The Poison Frog Strategy

Preventing a Chinese Fait Accompli Against Taiwanese Islands

Chris Dougherty, Jennie Matuschak, and Ripley Hunter
The Poison Frog Strategy: Preparing a Chinese Fait Accompli Against Taiwanese Islands

About the Authors

Chris Dougherty is a senior fellow in the Defense Program at the Center for a New American Security (CNAS). His research areas include defense strategy, strategic assessments, force planning, and wargaming. Prior to joining CNAS, Mr. Dougherty served as senior advisor to the deputy assistant secretary of defense for strategy and force development at the Department of Defense. During this time, he led a handful of major initiatives including the development and writing of major sections of the 2018 National Defense Strategy.

Jennie Matuschak is a research assistant for the Defense Program at the Center for a New American Security (CNAS). Previously, Ms. Matuschak served as a Joseph S. Nye Jr. intern for the Middle East Security Program at CNAS. Prior to joining CNAS, she worked as a research intern for the Enabling Peace in Iraq Center (EPIC), where she monitored the security, political, economic, and humanitarian affairs in Iraq. She has also interned with the Middle East Policy Council and the House of Representatives.

Ripley Hunter is a former Joseph S. Nye Jr. intern for the Defense Program at the Center for a New American Security (CNAS). Before joining CNAS, Ripley interned at the Chertoff Group, a strategic advisory and risk management firm. He has also worked on U.S. State Department public diplomacy programs at World Learning and interned at the U.S. Department of Defense's Near East South Asia Center for Strategic Studies, where he supported the center's research agenda and security cooperation programs.

About the Defense Program

Over the past 10 years, CNAS has defined the future of U.S. defense strategy. Building on this legacy, the CNAS Defense team continues to develop high-level concepts and concrete recommendations to ensure U.S. military preeminence into the future and to reverse the erosion of U.S. military advantages vis-à-vis China and, to a lesser extent, Russia. Specific areas of study include concentrating on great-power competition, developing a force structure and innovative operational concepts adapted for this more challenging era, and making hard choices to effect necessary change. This paper is a part of the Gaming Lab at CNAS, a larger initiative led by the Defense Program that develops highly tailored, unclassified games and exercises to help policymakers and military strategists gain critical insights into key national security problems.

Acknowledgments

The authors would like to thank Ed McGrady, Becca Wasser, and Stacie Pettyjohn for their help designing the wargame and reviewing this paper. Additionally, we thank Maura McCarthy, Emma Swislow, and Rin Rothback for their assistance with editing and design. We also thank our partners at the Taipei Economic and Cultural Representative Office in the United States for their insights and contributions to the wargame. Last but not least, we thank our wargame participants for their time and expertise.
# Table of Contents

**INTRODUCTION** .................................................................................................................. 4  
  Structure .............................................................................................................................. 5  
  Scenario ............................................................................................................................... 5  

**MOVE 1** ............................................................................................................................... 6  

**MOVE 2** ............................................................................................................................... 7  

**MOVE 3** ............................................................................................................................... 7  

**KEY TAKEAWAYS AND POLICY RECOMMENDATIONS** .............................................. 8  

**CONCLUSION** .................................................................................................................... 9  

Center for a New American Security  
1152 15th Street NW, Suite 950, Washington, DC 20005  
T: 202.457.9400 | F: 202.457.9401 | @CNASdc | CNAS.org
Introduction

How could Taiwan and the United States respond if China seized one of Taiwan’s outlying islands, such as Pratas/Dongsha (hereafter Dongsha) in the South China Sea? Whereas the U.S. national security community has focused on defending Taiwan against Chinese invasion, China’s recent military activities suggest that this kind of coercion and limited aggression might be an equally urgent question. More worryingly, such a scenario could be a prelude or pathway to war involving China, Taiwan, and the United States.


To explore potential policy and strategy options to prevent such a calamity, the Gaming Lab at CNAS wargamed this scenario with Taiwanese, American, and regional experts. Worryingly, the game found few credible options for pushing China to abandon Dongsha and return to the status quo. However, the game found numerous areas where preparation and multilateral coordination—particularly in concert with Japan—could deter limited Chinese aggression against Taiwan.

During the game, the teams representing the United States and Taiwan struggled to compel a Chinese withdrawal from Dongsha without escalating the crisis. The team representing China avoided further escalation given its first-mover advantage, constrained territorial gains, and geographic proximity. In contrast, the U.S. team had to push its forces far forward in ways that were risky and would be difficult to sustain.¹ Punitive non-military options, such as economic sanctions or information campaigns, took too long to produce effects and appeared too weak to compel China to abandon its gains.² More aggressive military responses risked escalation to war, which both the U.S. and Taiwan teams wished to avoid. With few viable
coercive options and the onus of escalation falling on the U.S. and Taiwan teams, the game reaffirmed the difficulty of rolling back territorial aggression of this kind.

Indeed, discouraging China from seizing Taiwanese territory before it happens is the most salient lesson of the game. The United States and Taiwan must begin coordinating today to build a credible deterrent against limited Chinese aggression or coercion toward Taiwan.2 Doing so will help identify ways to make a territorial fait accompli by China—such as the seizure of Dongsha—too unpalatable to consider, while also communicating the U.S. commitment to defending Taiwan. This strategy will require advance planning and communication of joint responses and defenses against coercion and territorial aggression. Rather than scrambling to respond to a fait accompli, as occurred in this game, the United States and Taiwan should prepare to implement coordinated, whole-of-government deterrent measures quickly and ensure immediate consequences for Chinese coercion or aggression short of war.

Japan’s cooperation is essential in this type of scenario because it could change China’s calculations of the military and diplomatic risks of coercion or aggression. A joint statement from Japanese Prime Minister Yoshihide Suga and U.S. President Joseph R. Biden in April 2021 referenced “peace and stability across the Taiwan Strait” and encouraged “the peaceful resolution of cross-Strait issues.”4 The United States would rely heavily on Japan for basing infrastructure to conduct military operations to support Taiwan.5 And, although the statement did not elaborate further, unambiguous Japanese support will be necessary to create a regional, as opposed to bilateral U.S.-Taiwan, response to Chinese coercion or aggression. Specifically, Japan’s involvement could enable coordination with India and Australia via the Quad relationships.6 It could also create opportunities to work with other states facing Chinese coercion and territorial aggression, such as Vietnam and the Philippines.

Wargames are not predictive, but they are useful tools for exploring decision-making and identifying vulnerabilities. As China’s assertiveness rises, failure to prepare for the threat of an incursion against Taiwanese territory presents grave risks to Indo-Pacific security. The United States, Taiwan, and regional allies and partners can better understand how to build an effective deterrence strategy to discourage Chinese aggression or coercion through multilateral gaming, to include crisis simulations and exercises.

STRUCTURE

The Gaming Lab at CNAS conducted a virtual strategy game to examine potential U.S. and Taiwanese responses to Chinese coercive measures, beginning with a scenario in which Chinese forces seized Dongsha Island, in the South China Sea. Players consisted of multinational defense and policy experts as well as subject matter experts. These players comprised three teams: the Blue Team, representing the United States; the Green Team, representing Taiwan; and the White Cell/Red Team, which combined China experts, the adjudicators, and other important international actors. The game consisted of three moves over the course of two three-hour sessions. Each move required all teams to take at least one diplomatic, military, information, and economic action. Players were free to take any reasonable action, but they had to explain why they had chosen one specific action over another and what they expected the outcomes of each action to be. Although the teams were given objectives to prioritize, they had freedom to build and determine their actions. The three teams were divided into separate virtual rooms but encouraged to coordinate with one another as desired.

SCENARIO

The game began with a scenario many China-watchers view as increasingly plausible?: In the year 2025, Chinese People’s Liberation Army (PLA) marines and special-operations forces rapidly seize Taiwanese-controlled Dongsha Island, a small atoll about 190 miles southeast of Hong Kong and 270 miles southwest of Kaohsiung. Under cover of an exercise, PLA forces come ashore on Dongsha without warning and capture its garrison of 500 Taiwanese marines. PLA forces secure the island and return to mainland China,
taking the 500 Taiwanese marines with them. China then stations 200 People’s Armed Police personnel and 300 “civilians” on Dongsha, who begin preparing the island to function as a military base.

To further signal its military might, China increases its military exercises, focusing on dispersal and readiness, in the South China Sea. China follows up its military moves with additional economic coercion against Taiwan, including investigating Taiwanese companies with investments in mainland China and delaying cross-strait business deals. Simultaneously, in the information space, Chinese patriotic hackers deface several commercial Taiwanese websites. To shield themselves from potential trade repercussions, Chinese manufacturers preemptively stockpile such critical economic inputs as semiconductors and oil. To ward off interference from other states, China frames the situation as an “internal matter.” Apart from the United States, which condemns the Chinese seizure and urges a restoration of the status quo ante, no other country speaks out in support of Taiwan.

**Move 1**

This scenario intentionally placed the onus of escalation on the U.S. and Taiwan teams. As a result, both teams had to balance between moderating actions to avoid escalating a crisis into a conflict and ensuring that China’s actions did not go unpunished. While the Taiwan team undertook military actions, its strategy focused on diplomacy to stabilize the situation, including overtures to garner international support. Although these efforts had some success, they mostly resulted in anodyne statements of concern from states and international bodies.

The Taiwan team was also concerned about the effects of Dongsha’s seizure on Taiwanese public attitude and therefore made efforts to increase its economic and cyber resiliency to reassure its citizens. To demonstrate readiness, protect its sea lines of communication (SLOCs), and deter further Chinese aggression, the Taiwan team deployed naval forces in the vicinity of Dongsha and elsewhere in its territorial waters. However, the Taiwan team carefully tailored its military responses to avoid unnecessary escalation.

The Taiwan team and U.S. team failed to communicate in a clear and timely fashion during the early stages of the game. The teams faced technical challenges, a language barrier, and differing perspectives and assumptions about the nature of the scenario and potential responses. As a result, although the Taiwan team wanted to take a deliberate, diplomacy-led approach to regain Dongsha, the U.S. team immediately started planning military options to retake the island. The lack of coordination on a strategic approach hamstrung the response and led the U.S. team to implement escalatory actions in preparation for a retaking of Dongsha, including deploying U.S. Marines and an Army task force into Taiwan. This finding reinforces the need for regular planning exercises between Taiwanese and U.S. personnel.

During Move 1, the U.S. team pursued policies that would take a considerable amount of time to implement. For example, in the information space, the U.S. team established counter-disinformation fusion centers and defensive cyber measures modeled after Department of Homeland Security/Department of Justice counter-violent-extremist fusion centers to protect potential private sector targets and encourage public-private partnership. In the diplomatic space, the U.S. team began to lay the groundwork for an Indo-Pacific security partnership, which would include Taiwan as well as a larger coalition of regional states that already were or could be affected by Chinese economic coercion. Though potentially important in the future, these actions would realistically not have much effect in the immediate term.
Move 2

As the game progressed, the Taiwan team continued to signal to its domestic audiences that the government was in control of the crisis and well prepared to mitigate risks to the public. The Taiwan and U.S. teams engaged in more direct communication, which aided the U.S. team in framing the crisis. By Move 2, the U.S. team had accepted that using military force to retake Dongsha would be too escalatory and might disrupt the formation of any counter-China coalition. Accordingly, the team reframed the takeover of Dongsha as an opportunity to expose Chinese belligerence and to encourage states to join together to balance against China’s aggressive behavior. The U.S. team also saw this as an intelligence opportunity to observe PLA operations and learn about their capabilities.

The U.S. team’s decision to place U.S. military forces on Taiwan during Move 1 became a key driver for the rest of the game. From the U.S. team’s perspective, this was a “tit for tat” response to China’s seizure of Dongsha, giving the U.S.-Taiwan coalition leverage and something to trade for Chinese withdrawal. It also made clear that further Chinese escalation against Taiwan would very likely trigger a larger conflict involving the United States. However, the Chinese team saw things differently. They believed the U.S. forces on Taiwan constrained U.S. escalation space for following moves and gave China more diplomatic leverage and the ability to be more opportunistic. If U.S. forces were to leave Taiwan, the Chinese team could declare victory. If they stayed, the United States would be forced to maintain a potentially unsustainable and unprotected forward presence in the theater. Moreover, the Chinese team made removal of U.S. troops from Taiwan a prerequisite for any cross-strait negotiations on the crisis, limiting Taiwan’s direct diplomatic options.

The move to put troops on Taiwanese territory reflected a broader U.S. team bias toward a somewhat symmetrical action-reaction strategy when responding to the China team. For example, when the Chinese team targeted U.S. satellites, the U.S. team responded by targeting Chinese satellites. This impulse could be interpreted as a means of avoiding escalation, but strategically it tended to cede the initiative to China. This finding reinforces the need for pre-crisis planning so that every U.S. or Taiwanese move is not simply a response to Chinese actions.

Move 3

By Move 3, both the U.S. and Taiwan teams were in difficult positions. The U.S. team did not want to let Chinese aggression go unpunished, both for the sake of Taiwan and within the context of the broader regional competition. At the same time, the U.S. team wanted to show its partners and allies that it was a responsible power capable of negotiating and avoiding all-out war. The Taiwan team was caught in an escalating great-power crisis that threatened to pull Taiwan into a war that it was trying to avoid. The Taiwan team had to balance its relationships and policies with the United States and China while simultaneously spearheading de-escalation. And in the early part of the game, before communication between the United States and Taiwan teams improved, the Taiwan team had, unbeknownst to the U.S. team, set up a back channel with the China team. At the same time the back-channel negotiations were ongoing, the U.S. team was still, in fact, considering additional escalatory action against the China team. Although back-channel communications certainly made sense in the context of the game, the lack of coordination threatened to undermine any potential resolution.

Toward the end of the game, the U.S. and Taiwan teams’ main strategy was to isolate China diplomatically and economically and garner enough international backing among allies and partners to make that isolation painful. To this end, the Taiwan team focused on pulling in some of its regional partners, such as Japan,
while the U.S. team reached out to its NATO allies. To avoid unwanted escalation or permanent effects, the U.S. and Taiwan teams limited their offensive military operations to non-kinetic and reversible actions such as cyberattacks and electronic warfare.

**Key Takeaways and Policy Recommendations**

Given the inherent difficulty of defending small, distant offshore islands like Dongsha, Taiwan and the United States should strive to turn them into what the players called “poison frogs.” This approach would make Chinese attempts to seize these islands so militarily, economically, and politically painful from the outset that the costs of coercion or aggression would be greater than the benefits. Militarily, this would entail local garrisons capable of preventing a bloodless fait accompli, thereby pushing China to escalate to the use of force. Taiwan should also be prepared to destroy critical infrastructure on such islands to deny its use to China. And Taiwan and the United States should be ready to exploit China’s belligerence and aggression in the information domain. This move could help galvanize a regional or international response to Chinese aggression that would underpin a strategy of economically and politically isolating and punishing China’s leadership for this behavior.

Much as poison frogs advertise the risk they pose to predators through bright colors, executing this strategy would require the United States and Taiwan to plan, coordinate, and above all communicate their deterrence policies in advance of a crisis rather than improvising a response after China has acted. In the game scenario, once China acted aggressively it was difficult for the United States, Taiwan, and the international community to push Beijing to reverse its actions without unacceptable escalation. Additionally, most non-military responses—such as economic sanctions or trade embargoes—took too long to implement and even longer to have any effect. This finding reinforces the need to debate, develop, and prepare coordinated policies well in advance of a potential crisis or conflict.

During a crisis, this strategy would require close communication between the United States and Taiwan. A lack of coordination between the two countries could cause misunderstandings over priorities and risk tolerance, derail negotiations, and escalate tensions. Clear lines of communication would not only facilitate policy coordination but also allay perceptions on both sides of being dragged from a crisis into a conflict—something that is of great concern to both Taiwanese and U.S. policymakers.

Japanese involvement was essential in this game. The U.S. and Taiwan teams made repeated inquiries about Japan’s position, suggesting that without Japan’s backing, the U.S. and Taiwanese negotiating position was weakened. In a potential conflict, a lack of unambiguous Japanese support for Taiwan in this context would undermine efforts to urge Chinese withdrawal and could set a precedent for future unchecked Chinese aggression in other territorial disputes, including those over Japanese territory, such as the Senkaku Islands. The United States and Taiwan need to convince Japan and other regional partners that they, too, have a stake in this fight.

Asian multilateral security agreements and organizations have long been an object of desire for U.S. policymakers and an object of derision for regional experts. This game adhered to this pattern to a degree: the U.S. and Taiwan teams both tried to rally a coalition of regional states to stand up to China’s bullying behavior, while regional experts representing these states proved reluctant to put themselves in China’s crosshairs on behalf of Taiwan.

There are, however, some opportunities for greater regional cooperation. First, China’s increasing aggressiveness and belligerent tone under President Xi Jinping has helped harden regional perceptions of the country. Second, this belligerence has pushed states including Japan, which has largely eschewed...
an active regional role since 1945, and India, which has pursued an independent foreign policy since its founding, toward greater regional engagement and multilateral coordination.\textsuperscript{13} Their engagement through the Quad and other forums could create opportunities for bringing together other regional states that are wary of multilateral cooperation, but even warier of Chinese coercion and aggression. Finally, the nascent success of the Quad itself suggests that regional coordination to address such key issues as territorial sovereignty may not require creating an official standing organization or alliance, like the much-derided “Asian NATO” concept that Washington policymakers often suggest.\textsuperscript{14} Instead, informal organizations such as the Quad may give regional states facing Chinese coercion or aggression—and at this point, that is almost all of them—an opportunity to cooperate and coordinate responses without feeling “locked in” to particular policies.

**Conclusion**

Although not predictive, strategy games like this one provide an opportunity to explore the tools at the disposals of the United States and Taiwan to respond to Chinese coercion or aggression toward Taiwan. A Chinese seizure of Dongsha, despite its small size, would have broader implications for China’s efforts to incrementally change the status quo regarding Taiwan and other territorial disputes with U.S. allies and partners. For instance, seizing Dongsha could be a way for China to test the waters ahead of a more aggressive campaign, such as seizing Quemoy, Matsu, or the Penghu Islands. In fact, such actions could be the first step toward an invasion of Taiwan.

Perhaps most important, the way the United States responds to smaller-scale territorial Chinese aggression may affect Chinese future decision-making; if the United States allows Chinese coercion or aggression to go unopposed, China may extend its aggressive behavior elsewhere and may even posit that the United States wouldn’t defend Taiwan from invasion. Such actions, or lack thereof, could undermine deterrence by calling into question U.S. willingness to uphold its security commitments.

With Chinese assertiveness rising, U.S. and Taiwanese policymakers need to think through the challenges of responding to a crisis strongly enough to defend their security interests without turning crisis into conflict. By gaming out these challenges, the United States and Taiwan can fully grasp the urgency of building an effective deterrence strategy now to help prevent a future Chinese fait accompli.


For more on the greater relative difficulty of coercion versus deterrence, see Thomas C. Schelling, Arms and Influence (New Haven, CT: Yale University Press, 1966).


About the Center for a New American Security

The mission of the Center for a New American Security (CNAS) is to develop strong, pragmatic and principled national security and defense policies. Building on the expertise and experience of its staff and advisors, CNAS engages policymakers, experts and the public with innovative, fact-based research, ideas and analysis to shape and elevate the national security debate. A key part of our mission is to inform and prepare the national security leaders of today and tomorrow.

CNAS is located in Washington, DC, and was established in February 2007 by co-founders Kurt M. Campbell and Michèle A. Flournoy. CNAS is a 501(c)3 tax-exempt nonprofit organization. Its research is independent and non-partisan.

As a research and policy institution committed to the highest standards of organizational, intellectual, and personal integrity, CNAS maintains strict intellectual independence and sole editorial direction and control over its ideas, projects, publications, events, and other research activities. CNAS does not take institutional positions on policy issues and the content of CNAS publications reflects the views of their authors alone. In keeping with its mission and values, CNAS does not engage in lobbying activity and complies fully with all applicable federal, state, and local laws. CNAS will not engage in any representational activities or advocacy on behalf of any entities or interests and, to the extent that the Center accepts funding from non-U.S. sources, its activities will be limited to bona fide scholastic, academic, and research-related activities, consistent with applicable federal law. The Center publicly acknowledges on its website annually all donors who contribute.