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The Day After

Planning for China Scenarios that Profoundly Alter the Strategic Environment

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THE DAY AFTER: Planning for China Scenarios that Profoundly Alter the Strategic Environment

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Abstract

This work examines the strategic implications of the incorporation of Taiwan into the People's Republic of China (PRC) under three scenarios: (1) The U.S. does not come to Taiwan's defense; (2) The PRC forcibly incorporates Taiwan following a significant but limited conventional war in which the U.S. comes to Taiwan's defense but ultimately fails; and (3) The PRC incorporates Taiwan after a war escalating to a nuclear exchange with the US. The article concludes that the long-term strategic implications of a PRC incorporation of Taiwan for the US and global democratic order are grave and that it may be in the US national interest to militarily come to Taiwan's defense, even if it causes significant loss of life and expenditure of resources, and even if that defense ultimately fails.

Introduction

A key responsibility of strategic planners, whether in business or government, is to anticipate and think through the consequences of major events or other transformations in the environment in which the organization operates. For the United States, increased displays of military aggression by the People's Republic of China (PRC) toward Taiwan, and credible indications of the desire of the PRC Communist Government to incorporate Taiwan into its national territory (whether by force or otherwise) before the end of President Xi Jinping's third term in office in 2027 (Ripley, et. al, 2021), makes it important for the US to think through the dynamics and consequences of a struggle over Taiwan and its aftermath.

It is reasonable to assume that the US military spends significant effort thinking through such a crisis, concerning the period leading up to the incorporation of Taiwan into the PRC, whether by military force or otherwise, and how a military conflict associated with such a crisis might play out, including how the US might participate in such a military contest, in conjunction with like-minded partners in and beyond the region, if called upon to do so. The December 9,

2021, diplomatic flip from Taiwan to the PRC by the Sandinista government in Nicaragua (Choi, 2021), and the commitment of then Honduran presidential candidate Xiomara Castro to do so, before her November 2021 election (Ardon, 2021), adds to the sense that Taiwan is running out of international partners, and perhaps time. Yet for all of the focus on the possibility of a crisis or even war over Taiwan, there is almost no discussion among policymakers or scholars of an equally fundamental long-term issue: What comes after possible incorporation of Taiwan (whether leading to military conflict or not) and what does it mean for the global strategic environment? The incorporation of Taiwan into the PRC is the "elephant in the room," a prospect however undesirable, that is increasingly possible, and thus needs to be thought through...not from perspective of whether or not it is a good thing or how it can be resisted, but from the viewpoint of what it means for the US and the region if it occurs. Such thinking also requires an analysis of what the US and its partners can do now to not only prevent that possibility but also to prepare for it if, despite their best efforts, it cannot be avoided.

This article, written for US strategic planners and policymakers, focuses on that question.

Taiwan Incorporation Scenarios

Although there is a myriad of different scenarios for how Taiwan could come to be incorporated into the PRC, for analytic purposes, this work separates them into three groups:

- The US allows the PRC to incorporate Taiwan after a minor, or no conflict;
- The US loses a major air and naval battle to the PRC over Taiwan, then accepts PRC's forcible incorporation of the island state; and
- A US-PRC fight over Taiwan escalates to a limited nuclear war, followed by US acceptance of PRC forcible incorporation of Taiwan.

This work does not argue that any of these three are the *most likely* outcomes of such a conflict, nor the way that a US administration *should* proceed. Rather, it aims to stimulate US thinking about how such events would transform the strategic environment, to help the US to begin to prepare for such eventualities in the highly undesirable event that they occur.

Scenario 1

US allows the PRC to incorporate Taiwan after a minor, or no conflict

The 1979 Taiwan Relations Act (H.R.2479, 1979) obliges the U.S. to sell Taiwan military goods and otherwise help it to provide for its defense, but there is no treaty legally committing the US to fight for Taiwan's sovereignty if the PRC invades it. The US generally recognizes that it is in its strategic interest for the PRC to believe it might come to Taiwan's defense if the PRC were to invade the island. Indeed, the US has sought to provide assurances regarding its intention to come to Taiwan's defense, including President Biden during the current crisis ("White House Backtracks," 2021). Yet as the capabilities of the People's Liberation Army (PLA) grow, and the indefensibility of Taiwan's position without active US support becomes clearer, uncertainty increases about whether or not the US would voluntarily put tens of thousands of its personnel at risk to defend Taiwan. Indeed, US acquiescence to a PRC takeover of Taiwan is implicit in every US official qualification of its commitment to defend the island (Finnegan, 2021). The U.S. pullout from Afghanistan, allowing the rout of the government it so long supported (McLaughlin, 2021) has increased doubts about US commitment to a partner when the cost of that commitment is high.

There are multiple ways in which such a scenario might play out, with different consequences for US credibility in the world that it led to. In the context of a crisis, Taiwan might come to understand that the US and other allies such as Japan, Australia, the UK, and the European Union were not coming to its defense. Faced with a hopeless defense of the island which would potentially result in the deaths of thousands of its citizens and the destruction of its economy, Taiwan might choose to effectively surrender or negotiate terms with the PRC. Such a scenario would be most advantageous for the PRC since it would not have to incur the potentially enormous cost of a military operation to take over Taiwan. Through its propaganda, it could portray Taiwan's "surrender" to the world as an act of voluntary unification. Although the nature of that choice would likely be bitterly debated for years, it would minimize the fear of, and bad will created toward the PRC in the international community that a blatant PRC invasion of the island would create. It would also maximize the PRC's ability to incorporate Taiwan's population, economic and technological structure, instead of having to rebuild it. Indeed, it would facilitate PRC access to much of the expertise and capabilities contained within the Taiwanese military, intelligence community, and government, which would be selectively incorporated.

The alternative to such a "peaceful" PRC takeover, would be varying levels of resistance, and possibly a major conflict. Despite the capability, determination, and professionalism of the Taiwanese armed forces, it is possible, that resistance could be limited if the PRC, through intelligence activities or another treachery, were to convince key commanders to surrender, rather than engage in a futile fight to the death with their Chinese brothers.

On the other hand, it is possible, that some level of resistance could persist within Taiwan itself, possibly including attacks on the Chinese mainland, for some time, perhaps with assistance or encouragement from the international community. A sustained international boycott of the PRC or limited sanctions by some actors might be expected, although others would find the pragmatism to continue doing business with the PRC. Such resistance, and the level of fighting and associated damage, would shape how

long it took the PRC to incorporate Taiwan. Those questions and the depth and persistence of international sanctions would determine whether the fight generated an economic crisis that fiscally and economically weakened the PRC and (at least temporarily) its ability to continue on its path of global growth.

Whether Taiwan was incorporated without a fight or following some level of resistance, the PRC would perceive the outcome contemplated in scenario one as an indication of the success of its current strategic approach, and a confirmation of the weakness and unwillingness of the United States to confront the PRC in largescale military terms, encouraging aggressive PRC action elsewhere. The result would almost certainly consolidate the absolute political power of Xi Jinping within China vis-à-vis his political rivals such as the Jiang Zemin faction of the Party. It would also likely encourage greater boldness within the CCP, the Peoples Liberation Army leadership, and likely fuel or enable expanded Chinese nationalism at a popular level which would further reinforce PRC boldness in its foreign policy and other actions.

For China's neighbors, including Japan, Korea, Australia, India, and others, the effective US abandonment of Taiwan would trigger expanded fear of the PRC. mixed with disillusionment toward the United States accompanied by a strengthened the heels of the Afghanistan perception, on withdrawal and other actions, that the US could not be counted on to defend them either, against the PRC or other aggressors. As a consequence, Japan might be motivated to begin formally developing its nuclear capability, as well as motivating India to expand its nuclear arsenal. Such an outcome would also likely trigger Japan, India, Austria, and possibly others into race to expand their defense capabilities, contributing to significant strategic instability in the region.

Some smaller states in the Indo-Pacific would likely incorporate themselves in a much more compliant fashion within the PRC sphere of influence, perceiving that counting on the US to defend them was not a realistic option. The PRC might become more assertive concerning its claims over international waters, such as that represented by the "9-dash-line," and associated oil and other resources.

Its expanded confidence, coupled with concerns over follow-on conflict with Asian rivals such as Japan, or the EU or the United States, might encourage it to become more aggressive with the militarization of reefs and shoals in the South China Sea and the East China Sea, or the activities of its Coast Guard or Maritime Militia in contested waters. It would, of course, also consolidate its treatment of the Taiwan straits, as a territorial sea. The new power configuration would also likely produce a crisis within the Association of Southeast Asian Nations (ASEAN), among other alliance and multilateral structures in the region.

The course of post-Taiwan relations in Asia would also be shaped by whether any of those actors contributed to a fight against the PRC. While significant military commitment by Japan, Australia, the EU, or other actors in the absence of a US role in the conflict is unlikely, certain actors like Japan or Australia might sufficiently contribute to Taiwan's defense, including providing intelligence to lethal Taiwanese operations, positioning forces to hold PRC assets at risk, or even engaging in combat with the PLA resulting in significant casualties, so as to leave a

strengthened PRC with "scores to settle" in a post-Taiwan environment.

Within Russia, the outcome would fuel multiple competing impulses. On one hand, it would potentially strengthen interest in aligning with the PRC, which would be seen as the clear victor against a perceived weak and unreliable US.

At the same time, however, the conflict's outcome would also deepen Russian fear of China's power and associated Russian vulnerability in areas like Siberia, Central Asia, and globally.

The perceived US display of timidity before Chinese aggression and intimidation could also likely invite more bold action by Russia in the Middle East, Africa, and elsewhere in the world.

Such bold action might include Russian activities with governments hostile to the US in Latin America and the Caribbean, such as possible military support to and projection of forces to Venezuela, Cuba, and Nicaragua, among others.

Such possible dynamics notwithstanding, the immediate effects of scenario one would likely be a

strategic "pause" accompanied by much debate about China, both at the popular level and within governments globally. Some, particularly within the EU, as well as smaller and left-oriented governments such as New Zealand, might argue that the incorporation of Taiwan satiated China's expansionist ambitions and that friendly outreach to the PRC was called for to replace the legacy of conflict with a new opportunity for harmonious coexistence. Those taking a more skeptical position toward the PRC and what had occurred, on the other hand, would likely warn of the dangers of "appeasement," drawing parallels to Nevil Chamberlain's accommodations of Hitler at Munich in 1938.

During the initial period of "strategic pause," the PRC might be expected to restrain its aggressive actions and increase assurances regarding its peaceful intent while waiting to see how the reaction of the US and others played out. Doing so would have the added benefit for the PRC of giving alliances among Western countries time to fracture over uncertainty in understanding PRC intent.

Within the PRC, some would likely argue for the resumption of bold action to exploit US timidity and the uncertainty of the broader international community before a consensus developed against China. Others within the PRC might counsel caution, drawing on analogies such as the US responses to Pearl Harbor and the 9-11 terror attacks to suggest that the US is historically deliberative in responding to an emerging threat but capable of acting decisively against a perceived adversary once it reaches a consensus.

In Latin America, the Caribbean, Africa, and the Pacific, the "disappearance" of Taiwan would likely lead to a scramble by governments that previously diplomatically recognized the ROC to "get on the right side" of a triumphant Beijing. That orientation, accelerated by fear of the vindictive style of the PRC toward those who don't cooperate with it, would propel a rapid advance of PRC deals and MOUs with those countries, many of whom are politically aligned with the US. Indeed, a significant amount of expanded Chinese influence through MOUs would occur close to US shores, in the Caribbean, where five of the 12 countries currently recognizing Taiwan are

located. In the race to placate Beijing, the US position in, and relationships with those governments would suffer.

In all parts of the world, the US failure to defend Taiwan would likely invite more defiant or aggressive actions by other regimes resistant to the United States, including among the growing number of populist authoritarian and other leftist regimes in Latin America such as Venezuela, Bolivia, Argentina, Mexico, Cuba, and Nicaragua, among others.

Scenario one could also spawn a crisis within NATO and the EU, as some member states came to doubt the willingness of the US to come to their defense even in the context of treaty obligations, while others, such as France, considered the PRC victory in the context of their nation's and companies' economic interests in the Chinese market, consequently advocating for making a "separate peace" with the PRC.

After the previously noted "strategic pause," the increased confidence inspired in China's leadership by its victory, and the expanded nationalism sewn in its people, might accelerate the timetable in which the PLA sought to expand its global military footprint,

including establishing logistics facilities or bases in the Arctic, Antarctic, and the Western Hemisphere. Indeed, the PRC incorporation of Taiwan might accelerate its timetable for the expansion of military capabilities, calculating that its triumph had alarmed the West, increasing the inevitability that, over the long run, it would have to fight it.

Scenario 2

US loses a major battle over Taiwan, then accepts its forcible incorporation by the PRC

The impacts of this scenario would arguably be more mixed than those of Scenario one. The US willingness to militarily defend Taiwan in Scenario two would arguably sustain or increase the confidence of other actors in Asia and NATO regarding the US commitment to defend them as well, even while it sewed fears that the US was not completely capable of doing it.

Indeed, depending on how badly the US lost the conflict, those other states might worry that the US was now less capable of defending them due to its expenditure of considerable resources, munitions, and the loss of a large number of important military assets in the conflict with China.

Depending on the balance among such competing calculations, some Asian countries might thus be motivated to rally around the US more defiantly against the significant military threat demonstrated by China. They might also be more motivated to increase their intelligence, technical, and operational cooperation against the demonstrated but now

weakened Chinese threat, and accelerate the build-up of their capabilities to do so.

As a caveat to such calculations, the US decision to stop the fight and cede Taiwan to China, possibly to avoid escalation to nuclear war or a protracted fight is seen as unwinnable, would also leave an element of doubt within those actors over US commitment.

Because the outcome likely would have involved the US loss of multiple aircraft carriers and other major naval combatants, the end of the conflict might imply the effective neutering of US combat power from Southeast Asia, and possibly the withdrawal of some US forces whose defense had become unsustainable. or potentially by agreement with the PRC as part of the cessation of hostilities. It is possible, that the US could be obliged in a peace treaty with a victorious PRC to agree to withdraw certain types of assets from the theater, whether air defense systems, missiles, or nuclear arms. The continuation of a US presence in Korea, Japan, and Australia, in South such circumstances, would be an important strategic question.

The posture of other major powers in the region such as Japan, Korea, Australia and the EU following such a conflict would possibly be reduced as well, both by possible combat losses during the initial hostilities, and as a result of any withdraw or redeployment obligated by the indefensibility of their remaining position, or as part of the agreement terminating hostilities

The combination of the changed US and allied position in virtually all variants of Scenario two in the near to mid-term would be the Chinese military, and by extension political, the dominance of the Indo-Pacific.

In economic terms, the Chinese economy and fiscal position would likely be substantially weakened. Other states, such as the European Union, Japan, Korea, and the US might significantly decrease economic interaction with the PRC, and become far more cautious regarding permitting Chinese companies on their soil. Such effects would be particularly pronounced if Chinese commercial entities, particularly telecommunications, software, and eCommerce companies, played a role as a "fifth

column" in the Asian or other theaters. Overall, thus, the economic impact of the conflict would likely be a substantially weakened China, with diminished resources and options to engage globally, although its incorporation of Taiwan would, over the long term, might help it out in important ways in the commercial and technology spheres.

Beyond China as well, it is likely that the conflict postulated in scenario two would be enormously disruptive to the global economy. As seen during the 2007 global financial crisis and the 2020-2021 Covid-19 pandemic, such negative impacts and their global propagation would be magnified by the high levels of commercial, financial, and other interdependence between the PRC, the US, the EU, and other global actors. International logistics and supply chains, banking, and other areas would be left in a state of severe shock, possibly giving rise to cascading crises in select economies and sectors around the world. In the process, as seen during the Covid-19 pandemic, that economic upheaval would further poverty, crime, fiscal crises, and social unrest bringing about significant political change in the context of a "China" model" demonstrated to be both triumphant and threatening.

The outcome of the conflict would also have strategic consequences far beyond Asia. In the short term, the severity of US and allied losses in Asia would likely affect their force posture in other theaters.

At the same time, the demonstration effect of the PRC victory would, as in Scenario one, affect the boldness of other geopolitical and regional rivals such as Russia and Iran.

If the termination of hostilities effectively involved a geopolitical "quid pro quo" such as a withdrawal of US and NATO forces from Asia in exchange for PRC commitment not to project military power into Europe or the Western Hemisphere, it would significantly undercut US and EU political and economic relationships in Asia, while potentially giving rise to a new US/NATO versus China military competition in other areas including Africa, the Middle East, and Central Asia, among others.

Overall, even more than in Scenario one, the PRC would feel the pressure in the post-Taiwan world to accelerate its military buildup, understanding that it had provoked, yet not eliminated, the US, and in the process, set the stage for a possible later rematch between the PRC, and a re-armed US, possibly with a larger array of international allies at its side, fearful of the expanded power of the PRC.

Beyond Asia, the new race for military supremacy would arguably drive the PLA to openly pursue basing agreements and explicit military alliances in these areas in ways that they had previously refrained from doing so.

In the context of the new competition and ceded "spheres of influence," some relationships would likely be either deepened or profoundly damaged based on whether or not they had joined the US against the PRC in the prior war fight. These might include relationships with countries in the Western Hemisphere, some of whom would have chosen to remain neutral or pro-PRC in consideration of their economic interests. Reciprocally, it might include others, such as Colombia or Brazil, whose support to

the US in the fight would open up new options for security partnerships, arms sales, technology, and information sharing with it.

Beyond the effects of the agreement ending hostilities, and the impact of the choices made by each actor in the fight, the demonstration effect of the PRC military victory and the PRC acceptance of it might lead some states (particularly anti-US populist regimes) to sign military access or alliance agreements with the PRC. As a counterbalance to the likely tendency toward China's accelerated militarization and aggressiveness globally, the PRC desire to now demonstrate to the world its peaceful intentions, its sense of being militarily, economically, and politically overextended due to the conflict, and the PRC impulse to caution in such circumstances, not to further provoke the United States, might lead it to move slowly in exploiting its new basing, deployment, and military exchange opportunities, whether in the Western Hemisphere or elsewhere.

As occurs in all major conflicts, the outcome of the engagement with the PRC would carry with its

lessons about the war fight that would significantly alter the preparation for and conduct of the war in the future, including doctrine and weapons programs.

Many new systems and technologies would be tested for the first time, such as combat between unmanned systems, the contesting of space and cyberspace as warfare domains, certain types of economic warfare, and possibly the violation of the sanctuary of the US homeland for the first time. The analysis of the demonstrated results, including some confirmed wisdom, and some surprises, would likely lead to significant changes in the organization of militaries, particularly among the losers and observers, major changes in purchases and development of weapon systems, and a scramble by all states to exploit and also seek counters for capabilities that had proven particularly effective.

Throughout the world, the warfighting outcome would accelerate the ability of PRC-based military goods companies such as NORINCO and CATIC to sell their equipment, as well as expand the number of countries interested in and willing to send their officers to the PRC for education and training,

conduct joint exercises, expand institution to institution visits, or engage in other military cooperation activities.

With respect to Latin America, if the PRC did not pursue base agreements and other advances in Latin America, the War in Asia would likely reinforce a historic pattern in the US to decrease attention to Latin America in favor of the demonstrated focus of China's threat in Asia. As during the Cold War, however, if the PRC sought to expand its security presence in Latin America post-conflict, it could lead to a heightened, PRC-focused US attention to the region.

Within the US, in political terms, such economic and other crises flowing out of scenario two would add to already enormous political polarization stemming from the losses in and unsuccessful conclusion of the fight. Those pressures would combine in difficult to predict ways with strong residual "anti-China" sentiments to likely displace the political party in power perceived to have "lost" or "given up" in the war, pushing the US toward a new polarized and

patriotic radicalism. Such currents, like those deepened in the US by the Covid-19 pandemic, would change the course of US politics and future governments, affecting its subsequent policies in Asia and elsewhere in the world.

In military terms, for the US, as for other countries, the conflict contemplated by scenario two would have dramatic effects on US warfighting doctrine, systems, and future defense budgets.

This new path would likely include a large-scale US effort to re-arm, with weapons and doctrine choices focused on the PRC as a long-term adversary. On the other hand, military leadership and entire organizations seen as bearing part of the responsibility for the US loss would likely be radically restructured.

In general, the "truncated" war with the PRC in the Indo-Pacific of Scenario two would all but guarantee a military rematch, another major conflict, possibly within a decade.

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Scenario 3

US-PRC fight over Taiwan escalates to a limited nuclear war, then accepts PRC forcible incorporation of Taiwan

Beyond the conventional conflict analyzed in the preceding section, a nuclear exchange, postulated by scenario three, would be a transformative geopolitical event.

In the near term, such a nuclear conflict would have major global health, climate, economic, and other consequences, far beyond the conventional military exchange addressed in scenario two.

Presuming that the number of persons killed in the nuclear exchange between the US and China was in the hundreds of thousands or more, it would likely lead to both strong pressures to de-escalate the conflict and change the posture of forces and conditions on the ground beyond what a major loss in a US conventional exchange would.

It would simultaneously create significant pressures within each country for revenge and distrust that could set the stage for long-term, deep-rooted enmity between the US and the PRC beyond the present commercial, military, and systemic rivalry between the two. That enmity could help bring about future

military conflicts, both limited and large-scale, as well as giving rise to terrorist actions on behalf of groups affected or inspired by the events.

The nuclear exchange contemplated by scenario three would also likely give new life to nuclear control regimes, and arms control treaties, even while the demonstrated effect of nuclear weapons in "stopping" the conflict would fuel an accelerated race for nuclear weapons by both existing nuclear powers such as India, Pakistan and Russia, North Korea, and others such as Japan and Israel. It would thus produce a destabilizing nuclear arms race in Asia and beyond. Moreover, the breaking of the "non-use" of nuclear arms taboo, while shocking some states into ensuring they were never used again, might make it easier for others, including state and possibly non-state actors, to employ them in their conflicts.

The nuclear exchange of Scenario three would likely also produce a major shakeup in governments, and the agenda of governing parties in the US, Europe, and across Asia. The perceived price for the "success" of the PRC incorporation of Taiwan could bring an end

to the regime of Xi Jinping if he were still in power when the nuclear exchange occurred. It would not necessarily bring about the fall of the Chinese Communist Party but could either radicalize its government, leading it to a much more aggressive military posture and revolutionary foreign policy in Asia and beyond. Alternatively, it could precipitate in China a new self-destructive "cultural revolution" changing the trajectory of the PRC in Asia, and by extension, in the global economy.

Even more, than in Scenario 2, a nuclear exchange would likely bring an end to the trajectory of Chinese economic growth and integration with the rest of the world, as well as dramatically altering the global economy, promoting a move toward near-shoring and self-reliance at best, and a sustained global depression at worst.

If China did not implode politically and economically, its fear about the enmity its actions had spawned with the United States and the West would likely lead it to a much more aggressive arms buildup.

As in Scenario two, the military lessons in areas from combat between autonomous vehicles and artificial intelligence-driven systems, to warfare in the space, cyber, undersea, and other domains, would likely have a significant impact on future military organization, doctrine, and systems, and could fuel a new conventional arms race.

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Conclusions

The complex interaction between military, political, economic, and other factors makes the consequences predicted in this work speculative at best. Yet growing PRC power, the increasing boldness and consolidation of power by the Xi government, and sustained PRC military actions threatening Taiwan make a PRC attempt to forcibly incorporate Taiwan a realistic possibility that would transform the strategic landscape. It is thus imperative to think seriously not only about the defense of Taiwan but to seriously analyze and plan for what would follow. This article should only be the beginning of that process.

Thinking through the consequences of such scenarios merits multiple analyses, scenario-formulation, evaluation workshops, and tabletop wargames and simulations, along the lines of those conducted by the Office of the Secretary of Defense for Net Assessment (OSD(NA)) and the military services, in support of the analysis of the Revolution in Military Affairs and later Military Transformation. Participants should include not only the US military, but also other US government agencies, academics, foreign partners,

and independent voices, bringing their areas of expertise and perspectives to bear.

In general, the impacts suggested by PRC incorporation of Taiwan on the global environment suggest that under some circumstances, the strategic costs for the United States to avoid a fight for Taiwan may be greater than the human and material costs of a limited military engagement, even if the US were to lose such a conflict.

A PRC attempt to incorporate Taiwan into its territory against its will may reasonably occur in the not distant future, and as this analysis has suggested, would transform the strategic landscape for the US and the world.

Whatever the impacts, the scope of the possible transformation is humbling, and generally involves the transformation of the security dynamics in Asia, as well as the economic system, and possibly includes a global military conflict, economic crisis, and even

nuclear war, none of which are discussed in serious terms in the public discourse.

The worst time to begin thinking about how to respond to a plausible event that will profoundly affect the trajectory of the nation and the world is after it happens.

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NOTES:



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