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# Competitive Advantage and Rules in Persistent Competitions

Peter Roberts and Sidharth Kaushal



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# Executive Summary

**T**HE CONTEMPORARY NARRATIVE around great power competition is that states can achieve their ends only if they possess competitive advantage. At present, competitive advantage is not properly defined, with commentators instead relying on a variety of interpretations with faulty assumptions, which are shaping procurement and behaviours in the defence and security community around the world. In this paper, the authors propose that competitive advantage be defined as: the ability to wage a campaign<sup>1</sup> in the period between major conflicts (referred to in this paper as ‘wars’) to shape the rules that govern violent competition in favour of one’s own inherent asymmetries, such as domain-specific advantages due to geography, internal domestic conditions and the particular components of material power.

This paper explains the context for great power competition, proposes a definition of ‘competitive edge’, and establishes connectivity between concepts and actions for militaries. Along the way, and most importantly, the paper aims to reshape the reader’s interpretation of ‘rules’ in international relationships – not as rules by which order is maintained, but as a means of governing competition itself. The paper was informed by a RUSI seminar in November 2019, attended by leading international academics, military leaders and industry.

The key proposition of this paper is that the concept of advantage is often either underdeveloped or conflated with a desirable political end state (for example, the existence of a rules-based order) or specific processes (such as deterrence). This conceptual confusion has important policy ramifications, such as generating strategies which fail to establish priorities and which are reactive by nature, allowing competitors to set the tempo and rules of competition.

This paper grounds the notion of competitive advantage in the idea that in a competition each state enjoys domain-specific asymmetric advantages. As such, the authors’ proposition is that competitive advantage should be defined as structuring the rules of competition to enable the use of one’s own comparative advantages and curtail those of one’s opponents. The study of historical and contemporary great power competitions through this lens yields several key conclusions:

- In an era of persistent competition, states are engaged in constant campaigns between phases of major wars to shape the rules of competition in favour of their own asymmetrical advantages. Rather than being seen as an alternative to war, so-called ‘grey-zone’ activities should be seen as primarily efforts to socialise an opponent to accept certain rules of competition when war does break out.

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1. This paper defines a ‘campaign’ as: a series of actions with a convergent end state (a position from which one could fight a war on favourable terms).

- In this context, framing the goal of strategy as the defence of open-ended principles, or in terms of processes such as deterrence, yields a policy that is both reactive and untenable – allowing opponents to shape the rules of competition.
- Selecting ends that are consistent with one's own asymmetries, shaping competitors' behaviour to accept rules that favour these asymmetries and exploiting the opportunities this provides requires a whole-of-government approach. However, interagency coordination is not the same thing as fusion. In the absence of strategic clarity and a keen understanding of key asymmetries to which the behaviour of agencies is subordinated, coordination can produce a strategic whole that is less than the sum of its parts.

This paper uses a variety of sources to illustrate and test its argument. In addition to the RUSI seminar with policymakers, military leaders and industry, the paper has used a variety of historical case studies to build its theoretical base. To the extent that the paper is attempting to illustrate the broad utility of its key arguments across multiple time periods and contexts, examples were selected for temporal variance. They were also selected on the basis of their commensurability with contemporary circumstances in terms of the variables being discussed and their generalisability (that is, cases with *sui generis* characteristics were avoided).

# Introduction

A POPULAR CONTEMPORARY NARRATIVE is that the world is increasingly characterised by great power competition.<sup>1</sup> As states jostle for advantage in a multipolar order, alongside a variety of non-state actors, governments are restructuring forces and reorienting policies to deliver competitive advantage as the critical focus of security policy. Yet, despite the broad political consensus on the need to reorient national security strategies to secure ‘competitive advantage’, there exists an absence of clarity about what this term means and how it might be secured. Existing definitions of the term tend towards either being tautological or conflate process with strategy. In many policy documents, the term is used loosely to refer to capabilities and the ability to secure desirable outcomes at different junctures.<sup>2</sup>

In order to provide a conceptual basis for UK policymakers to outline strategic and defence priorities, it is necessary to articulate an analytically meaningful definition of the term, identify a clear set of criteria by which the possession of competitive advantage can be measured and propose, if possible, a set of historically consistent principles for the attainment of competitive advantage in the context of persistent competitions. It seems unlikely that the contemporary security context will include unambiguous events such as decisive clashes of arms, and thus, an analytically rigorous and empirically grounded basis for making deductions is essential if sound strategies are to be crafted that take account of the strengths and pitfalls of respective states’ competitive advantages.

The most interesting feature of multipolar, fragmented and complex systems is that they are both more volatile and less fragile than more centralised bipolar and unipolar orders.<sup>3</sup> The multiplicity of actors within such systems generate volatility by virtue of the increased number of variables

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1. US Department of Defense, ‘Summary of the 2018 National Defense Strategy of the United States of America: Sharpening the American Military’s Competitive Edge’, <<https://dod.defense.gov/Portals/1/Documents/pubs/2018-National-Defense-Strategy-Summary.pdf>>, accessed 9 April 2020. The sentiments have been echoed, at least partially, in documents such as the UK’s 2015 Strategic Defence and Security Review (SDSR), which cites a resurgence of competition with powerful state actors as a central feature of the future strategic environment, as well as the public statements of European leaders such as President Emmanuel Macron. See HM Government, *National Security Strategy and Strategic Defence and Security Review 2015: A Secure and Prosperous United Kingdom*, Cm 9161 (London: The Stationery Office, 2015), p. 18; *The Economist*, ‘Emmanuel Macron Warns Europe: NATO is Becoming Brain Dead’, 7 November 2019. These sentiments were also expressed at the RUSI seminar in November 2019 that served as a launchpad for this paper.
  2. For example, see The White House, ‘National Security Strategy of the United States of America’, December 2017, pp. 26–40.
  3. On the inverse relationship between stability and fragility, see Nassim Nicholas Taleb, *Antifragile: Things that Gain from Disorder* (New York, NY: Random House, 2012), pp. 17–25; Bruce Bueno

in any action, and the fact that each player is trying to leverage different asymmetries. Events become more volatile and less predictable simply because more actors are in the game. Yet, the more power is dispersed between multiple actors, the more likely it is that no one conflict can determine the fate of the entire system; thus, there will be little value in committing the full weight of a state to a single action. To be sure, this is a probabilistic assertion with notable exceptions – the two world wars being a case in point – but these exceptions can be accounted for by bloc dynamics that imbued the early 20<sup>th</sup> century with some of the characteristics of bipolarity. Moreover, the mitigating factors that predict the duration and scale of the world wars are consistent with the hypothesis that multipolar systems are simultaneously more prone to violence and yet less prone to cataclysmic war.<sup>4</sup> It also means that when actors compete against each other today, they need to remain cognisant that, in a fluid and complex environment, they may be partners tomorrow.

Moreover, the very persistence of competition and violent conflict is likely to build in escalation control mechanisms as actors look to generate rules, norms and other fail-safes to ensure that they can continue to compete profitably. This was evident in interstate systems in renaissance Italy, classical Greece, and 18<sup>th</sup>-century Europe.<sup>5</sup> The current conflict in Syria, which involves multiple external actors, illustrates some of these dynamics. Clashes between the Russian Wagner Group and US Marine Corps units, or between Turkish and Syrian forces, illustrate these dynamics. In the former, Russian and US forces clashed directly, but both parties maintained channels of communication and a narrative regarding the mercenary status of Wagner allowed escalation to be controlled.<sup>6</sup> In the latter, Turkey may well have killed Russian air-defence operators protecting Syrian forces, but steered clear of areas where Russian soldiers and military police were densely concentrated, to limit escalation.<sup>7</sup> Moreover, this limited clash preceded a ceasefire agreement that was not scuppered by recent escalations. Paradoxically,

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de Mesquita, 'Systemic Polarization and the Occurrence and Duration of War', *Journal of Conflict Resolution* (Vol. 22, No. 2, 1978), pp. 241–66.

4. Bueno de Mesquita, 'Systemic Polarization and the Occurrence and Duration of War'. Across the 19<sup>th</sup> and 20<sup>th</sup> centuries, while multipolar eras saw more wars, a larger number of poles in a system was associated with wars of a lower intensity and shorter duration, with negotiated settlements being reached earlier. The world wars might appear an anomaly, but two factors – a reduction in the number of poles in the system over the 19<sup>th</sup> century as Germany and Italy unified, and systemic tightness (that is, the coalescing of powers into two exclusive alliance blocs which acted as unitary agents with regard to the declaration and prosecution of war) – rendered the dynamics of the early-to-mid-20<sup>th</sup> century comparable to a bipolar system insofar as the diplomatic flexibility and shifting patterns of alliance-making that generally characterises multipolar eras were removed.
5. Henry Kissinger, *Diplomacy* (New York, NY: Simon and Schuster, 1994); Hedley Bull, *The Anarchical Society: A Study of Order in World Politics* (New York, NY: Columbia University Press, 2001).
6. Thomas Gibbons-Neff, 'How a 4-Hour Battle Between Russian Mercenaries and US Commandos Unfolded in Syria', *New York Times*, 24 May 2018.
7. Bill Chappell, 'NATO Meets After Turkey Says Russian-Backed Force Killed 33 Troops in Syria', *NPR*, 28 February 2020.

then, while systems in competition are more violent, they are also less susceptible to moments of uncontrollable escalation, like the near disasters of the annual NATO Able Archer exercises or the Cuban Missile Crisis. Rules, in such systems, regulate volatility and competition rather than attempting to avoid it.

This paper proposes redefining both competitive advantage and the rules of competition to incorporate the principle of asymmetry. Specifically, in a complex multipolar system, the authors propose that ‘competitive advantage’ be defined as: the ability to wage a campaign<sup>8</sup> in the period between major conflicts (referred to in this paper as ‘wars’) to shape the rules that govern violent competition in favour of one’s own inherent asymmetries; that is, the domain-specific advantages that each competitor enjoys due to factors such as geography, internal domestic conditions and its relative advantages with regard to particular components of material power.<sup>9</sup> This has ramifications for the way we think of rules. Rather than considering the rules as a set of principles that underpin the global order, rules ought to be conceived as tools of strategy (not strategic end states), and viewed instrumentally as a means of shaping war during an age of persistent volatility.<sup>10</sup>

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8. This paper defines a ‘campaign’ as: a series of actions with a convergent end state (a position from which one could fight a war on favourable terms).
  9. For discussions of the ways in which factors such as geography, domestic circumstances and niche capabilities can confer particular domain-specific advantages see T V Paul, *Asymmetric Conflicts: War Initiation by Weaker Powers* (Cambridge: Cambridge University Press, 1994); Aaron Friedberg, *In the Shadow of the Garrison State: America’s Anti-Statism and its Cold War Grand Strategy* (Princeton, NJ: Princeton University Press, 2000); Steven Lobell, ‘A Granular Theory of Balancing’, *International Studies Quarterly* (Vol. 2, No. 3, 2018), pp. 593–605.
  10. For a detailed critique of the ‘rules-based order’ as a guiding principle, see Malcolm Chalmers, ‘Which Rules? Why There is No Single Rules-Based International System’, *RUSI Occasional Papers* (April 2019).



# I. Defining Competitive Advantage

## The Pitfalls of Existing Assumptions

Despite ongoing discussions regarding the need to gain the advantage in persistent competitions, approaches to defining both competition and advantage often follow an ‘I know it when I see it’ logic. While there is some value in using broad consensus for deciding if a problem should be a pressing consideration for policymakers (a consensus of informed opinion is a useful heuristic), it is an unsatisfying basis for the articulation of policy and strategy. Moreover, building a strategy on unsound analytical foundations is dangerous. Consider, for example, Leonid Brezhnev’s grand strategy – obtaining a favourable ‘correlation of forces’.<sup>11</sup> Because it did not define what constituted a ‘correlation of forces’ or what threshold might be deemed favourable, Brezhnev effectively committed the Soviet Union to both an unsustainable military build-up on both land and sea without a clear rationale. This guided procurement and a litany of peripheral interventions that did not lend it power or influence, but instead encumbered the Soviet Union with valueless client states which served as enticing targets for President Ronald Reagan’s strategy of cost imposition through proxy warfare. Absent a definition of success, the Soviet Union pursued a vaguely defined strategy of advancing forward momentum in all areas for its own sake, and expended the advantages it had accrued following the collapse of confidence in the US post-Vietnam.<sup>12</sup>

Currently, the absence of a clear definition of ‘competition’ and ‘competitive advantage’ raises the spectre of uncoordinated national security strategies. The two most common definitions of competitive advantage in current use are: ‘power as outcomes’ and ‘material advantages’. Competitive advantage is also sometimes defined in terms of perceived momentum, or objectives such as deterrence to blunt an opponent’s perceived momentum. Each of these is examined below.

The ‘power as outcomes’ view, articulated in documents such as the 2015 Strategic Defence and Security Review (SDSR) and the 2018 US National Defense Strategy (NDS), effectively defines ‘advantage’ in terms of securing key policy objectives, such as the maintenance of a rules-based order (UK) or heading off challenges to order in regions like the South China Sea and the Baltic Sea (US). Thus, for example, the SDSR identifies the fact that ‘we sit at the heart of the rules-based international order’ as a basis of UK security with the object of strategy being to ensure

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11. Jack Snyder, *Myths of Empire: Domestic Politics and International Ambition* (Ithaca, NY: Cornell University Press, 1991), pp. 212–40.

12. Andrew Bennett, *Condemned to Repetition: The Rise, Fall and Reprise of Soviet Military Interventionism, 1973-1996* (Cambridge, MA: MIT Press, 1999).

that it is enhanced and protected.<sup>13</sup> In a similar vein, the NDS describes the purpose of the post-Second World War order as ‘safeguard[ing] their [democratic states] people from coercion and aggression’ and its erosion as the source of waning Western competitive advantage. The problem with this definition of advantage is that it conflates the fruits of competitive success – the state of affairs that best enables national flourishing – with competitive success itself. The ability to dictate political mechanisms, such as the rules which govern the global commons, is an outcome that is secured by obtaining competitive advantage. To define advantage in terms of success veers towards the tautological. States that are competitive get what they want and the definition of competitive success is getting what one wants. More importantly, this definition allows policymakers to generate strategies that amount to little more than a wishlist, with few specific guidelines regarding the preconditions that allow a state (or a group of states) to set the rules of the road. In effect, this approach moves from capabilities to desired policy outcomes without specifying the strategic end state which is the transmission belt between capabilities and policy.

Equally as important, a strategy that defines success in terms of setting and defending principle-based rules obviates one of the core tenets of strategic thought: the clear delineation of ends, means and ways. By their nature, principles are indivisible – a challenge to a principle, no matter how minute, threatens to obviate it. This definition of advantage, then, may lead to what Michael O’Hanlon dubs the Senkaku Paradox: by defining success in terms of support for principles, state decision-makers stake their self-defined conditions for victory or defeat on the defence of outposts to which they will not commit substantial amounts of blood or money.<sup>14</sup> Their opponents, then, have the luxury of calling their credibility into question with minimal risk to themselves through a range of low-level provocations. In effect, defining success in the broadest possible terms lowers the threshold at which one’s opponent can declare victory whilst raising the threshold for oneself. Consider, for example, that seizing Crimea and contesting the Donbas were widely considered victories for Russia and losses for the West, despite the fact that Ukraine as a whole had gone from being a largely pro-Russian state to a pro-Western one. Because Western outcomes were defined in terms of a principle – the absence of territorial revision in Europe – and not clearly delineated objectives (such as influence in Ukraine), it was far easier for Russia to shape perceptions of its own success simply because the West had failed to achieve their own metric for success.

In the future, a sub-threshold challenge around the Senkaku Islands, whose ownership is disputed by Japan and China, or a limited provocation by paramilitaries in a contiguous area (such as Narva) might have the same effect: being viewed as a failure of US and Japanese policy and a success for China. The alternative, equally unsavoury option facing policymakers is pushing back

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13. HM Government, *National Security Strategy and Strategic Defence and Security Review 2015*, p. 14; US Department of Defense, ‘Summary of the 2018 National Defense Strategy of the United States of America’, p. 18; Michael Beckley, *Unrivaled: Why America Will Remain the World’s Sole Superpower* (Ithaca, NY: Cornell University Press, 2018).

14. Michael O’Hanlon, *The Senkaku Paradox: Risking Great Power War Over Small Stakes* (Washington, DC: Brookings Institution, 2019).

in a potentially escalatory manner over a prize of little intrinsic worth – assuming a domestic consensus to do so can materialise. The dilemma was best captured, in a different context, by Walter Lippman’s critique of the idea of containing any advance of Communism as a matter of principle. The definition of success as a matter of principle, Lippman argued, would allow the Soviets to select the time and place of escalation in areas where it enjoyed greatest advantage and condemn the US to ‘the loss of face or supporting them [weak, indefensible and strategically peripheral allies and clients] at incalculable cost’.<sup>15</sup> On a smaller scale, this dynamic was visible in the 2006 war between Israel and Hizbullah. By the end of the conflict, the Israel Defense Force (IDF) had occupied the bulk of Southern Lebanon and had inflicted substantial attritional costs on Hizbullah – a highly successful campaign by any standards. Yet, following the war, there was a ubiquitous consensus that Israel had lost, which sparked an internal Israeli investigation.<sup>16</sup> The reason for this is that Israel’s then prime minister, Ehud Olmert, had set himself an expansive set of victory conditions, including the complete cessation of Hizbullah missile attacks and the return of two kidnapped soldiers. To plausibly declare victory, then, Hizbullah had to prevent Israel from achieving these difficult to enforce conditions – which it did by keeping up a missile barrage against northern Israel and refusing to return the two kidnapped soldiers.<sup>17</sup> The critical weakness of Israel’s approach was to define winning in terms that it was easy – if not cost free – for the opponent to obviate. Arguably, had the operation been defined in terms of disrupting and destroying Hizbullah’s infrastructure in Southern Lebanon, it might have been known for the success it actually was. Defining security in the broadest possible terms – the defence of its people against the full spectrum of threats – consigned the Israelis to defeat.

Another approach, common in both academia and policymaking circles, of defining competitive advantage in purely material terms – in both economic and military terms – comes with its own set of pitfalls.<sup>18</sup> While the material indicators of power are certainly a critical prerequisite for the ultimate end of securing competitive advantage, they do not have a completely linear relationship with it. Consider, for example, that Bismarck’s Germany, though materially less powerful than its Wilhelmine successor, enjoyed a far more competitive position in Europe. The effective isolation of France, the manipulation of the antagonisms of France and Britain in the west, and Austria and Russia in the east, meant that Bismarck’s Germany sat at the centre of a European order in which it garnered unique influence by being the pivotal state in a series of triangular relationships. While militarily very powerful, Bismarck’s Germany was by no means

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15. Walter Lippman, *The Cold War: A Study in U.S. Foreign Policy* (New York, NY: Harper and Brothers, 1947), p. 13.

16. Sean McFate, *The New Rules of War* (New York, NY: William Morrow, 2019), pp. 240–51.

17. Sean McFate, *Goliath: Why the West Isn’t Winning. And What We Must Do About It* (New York, NY: Michael Joseph, 2019), pp. 240–51.

18. For a literature review and endorsement of the ‘advantage as capabilities’ perspective, see Beckley, *Unrivaled: Why America Will Remain the World’s Sole Superpower*, pp. 267–69. In a military context, one might consider the Third Offset Strategy and elements of the 2017 US National Security Strategy and National Defense Strategy as examples of an ‘advantage as outcomes’ perspective – although the latter two documents veer and haul between statements that evince a ‘power as capabilities’ and ‘power as outcomes’ perspective.

the dominant power in Europe. Its army was numerically comparable to that of states like France, Austria-Hungary or Russia (though qualitatively superior) and its economy was roughly half the size of Britain's in the late 19<sup>th</sup> century.<sup>19</sup> By contrast, Kaiser Wilhelm's Germany had a comparable land force, but rivalled the leading power of the day in both economic terms and at sea. Yet, it was Wilhelm's Germany which found itself fenced in by hostile coalitions, denied satisfaction in cases like the Morocco crisis and faced with what its leader deemed an increasingly constrained position. In effect, then, Germany became less competitive as it became materially stronger.<sup>20</sup>

Finally, competitive advantage is sometimes defined in terms of perceived momentum or the ability to secure objectives like deterrence.<sup>21</sup> As National Security Council (NSC) Report 68 proclaimed, denying the distinction between core and peripheral interests, 'the assault on free institutions [in other words, non-communist] is underway now, and ... a defeat of free institutions anywhere is a defeat everywhere'.<sup>22</sup> In effect, any Soviet advance that could not be deterred or defeated – no matter how peripheral the theatre – would amount to a strategic setback because of the perceptions of Soviet momentum that it would create. This tends to depend on an assumption that credibility is both a fungible asset and can be shaped by events that portray a competitor as being on the march. Advances in an opposing state's influence – even in peripheral theatres – are viewed as failures of deterrence, while comparable advances for one's own state are viewed as reinforcing deterrence. For example, the success of a string of pro-communist movements during the 1970s was seen by contemporary commentators as evidence that the Soviet Union was in the ascendancy. Deterrence had failed and the Soviet Union was on the march, the logic of the argument went.<sup>23</sup> The problem with defining advantage in these terms is that it conflates the objective with processes that are subordinate to it. The

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19. Kissinger, *Diplomacy*, pp. 230–50. For a detailed discussion of Germany's exacerbation of its own security challenges through the poorly thought-out strategy of *Weltpolitik*, see Jack Snyder, *Myths of Empire: Domestic Politics and International Ambition* (Ithaca, NY: Cornell University Press, 1991), Chapter 3.

20. Edward Luttwak, *The Rise of China Versus the Logic of Strategy* (Cambridge, MA: Harvard University Press, 2012), pp. 50–60.

21. For a discussion of how perceptions of momentum have often shaped ideas and perceptions of advantage, see Snyder, *Myths of Empire*. Policy documents such as the US National Security Council (NSC) Report 68 and the more contemporary US National Security Strategy (NSS) also evince this view. The 2015 UK SDSR, which sets stronger deterrence against a full spectrum of aggression and challenges to the rules-based order as the objective of national security policy, veers towards this definition in areas as well. See National Security Council, 'NSC 68: United States Objectives and Programs for National Security', 14 April 1950, <<https://fas.org/irp/offdocs/nsc-hst/nsc-68.htm>>, accessed 15 April 2020; HM Government, *National Security Strategy and Strategic Defence and Security Review 2015*, p. 47.

22. National Security Council, 'NSC 68', p. 238.

23. For a discussion of perceptions of Soviet momentum in this period, see John Lewis Gaddis, *Strategies of Containment: A Critical Appraisal of American National Security Policy During the Cold War* (Oxford: Oxford University Press, 2004), pp. 342–80.

rise of a pro-Soviet government in, for example, Ethiopia or Nicaragua, or the invasion of Afghanistan did not confer upon the Soviet Union any particular advantages, rather it conferred upon it weak clients that needed to be subsidised by an ailing Soviet economy, with little benefit for Moscow. This was something then President Brezhnev and his successors had to do – even though it played into the Reagan administration's strategy of cost imposition – because they could not afford for the world to see a Soviet client state fail.<sup>24</sup> The reason this was missed at the time is because deterrence was seen as an end (and an ill-defined one at that), not a means, to the extent that the Soviets were advancing anywhere deterrence had failed. The question of what value was to be gained from deterring a particular Soviet move or whether the Soviet Union might actually find itself weaker if it was not deterred from certain adventures was often not asked. Today, Russia is widely perceived to be more successful than NATO, simply because the Alliance has adopted the principle of deterrence as its core strategy and any Russian action (military, economic, political or informational) obviates that end.<sup>25</sup> This is the case irrespective of whether perceived victories have the potential to turn into long-term setbacks, as was the case for Soviet Union.

Deterring an adversary from a particular action is part of the process by which competitive advantage can be obtained, but it is not, crucially, the same thing as having competitive advantage. In order to guide the process of deterrence one first needs a definition of competitive advantage against which the value of particular strategic objectives can be measured. Only then can the question of where deterrence should be practised, and where it should be eschewed for other processes, be answered. This point was grasped, for example, in George Kennan's conception of containment. In Kennan's rubric, the Soviet economy was one that would inevitably collapse unless it could seize one of the two industrial centres at the ends of Asia (Europe or Japan). Deterring a Soviet attack on these centres, then, would condemn the Soviet Union to long-term insolvency.<sup>26</sup> Crucially, competitive advantage was defined in terms of long-term economic vitality, and precluding an opponent's efforts to rectify its weaknesses in this area. Deterrence was part of the repertoire of tools to achieve this, along with economic containment, through entities like COCOM (Coordinating Committee for Multilateral Export Controls), and political warfare, through entities like the USIA (US Information Agency).<sup>27</sup> Elsewhere, according to Kennan, the US should allow and then subsequently exploit Soviet gains in (what he assumed would be) profitless developing countries by subverting Moscow's newfound clients and forcing the Soviets to pay the cost of subsidising economically unviable allies. Deterrence, then, was not a strategic or operational end state but a pillar of strategy. It was Kennan's definition of competitive advantage which determined where deterrence would be practised and what its role would be.

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24. James M Scott, *Deciding to Intervene: The Reagan Doctrine and American Foreign Policy* (London: Duke University Press, 1996).

25. NATO, 'Strategic Concepts', 12 June 2018, <[https://www.nato.int/cps/en/natohq/topics\\_56626.htm](https://www.nato.int/cps/en/natohq/topics_56626.htm)>, accessed 2 April 2020.

26. Gaddis, *Strategies of Containment*, pp. 1–30.

27. *Ibid.*; Michael Mastanduno, *CoCom and the Politics of East–West Trade* (Ithaca, NY: Cornell University Press, 1992).

To treat terms such as deterrence as being synonymous with strategy, then, is to conflate means with an overarching strategic vision. This can have a stultifying effect on policy, best illustrated by the post-Kennan approach to containment and, in particular, the Kennedy–McNamara strategy of Flexible Response. The critical feature of the Flexible Response era was treating deterrence as an end in itself and constructing a menu of escalatory options that would allow a president to respond to escalation at any level.<sup>28</sup> By focusing on process at the expense of outcome, however, the Kennedy – and later Johnson – administrations did not clearly outline where deterrence would be practised, what overarching ends it would serve, and what subordinate policy aims this overarching vision should produce. Instead, they defined success in terms of being able to reflexively react to Soviet gains in a roughly proportionate manner along an extended defensive perimeter. Left unanswered was the question over whether peripheral Soviet gains would augment Soviet power or attrit its resources and fracture the Sino–Soviet alliance (by leaving both major communist states fighting for influence in newfound client states). Moreover, this approach effectively ceded the initiative to opponents of the US, who could dictate the level and tempo of escalation in any given theatre and, as noted by Soviet strategists at the time, drag Soviet forces from pillar to post by providing marginal and, in some cases, purely symbolic support to any insurgent group which could be plausibly linked to Moscow.<sup>29</sup> All too often, then, a view of strategy as synonymous with the processes that constitute it creates a set of policies unmoored from an overarching definition of competitive advantage.

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28. Gaddis, *Strategies of Containment*, pp. 220–40.

29. Snyder, *Myths of Empire*, p. 215.

## II. Asymmetry, Rules and Competitive Advantage

THIS PAPER ARGUES that part of the conceptual issues surrounding competitive advantage is the definition of advantage in absolute terms – as something that one party has and another does not. This definition of advantage ignores the granularity of a state’s advantages. For example, as Stephen Lobell noted, balances of power can be subdivided by geographical domain – indeed it has often been the case that powers dominant on land have not been so at sea and vice versa.<sup>30</sup> Alternatively, advantage may vary depending on the level of escalation – China today, for example, will likely prevail in all clashes on its periphery, including limited local clashes, but would likely lose a region-spanning, fully fledged conflict with the US.<sup>31</sup> Assets can simultaneously serve as advantages and disadvantages depending on the character of a conflict and aspects such as its duration. For example, allies can confer substantial material advantages on the senior coalition partner in a fully fledged war, but can serve to restrain its freedom of operation due to the consensual nature of alliances. Thus, for example, Napoleon Bonaparte was able to exploit the slow decision-making of successive coalitions to defeat their members in detail but was undone at Leipzig by the collective weight of the rest of Europe once it was brought to bear.<sup>32</sup> In a similar vein, the economic vitality of democracies can give them advantages in long-term contests like the Cold War, but the economic decentralisation that confers this vitality also makes extracting resources for war difficult. This means that, in the early stages of a war, democracies are often disadvantaged and are at risk of losing unless they can ensure that the conflict is a long, attritional one in which their resources can be brought to bear.<sup>33</sup> In effect, the question of who has competitive advantage is dependent on the timeframe in which both parties expect to reach negotiations.

As such, the baseline for competitive advantage ought to be the concept of comparative advantage, which can be borrowed from the field of economics. A critical assumption underlying the idea of comparative advantage is the notion that both parties have domain-specific advantages.

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30. Steven Lobell, ‘A Granular Theory of Balancing’, *International Studies Quarterly* (Vol. 62, No. 3, 2018), pp. 593–605.

31. Bryan Clark, Mark Gunzinger and Jesse Sloman, *Winning in the Grey Zone: Using Electromagnetic Warfare to Regain Escalation Dominance* (Washington, DC: CSBA, 2018), pp. 25–26; Admiral Phillip Davidson quoted in Hannah Beech, ‘China’s Sea Control is a Done Deal, “Short of War With the U.S.”’, *New York Times*, 20 September 2018.

32. Andrew Roberts, *Napoleon The Great* (London: Penguin, 2015).

33. A case in point would be British mobilisation during the build-up to the Second World War and the war itself. Although slow to engage in an arms build-up, once the war started, Britain eventually came to significantly outproduce Germany by most metrics. See David Edgerton, *Britain’s War Machine: Weapons, Resources and Experts in the Second World War* (London: Penguin, 2012).

Comparative advantage in a given area is defined as the ability to generate resources in an area at the lowest opportunity cost. That is to say, an organisation that has a comparative advantage in a given area might be able to generate resources in another domain, but it can only do so less efficiently and generate less benefit than it would have from focusing additional effort on its area of comparative advantage.<sup>34</sup> In military terms, one might think of the historically fraught efforts of continental powers to develop large navies. Most of these powers did develop naval forces but less efficiently than maritime states and, in doing so, potentially robbed their more efficient land forces of the resources that might have tipped the balance of forces in their favour. Consider, for example, the outcome of the First World War if much of the time and exertion spent on Tirpitz's navy – which, following a period of German naval expansion, rivalled the Royal Navy in size but remained bottled in its ports during the First World War – had been spent instead on additional land forces.<sup>35</sup> Similarly, a power such as China – which, by virtue of being situated in the theatre of competition in any East Asian scenario, can dominate a spectrum of competition short of full-scale regional war – would be ill-advised to build a force primarily geared to win a high-intensity regional conflict. Instead, China has chosen to build a sea-control force capable of dominating the spectrum of competition short of full-scale warfare, coupled with a sufficient deterrent force (in the form of the nucleus of a long-range fleet backed by the land-based firepower of the Strategic Rocket Force) capable of precluding the escalation of conflict to a full-scale war.<sup>36</sup>

A definition of competitive advantage, then, might be: the ability to shape the rules of a competition so as to be able to leverage one's own areas of comparative advantage. One might think of this definition in terms of what Peter Katzenstein and Lucia Seybert dub 'control power' and 'protean power'.<sup>37</sup> Protean power represents not an organisation's ability to dictate the outcome of events per se, but rather its capacity to manage uncertainty and shape asymmetries in its favour. The relationship of protean power (the ability to shape asymmetries) with control power (the capacity to seize a well-defined object) is effectively cyclical. If properly exercised, protean power facilitates the use of coercive tools (control power) that, if they are used in a coherent way and for appropriate ends, enhance an organisation's protean power. In effect, then, competition might be viewed as developing on two parallel tracks: a meta-strategic conflict to define the contours and rules of a competition; and the competition itself.<sup>38</sup> Consider, for example, the case of the 2006 Lebanon war. By bombarding northern Israeli cities and publicly

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34. Robert Gilpin, *Global Political Economy* (Princeton, NJ: Princeton University Press, 2001), p. 50.

35. Andrew Erickson and Lyle Goldstein, 'Chinese Perspectives on Maritime Transformation', in Andrew Erickson and Lyle Goldstein (eds), *China Goes to Sea: Maritime Transformation in Comparative Historical Perspective* (Annapolis, MD: Naval Institute Press, 2013), pp. 1–20.

36. Sidharth Kaushal and Magdalena Markiewicz, 'Crossing the River by Feeling the Stones: The Trajectory of China's Maritime Transformation', *RUSI Occasional Papers* (October 2019).

37. Peter Katzenstein and Lucia Seybert, *Protean Power: Exploring the Uncertain and Unexpected in World Politics* (Ithaca, NY: Cornell University Press, 2015), pp. 1–3.

38. On the idea of meta-strategy, see Anthony Vinci, 'Metastrategy and the Evolving Character of War Between the US and Al Qaeda', in Caroline Holmqvist-Jonsäter and Christopher Coker (eds), *The Character of War in the 21<sup>st</sup> Century* (London: Routledge, 2010), pp. 88–103.

kidnapping Israeli soldiers, Hizbullah was able to dictate where Israel fought. Whilst a ground invasion by Israeli forces was inevitable, there was uncertainty over what Israel's conditions of victory would be, and the degree to which the conflict would be bounded by rules regarding the targeting of civilian infrastructure.<sup>39</sup> So when Israel invaded Lebanon, set itself maximal victory conditions and accepted the principle that retaliatory targeting of civilian infrastructure was within the bounds of acceptable behaviour (something that would always look worse for Israel than a non-state actor), it gave Hizbullah a conflict on its terms. In effect, then, Hizbullah won the meta-strategic contest to set the rules of the game by provoking an overreaction and was thus always more likely to gain strategic success from events on the ground even if it could not be sure exactly how these would play out. Shaping the rules gave Hizbullah a greater capacity to manage and leverage uncertainty than its opponent.

These twin tracks are not necessarily distinguished by the means used but by the fact that one is shaped by the other. Lethal force, or the threat of its use, can be used either as a means of shaping the contours of a fight or to prosecute the fight itself. Iran's tacit threat to bombard the fragile critical infrastructure of Saudi Arabia and Pakistan's threat of unilateral escalation to the tactical use of nuclear weapons against India are both coercive attempts to get counterparts to agree to rules of competition that are favourable to these states.<sup>40</sup> Both Iran and Pakistan have used the threat of massive escalation to force adversaries to tacitly agree what the form of violent interaction will be – a combination of war by proxy and limited skirmishing in which larger or better-equipped adversaries do not necessarily have an advantage. Until recently, Pakistan was also able to convince Indian policymakers to restrict the locus of their retaliations to Pakistan's portion of Kashmir whilst Pakistani proxies – shielded by deniability – were able to operate across the breadth of Indian territory.<sup>41</sup> In effect, in each case the meta-strategic competition of nuclear threats and counterthreats, diplomatic manoeuvring and signalling shaped the rules of the strategic competition. Competitive advantage is held by the party with the better meta-strategy which could compel the other party to fight a conflict of its choosing.

Of course, to be useful, a concept ought to deliver clarity to decision-makers. How, then, might this definition, if applied, impact the articulation and conduct of policy at a practical level? To begin with, a division of competition into subcomponents highlights a critical and oft-overlooked point – deterrence represents a component of meta-strategic competition. To the extent that Iran can deter the US from direct large-scale escalation against it, it can displace competition to the lower levels in which it is advantaged. Conversely, if the US could deter Iran from limited pinprick attacks, it would shift the locus of the competition either to the more escalatory option of high-end warfighting or to a lower level of escalation such as diplomatic pressure and

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39. Stephen Biddle and Jeffery Friedman, 'The 2006 Lebanon Campaign and the Future of Warfare: Implications for Army and Defence', Strategic Studies Institute, pp. 20–30.

40. Anthony Cordesman, *The Iranian Missile Threat* (Washington, DC: Center for Strategic Studies, 2019); Vipin Narang, *Nuclear Strategy in the Modern Era: Regional Powers and International Conflict* (Princeton, NJ: Princeton University Press, 2018), pp. 55–59.

41. Vipin Narang, *Nuclear Strategy in the Modern Era*, pp. 55–94.

economic sanctions – both areas where the US is massively advantaged. In effect, deterrence is not about avoiding conflict but a means by which the rules of competition are agreed on.

This has important practical ramifications, particularly in the era of the fusion doctrine. In the absence of a clear list of one's own asymmetrical advantages and those of one's opponent, and a lack of clarity on the ways in which the parameters of a competition can be shifted to favour the former, strategy often devolves into the pursuit of vaguely defined, overarching aims such as credibility, deterrence or resilience – all of which amount to the pursuit of absolute rather than relative advantage. Defining the parameters of a whole-of-government approach in terms of absolute rather than relative advantage produces two particular lacunae in the context of a whole-of-government approach to strategy. The first of these, as mentioned earlier, is conceptual. During a conversation with a journalist after Vietnam, one State Department official claimed that the war was necessary to shore up credibility and, when pushed on the reasons that credibility mattered stated, remarkably, that without it the US could not have been an appealing partner to allies like the South Vietnamese.<sup>42</sup>

Circular reasoning aside, defining strategy in terms of deterrent credibility makes calibration all but impossible. McGeorge Bundy, Walt Rostow, Robert McNamara and the rest of the Kennedy and Johnson teams learned this to their cost as the US sleepwalked into Vietnam. The reason was quite simple: the deterrent value gained or lost by defending an absolute commitment is altered every time some step is made to secure it. When the US took its first, seemingly calibrated steps to secure the South Vietnamese regime through aid and security cooperation, it transformed the regime from a party countering communist subversion to a party countering communist subversion to which the US had made a commitment.<sup>43</sup> This meant that failure of the regime would now be altogether more significant for US credibility – necessitating the more meaningful step of a limited ground presence and coercion of the north through the Rolling Thunder campaign.<sup>44</sup> This, however, transformed the regime from one being aided by the US to one which was the recipient of a de facto US military guarantee – meaning that when the Viet Cong failed to cease operations, the deployment of US ground forces became inevitable. In effect, McNamara's vision of calibrated escalations escaped his control because defining the value of the political object relative to the criteria of deterrence meant that its value – and thus the commitment it justified – shifted every time an action was taken. Therefore, the decision to deploy the civilian levers of power set in course a train of events which dragged the military tool into a conflict it was not prepared to fight. Moreover, attempting to use force whilst rebuilding a country meant that force could not be used decisively in ways that might have yielded coercive success, but were either inconsistent with the principle of graduated

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42. Gaddis, *Strategies of Containment*, p. 260.

43. For a useful discussion of Vietnam, see Frederick Logevall, *Embers of War: The Fall of an Empire and the Making of America's Vietnam* (New York, NY: Random House, 2012), pp. 649–80; Gaddis, *Strategies of Containment*, pp. 240–80.

44. See Robert Pape, *Bombing to Win: Airpower and Coercion in War* (Ithaca, NY: Cornell University Press, 1996), pp. 170–90.

escalation or would undermine efforts at winning hearts and minds.<sup>45</sup> In the absence of an understanding of asymmetry, combining the levers of power produced a whole that was less than the sum of its parts.

By contrast, the Reagan administration suffered no comparable mission creep in its proxy wars largely because it defined them in terms of cost imposition. A proxy was to be supported to the extent that the costs it could impose on Soviet clients exceeded the cost of supplying and backing it. Choosing a concrete criteria, such as costs imposed, served as a natural firebreak to mission creep.<sup>46</sup> The success of this strategy rested partially on its definition of deterrence as a shaping tool rather than an end in itself. As deterrence was achieved in Europe, where the Red Army had the advantage, conflict was shifted to the global periphery, where maritime mobility and economic advantages, and the fact that it was now the Soviets supporting unpopular and weak regimes against uprisings, made Soviet clients – and by extension the Soviet Union – vulnerable.

The attempt to generate an overarching cross-government strategy failed Kennedy and Johnson because it was not tethered to an understanding of asymmetry. Instead, it was assumed that the US could let an opponent set the rules of competition and then select an appropriately calibrated mix of civilian tools to overmatch the opposition at its chosen level of escalation – leaving it with the option of backing down or escalating further. The essentially reactive approach of attempting escalation dominance meant giving the opposition initiative.

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45. See, for example, Ivan Arreguin-Toft, *How the Weak Win Wars: Theory of Asymmetric Conflict* (Cambridge: Cambridge University Press, 2005), pp. 144–60; Harry Summers, *On Strategy: A Critical Analysis of the Vietnam War* (New York, NY: Random House, 1982).

46. James Scott, *Deciding to Intervene: The Reagan Doctrine and American Foreign Policy* (New York, NY: Duke University Press, 1996).



# III. A Framework for Delivering Competitive Advantage

THE VALUE OF any given concept is its ability to serve as a basis for description, prediction and prescription. The authors' contention is that the conceptual framing outlined above allows one to synthesise understanding of activities described as 'grey zone' with high-intensity warfare, better understand how competitors understand the interrelationship between the two, and deliver prescriptions regarding how they might be integrated into an overarching framework for delivering competitive success. There is significant literature on the various forms that modern warfare might take, be it hybrid warfare, nonlinear conflict or grey-zone competition.<sup>47</sup> There is, however, no clear definition of what winning is in this complex strategic and operational environment or what the criteria for its measurement might be. Moreover, useful typologies of conflict which have been provided sometimes err in categorising conflict based on the means deployed by states. For example, the use of economic and diplomatic tools is framed as being sub-threshold, while kinetic force is used as the baseline from which to determine when a conflict has entered a new phase.<sup>48</sup> The concept of grey-zone warfare – for example, in direct but covert conflict, or through the use of kinetic force in calibrated doses, as has been the case during recent events in the Straits of Hormuz – does not adequately explain the use of lethal force short of war.<sup>49</sup> It errs in defining types of war based on instruments used as opposed to end states sought – and treats grey-zone activities as alternatives to high-intensity kinetic struggle – making it both conceptually and empirically untenable. This speaks to a wider problem in categorising war and, in particular, limited war, which was noted as early as 1950 by figures like Robert Osgood who said that if war was 'an upper extremity on a whole scale of international conflict of ascending conflict and scope ... then no definition can define the point at which a conflict becomes war'.<sup>50</sup>

Perhaps, however, the war–peace distinction might be abandoned and thinking might instead consider terms of meta-strategic rule-shaping behaviours and attempts to prosecute discrete objectives within the context of rules. Within this rubric, adversaries are in a constant campaign to both constrain opponents, shape asymmetries in their favour and socialise their opponents into a favourable framework of constraining rules that periodically erupts into higher-intensity

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47. For a literature review and critique of the terms, see Donald Stoker and Craig Whiteside, 'Blurred Lines: Gray-Zone Conflict and Hybrid War – Two Failures of American Strategic Thinking', *Naval War College Review* (Vol. 73, No. 1, 2020), pp. 1–38.

48. See, for example, Frank Hoffman, 'Examining Complex Forms of Conflict: Grey Zone and Hybrid Challenges', *Prism* (Vol. 7, No. 4, 2018), pp. 31–41.

49. On covert uses of force, see Austin Carson, *Secret Wars: Covert Conflict in International Politics* (Princeton, NJ: Princeton University Press, 2018).

50. Robert Osgood, *Limited War* (Chicago, IL: University of Chicago Press, 1957), p. 7.

efforts to leverage favourable asymmetries to achieve specific goals. In effect, phases of a conflict might be categorised on the basis of the ends they serve rather than the means used.

As a practical example, the IDF's concept of the 'campaign between wars' might be most useful here. The distinction between the campaign and war itself is not lethality per se – Israel has inflicted substantial casualties as part of what it would dub non-war campaigns – but rather that the objectives of the campaign between wars are meta-strategic rather than strategic. Effectively, the object of the campaign is to ensure that war is fought on terms acceptable to Israel. Its ends, then, are subordinate to warfighting. Thus, activities such as controlling the flow of specific weapons to Hizbullah, constraining particular adversaries like Iran from deployments near the Golan Heights and targeting specific assets such as Syria's nuclear reactor in 2007 and a variety of countervalue assets held by Hizbullah are undertaken to ensure that, should war between Israel and Hizbullah come, Iran will not be involved. Moreover, certain tactics, such as the bombardment of civilian populations, are removed from the repertoire of Hizbullah or at least limited, so that the material balance of power does not shift.<sup>51</sup>

Perhaps more importantly, however, these actions, by their persistence, reframe the rules of the competition. Actions that are currently regarded as sub-threshold operations should not be seen as a substitute for a high-end fight, but rather part of a campaign to dictate the rules of that fight. So, rather than seeing sub-threshold activities as being exclusively a means of avoiding the high-end fight, one ought to see a nation's sub-threshold operations as an extended campaign to shape the parameters and rules of competition in a favourable direction and to ensure that a high-end fight occurs on their own terms.

By socialising domestic and world opinion to the notion of persistent kinetic competition, the campaign between wars also makes it possible to carry out persistent raids or mobilise to fight shorter engagements for limited aims without undertaking a campaign to build domestic and global support. In effect, then, the campaigns between wars serve to dictate the rules of competition that will work in both full-scale conflict and persistent sub-threshold activities. Shaping the contours of a prospective conflict as opposed to trying to avoid one entails a cognitive shift from deterrence as an end state. Indeed, signposting deterrence as one's desired end state allows an opponent to both take advantage of the loss of escalation control that this entails and suggests the lack of a coherent framework to fight and win.

There is good reason to view the competitive strategies of other modern states in this vein. Consider, for example, the Russian perception of a range of assets from non-military means such as diplomacy to precision-strike assets. Russia's military dictionary defines war as:

the extreme form of resolution to contradictions, characterised by a sharp change in the relations between states, nations, and other subjects of politics and the transition to the use of means of armed and other types of violence to achieve socio-political, economic, ideological, territorial, national, ethnic,

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51. Peter Layton, 'Undeclared Air Strikes: Between War and Peace', Lowy Institute, 27 September 2019.

religious and other aims. The main content of war is armed struggle. Depending on the composition of the participants, wars are divided into bilateral and coalition; by scale – large-scale, regional and local; by the intensity of armed struggle – low, medium and high intensity; by type of resolved contradictions – interstate and intrastate; by the aims of the belligerents – aggressive, defensive, liberation, etc.; by the means of armed struggle used – with the use of weapons of mass destruction (WMD), using conventional means of destruction. Classification of wars on other grounds is also possible.<sup>52</sup>

Building on this multifaceted typology, Russian theorists go on to postulate that the type of war fought relative to the variations outlined above is subject to the concept of war control: the ability of one party to dictate the time, place and level of both horizontal and vertical escalation involved in a conflict.<sup>53</sup> Indeed, despite the tendency of Western theorists to see concepts such as hybrid warfare and the use of non-military tools as a substitute for conflict, Russian military figures such as General Valery Gerasimov view them as tools that comprise the campaign between wars. This allows the contours of war to be shaped in a way that enables a reversion to competition.<sup>54</sup> As such, activities like buzzing NATO vessels and cyber probes might best be seen as a way of shaping the rules of competition as opposed to a substitute for kinetic means.<sup>55</sup> In the rubric of Russian theorists, a spectrum of means exists to manipulate the seams between what the Russians dub ‘local wars’ (involving Russia and one of its neighbours) and ‘regional wars’ (involving Russia and a coalition of opponents). These range from diplomatic persuasion through to the use of conventional precision-strike assets (including against critical infrastructure) in a local conflict on Russia’s borders. Russia’s preferred model of diplomatic engagement – bilateralism across a range of issues as opposed to multilateralism – is envisioned as further reinforcing this dynamic by allowing it to appeal to sympathetic members of the international community on a bilateral basis and thus mitigate the fallout from a conflict.<sup>56</sup>

The Georgian War was preceded by outreach on a bilateral basis to France and Germany. Russian efforts to leverage transatlantic fissures mitigated the diplomatic fallout from the conflict. Once it was satisfied that this would be the case, Russia encouraged its proxies in Abkhazia and South Ossetia to provoke Georgian forces to provide it with a *casus belli*, and then executed a pre-

52. Russian Military Encyclopedic Dictionary, ‘*Voyna*’ [War], <<http://encyclopedia.mil.ru/encyclopedia/dictionary/details.htm?id=12849@morfDictionary>>, author translation.

53. On the distinction between types of war and controlling transitions between them, see *ibid.* On war control, see A V Pervov, ‘The Reflexive Approach as an Important Tool of a Mechanism for Safeguarding Russia’s National Security’, *Journal of the Academy of Military Science* (Vol. 3, No. 1, 2009).

54. Dave Johnson, *Russia’s Conventional Precision Strike Capabilities: Regional Crises and Nuclear Thresholds* (Berkeley, CA: Lawrence Livermore Laboratory, 2018), pp. 13–29.

55. Christopher Woody, ‘17 Russian Jets Buzzed British Destroyer in Unprecedented Show of Force’, *Task and Purpose*, 27 November 2018, <<https://taskandpurpose.com/17-russian-jets-buzz-british-destroyer>>, accessed 9 November 2019; Martin C Libicki, ‘It Takes More Than Deterrence to Have an Effective Cyber Deterrence Posture’, testimony presented before the House Armed Services Committee on 1 March 2017, RAND, 2017.

56. Johnson, *Russia’s Conventional Precision Strike*, pp. 13–29.

planned campaign at the decisive moment. In effect, Russia's cumulative strategy involved the steady drumbeat of lobbying, economic penetration, and the tacit (if not explicitly stated) threat of the dangers of poor relations with Russia should the wrong reactions be detected. In effect, the Russians generated protean power options to adapt the conflict environment and to shape the way it was framed once hostilities were underway. The provocation of Georgian troops allowed Russia to dictate the time of the conflict – exactly when the Russian army was mobilised for action. Subsequent victory, given the limited territorial gains made and the fact that Georgia had never really exercised effective control over the regions in question, enhanced Russia's prestige as a resurgent power while at the same time dampening any negative feedback. Control and protean power had fed into one another to near perfection.

A similar view of generating competitive advantage can be seen in the writings of Chinese theorists. The Chinese framework of escalation broadly mirrors the Russian and, when contemplating the use of the levers of power, Chinese military analysts write in terms of leveraging the comparative disadvantages of coalitions – namely the fact that smaller allies can exercise a veto over US military actions and thus prevent the US from acting effectively. For example, documents such as *The Science of Military Strategy* cite the use of economic suasion, diplomatic outreach and the threat of limited calibrated uses of force as means with which individual allies can be turned into veto points that preclude the US from acting effectively in a conflict on China's periphery.<sup>57</sup> An iteration of this strategy, albeit not with regard to the US, was seen vis-à-vis ASEAN. Though the bloc, with its collective GDP of \$2.92 trillion, theoretically has enormous collective bargaining power, its consensus-based decision-making process means that any one state can preclude effective collective action on ASEAN's part. In 2012, this was on display when Cambodia – recently the recipient of a Chinese loan – removed all mention of the Scarborough Shoal clash from ASEAN's agenda. *The Science of Military Strategy* also discusses the use of a range of military and non-military tools (from economic coercion to reigniting frozen territorial disputes and the demonstrative use of missile salvos near disputed territories) as a means of shaping the scope, breadth and rules of any conflict on China's periphery and of socialising regional actors to accept that China might choose to fight a limited war without provoking a broader regional reaction.<sup>58</sup> In effect, then, this amounts to a Chinese equivalent of the campaign between wars: a campaign to shape the nature of competition as opposed to one seeking discrete objectives. Having determined that localised, short, bilateral conflicts represent its areas of comparative advantage as a pre-eminent regional power, the People's Republic of China has sought to shape the rules of the game to make precisely such a conflict the most likely. Thus, for example, the issue of the Senkakus – once downplayed – was reignited precisely after Japan extended the US–Japan defence guidelines to include Taiwan in 1997. Using veto players and economic incentives to slow the response times of multilateral organisations and

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57. Shou Xiaosong, *Zhanlue Xue [The Science of Military Strategy]* (Beijing: PLA Press, 2013), pp. 100–05; Kaushal and Markiewicz, 'Crossing the River by Feeling the Stones', pp. 25–30.

58. Xiaosong, *Zhanlue Xue [The Science of Military Strategy]*, pp. 100–05; Evelyn Goh, 'The Modes of China's Influence: Cases from Southeast Asia', *Asian Survey* (Vol. 54, No. 5, 2014), pp. 825–48; Krista E Weigand, 'China's Strategy in the Senkaku/Diaoyu Islands Dispute: Issue Linkage and Coercive Diplomacy', *Asian Security* (Vol. 5, No. 2, 2009), pp. 170–93.

building an anti-access bubble to slow the redeployment time of the extra regional US forces, then, all serve a convergent end, making the bilateralisation of political and military conflict a rule of competition in East Asia.<sup>59</sup>

Critically, Chinese authors view protean and control power not as substitutes for one another but as complementary. In the thinking of the Chinese military, the development of protean power allows China to fight 'local wars under informatised conditions' (short, sharp wars for well-delineated ends), while the local and limited nature of these wars will dampen adverse reactions to Chinese activities.<sup>60</sup>

## Rules of Competition, Strategy and Competitive Advantage

If agenda-setting through the use of protean power is critical, this has ramifications for how things such as rules are viewed. Typically, rules are seen as a means of precluding competition and maintaining order, itself defined as the absence of violent conflict.<sup>61</sup> It might be more useful to view rules in more instrumental terms, as being both the means by which violent competition is regulated and the instruments by which actors seek to shape competitions towards their own comparative advantages. Consider, for example, Britain's longstanding opposition to privateering and commerce raiding during the 19<sup>th</sup> century which culminated in the Declaration of Paris in 1865. As a result of British international lobbying, laws were adopted that manipulated the liberal norms regarding the freedom of the seas and efforts to deter the use of privateers by states (by treating them as criminals), which – critically – did not aim to preclude violent competition at sea but to regulate it instead. Moreover, as the dominant naval power of the day, Britain had little need of commerce raiding while its opponents – most notably France and the US – did. As such, Britain manipulated nascent norms regarding the targeting of civilian vessels and the legitimacy of private military forces to shape future conflicts in its favour.<sup>62</sup>

The international laws of the late 20<sup>th</sup> century regarding the use of mercenaries developed in a similar way. African countries, who saw mercenaries as a tool of great power influence, lobbied hard to render their use illegitimate while several great powers incorporated into the law a series of caveats regarding the definition of a mercenary which effectively excluded most private military companies. As one legal expert had it, 'anybody who can be deemed a mercenary under this law ought to be hanged along with his lawyer'.<sup>63</sup> In effect, then, diplomacy and lawfare

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59. Kaushal and Markiewicz, 'Crossing the River by Feeling the Stones', p. 31.

60. M Taylor Fravel, *Active Defence: China's Military Strategy Since 1949* (Princeton, NJ: Princeton University Press, 2019), pp. 189–235.

61. For an example of this view, see John Ikenberry, *After Victory: Institutions, Strategic Restraint, and the Rebuilding of Order After Major Wars* (Princeton, NJ: Princeton University Press, 2000).

62. Andreas Roksund, *The Jeune Ecole: The Strategy of the Weak* (London: Brill, 2007), pp. 27–35; Andrew Lambert, *The Challenge: Britain Against America in the Naval War of 1812* (London: Faber and Faber, 2012).

63. Sarah Percy, *Mercenaries: The History of a Norm in International Relations* (Oxford: Oxford University Press, 2007), p. 101.

represent a slow, grinding process of cumulative strategy backed, at times, by economic suasion and the limited use of force. Together, these determine the comparative advantages enjoyed by an actor when a conflict enters its high-intensity phase.

If this is indeed the case, the role of rules and order ought to be reframed not as the end of strategy but as one of its components. Order is not a means of transcending competition but of framing the ways in which actors can compete. If one accepts this, then any framing of the rules of competition will favour some actors more than others. As such, the campaign to define the fight is as important as the fight for a discrete political objective itself. Often, in such contests, the aim is to coerce an opponent to accept certain limitations whilst not aiming for an objective so substantial that they render the opponent incapable of competing.

States are typically able to shape the conflict environment and, in particular, the legal environment, in their favour if both they and their opponents share a broad conception of legitimacy. For example, Britain was able to secure laws regarding privateering partially through consistent coercion (treating privateers as pirates), and partially by appealing to the shared sense of legitimate state behaviour, in which states saw themselves as legitimate actors within the international system. As such, rules are less likely to emerge in a situation in which one actor views another as an existential threat: for example, when an opponent has stated in explicit terms that it views another state as being illegitimate, as in the case of Iran's view of Israel. Cumulative strategy, then, typically progresses through a process of binding – convincing one's opponent that they are viewed as a legitimate rival while at the same time coercing it to accept specific rules. A case in point would be the Nixon–Kissinger approach to détente which sought to 'transform the USSR from a revolutionary state to a (rival within) the system'.<sup>64</sup> On the one hand, a series of state visits coupled with the de facto ratification of the Soviet sphere of influence through the Helsinki Accords conferred upon Soviet leaders the legitimacy they so craved. Simultaneously, Nixon and Kissinger sought to socialise the Soviets into accepting a series of regulative rules governing competition in the Third World. Abstaining from subverting states already within the US sphere of influence and cooperating to dampen wars between US and Soviet clients such as Egypt and Israel, and India and Pakistan, are worthy examples. In effect, recognition and coercion worked in tandem in as much as a party which believes it is external to a system is far less likely to accept rules within it.<sup>65</sup>

## The Organisation of the Policy Process and Military Operating Concepts

The question that emerges, then, is how will the strategic coordination of the instruments of power and the operating concepts that guide the use of the military instrument have to adapt to this definition of competitive advantage? Specifically, how does one ensure a policymaking system that delineates a clear understanding of a state's comparative advantages, the cumulative and sequential approaches that will deliver it, and the role of individual agencies in the process?

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64. Kissinger, *Diplomacy*, p. 755.

65. *Ibid.*, pp. 300–25.

At the level of strategy, what is of critical importance is conceptual clarity. It is vital to note that conceptual clarity is not the same thing as interagency coordination. Take, for example, President Eisenhower's Project Solarium: a process established to develop a strategy to leverage US advantages and offset its weaknesses.<sup>66</sup> While Eisenhower had a fairly clear understanding of US advantages (economic vitality) and its disadvantages (the inability to maintain a militarised global position without fundamentally altering the nature of US society), the Solarium process itself did nothing towards either. Under the aegis of Solarium, however, three models of confrontation were developed: option A – strongpoint defence of key areas in Europe and East Asia coupled with subversion (in the vein advocated by George Kennan); option B – an open-ended definition of containment along the lines advocated by NSC 68;<sup>67</sup> and option C – 'rollback', involving aggressive political and psychological warfare beyond the Iron Curtain (as advocated by John Foster Dulles).<sup>68</sup>

In the end, the strategy decided on was a compromise that maintained elements of each approach with the strengths of none. In line with option A, the military was reoriented in line with a 'new look' strategy aimed at deterring a massive Soviet push through eastern Europe with tactical nuclear weapons.<sup>69</sup> Simultaneously, however, the administration did commit to an open-ended defence policy against communist subversion beyond Europe and Japan, which the new look military was not built for. This entailed an increasing reliance on both nuclear weapons to deter small-scale clashes (such as the Qemoy–Matsu crisis), and an attempt to burden-shift to allies such as the UK in areas like the Persian Gulf, which would prove unsustainable in the face of the UK's relative economic and military decline. Finally, the administration adopted a model of subversion beyond the Iron Curtain far more aggressively than Kennan's own proposed model and in line with Dulles's proposals.<sup>70</sup> Organisations such as Radio Free Europe were encouraged to broadcast beyond the Iron Curtain, and paramilitary operations approved. What this meant was that when the people of Hungary rose up, the administration was hamstrung: its policies had, in part, encouraged the uprisings but it was in no position to do anything to prevent the Soviets from crushing them.<sup>71</sup> The central point, however, is that the strategy achieved neither the flexibility and relaxation of direct tensions that Kennan's strongpoint model advocated, nor did it enable the US to pursue a more aggressive grand strategy. In effect, the Solarium process produced a strategic mish-mash of incompatible ideas as a result of the emphasis on coordination and interagency fusion.

Rather, periods of strategic coherence such as the Nixon–Kissinger era often involved a relatively small group of policymakers articulating strategy and then executing it, often over the heads of

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66. Ionut Popescu, *Emergent Strategy and Grand Strategy: How American Presidents Succeed in Foreign Policy* (Baltimore, MD: Johns Hopkins University Press, 2017), pp. 65–81.

67. National Security Council, 'NSC 68'.

68. Gaddis, *Strategies of Containment*, pp. 200–30.

69. *Ibid.*

70. Popescu, *Emergent Strategy and Grand Strategy*, pp. 150–70.

71. Chris Tudda, "'Reenacting the Story of Tantalus': Eisenhower, Dulles and the Failed Rhetoric of Liberation', *Journal of Cold War Studies* (Vol. 7, No. 4, 2005), pp. 3–35.

bureaucratic agencies. While the level of centralisation and backchannel diplomacy involved in the Nixon–Kissinger era is generally incompatible with the processes that guide a democracy, the central lesson that might be learned is that while interagency coordination regarding the execution of strategy is desirable, it is far less useful to the formulation of strategy.<sup>72</sup> Rather, the concepts that delineate the roles of specific agencies play in the articulation of strategy ought to be delineated by a central entity. While the one-man approach to diplomacy is not tenable, it does illustrate the importance of coherence in the conception of strategy – something undone by interagency coordination at every level. The successful execution of strategy can be accomplished by a variety of means that do not necessarily entail the ultra-centralisation of the Nixon–Kissinger era. For example, China relies on issue-specific interagency cooperation in leading small groups headed by an executive appointee as a coordination mechanism. What is critical, in any case, is that strategy ought to be conceived by relatively small groups to maintain coherence and transmitted to the bureaucracy rather than being formulated in an interagency process.

## Operating Concepts to Guide the Use of the Military Instrument

Frameworks for persistent competitions which frame stages of competition in terms of securing, constraintment, confrontation and fighting could benefit from two additions.

First, eliminating kinetic contact as the threshold which alters the nature of a competition. The use of kinetic force, albeit in tandem with efforts to control escalation, is a feature of every phase of competition, not just warfighting. Likewise, non-kinetic levers of power remain in play during the fight phase. What ought to distinguish the phases of competition is the emphasis on shaping contests towards one's comparative advantage, evident in the engagement and constraintment phases, as opposed to the use and subsequent reinforcement of those advantages in the fight.

Second, articulating the role of each phase of competition in an overarching framework – for example, the campaign between wars and conflict itself. This will require a shift from thinking of strategic objectives in terms of deterrence or escalation-dominance towards thinking of it in terms of asymmetry and the rules of competition.

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72. Robert Litwak, *Détente and the Nixon Doctrine: American Foreign Policy and the Pursuit of Stability* (Cambridge: Cambridge University Press, 2009), pp. 10–40.

# Conclusions

**R**ETHINKING THE NATURE of competitive advantage and seeing rules and order through the lens of comparative advantage has ramifications across the full spectrum of policy for a major power such as the UK. At the strategic level, what is entailed is a national appreciation of comparative advantages and disadvantages and the principles that can allow competitive advantage. Attempts at fusion in the absence of an overarching framework simply replace siloed thinking with either bureaucratic compromise or larger silos in which the parochial thinking of whichever agency is given the lead on a given issue dominates.

At the level of military operations, this entails a rethinking of the purposes for which force is used. As opposed to being a reactive tool, the persistent use of force – as distinct from mere engagement – is as much an imperative as the use of other tools such as economic suasion and diplomacy to shape the environment in advance of a sequential fight. For example, in the run up to the Declaration of Paris in 1856, Britain shaped its operating environment with regard to commerce raiding by a combination of diplomacy and kinetic means such as capturing and trying privateers in both peacetime and war. Learning the right lessons from a longer arc of historical examples is critical if strategy is to be created and enacted usefully in the new era of great power competition.



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