



# EXECUTIVE SUMMARY

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## Introduction

The basic nature of deterrence endures across time and place, but as U.S. policy now recognizes, the application of deterrence must be “tailored” to the specific opponent, occasion and context. A fundamental deterrence question now is: can the United States tailor its deterrence strategy to prevent the Chinese Communist Party (CCP) from deciding to conquer Taiwan and installing the CCP’s own repressive governing authority instead? For decades, to help achieve this deterrence goal the United States has pursued a general deterrence policy of “strategic ambiguity.”

In no other field is ambiguous signaling considered a useful means of shaping behavior. Yet, in this case, China’s leadership is expected to calculate that because the United States *might* respond very forcefully, it will *not* attack Taiwan rather than calculating that the United States *might not* respond so forcefully, and therefore it *can* risk attack. In short, ambiguity is expected to impose caution on the CCP rather than *invite* aggression.

The expectation that the uncertainty associated with ambiguity will *deter the opponent more than the deterrer* is the prerogative of the power that enjoys a deterrence advantage. If the state seeking to deter, in this case the United States, is *not manifestly advantaged* in its deterrent position relative to its opponent, there is *no reason whatsoever* to believe that *it will be any less deterred by uncertainty than will be the CCP*. Deterrence advantage does not necessarily imply military dominance, but an advantageous position in those various levers of power that can provide deterrent effect, including will, risk tolerance, determination, and military and non-military options. *In the absence of some form of deterrence advantage*, however, there is no logical basis for expecting the United States to be *more resolute* in an uncertain context than is the CCP.

## The Role of Uncertainty in U.S. Cold War Deterrence Policy

The optimistic presumption that uncertainty will contribute to, rather than undermine, deterrence has been an enduring theme in U.S. deterrence theory and policy. During the Cold War, once the Soviet Union acquired the capability to retaliate with nuclear weapons against the United States, the U.S. extended deterrence threat to escalate a conflict in Europe to a superpower thermonuclear war could hardly be considered reasonable for the United States given the potentially self-destructive consequences of nuclear escalation. This harsh reality essentially compelled the United States to rely heavily on Soviet uncertainty about possible U.S. behavior for deterrent effect rather than the logic of a U.S. nuclear escalation deterrent threat. The *possibility* of U.S. nuclear escalation, despite its illogic, and the uncertain risk/cost involved for Moscow inherent in that possibility, were expected to deter Soviet leaders.

As the Soviet Union continually expanded its nuclear and conventional forces, the United States sought to ameliorate the increasing illogic of its nuclear escalation deterrent threat on behalf of allies—and the corresponding increasing doubt about the credibility of that threat—by placing significant “tripwire” forces in Europe and integrating them with allied forces. This forward deployment of U.S. forces included thousands of nuclear weapons and, at the strategic force level, new planning for limited nuclear options (LNOs). The United



States took these steps in a bid to sustain the credibility of an extended nuclear deterrent threat built on uncertainty even as the United States lost its militarily dominant position. Sizable U.S. forces forward deployed in Europe and LNOs could not magically make an illogical U.S. nuclear escalation deterrent threat reasonable and credible, but they did provide “tangible evidence” of “the risk of escalation to total nuclear war.”<sup>1</sup>

### Deterrence via Uncertainty Now

Given the apparent great Cold War success of extended deterrence based ultimately on Soviet uncertainty, and the apparent past success of U.S. “strategic ambiguity” for deterring China from resolving the Taiwan Question forcefully, most commentators continue to assert essentially familiar narratives regarding deterrence as guidance for contemporary U.S. deterrence policy. However, the oft-neglected contemporary political background of the Taiwan Question is of paramount significance in this regard, and very different from the political background of the superpower deterrence engagement during the Cold War.

The key political background questions that must now precede U.S. consideration of how to deter and calculate the capabilities needed for deterrence involve CCP perceptions of cost and risk versus benefit: how does the CCP leadership define cost and what value does it place on changing the status quo on Taiwan? Does the CCP envisage a tolerable alternative to changing the status quo on Taiwan? And, how tolerant of risk is the CCP leadership likely to be when it makes decisions regarding the Taiwan Question? These are the first-order questions when seeking to understand the contemporary deterrence challenge confronting the United States.

For deterrence to function by design in any context, the opponent must decide that some level of accommodation or conciliation to U.S. demands is more tolerable than testing the U.S. deterrent threat. There must be this space for deterrence to work. Yet, China’s officials have stated openly that they have no room to conciliate on the Taiwan Question. The drive to integrate Taiwan with the mainland under CCP rule appears to be a matter of territorial integrity and regime legitimacy—*an existential requirement*. The CCP appears to have created for itself a *high-risk cul de sac* by elevating nationalism and the incorporation of Taiwan into China as *essential rationales for its legitimacy*.

Fundamental questions now must be asked: is there sufficient flexibility in the CCP’s goal and timeline for deterrence to operate in this case, even in principle? If so, does an uncertain U.S. commitment to support Taiwan, i.e., “strategic ambiguity,” now contribute to or degrade deterrence? Do old notions that uncertainty about U.S. actions provides adequate U.S. deterrence credibility remain useful guidance?

While during the Cold War the United States essentially continued to follow a deterrence strategy predicated on Soviet uncertainty even as U.S. military dominance vis-à-vis the Soviet Union faded, the United States also took costly denial and punitive deterrence steps to preserve its position—steps *that appear to be nowhere in sight in U.S. policy regarding Taiwan*. Perhaps more importantly, the United States never had to contend with a Soviet leadership that was driven by the nationalist myth that NATO territory belonged to Moscow and, as a matter of national integrity and regime survival, had to be recovered sooner rather

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<sup>1</sup> *NATO Handbook* (Brussels: NATO Information Series, February 1974), p. 16.

than later. Cold War extended deterrence did not have to carry such a heavy load. Indeed, the political background of the contemporary deterrence goal could not be more challenging—especially as the United States appears to be losing the military dominance that could, in principle, make its favored approach to deterrence coherent. In short, the United States now faces the unprecedented question of how, without existing or readily apparent forms of deterrence advantage, to deter an opponent who may perceive an existential risk in *not* violating U.S. deterrence redlines.

The United States, understandably, would like to continue enjoying the benefits of effective deterrence via uncertainty without expending the effort now needed to sustain a credible deterrent position, but the past circumstances that allowed this U.S. approach to deterrence are not a U.S. birthright. The United States took extensive and expensive steps to help preserve its deterrence position during the Cold War even as it lost military dominance. However, unlike in the Cold War, and in the absence of any comparable steps, the United States appears now to face a foe that is virtually compelled by the political context to challenge the U.S. position, by force if necessary.

### **A Changing Correlation of Forces and Contemporary Deterrence**

Nuclear weapons will, without doubt, cast a shadow over any great power confrontation, and the potential effects of that shadow on the Taiwan Question may be significant, even decisive. Unlike the U.S. extended deterrent to many allies during the Cold War that included the threat of nuclear escalation, the United States does not have any apparent nuclear umbrella commitment to Taiwan and no bloody history of national sacrifice for Taiwan. And, while the Cold War extended deterrent was accompanied by the U.S. deployment of large numbers of “tripwire” forces and thousands of forward-deployed nuclear weapons to buttress its credibility, the United States appears to have no serious “tripwire” forces on Taiwan and has eliminated virtually all of its forward-deployable, non-strategic nuclear weapons following the end of the Cold War.

In contrast, China appears to leave open the option of nuclear first use with regard to the Taiwan Question and has numerous and expanding nuclear and non-nuclear capabilities to support, by threat or employment, the forceful resolution of the Taiwan Question, if necessary. The United States now faces the possible reality of an opponent with both local conventional force advantages and a nuclear escalation threat in the event of a conflict over Taiwan. China’s capacity to wield a nuclear escalation threat has profound implications for deterrence. The United States has existential stakes involved in the Taiwan question *only* in the context of an escalating conflict—a possibility it will likely seek strenuously to avoid. The United States must, correspondingly, deal with the caution that this nuclear context forces on Washington—it now is the United States that must face a possible nuclear escalation threat with no apparent deterrence advantages to mitigate its coercive effect beyond the capability to engage in a nuclear escalation process that could be self-destructive.

The CCP understandably expresses the view that it is not China but the United States that will be compelled to greater caution by the uncertainty and risks of this context. This may be bluster, but the United States must calculate whether it or China is the party more willing to risk great injury if the CCP decides to resolve the Taiwan Question forcefully. The potential for China’s nuclear escalation and its overriding determination given its stakes in this case

hardly point to greater apparent U.S. will to engage in a competition of threats, potentially including China's nuclear threats, in the absence of U.S. advantages that help to mitigate the risks for the United States.

For decades, the United States was the undisputed dominant power in the Taiwan Strait. The CCP could reasonably be expected to be cautious and thus deterred by uncertainty given the significant U.S. local and strategic power advantages. That U.S. dominance appears to be fading fast or has ended. Yet, the United States still appears to rely on uncertainty to deter—without now the deterrence advantages needed for that to be a credible deterrent option.

Unfortunately, the basic structure of the deterrence equation in this case appears to argue that ambiguity and uncertainty may not work in favor of the United States. In the absence of some U.S. deterrence advantage that is not now obvious, there is no apparent reason for the CCP to be more cautious in an uncertain context than the United States—and given the asymmetry of stakes involved, there is reason to expect the CCP to be less cautious than the United States. These are the harsh deterrence realities imposed by the context of this case, particularly its political background.

## What to Do?

Potential denial and punitive deterrence tools that the United States may be able to exploit are diplomatic, economic and military, and could be pursued simultaneously and in concert with allies. The task is to ensure that the CCP recognizes that a redline exists to deter its decision to attack Taiwan, and that the CCP calculates that violating the U.S. deterrence redline would *entail more intolerable consequences than would allowing Taiwan to remain autonomous*.

While diplomatic and economic deterrence measures have the potential to contribute to that CCP calculation significantly, an adequate U.S. deterrent position will likely require U.S. and allied capabilities sufficient to deny China any anticipation of a prompt military victory over Taiwan, a rapid *fait accompli*, and to deny China any expectation that its nuclear threats will paralyze U.S. and allied support for Taiwan if it is attacked. Doing so does not necessarily demand U.S. “escalation dominance” in this case—which likely is infeasible in any event; it does, however, demand that the United States and allies work to ensure that the CCP does not believe that China has escalation dominance. In short, the United States must foreclose a CCP “theory of victory” for the Taiwan Question.

Simply acknowledging the deterrence challenge facing the West is the needed first step. Unless and until the stark deterrence problem confronting the United States is recognized for what it is, any recommendations for restoring the U.S. deterrence position that call for serious rethinking and efforts undoubtedly will fall on deaf ears.

For decades, the United States has acted as if China would shed its appetite to reorder the world in its image—status-quo powers often cling to the self-serving belief that the rising non-status quo power will follow their preferred values, norms and behaviors. That clearly has not happened in the case of post-Cold War China.

If the United States is to deter by design in this case, it must recover a deterrence posture that addresses a context in which the opponent is committed to an existential goal in opposition to the U.S. deterrence redline, and has consciously sought to shift the correlation

of forces, including nuclear forces, to its advantage for the very purpose of defeating the U.S. deterrence position.

It is, however, an open question whether U.S. policy makers will recognize and respond adequately to the challenge now facing the United States and the demands for innovative U.S. deterrence thinking and actions that challenge now imposes on Washington. A key deterrence lesson from the Cold War that should now inform us is that the United States needs to recover a deterrence position tailored to the opponent and context if it hopes to deter by design vice luck. Previous generations of U.S. civilian and military leaders took extensive steps to help preserve an adequate deterrence position vis-à-vis the Soviet Union. The question is whether the current generation of U.S. leaders will take the steps necessary to do the same vis-à-vis China and accept the expense involved, or cling to fanciful notions of easy deterrence that are likely to fail in current circumstances.

### **A Victory Denial Deterrence Strategy for the Taiwan Strait**

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 *fait accompli* in the Taiwan Strait that is secured by coercive nuclear escalation threats. The U.S. supreme interest in avoiding nuclear escalation in a conflict over Taiwan must be apparent to CCP leaders as a potential avenue for deterring the United States via coercive escalation threats. Plainly stated, the apparently larger number of U.S. strategic nuclear forces does not translate directly to a U.S. deterrence advantage in the case of Taiwan. Rather, 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 escalation threats against the United States and its allies, if necessary to succeed.

The U.S. deterrence strategy to meet this challenge must be to deny China the expectation that it has escalation dominance vis-à-vis the United States and its allies. 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. 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 attempting to conquer Taiwan. That is, Beijing ultimately determines the adequacy of U.S. and allied deterrent threats, not Washington. The usual insular and stovepiped U.S. discussions of deterrence strategy and requirements that ignore this reality are more likely to be dangerous than enlightening.

### **Denying China a *Fait Accompli* and Escalation Dominance**

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 it is within the U.S. grasp. 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; that China’s victory, either locally or via escalation threats, is improbable and risky; and, that 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. military superiority and escalation dominance. The U.S. deterrence posture in this context would exploit 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.

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 homeland and regional missile defenses sized to defeat limited nuclear coercive threats or attacks.

### **Integrated Tools for Deterring War: Military, Diplomatic, Economic**

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 meet and stalemate an invasion force—whether quickly or over a lengthier period of time through defense in depth. At the level of China’s nuclear escalation

threats, the United States must deploy the numbers and types of weapons deemed necessary to deter a range of threat scenarios—including China’s limited regional nuclear attacks and limited or large-scale strategic nuclear attack 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 the nuclear-armed, sea-launched cruise missile (SLCM-N) on both surface and sub-surface vessels. To preserve deterrence, the United States should consider the need to expand its capabilities beyond the existing nuclear modernization program of record given: 1) China’s and Russia’s continuing nuclear buildups; 2) China’s and Russia’s aggressive and revanchist efforts to revise the international political order; 3) the coercive role that both China and Russia appear to envision for their respective nuclear capabilities; and, 4) the increasing cooperation between China and Russia to achieve their respective international goals. It is important to recall that the existing program of record was largely set in motion years ago, well before general recognition of these developments, and that it is long-standing, bipartisan U.S. practice to adapt deterrence strategy as needed to meet worsening threat conditions.

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 regional and 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, U.S. homeland defenses capable of defeating limited strategic nuclear coercive threats and strikes 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* nuclear first-use escalation threats.

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 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. active and passive defensive system in this case would be intended to limit the damage to the United States and allies 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 of U.S. surrender are unmet. Such defensive capabilities could provide the needed credibility of U.S. deterrence threats in some scenarios by demonstrating that 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.

This range of U.S. and allied conventional, nuclear, and defensive capabilities is within the realm of possibility and is not inconsistent with established policy guidelines regarding Taiwan, nuclear weapons, and missile defense. Indeed, the 1979 Taiwan Relations Act and 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."

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 raise the prospect of possibly intolerable consequences of a drawn-out conflict 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 preparation of a broad economic and financial package of sanctions, tariffs, and other monetary tools that could be brandished in a coordinated fashion internationally well before any invasion of 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. The United States could make clear to the CCP that a direct and natural consequence of its actions would likely be a far worsened nuclear threat environment for China given the possibility that currently non-nuclear states like Japan and South Korea would initiate independent nuclear weapons 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. It seeks and needs these advantages to secure an existential goal, and thus is likely to be biased towards believing that it has them.



Not only is the CCP leadership likely confident that it has these advantages, but it has every incentive 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.

A new victory denial deterrence strategy—if communicated and backed by the requisite conventional, nuclear, and defensive 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.

### **Denying China a *Fait Accompli*: A Potential “Porcupine Strategy”**

Preventing China from achieving an easy *fait accompli* with respect to Taiwan is an essential element of an overall victory denial deterrent. The objective is to make Taiwan “indigestible.” Doing this requires what often is described as a “porcupine” strategy, the goal of which is to make any military aggression against Taiwan prolonged and costly. A successful porcupine strategy at the local level is a necessary, but not sufficient, part of a victory denial deterrent. The broader strategic context must deny China any confidence in escalation (threatened or actual) to salvage a failing regional gambit. The deterrence goal is to create the conditions, locally and more broadly, in which China should be deterred at each threshold. Stopping an easy *fait accompli* is the first, local threshold and a key part of an overall victory denial deterrent. A victory denied locally could lead to internal dissent that would undermine the legitimacy of the CCP, and thus be a deterring prospect for the CCP. It is apparent that China’s officials are acutely concerned with internal dissent, especially if it leads to a popular movement within the country. To the extent possible, therefore, U.S. and allied officials could encourage CCP recognition that a failed or stalled Taiwan invasion is a great risk with a potentially existential cost. The prospect of this outcome could serve as a useful deterrent to China’s military action against Taiwan.

Such a porcupine strategy requires significant changes in Taiwan’s defensive approach which include reforming its acquisition policy to focus on procurement of the kinds of capabilities most useful to defending against and defeating an invasion of the island; adapting the organizational structure of its armed forces to be more resilient against China’s potential tactics; and, revising its doctrinal approach to provide for a comprehensive defense in depth of the island that acknowledges the prospect that an assault by China will likely be multifaceted, involving traditional kinetic and non-kinetic asymmetric capabilities. This means procuring sea mines; coastal defense cruise missiles (CDCMs); unmanned aerial vehicles (UAVs); unmanned underwater vehicles (UUVs); small patrol craft; and, mobile, land-based munitions. It also means procuring defensive capabilities that make the island less vulnerable to missile strikes, and employing information operations, including cyber warfare and other so-called “gray zone” tactics. Above all, Taiwan must assume a greater burden of responsibility for its own defense, and do so in a way that does not suggest to

either friends or adversaries a lack of resolve on the part of the United States (and possibly others) to come to Taiwan's defense, if attacked.

In addition to the actions Taiwan must take to improve its own defense capability, the hardening of U.S. assets in the region is also necessary, given the possibility that China might launch attacks on U.S. forces to prevent the United States from coming to Taiwan's defense. This includes strengthening U.S. active and passive defenses in the region to enhance deterrence by complicating any military action intended to degrade U.S. military capabilities. Moreover, stronger collaboration between Taiwanese forces and the U.S. military may bolster the defense of the island and thus strengthen deterrence. This should include greater senior-level engagement between U.S. and Taiwanese government officials, high-level contacts between U.S. military officials and their Taiwanese counterparts, and sharing threat intelligence information. A victory denial deterrent should also encompass non-military elements, including an international communications strategy and a diplomatic strategy. For example, strengthening the Quadrilateral Security Dialogue (Quad)—consisting of India, Australia, Japan, and the United States—through intensified military exercises, coordination, and cooperation would also contribute to deterrence by sending a strong message of opposition to an invasion of Taiwan.

### **Potential Diplomatic Tools for Deterrence: A Latticework of Mutually Supporting Relationships**

The contemporary challenges associated with deterring China from attacking Taiwan are more complex, and fundamentally more problematic, than those the United States faced in the Cold War. One major difference is the absence of a NATO-like alliance that was instrumental in deterring the Soviet Union. Cold War collective security alliances focused primarily on the Soviet threat and were a part of the U.S. defense and deterrence posture. And, indeed, were it now possible to construct a robust form of collective security for the Indo-Pacific along the lines of NATO, that would certainly help provide a strong bulwark against China's aggression.

Nevertheless, it is not clear that such security multilateralism is viable for the Indo-Pacific, at least not yet. Given the geography, historical relationships and animosities, and, most importantly, differences in the national objectives of the regional states, it is unlikely that the United States could now create an Indo-Pacific multilateral treaty organization similar to NATO. Attempts in the 1950s failed and the prospects to do so today appear even more uncertain. But there may well be opportunities for deepening existing, and creating alternative, alliance/partnership structures, both multilateral and bilateral, that include a commitment to the peaceful resolution of the Taiwan Question. If the United States and its allies fully exploit these opportunities as part of a victory denial deterrence strategy, it could increase the prospects for successfully deterring China's aggression.

While an appreciation for the magnitude and immediacy of China's military threats certainly *is* growing in the Indo-Pacific—and is indeed making possible a growing breadth and depth of regional security cooperation—it is far from clear that enough of a “demand signal” yet exists for a NATO-style collective security “Indo-Pacific Treaty Organization” (IPTO) to succeed. Many regional states that increasingly fear China and seek closer relationships with America appear nonetheless reluctant to “choose sides” against Beijing in

the overt way that an outright military alliance would imply. It is also the case that some of them have difficulties *with each other* that would make formalizing a NATO-style defensive architecture challenging.

Nevertheless, it is possible to build habits of effective security-focused collaboration through networks of formal and informal cooperation. Therefore, it should be the focus of U.S. regional foreign and security policy to build a cross-cutting latticework of separate and distinct but mutually supporting relationships that can help weave the Indo-Pacific into a stronger cooperative fabric of security cooperation against China's threats.

This agenda should include a strong emphasis upon security sector capacity building. Such capacity building would be essential. Not only would it help regional countries build autonomous national capabilities that make them more resistant to China's coercion and more able to defend themselves, it also would make regional forces more *interoperable*—i.e., augmenting their ability to work together, including with the United States, if they need to do so in a future crisis.

The growing U.S. strategic relationship with Vietnam may offer substantive prospects for future joint security efforts to deter aggression in the South China Sea and could have broader implications affecting Beijing's Taiwan calculations. While encountering significant political and trade obstacles in recent years, the overall forward trajectory of the bilateral relationship has continued in both the economic and, to a lesser but still important degree, military spheres. As with Vietnam, India may offer the prospect for closer security ties that could affect China's calculations over Taiwan. India has long been considered a potentially important partner in countering China's presence and influence in the Indo-Pacific region. While there is little prospect that New Delhi would play a direct role in deterring an attack on Taiwan, India's nuclear and missile force is structured with the goal of deterring Beijing from using large-scale military force against India. Others in the region share both the threat perception of China and the need to deter Beijing's expansion in the region, including its use of force against Taiwan.

Working with regional allies and partners can add to the credibility of the U.S. deterrence position and influence China's perception of the costs/risks of military aggression. The American deterrence message may be strengthened in this regard by expanding security dialogues and defense cooperation with key allies. As with the NATO experience, regular higher-level consultations on China's unprecedented nuclear buildup should seek to assure allies and signal to Beijing the collective will of the alliance partners not to be coerced into accepting aggression against Taiwan. Public summit-level statements and joint communiqués emphasizing allied resolve to act against the use of armed force may affect CCP thinking about the potential costs of its actions. The United States should undertake a diplomatic campaign advocating a strong, public deterrence message with non-treaty regional partners, and should also seek to promote the deterrence message in broader multilateral fora, such as the Quad and within the Association of Southeast Asian Nations (ASEAN).

In addition to strengthening deterrence through declaratory statements, the United States and select allies should take material steps to demonstrate the resolve and the capability to act jointly in the event of China's armed aggression. An important element in a victory denial deterrence posture is to deploy and sustain in the region the necessary military capabilities, conventional and nuclear, to counter the decade-long buildup of China's forces i.e., to help rebalance the local correlation of forces. For the United States, this requires

an enhanced presence of military assets in the Indo-Pacific to offset the wide-scale qualitative and quantitative expansion of China's military. Given China's large-scale missile deployments, U.S. missile defenses and a countervailing missile force would add greatly to the perception of both resolve and capability essential to deterrence.

In addition to building ever closer defense relations with treaty allies through greater interoperability, operational exercises, and joint deployments, the United States can begin to lay the groundwork for a broader and more capable collective defense framework in the Indo-Pacific. While deep-seated historical and complex current political conditions still present a substantial challenge to this goal, the growing perception and reality of China's threat across the region may in time overcome these impediments sufficiently to permit the establishment of a future multilateral collective security structure.

In sum, for deterrence of China to have the best chance of success, U.S. leadership with current and potential allies in the diplomatic, political, and military fields is essential. Close consultations—perhaps leading to an “Article V”-type security commitment with Australia and Japan—and increasingly integrated military planning and exercises, can make clear that deterrence is the first priority for key U.S. allies. A latticework approach to weaving webs of economic, trade, diplomatic, technological, cultural, academic, and other relationships among the democracies can play a powerful complementary role in building “connective tissue” among Indo-Pacific partners in ways that will, *by definition*, help undermine Beijing's agenda of building a new global order around itself and CCP authoritarianism.

With sustained and credible U.S. leadership, China will have to plan on U.S. allies and partners responding collectively to aggression against Taiwan, raising the costs and uncertainties, and strengthening the prospects for a victory denied to the CCP and thus U.S. deterrence success.

## Potential Economic Tools for Deterrence

Economic tools can be valuable elements in a victory denial strategy that helps to strengthen America's deterrence position in the Taiwan Strait. The United States has a plethora of economic, financial, trade, and investment tools, including the use of sanctions, that can be used to apply pressure in those areas where China's economy is vulnerable and to penalize China for aggressive behavior. Brandishing sanctions alone is likely to be an insufficient deterrent, though doing so would complement an integrated approach to a victory denial strategy.

For sanctions to have a useful effect on China's decision making, they must target what the CCP values and will likely need to be in effect for a prolonged period of time, most likely years. This could lead to U.S. and allied “sanctions fatigue” and a desire to avoid extensive economic disruptions by abandoning sanctions before they have full effect. However, China's leaders must be convinced of U.S. seriousness and must not perceive sanctions to be a transitory phenomenon that will be reassessed, eased, or lifted by subsequent U.S. administrations without acceptable CCP behavior. Although the United States has the ability to implement sweeping sanctions on China unilaterally, the effect of sanctions will be magnified if more U.S. allies and partners join in this approach. Growing European recognition of the danger posed by China may be leveraged to build support for sanctions and economic penalties that have significant impacts on Beijing. In addition, America's Asian

allies increasingly express concern over China. A sanctions strategy should provide disincentives for companies to invest in China's market while offering prudent alternatives that cause greater economic discomfort to China than to themselves.

The imposition of sanctions may lead China to retaliate against U.S. companies. Therefore, the U.S. government—as part of an integrated strategy—should work with private sector entities in the United States and American companies operating abroad to mitigate in advance the impact of any retaliatory actions directed against U.S. economic interests. Doing so can help insulate the U.S. economy from potential negative consequences of China's reaction and, by minimizing U.S. economic vulnerabilities, can help strengthen the credibility of overall U.S. deterrent threats.

China is involved in numerous supply chains that affect U.S. companies and the American consumer, including solar panels, lithium batteries, pharmaceuticals, and rare earth minerals. Disruptions in these markets may trigger greater near-term hardship to the American consumer than to China's population and may be seen by Americans as unacceptable. But the United States should take action in advance to prepare for such disruptions and to convince China's leaders that such market disruptions will be more painful for Beijing than for Washington.

Decoupling China from international trade institutions would be an overt and powerful signal to Beijing that its unwanted behavior will have detrimental effects. Moreover, although past efforts have not resulted in major successes, reducing investments in China's economy, reducing supply chain dependence on China, punishing its intellectual property theft, and mapping the economic interests of those who are part of the CCP leadership and tailoring sanctions and economic tools to those individuals and their personal economic interests would all help build credibility in the minds of China's leaders that the United States has the resolve to act. The United States should also consider ways to offset China's exploitative "Belt and Road Initiative" by expanding its economic relationships with countries feeling the pressure of Beijing's predatory lending policies.

In addition, China relies heavily on semiconductor chips produced in Taiwan and a CCP desire to control the supply of Taiwanese chips—as well as to deny them to the West—could make an invasion scenario appear attractive to the CCP leadership. As part of a cost-imposition strategy to deter China's aggression against the island, Taiwan could threaten to destroy its own semiconductor facilities if China attacks Taiwan, essentially immobilizing China's high-tech industries and imposing severe, long-term economic costs on China.

Above all, the United States must formulate an approach that capitalizes on the strength and resiliency of the U.S. economy, which remains a more productive engine of economic, technological, and social progress than that of China. An economic strategy that combines the various measures discussed above with elements of an integrated approach to deterrence may prove valuable in restoring American dominance and deterring China's military action against Taiwan.

### **The Potentially Detering Prospect of Proliferation**

The CCP leadership follows closely nuclear weapon-related developments in states around its periphery as well as in the United States. Should China invade Taiwan, the resulting degraded U.S. extended deterrence credibility and the need to halt further aggression would



likely lead to nuclear proliferation consequences that could cause a dramatic shift in China's nuclear threat environment. Some non-nuclear weapon states threatened by China are likely to fundamentally reassess their security requirements and reconsider their nuclear status. This unavoidable potential for horizontal nuclear proliferation—especially among non-nuclear states around China—is a reality that U.S. and allied officials should communicate to the CCP leadership for deterrence purposes. Current non-nuclear weapon states, including Japan, South Korea, and Australia, might all consider pursuing a nuclear weapons capability in response to an invasion attempt—especially if that attempt involved China's coercive nuclear threats or employment against the United States. The fact is that an invasion of Taiwan could lead to unpredictable and long-lasting nuclear risks for China. Brandishing this natural consequence of a CCP decision to attack Taiwan could be an important element in a victory denial deterrence strategy. Although not an element controlled or created by the United States, U.S. and allied officials could communicate to China the likely nuclear proliferation danger it would almost certainly provoke if it were to invade Taiwan.

A successful invasion of Taiwan could also lead to further vertical nuclear proliferation—qualitative and/or quantitative expansion of existing nuclear arsenals—in the United States, Russia, India, and potentially others. They may view a newly-empowered China—especially one that perhaps successfully employed nuclear coercive threats against the United States and its allies—as a growing danger that prudently requires hedging through growth in nuclear arsenal sizes and capabilities. Thus, U.S. and allied officials should make clear to the CCP leadership that there would likely be horizontal and vertical proliferation consequences of an invasion of Taiwan, resulting in a decrease in China's security. When combined with other potential victory denial deterrence threats, the threat of nuclear proliferation may contribute to a CCP leadership decision to endure the costs of the political status quo on Taiwan versus provoking potentially greater costs through invasion.

