow competition to go unanswered.

Despite some differences, a common set of characteristics about gray zone tactics emerged in the discussions. First, participants generally agreed that there is a **bounded threshold** around a set of activities that might be called gray zone competition, political warfare, and/or hybrid challenges. The exact parameters might be difficult to define—whether defined by a competitor's action, the target it seeks, or our ineffectiveness in responding—but the reality of the West being increasingly vexed by a set of challenges between peace and war was clear.

Second, participants highlighted the definitional importance of competitors' **intentionality**. China's coercive economic activity might be considered by some an extension of routine foreign policy if its coercive potential is an externality of its purer goals. If, however, that same activity is assessed to be part of a planned campaign of coercion, it seems to fit a different definition, which some might call gray zone conflict. Examples raised in the workshop included systematic Chinese actions to create debt dependency for leverage with foreign capitals and Chinese misuse and exploitation of international

"This is the thing about the gray zone and hybrid space, it never ends...It uses all tools at its disposal."

Heather A. Conley
CSIS



“Find the divisions and exploit them...and then you can pursue your agenda while people are busy fighting with each other.”

Linda Robinson
RAND Corporation

ABOVE

The president of bike-club ‘Night Wolves’ Alexander Zaldostanov aka ‘Surgeon’, a well known pro-Kremlin activist takes part in a motor rally as Crimeans celebrate the first anniversary of the referendum on March 16, 2015 in Sevastopol, Crimea.

Photo by
Alexander Aksakov/Getty Images

laws and norms governing trade to give its own companies a leg up while undermining foreign [competitors](#).

Third, the groups focused on the element of **ambiguity** as a defining facet of gray zone competition. Masking attribution, such as using proxies or covert activity, and exploiting undeclared or ambiguous western security commitments were frequently cited examples. Russia used both approaches deploying “little green men” in Ukraine. China also exploits U.S. signaling, such as regarding the importance and nature of U.S. alliance commitments in Asia. Ambiguity helps competitors stay below the threshold at which the United States might respond assertively to challenges while still advancing goals beyond that which they might attain through routine foreign policy.

Finally, many experts highlighted the **multidimensional** and variegated nature of gray zone threats. All tools at a state’s disposal—military and non-military—and even the private sector have been used to advance competitive strategies in the gray zone of conflict. The United States itself has used sanctions and tariffs to leverage its economic might for security advantage. Today, other actors, especially China and Russia but also Iran and North Korea, appear increasingly adept at using the tools at their disposal to compete in the gray zone. Disinformation, energy coercion, illicit financing, and claims of sovereignty beyond international borders and other legal claims were cited by our experts as examples. Unsurprisingly, U.S. policy decisions, failings, and vulnerabilities have assisted the successful use of these tools.

Ultimately, while the workshop demonstrated that there may be difficulty in agreeing on an exact definition of gray zone tactics, there was widespread agreement on the patterns of activity that meet the characteristics described above. Likewise, the groups independently highlighted many of the same challenges that the United States faces in the gray zone.

CHALLENGES

Although participants in the GSF Experts Workshop identified a broad range of extant and potential gray zone challenges to U.S. interests, some actors and tactics garnered more attention than others. China and Russia were clear foci of concern, as were non-military threats seemingly designed to erode public faith and trust in, and the comparative advantage of, free market democracies.

The CSIS research team did not proscribe the actors and actions that the working groups should discuss or prioritize. Moreover, groups were composed of experts spanning multiple regional and functional disciplines. Participants recognized Iran as a powerful regional influencer, demonstrating the ability to use a breadth of tools. They also acknowledged that North Korea has begun to develop sophisticated global reach in a few narrower aspects of gray zone competition. Yet almost all participants gravitated toward a focus on China and Russia as the gray zone competitors of greatest concern. The assembled experts could have been unduly influenced by the contents of the Trump administration's National Security Strategy and National Defense Strategy, both of which emphasized competition with China and Russia over other challenges. However, based on its observations of experts in the GSF Workshop, the CSIS study team assesses that a genuine consensus exists around this prioritization among experts across the ideological spectrum.

Some of the participants conceptualized challenges for the United States in the gray zone in terms of perceived U.S. weaknesses or vulnerabilities. A recurrent theme was the perception that the United States fails to act swiftly and clearly to signs of gray zone competition. This seems to contrast with the relative agility of its competitors. Competitors' tools for dividing free market democracies, both internally and against each other, are numerous. For example, Russia uses its control over state-run energy companies and infrastructure to leverage gas deliveries to achieve desirable political outcomes in Europe or to discourage undesirable outcomes like the re-routing of gas supplies to [Ukraine](#). Both Iran and Russia have also used [proxies](#) to achieve security or political aims in part because doing so effectively slows response by exploiting divisions in the United States and elsewhere over the legality of

**ABOVE**

Members of Iran's Revolutionary Guards Corps (IRGC) march during the annual military parade marking the anniversary of the outbreak of the devastating 1980-1988 war with Saddam Hussein's Iraq, in the capital Tehran on September 22, 2018.

Photo by
STRINGER/AFP/Getty Images

response options aimed at the sponsor state. North Korea has conducted [cyberattacks](#) against Western companies that took years for the U.S. government to publicly attribute to North Korea. China [denied](#) U.S. accusations that it was militarizing reclaimed land in the South China Sea, side-stepping the potential for direct confrontation over the matter.

These examples demonstrate how competitors have succeeded in creating hurdles to response in scenarios or domains where attribution may not be straightforward or where domestic and allied consensus cannot be reached on an appropriate policy response. Workshop participants expressed the greatest concern about threats from disinformation and political and economic coercion. Participants noted the United States' relatively tepid and reactive response to foreign disinformation campaigns and its reliance on sanctions as the sole arrow in the U.S. economic statecraft quiver.

Of final note, the discussion of challenges in one group brought forward an intensive debate over defining U.S. national security interests. Nowhere in the workshop's activities was the diversity of assembled viewpoints more on display than in the genuine points of disagreement on national interests. The debate appeared to hinge on differing views of the U.S. role in the world. For instance, some experts sought to emphasize U.S. democratic norm-setting in the international sphere as an important interest. Other experts wanted a narrower focus on preventing attacks on the United States and maintaining the nation's prosperity. There was also frustration from some that resource constraints were not being con-



sidered, which might force a needed reprioritization among interests. In short, the discussion seemed to mirror debates ongoing in the public and academia over the basic tenets that ought to underlie U.S. foreign policy.

A common theme throughout the discussions, despite divergence in how to view the challenges, was that a primary U.S. shortcoming is its ineffectiveness in leveraging its strengths and capitalizing on opponents' weaknesses (which is the adversary's goal in the gray zone). Demonstrative of this core takeaway was the groups' arrivals at similar views of U.S. strengths.

U.S. STRENGTHS

In addition to laying out challenges to U.S. gray zone competitiveness in the context of the threats it faces, the groups largely conceptualized the United States' "opportunities" through the context of its strengths. There was a distinct and notable convergence over the sources of U.S. geopolitical and domestic strengths and widespread sentiment that many of its supposed weaknesses could be used as strengths if properly employed or leveraged. The breadth and competency of the tools at the United States' disposal was itself considered a source of great strength. Within the toolkit, standouts appeared to be the U.S. economy, alliance and partner networks, military capability, and cultural suasion.

ABOVE

China's Foreign Minister Wang Yi (C) poses for a photo with foreign delegates before the opening session of the Belt and Road Forum on Legal Cooperation at the Diaoyutai State Guesthouse in Beijing on July 2, 2018.

Photo by
GREG BAKER/AFP/Getty Images



“Most states lack the suite of diplomatic, military, and economic tools employed by Russia and China, but rogue regimes nonetheless cause concern because of their aggressive unpredictability.”

**ADM Michael S. Rogers
(USN, Ret.)**

17th Director of the
National Security Agency

ABOVE

Participants in the NATO-led air force exercise Cooperative Archer 2007 stand 11 July 2007 during its opening ceremony outside Tbilisi.

Photo by
VANO SHLAMOV/AFP/Getty Images

Participants noted that the U.S. economy is still unparalleled by any other single state adversary in the world. Additionally, the United States has an expansive network of alliances and partners that it can leverage. Within these relationships, it still wields the most influence to shape the direction of both explicit terms and laws and broader international norms. U.S. “hard power,” especially in the form of its intelligence and military capabilities, was considered another source of strength that could be leveraged to warn, deter, and limit escalation if properly employed. The potential for U.S. “soft power” influence to create opportunity in gray zone competitions was also frequently cited by experts.

Some U.S. strengths, participants broadly agreed, have been flipped by adversaries and used against it. This has been especially true of the relative transparency of U.S. institutions and society, within which adversaries have exploited the freedoms of expression and the press to execute disinformation campaigns. Other core tenets, such as its respect for the rule of law, have been exploited to paralyze the United States into inaction. If the United States can instead learn to leverage the numerous advantages of free market democracy over autocracy, it can re-establish them as attributes that expand U.S. influence and impede gray zone competitors.

Some of the most encouraging thoughts of the day emerged from this discussion of actualized and potential U.S. strengths. While the participants had pointed out several flaws with the United States’ current approach to the gray zone, its number of possible advantages outweighed its shortcomings. These discussions highlight for the CSIS study team that the United States already has many of the tools that it needs to become a highly effective gray zone competitor. It need only learn how to wield them effectively and flexibly to do so.

PRIORITIES FOR ACTION

A common issue with current discussions of gray zone activity is the temptation to admire the problem without advancing the state of art on actionable solutions or policies. To help jump-start a needed dialogue on action, group co-chairs in the GSF Experts Workshop were asked to drive their respective discussions towards policy initiatives and priorities for action that might help the United States better close the gaps on its weaknesses and exploit its actual or relative advantages in more effective ways. These efforts resulted in a mix of recommendations that included broader priorities at the strategic and policy levels and specific prescriptions. Although each of the groups arrived at a slightly different formulation of recommendations, the collective conclusions painted a relatively clear picture of where the United States should focus its efforts and, to some extent, how to do so.

The broader priorities for U.S. action that were raised across the groups fell into three categories. First, the groups largely placed an emphasis on **public awareness and education**. Participants expressed the need to inform the public of the gray zone challenge set and highlight and broadcast the malintent of competitors to policymakers in the legislative and executive branches. Two groups explicitly suggested the institution of media literacy programs to dampen the effects of disinformation on U.S. society.

The second category focused on improving the U.S. **toolkit**. Many experts emphasized bolstering our advantages, such as our technological competitiveness and economic prowess. One group recommended laying out more specific priorities and responses for U.S. sanctions regimes, which would standardize and expedite the use of sanctions as a punitive or coercive measure. The same group also recommended increasing investments in private- and public-sector scientific and technological research to make sure the United States retains its technical advantages over its adversaries.

The third category of recommendations for priority action focused on the need for greater **integration** of effort, whether that be across the United States government, between sectors of U.S. society, or alongside our allies and partners worldwide. Each of the groups suggested information sharing agreements, whether that be between the public and private sectors or between the diplomatic, security, and intelligence agencies of the United States and its allies. Some also recommended pursuing foundational national security reforms to unify gray zone responses and actions. Ideas raised in this vein included a new organizational construct, placed either in the National Security Council or the Department of State. One group suggested creat-

"I think you have to start connecting dots. It's not one incident, per se, but a broader series of activities that one has to...piece together."

Seth Jones
CSIS

"I don't think we can do any of this alone."

Matthew P. Goodman
CSIS

ing a matrixed interagency approach overseen by the National Security Council, bringing together a mix of cross-functional, cross-domain, and cross-expertise teams capable of leveraging the variety of U.S. tools under one authority.

While each of the groups varied to some degree in how they framed U.S. policy priorities, the collective results are nonetheless illuminating for the future of U.S. competition in the gray zone. The categories of priorities and initiatives identified in the GSF Experts Workshop clearly highlight concern over the ineffectiveness of the current structure of U.S. bureaucracy, the strategic messaging challenges for the public and senior policymakers, and the need to cooperate with non-U.S. government partners, including allies, civil society, and the commercial sector.

CONCLUSION

The outcomes presented in this paper from the 2018 GSF Experts Workshop are only the first fruits of a national security dialogue and action plan for building feasible bipartisan approaches to countering challenges manifesting in the gray zone. CSIS scholars will build on the foundations set in the Global Security Forum event with additional research in 2019 focused on developing a campaign planning framework for countering gray zone challenges and making associated recommendations for changes to U.S. policies, organizations, and authorities. The workshop also succeeded in its secondary goal of building bridges of understanding across disciplines and ideologies to strengthen the quality and endurance of U.S. national security solutions. In a period of U.S. history otherwise notable for domestic divisiveness, it was important that a large bipartisan group were able to come together in unified purpose, eager to tackle one of the most pressing and complex security challenges of our time and ready to forge new thinking about how to meet this challenge.

“We’re not losing everywhere. In many cases...Chinese and Russian’s actions are strengthening some of our most important, and most powerful alliances.”

Dr. Michael J. Green
CSIS

APPENDIX A

2018 GLOBAL SECURITY FORUM EXPERTS' WORKSHOP PARTICIPANTS

The 2018 GSF Experts' Workshop was conducted on a not-for-attribution basis. Participants' insights and the dialogue among them was foundational to developing this report. Nevertheless, the summary of the proceedings contained herein do not necessarily reflect the views of any individual participant. Excluded from the below list of those who attended the workshop are any experts who preferred to keep their role anonymous.

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