

**STRENGTHEN  
COORDINATION  
ON COUNTERING  
MARITIME COERCION**

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## Context and background

### **Australia and the United States should strengthen coordinated efforts to counter Chinese grey zone activities in maritime Southeast Asia and the Pacific.**

Over the past decade, China's use of maritime coercion has undermined security, sovereignty and stability within Australia's immediate region, and contributed to the expansion of its strategic influence. These activities have intensified during COVID-19. Chinese naval and coastguard vessels are intimidating their Southeast Asian equivalents, disrupting fishing ships and hydrocarbon exploration platforms, and supporting maritime militias in disputed waters.<sup>11.1</sup> China's geopolitical presence is also growing, enabled by unilateral administrative arrangements and the construction of dual-use infrastructure by state-owned firms.<sup>11.2</sup> These activities are eroding the regional strategic status quo without resorting to conflict and, underwritten by China's expanding military reach, threaten to bring about a Chinese sphere of influence.

Washington and Canberra agree that a more forward-leaning approach is required to counter China's maritime grey zone activities.<sup>11.3</sup> Both have worked independently, together and with like-minded partners to help Southeast Asian and Pacific nations defend their maritime rights and interests. This has included diplomatic solidarity, presence operations in support of state and non-state actors facing Chinese intimidation, and intelligence, surveillance and reconnaissance (ISR) assis-

tance and information-sharing initiatives to illuminate China's coercive activities.<sup>11.4</sup> Such efforts should be expanded and improved through closer strategic coordination within the alliance.

## The Biden administration

Biden's national security team appears highly supportive of this agenda. The National Security Council's (NSC) Coordinator for the Indo-Pacific, Kurt Campbell, has advocated strengthening multinational thresholds and penalties for low-level coercion.<sup>11.5</sup> Similarly, US Deputy Secretary of Defense, Kathleen Hicks, has emphasised the need to reform coordination mechanisms and decision-making processes to address grey zone maritime activities in concert with allies and partners; and has called for "strengthening collaborative planning" more broadly.<sup>11.6</sup>

Two main lines of effort have been proposed to operationalise this collective approach – most of which align with the Pentagon's Indo-Pacific Maritime Security Initiative (MSI) which seeks to build partner capacity, enhance information-sharing and boost multinational cooperation.<sup>11.7</sup> The first focuses on military and maritime capacity building. This includes bolstering partner capabilities in anti-access/area denial systems, ISR platforms, maritime law enforcement, and maritime patrol and interdiction, as a means of empowering regional

countries to push back more effectively on grey zone activities.<sup>11.8</sup> This could extend to widening the role of the US Coast Guard to train and exercise with Indo-Pacific counterparts.<sup>11.9</sup>

The second line of effort involves the provision of direct operational and intelligence support to partners on the frontline of Chinese coercion. Such measures are intended to increase the stakes for Beijing should it seek to disrupt lawful maritime activities and help regional states defend their maritime rights more effectively. This could include an expansion of coordinated patrols and presence activities by allied navies and coastguards in order to prevent coercion, assure partners and respond to maritime intimidation in real time;<sup>11.10</sup> and would involve improved efforts to foster shared maritime domain awareness across the region.<sup>11.11</sup>

**OVER THE PAST DECADE, CHINA'S USE OF MARITIME COERCION HAS UNDERMINED SECURITY, SOVEREIGNTY AND STABILITY WITHIN AUSTRALIA'S IMMEDIATE REGION, AND CONTRIBUTED TO THE EXPANSION OF ITS STRATEGIC INFLUENCE. THESE ACTIVITIES HAVE INTENSIFIED DURING COVID-19.**

**Table 6. Recent examples of Chinese maritime coercion in Southeast Asia and the Pacific**

Date	Description
December 2019 – January 2020	China deployed maritime militia ships, supported by the Chinese Coast Guard, to waters off the Natuna Islands, prompting Indonesia to dispatch fighter jets, warships and coast guard vessels to patrol the region
February 2020	People’s Liberation Army Navy ship aimed its weapon control system at a Philippine Navy ship in the Spratly Islands
February 2020	A Chinese state-owned company made significant progress expanding and upgrading Momote Airport, near Lombrum Naval Base
March 2020	China deployed a fleet of maritime militia ships to the Union Banks in the Spratly Islands
March 2020	China opened two new research stations on Fiery Cross Reef and Subi Reef in the Spratly Islands, which include defence silos and military-grade runways
April 2020	Chinese Coast Guard ship rammed and sunk a Vietnamese fishing boat near Woody Island
April 2020	A Chinese research ship, <i>Haiyang Dizhi 8</i> , accompanied by Chinese Coast Guard and maritime militia vessels, sought to intimidate the Malaysian-chartered drillship, <i>West Capella</i> , operating in Malaysia’s Exclusive Economic Zone
April 2020	China’s Ministry of Civil Affairs announced the establishment of two administrative districts within Sansha City
November 2020	A Chinese company signed a memorandum of understanding with the Papua New Guinean Government to develop a comprehensive multi-functional fishery industrial park on Daru Island
January 2021	National People’s Congress adopted the Coast Guard Law allowing the Chinese Coast Guard to fire on foreign vessels

Sources: Asia Maritime Transparency Initiative, *The New York Times*, *Radio Free Asia*, Vietnam Ministry of Foreign Affairs, *Reuters*, *The Interpreter*, *The Guardian*<sup>11,12</sup>

## Australian interests

Australia has a stake in all these initiatives. As the 2020 Defence Strategic Update points out, grey zone activities are targeting Australian interests in an open and stable region and must be addressed through active efforts to shape the strategic environment and deter coercive actions.<sup>11.13</sup> Yet, while Canberra and Washington have a shared understanding of the grey zone challenge, their interests and threat perceptions are not entirely symmetrical.<sup>11.14</sup>

This has led to coordination problems. Above all, the alliance has not identified common red lines with regard to Chinese grey zone tactics such as island-building, maritime intimidation or the use of paramilitary forces. This stems from divergent appetites for military, strategic and political risk. While hard to achieve, shared thresholds for action are crucial for increasing Beijing's risk calculus and assuring regional partners of allied support.<sup>11.15</sup> Moreover, Australia and the United States do not prioritise the policy tools for countering grey zone coercion in exactly the same way. For instance, in the Pacific, where Australia has important interests in regional lead-

ership, Canberra has advanced a whole-of-government approach to bolstering resilience; whereas US initiatives have often been led by the Pentagon and not always dovetailed with Australian efforts.<sup>11.16</sup> Finally, the alliance has yet to deliver a genuinely combined approach to

maritime domain awareness and counter-coercion operations – a task that requires deeper ISR integration, unmanned vehicles for persistent situational awareness and, potentially, the inclusion of information, electronic warfare and special operations forces.<sup>11.17</sup>

## Policy recommendations

Australia and the United States should broaden and deepen their combined approach to countering maritime grey zone activities in the following ways:

- › **Establish formal channels for coordinating counter grey zone activities in maritime Southeast Asia and the Pacific.** Given the number of agencies involved in addressing this challenge, strong central leadership is needed from Canberra and Washington. Indeed, as the recent Pacific Fusion Centre issue has highlighted, even considered actions can create unhelpful duplication.<sup>11.18</sup> A coordinating mechanism could identify strategic lines of effort, functional roles and responsibilities and, ideally, undertake planning for specific initiatives and operations bilaterally. It could be nested within the new Indo-Pacific Coordination Mechanism or established between appropriate national leads, such as the NSC and Department of Prime Minister and Cabinet. A bilateral, or trilateral including Japan, working group within the Maritime Security Initiative could help to streamline regional capacity building, intelligence sharing and maritime domain awareness efforts.
- › **Expand and improve the coordination of current efforts to support third parties through maritime presence operations.** Enhanced multilateral maritime presence in close proximity to actual or potential Chinese intimidation of regional vessels is likely to have a deterrent effect. While the so-called *West Capella* standoff in April 2020 signalled US and Australian resolve to deliver this effect in an opportunistic way, future activities would benefit from pre-planning on red lines, protocols for action and greater information sharing.<sup>11.19</sup> Given the asymmetry between Chinese maritime forces and smaller US and Australian fleets, coastguard and border force agencies have a role to play.<sup>11.20</sup> This could be enabled by rotating or deploying or a US Coast Guard detachment to Australia to establish patterns for allied patrol operations.<sup>11.21</sup>