

# Managing Escalation While Competing Effectively in the Indo-Pacific

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## ISSUE

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The expansion of Chinese military activity and capabilities in the Indo-Pacific region has led the United States to undertake its own increase in activity in the region over the past decade, and additional increases in activity are under consideration. As the United States expands its military activities to safeguard its regional interests, the potential reactions of China are a crucial consideration. This report provides U.S. military planners and policymakers with guidance regarding how the characteristics of different potential U.S. military activities may affect Chinese perceptions and reactions, either in ways that the United States may prefer, such as by enhancing deterrence of People's Republic of China (PRC) aggression against U.S. allies and partners, or in ways the United States may wish to avoid, such as by increasing the risk of aggression and escalation.

### Assessing China's Reactions to U.S. Military Activities

This report develops and presents a framework for assessing likely Chinese reactions to U.S. military activities. The framework is intended to help guide the thinking of U.S. military planners and policymakers that may be considering shifting or expanding existing activities or implementing new activities in the Indo-Pacific region by identifying the conditions under which a U.S. military activity is likely to result in an aggressive or escalatory PRC response. It does so by highlighting and encouraging consideration of a number of issues and factors that have a demonstrated link with Chinese perceptions and reactions.



## APPROACH

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This report has two main sections. In the first section, we develop our framework for assessing likely Chinese reactions to U.S. military activities. Our framework has three main components. First, it identifies the key factors that drive Chinese thinking and reactions. Second, it assesses how the characteristics of U.S. activities—their location, the U.S. allies or partners involved, their military capabilities, and the public profile or messaging that accompanies them—have the potential to affect Chinese reactions through each of the key factors. Third, the framework provides a typology of potential Chinese reactions organized by their level of intensity.

In the second section of the report, we develop a comprehensive set of potential military activities that the United States could undertake in the Indo-Pacific. We then evaluate the implications of our framework for this diverse set of potential activities, highlighting how China would likely perceive and react to different types of activities.



## CONCLUSIONS

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- *China assumes that most U.S. military activities in the region are hostile to China.* While U.S. policymakers can likely assume a negative Chinese reaction to most U.S. military activities in the region, the questions of the degree or intensity of those reactions, rather than just their direction, remain crucial.
- *China's level of concern for a U.S. military activity does not directly correlate with the near-term aggressiveness of its responses.* China will assess the leverage and capabilities it has against a specific country in addition to the escalatory potential in selecting a response. China's responses to activities it finds highly concerning could involve a mixture of political or economic inducements or coercion, in addition to or instead of military responses.
- *China's clear "redlines" appear to be limited in number.* Our analysis highlighted only a handful of activity characteristics likely to be associated with the most escalatory types of PRC responses, including proximity to or involvement of Taiwan or capabilities that threaten PRC command and control, nuclear, or regime targets.
- *However, Chinese sensitivities regarding Taiwan are likely to continue to complicate efforts to better defend the island while avoiding escalation.* Chinese "redlines" generally do touch directly on capabilities and locations that would be of substantial utility for the defense of Taiwan. This highlights the challenge that U.S. military planners face in identifying ways to enhance the defense of Taiwan.
- *U.S. activities that pose acute concerns for China are more likely to trigger consequential changes in longer-term PRC policies.* The immediately observable set of Chinese reactions to U.S. activities of particular concern may be followed by longer-term changes that may be more consequential.
- *China is now more likely to use lower-level military responses to signal disapproval or apply pressure than in the past.* China's recent development of less escalatory military options increases the likelihood that it would incorporate a lower-level military action into its response to a concerning U.S. military activity.



## RECOMMENDATIONS

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- U.S. military planners should utilize the considerations highlighted in this report to balance different activity characteristics to reduce the likelihood of an escalatory PRC response while accomplishing key objectives.
- U.S. military activities that directly involve Taiwan or that incorporate capabilities that could enable U.S. strikes on PRC regime or nuclear targets should be scrutinized with particular care.
- U.S. military planners should focus on aggregating lower-risk activities involving Taiwan to enhance the defense of the island. Smaller-scale or otherwise less-risky activities could potentially enhance Taiwan's defense, in larger numbers or over time, with less likelihood of leading to a disproportionately aggressive PRC response.



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