ROBUST AND ALL-OUT SUPPORT FOR UKRAINE CONTRIBUTES TO DETERRENCE IN THE TAIWAN STRAIT

BY *JAKE STEINER*

Jake Steiner *(jake@pacforum.org) is a resident WSD-Handa Fellow at Pacific Forum. His research focuses on the intersection between the foreign and domestic policies of the People's Republic of China, sharp power, and I.R. constructivism. He holds a MA Honours in Economics and International Relations from the University of St Andrews (GBR).*

At the 6th Global Opinion Leaders Summit hosted by WSD, the Japan Forum on International Relations, and the International Democratic Union, the key theme repeated by the former prime ministers was the need for "solidarity." This includes not only solidarity among liberal democracies during crises, but also solidarity with Ukraine as they continue to endure the unprovoked and barbaric invasion by the Russian Federation.

As one panelist pointed out, it is a mistake to view the Russian invasion of Ukraine as a bilateral conflict. It instead must be viewed as a further escalation in attempts to re-order the world. Indeed, the grievance underlying dictator Vladimir Putin's "justification" for their invasion was the expansion of the North Atlantic Treaty Organization as post-Soviet states requested to join the alliance. Undermining the principle of national self-determination, Russia by contrast believes it is owed a "sphere of influence" in eastern Europe. This conflict thus will have worldwide implications. In particular, the People's Republic of China is watching, not only learning from Russian operational blunders but also revising its strategic calculus for a future forcible "reunification" of Taiwan. For this reason, robust and all-out support by the US and its partners for Ukraine contributes to deterrence in the Taiwan Strait.

The Chinese Communist party has made its intentions regarding Taiwan clear for decades. Since Mao Zedong, successive paramount leaders have restated the Party's intention to "reunify" the island under CCP control and has never renounced the possibility of achieving this end by military force. In the age of Xi Jinping as paramount leader of China, the unification issue has taken greater urgency. Xi has framed unification as a necessary condition for the "Great Rejuvenation of the Chinese Nation," Xi's all-encompassing objective to gain great-power status for the PRC. To this end, the modernization of the Chinese navy has focused almost single-mindedly on developing the capabilities necessary to launch military actions across the Taiwan Strait.

Thus, the objective now ought to be to continue to deter the CCP from launching offensive military actions across the Taiwan Strait. Though most commentary on a potential Chinese offensive centers on amphibious invasion and occupation—of which most estimates suggest the PRC will not be capable until 2027—the recent live-fire exercises have increased the possibility of a naval blockade. To deter China, we must make the costs to Beijing of these offensives greater than the potential benefits. This logic, in essence, follows basic economic consumer theory: if the utility gained by an additional product exceeds its cost, then that product will be demanded and purchased. In terms of these costs, they can be in military (potential losses of PLA equipment and personnel), economic (imposition of punitive sanctions, tariffs, or other trade restrictions) or diplomatic (the isolation of China in international relations). In addition to raising the expected costs, known as deterrence by punishment, it is also possible to reduce the expected benefits—or rather, reduce the expected probability that the CCP will receive these benefits—known as deterrence by denial. As I argue through the rest of this article, US and like-mined countries' support for Ukraine boosts both forms of Taiwanese deterrence—by punishment and by denial.

The PRC is watching and learning from the invasion of Ukraine. For example, a mainland-based military magazine argued that China's marine corps must strengthen its air defense and anti-missile capabilities in case of a Taiwan contingency, noting the lack of such capabilities resulted in Russian failure to take Kyiv and the sinking of the *Moskva* missile cruiser. The Chinese are also adjusting their expectations for the economic and diplomatic costs of a Taiwan contingency based on the international community's response to the invasion. As David Sacks wrote in *Foreign Affairs* in May, "from Beijing's perspective, Russia's war in Ukraine is merely a realistic preview of the costs China would likely bear if it resorted to war." Thus, because the PRC's calculus is affected by reactions to the invasion, any action to support for Ukraine or punish Russia will have greater benefits—a higher marginal utility, to revive the earlier economic analogy—because it simultaneously contributes to Taiwanese deterrence. With a higher marginal utility, the US and its partners should also be willing to bear a higher cost—impacts to the economy or supply of energy—with the knowledge that these short-run costs contribute to preventing or substantially delaying an arguably more strategically important conflict with a decidedly more capable aggressor.

This means further strengthening the sanctions regime against Russia, especially the minimal fossil fuel sanctions which Oleg Ustenko, chief economic adviser to Ukrainian President Volodymyr Zelensky, described in the Financial Times as a "phantom." Ustenko notes, for example, that despite direct US sanctions on Russian oil, gasoline refined elsewhere from Russian crude is still sold in the US. Further, a carve-out in British sanctions allows the import of CPC Blend, a mixture of Kazakh and Russian oil. What sort of signal does this send to the Chinese? It says that the Americans, British, and Europeans are unwilling to punish an aggressor if there is any pain felt by their respective economies. It signals a lack of resolve and that China, which is one of the top five largest trading partners with each country (excluding Britain, where China is the seventh largest exporter and sixth largest importer) can expect that any action against Taiwan will go relatively unpunished. By contrast, ending the carve-outs, closing the loopholes, and establishing a "rigorous price cap" on Russian fossil fuels signals that China can expect serious economic retribution—mutual dependence be damned—for any potential action against Taiwan.

What may be more meaningful in deterring China is the personal sanctions against Russian leadership and elites. As Jianli Wang and Yan Yu wrote in The Diplomat in March, Chinese elites have moved large portions of their wealth overseas, vulnerable to the same account and asset freezes imposed by the international community against Russian elites. Despite some popular conceptions of Xi as all-powerful within China, the reality within the Communist Party is far more complex. Xi must retain power with the help of his own proteges, while also fending off rival factions behind the scenes. If CCP elites—from the Politburo Standing Committee to the PLA, to the propaganda wings—can be made to expect that their personal wealth parked abroad will be inaccessible the moment the PLA moves against Taiwan, Xi will face significant resistance within his party regardless of his own personal determination. There are more cards to play that can solidify these expectations within the Party. Some observers have called for the seizure of Russian oligarch and state assets to fund Ukraine's reconstruction. Scott Anderson and Chimène Keitner warn in Lawfare that there are serious legal and constitutional issues—not to mention potential long-term damage to the confidence that underpins US centrality in the global financial system—that could arise, especially when targeting state and central bank assets. Anderson and Keitner note, however, that civil asset forfeiture is already being used to seize the assets of individuals—the oligarchs—implicated in "corrupt and criminal activities." Expansion of the program beyond civil forfeiture would be difficult legally, and care should be exercised if the US wishes to reach any further into these frozen assets. But as far as deterring CCP elites goes, the US has raised the sword of civil forfeiture—that some assets would not simply be temporarily inaccessible but would disappear entirely—over the heads of any potential aggressor. That will do, for now.

Finally, the US and other like-minded countries must continue to supply Ukraine with as many weapons as are feasible. Ukraine must win, the invaders must be repelled, and in doing so they must demonstrate all the power and might that American equipment can provide. Ukrainian victory increases Taiwanese deterrence by denial—it lowers the expected probability of a successful operation against Taiwan, proving the ability of a smaller power to repel invasion by a larger and (at least, it was presumed before the invasion) more formidable power. It will demonstrate that even if the US will not directly attack another nuclear power, it will supply its friends with everything it needs to achieve victory. Indeed, for China, the mission is even more complicated than Russia's. Not only must the PLA cross the Taiwan Strait, the US, contrary to its refusal to intervene in Ukraine has practiced "strategic ambiguity" in relation to Taiwan, not explicitly saying whether or not it will intervene in a forcible attempt to change the status quo. Further, despite *post-facto* walk-backs by aides, President Biden has repeatedly vowed to support Taiwan militarily if it were attacked—confirming many Chinese expectations that they will have to contend with the US in a unification contingency. In addition, every system that has been given to Ukraine—javelins, stingers, harpoons, and the game-changing HIMARS—has already been sold to Taiwan. To the extent that military assistance to Ukraine signals US resolve to support similarly-situated entities like Taiwan through continued equipment sales, and increases the perceived probability in the PLA of American intervention, military assistance to Ukraine contributes to Taiwanese deterrence by denial.

One of our Ukrainian speakers ended their speech by invoking Churchill: "give us the tools, and we'll finish the job." By giving Ukraine the tools, we also give Taiwan the tools for their own job as well.

Disclaimer: All opinions in this article are solely those of the author and do not represent any organization.