



INFORMATION SERIES

Issue No. 519

April 4, 2022

Deterring China: A Victory Denial Strategy

Dr. Keith B. Payne

Dr. Keith B. Payne is a co-founder of the National Institute for Public Policy, professor emeritus and former Department Head of the Graduate School of Defense and Strategic Studies at Missouri State University, a former Deputy Assistant Secretary of Defense and former Senior Advisor to the Office of the Secretary of Defense.

Matthew R. Costlow

Matthew R. Costlow is Senior Analyst at the National Institute for Public Policy. He was formerly Special Assistant in the Office of Nuclear and Missile Defense Policy at the Pentagon.

The United States faces a deterrence challenge wholly unlike those of the Cold War – how to deter China, as a great power, from invading Taiwan. The United States and its allies confront a leadership in Beijing that has staked its legitimacy, to a large extent, on nationalism and the related promise of incorporating Taiwan into the political structure of the mainland.¹ The CCP leadership perceives this as an existential goal and failure to achieve unification as an existential threat. Correspondingly, China has worked for decades to shift the local balance of immediately-available military power for this purpose in its favor. Taiwan is significantly less militarily capable than China; its main ally, the United States, is geographically distant, and the extent of its deterrence commitment to Taiwan is intentionally ambiguous. Similarly, most U.S. allies in the region face the same problems of geographic distance and political sensitivities of interacting with Taiwan on defense issues. Finally, China's prospective aggression would likely be met by an "international community" – much of which is heavily dependent economically on trade with China. Under these circumstances, the United States may be able to deter China from deciding to resolve the Taiwan Question forcefully, but the challenge is severe.



INFORMATION SERIES

Issue No. 519 | April 4, 2022

What then are the U.S. political goals relative to the Taiwan Question? The United States cannot realistically expect to compel the CCP to end its aspiration to incorporate Taiwan into the mainland – doing so would be contrary to the CCP’s core identity and threaten the legitimacy of its rule. Successful deterrence in this case is limited to the U.S. political goal of continuing to prevent the CCP from deciding to forcefully eliminate Taiwan’s political autonomy, as is specified in the 1979 Taiwan Relations Act (TRA). Thus, the United States should state clearly, as it did in the TRA, that it is U.S. policy to support the continuation of the political status quo on Taiwan (neither supporting Taiwan’s declaration of independence as a sovereign state, nor being forced to unite with China under the mainland’s communist political system) i.e., deterring any forceful attempt to alter the status quo.

The United States, from China’s apparent perspective, is at a deterrence disadvantage over the Taiwan Question. The likely reasoning for that perspective is clear: China has greater stakes involved in the Taiwan Question, a favorable local balance of power, and, because the United States has eschewed defense of the homeland against great nuclear powers, the United States faces an existential risk if a regional conflict over Taiwan escalates to the level of nuclear threats. Consequently, the CCP appears to deem Washington to be less able and willing to threaten, engage in, or escalate a conflict to defend Taiwan than is China in its pursuit of unification. In this context, the credibility of any implicit or explicit U.S. deterrence threat to engage in an escalating conflict is likely to be suspect.

The U.S. supreme interest in avoiding an escalating conflict over Taiwan at virtually all costs must be apparent to CCP leaders and an avenue for successfully deterring the United States via coercive escalation threats.² Plainly stated, even if the current count of strategic nuclear forces favors the United States, the apparent larger number of U.S. strategic nuclear forces does not translate directly to U.S. deterrence advantage in the case of Taiwan. China’s perception of an asymmetry of stakes and its capability to threaten the U.S. homeland with devastating strikes may allow it, even encourage it, to engage in coercive nuclear threats against the United States and its allies if necessary to succeed.

The deterrence challenge for the United States is to adopt the deterrence strategy and capabilities needed to deny the CCP any plausible confidence in the potential for a local *fait accompli* that is secured by coercive nuclear escalation threats, and to instill in the minds of China’s leadership the credibility of U.S. deterrent threats. In short, the U.S. deterrence strategy must deny China the expectation that it has escalation dominance vis-à-vis the United States and allies regarding the Taiwan Question. Escalation dominance may be attributed to numerous possible deterrence conditions, e.g., an advantage in manifest will, stakes, determination, geography, temporal constraints, and local and/or broader military capabilities. Unfortunately, the CCP may, for understandable reasons, be confident that it has advantages that give it escalation dominance with regard to the Taiwan Question. It seeks and



INFORMATION SERIES

Issue No. 519 | April 4, 2022

needs these advantages to secure an existential goal, and thus is likely to be biased towards believing that it has them. In this challenging context, the U.S. deterrence strategy must now threaten to impose costs in response to China's prospective aggression against Taiwan that the CCP leadership would find more intolerable than a continuation of the status quo.

For deterrence purposes, it is of singular importance to remember that the CCP leadership will determine whether the "costs" threatened by U.S. and allied officials are sufficient to deter it from changing the status quo on Taiwan forcefully. That is, Beijing ultimately determines the adequacy of U.S. and allied deterrent threats, not Washington. The usual insular and stove-piped U.S. discussions of deterrence strategy and requirements that ignore this reality are more likely to be dangerous than enlightening.

In response to this deterrence challenge and the disadvantageous political and military conditions surrounding the Taiwan Question, the United States and its allies should adopt a new victory denial deterrence strategy, one that incorporates military and non-military deterrence tools, including some in the realms of diplomacy and economics. To support this deterrence strategy, the United States must deny the CCP any confidence in a regional *fait accompli*, i.e., deny the expectation of a quick local military victory, and any confidence that threats of escalation, including limited nuclear escalation, will provide the solution to the prospect of a local victory denied. This is a deterrence strategy to deny China escalation dominance; it is not a strategy for U.S. escalation dominance or pretending that escalation dominance is within the U.S. grasp in this case for the foreseeable future.³ Notions of U.S. strategic nuclear superiority and "victory"—and the deterrence dominance that could, in theory, follow from such capabilities, are implausible. But the conditions needed to deny China its notions of victory, and the deterrent effect that could follow from a victory denial deterrence strategy, are likely the best plausible option for U.S. officials to strive for with regard to the Taiwan Question.

More specifically, U.S. deterrence threats to China must convey three distinct but related messages: that the United States has the will and capabilities necessary to support its political goals; China's victory, either locally or via escalation threats, is improbable and risky; and, even if China were to achieve a local military victory, the price it would pay in doing so would be far greater than the hurt involved in enduring a continuation of the status quo. Why may a victory denial deterrence strategy be adequate in this particular case? The answer is clear: the CCP has resorted to nationalism as a primary rationale for its rule. In doing so, it has elevated successful unification with Taiwan as an existential goal—if attempted forcefully, failure would be a wholly intolerable repudiation of the legitimacy of CCP rule. This reality may provide great motivation for the CCP to escalate to win any such conflict, but it also provides a point of great CCP deterrence vulnerability and deterrence leverage for the United States, i.e., a U.S. victory denial deterrence strategy carries tremendous potential leverage for effective deterrence, without demanding the condition of U.S. escalation dominance. The U.S.



INFORMATION SERIES

Issue No. 519 | April 4, 2022

deterrence advantage in this context is exploiting China's perception that being denied victory in a conflict over Taiwan would be an existential threat to the CCP leadership's ruling legitimacy. A victory denial deterrence strategy is not unprecedented. The United States employed just such an approach to deterrence against Moscow during much of the Cold War—a history the United States can build on to adapt to current requirements.⁴

In this context, a victory denial deterrence strategy to prevent conflict mandates: the conventional forces necessary to deny China's expectation of a *fait accompli*; the spectrum of regional and strategic nuclear forces needed to deter China's prospective threats of limited and large-scale nuclear escalation; and, to buttress the credibility of U.S. deterrence threats in response to CCP escalation, active and passive defenses, including homeland and regional missile defenses sized to defeat limited nuclear coercive threats or attacks. At the conventional military level, a victory denial deterrence strategy includes the requirement for U.S., Taiwanese, and allied forces that can be employed rapidly and are resilient enough to stalemate an invasion force—whether quickly or over a lengthier period of time through defense-in-depth. At the possible nuclear level, the United States must deploy the numbers and types of weapons deemed necessary to deter a range of possible threat scenarios—including China's limited regional nuclear threats and limited or large-scale strategic nuclear threat options. Consequently, a victory denial deterrence strategy requires, at a minimum, the continued modernization of the U.S. strategic nuclear arsenal according to the current program of record to secure deterrence at the strategic level. And, to strengthen the U.S. non-strategic regional deterrence position, the United States should remain committed to fielding low-yield nuclear weapons on strategic missile-carrying submarines, low-yield precision strike capabilities for the bomber force and non-strategic, dual capable fighter aircraft, and to the nuclear-armed, sea-launched cruise missile (SLCM-N) on both surface and sub-surface vessels.

In addition, the credibility of any U.S. deterrence strategy requires that the risks involved for the United States not be manifestly out of balance with the stakes in contention. Consequently, a condition the United States must create to make a victory denial deterrence strategy most likely to succeed is a system of damage limitation that does not depend on U.S. nuclear escalation—i.e., active and passive homeland defenses. With the current state of technology, a homeland missile defense system that is capable of denying any and all missile strikes by China may not be technically or financially feasible. Nevertheless, a U.S. homeland missile defense system and passive defenses that are capable of defeating limited strategic nuclear coercive threats and strikes (e.g., protection against the spectrum of nuclear effects⁵) may be feasible and sufficient for victory denial deterrence purposes, given additional investments. In the past, missile defense advocates, including Herman Kahn and Colin Gray, emphasized the value of U.S. missile defense for the credibility it could provide for U.S. nuclear escalation deterrence threats. In this case, however, the value is in helping to deny China any expectation that *it can wield credible limited nuclear first-use escalation threats*.



INFORMATION SERIES

Issue No. 519 | April 4, 2022

The U.S. ability to defeat a limited missile attack on the U.S. homeland would help to eliminate the CCP's capacity to threaten the U.S. homeland with coercive limited strategic nuclear escalation – doing so may be essential to the credibility of a deterrence strategy that denies the CCP the anticipation of escalation dominance. In the absence of the capability to defeat limited strikes, U.S. deterrence threats are likely to be incredible if the CCP calculates that the United States will be paralyzed by China's limited first-use nuclear threats or employment for fear of continued escalation – recall that the Taiwan Question now becomes an existential threat to the United States only in the context of such an escalating conflict. A U.S. defensive system in this case would be intended to limit the damage to the United States that China could threaten to inflict via limited nuclear first use strikes, and thereby minimize the coercive value the CCP leadership may otherwise attribute to limited strategic nuclear escalation threats – threats and possible strikes designed to signal the ability to inflict more damage if the CCP's demands that the United States concede are unmet. Such a homeland missile defense capability could provide the needed credibility of U.S. deterrence threats in some scenarios by demonstrating the United States could limit damage to itself, thereby helping to control the risks to the United States, while continuing to threaten China with intolerable "harm." The value of such a system, in addition to the greater safety for the U.S. population from limited or accidental missile strikes in general, would be in its potential to help deny China confidence in its potential coercive nuclear threats and associated theory of victory – thus strengthening the U.S. deterrence position to prevent war.

This range of U.S. and allied conventional, nuclear, and defensive capabilities is within the realm of possibility and is not inconsistent with established U.S. policy guidelines regarding Taiwan, nuclear weapons, and missile defense. Indeed, the TRA and other U.S. extended deterrence commitments worldwide essentially now demand this U.S. deterrence posture. U.S. and allied officials, however, must realize that given the combination of China's stated existential stakes in a conflict over Taiwan, plus its advantage in the local balance of military forces, military-oriented deterrence threats *alone* may now be insufficient to deter conflict. To be clear, the CCP leadership appears to have a healthy respect for U.S. military capabilities and may even greatly fear its destructive power in principle, but possible inadequacies in that military power vis-à-vis China and doubts about U.S. will may combine to create a U.S. deterrence position that is incapable of deterring China from resolving the Taiwan Question forcefully if the CCP decides that force is necessary. Consequently, U.S. and allied officials should address possible military gaps and expand the "toolbox" of a victory denial deterrence strategy to include military, economic, and diplomatic tools. This process of coordinating various possible tools of state power to deter China may be understood as a real-world application of the Pentagon's newly announced expressions of "integrated deterrence."⁶

For example, a potential deterrence tool under the victory denial banner is the U.S. and allied pursuit of a "porcupine strategy" for Taiwan to deny the CCP any anticipation of a rapid *fait accompli* and brandish the prospects of the intolerable consequences of a drawn-out conflict



INFORMATION SERIES

Issue No. 519 | April 4, 2022

over Taiwan. A second potential tool is the development of a U.S.-led alliance structure or structures intended to help deter China in general, but also to help preclude the CCP's anticipation of a rapid *fait accompli*. A third possible deterrence tool available to the United States and its allies is the advanced preparation of a broad economic and financial package of sanctions, tariffs, and other monetary tools that could be used in a coordinated fashion internationally should China invade Taiwan. Finally, a fourth deterrence tool consistent with victory denial is a concerted effort to communicate to the CCP leadership the potential nuclear proliferation consequences of an attempted or even successful invasion of Taiwan.⁷ The United States could make it clear to the CCP that a direct consequence of its actions would likely be a far worsened nuclear threat environment for China given the natural possibility that currently non-nuclear states like Japan and South Korea would initiate independent nuclear weapon programs. The prospect of a much more dangerous nuclear threat environment for China—in combination with the other potential deterrence tools—could help to make an invasion of Taiwan a more intolerable option than accepting the status quo on Taiwan.

In summary, the CCP likely perceives it has advantages in the stakes, determination, escalation, local military balance, and geography. Not only is the CCP leadership likely confident that it has these advantages, but it is likely biased to dismiss or minimize U.S. and allied deterrence signals vis-à-vis Taiwan because it has based its ruling legitimacy on “unifying” Taiwan with the mainland. These conditions, local and beyond, are likely to provide the CCP with a level of confidence that it can deter the United States from seriously intervening to preserve Taiwan's autonomy or, if necessary, compel the United States to concede in an ongoing conflict by threats or employment of nuclear weapons.

A new victory denial deterrence strategy—if communicated and backed by the requisite conventional, nuclear, and active and passive defense capabilities, and economic and diplomatic tools—stands a chance of functioning in the face of this severe deterrence challenge, while limiting the risks to the United States that can otherwise undermine the credibility of any U.S. deterrence strategy. It must be added that a victory denial deterrence strategy also holds promise for other potential “flashpoints” around the world that threaten U.S. and allied vital national interests—including its increasing relevance to the United States and NATO given Russia's revanchist and expansionist military moves against Ukraine, and the potential for a future invasion of one or more neighboring states.

¹ For a good overview on this topic, see Joseph R. DeTrani, “The Long Path to the Current State of Sino-American Relations,” *Journal of Policy & Strategy*, Vol. 2, No. 1 (2022), pp. 23-39, available at <https://nipp.org/wp-content/uploads/2022/03/Analysis-DeTrani-2.1.pdf>; See also, Keith B. Payne, “Tailored Deterrence: China and the Taiwan Question,” *Occasional Paper*, Vol. 2, No. 1 (January 2022), available at <https://nipp.org/papers/tailored-deterrence-china-and-the-taiwan-question/>.



INFORMATION SERIES

Issue No. 519 | April 4, 2022

² On the possibility of coercive nuclear threats, see, U.S. Department of Defense, *Military and Security Developments Involving the People's Republic of China* (Washington, D.C.: Department of Defense, 2021), p. 116, available at <https://media.defense.gov/2021/Nov/03/2002885874/-1/-1/0/2021-CMPR-FINAL.PDF>.

³ For a discussion of U.S. limitations and China's military advantages see, Jared McKinney and Peter Harris, "Broken Nest: Deterring China from Invading Taiwan," *The US Army War College Quarterly: Parameters*, Vol. 51, No. 4 (Winter 2021), pp. 23-36.

⁴ For a discussion of a "victory denial" deterrence strategy as envisaged against Moscow during the Cold War see, Colin S. Gray, *Nuclear Strategy and Strategic Planning* (Philadelphia, PA: Foreign Policy Research Institute, 1984), pp. 75-76. A victory denial approach to deterrence is reflected, on a bipartisan basis, in U.S. policy initiatives since the mid-1970s. See also, Richard Nixon, *National Security Decision Memorandum 242* (Washington, D.C.: National Security Council, January 17, 1974), p. 2, originally Top Secret / Sensitive, now declassified in full, available at https://www.nixonlibrary.gov/sites/default/files/virtuallibrary/documents/nsdm/nsdm_242.pdf; and, Jimmy Carter, *Presidential Directive/NSC-59* (Washington, D.C.: The White House, July 25, 1980), p. 1, originally Top Secret, declassified in full in 2009, available at <https://nsarchive2.gwu.edu/nukevault/ebb390/docs/7-25-80%20PD%2059.pdf>; and, Ronald Reagan, *National Security Decision Directive 13* (Washington, D.C.: The White House, October 13, 1981), p. 1, emphasis added, originally Top Secret, declassified in full in 2017, available at <https://nsarchive.gwu.edu/document/20309-national-security-archive-doc-24-national>.

⁵ See for example, Department of Homeland security, *Electromagnetic Pulse Program Status Report*, August 17, 2020, available at, https://www.cisa.gov/sites/default/files/publications/emp-program-status-report_508.pdf. For a classic text on nuclear weapon effects, see, Office of Technology Assessment, *The Effects of Nuclear War* (Washington, D.C.: Office of Technology Assessment, May 1979).

⁶ The Biden Administration's *Indo-Pacific Strategy of the United States* calls for an "integrated deterrence" strategy for the Taiwan Question: "Integrated deterrence will be the cornerstone of our approach...to maintain peace and stability in the Taiwan Strait, including by supporting Taiwan's self-defense capabilities, to ensure an environment in which Taiwan's future is determined peacefully in accordance with the wishes and best interests of Taiwan's people. As we do so, our approach remains consistent with our One China policy, and our longstanding commitments under the Taiwan Relations Act..." The White House, *Indo-Pacific Strategy of the United States* (Washington, D.C.: The White House, February 2022), pp. 12-13.

⁷ See McKinney and Harris, "Broken Nest: Deterring China from Invading Taiwan," op. cit., p. 32.

The National Institute for Public Policy's *Information Series* is a periodic publication focusing on contemporary strategic issues affecting U.S. foreign and defense policy. It is a forum for promoting critical thinking on the evolving international security environment and how the dynamic geostrategic landscape affects U.S. national security. Contributors are recognized experts in the field of national security. The authors would like to thank the Sarah Scaife and Smith Richardson Foundations for the generous support that made this *Information Series* possible.

The views in this *Information Series* are those of the authors and should not be construed as official U.S. Government policy, the official policy of the National Institute for Public Policy or any of its sponsors. For additional information about this publication or other publications by the National Institute Press, contact: Editor, National Institute Press, 9302 Lee Highway, Suite 750 | Fairfax, VA 22031 | (703) 293- 9181 | www.nipp.org. For access to previous issues of the National Institute Press Information Series, please visit <http://www.nipp.org/national-institute/press/informationseries/>.

© National Institute Press, 2022