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Reshaping the international legal order

China's strategic use of lawfare and lessons learned for Europe

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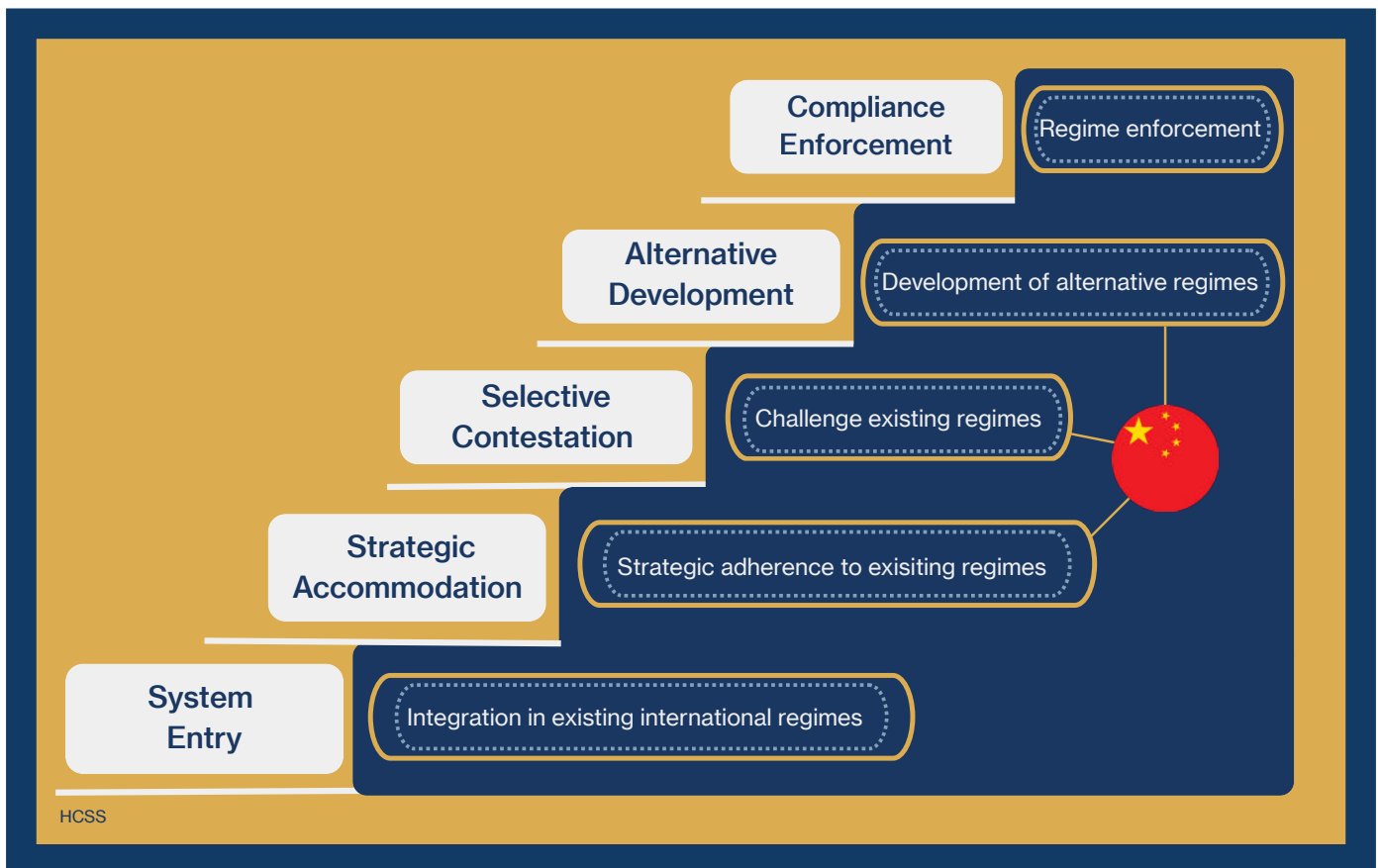
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Executive Summary

The PRC has increasingly turned to legal instruments as tools of geopolitical competition. Rather than relying solely on economic leverage or military power, Beijing has begun to shape the international environment through the strategic use of law. From contesting interpretations of maritime rules to developing alternative dispute-resolution mechanisms linked to the Belt and Road Initiative (BRI), Chinese policymakers are demonstrating that legal governance has become an important arena of strategic influence.

This report examines how the PRC employs what is often described as lawfare: the strategic use of legal norms, institutions, and practices to advance national interests and shape international governance. Importantly, Chinese lawfare does not typically seek to overturn the existing legal order outright. Instead, it operates through a gradual process of reinterpretation, institutional experimentation, and rule implementation that can, over time, reshape how legal frameworks function in practice. Currently, the PRC employs lawfare mainly as a tool of selective contestation and development of alternative regimes, while still selectively complying with existing institutions as shown in Figure 1.

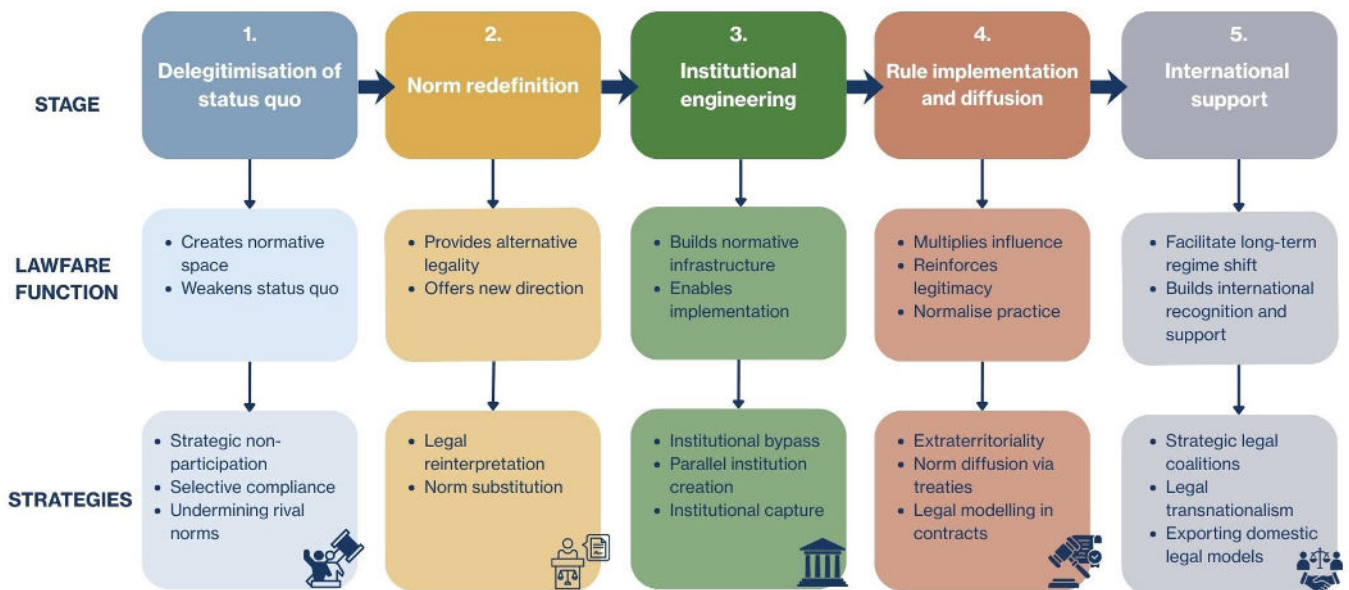
Figure 1: The PRC Position in the Ideal-Type Model of Rising Powers' Positioning vis-à-vis the International Regime



To assess how lawfare contributes to systemic legal change, the report develops a five-stage analytical framework (summarised in Figure 2) outlining how rising powers incrementally reshape the international legal order. The framework emphasises the sequencing and accumulation of institutionalised state power through these five stages. States may operate across multiple stages simultaneously, and progression is neither automatic nor irreversible. The five stages are:

1. **Delegitimisation of the status quo:** undermining confidence in existing norms and institutions.
2. **Norm redefinition:** advancing alternative interpretations and legal concepts.
3. **Institutional engineering:** creating, reshaping, or bypassing institutions to embed new norms.
4. **Rule implementation and diffusion:** diffusing legal models and embedding them in practice.
5. **International support:** consolidating political and institutional support for alternative arrangements.

Figure 2: Sequenced Framework for Reshaping the International Legal Order



This framework is applied to three case studies (trade, maritime security, and technology governance, see Table 1) to evaluate the scope, depth, and limits of Chinese lawfare in practice.

The findings suggest that China's lawfare strategy is most developed in the early and intermediate stages of this process. Beijing has been particularly active in reinterpreting existing norms and developing institutional mechanisms that reflect Chinese legal preferences. Examples include efforts to advance alternative legal narratives in maritime disputes, the development of Chinese commercial courts linked to the BRI, and the increasing use of domestic legislation with extraterritorial implications. These initiatives do not necessarily

dismantle existing legal frameworks, but they expand the range of practices and interpretations compatible with Chinese interests.

At the same time, China's ability to diffuse these legal practices more broadly remains uneven. While legal mechanisms connected to Chinese economic initiatives are gaining influence in certain regions, they have not yet fundamentally displaced established legal institutions. This suggests that Chinese lawfare currently operates less as a direct challenge to the international legal order and more as a strategy aimed at gradually expanding China's influence within it.

In trade governance, particularly through the BRI, the PRC has progressed across all five stages of the framework. By delegitimising Western arbitration, redefining dispute resolution norms, creating parallel institutions such as the China International Commercial Court (CICC), and expanding legal capacity through partnerships and jurisdictional reach, the PRC has constructed a functioning alternative dispute settlement ecosystem. While not globally dominant, this system increasingly displaces reliance on Western legal fora within international trade.

In the maritime domain, Chinese lawfare is characterised by high levels of delegitimation and norm redefinition but limited institutional consolidation. The PRC's rejection of the United Nations Convention on the Law of the Sea (UNCLOS) arbitrations, promotion of historical rights claims, and selective compliance undermine the coherence of the maritime legal order. However, strong regional resistance and the high security salience of maritime governance constrain legal capacity expansion, rule implementation and diffusion, and international support, preventing the emergence of a durable alternative legal order at this point in time.

In technology governance, Chinese lawfare is disruptive but incomplete. The PRC employs proxy litigation, regulatory leverage, and institutional repurposing to challenge existing norms and exert influence over global technology markets. Still, strong resistance from advanced economies, alliance coordination, and security-driven governance frameworks limit the PRC's ability to diffuse its legal models or institutionalise alternative rules.

Table 1. Summary of case studies' results



Dimension	Trade	Maritime	Technology
Delegitimation of status quo	High	Very High	High
Norm redefinition	High	Very High	Medium-High
Institutional engineering	Very High	Medium	Medium
Rule implementation and diffusion	High	Low	Low
International support	Medium	Very Low	Very Low
Degree of alternative legal order formation	Emerging	Limited	Absent
Primary constraint	Incomplete diffusion	Regional resistance & security salience	Alliance coordination & security framing

These findings have important implications for how policymakers interpret the PRC's role in international governance. The pattern identified in this report complicates simple characterisations of the PRC as either a status quo or revisionist power. Beijing continues to operate within many established legal frameworks and frequently invokes the language of international law. Still, at the same time, it is actively working to reshape the interpretation and institutional foundations of those frameworks in ways that increase strategic flexibility.

For European policymakers, this development highlights the growing importance of the legal domain as a space of geopolitical competition. Maintaining the resilience of the rules-based international order will require not only defending existing institutions but also ensuring that Europe remains capable of shaping the legal norms, regulatory standards, and dispute mechanisms that underpin global governance.

At the EU level, the PRC's lawfare toolkit creates asymmetries that can be leveraged against European firms and policymakers. These dynamics risk affecting corporate behaviour, particularly in sectors exposed to dual-use technology, human rights due diligence, and export controls. Over time, such pressures may erode the EU's capacity to act cohesively on economic security and values-based regulation if not adequately mitigated.

There is also a growing risk of legal fragmentation within Europe. Divergent national responses to Chinese legal pressure could create intra-EU inconsistencies that external actors may exploit through targeted economic leverage or bilateral political signalling. Without coordinated European countermeasures, individual Member States, including the Netherlands, may face increased vulnerability when acting alone.

For the Netherlands, the risks are amplified by its structural profile as a highly open, trade-dependent economy with globally embedded high-tech sectors and major logistics hubs. Dutch companies operating in or with the PRC face heightened exposure to legal coercion, regulatory retaliation, and compliance dilemmas stemming from conflicting legal regimes. Furthermore, the Netherlands' role in semiconductor supply chains and advanced technology ecosystems makes it a particularly salient target for Chinese lawfare signalling and pressure tactics.

Chinese lawfare hence presents a multidimensional challenge for Europe and the Netherlands that operates below traditional security thresholds but carries strategic implications. It affects not only the legal exposure of firms but also the EU's regulatory autonomy, unity of the internal market, and credibility as a geopolitical economic actor.

At the same time, Chinese lawfare should not be overstated as an omnipotent tool. Its effectiveness depends heavily on fragmentation, uncertainty, and risk aversion among targeted actors. Where legal clarity is high and public-private awareness is mature, the leverage of lawfare mechanisms diminishes significantly. Lawfare must hence be considered as part of a wider hybrid toolkit that the PRC employs and mainly viewed through the lenses of an increasing fragmented international order characterised by great power competition and the breaking up of traditional international regimes.

Against this backdrop, the PRC's use of legal means to pursue international influence also offer lessons that Europe can learn and implement to position itself amidst a fragmenting international legal order. Such lessons include strategic dilemmas for Europe, which are addressed below through targeted recommendations:

1. Lesson: the PRC strategically reinterprets existing international law to advance geopolitical claims

A central feature of Chinese lawfare is the selective reinterpretation of international law to legitimise geopolitical objectives. For example, Beijing has sought to frame maritime claims in the South China Sea through historical rights narratives and alternative interpretations of UNCLOS provisions, while simultaneously rejecting arbitration outcomes that challenge its position. This approach allows the PRC to contest legal interpretations without formally rejecting the international legal order itself.

Dilemma for Europe: European policymakers face a dilemma between defending established interpretations of international law and maintaining diplomatic and economic engagement with Beijing. Responding forcefully to contested interpretations risks escalation and political friction, while passivity can allow alternative legal narratives to gradually gain legitimacy.

Recommendation: European governments should invest more systematically in legal diplomacy and interpretation strategies within international institutions. This includes coordinating positions among EU member states, supporting international litigation and arbitration where appropriate, and ensuring consistent European participation in legal debates surrounding maritime law, digital governance, and international trade. Strengthening legal clarity in these areas can help prevent incremental reinterpretations from becoming accepted practice.

2. Lesson: the PRC builds parallel legal and dispute-resolution institutions linked to its economic initiatives

Through initiatives such as the Belt and Road Initiative, the PRC has supported the creation of dispute resolution mechanisms and commercial courts designed to handle cross-border investment and infrastructure disputes. These institutions are often framed as efficient and business-friendly alternatives to established arbitration venues, gradually expanding Beijing's influence over the interpretation and application of commercial law in BRI-related contexts.

Dilemma for Europe: European policymakers face the challenge of remaining attractive partners for developing economies while maintaining high legal standards and judicial independence. If European institutions appear slow, fragmented, or inaccessible, partner countries may increasingly turn to Chinese alternatives.

Recommendation: Europe should strengthen the accessibility and global relevance of its own dispute resolution institutions. This includes improving coordination among European arbitration centres, supporting international legal cooperation with partner countries, and integrating legal capacity-building into development and infrastructure partnerships such as the Global Gateway initiative. Doing so would allow Europe to remain competitive in the provision of legal governance without compromising its legal standards.

3. Lesson: the PRC uses domestic legislation with extraterritorial implications as a geopolitical instrument

Chinese domestic laws, such as the Anti-Foreign Sanctions Law and export control regulations, are increasingly used to counter foreign regulatory pressure and shape corporate behaviour beyond the PRC's borders. These laws can place foreign companies operating in China in situations where compliance with Chinese law conflicts with compliance with European or US regulations.

Dilemma for Europe: European companies may face growing legal conflicts between regulatory regimes, forcing them to navigate incompatible legal obligations. European policymakers must balance the protection of corporate interests with broader geopolitical and regulatory priorities.

Recommendation: The EU should develop clearer frameworks for managing regulatory conflicts involving extraterritorial legislation. This could include strengthening existing legal instruments designed to shield European companies from conflicting sanctions regimes, improving guidance for firms operating in high-risk jurisdictions, and coordinating responses with international partners facing similar challenges.

4. Lesson: the PRC integrates technical standards and regulatory frameworks into its lawfare strategy

Beyond traditional legal institutions, the PRC has increasingly focused on shaping international technical standards and regulatory norms, particularly in emerging technological sectors such as digital infrastructure, telecommunications, and artificial intelligence. By influencing standard-setting bodies and embedding Chinese technical frameworks into international projects, Beijing can shape regulatory ecosystems in ways that favour Chinese firms and technologies.

Dilemma for Europe: European policymakers face the challenge of competing in highly technical standard-setting processes that often receive limited political attention but have long-term strategic implications. At the same time, Europe must balance industrial competitiveness with regulatory principles such as openness, transparency, and data protection.

Recommendation: The EU should treat international standard-setting as a strategic priority. This requires greater coordination between industry, regulators, and diplomatic actors, as well as increased support for European participation in international technical organisations. Aligning industrial policy with standards diplomacy can help ensure that European regulatory approaches remain influential in global technology governance.

5. Lesson: the PRC amplifies legal influence through coalition-building with partner states

The PRC's legal initiatives are often embedded in broader diplomatic and economic partnerships. By linking legal frameworks to development financing, infrastructure projects, and regional cooperation initiatives, Beijing can build coalitions of states that adopt or support Chinese legal approaches.

Dilemma for Europe: Europe faces structural challenges in building similar coalitions due to internal coordination difficulties and the complex distribution of competences between EU institutions and member states. Furthermore, European legal frameworks are sometimes perceived by partner countries as demanding or difficult to implement.

Recommendation: European policymakers should integrate legal governance more clearly into partnership initiatives with third countries. Providing technical legal assistance, supporting judicial capacity-building, and embedding legal cooperation into trade and development agreements can strengthen Europe's role as a provider of trusted legal frameworks. At the same time, improving internal EU coordination on external legal engagement will be essential for presenting a coherent European approach.

1. Introduction: Chinese lawfare in the shifting international order

Periods of great power transition are rarely confined to shifts in material capabilities alone. They are accompanied by contestation over the rules, norms, and institutions that structure the international order. In the contemporary international system characterised by dense legalisation, institutionalisation, and multilateral governance, this contestation increasingly unfolds through law. Legal norms, procedures, and institutions have become arenas of strategic competition, where influence is exercised not only through compliance or defiance, but through interpretation, institutional design, and legitimacy construction.

Against this backdrop, the People's Republic of China (PRC) has emerged as a rising great power that increasingly leverages law as a strategic instrument as part of its hybrid strategy.¹ Rather than rejecting the existing international legal order outright, Beijing operates largely within it, selectively contesting rules, redefining norms, and constructing parallel legal mechanisms that reflect its interests and governance preferences. This strategic use of law, commonly referred to as *lawfare*, has become a central component of the PRC's broader effort to translate material power into international influence or exert power where legal conventions rather than material asymmetry create the power balance.²

This report examines Chinese lawfare as a mechanism for reshaping the international legal order during a period of power transition. It situates lawfare within broader theories of great power rise and international order change (section 1), conceptualising it as a strategic practice operating at the intersection of legality and legitimacy (section 2). Building on this conceptual foundation, the research examines the PRC's trajectory to great power status and the characteristics of Chinese lawfare (section 3). The report subsequently develops an analytical framework to assess how lawfare functions incrementally over time (section 4) and applies this framework to three domains of high strategic relevance: trade, maritime security, and technology governance (section 5).

¹ Benedetta Girardi et al., *Responding to China's Hybrid Threats: Strategic Postures for Small and Middle Powers* (The Hague Centre For Strategic Studies, 2025), 13, <https://hcass.nl/report/responding-to-chinas-hybrid-threats-strategic-postures-for-small-and-middle-powers/>.

² Dean Cheng, "Winning Without Fighting: Chinese Legal Warfare," Background Paper (The Heritage Foundation, May 18, 2012), <https://www.heritage.org/asia/report/winning-without-fighting-chinese-legal-warfare>, p. 1-3; Richard J. Conroy II, "Countering Lawfare of the People's Republic of China Starts with 'PRC,' Not 'China,'" *Army Lawyer*, no. 2 (2024): 32-37, p. 33; Mathieu Duchâtel and Georgina Wright, "China's Extraterritoriality: A New Stage of Lawfare," Explainer (France: Institut Montaigne, December 2024), <https://www.institutmontaigne.org/en/publications/chinas-extraterritoriality-new-stage-lawfare>, p. 16; Jill I. Goldenziel, "Law as a Battlefield: The U.S., China, and the Global Escalation of Lawfare," *Cornell Law Review* 106, no. 5 (2021-2020): 1085-1172, pp. 1092-1093; Michael J. West and Aurelio Insisa, "Reunifying Taiwan with China through Cross-Strait Lawfare," *The China Quarterly* 257 (2024): 186-201, <https://doi.org/10.1017/S0305741023000735>, p. 187.

By analysing how the PRC deploys lawfare across these domains, the report seeks to assess whether Chinese practices amount to tactical legal manoeuvring, contribute to legal fragmentation, or signal the emergence of a credible alternative legal order. In doing so, it aims to provide a structured understanding of how legal strategies shape contemporary great power competition and what this means for the future of the international rules-based system, with particular attention given to the strategic implications for Europe and the Netherlands (section 6).

The People's Republic of China (PRC) has emerged as a rising great power that increasingly leverages law as a strategic instrument as part of its hybrid strategy.

2. Reshaping the global order: Rising great powers and shifting international regimes

2.1. Great power transitions and the international order

Periods of great power transition have historically been accompanied by systemic change in the international order. As material power shifts, so too do the rules, norms, and institutions that govern international relations. Power Transition Theory provides a useful analytical lens for understanding these dynamics. It holds that rising powers, dissatisfied with their position within an existing hierarchy, seek to alter the distribution of power and the rules that sustain it.³ These moments of transition are often marked by heightened contestation and, in some cases, conflict.⁴

Traditionally, a great power was understood to focus primarily on two material sources of power: economic capacity and military capabilities.⁵ Economic capacity enables sustained growth, technological development, and resource mobilisation, while military capabilities provide deterrence and the ability to project force. However, in the contemporary international system, material power alone is insufficient to explain how states rise to, maintain, or challenge great power status.⁶

The post-Cold War order, characterised by dense institutionalisation, legal frameworks, and multilateral governance, has elevated a third dimension of power: international influence. This form of influence is exercised through agenda-setting, norm-shaping, and institutional leadership. It depends not only on material capacity but also on legitimacy, recognition, and the ability to operate effectively within, or reshape, the rules-based international system. This is achieved through idea advocacy, the use of elite narratives to explain and justify a state's expanding global role, articulating why increased international engagement serves both national interests and the international order. As global authority cannot be self-declared but must be granted by other states in the system, active rising powers employ idea advocacy to shape the international system.⁷

³ Manjari Chatterjee Miller, *Why Nations Rise: Narratives and the Path to Great Power* (Oxford University Press, 2021), <https://doi.org/10.1093/oso/9780190639938.001.0001>.

⁴ Robert Gilpin, *War and Change in World Politics* (Cambridge University Press, 1981).

⁵ Miller, *Why Nations Rise*.

⁶ *Ibid.*

⁷ *Ibid.*

As a result, contemporary great power competition increasingly unfolds within legal, institutional, and normative arenas. The ability to shape the 'rules of the game' has become as strategically consequential as the ability to dominate battlefields or markets.

Infobox 1: Historical examples of successful and unsuccessful great powers' rise⁸

A classic example of a nation failing to rise to hegemonic great power status is the **Union of Soviet Socialist Republics (USSR)**. From the 1970s until the 1990s, the USSR greatly invested in military capacity (about 15-20% of its GDP), and could compete with the US, the hegemon of that time, in the military domain. However, the USSR experienced a stagnating economy and therefore was unable to sustain itself competitively. Additionally, the Soviets maintained an autocratic communist model, limiting the country's appeal on the global stage. The USSR therefore illustrates how a nation with greatly advanced military capacity fails to rise to global hegemon due to economic exhaustion and limited international influence.

Brasil, from the 1960s until the 1980s, emerged as a regional power in South America, having a large economy with a strong and regionally dominant military. However, the country never translated these capabilities globally and therefore lacked the international influence necessary to becoming a global hegemon. Additionally, Brasil hit a "capability ceiling" during those years: instead of increasingly advancing its material capabilities, its growth stagnated, preventing possible leverage capacity on the international stage.

In the 1980s, **Japan** significantly exceeded the US in GDP growth. Even though the country became a critical actor in global banking and electronics, Japan never took over the US' position as global hegemon. Its export-led growth model created a fundamental constraint: as a surplus country, Japan could not run the deficits required to establish the yen as a reserve currency capable of challenging dollar hegemony. Following its advancing economic capacity, Japan never used the moment to also build international influence. Additionally, constrained by post-World War II settlements, Japan was unable to advance its military and could have therefore never projected force or hard power. Instead, it remained dependent on the advanced American

military. Japan therefore showcases how economic capacity by itself is not sufficient, but that a state also requires military strength and international influence to become a global hegemon.

During the colonial era, the **United Kingdom** was considered a global hegemon. As the first nation to industrialise, the country possessed a great number of resource-rich colonial territories and was responsible for two-thirds of Europe's industrial growth. Beyond material capabilities, the UK established itself as the first global monetary hegemon: the pound sterling serving as the world's reserve and invoicing currency. Besides economic capacity, the UK also demonstrated strong military capacity by dominating the international seas with its Royal Navy, establishing the Pax Britannica that lasted from 1815 until 1914. Its monetary power as well as its military dominance resulted in sufficient international influence for the UK to become a global hegemon. It was only after WWII that the international hierarchy reorganised itself, transitioning from Pax Britannica to Pax Americana.

While contested, the **United States (US)** currently still serves as the global hegemon, demonstrating a case of how a nation can deeply integrate and maintain its preferences in the international order, even as its power relatively declines. Post WWII, the US restructured the financial system through the Bretton Woods institutions and became a global monetary hegemon. The US strategically embedded itself through the Marshall Plan and by making its preferences appear as universal norms reflected in key international institutions (UN, IMF, WTO), where it enjoys voting advantages and hosts headquarters. Its military strength has been internationally recognised as a global security provider and central actor in international alliances (UNSC, NATO). The US therefore demonstrates the ability to maintain its position through institutions and alliances built on financial dominance nearly 80 years ago.

⁸ Sources: Stephen Kotkin, *Armageddon Averted: The Soviet Collapse, 1970-2000* (Oxford University Press, 2008); Rosemary Foot and Andrew Walter, *China, the United States, and Global Order* (Cambridge University Press, 2010); Leslie Elliott Armijo and Sean W. Burges, "Brazil, the Entrepreneurial and Democratic BRIC," *Polity* 42, no. 1 (2010): 14–37, <https://doi.org/10.1057/pol.2009.15>; Tsuyoshi Kawasaki, review of *Review of Japan Rising: The Resurgence of Japanese Power and Purpose*, by Kenneth B. Pyle, *International Relations of the Asia-Pacific* 8, no. 2 (2008): 267–69.

2.2. Playing by the rules versus shaping them

Rising powers rarely challenge the international order directly at the outset of their ascent. Instead, they tend to pursue a strategy of strategic accommodation.⁹ They seek inclusion in international institutions, like the World Trade Centre (WTO) and United Nations (UN), to become acknowledged members of the international community. By complying with the norms set by the dominant great power, rising powers aim at achieving acceptance of their increasing involvement in the international system. Sudden or overt challenges to the existing order risk triggering counterbalancing by established powers. Through initial strategic accommodation, rising powers hence gain recognition and authority, build legitimacy within already established frameworks, and create coalitions.¹⁰

Over time, however, accommodation gives way to selective contestation. Once a rising power becomes an established actor within the international system, it begins to identify aspects of the order that constrain its interests or reflect the preferences of earlier hegemony. At this stage, the strategic objective shifts from inclusion to rulemaking. Rather than rejecting the system outright, rising powers often seek to reshape it from within, using the system's own principles and mechanisms to justify reform.¹¹ Once the rising power has used this new network and influence, it can start setting the global agenda by controlling important nodes of the globally connected system, organised through shared economies and institutions.¹²

Lastly, prolonged selective contestation can turn into regime shift. This originates when challenging countries shift from the standard norms and rules from one multilateral organisation to another that aligns better with their ideals.¹³ Beforehand, competitive regime creation can take place: when there is no better alternative for the challenging states, a new multilateral institution can be created to which the contesting countries shift, influenced by the rising great power.¹⁴ Via this new platform, a rising great power can contest the norms of the original organisation, undermining its global authority.¹⁵ Consequently, it is expected for the contested institution to adapt and integrate ideas of the rising power.¹⁶ Through such strategies, international regime complexes change and expand, structurally reshaping the global order. When a rising power successfully completes this shift, it raises to dominant great power status (as summarised in Figure 3).

⁹ Miller, *Why Nations Rise*.

¹⁰ Rohan Mukherjee, *Ascending Order: Rising Powers and the Politics of Status in International Institutions* (Cambridge University Press, 2022).

¹¹ Julia C. Morse and Robert O. Keohane, "Contested Multilateralism," *The Review of International Organizations* 9, no. 4 (2014): 385–412, <https://doi.org/10.1007/s11558-014-9188-2>.

¹² Miller, *Why Nations Rise*.

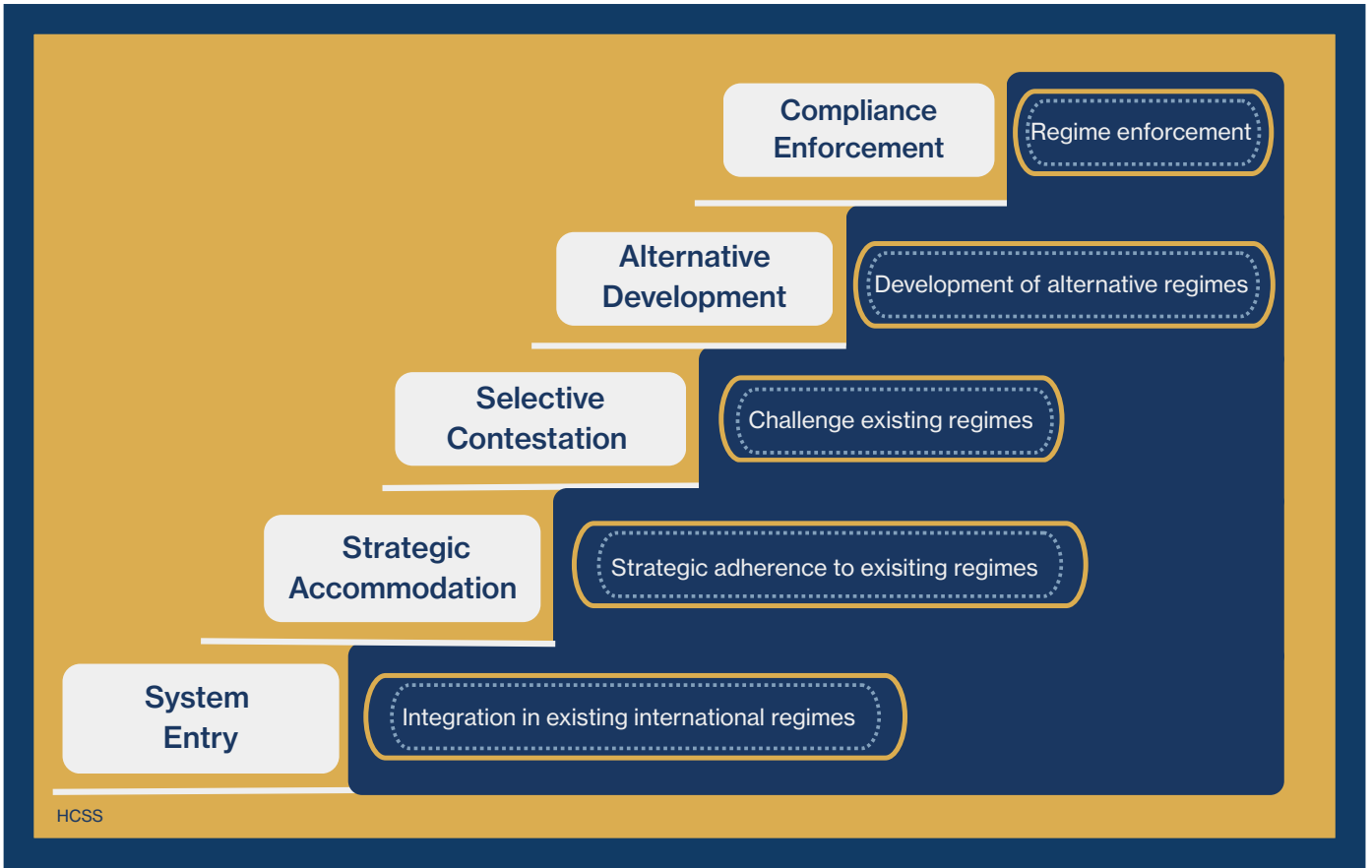
¹³ *Ibid.*

¹⁴ *Ibid.*

¹⁵ Oliver Stuenkel, *Post-Western World: How Emerging Powers Are Remaking Global Order* (John Wiley & Sons, 2017); Morse and Keohane, "Contested Multilateralism," 2014.

¹⁶ Morse and Keohane, "Contested Multilateralism," 2014.

Figure 3: Ideal-Type Model of Rising Powers' Positioning vis-à-vis the International Regime



3. Lawfare as a tool to increase international influence

3.1. Shaping the international legal order to achieve influence

Just as network systems, international law can thus create influential and weaponizable chokepoints.

The international legal order constitutes a normative playbook that on one hand governs state interactions, decision-making and behaviour, and on the other hand enshrines and institutionalises the global balance of power.¹⁷ States that are hegemonic in the legal order have constructed it according to their favourable terms, thus perpetuating their ideals and protecting their international privilege and influence. As more and more states subscribe to this order, the system and its clients gain legitimacy while the hegemon, or overseer, gains influence. In the institutionalised global order, the architecture of the international legal framework is a source of power, resembling a normative chokepoint over which the hegemon exercises control by shaping the normative infrastructure. Just as network systems, international law can thus create influential and weaponizable chokepoints.¹⁸

Control over the international legal order is essential for hegemons to maintain their international dominance, but this control can be challenged by rising great powers in their pursuit to reshape the international balance of power and to gain more influence by creating an order that safeguards their interests.¹⁹

Reshaping the governing legal order must occur on an incremental basis, as the existing order can shield against fast, big and decisive actions such as the use of physical coercion or war. Delegitimising the status-quo, redefining norms, institutional engineering, the implementation of new rules and their diffusion create the space for a new legal order to rise. These acts undermine the existing order and, as increasingly more states start to favour and conform to the offered alternative, diminishes its legitimacy as well as the international influence of its hegemon. This is re-directed to the new legal order and its spear headers. As unilateral resistance can be overpowered, rising great powers increase their chances by first building alliances.²⁰

¹⁷ Elvira Rosert, "Effects of International Norms: A Typology," *Journal of International Political Theory* 20, no. 1 (2024): 22, <https://doi.org/10.1177/17550882231184275>.

¹⁸ Henry Farrell and Abraham L. Newman, "Weaponized Interdependence: How Global Economic Networks Shape State Coercion," *International Security* 44, no. 1 (2019): 42–79, https://doi.org/10.1162/isec_a_00351.

¹⁹ G. John Ikenberry, "Chapter 2 - Varieties of Order: Balance of Power, Hegemonic, and Constitutional," in *After Victory: Institutions, Strategic Restraint, and the Rebuilding of Order after Major Wars* (Princeton University Press, 2001), 27, <https://doi.org/10.1515/9781400823963>.

²⁰ Julia C. Morse and Robert O. Keohane, "Contested Multilateralism," *The Review of International Organizations* 9 (2014): 387, <https://doi.org/10.1007/s11558-014-9188-2>.

For rising great powers, leading the new legal order creates the opportunity to both expand and enforce their influence. By undermining the existing playbook and rewriting the rules of engagements, the initiators of the new legal order can export their favourable legal culture, control the narrative, and reinforce their own norms and ideals. As obedience and conformity increase, so does the pool of clients over which the leaders gain international influence and legitimacy. International governance is shaped by international law, and international influence by legal legitimacy. Legal rules and norms can function as a regime of control, especially when enshrined in legally binding documents and treaties, thus creating an opportunity to embed structures and systems that reinforce the influence of those favoured in the legal order. Accordingly, being in control of the legal order creates positions of privilege which, until that order is challenged in contested multilateralism, ensures the durability of and reinforces the international influence of the favoured few.²¹

Rising great powers can obtain, and eventually expand and enforce, their international influence by creating an alternative legal order that institutionalises, reinforces, and legitimises their influence. As challengers to the status quo, rising powers that perceive the legal order as biased or constraining may seek to challenge or reshape it, often through the use of lawfare.

3.2. Defining lawfare: scope, dimensions, and objectives

Debates surrounding lawfare often revolve around intent, legality, and legitimacy. Some definitions emphasise malign or abusive uses of law, framing lawfare as a substitute for armed conflict. Others adopt a broader view, encompassing any strategic use of legal mechanisms to gain advantages.²²

For the purposes of this report, we will define lawfare as: *the strategic use of legal instruments, institutions, and norms to advance international influence and shape legitimacy within the international order, operating across offensive and defensive postures and through either transparent or hidden applications.*

This definition encapsulates the two core aspects of lawfare: its postural and visibility dimensions.

The first dimension (postural) concerns the offensive or defensive use of lawfare. Offensive lawfare involves proactive efforts to change rules, reinterpret norms, or impose legal constraints on others. Defensive lawfare, by contrast, seeks to protect existing interests, respond to perceived legal challenges, or deter adversaries by strengthening legal capacity. Within existing scholarship and understandings of lawfare, its characterisation as an offensive tool—emphasising its security and interest focus—is the most common.²³

²¹ Bert A. Spector, "Norm-Based Leadership and the Challenge of Democratically Elected Authoritarians," *Leadership* 17, no. 2 (2021): 233, <https://doi.org/10.1177/1742715020966533>.

²² Brad Fischer, "The Origins of 'Lawfare' and the Exploitation of Public International Law," *NaUKMA Research Papers Law* 11 (October 2023): 100–107, <https://doi.org/10.18523/2617-2607.2023.11.100-107>, p. 15; Clare McKendry, "All Is Fair in Law and War, or Is It? Examining the PRC's Use of 'Lawfare' in the South China Sea Disputes" (Master's Thesis, Guelph, Ontario, Canada, the University of Guelph, 2023), <https://atrium.lib.uoguelph.ca/items/5ec5fb8d-9b42-427c-8601-dc7109b60d56>, p. 14.

²³ Dean Cheng, "Winning Without Fighting: Chinese Legal Warfare," Background Paper (The Heritage Foundation, May 18, 2012), <https://www.heritage.org/asia/report/winning-without-fighting-chinese-legal-warfare>, p. 7; Mathieu Duchâtel and Georgina Wright, "China's Extraterritoriality: A New Stage of Lawfare," Explainer (France: Institut Montaigne, December 2024), <https://www.institutmontaigne.org/en/publications/chinas-extraterritoriality-new-stage-lawfare>, p. 8; Clare McKendry, "All Is Fair in Law and War, or Is It? Examining the PRC's Use of 'Lawfare' in the South China Sea Disputes" (Master's Thesis, Guelph, Ontario, Canada, the University of Guelph, 2023), <https://atrium.lib.uoguelph.ca/items/5ec5fb8d-9b42-427c-8601-dc7109b60d56>, p. 13.

This involves common conceptualisations, including approaching lawfare as an offensive strategy seeking to achieve military objectives²⁴, as an offensive tool instrumentalised to either build or break legitimacy²⁵, and as the strategic instrumentalisation of international laws, rules and norms (almost opportunistically) to achieve assertive foreign policy goals.²⁶

Often this lawfare posture is also denominated as Malign Legal Operations (MALOPs); following the offensive rhetoric but adding 'malign' to its definition.²⁷ Accordingly, MALOPs captures acts of lawfare as an offensive "substitute for warfare", with harmful or mis-use intent, which may involve "employing disinformation to shape legitimacy, justify violations, escape legal obligations, contain adversaries, or to advantageously revise the rule of law".²⁸

However, lawfare can also be understood through a defensive, or rather not inherently offensive, posture.²⁹ Defensive lawfare constitutes measures including expanding a country's corps of trained lawyers and laws; essentially preparing an actor for their possible or eventual deployment: deterrence through capability.³⁰

The second dimension of lawfare (visibility) regards its transparent or hidden application. The choice between the two approaches is determined by a cost-benefit analysis based on interests and anticipated responses.³¹ For instance, in cases involving covert objectives and a fear of attribution, hidden lawfare might be more appropriate compared to transparent lawfare which works better when the objective is to overtly interfere and to create noise.

Conducting transparent (visible and acknowledged) lawfare yields two potential benefits: first, this approach allows for greater flexibility in managing principal-agent issues when policy tools are used openly.³² Secondly, this approach reduces ambiguity and increases the credibility of actions.³³ Essentially, transparent lawfare is more recognised and, like other

²⁴ Clare McKendry, "All Is Fair in Law and War, or Is It? Examining the PRC's Use of 'Lawfare' in the South China Sea Disputes" (Master's Thesis, Guelph, Ontario, Canada, the University of Guelph, 2023), <https://atrium.lib.uoguelph.ca/items/5ec5fb8d-9b42-427c-8601-dc7109b60d56>, p. 20; Dean Cheng, "Winning Without Fighting: Chinese Legal Warfare," Backgrounder (The Heritage Foundation, May 18, 2012), <https://www.heritage.org/asia/report/winning-without-fighting-chinese-legal-warfare>, pp. 1, 4 & 7; Jill I. Goldenziel, "Law as a Battlefield: The U.S., China, and the Global Escalation of Lawfare," *Cornell Law Review* 106, no. 5 (2021 2020): 1085–1172, p. 1099; Victor A Ferguson, "Economic Lawfare: The Logic and Dynamics of Using Law to Exercise Economic Power," *International Studies Review* 24, no. 3 (September 2022): 30, <https://doi.org/10.1093/isr/viac032>, p. 7.

²⁵ Arpan A. Chakravarty, "Understanding the 'Xi Jinping' Thought on Rule of Law: Future Substance of Lawfare and Challenges in the Indo-Pacific," TPF Working Paper (Chennai: The Peninsula Foundation, November 2022), SSRN, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4429670#:~:text=In%20this%20paper%2C%20the%20author%20looks%20at%20how, and%20Challenges%20in%20the%20Indo-Pacific%20%28September%2011%2C%202022%29., p. 6; Jill I. Goldenziel, "Law as a Battlefield: The U.S., China, and the Global Escalation of Lawfare," *Cornell Law Review* 106, no. 5 (2021 2020): 1085–1172, p. 1097; Michael J. West and Aurelio Insisa, "Reunifying Taiwan with China through Cross-Strait Lawfare," *The China Quarterly* 257 (2024): 186–201, <https://doi.org/10.1017/S0305741023000735>, p. 188.

²⁶ Mathieu Duchâtel and Georgina Wright, "China's Extraterritoriality: A New Stage of Lawfare," Explainer (France: Institut Moutaigne, December 2024), <https://www.institutmoutaigne.org/en/publications/chinas-extraterritoriality-new-stage-lawfare>, p. 16.

²⁷ Brad Fischer, "The Origins of 'Lawfare' and the Exploitation of Public International Law," *NaUKMA Research Papers Law* 11 (October 2023): 100–107, <https://doi.org/10.18523/2617-2607.2023.11.100-107>, pp. 100, 105.

²⁸ Ibid.

²⁹ Clare McKendry, "All Is Fair in Law and War, or Is It? Examining the PRC's Use of 'Lawfare' in the South China Sea Disputes" (Master's Thesis, Guelph, Ontario, Canada, the University of Guelph, 2023), <https://atrium.lib.uoguelph.ca/items/5ec5fb8d-9b42-427c-8601-dc7109b60d56>, p. 13; Dean Cheng, "Winning Without Fighting: Chinese Legal Warfare," Backgrounder (The Heritage Foundation, May 18, 2012), <https://www.heritage.org/asia/report/winning-without-fighting-chinese-legal-warfare>, p. 2.

³⁰ Dean Cheng, "Winning Without Fighting: Chinese Legal Warfare," Backgrounder (The Heritage Foundation, May 18, 2012), <https://www.heritage.org/asia/report/winning-without-fighting-chinese-legal-warfare>, p. 7.

³¹ Victor A Ferguson, "Economic Lawfare: The Logic and Dynamics of Using Law to Exercise Economic Power," *International Studies Review* 24, no. 3 (September 2022): 30, <https://doi.org/10.1093/isr/viac032>, p. 12.

³² Ibid.

³³ Ibid.

foreign policy interventions, legitimises the position, interest and needs of the actor. This sends clear and direct signals.³⁴

On the other hand, hidden lawfare brings the benefits of potentially avoiding reputational costs from visibly violating international charters.³⁵ Additionally, this approach provides a strategic benefit of minimising escalation risks, especially when hidden lawfare is conducted against critical sectors that are otherwise used to retaliate, like commerce or financial networks.³⁶ The risk of hidden lawfare is the consequential perception of weakness or indecisiveness.³⁷

Importantly, these dimensions are not mutually exclusive. States may combine them in different ways depending on context, objectives, and perceived risks. What must be considered, however, is the tension between legitimacy and legality when it comes to the common understanding of lawfare. Technically, lawfare is inherently legal (or rather, not illegal), but it can be perceived as being either legitimate or illegitimate. Within the most commonly accepted instrumental definition of lawfare, its legal nature is stressed as the use of 'legal means', but no judgement is made on its legitimate or illegitimate application.³⁸

The tension between legal and legitimate is the crux of lawfare, raising the question of which of the two is more important and whether clever application of the law automatically becomes lawfare.³⁹ While an argument can be made that "the function of the legitimacy of lawfare is as significant - if not more significant - than the function of legality",⁴⁰ the label of lawfare comes first from its legality: as long as a manipulative act is legal (regardless of its potential illegitimate nature), it can be considered as lawfare.

The tension between legality and legitimacy is reflected in the difference in perception of the dominant great power and the rising challenger. For the current dominant power, whose perception is fuelled by the need to protect the current global order, the rising power's use of lawfare creates a negative connotation implying a misuse of law for malign intent. For the rising great power, lawfare is rather a tool in its hybrid tactics toolbox that employs legality to gain international influence. In fact, lawfare is particularly attractive to rising powers operating within an institutionalised international order because legal strategies allow states to pursue their interests while acting within accepted rules.⁴¹ By leveraging the legitimacy of legal mechanisms, exploiting

³⁴ Ibid.

³⁵ Ibid, 13.

³⁶ Ibid.

³⁷ Ibid, 12.

³⁸ Jill I. Goldenziel, "Law as a Battlefield: The U.S., China, and the Global Escalation of Lawfare," *Cornell Law Review* 106, no. 5 (2021 2020): 1085–1172, p. 1099.

³⁹ Arpan A. Chakravarty, "Understanding the 'Xi Jinping' Thought on Rule of Law: Future Substance of Lawfare and Challenges in the Indo-Pacific," TPF Working Paper (Chennai: The Peninsula Foundation, November 2022), SSRN, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4429670#:~:text=In%20this%20paper%2C%20the%20author%20looks%20at%20how,and%20Challenges%20in%20the%20Indo-Pacific%20%28September%2011%2C%202022%29,p.6; Brad Fischer, "The Origins of 'Lawfare' and the Exploitation of Public International Law," *NaUKMA Research Papers Law* 11 (October 2023): 100–107, <https://doi.org/10.18523/2617-2607.2023.11.100-107>, p. 104.

⁴⁰ Arpan A. Chakravarty, "Understanding the 'Xi Jinping' Thought on Rule of Law: Future Substance of Lawfare and Challenges in the Indo-Pacific," TPF Working Paper (Chennai: The Peninsula Foundation, November 2022), SSRN, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4429670#:~:text=In%20this%20paper%2C%20the%20author%20looks%20at%20how,and%20Challenges%20in%20the%20Indo-Pacific%20%28September%2011%2C%202022%29,p.6.

⁴¹ Arpan A. Chakravarty, "Understanding the 'Xi Jinping' Thought on Rule of Law: Future Substance of Lawfare and Challenges in the Indo-Pacific," TPF Working Paper (Chennai: The Peninsula Foundation, November 2022), SSRN, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4429670#:~:text=In%20this%20paper%2C%20the%20author%20looks%20at%20how,and%20Challenges%20in%20the%20Indo-Pacific%20%28September%2011%2C%202022%29,p.6; Brad Fischer, "The Origins of 'Lawfare' and the Exploitation of Public International Law," *NaUKMA Research Papers Law* 11 (October 2023): 100–107, <https://doi.org/10.18523/2617-2607.2023.11.100-107>, p. 104.

asymmetries in legal constraint, advancing change incrementally to avoid sharp countermeasures, and using legal arguments to build coalitions and normalise alternative practices, lawfare enables influence and revision without the immediate costs associated with overt coercion.

This report defines lawfare as *the strategic use of legal instruments, institutions, and norms to advance international influence and shape legitimacy within the international order, operating across offensive and defensive postures and through either transparent or hidden applications*. It hence considers the different dimensions of lawfare as well as the tensions inherent to legality and legitimacy. It strikes a balance between the perception of the current dominant great power, and that of the challenger.

A final source of definitional tension within this conceptualisation of lawfare must however be addressed. It lies in the value attached to its acts and actors, which are inherently shaped by perceptions and biases. These perceptions give lawfare its meaning and are therefore central to how it is understood.⁴² Western perceptions of both their own lawfare and that of the PRC's differ fundamentally from Chinese perspectives, and vice versa. Western views are driven by the need to protect the existing international order, while retaining flexibility to operate within it, and are further reinforced by a prevailing anti-China narrative. The West hence tends to view law as a deterrent, and lawfare as a misuse of legal tools in wartime.⁴³ In contrast, Chinese perceptions are motivated by a desire to challenge the current order and its supporters, to establish a new order with Chinese characteristics, and to provide cultural justifications for their own use of lawfare. The Chinese approaches therefore treat law as an opportunity, employing lawfare as both a wartime and peacetime strategy.⁴⁴

Both the West and China are, in this sense, engaged in a broader struggle to shape the narrative of the current world order, with lawfare serving as one of the arenas in which this contest unfolds. These divergences generate tension in defining lawfare, and complicate efforts to understand and counter its various forms.

It is also important to acknowledge that the preceding definition of lawfare is shaped by the authors' Western analytical perspective. While this provides a structured and widely recognised framework, it may not fully capture more relational or fluid understandings and applications of lawfare found in other contexts. Consequently, certain forms of lawfare cannot be fully understood from a Western perspective alone, underscoring the need for engagement with alternative conceptualisations. In this regard, the PRC, as an increasingly influential international actor and practitioner of lawfare, offers a distinct framework that reflects a different system of thought and strategic application.

Building on this conceptual understanding, the next section examines how the PRC leverages lawfare to advance its strategic interests and incrementally reconfigure the international legal order in line with its rising influence.

⁴² Tawia B. Ansah, "Lawfare: A Rhetorical Analysis," SSRN Scholarly Paper no. 1928147 (Social Science Research Network, 2010), 92–99, <https://papers.ssrn.com/abstract=1928147>.

⁴³ Crispin Smith, *Is Lawfare for Lawyers?* (Lieber Institute West Point, 2025), <https://lieber.westpoint.edu/is-lawfare-for-lawyers/>.

⁴⁴ Carine Monteiro Da Silva, "Falü zhan: 'Legal warfare', a Chinese version of lawfare?," *Political Science, Raisons politiques* 85, no. 1 (2022): 89–99, <https://doi.org/10.3917/rai.085.0089>.

The Chinese approaches therefore treat law as an opportunity, employing lawfare as both a wartime and peacetime strategy.

4. The PRC's rise: Reconfiguring the international order through lawfare

4.1. The PRC as a rising great power

Periods of great power transition have historically been accompanied by systemic change in the international order. As material power shifts, so do the rules, norms, and institutions that govern international relations. The rise of the PRC can be understood through this lens, as its growing material capabilities and expanding international influence have increasingly translated into efforts to shape, contest, and partially redesign the existing international order.

In the 1980s, Deng Xiaoping reformed the PRC's economic strategy and opened its doors toward the international community. Throughout the 1990s, Chinese state-owned enterprises (SOEs) and fiscal reforms built domestic institutional foundations for economic growth. The result was a strong increase in economic capacity characterised by worldwide trade.⁴⁵ By initiating regional economic agreements, such as the China-ASEAN Free Trade Agreement (CAFTA), the PRC further integrated itself into the global economy, strengthening its position when Beijing refrained from devaluing its currency during the 1990s Asian financial crisis.⁴⁶ While the move put pressure on the PRC's economy, it benefitted its international reputation, giving momentum to its international economic rise. A critical point was the accession of the PRC into the WTO in 2001, leading to increased FDI and technological transfers between the West and the PRC. By 2010, the PRC became the second largest economy in the world and was recognised for its fast climb up the economic ladder.⁴⁷ The inclusivity and engagement by the West further incorporated the PRC into the liberal economic system that prospered domestic growth. Through strategic accommodation of the Western-led international economic order, the PRC successfully positioned itself in global economic structures as one of the major players on global markets and industries.⁴⁸

Economic growth enabled sustained investment in military capabilities. The economic success of the PRC fostered conspicuous investments in the defence industry, marking the

⁴⁵ Jiangyu Wang, *China and International Trade Law: Rising from Within the System or Always an Outlier?* (2023).

⁴⁶ Long T. Bui. (2019). 'Monetary Orientalism: Currency Wars and the Framing of China as Global Cheater: *Global Society*: Vol 33, No 4', <https://www.tandfonline.com/doi/abs/10.1080/13600826.2019.1622513>.

⁴⁷ Paul SN Lee, *The Rise of China and Its Contest for Discursive Power*, 2016, <https://journals.sagepub.com/doi/full/10.1177/2059436416650549>.

⁴⁸ Xiangning Wu, "Technology, Power, and Uncontrolled Great Power Strategic Competition between China and the United States," *China International Strategy Review* 2, no. 1 (2020): 99–119, <https://doi.org/10.1007/s42533-020-00040-0>.

beginning of an era of military modernisation in the early 2000s.⁴⁹ By 2015, the PRC invested 145.8 billion USD in its military, ranking second in global military expenses, right after the US.⁵⁰ This rise has been characterised by the expansion of naval and air capabilities, the development of precision strike and missile systems, and increasing investments in cyber, space, and electronic warfare. Combined with strategic reforms aimed at improving joint operations and command structures, the PRC's military modernisation has enabled it not only to enhance regional deterrence and influence but also to assert itself as a growing global security actor.⁵¹

In parallel to its military and economic developments, the PRC pursued international influence. Initially, this was done through strategic accommodation of the US-led international order. Deng Xiaoping deployed a diplomatic strategy that entailed the PRC maintaining a low profile internationally, while domestically building its economy and military.⁵² During the 1990s, the government of the PRC slowly promoted the idea of a Chinese 'peaceful development,' reassuring other actors that the country would rise peacefully. This approach reduced fears among neighbouring and Western states and facilitated acceptance of the PRC's growing role within the international system.⁵³

This accommodative strategy was reinforced through multilateral engagement. From the early 1980s to the 2000s, the PRC integrated itself into international economic and security structures and increasingly participated in internationally oriented organisations. It joined organisations such as the International Monetary Fund (IMF), World Trade Organisation (WTO), and co-founded the Shanghai Cooperation Organisation (SCO). This reflected the PRC's strategic shift from an isolationist foreign policy approach to a more outward looking one: in addition to the global economy, it also integrated itself into international security structures, extending its international influence.⁵⁴

In particular, in the early 2000s, President Hu Jintao expanded the PRC's international involvement by advocating narratives centred on economic prosperity and development.⁵⁵ This idea advocacy aligned the PRC's rise with prevailing international objectives and further contributed to domestic and foreign acceptance of its growing influence.⁵⁶ These narratives were strategically constructed to decrease fear and normalise the PRC's expanding role within global governance.

Over time, accommodation gave way to selective contestation. After joining several international legal agreements, the PRC selectively adhered to the rules set by those, representing the shift from accommodation to becoming an activist rising power.⁵⁷ By strategically interpreting international frameworks, the PRC obtained advantageous positions within the global order. For instance, it was classified as a developing country upon joining the World Trade Organization and the Paris Agreement, granting it beneficial treatment compared to other major economies. In territorial disputes in the South China Sea, the PRC has emphasised

⁴⁹ Joris Teer et al., *China's Military Rise and the Implications for European Security* (The Hague Centre for Strategic Studies, 2021), 92–96, <https://hcass.nl/report/chinas-military-rise/>.

⁵⁰ Ibid.

⁵¹ Joris Teer et al., *China's Military Rise and the Implications for European Security*.

⁵² Paul SN Lee, *The Rise of China and Its Contest for Discursive Power*.

⁵³ Ibid.

⁵⁴ Pu Xiaou, "Socialisation as a Two-Way Process: Emerging Powers and the Diffusion of International Norms | The Chinese Journal of International Politics | Oxford Academic," *The Chinese Journal of International Politics* 5, no. 4 (2012): 341–67, <https://doi.org/10.1093/cjip/pos017>.

⁵⁵ Paul SN Lee, *The Rise of China and Its Contest for Discursive Power*.

⁵⁶ Ibid.

⁵⁷ Foot and Walter, *China, the United States, and Global Order*.

sovereignty claims while avoiding full adherence to the United Nations Convention on the Law of the Sea (UNCLOS). This demonstrates how the PRC uses the system against itself while retaining an influential position in key governing bodies such as the United Nations Security Council.⁵⁸

The shift toward activism and contestation became explicit after Xi Jinping assumed the presidency in 2013. Xi's presidency has been described as “the contest for discursive power”, which reflects the shift from reassurance through narratives to actively contesting and reshaping set global narratives and norms.⁵⁹ Moving beyond Deng Xiaoping's low-profile strategy, Xi introduced the narrative of the “Three Self-Confidences,” emphasising confidence in the socialist path, theories, and systems with Chinese characteristics.⁶⁰ By promoting an alternative “China model” to the Western one, the PRC signalled its intention to reshape the international system rather than merely integrate into it.⁶¹ This idea advocacy critiqued the Western model as producing disharmony through dispersed power, while presenting the Chinese model as a source of harmony and stability.⁶²

As part of its activist rise, the PRC strategically balanced bilateral and multilateral relationships to advance its influence and globalise its ideals. It organised and participated in several multilateral organisations, such as the BRICS and G20, reinforcing an image of commitment to multilateralism while simultaneously engaging in platforms that challenge the existing order.⁶³ In the last ten years, the PRC also consistently focused on creating competitive regimes to the existing ones, for instance via the creation of the New Development Bank (NDB) and the Asian Infrastructure Investment Bank (AIIB).⁶⁴ While these banks have not replaced the role of the IMF or World Bank (WB) in the global economic system, there has been a decline in infrastructure projects funded by the WB among AIIB founding members.⁶⁵ This suggests a change in sentiment toward Western loans, with an increasing appeal for more locally distributed loans offered by Chinese alternatives. These initiatives suggest that the PRC is no longer content with manoeuvring within existing structures but is increasingly seeking to reshape the architecture of global governance itself.

Overall, the PRC's rise in the international order reflects a progression consistent with power transition dynamics for a rising power aiming at achieving dominant great power status. In the 1980s and 1990s, Deng Xiaoping's strategy of accommodation enabled economic growth, international integration, and legitimacy within the liberal order. During this phase, the PRC also laid the foundations for military modernisation and expanded its participation in multilateral institutions. This accommodational period was supported by idea advocacy emphasising peaceful development and shared prosperity. From 2013 onward, Xi Jinping built on this accumulated trust and capacity, shifting the PRC toward an activist foreign policy approach. By advocating the China model, selectively adhering to international law, and engaging in competitive multilateralism, the PRC has increasingly contested the norms and institutions

⁵⁸ Matthew D. Stephen, *Rising Powers, Global Capitalism and Liberal Global Governance: A Historical Materialist Account of the BRICs Challenge* - Matthew D. Stephen, 2014, 20, no. 4 (2014), <https://doi.org/10.1177/1354066114523655>.

⁵⁹ Paul SN Lee, *The Rise of China and Its Contest for Discursive Power*.

⁶⁰ Ibid.

⁶¹ Ibid.

⁶² Ibid.

⁶³ Matthew D. Stephen, *Rising Powers, Global Capitalism and Liberal Global Governance: A Historical Materialist Account of the BRICs Challenge* - Matthew D. Stephen, 2014.

⁶⁴ Morse and Keohane, “Contested Multilateralism,” 2014.

⁶⁵ Qian, Jing; Vreeland, James Raymond; & Zhao, Jianzhi. 2023. “The Impact of China's AIIB on the World Bank.” *International Organization* 77(1): 217–237.

of the existing order. Still, the PRC has insofar failed to replace the US-led international order and institutions in favour of a Chinese-centric regime. In pursuant of this objective, Beijing currently employs hybrid tactics to promote its international influence and foreign policy objectives. Amongst these is lawfare, a hybrid tools that allows the PRC to increasingly propose alternatives to current US-led governance bodies and challenge the dominance of the liberal order through legal means.

4.2. Chinese lawfare

While the definition of lawfare discussed in section 2.2 is applicable to the PRC's practices, analysing the link between Chinese lawfare and the PRC's rise as a great power necessitates an understanding of the cultural foundations that shape its approach to lawfare. Traditionally, the Western, American-led conception of lawfare entails the "deliberate misuse of the law",⁶⁶ resulting in caution and prudence, and deterrence, in deploying such strategies. For the PRC, lawfare is rather embedded into the 'Three Warfares' (*san zhan*) doctrine, Confucianist thinking and the Chinese Legalist tradition.⁶⁷

The doctrine of the "Three Warfares" is crucial to understanding the fluid nature of Chinese conceptions and uses of lawfare. Formalised in 2003, this strategic concept, used by the Chinese Communist Party and the PLA, focuses on winning conflicts without direct military confrontation, with legal warfare (*falü zhan*), alongside public opinion warfare and psychological warfare, embedded as a core component of the strategy.⁶⁸

Confucianism and Legalism also influence the Chinese understanding of lawfare, as both orientations reinforce the idea that legal warfare is not the deliberate misuse of the law but rather a legitimate (political) tool used to achieve higher ends like national security or interests.⁶⁹ When it comes to the postural and visibility dimensions of lawfare, Chinese lawfare thus follows a fluid conduct, employing all four characterisations. Chinese lawfare is hence both offensive and defensive, hidden and transparent in nature. Accordingly, Chinese lawfare

⁶⁶ Dean Cheng, "Winning Without Fighting: Chinese Legal Warfare," Backgrounder (The Heritage Foundation, May 18, 2012), <https://www.heritage.org/asia/report/winning-without-fighting-chinese-legal-warfare>, p. 5.

⁶⁷ Dean Cheng, "Winning Without Fighting: Chinese Legal Warfare," Backgrounder (The Heritage Foundation, May 18, 2012), <https://www.heritage.org/asia/report/winning-without-fighting-chinese-legal-warfare>, p. 1-3; Richard J. Connaroe II, "Countering Lawfare of the People's Republic of China Starts with 'PRC,' Not 'China,'" *Army Lawyer*, no. 2 (2024): 32–37, p. 33; Mathieu Duchâtel and Georgina Wright, "China's Extraterritoriality: A New Stage of Lawfare," Explainer (France: Institut Montaigne, December 2024), <https://www.institutmontaigne.org/en/publications/chinas-extraterritoriality-new-stage-lawfare>, p. 16; Jill I. Goldenziel, "Law as a Battlefield: The U.S., China, and the Global Escalation of Lawfare," *Cornell Law Review* 106, no. 5 (2021 2020): 1085–1172, pp. 1092-1093; Michael J. West and Aurelio Insisa, "Reunifying Taiwan with China through Cross-Strait Lawfare," *The China Quarterly* 257 (2024): 186–201, <https://doi.org/10.1017/S0305741023000735>, p. 187.

⁶⁸ Dean Cheng, "Winning Without Fighting: Chinese Legal Warfare," Backgrounder (The Heritage Foundation, May 18, 2012), <https://www.heritage.org/asia/report/winning-without-fighting-chinese-legal-warfare>, p. 2; Jill I. Goldenziel, "Law as a Battlefield: The U.S., China, and the Global Escalation of Lawfare," *Cornell Law Review* 106, no. 5 (2021 2020): 1085–1172, p. 1093.

⁶⁹ Arpan A. Chakravarty, "Understanding the 'Xi Jinping' Thought on Rule of Law: Future Substance of Lawfare and Challenges in the Indo-Pacific," TPF Working Paper (Chennai: The Peninsula Foundation, November 2022), SSRN, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4429670#:~:text=In%20this%20paper%2C%20the%20author%20looks%20at%20how,and%20Challenges%20in%20the%20Indo-Pacific%20%28September%2011%2C%202022%29,pp.8-9; Dean Cheng, "Winning Without Fighting: Chinese Legal Warfare," Backgrounder (The Heritage Foundation, May 18, 2012), <https://www.heritage.org/asia/report/winning-without-fighting-chinese-legal-warfare>, pp. 3, 6; Mathieu Duchâtel and Georgina Wright, "China's Extraterritoriality: A New Stage of Lawfare," Explainer (France: Institut Montaigne, December 2024), <https://www.institutmontaigne.org/en/publications/chinas-extraterritoriality-new-stage-lawfare>, p. 17.

can be defined as “the instrumentalisation of international law and treaties, as well as national laws, to justify Chinese actions and discredit the legitimacy of rivals”, emphasising the components of justifying and legitimacy, and adopting a broader scope than the traditionally offensive Western conception of lawfare.⁷⁰

As China moved from accommodation to selective contestation and, increasingly, competitive regime creation, lawfare emerged as a critical mechanism through which Beijing operationalises its ambitions within the constraints of a dense, institutionalised international order. Rooted in distinct doctrinal and cultural understandings of law, Chinese lawfare differs from Western conceptions not only in form but in purpose, prioritising legitimacy construction, narrative control, and incremental norm reshaping. This positions lawfare as a central instrument linking the PRC's rise as a great power to its efforts to reconfigure the international (legal) order from within. The following section builds on this conceptual and structural analysis by examining concrete cases in which the PRC has deployed lawfare across different domains, assessing how it functions in practice and what its implications are for the future of global governance and the existing liberal international order.

As China moved from accommodation to selective contestation and, increasingly, competitive regime creation, lawfare emerged as a critical mechanism through which Beijing operationalises its ambitions within the constraints of a dense, institutionalised international order.

⁷⁰ Arpan A. Chakravarty, “Understanding the ‘Xi Jinping’ Thought on Rule of Law: Future Substance of Lawfare and Challenges in the Indo-Pacific,” TPF Working Paper (Chennai: The Peninsula Foundation, November 2022), SSRN, [https://www.institutmontaigne.org/en/publications/chinas-extraterritoriality-new-stage-lawfare](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4429670#:~:text=In%20this%20paper%2C%20the%20author%20looks%20at%20how,and%20Challenges%20in%20the%20Indo-Pacific%20%28September%2011%2C%202022%29,pp.8-9; Mathieu Duchâtel and Georgina Wright, “China's Extraterritoriality: A New Stage of Lawfare,” Explainer (France: Institut Montaigne, December 2024), <a href=), p. 16; Jill I. Goldenziel, “Law as a Battlefield: The U.S., China, and the Global Escalation of Lawfare,” *Cornell Law Review* 106, no. 5 (2021 2020): 1085–1172, p. 1093.

5. Analytical framework:

How rising powers reshape the international legal order through lawfare

Understanding lawfare as a strategic practice enables systematic analysis of the PRC's behaviour across domains such as trade, maritime security, and tech governance. The following chapter proposes an analytical framework to assess how great powers employ lawfare in practice, answering the question *how exactly* does lawfare translate into systemic legal change over time? To answer this, we propose a lawfare yardstick, an operational model explaining how lawfare is used incrementally by rising powers to reshape the international legal order.

5.1. A sequenced framework for reshaping the international legal order

Lawfare operates across multiple domains and institutions, making its systemic effects difficult to capture without a structured analytical lens. A framework is therefore required to distinguish between tactical legal behaviour and strategic legal transformation, and to assess whether legal contestation contributes to the emergence of an alternative legal order enabling a rising power to extend its international influence and ultimately create a shift in the international order.

One important insight from the broader literature on power transitions and norm contestation is that rising powers rarely attempt to overturn international legal orders abruptly. Instead, they tend to pursue gradual strategies of normative and institutional adaptation, initially contesting interpretations of existing rules before moving toward institutional alternatives. Historical cases suggest a pattern in which emerging powers first challenge the legitimacy or interpretation of prevailing norms, then seek to embed alternative practices within institutional arrangements that reflect their preferences. Such sequencing has been observed in the behaviour of previous rising powers in domains ranging from maritime governance to trade institutions. In this sense, legal contestation is not simply reactive but forms part of a broader process of incremental institutional adaptation, through which rising powers seek to expand influence while avoiding direct confrontation with the existing order. The framework developed in

this report builds on this insight by examining how Chinese lawfare unfolds across several stages of normative and institutional engagement, rather than treating legal contestation as a single phenomenon.

The sequential nature of these processes is analytically important. Norm contestation alone does not necessarily alter international orders; its significance lies in its potential to enable later stages of institutional change and rule operationalisation. When alternative interpretations gain traction, they can justify new legal practices or institutions that gradually reshape governance structures. The analytical framework used in this report therefore distinguishes between stages of legal contestation, institutional adaptation, and practical implementation. This allows for a more precise assessment of where a state is situated within a broader process of legal revisionism.

The framework is designed as a general analytical model applicable to rising great powers, rather than as a PRC-specific theory. The framework emphasises sequencing and accumulation. States may operate across multiple stages simultaneously, and progression is neither automatic nor irreversible.

The framework consists of five interrelated stages: (1) delegitimisation of the status quo, (2) norm redefinition, (3) institutional engineering, (4) rule implementation and diffusion, and (5) international support. Each stage performs a distinct function in the transformation of legal order through lawfare, while reinforcing and enabling the others. Together, they capture how lawfare moves from discursive and procedural contestation toward structural and systemic change. When a rising power consistently operates across all five stages in a variety of domains, systemic change is likely to happen.

5.1.1. **Stage I: Delegitimisation of the status quo**

Delegitimisation constitutes the foundational stage of legal order reshaping. At this stage, rising powers seek to undermine confidence in existing legal norms, institutions, or procedures by portraying them as biased, outdated, ineffective, or unrepresentative. Rather than outright withdrawal, this often takes the form of strategic non-participation, selective compliance, or procedural contestation.

Lawfare tools at this stage include the rejection or critique of adverse rulings, challenges to institutional jurisdiction, promotion of counter-narratives, and selective invocation of legal principles. The objective is not immediate replacement of the legal order, but erosion of its perceived neutrality and authority. By weakening the legitimacy of the status quo, delegitimisation creates justification for reform, reinterpretation, or alternative arrangements.

5.1.2. **Stage II: Norm redefinition**

Once confidence in existing norms is weakened, rising powers advance alternative interpretations or introduce new legal concepts that better reflect their preferences. Norm redefinition may involve reinterpretation of existing rules, reframing of legal principles, or the promotion of novel concepts within multilateral forums.

This stage is inherently discursive but strategically consequential. Through sustained idea advocacy, rising powers seek to shift understandings of what constitutes lawful, legitimate,

or responsible behaviour. Legal language, diplomatic statements, and institutional debates become vehicles for norm entrepreneurship. Norm redefinition fills the normative space created by delegitimisation and provides the ideational foundation for subsequent institutional and legal change.

5.1.3. **Stage III: Institutional engineering**

Normative change gains traction only when embedded in institutions capable of generating authority and continuity. Institutional engineering involves the creation, reform, bypassing, or capture of legal and governance institutions to support alternative norms. This may include founding parallel institutions, modify procedural rules, and establishing alternative dispute resolution mechanisms.

Lawfare at this stage targets institutional design and procedural leverage. By shaping agendas, voting rules, mandates, and adjudicatory mechanisms, rising powers translate normative preferences into organisational realities. Institutional engineering allows for the creation of new legal structures to propagate idea advocacy.

5.1.4. **Stage IV: Rule implementation and diffusion**

Rising powers also seek to expand legal capacity to diffuse their norms and practices across jurisdictions. Rule implementation and diffusion include the projection of extraterritorial legal standards, export of regulatory models, provision of legal training, and development of transnational legal networks. At the same time, rising powers seek to embed alternative norms into everyday legal practice, often through codifying norms in treaties, contracts, and dispute settlement clauses.

At this stage, lawfare contributes to the normalisation of alternative legal arrangements. By increasing familiarity with alternative legal frameworks and enhancing the capacity of other states and companies to operate within them, rising powers reinforce legitimacy and reduce reliance on incumbent legal orders. Additionally, as legal rules become routinised, expectations stabilise, and deviation from the new framework carries increasing costs.

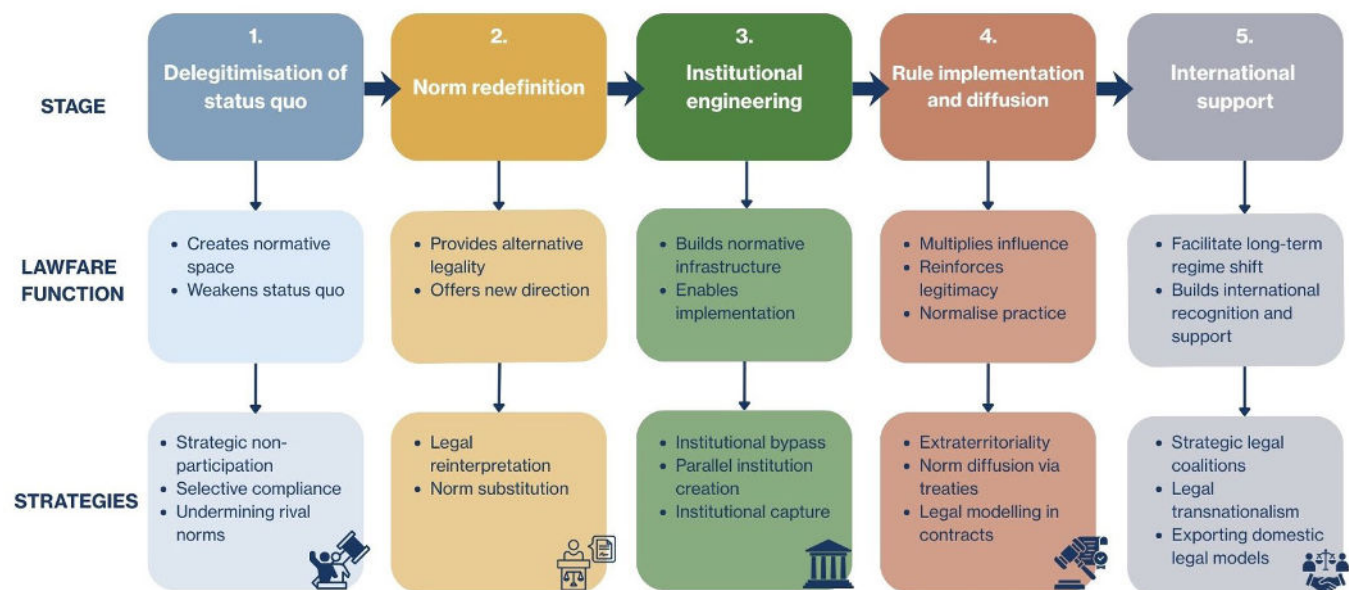
5.1.5. **Stage V: International support**

The final stage focuses on consolidating political support for newly established norms and institutions through alliances and partnerships. This includes forming legal coalitions and partnerships that defend and promote the new rules and exporting legal models abroad.

This stage fundamentally solidifies the alternative norms and institutions proposed by the rising power by collecting external consent that legitimises alternative legal practices. As systemic shifts are only possible through international acceptance of new regimes, international support contributes to the long-term durability of the alternative system.

Figure 4 below summarises the framework's steps.

Figure 4: Sequenced Framework for Reshaping the International Legal Order



The speed at which rising powers operate across the five stages outlined above varies according to their strategic calculus and space for manoeuvring. In fact, progression through the framework is shaped by both internal ambition and external resistance. Rising powers could accelerate their lawfare initiatives in some domains when legitimacy costs are low or under favourable geopolitical conditions. At the same time, they might slow down if the escalation risks appear to be high. For this reason, the application of the five stages often differs from one domain to another (e.g., maritime security vs trade).

The framework operationalises the advancement across stages as shown in table 2 below:

Table 2: Analytical Framework

Dimension	+	++	+++	++++
1. Delegitimisation of the status quo	Limited critique of specific practices; overall legitimacy accepted	Persistent critique framing the status quo as outdated or insufficient	Systematic challenge portraying the status quo as structurally flawed	Fundamental rejection of the status quo as illegitimate and irredeemable
2. Norm redefinition	Minor reinterpretation of existing norms	Introduction of alternative norms alongside existing ones	Active promotion of new norms that displace prevailing standards	Comprehensive redefinition of core norms governing the system
3. Institutional engineering	Incremental adjustments within existing institutions	Creation or modification of institutional mechanisms	Significant restructuring or creation of parallel institutions	Radical redesign or replacement of the institutional architecture
4. Rule implementation and diffusion	Clarification or modest extension of existing legal authorities	Expansion of legal tools or jurisdictions for specific purposes	Broad enhancement of legal capacities across multiple domains	Transformative expansion creating fundamentally new legal powers
5. International support	Limited implementation of rules with ad hoc coordination	Formalisation of rules and selective partnerships	Systematic rule enforcement supported by stable international support	Full operationalisation embedded in dense, multi-level international support networks

6. The PRC's lawfare toolbox in practice

The PRC lawfare operates defensively and offensively across multiple stages and domains in both transparent and covert ways, coherently with the current Chinese push to assert international influence. However, the depth of engagement greatly varies from one stage to the other and across different domains. It is therefore necessary to analyse the PRC's use of lawfare through a multi-domain lens. This section presents three case studies analysing Chinese lawfare according to the framework's five steps. This allows for the identification of dominant stages in the PRC modus operandi and of dominant patterns of lawfare modalities. Additionally, the case studies offer the basis for assessing whether Chinese practices currently propose a credible systemic alternative or still simply coexist with the liberal order.

This section thus applies the five-dimensional lawfare framework to three domains (trade, maritime security, and technology) to assess how and where the PRC is constructing an alternative legal order. The selection of the case studies is based on three key factors: (a) the relevance of the three domains to the great power rise of the PRC; (b) the fundamental regulatory role of the international legal system in the three domains; (c) the variation in lawfare manifestation across the three domains. The framework is applied comparatively: each case demonstrates different intensity levels across the five dimensions, reflecting sectoral variation in legal opportunity structures and Chinese lawfare maturity.

6.1. Trade and the Belt and Road Initiative

The trade domain offers favourable structural conditions for legal order reshaping: disputes are frequent, jurisdiction is negotiable, and legal outcomes directly affect investor confidence. Within this environment, the PRC has moved beyond merely contesting the Western-led legal order and has actively constructed a parallel, PRC-centred dispute settlement architecture, particularly in the context of the Belt and Road Initiative (BRI). The BRI encompasses the Silk Road Economic Belt and Maritime Silk Road as a multilateral collaboration between the PRC and subscribed states. Cross-border cooperation occurs in the fields of policy, connectivity, trade, finance and human interactions, argued to be seeking to institutionally establish a PRC-oriented "alternative model of economic integration and global governance".⁷¹

⁷¹ Jiangyu Wang, "Dispute Settlement in the Belt and Road Initiative: Progress, Issues, and Future Research Agenda," *The Chinese Journal of Comparative Law* 8, no. 1 (2020): 6, <https://doi.org/10.1093/cjcl/cxaa016>; Lance Ang, "International Commercial Courts and the Interplay Between Realism and Institutionalism: A Look at China and Singapore," *Harvard International Law Journal*, March 8, 2020, <https://journals.law.harvard.edu/ilj/2020/03/international-commercial-courts-and-the-interplay-between-realism-and-institutionalism-a-look-at-china-and-singapore/>.

Activities and cooperation within the BRI framework can lead to disputes, which require courts and institutions to be resolved.⁷²

The BRI thus functions not only as an economic initiative, but as a vehicle for embedding alternative legal norms, institutions, and procedures that incrementally displace reliance on the status-quo international legal system.

6.1.1. Stage I: Delegitimisation of the status quo

The PRC's lawfare in trade begins with the sustained delegitimisation of the prevailing international dispute resolution system, which Beijing portrays as structurally biased against Chinese actors.⁷³ Chinese enterprises involved in overseas investment disputes, especially BRI-related ones, have repeatedly signalled perceived disadvantage within Western-oriented arbitration fora. In 2018, the China Council for the Promotion of International Trade reported that approximately 90% of Chinese enterprises involved in foreign arbitration lost their cases. Chinese legal scholars and officials have used these statistics to argue that existing arbitration regimes reflect structural biases favouring Western legal standards and corporate practices. This narrative has supported calls for strengthening domestic arbitration capacity and expanding the international role of Chinese legal institutions.⁷⁴

This narrative of bias serves a dual purpose. First, it undermines confidence in the neutrality of the existing international legal order. Second, it provides justification for the development of alternative mechanisms framed as necessary to protect investor confidence and restore procedural balance. The PRC reinforces this delegitimisation by emphasising the incompatibility between Western adversarial legal procedures and Chinese legal culture, which prioritises mediation, dialogue, and social harmony.⁷⁵

Rather than withdrawing from existing institutions, the PRC narratively questions their legitimacy while continuing to participate in global trade governance. This approach creates normative space for legal reform without triggering immediate counterbalancing.

6.1.2. Stage II: Norm redefinition

Building on delegitimisation, the PRC advances alternative norms for dispute resolution that emphasise mediation, harmony, and negotiated settlement over adversarial litigation. These principles are presented not as deviations, but as superior and culturally appropriate alternatives to Western legalism.⁷⁶

⁷² Wang, "Dispute Settlement in the Belt and Road Initiative: Progress, Issues, and Future Research Agenda," 7, 8, 9.

⁷³ Aarshi Tirkey, "The Inconvenient Truth about China's International Commercial Courts," ORF Observer Research Foundation, August 28, 2020, <https://www.orfonline.org/expert-speak/inconvenient-truth-china-international-commercial-courts>.

⁷⁴ Tirkey, "The Inconvenient Truth about China's International Commercial Courts."

⁷⁵ Wang, "Dispute Settlement in the Belt and Road Initiative: Progress, Issues, and Future Research Agenda," 11; Magdalena Łagiewska, "International Dispute Resolution of BRI-Related Cases: Changes and Challenges," *Journal of Contemporary China* 33, no. 149 (2024): 810, <https://doi.org/10.1080/10670564.2022.2117981>.

⁷⁶ Guiguo Wang and Rajesh Sharma, "The International Commercial Dispute Prevention and Settlement Organization: A Global Laboratory of Dispute Resolution with an Asian Flavor," *American Journal of International Law* 115 (2021): 22–27, <https://doi.org/10.1017/aju.2020.82>.

Within the BRI framework, dispute resolution is framed as an extension of cooperative economic development rather than a zero-sum legal contest. This reframing shifts expectations about lawful and legitimate behaviour in trade disputes and aligns legal outcomes with broader geostrategic objectives. By strategically establishing that any case with a direct link to the PRC falls under its Chinese Commercial International Court (CICC), international cases are relocated to the PRC, dismissing party autonomy norms of the Hague Convention on Choice of Court Agreement.⁷⁷ The PRC hence promotes a Chinese-led Asian-way of dispute resolution, institutionalising favourable norms, values, and practices.⁷⁸ Norm redefinition thus provides the ideational foundation for institutional innovation by portraying Chinese practices as more efficient, relational, and development-oriented.

The restructuring of Sri Lanka's Hambantota Port debt in 2017 demonstrates the PRC's preference for negotiated settlement mechanisms over adversarial arbitration processes. Rather than pursuing international arbitration following Sri Lanka's repayment difficulties, Chinese creditors favoured bilateral negotiations framed as cooperative development solutions, which resulted in Sri Lankan authorities handing the PRC a controlling equity stake in the port and a 99-year lease for operating it.⁷⁹

This approach reflects China's broader narrative that dispute resolution should prioritise economic stability and political partnership over litigation. Such practices contribute to the gradual normalisation of "developmental mediation" as an alternative to Western legalistic dispute frameworks.

6.1.3. Stage III: Institutional engineering

Chinese lawfare in the trade domain extended to institutional engineering, especially through the creation of Chinese-led alternative dispute settlement mechanisms for the BRI.⁸⁰ The PRC has created a dense network of alternative dispute resolution mechanisms specifically designed to accommodate BRI-related cases. These include the previously mentioned CICC, the International Commercial Dispute Prevention and Settlement Organization (ICDPASO), the Wuhan Arbitration Commission and the China International Economic and Trade Arbitration Commission (CIETAC).⁸¹ These institutions function as parallel legal infrastructure that accommodates BRI cases, bypassing Western-led arbitration centres. Chinese arbitration venues have become increasingly embedded in Belt and Road contracts. CIETAC reports handling over 3,800 disputes linked to Belt and Road projects since the initiative's launch, with several hundred new cases annually (455 in 2025), indicating widespread adoption of Chinese dispute resolution clauses in cross-border infrastructure agreements.⁸²

The PRC's establishment of the CICC particularly illustrates the strategic creation of parallel legal institutions to support overseas economic engagement. This institution is "an impressive start in China's building of judicial institutions for resolving international commercial

⁷⁷ Ang, "International Commercial Courts and the Interplay Between Realism and Institutionalism: A Look at China and Singapore."

⁷⁸ Wang and Sharma, "The International Commercial Dispute Prevention and Settlement Organization."

⁷⁹ Jonathan Hillman, "Game of Loans: How China Bought Hambantota," in *China's Maritime Silk Road: Strategic and Economic Implications for the Indo-Pacific Region* (CSIS, 2018), 8, <https://amti.csis.org/game-of-loans-china-hambantota/>.

⁸⁰ Wang, "Dispute Settlement in the Belt and Road Initiative: Progress, Issues, and Future Research Agenda," 12.

⁸¹ *Ibid.*, 17

⁸² *CIETAC 2025 Work Report* (CIETAC, 2025), <https://www.cietac.org/en/articles/34572>.

disputes⁸³ while fully functioning according to Chinese domestic civil rules and is at its core an organ of the Supreme People's Court (SPC). Since its creation in 2018, Chinese authorities have actively encouraged the inclusion of CICC jurisdiction clauses in BRI infrastructure contracts. These clauses typically specify Chinese law as governing law and designate Chinese courts or arbitration bodies as primary dispute resolution venues. This contractual diffusion reduces reliance on Western arbitration centres such as London, Paris, or Singapore and gradually normalises Chinese legal forums in cross-border commercial disputes. The process does not require formal institutional replacement; rather, it operates through incremental contractual routinisation.⁸⁴ While nominally international, the CICC jurisdictional design and procedural features thus reflect Chinese legal preferences.⁸⁵

Chinese institutional engineering in the trade dispute domain is visible not only in the creation of new legal venues, but in the measurable scale of their operations. In 2024, the five leading PRC arbitration institutions collectively handled nearly 46,666 new cases worth around RMB 557.7 billion (~USD 77 billion), with foreign-related caseloads increasing by roughly 23% and comprising a growing share of dispute value. CIETAC alone accepted over 6,000 new cases in 2024, breaking its own records. At the same time, parallel multilateral institutions such as the Asian Infrastructure Investment Bank have expanded to 110+ members with an authorised capital base of US \$100 billion, roughly half that of the World Bank, underscoring China's broader strategy of constructing alternative governance platforms.⁸⁶ Chinese arbitration bodies also see significant international engagement: foreign parties accounted for over 40% of the total dispute value at CIETAC in 2024, even as Western arbitration centres like the London Court of International Arbitration and International Chamber of Commerce continue to receive smaller annual caseloads in comparison.⁸⁷ According to the 2025 International Arbitration Survey, Beijing ranks fourth globally as an arbitration seat, with Shenzhen and Shanghai also in the top ten, highlighting the growing international competitiveness of the PRC's arbitration hubs.⁸⁸

Through these institutions, the PRC creates routinised alternatives to existing legal structures in the trade domain, enabling BRI-participating states and firms to resolve disputes within a China-centred legal ecosystem. Institutional engineering in this domain is therefore both structural and sustained.

⁸³ Wang, "Dispute Settlement in the Belt and Road Initiative: Progress, Issues, and Future Research Agenda," 17; Jingzhou Tao and Mariana Zhong, "The China International Commercial Court (CICC): A New Chapter for Resolving International Commercial Disputes in China," *Dispute Resolution International* 13, no. 2 (2019): 167; Hansel Pham, "The China International Commercial Court," White & Case, March 4, 2021, <https://www.whitecase.com/insight-alert/china-international-commercial-court>.

⁸⁴ Wang, "Dispute Settlement in the Belt and Road Initiative: Progress, Issues, and Future Research Agenda," 17; Tao and Zhong, "The China International Commercial Court (CICC): A New Chapter for Resolving International Commercial Disputes in China," 167; Pham, "The China International Commercial Court."

⁸⁵ Freshfields Bruckhaus Deringer, "China Establishes International Commercial Courts to Handle Belt and Road Initiative Disputes," *Oxford Business Law Blog*, August 17, 2018, <https://blogs.law.ox.ac.uk/business-law-blog/blog/2018/08/china-establishes-international-commercial-courts-handle-belt-and>.

⁸⁶ "Major PRC Institutions Report Statistics for 2024," Herbert Smith Freehills Kramer | Global Law Firm, April 3, 2025, <https://www.hsfkramer.com/notes/arbitration/2025-04/major-prc-institutions-report-statistics-for-2024>.

⁸⁷ "Key Takeaways from 2024 LCIA and ICC Arbitration Statistics," International Arbitration Information by Aceris Law LLC, July 19, 2025, <https://www.acerislaw.com/key-takeaways-from-2024-lcia-and-icc-arbitration-statistics/>.

⁸⁸ *2025 International Arbitration Survey: 'The Path Forward: Realities and Opportunities in Arbitration'* (Queen Mary University in London, 2025), <https://www.qmul.ac.uk/arbitration/research/2025-international-arbitration-survey/>.

6.1.4. Stage IV: Rule implementation and diffusion

The PRC complements institutional engineering with significant rule implementation and diffusion. This is achieved by stretching the jurisdiction of its BRI institutions to cover any trade case directly related to the PRC, by adopting the principle of reciprocity in its engagements with other states and courts, and by implementing domestic legal models in its international institutions.⁸⁹ The CICC, which falls under the SPC and has Mandarin as the main language, is used within the BRI and facilitates the institutionalization of Chinese rules and procedures abroad. Legal expertise is diffused through training, cooperation agreements, and repeated use of Chinese institutions by foreign actors.⁹⁰

Complimentarily, repeated use of PRC-led institutions by foreign firms and states contributes to routinisation and expectation-setting. Contractual diffusion of dispute settlement clauses referencing Chinese institutions further embeds these rules into everyday commercial practice. Recent cases illustrate this dynamic. In June 2025, an international commercial dispute between a Swiss company and a Shenzhen-based firm involving approximately USD 10 million was resolved through mediation at the CICC. Notably, the dispute had initially been adjudicated by the London Metal Exchange, which ruled in favour of the Swiss firm and ordered compensation. When the Chinese company failed to comply, the Swiss plaintiff turned to the CICC, where the case was settled. This sequence demonstrates a functional displacement effect: a Western forum provided the initial ruling, but enforcement and resolution ultimately occurred within a PRC-controlled institution aligned with Chinese preferences for mediation and negotiated settlement.⁹¹ A similar pattern can be observed in an earlier 2019 CICC case involving a product liability dispute between Guangdong Bencao Medicine Group Co. Ltd. and Bruschetini S.R.L., in which the court ruled against the foreign party, holding it liable for infringement and compensation.⁹²

Together, these cases show how the CICC operates simultaneously as an adjudicatory and mediatory body, reflecting Chinese legal culture while incrementally normalising its use by foreign actors. The publication of case facts and procedural details further signals an effort toward internationalisation and confidence-building. At the same time, persistent concerns regarding the CICC's institutional proximity to the SPC underscore the lawfare dimension of this approach: dispute resolution is international in appearance but remains closely aligned with state authority. In this way, the PRC moves beyond contesting the Western-led legal order and actively consolidates an alternative, China-centred model through repeated institutional use.⁹³

Still, the international reach of Chinese-led institutions should not be overestimated. Despite efforts to promote alternative dispute resolution venues, the CICC remains limited in global influence. Since its establishment in 2018, it has handled only around 40 international disputes, a scale significantly smaller than leading global arbitration centres. This suggests that, while the PRC proposes alternative to existing institutions, these are still far from being universally preferred.

⁸⁹ "SPC Publishes Third Batch of BRI-Related Typical Cases," China Justice Observer, March 21, 2022, <https://www.chinajusticeobserver.com/a/spc-publishes-third-batch-of-bri-related-typical-cases>.

⁹⁰ Tirkey, "The Inconvenient Truth about China's International Commercial Courts."

⁹¹ "Top Court Helps Resolve \$10 Million Cross-Border Commercial Dispute," China International Commercial Court, June 19, 2025, <https://cicc.court.gov.cn/html/1/219/208/209/12594.html>.

⁹² "[(2019) ZuiGaoFaShangChu No. 1] Supreme People's Court of PRC Civil Judgment," China International Commercial Court, March 18, 2020, <https://cicc.court.gov.cn/html/1/219/211/223/1558.html>.

⁹³ Ang, "International Commercial Courts and the Interplay Between Realism and Institutionalism: A Look at China and Singapore"; Jacob Mardell, "Dispute Settlement on China's Terms: Beijing's New Belt and Road Courts," MERICS, February 14, 2018, <https://merics.org/en/comment/dispute-settlement-chinas-terms-beijings-new-belt-and-road-courts>; Tirkey, "The Inconvenient Truth about China's International Commercial Courts."

6.1.5. Stage V: International support

Chinese gathering of international support is increasingly visible in the trade and investment dispute resolution domain, where Beijing has moved beyond unilateral institutional development toward the creation of joint legal platforms with partner states. These initiatives aim to embed Chinese legal norms within transnational dispute resolution networks while fostering long-term professional and institutional alignment.

A key example is the establishment of the China-Africa Joint Arbitration Center (CAJAC) in 2015. Created as a collaborative arbitration network between Chinese arbitration institutions and African legal bodies, CAJAC was designed to handle commercial and investor-state disputes involving Chinese and African parties.⁹⁴ Rather than functioning as a purely Chinese forum, CAJAC operates through joint governance arrangements and localised arbitration centres across multiple African jurisdictions of regional states participating to the BRI.⁹⁵ This institutional structure helps normalise Chinese procedural standards while maintaining the appearance of bilateral ownership.

The strategic significance of CAJAC lies in its capacity-building role. Through training programmes, judicial exchanges, and professional cooperation initiatives, Chinese legal institutions have supported the development of arbitration expertise among partner-state legal communities. Over time, these efforts contribute to reducing informational barriers and increasing familiarity with Chinese procedural norms abroad.

China further consolidated this international support strategy in 2025 through the inauguration of the China-Africa Trial Center hosted by the China International Economic and Trade Arbitration Commission (CIETAC). The centre aims to provide joint training, case cooperation mechanisms, and institutional linkages between Chinese and African legal practitioners. Unlike earlier initiatives focused primarily on arbitration, this platform also emphasises judicial collaboration, thereby extending Chinese legal engagement beyond private commercial disputes into broader areas of legal system interaction.⁹⁶

These initiatives illustrate a distinctive feature of Chinese lawfare: international support operates not primarily through formal treaty alliances or institutional replacement, but through gradual professional integration and network formation. By embedding Chinese legal institutions within transnational arbitration and training frameworks, Beijing fosters long-term dependencies in expertise, procedural familiarity, and dispute resolution infrastructure.

Over time, this process reduces reliance on Western legal expertise and arbitration venues while increasing the attractiveness and perceived legitimacy of Chinese dispute resolution mechanisms among partner states. Rather than displacing Western institutions directly, international support reshapes the ecosystem of legal cooperation, creating parallel networks in which Chinese norms and practices become increasingly routinised.⁹⁷ Still, it must be noted

⁹⁴ Ming Du, "Explaining China's Approach to Investor-State Dispute Settlement Reform: A Contextual Perspective," *European Law Journal* 28, nos. 4–6 (2022): 296, <https://doi.org/10.1111/eulj.12468>.

⁹⁵ Charlene Ferns and Siphokazi Kayana, *CAJAC: Potential New Rules for Arbitration Proceedings between Africa and China* (CMS Legal, 2024), <https://cms.law/en/int/publication/cms-international-disputes-digest-2024-summer-edition/cajac-potential-new-rules-for-arbitration-proceedings-between-africa-and-china>.

⁹⁶ "Unveiling Ceremony of CIETAC China-Africa Trial Center and China-Africa International Arbitration Cooperation Conference Successfully Held in Changsha, Hunan," CIETAC, 2025, <https://www.cietac.org/en/articles/33623>.

⁹⁷ Charlene Ferns and Siphokazi Kayana, *CAJAC: Potential New Rules for Arbitration Proceedings between Africa and China* (2024), <https://cms.law/en/pol/publication/cms-international-disputes-digest-2024-summer-edition/cajac-potential-new-rules-for-arbitration-proceedings-between-africa-and-china>.

The trade domain represents the most advanced and most structurally institutionalised example of PRC lawfare.

that Chinese legal international support is still limited and more alike to partnerships than long-term legal support as most of the states that participate in PRC-led legal initiatives still make use of Western-led institutions too.

6.1.6. Assessment

The trade domain represents the most advanced and most structurally institutionalised example of PRC lawfare. The PRC operates coherently across all five stages of the framework, progressing from delegitimisation and norm redefinition to institutional engineering, legal capacity expansion, and partial rule implementation and diffusion. While full global displacement of the Western trade-related legal order has not occurred, a functioning alternative dispute settlement system has emerged within the BRI context. Beijing's approach to the resolution of BRI-related trade disputes uncovers the institutional, procedural, and normative face of the PRC's attempts to build alternative legal systems in the trade domain. In this context, the PRC applies lawfare strategically across all five stages, illustrating how the PRC leverages favourable legal opportunity structures to institutionalise its rise through lawfare, translating economic power into durable legal influence in the trade domain.

Table 3 summarises the assessment:

Table 3: Summary of Assessments



Dimension	Assessment	Explanation
Delegitimisation of status quo	+++	Sustained narrative portraying Western arbitration as structurally biased; selective contestation without withdrawal
Norm redefinition	+++	Mediation, harmony, and negotiated settlement reframed as superior alternatives to adversarial litigation
Institutional engineering	++++	Creation of routinised, parallel dispute resolution infrastructure (CICC, CIETAC, ICDPASO, CAJAC)
Rule implementation and diffusion	+++	Jurisdictional stretch, procedural export, training partnerships, growing foreign familiarity. Increasing contractual diffusion and repeated use, but not yet universalised.
International support	++	Increasing international support but currently limited in scope.

6.2. Maritime Security

This case study applies the lawfare framework to the PRC's conduct in the South China Sea, a domain characterised by high strategic salience, legal ambiguity, and close interaction between law and coercive power. Unlike trade, the maritime domain shows very high levels of delegitimisation and norm redefinition, but limited progress in legal capacity expansion, rule implementation and diffusion, and international support.

The South China Sea disputes therefore provide a critical test of the framework. They demonstrate how lawfare can function as a tool of legal revisionism and influence even in the absence of institutional consolidation, while also revealing the constraints imposed by regional resistance and security dynamics.

6.2.1. Stage I: Delegitimisation of the status quo

Delegitimisation forms the foundation of PRC lawfare in the maritime domain. The PRC engages in strategic non-participation, selective compliance, and overt rejection of adverse legal outcomes under the United Nations Convention on the Law of the Sea (UNCLOS) and other relevant legal norms and treaties from a China-favourable perspective.

This approach is exemplified by the PRC's refusal to accept the 2016 UNCLOS arbitration initiated by the Philippines and its subsequent dismissal of the ruling.⁹⁸ In 2016, the Philippines took the PRC to the Permanent Court of Arbitration (PCA) for Beijing's violations of the Philippines's EEZ's and territorial sovereignty as protected under UNCLOS. The incursions into Filipino territory were justified by the PRC under their historic nine-dash line rights claim, which the PCA, in their ruling, dismissed the legal basis and legitimacy of.⁹⁹ The PRC was quick to dismiss the outcome of the court as "waste of paper", "null and void" and "illegal".¹⁰⁰

Following the 2016 arbitration ruling under UNCLOS, which invalidated many of China's maritime claims, Beijing issued an official white paper rejecting the tribunal's jurisdiction. China argued that it had lawfully opted out of compulsory arbitration under UNCLOS Article 298 and framed the ruling as an illegitimate political instrument rather than a neutral legal judgment.¹⁰¹ This response illustrates a lawfare strategy based not on treaty withdrawal, but on contesting the legitimacy and interpretation of existing legal mechanisms and using selective compliance to international law.

Beyond the South China Sea, delegitimisation has also been evident in the PRC's broader legal posture toward UNCLOS. For example, China has formally reserved undefined "historic rights" in its 1998 EEZ legislation that extend beyond the Convention's maritime zone framework, thereby asserting a parallel legal basis not recognised under UNCLOS.¹⁰² More generally, the PRC invokes UNCLOS provisions when advantageous, while rejecting others, including principles related to freedom of navigation and overflight.¹⁰³ These practices weaken the perceived coherence and enforceability of the maritime legal order.

⁹⁸ Katie Hunt and Steven Jiang, "South China Sea: China May Establish Air Defense Zone after Losing Court Ruling," CNN, July 13, 2016, <https://www.cnn.com/2016/07/13/asia/south-china-sea-ruling-reaction-adiz>; Jill I. Goldenziel, "Law as a Battlefield: The U.S., China, and the Global Escalation of Lawfare," *Cornell Law Review* 106, no. 5 (2020): 1118–19; Roy Mabasa, "China Dismisses Arbitral Award to PH as 'Nothing More than a Piece of Waste Paper,'" Manila Bulletin, July 13, 2021, https://mb.com.ph/2021/7/13/china-dismisses-arbitral-award-to-ph-as-nothing-more-than-a-piece-of-waste-paper#google_vignette; Catherine Wong, "'Nothing More than a Piece of Paper': Former Chinese Envoy Dismisses Upcoming Ruling on South China Sea Claims," South China Morning Post, June 7, 2016, <https://www.scmp.com/news/china/diplomacy-defence/article/1986029/nothing-more-piece-paper-former-chinese-envoy-dismisses>.

⁹⁹ Anson Zhang, "Why Does China Claim Almost the Entire South China Sea?," Al Jazeera, October 24, 2023, <https://www.aljazeera.com/news/2023/10/24/why-does-china-claim-almost-the-entire-south-china-sea>.

¹⁰⁰ Hunt and Jiang, "South China Sea: China May Establish Air Defense Zone after Losing Court Ruling"; Goldenziel, "Law as a Battlefield," 1118–19; Mabasa, "China Dismisses Arbitral Award to PH as 'Nothing More than a Piece of Waste Paper'"; Wong, "'Nothing More than a Piece of Paper:'"

¹⁰¹ *Statement of the Ministry of Foreign Affairs of the People's Republic of China on the Award of 12 July 2016 of the Arbitral Tribunal in the South China Sea Arbitration Established at the Request of the Republic of the Philippines* (Ministry of Foreign Affairs of the People's Republic of China, 2016), https://www.mfa.gov.cn/eng/zy/gb/202405/t20240531_11367334.html.

¹⁰² Andrew Chubb, "International Law as a Driver of Confrontation? UNCLOS and China's Policy in the South China Sea," *European Journal of International Law*, January 8, 2026, 20, <https://doi.org/10.1093/ejil/chaf066>.

¹⁰³ Matthew Waxman, "China's ADIZ at One Year: International Legal Issues," Asia Maritime Transparency Initiative, November 25, 2014, <https://amti.csis.org/chinas-adiz-at-one-year-international-legal-issues/>.

6.2.2. Stage II: Norm redefinition

Following delegitimisation, the PRC advances alternative normative interpretations of maritime law centred on sovereignty, historical rights, and regional exceptionalism. Central to this effort is the promotion of the nine-dash line as a legitimate basis for maritime claims, despite its incompatibility with UNCLOS definitions of maritime zones.¹⁰⁴ In 2009, China formally submitted maps depicting the nine-dash line to the United Nations as part of its response to continental shelf claims by Southeast Asian states.¹⁰⁵ This submission marked a key step in institutionalising China's historical rights narrative within international legal forums and demonstrates the PRC's ability to selectively contest established norms while playing by the rules of international institutions. Although widely contested, the act illustrates how legal documentation and diplomatic filings can be used to gradually embed alternative normative interpretations in international legal discourse. In this way, the PRC weaponises uncertainty by conveying it as certainty "and then using the alleged certainty as the basis for further 'indisputable' claims".¹⁰⁶ Through constant reaffirmations, in both media and institutions, these 'certainties' gain further legitimacy and ultimately become norm redefinition leverage.¹⁰⁷ The PRC also reframes contested activities, such as fishing, surveying, and patrol operations, as peaceful civilian conduct in "traditional fishing grounds."¹⁰⁸

The creation of an Air Defense Identification Zone (ADIZ) in the East China Sea further illustrates Chinese ability to legally challenge existing norms by framing the legal narrative as alleged certainty. In 2013, the PRC established its ADIZ in the East China Sea. While the creation of these identification zones is legal under the Chicago Convention and has been implemented, among others, by the US, the PRC ADIZ overlaps portions of previously established ADIZs of Japan, South Korea, and Taiwan. The PRC ADIZ "also includes the airspace above Japanese administered territory and appears to assert jurisdiction over international air space."¹⁰⁹ This has been read by many legal scholars as a violation of both customary and international law. International norms and customary law dictate that an ADIZ should not interfere with the freedom of overflight over high seas (protected under UNCLOS Article 87), nor with the international airspace.¹¹⁰ By still establishing the ADIZ, Beijing manipulated

These examples illustrate how the PRC is, through public diplomatic language, narratively normalising unlawful conduct under the language of civil maritime practice. These active, visible, and publicly communicated acts of norm redefinition are setting the stage for a new South China Sea era which complements China's rise and forms the foundation to consolidate the PRC's influence and the legitimacy behind its claims.

¹⁰⁴ Zhang, "Why Does China Claim Almost the Entire South China Sea?"; FORUM Staff, "PRC Research Incursions into Other Nations' EEZs Continue despite International Suspicions," Indo-Pacific Defense FORUM, July 16, 2023, <https://ipdefenseforum.com/2023/07/prc-research-incursions-into-other-nations-eezs-continue-despite-international-suspicions/>.

¹⁰⁵ "China's 2009 Nine-Dash Line Map Submission to the UN CML/17/2009," United Nations, 2009, https://www.un.org/Depts/los/clcs_new/submissions_files/mysvnm33_09/chn_2009re_mys_vnm_e.pdf.

¹⁰⁶ Rob McLaughlin, "The Law of the Sea and PRC Gray-Zone Operations in the South China Sea," *American Journal of International Law* 116, no. 4 (2022): 823, <https://doi.org/10.1017/ajil.2022.49>.

¹⁰⁷ McLaughlin, "The Law of the Sea and PRC Gray-Zone Operations in the South China Sea," 823.

¹⁰⁸ Euan Graham, "The Hague Tribunal's South China Sea Ruling: Empty Provocation or Slow-Burning Influence?," Council of Councils, August 18, 2016, <https://www.cfr.org/councilofcouncils/global-memos/hague-tribunals-south-china-sea-ruling-empty-provocation-or-slow-burning-influence>; Hunt and Jiang, "South China Sea: China May Establish Air Defense Zone after Losing Court Ruling."

¹⁰⁹ LtCol Brent Stricker, *East China Sea Air Defense Identification Zones: A Primer* (Center for International Maritime Security, 2022), <https://cimsec.org/east-china-sea-air-defense-identification-zones-a-primer/>.

¹¹⁰ Waxman, "China's ADIZ at One Year."

6.2.3. Stage III: Institutional engineering

Institutional engineering in the maritime domain takes the form of institutional bypass rather than parallel institutional creation. The PRC avoids multilateral adjudication mechanisms such as UNCLOS¹¹¹ and instead promotes bilateral and regional approaches that privilege power asymmetries. The prolonged negotiations over a South China Sea Code of Conduct with ASEAN illustrate institutional bypass in practice. Rather than accepting compulsory dispute settlement under UNCLOS, Beijing has channelled dispute management into a consensus-based regional negotiation framework that operates outside formal adjudicative mechanisms. The slow and open-ended nature of these negotiations reduces the likelihood of binding legal constraints while preserving China's structural leverage within the region.¹¹¹

China's 2013 declaration of the ADIZ in the East China Sea illustrates unilateral institutional construction outside the International Civil Aviation Organization (ICAO) frameworks. Rather than pursuing airspace governance adjustments through multilateral aviation institutions, Beijing established a domestic regulatory regime requiring foreign aircraft to comply with Chinese reporting procedures. This move created a parallel operational structure that asserted jurisdiction without multilateral agreement.

By creating unilateral control regimes instead of seeking resolution and agreement through UNCLOS and ICAO forums, the PRC bypasses multilateral legal institutions and creating a parallel legal infrastructure. This allows the PRC to avoid multilateral legal avenues and to focus on constructing a new Asian-oriented, but China-led, regional legal order.

6.2.4. Stage IV: Rule implementation and diffusion

Progress in rule implementation and diffusion remains limited in the maritime domain. The PRC's Coast Guard Law, enacted in 2021, significantly expanded the legal authority of Chinese maritime enforcement agencies. The law authorises the use of force against foreign vessels in waters claimed by China and establishes a domestic legal basis for enforcement activities in disputed maritime zones.¹¹² By embedding jurisdictional claims in domestic legislation, the law operationalises China's maritime legal positions and strengthens its capacity to enforce contested interpretations of international law.¹¹³

Still, the capacity expansion remains mainly domestic, with regional states in Southeast and East Asia rejecting Chinese norms redefinition and institutional bypassing. External resistance from regional actors and extra-regional powers thus constrains diffusion and rule implementation and diffusion internationally. Unlike trade, there is little evidence of transnational legal networks or formal adoption of PRC maritime legal frameworks.

¹¹¹ FORUM Staff, "PRC Still Dragging Its Feet on South China Sea Code of Conduct," Indo-Pacific Defense FORUM, October 6, 2023, <https://ipdefenseforum.com/2023/10/prc-still-dragging-its-feet-on-south-china-sea-code-of-conduct/>.

¹¹² Wataru Okada, "China's Coast Guard Law Challenges Rule-Based Order," *The Diplomat*, April 28, 2021, <https://thediplomat.com/2021/04/chinas-coast-guard-law-challenges-rule-based-order/>; Peter Leavy, "Overcoming the Deliberate Legal Ambiguity Adopted by China's Coast Guard," *The Interpreter*, June 20, 2024, <https://www.lowyinstitute.org/the-interpreter/overcoming-deliberate-legal-ambiguity-adopted-china-s-coast-guard>.

¹¹³ Nong Hong, "China's Maritime Law Enforcement Reform and Its Implication on the Regional Maritime Disputes," *Asia Maritime Transparency Initiative*, April 1, 2015, <https://amti.csis.org/chinas-maritime-law-enforcement-reform-and-its-implication-on-the-regional-maritime-disputes/>.

Maritime lawfare thus illustrates how legal revisionism can generate influence and ambiguity without consolidating into a durable alternative legal order.

6.2.5. Stage V: International support

International support remains weak. Although the PRC enforces its claims through persistent presence and coercive capacity, these practices have not translated into routinised legal acceptance by neighbouring states. Pushback from other actors in the region, such as Vietnam, the Philippines, Malaysia, and Indonesia, Japan, and Taiwan constrained the PRC's international support chances when it comes to international buy-in on its legal stance in the maritime domain.¹¹⁴ As a result, operationalisation in this domain is primarily coercive rather than legal in nature, falling short of the framework's final stage.

6.2.6. Assessment

The maritime case demonstrates a form of front-loaded lawfare. The PRC has aggressively advanced delegitimisation and norm redefinition, supported by selective institutional bypass and enforcement. Through norm violation, selective compliance, and strategic non-participation in established maritime and customary law, the PRC asserts international influence and legal revisionism. Additionally, institutional bypass and parallel institution building further support Chinese attempts to institutionalise its reinterpretation and substitution of existing norms.

However, resistance by other regional states and frameworks such as ASEAN, reinforced by the security salience of maritime governance limit progression toward legal capacity expansion, rule implementation and diffusion, and international support, as summarised in Table 4. The maritime domains thus offers an example of only partially successful use of lawfare, where a shift in the international legal order has not been completed yet, despite the PRC's violations of international law "while simultaneously creating a veneer of legal legitimacy for its position".¹¹⁵ Maritime lawfare thus illustrates how legal revisionism can generate influence and ambiguity without consolidating into a durable alternative legal order.

Table 4: Assessment of Legal Capacity Expansion Maritime Domain



Dimension	Assessment	Explanation
Delegitimisation of status quo	++++	Rejection of UNCLOS 2016 arbitration; selective compliance; explicit dismissal of rulings
Norm redefinition	++++	Promotion of nine-/ten-dash line; "traditional fishing grounds;" ADIZ logic
Institutional engineering	++	Institutional bypass via bilateralism and ASEAN processes; ADIZ logic
Rule implementation and diffusion	+	Domestic coast guard laws with little external adoption
International support	+	Enforcement without legal acceptance; no stable coalition; international pushback

¹¹⁴ Abdussalam Giuma A. Triki, "Understanding the South China Sea Crisis: State Claims, International Interventions, and Implications," *Asia & the Pacific Policy Studies* 13, no. 1 (2026): 3, <https://doi.org/10.1002/app5.70040>; Bec Strating, *Maritime and Sovereignty Disputes in the East China Sea* (The National Bureau of Asian Research (NBR), 2021), 3–5, <https://www.nbr.org/publication/maritime-and-sovereignty-disputes-in-the-east-china-sea/>.

¹¹⁵ Oriana Skylar Mastro, "How China Is Bending the Rules in the South China Sea," *The Interpreter*, February 17, 2021, <https://www.lowyinstitute.org/the-interpreter/how-china-bending-rules-south-china-sea>.

6.3. Technology Governance

This case study analyses the PRC's use of lawfare in the technology domain, focusing on litigation, regulatory intervention, and the strategic use of domestic law to influence global technological governance. Applying the five-stage framework reveals a pattern of uneven and constrained progression. While the PRC demonstrates advanced engagement in delegitimisation, norm redefinition, and selective institutional engineering, its efforts at rule implementation and diffusion remain limited due to strong external resistance and entrenched alliance structures.

The technology domain is particularly instructive because it exposes both the reach and the limits of lawfare. Unlike trade, where jurisdictional flexibility and institutional plurality create openings for alternative legal architectures, technological governance is deeply embedded in security frameworks, alliance coordination, and shared standards regimes. As a result, PRC lawfare in this domain produces legal leverage and disruption, but has not yet consolidated into a coherent, alternative legal order.

6.3.1. Stage I: Delegitimisation of the status quo

The PRC repeatedly deploys legal instruments and procedures to undermine confidence in the existing liberal technology governance regime, particularly by challenging assumptions about neutrality, legality, and fairness. While several actions originate as defensive responses to external pressure, especially from the US, their effects extend beyond case-specific remedies and contribute to broader delegitimisation of prevailing norms.

The Huawei litigation against the United States illustrates this dynamic. In 2018, following US restrictions on government procurement of Huawei-made products under Section 889 of the National Defense Authorization Act, Huawei filed a lawsuit challenging the constitutionality of the measure.¹¹⁶ Formally, the litigation constituted a defensive legal response by a private company. Functionally, however, it operated as a proxy for PRC lawfare. Through highly visible legal proceedings and coordinated public messaging, Huawei advanced narratives portraying US actions as unconstitutional, discriminatory, and politically motivated.¹¹⁷

Although the case did not reach an international tribunal, the litigation mirrored strategies of legal contestation typically associated with interstate disputes. The public nature of the lawsuit amplified its delegitimising effect by casting doubt on the credibility of US legal authority and, by extension, on the broader legal order underpinning Western technology governance. Huawei's close relationship with the Chinese state and US claims that Chinese trade unions function as state-controlled entities reinforced lawfare tactics where private actors are used to advance state-level strategic narratives.¹¹⁸

Delegitimisation also occurs more subtly through the PRC's selective use of domestic trade and export control laws affecting critical raw materials and technological inputs.

¹¹⁶ Mac [R-TX-13 Rep. Thornberry, "H.R.5515 - 115th Congress (2017-2018): John S. McCain National Defense Authorization Act for Fiscal Year 2019.," August 13, 2018, 283, 2018-04-13, <https://www.congress.gov/bill/115th-congress/house-bill/5515>.

¹¹⁷ "Huawei Sues the U.S. Government for Unconstitutional Sales Restrictions Imposed by Congress," Huawei, accessed February 13, 2026, <https://www.huawei.com/en/news/2019/3/huawei-sues-the-us-government>.

¹¹⁸ "5G Security," *United States Department of State*, n.d., accessed February 13, 2026, <https://2017-2021.state.gov/5g-security/>.

By demonstrating that formal compliance with WTO rules does not guarantee security of supply, the PRC exposes vulnerabilities in the liberal trade regime and erodes confidence in its capacity to constrain state intervention in strategic sectors.

6.3.2. Stage II: Norm redefinition

Building on these delegitimising efforts, the PRC actively promotes alternative normative understandings of technology governance. Central to this effort is the redefinition of technology as a strategic national asset rather than a commercial good governed primarily by market principles.

For instance, the PRC sought to redefine the foundational norm of internet governance through the promotion of 'cyber sovereignty' in existing forums such as the UN and at the Internet Governance Forum. Rather than accepting the multi-stakeholder model that treats the internet as a transnational common governed by private technical bodies and civil society actors, Beijing has argued that states possess primary authority over digital infrastructure and data within their territory.¹¹⁹ This reframing shifts the normative baseline from openness and cross-border connectivity to sovereign control and regulatory autonomy.

The PRC also tried to redefine global norms surrounding cross-border data governance. Through its Data Security Law and related regulations, Beijing conceptualises data as a strategic national resource subject to security-based oversight rather than primarily as a matter of privacy or commercial regulation. This model elevates national security review and data localisation as legitimate regulatory defaults.¹²⁰ The effect is not merely domestic regulation but the articulation of an alternative normative template for digital governance.

Joint venture and technology-transfer requirements imposed on foreign firms operating in the PRC are a further example. Through legally mandated contractual arrangements, the PRC embeds technology diffusion as a condition of market access, challenging liberal assumptions that innovation transfer should occur voluntarily through competition and investment. These practices directly undermine the normative foundations of WTO agreements such as Trade Related Investment Measures Agreement (TRIMS) and The Trade Related Intellectual Property Rights Agreement (TRIPS), which were designed to restrict precisely such development-oriented regulatory interventions.¹²¹

Through these legal instruments, the PRC advances a normative model that prioritises state-led innovation, security, and developmental control over openness, transparency, and market autonomy. Norm redefinition in the technology domain is thus discursive, regulatory, and deeply embedded in domestic legal practice, even when its international acceptance remains contested.

¹¹⁹ "Chinese Position Paper on the Application of the Principle of Sovereignty," United Nations Office for Disarmament Affairs, 2021, <https://documents.unoda.org/wp-content/uploads/2021/12/Chinese-Position-Paper-on-the-Application-of-the-Principle-of-Sovereignty-ENG.pdf>

¹²⁰ "Data Security Law of the People's Republic of China," The National People's Congress of the People's Republic of China, June 10, 2021, http://www.npc.gov.cn/englishnpc/c2759/c23934/202112/t20211209_385109.html.

¹²¹ Kristen Hopewell, "The (Surprise) Return of Development Policy Space in the Multilateral Trading System: What the WTO Appellate Body Blockage Means for the Developmental State," *Review of International Political Economy* 31, no. 4 (2024), 1248.; Robert H. Wade, "What Strategies Are Viable for Developing Countries Today? The World Trade Organization and the Shrinking of 'Development Space'," *Review of International Political Economy* 10, no. 4 (2003): 627.

6.3.3. Stage III: Institutional engineering

Similarly to the maritime domain, institutional engineering in the technology domain does not currently take the form of creating new international institutions. Instead, it operates through institutional capture and functional repurposing of existing domestic regulatory bodies whose decisions have global spillover effects.

The PRC's use of merger control provides a clear example. The PRC strategically delayed the approval of Qualcomm's \$44 billion acquisition of Dutch chipmaker NXP in 2018, while all other involved jurisdictions, including the US, had submitted their approval. By delaying approval of a global merger between the two companies through extending domestic regulatory procedures, the PRC effectively leveraged legal inaction to block an outcome which it saw as countering its interests. It made use of existing legal regulations to achieve its objectives through a unorthodox employment of lawful administrative processes. It did so without issuing a formal decision on the lawsuit – eventually leading to Qualcomm's decision to no longer pursue the merger.¹²²

This shows how the PRC's domestic competition authorities and regulations can be used as an instrument to reach the strategic goal of influencing global M&A outcomes. Here, the Ministry of Commerce (MOFCOM) functioned not merely as an economic regulator, but as a foreign policy instrument. The outcome reshaped incentives for multinational firms dependent on Chinese market access and demonstrated the PRC's capacity to influence global technological consolidation through legal inaction rather than formal prohibition.¹²³

Institutional engineering is further reinforced by domestic bureaucratic restructuring. The Ministry of Industry and Information Technology (MIIT) and the National Development and Reform Commission (NDRC) play central roles in coordinating technology policy, licensing, and standard-setting. These institutions legally embed state authority over technological development and enable the PRC to enforce its governance preferences through routine administrative processes. This post-WTO institutional reconfiguration reflects a strategic reassertion of state control and a weakening of multilateral legal constraints.¹²⁴

6.3.4. Stage IV: Rule implementation and diffusion

Compared to earlier stages, the PRC's progress in rule implementation and diffusion in the technology domain remains limited and indirect. While some domestic laws have extraterritorial effects through corporate compliance, these do not amount to a broadly accepted extension of PRC legal jurisdiction. An example is the adoption, in 2021, of the China's Anti-Foreign Sanctions Law. This law provides a legal framework enabling Chinese authorities to impose countermeasures against individuals or entities complying with foreign sanctions deemed harmful to Chinese interests. The law authorises asset freezes, entry bans, and civil litigation

¹²² Don Clark, "Qualcomm Scraps \$44 Billion NXP Deal After China Inaction," *Technology, The New York Times*, July 25, 2018, <https://www.nytimes.com/2018/07/25/technology/qualcomm-nxp-china-deadline.html>; Ian King, "Qualcomm Scraps NXP Deal Amid U.S.-China Trade Tensions," *Bloomberg.Com*, July 26, 2018, <https://www.bloomberg.com/news/articles/2018-07-26/qualcomm-to-scrap-nxp-deal-as-deadline-passes-for-china-approval>.

¹²³ "Ministry of Commerce, People's Republic of China," accessed February 13, 2026, <https://english.mofcom.gov.cn/About/index.html>.

¹²⁴ Sebastian Heilmann and Lea Shih, "The Rise of Industrial Policy in China, 1978–2012," *Harvard-Yenching Institute Working Paper Series* (2013), 13

mechanisms against affected parties.¹²⁵ By creating a domestic legal basis for counter-sanctions, the law transforms geopolitical retaliation into formally codified legal action, illustrating how domestic legislation can serve as a tool of strategic legal competition.

Rather than exporting legal models or establishing transnational legal networks, the PRC draws foreign actors into its regulatory orbit through market dependence and supply-chain integration. Legal influence is thus exerted through leverage rather than adoption. This constrains the diffusion of Chinese technology governance norms and limits rules operationalisation beyond transactional compliance.

6.3.5. Stage V: International support

International support remains the weakest dimensions of PRC lawfare in the technology domain. Unlike in trade, there is little evidence that Chinese legal norms for technology governance have been embedded in widely adopted treaties, stable coalitions, or multilateral regulatory frameworks.

While certain long-term supply contracts and licensing agreements reflect PRC preferences, particularly in critical raw materials used in the fabrication of tech components, these arrangements are largely bilateral and contingent. They do not constitute routinised legal acceptance or durable alliance-based support for an alternative technological legal order. Moreover, PRC legal assertiveness in this domain has provoked coordinated countermeasures from the US and the EU through the US-EU Trade and Technology Council (TTC), further constraining consolidation.¹²⁶

Over the past years, the US has deployed industrial policies that challenge global PRC technology governance. The American CHIPS and Science Act (2022) invests 52 billion USD to domestic semiconductor manufacturing while including a clause that prohibits recipients to expand advanced chip production in the PRC for the next ten years.¹²⁷ Furthermore, the Inflation Reduction Act (2023) introduced tax credits for electric vehicles and clean energy but excluded components from foreign entities of concern to the US, strategically targeting Chinese battery and critical mineral suppliers.¹²⁸

In alignment with these, the EU also introduced measures against the PRC. The European Chips Act (2023), for example, aims to reduce dependence on PRC-dominated supply chains.¹²⁹ Additionally, the EU's Foreign Subsidies Regulation (2023) allows the EU Commission to prohibit acquisitions involving state supported enterprises from the PRC.¹³⁰

¹²⁵ "China Rolls out New Rules to Step up Countermeasures to Foreign Sanctions," China, *Reuters*, March 24, 2025, <https://www.reuters.com/world/china/china-rolls-out-new-rules-step-up-countermeasures-foreign-sanctions-2025-03-24/>.

¹²⁶ "EU-US Trade and Technology Council (2021-2024) | Shaping Europe's Digital Future," accessed February 13, 2026, <https://digital-strategy.ec.europa.eu/en/factpages/eu-us-trade-and-technology-council-2021-2024>.

¹²⁷ William Alan Reinsch and Thibault Denamiel, *The CHIPS and Science Act Guardrails' Implications for the U.S. Trade Agenda*, April 13, 2023, <https://www.csis.org/analysis/chips-and-science-act-guardrails-implications-us-trade-agenda>.

¹²⁸ Buffie and Nicholas E., "Foreign Entity of Concern Requirements in the Section 30D Clean Vehicle Credit," legislation, Congress.Gov, September 30, 2024, <https://www.congress.gov/crs-product/IN12322>.

¹²⁹ Ryan Browne, "Europe Approves Its \$47 Billion Answer to Biden's CHIPS Act — Here's Everything That's in It," CNBC, April 19, 2023, <https://www.cnbc.com/2023/04/19/europe-approves-its-47-billion-answer-to-bidens-chips-act.html>.

¹³⁰ "The Foreign Subsidies Regulation: Where Do We Stand 18 Months Into Implementation of the Notification Obligations | Advisories," Arnold & Porter, accessed February 13, 2026, <https://www.arnoldporter.com/en/perspectives/advisories/2025/05/the-foreign-subsidies-regulation-where-do-we-stand>.

However, practical experience has also proven that countermeasures can materialise to be ineffective. In 2025, the Dutch ministry of Economic Affairs took control over the Chinese owned, but in the Netherlands based, Nexperia firm after suspected knowledge leaking by the Chinese director. This measure negatively impacted the European automotive industry, as the Chinese branch of Nexperia halted chip exports in response.¹³¹

While the PRC can thus respond assertively, the strategic countermeasures of the EU and US have so far been successful in limiting PRC international support in the tech sector.

6.3.6. Assessment

Taken together, the technology case demonstrates a pattern of disruptive but incomplete lawfare. The PRC effectively employs delegitimisation, norm redefinition, and selective institutional engineering to challenge existing technology governance norms and to expand its strategic leverage. However, strong external resistance, alliance cohesion among advanced economies, and the security salience of technology limit progression toward rule implementation and diffusion.

This showcases the limits of Chinese lawfare and of the PRC's attempts to extend their international influence through the reshaping of the international order. While the PRC lawfare in the technology domain has not yet produced a coherent alternative legal order, it contributes to fragmentation, uncertainty, and regime erosion without replacement. The case study also shows how lawfare is most effective where legal pluralism, jurisdictional flexibility, and low-security salience prevail and most constrained where governance is tightly coupled to security alliances and shared standards (see Table 5).

Lawfare is most effective where legal pluralism, jurisdictional flexibility, and low-security salience prevail and most constrained where governance is tightly coupled to security alliances and shared standards.

Table 5: Analytical Framework



Dimension	Assessment	Explanation
Delegitimisation of status quo	+++	Proxy litigation (Huawei), erosion of WTO assumptions, weaponisation of compliance
Norm redefinition	++ / +++	Technology framed as sovereign asset; security prioritised over openness and privacy
Institutional engineering	++	Regulatory capture and repurposing (MOFCOM, MIIT, NDRC) with global spillovers
Rule implementation and diffusion	++	Extraterritorial effects via firms, not accepted jurisdiction
International support	+	Strong pushback from US/EU; no durable legal coalitions

¹³¹ Stan Hulsen, "Cruciale week voor automakers: 'Nexperia-chips niet nu nodig, maar gisteren,'" November 5, 2025, <https://nos.nl/artikel/2589288-cruciale-week-voor-automakers-nexperia-chips-niet-nu-nodig-maar-gisteren>.

6.4. Strategic assessment of Chinese lawfare

The rise of the PRC illustrates that contemporary great power competition unfolds not only through military and economic power, but through legal architecture. Chinese lawfare demonstrates how a rising power can exploit the density of the institutionalised international order to incrementally reshape expectations of legality and legitimacy without direct confrontation.

The PRC's use of lawfare is neither episodic nor purely reactive but constitutes a structured and strategic component of its broader rise as a great power. Rather than seeking abrupt rupture with the existing international legal order, Beijing's approach is characterised by incrementalism, institutional embeddedness, and cumulative norm reshaping. Lawfare thus functions as a central mechanism through which the PRC translates material power into international influence under the constraints of a dense, institutionalised global system. At the same time, the case studies show the limit of Chinese lawfare's current reach. Its success depends on structural conditions within each governance domain, particularly the degree of institutional flexibility and the extent to which legal governance is coupled with security concerns.

6.4.1. Cross-domains patterns of Chinese lawfare

The applications of the sequential framework to the case studies in section 6 shows that across domains, Chinese lawfare exhibits three overarching characteristics.

First, it is fundamentally systemic rather than tactical. Individual legal actions, such as selective compliance, alternative legal interpretations, or institutional initiatives, are not isolated acts but components of a long-term strategy aimed at gradually reshaping expectations of legality and legitimacy. The PRC consistently operates across multiple stages of the lawfare framework, particularly in delegitimisation, norm redefinition, and institutional engineering. This pattern suggests an intentional effort to move beyond rule navigation toward rule transformation.

Second, Chinese lawfare is deeply embedded in legitimacy construction. Unlike coercive forms of power projection, legal strategies enable Beijing to pursue revisionist objectives while maintaining formal adherence to international law. This duality allows the PRC to contest existing norms without openly rejecting the system itself. In doing so, China does not seek to dismantle international law, but rather to reinterpret its meaning, recalibrate its application, and reshape its institutional foundations in ways that reflect its preferences and political model.

Third, the effectiveness of Chinese lawfare varies significantly across domains. In trade governance, favourable structural conditions, such as high dispute frequency and negotiable jurisdiction, have enabled the PRC to develop a relatively advanced alternative legal ecosystem. In contrast, domains such as maritime security reveal a more confrontational pattern centred on delegitimisation and norm contestation, with less institutional consolidation. Technology governance, meanwhile, illustrates a forward-looking dimension of lawfare, where China is actively attempting to shape emerging regulatory frameworks before global norms become entrenched. In this case however, the PRC has not yet succeeded in building alternative legal institutions or coalitions. This variation across domains: Table 6 underscores that Chinese lawfare is opportunistic and context-dependent, progressing most rapidly where legal opportunity structures are permissive.

Table 6: Assessment of lawfare progression

Dimension	Trade	Maritime	Technology
Delegitimisation of status quo	High	Very High	High
Norm redefinition	High	Very High	Medium-High
Institutional engineering	Very High	Medium	Medium
Rule implementation and diffusion	High	Low	Low
International support	Medium	Very Low	Very Low
Degree of alternative legal order formation	Emerging	Limited	Absent
Primary constraint	Incomplete diffusion	Regional resistance & security salience	Alliance coordination & security framing

6.4.2. Impact on the current legal international order

These patterns demonstrate that China is not uniformly reshaping the international legal order. Instead, it is selectively constructing zones of parallel legality where structural conditions permit, while facing significant constraints in domains characterised by strong security coupling and international cohesion. The PRC is thus not yet replacing the existing international legal order but is actively contributing to its fragmentation and pluralisation. In fact, Chinese lawfare has insofar not been conducive to the emergence of a new hegemonic legal system but contributes to the gradual transformation of the existing order into a more complex and pluralistic system. The challenge posed by Beijing is therefore not the outright replacement of the liberal legal order, but its incremental hollowing through the construction of parallel legality.

This is in line with the expectations set out by Power Transition Theory, for which rising powers rarely seek to overturn the existing order through direct confrontation. Instead, they pursue incremental strategies that allow them to accumulate influence while avoiding premature balancing by established powers. In a highly institutionalised international system, Chinese lawfare provides precisely such a mechanism: it enables the PRC to pursue its revisionist objectives within the language and procedures of legality, thereby transforming international law into a central arena of strategic competition.

Overall, this has two important consequences. First, legal pluralism is becoming increasingly entrenched. Parallel institutions, alternative dispute mechanisms, and competing interpretations of international law are likely to persist as structural features of a multipolar system. While this might not result into the collapse of the current international legal order, in the long run it allows the PRC to exercise international influence in the legal arena.

Second, effective responses require legal rather than purely political strategies. Since lawfare operates within the rules and institutions of the system, countering it demands institutional adaptation, normative renewal, and sustained legal engagement. Consequently, the long-term impact of Chinese lawfare will depend not only on Beijing's actions but also on the responses of other actors. The resilience of the existing order rests on its continued legitimacy, adaptability, and inclusiveness. Where the current system fails to address perceptions of bias or representation gaps, they may inadvertently create openings for alternative legal frameworks to gain traction.

China is not uniformly reshaping the international legal order. Instead, it is selectively constructing zones of parallel legality where structural conditions permit.

6.4.3. Interpreting Chinese lawfare trajectory

Beijing has invested heavily in norm reinterpretation and institutional adaptation, while progress in broader rule diffusion remains more limited and context dependent. This pattern is consistent with a strategy that prioritises expanding legal flexibility within existing governance structures while gradually developing institutional alternatives when and where advantageous. Rather than seeking immediate systemic disruption, China appears to be pursuing a more incremental approach that combines reinterpretation of existing rules with the selective creation of parallel legal mechanisms.

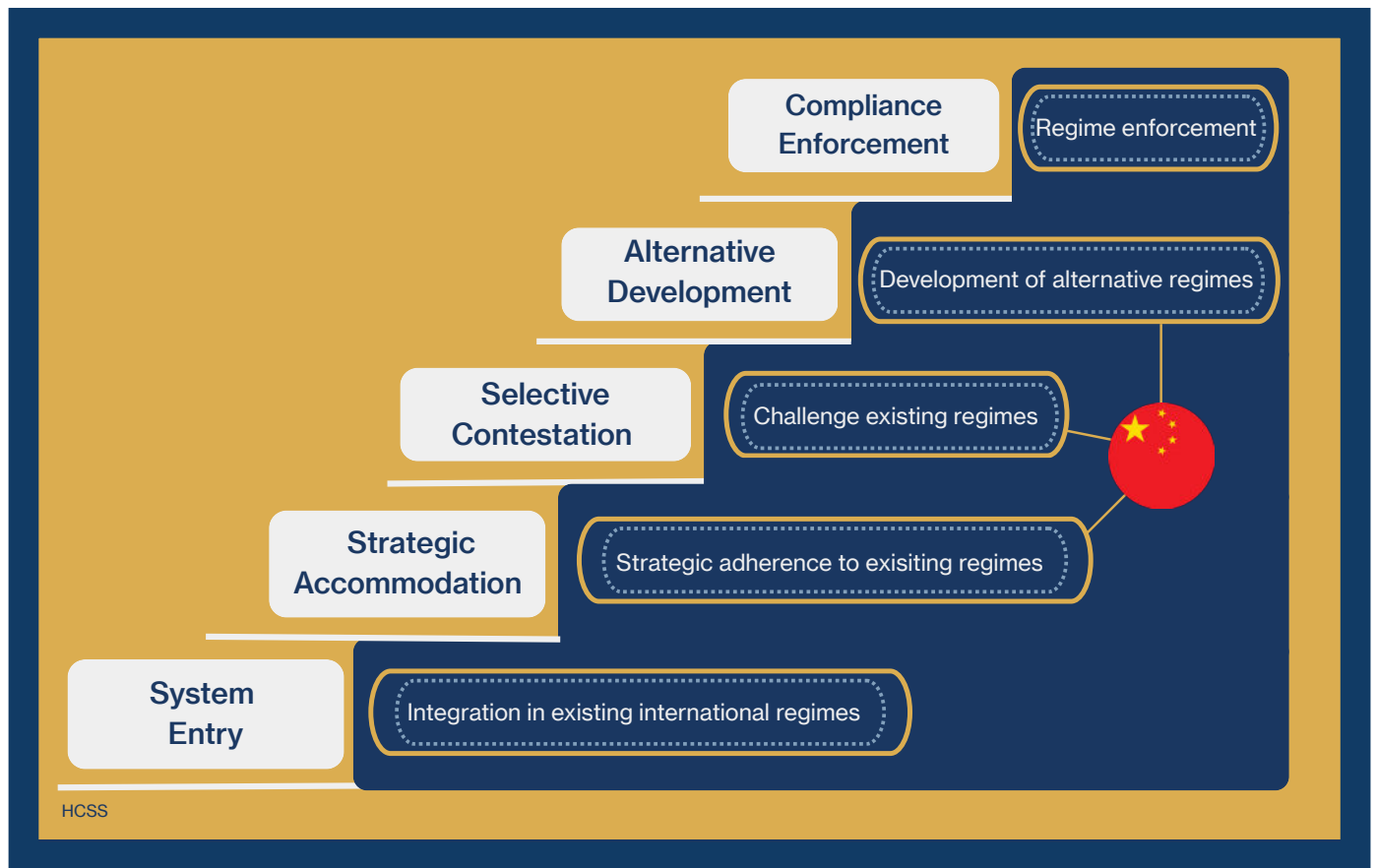
This has direct implications for debates about whether China should be characterised as a revisionist power. The findings presented here suggest that China's behaviour does not fit neatly into a binary distinction between a status quo and a revisionist actor. On the one hand, Beijing continues to operate within many established legal frameworks and frequently invokes the language of international law to legitimise its position. On the other hand, the pattern of norm reinterpretation, institutional experimentation, and legal capacity-building indicates a sustained effort to expand the range of legal practices compatible with Chinese interests. In this sense, Chinese lawfare can be understood less as an attempt to overthrow the existing legal order and more as a strategy aimed at gradually reshaping its interpretation and institutional foundations.

Looking ahead, the distribution of Chinese activity across the different dimensions of the framework suggests that future efforts are likely to focus increasingly on institutional consolidation and rule diffusion. As legal mechanisms associated with initiatives such as the Belt and Road Initiative mature, they may provide platforms for expanding Chinese influence over dispute resolution practices, technical standards, and regulatory frameworks. Whether these initiatives will significantly alter global legal governance will depend not only on China's continued investment in such mechanisms but also on the responses of other actors, particularly the European Union and its partners.

Currently, the PRC employs lawfare mainly as a tool of selective contestation and development of alternative regimes, while still selectively complying with existing institutions as shown in Figure 5.

Looking ahead, the distribution of Chinese activity across the different dimensions of the framework suggests that future efforts are likely to focus increasingly on institutional consolidation and rule diffusion.

Figure 5: The PRC Position in the Ideal-Type Model of Rising Powers' Positioning vis-à-vis the International Regime



7. Conclusion:

Strategic implications and lessons learned for Europe and the Netherlands

This report has shown that Chinese lawfare is an adaptive instrument of strategic competition through which the PRC exercises international influence. Rather than relying exclusively on overt legal confrontation, Beijing employs a calibrated mix of legislation, regulatory signalling, countersanctions, and normative positioning to shape the operating environment of foreign governments and companies.

This carries direct strategic implications for Europe and, specifically, for the Netherlands. As a regulatory superpower and a highly legalised political union, the European Union is particularly exposed to strategies that operate through legality, institutional embeddedness, and norm reshaping. The PRC's approach does not seek direct confrontation with the European legal order, but it leverages the openness, proceduralism, and rule-bound nature of that order to incrementally expand international influence. This creates a structural asymmetry: while the EU relies on law as a constraint and as a source of legitimacy, the PRC increasingly treats law as an instrument of strategic competition.

For Europe, this implies that great power competition is no longer confined to military or economic domains but unfolds within regulatory arenas central to the EU's very identity and power projection. Trade dispute settlement, investment screening, technology standards, and export control regimes are no longer neutral governance mechanisms; they are potential vectors of lawfare. In domains such as trade, Chinese institutional engineering through BRI-linked dispute resolution mechanisms may gradually reduce European firms' reliance on Western legal fora, especially in third markets, as demonstrated by the 2025 case of the Swiss firm who chose that CICC to resolve a dispute.¹³² Over time, this could erode the EU's indirect normative leverage in global commerce and fragment the universality of rules long anchored in WTO-centred governance.

In the technology domain, the implications are even more pronounced. The Netherlands occupies a structurally critical position in global semiconductor supply chains, hosting ASML

¹³² China Int. Commer. Court, "Top Court Helps Resolve \$10 Million Cross-Border Commercial Dispute."

and other high-end technology firms. As demonstrated in the case study, Chinese lawfare in technology governance combines delegitimisation, regulatory leverage, and market dependence to shape global outcomes without overt treaty revision. For the Netherlands, this raises questions about the vulnerability of export controls, intellectual property regimes, and corporate litigation exposure to legal pressure emanating from Beijing. Dutch firms operating in or dependent on the Chinese market may increasingly find themselves subject to regulatory coercion framed in formally legal terms, including anti-monopoly investigations, licensing requirements, or counter-sanctions measures.

Maritime governance presents a different but equally strategic dimension. As a major trading nation with a strong commitment to UNCLOS and freedom of navigation, the Netherlands has a direct interest in the integrity of maritime law. Persistent delegitimisation of UNCLOS rulings in the South China Sea, combined with selective compliance practices, risks normalising a fragmented interpretation of maritime rights. Even if geographically distant, such precedents can weaken the predictability of international shipping routes and undermine principles upon which Dutch and European commercial and naval strategy depend. If maritime law becomes increasingly contingent on power-backed interpretation rather than multilateral adjudication, small and medium-sized trading states such as the Netherlands are disproportionately disadvantaged.

At the EU level, Chinese lawfare also tests internal cohesion. Because lawfare operates incrementally and often below the threshold of overt escalation, member states may perceive Chinese legal initiatives differently depending on their economic exposure and political orientation. This creates opportunities for divide-and-rule dynamics within the EU, particularly when bilateral economic incentives are tied to legal cooperation frameworks. The PRC's preference for bilateral dispute resolution, regulatory dialogue, and targeted legal partnerships can weaken collective European responses and complicate efforts to maintain a unified legal and strategic posture.

Strategically, the key implication is that Europe and the Netherlands must treat legal governance itself as a domain of geopolitical competition. This does not require mirroring Chinese practices, but it does call for heightened legal awareness, institutional resilience, and coordination between trade, technology, and security policy communities. Defensive lawfare capabilities, like strengthened legal expertise in strategic sectors, coordinated litigation strategies, and proactive norm entrepreneurship in multilateral fora, become instruments of resilience rather than escalation.

The European response must also grapple with the tension between openness and strategic autonomy. The EU's credibility as a defender of the rules-based international order depends on continued commitment to multilateral legality. Yet preserving that order may require more assertive protection of critical technologies, more strategic use of regulatory instruments, and greater scrutiny of institutional engagements that could embed alternative legal norms. In times of eroding confidence in Western institutions, partly induced by Chinese norm contestation, the question is how the EU wants to position itself amidst US-PRC competition, specifically in the tech and trade domain. The EU has relatively little influence in comparison to the two superpowers and decreasing engagement with the US would risk economic security, which in turn could lead to increased Chinese assertiveness. For the Netherlands, whose prosperity is deeply tied to global trade and legal predictability, the stakes are particularly high: the gradual erosion or fragmentation of the international legal order would directly affect its economic model and strategic environment.

Chinese lawfare should not be overstated as an omnipotent tool. Its effectiveness depends heavily on fragmentation, uncertainty, and risk aversion among targeted actors.

Finally, European small and middle powers (SMPs) such as the Netherlands must also find a way to position themselves amongst eroding confidence in US-led legal institutions, the emergence of parallel legal systems, and accusations of double-standards. With Sino-American competition increasingly playing out through legal instruments, regulatory reach, and standards-setting, the EU's uncertain role in key areas such as technology governance and trade dispute ecosystems risks translating into reduced normative influence over time. European SMPs will therefore need to assess how to position themselves within the increasingly fragmented international order from a legal and regulatory perspective too. This might entail extend their engagement more proactively into alternative systems, reinforce their position within the existing US-led legal framework, or invest in the creation of an entire new system, recognising that all these approaches involve economic, legal, and geopolitical trade-offs.

At the same time, Chinese lawfare should not be overstated as an omnipotent tool. Its effectiveness depends heavily on fragmentation, uncertainty, and risk aversion among targeted actors. Where European coordination is strong, legal clarity is high, and public-private awareness is mature, the leverage of lawfare mechanisms diminishes significantly. Lawfare must hence be considered as part of a wider hybrid toolkit that the PRC employs and mainly viewed through the lenses of an increasing fragmented international order characterised by great power competition and the breaking up of traditional international regimes.

Against this backdrop, several factors are already reshaping Europe's position in the international order. Trump's second term in office and the shifting character of the transatlantic alliance push European states out of their comfort zone while the global balance of power changes amidst the securitisation of global supply chains, conflicts in Ukraine and the Middle East, and the growing agency of emerging middle powers. Europe thus faces an increasingly contested legal-strategic environment in which lawfare will likely become an enduring feature of geopolitical competition.

While it is in the interest of European actors to recognise and increase resilience to Chinese lawfare, the PRC's use of legal means to pursue international influence also offer lessons that Europe can learn and implement to position itself amidst a fragmenting international order. Such lessons include strategic dilemmas for Europe, which are addressed below through targeted recommendations.

1. Lesson: the PRC strategically reinterprets existing international law to advance geopolitical claims

A central feature of Chinese lawfare is the selective reinterpretation of international law to legitimise geopolitical objectives. For example, Beijing has sought to frame maritime claims in the South China Sea through historical rights narratives and alternative interpretations of UNCLOS provisions, while simultaneously rejecting arbitration outcomes that challenge its position. This approach allows the PRC to contest legal interpretations without formally rejecting the international legal order itself.

Dilemma for Europe: European policymakers face a dilemma between defending established interpretations of international law and maintaining diplomatic and economic engagement with Beijing. Responding forcefully to contested interpretations risks escalation and political friction, while passivity can allow alternative legal narratives to gradually gain legitimacy.

Recommendation: European governments should invest more systematically in legal diplomacy and interpretation strategies within international institutions. This includes coordinating positions among EU member states, supporting international litigation and arbitration where appropriate, and ensuring consistent European participation in legal debates surrounding maritime law, digital governance, and international trade. Strengthening legal clarity in these areas can help prevent incremental reinterpretations from becoming accepted practice.

2. Lesson: the PRC builds parallel legal and dispute-resolution institutions linked to its economic initiatives

Through initiatives such as the Belt and Road Initiative, the PRC has supported the creation of dispute resolution mechanisms and commercial courts designed to handle cross-border investment and infrastructure disputes. These institutions are often framed as efficient and business-friendly alternatives to established arbitration venues, gradually expanding Beijing's influence over the interpretation and application of commercial law in BRI-related contexts.

Dilemma for Europe: European policymakers face the challenge of remaining attractive partners for developing economies while maintaining high legal standards and judicial independence. If European institutions appear slow, fragmented, or inaccessible, partner countries may increasingly turn to Chinese alternatives.

Recommendation: Europe should strengthen the accessibility and global relevance of its own dispute resolution institutions. This includes improving coordination among European arbitration centres, supporting international legal cooperation with partner countries, and integrating legal capacity-building into development and infrastructure partnerships such as the Global Gateway initiative. Doing so would allow Europe to remain competitive in the provision of legal governance without compromising its legal standards.

3. Lesson: the PRC uses domestic legislation with extraterritorial implications as a geopolitical instrument

Chinese domestic laws, such as the Anti-Foreign Sanctions Law and export control regulations, are increasingly used to counter foreign regulatory pressure and shape corporate behaviour beyond the PRC's borders. These laws can place foreign companies operating in China in situations where compliance with Chinese law conflicts with compliance with European or US regulations.

Dilemma for Europe: European companies may face growing legal conflicts between regulatory regimes, forcing them to navigate incompatible legal obligations. European policymakers must balance the protection of corporate interests with broader geopolitical and regulatory priorities.

Recommendation: The EU should develop clearer frameworks for managing regulatory conflicts involving extraterritorial legislation. This could include strengthening existing legal instruments designed to shield European companies from conflicting sanctions regimes, improving guidance for firms operating in high-risk jurisdictions, and coordinating responses with international partners facing similar challenges.

4. Lesson: the PRC integrates technical standards and regulatory frameworks into its lawfare strategy

Beyond traditional legal institutions, the PRC has increasingly focused on shaping international technical standards and regulatory norms, particularly in emerging technological sectors such as digital infrastructure, telecommunications, and artificial intelligence. By influencing standard-setting bodies and embedding Chinese technical frameworks into international projects, Beijing can shape regulatory ecosystems in ways that favour Chinese firms and technologies.

Dilemma for Europe: European policymakers face the challenge of competing in highly technical standard-setting processes that often receive limited political attention but have long-term strategic implications. At the same time, Europe must balance industrial competitiveness with regulatory principles such as openness, transparency, and data protection.

Recommendation: The EU should treat international standard-setting as a strategic priority. This requires greater coordination between industry, regulators, and diplomatic actors, as well as increased support for European participation in international technical organisations. Aligning industrial policy with standards diplomacy can help ensure that European regulatory approaches remain influential in global technology governance.

5. Lesson: the PRC amplifies legal influence through coalition-building with partner states

The PRC's legal initiatives are often embedded in broader diplomatic and economic partnerships. By linking legal frameworks to development financing, infrastructure projects, and regional cooperation initiatives, Beijing can build coalitions of states that adopt or support Chinese legal approaches.

Dilemma for Europe: Europe faces structural challenges in building similar coalitions due to internal coordination difficulties and the complex distribution of competences between EU institutions and member states. Furthermore, European legal frameworks are sometimes perceived by partner countries as demanding or difficult to implement.

Recommendation: European policymakers should integrate legal governance more clearly into partnership initiatives with third countries. Providing technical legal assistance, supporting judicial capacity-building, and embedding legal cooperation into trade and development agreements can strengthen Europe's role as a provider of trusted legal frameworks. At the same time, improving internal EU coordination on external legal engagement will be essential for presenting a coherent European approach.

As legal instruments become increasingly central to geopolitical competition, Europe and the Netherlands must adapt by treating legal governance not merely as a framework for rules, but as a strategic domain in which resilience, coordination, and normative leadership will determine their long-term influence in a fragmenting international order.



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