Alliance Options for Responding to a Taiwan Crisis

Abstract

On Thursday, February 10, 2022, Sasakawa USA’s US-Japan NEXT Alliance Initiative held a bilateral dialogue focusing on alliance options for responding to a potential Taiwan crisis. This not-for-attribution event welcomed around 15 American and Japanese experts from government agencies, think tanks, universities, and involved former government officials and military officers. Mr. James Schoff, Senior Director of Sasakawa USA’s “US-Japan NEXT Alliance Initiative” moderated the dialogue. The discussion focused loosely on two hypothetical Taiwan crises and can be broadly summarized into the following three themes: (1) aligning U.S.-Japan strategic objectives; (2) U.S.-Japan options and priorities before a Taiwan crisis; and (3) U.S.-Japan options and priorities during a Taiwan crisis.

Introductions

In his introductory remarks, Mr. Schoff described that the dialogue would involve two independent scenarios where China has initiated a Taiwan-related crisis: (1) a coercive military campaign; and (2) a gray zone assault. Then he set the stage by presenting a few key questions including how the U.S. and Japan can and should align their strategy for responding to China’s (People’s Republic of China or PRC) moves; what diplomatic, economic, informational, and military tools the U.S. and Japan might employ; how the U.S. and Japan assess their strategic options; and whether the U.S. and Japan response to Chinese military pressure toward Taiwan should be proportional or asymmetrical (e.g., diplomatic and economic).

Discussion

Theme 1: Aligning U.S.-Japan Strategic Objectives
A Japanese participant pointed out that the U.S. and Japan must consider how ambitious their strategic objectives should be following a Taiwan crisis, and he provided two examples. In his first case, if the allies’ objective is to return the situation to the status quo ante, the first phase of their response could be relatively passive and proportional, but vocal and visual from Beijing’s perspective. The second case could see U.S. and Japanese policy makers seeking a more ambitious political objective after the crisis (e.g., abandonment of one-China policy or some other substantive change). In his case, the allies could conceal their real intent to defend Taiwan in the first phase of the crisis, while marshalling resources and then launch a surprise counter-offensive. He remarked that if the U.S. and Japan want to shape the future course of Chinese action, the two countries might choose to utilize the actual crisis in order to deliver a strong lesson.

A responding American agreed that the two countries might not want to let a good crisis go to waste, but he also mentioned that getting the Chinese to restore the status quo ante might be ambitious and difficult enough. This participant added that the U.S. and Japan must first develop greater clarity on their strategic objectives (i.e., what are the two countries trying to achieve? What are they trying to prevent? What kind of effect do both countries desire to have on Beijing?). He stated that—among other objectives—the U.S. and Japan would probably agree that no one wants a nuclear exchange with China or an armed attack against Japan. While pointing out that China would probably be expecting a tepid and inconclusive U.S. response to their initial moves, a key question would be in how the allies could induce enough distress in Beijing without also inducing escalation, vertical or horizontal.

Another American emphasized that it is important for the U.S. to share its own objectives with key partners and allies (Japan in particular). He stated that the U.S. currently does not have a sufficient strategy to articulate, which is causing confusion among the primary allies such as Japan and Australia.

A Japanese participant described that Japan could assure the U.S. use of military bases in Japan to defend Taiwan against attacking Chinese forces. He added that Japan believes a Taiwan contingency is also a Japanese contingency, and if a crisis happens Taiwan could be destroyed, and Okinawa and Kyushu might follow. The member added that there might be a different sense of seriousness regarding a Taiwan contingency among the allies because the U.S. homeland would be safe while Japan would definitely face more significant physical and strategic consequences. He emphasized that deterring Chinese adventurism is the primary Japanese objective.

An American focusing on the end result raised the question of what would be the new status quo even if the U.S. and Japan were “successful” in the Taiwan Strait? Utilizing the example of Ukraine and Russia, he asked whether the U.S. and NATO would be worse off with a new status quo (e.g., deployment of U.S. and NATO forces in Ukraine after the ongoing war). The expert reminded participants that so-called positive outcomes might not be so positive in the long run, and that it is important to think through potential consequences carefully.

**Theme 2: U.S.-Japan Options and Priorities Before a Taiwan Crisis**

From a security standpoint regarding U.S.-Japan preparation, an American specialist pointed out that the U.S. and its allies have done little to alter their structure and preparations to meet the new security environments (e.g., U.S. bases in Northeast Asia and Guam have changed little over the decades and now lie within range of Chinese missiles). He added that the scope of Japan’s 2015 security law allowing Japan to exercise a limited collective self-defense right seems too narrow, and U.S. forces in Japan are not of sufficient size or capacity to fight effectively with Japan (in a combined way). He recommended that the U.S. and Japan should begin now to develop an ability to integrate alliance forces at the tactical level. Japan is currently considering the establishment of a joint command headquarters, as part of its broader review of defense strategy. This specialist urged the U.S. to create a counterpart, a type of operationally capable command structure in Japan (or in conjunction with Indo-Pacific Command), so that the two countries’ forces
can start developing common plans and operational procedures, sorting out what the two countries can and cannot do together in order to make their collective self-defense as strong as possible.

A Japanese member emphasized that the number one priority prior to a crisis should be to establish deterrence power, and he advised that the U.S. and Japan work together to deploy a medium-range missile capability as soon as possible. He also supported Japan’s possession of its own medium-range missile with a conventional warhead, which could contribute to the alliance’s combined deterrence power.

An American participant supported the idea of strengthening deterrence, but he thought that instead of deploying missiles in anticipation of a problem, the U.S. and Japan should be ready to deploy their more capable offensive assets at the earliest signs of the PRC acting in a destabilizing way. He emphasized that a rapid deployment of these assets in the beginning could be a stronger form of deterrence for the U.S. and Japan, without escalating tensions in advance.  

From an economic perspective, an American member recommended that the U.S. and its allies should adopt a more forceful approach to economic statecraft just before and throughout a potential crisis, including both covert and explicit actions such as preventing certain economic transactions from China. Washington and its allies should also work to identify those who might profit or benefit from interrupting Chinese economic activities, and then use this information to enlist the support of those who might not be directly involved in the crisis.

Two American specialists agreed with these recommendations concerning economic statecraft. The first specialist stated that unless the U.S. and Japan have a preponderance of force available, they must take an asymmetrical approach utilizing the whole-of-government powers. Economic measures should be considered swiftly, because this is a unique comparative advantage for the United States, though economic measures need to be taken hand-in-hand with any U.S. and allied diplomatic and military actions. A wholistic government approach coordinated with allies will maximize options available during the crisis, ideally deterring China from sparking a Taiwan crisis in the first place.

A Japanese member added that the U.S. and Japan should consider financial sanctions against China early, before entering into war. The exclusion of China from the SWIFT system could have a deterrent effect due to its disruptive effect on China. He also pointed out that Australia, Taiwan, the Philippines, and especially South Korea, which similar sized defense budget as Japan, should be a part of the U.S. and Japanese vision for a Taiwan crisis response.

From an intelligence perspective, an American member advocated for more collaborative work to understand the personnel structure of the Chinese civilian and PLA leadership and their networks of trust (e.g., how Xi Jinping receives and evaluates information; and whom he trusts when preparing his decision making). If more effort is made to understand Chinese civilian and PLA leadership structure and processes, the allies can better prepare their information and influence campaigns prior to a crisis.

Regarding the issue of signaling to China, an American expert reminded the participants that the greatest leverage lies within the network of alliances (e.g., bilateral, but also QUAD, AUKUS). China is concerned that the U.S. and its allies are working together at every point along the spectrum, during peacetime and beyond. If China believes that the U.S., Japan, and potentially Australia will and can work together to defend Taiwan, it represents great potential deterrence. The expert believes that Washington and its allies have not yet sent this signal to China effectively. Overall, China assesses that U.S. capability across the board is declining, and he noted a popular phrase in

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1 Another American member also suggested that there is room to co-develop a new anti-ship cruise missile and to offer this missile for sale or transfer to Taiwan.
China that, “the East is rising, the West is declining.” More recently and increasingly, many in China are writing that the U.S. will not come to Taiwan’s defense, suggesting to him that the U.S. and its allies must do a better job signaling their ability and will to the Chinese.

Three American specialists stressed the importance of Taiwanese resiliency. One introduced the concept of “Hedgehog” or “Porcupine” strategy for Taiwan, and the others offered ideas for enhancing Taiwan’s resiliency to sustain a prolonged diplomatic or kinetic fight. Possible steps including stockpiling food supplies and other necessities, alternative power sources like generators and solar power backup, critical infrastructure hardening, redundancy, and part supply storage, among other tactics. The U.S. and Japan can support this approach through a civilian framework of natural disaster response and preparedness, knowing that this support can also be useful in a military crisis scenario with China.2

Another specialist offered the idea of building up a resilient and capable military reserve force in Taiwan. Such a reserve force, with allied help, can demonstrate Taiwan’s resolve and allied support for the government in Taiwan. A third expert added an idea for the creation of a civilian territorial defense force, noting that the U.S. government has repeatedly recommended that Taiwan study the examples of other countries. Taiwan has sent delegations to Israel, Singapore, the Baltic States, Finland, and Sweden, but it has not taken actual steps in that direction.

One more American expert lamented the fact that—in his view—the current U.S. ability to communicate closely and effectively with the Taiwan government and coordinate on the activities suggested above is limited. Official communication with Taiwan tends to be scripted, shallow, and intermittent. Others emphasized that the U.S. and Taiwan must go beyond the current level of preparing for a crisis, and these efforts could potentially involve Japan. Of course, some noted that the Taiwanese cannot expect others to do more than Taipei is willing to do itself, so the allies should encourage Taiwan’s leadership to move in this direction, with reassurance that the allies are prepared to support from the outside.

In response to the moderator’s question regarding a gray zone assault, one American participant frankly expressed his dislike of the term. The gray zone is a PRC term, and China wants as big a gray zone as possible to maneuver against the national interests of other countries in ways that are below the threshold of conflict and political sensitivity. Minimizing the gray zone reduces the areas of uncertainty that can be used by China to delay a U.S. response. A good example is in the U.S. response to Ukraine before the Russian invasion. This member also urged the U.S. to make its intentions very clear and act demonstratively, regardless of a gray zone, or not.

A Japanese specialist commented that it would be a mistake for Americans to think that a Taiwan contingency would likely be a gray zone operation. If China moves against Taiwan, it might take aggressive steps such as cutting undersea cables, assassinating Taiwanese leaders, and claiming that most in Taiwan are seeking China’s help while insisting the issue is domestic. China might also spread fake news to suggest acceptance with a new Beijing-backed government. He suggested that if the U.S. and Japan do not express the will and capacity to defend Taiwan now, China will likely search for an opportunity and initiate aggressive actions.

**Theme 3: U.S.-Japan Options and Priorities During a Taiwan Crisis**

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In response to Schoff’s opening questions, a Japanese participant explained that Japan must perform operations based on current domestic legislation, and there are three ways to do this when a crisis occurs. The first is to set up a logistical support operation to assist the U.S., the second is exercising Japan’s limited collective self-defense right, and the last is exercising Japan’s right of individual self-defense. The member described that these three kinds of operations are calibrated based on the threat to Japan. He also asked, “If a Taiwan crisis happens, is Australia going to fight with the U.S. shoulder to shoulder?”

Four American counterparts responded to this question and collectively agreed that the U.S.-Australian security partnership was robust, and that Australia would be a part of any allied response. But they also recognized that nothing is certain and that once a crisis occurs, countries including Australia will conduct their own strategic assessment, acting together when their own strategies become aligned. There will be a period of strategic assessment in each capital, although prior dialogue can help reduce the time it takes to make a collective decision.

An American participant commented that it is important to understand the PRC’s objectives regarding the course of a military campaign, and the triggers that might cause its military action, the scale of the action, and how politically committed is the ruling Communist Party. If the spark for the crisis developed from internal issues within China, it will be much more problematic for the U.S. and Japan because the Chinese will be externalizing their internal problems, which are very difficult to affect. An external stimulus would be easier to address. Participants generally agreed that if the PLA is seen to be taking the lead in the crisis, then it can be assumed that political decision makers in Beijing are viewing the problem through a military prism.

Some participants noted that the allies’ evaluation of their options will depend in part on the severity of Chinese actions and hints about what might come next. Would the U.S. and Japan see the China’s initial move as the opening in a series of escalating steps, or more as a test to gauge allied and global reaction? The U.S. and Japanese response should be designed to raise the likelihood that the Chinese will back off, rather than move ahead. While the U.S. and Japan should avoid framing their response as a public ultimatum, which would limit Xi Jinping politically, one U.S. specialist thought that the allies could subtly signal something credible that Xi does not want to see happen. This could include potential outcomes such as a nuclear armed Japan without constitutional constraints on its military, or a significant expansion of the U.S. military presence and weapons systems (in Taiwan and/or Japan). This expert did not suggest the U.S. and Japan should try to stimulate a color revolution inside China or formally recognize two Chinas, but he suggested a combination of creativity and speed could put the Chinese on a back foot (e.g., allowing Chinese intelligence to intercept a video meeting where President Biden and Prime Minister Kishida discuss the transfer of nuclear weapons to U.S. bases in Japan).³

The moderator asked what steps the U.S. and Japan should prioritize now, either before a military incident occurs or what might be recognized as a sustained strategic change by China. Specifically, he asked how the allies can balance between strengthening deterrence effectively without escalating the situation in the eyes of China. He cited the concept of the poison frog strategy (i.e., to make oneself obviously difficult and painful to consume), which was recommended as the result of a war game conducted by the Center for a New American Security (CNAS).⁴

Following the moderator’s brief description of the CNAS war game, an American member made two points. First, it is very difficult to deter an adversary once the escalation process has started. In the case of a small Taiwan island seizure, there should be immediate demonstrative support from the allies based on general agreement in advance.

³ The specialist listed other examples such as THAAD missile defense deployments in Japan, ROK, and Australia; the loss of access to critical imports – semiconductors and energy and raw materials; greater Taiwan independence and international recognition, among others.

For example, the deployment of U.S. military assets to Japan can send a powerful message to China. It is very difficult to unwind something to which the CCP has already committed because they cannot afford to lose face. The second is, if things do not go well or according to plan from a Chinese perspective, they might escalate the fight horizontally. At this point, the U.S. and Japan will find a potential connection to the Senkaku islands where they can collaborate. He emphasized that the two countries must make it totally clear to China that horizontal escalation will not be tolerated, and that the allied response will be rapid. He affirmed that this strategy must be thought out and broadly discussed between the U.S. and Japan first, and later on with important partners such as Australia.⁵

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The US-Japan NEXT Alliance Initiative is a forum for bilateral dialogue, networking, and the development of joint recommendations involving a wide range of policy and technical specialists (in and out of government) to stimulate new alliance connections across foreign, security, and technology policy areas. Administered by Sasakawa Peace Foundation USA (Sasakawa USA) and led by Senior Director Jim Schoff, the goal is to help improve the alliance and how it serves shared interests, preparing it for emerging challenges within an increasingly complex and changing geostrategic environment. Launched in 2021, the initiative includes two overlapping lines of effort: 1) Foreign & Security Policy, and 2) Technology & Innovation Connections.

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⁵ This American member continued to present a view on horizontal escalation in China’s action. Initially, China might make a reinforcing action, without mobilization, as a statement of commitment. China might also reinforce the border with India to demonstrate to others that it is prepared to escalate horizontally. In addition, the Chinese reinforcement of the border with North Korea will put pressure North Korea to reinforce the DMZ. This Chinese reinforcement sends a message to the U.S. that U.S. forces in South Korea cannot be used for the Taiwan problem or to support Japan. These two initial reinforcement actions will most likely be taken quickly if the PRC plan does not go well in Taiwan. The PRC understands that they must stay ahead of the escalation curve, therefore, the U.S. and its allies will view the Chinese mobilization as a next step if the Taiwan situations becomes deteriorated from a Chinese perspective.