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A SUM GREATER THAN ITS PARTS: INTEGRATED DETERRENCE AND STRATEGIC COMPETITION

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INTRODUCTION

“We had been living in a world where we believed that the [People’s Republic of China] was going to integrate into the world international rules-based order in a way that was responsible – that’s not the world we live in.” Admiral John C. Aquilino, Commander, U.S. Indo-Pacific Command¹

“Neither carrots nor sticks have swayed China as predicted. Diplomatic and commercial engagement have not brought political and economic openness. Neither U.S. military power nor regional balancing has stopped Beijing from seeking to displace core components of the U.S.-led system.” Kurt M. Campbell and Ely Ratner²

“The post-Cold War era is definitively over and a competition is underway between the major powers to shape what comes next.” 2022 National Security Strategy of the United States³

Increasingly, senior officials in Washington and other allied capitals have articulated a disconnect between prior expectations of Chinese geopolitical ambitions and a very different reality that has materialized. The rise of China’s military power, coupled with the use of its economic power, to pursue its ambitions to reshape the global order have prompted a reevaluation of strategic competition by the United States and its allies. As China’s influence grows, the international community faces a stark reality: the post-Cold War era has come to an end, and a new era of great power competition is already underway.

The Chinese Communist Party (CCP) presents a unique challenge, exhibiting both strength in some areas and weakness in others, demonstrating both aggression and defensiveness, and projecting both confidence and insecurity.

As the CCP seeks global dominance, it confronts a slowing and brittle domestic economy, worsening demographic factors, and other internal security issues that challenge its own stability and prosperity. Chinese economic anemia poses the threat of financial contagion, spreading from China and across the Indo-Pacific region to Europe and the U.S. Meanwhile, the CCP continues to ratchet up tensions with Taiwan and with other nations across the Indo-Pacific. Within this long-term strategic competition, Xi Jinping and CCP leadership may see a closing window of opportunity to achieve key geostrategic goals, including the rejuvenation of China, courting traditional American allies, resolving the Taiwan issue, offering the yuan as an alternative global reserve currency,⁴ pursuing regional and potentially global hegemony,⁵ and generally thwarting American efforts. From a U.S. and allied military perspective, concerns for a Taiwan invasion scenario continue to drive planning considerations. However, absent annexation through acquiescence, the Strangulation of Taiwan scenario

may be a preferred approach by the CCP and People's Liberation Army (PLA).⁶ This non-violent quarantine scenario would create real challenges for an effective U.S. and allied response.

The 2022 National Security Strategy (NSS)⁷ and National Defense Strategy (NDS)⁸ recognize this shift, emphasizing the need for a fresh approach to address the challenges posed by China and other major powers. Policymakers are trying to navigate this new geostrategic environment while China, the U.S., and many other nations simultaneously pursue significant military modernization efforts. Washington must build and execute a coherent strategy, which can adapt to this evolving landscape.

Integrated Deterrence, a concept that combines diplomacy, information, military, and economic levers of power,⁹ offers a comprehensive approach to address the challenges posed by China. This strategic approach, rooted in nuclear deterrence theory but expanded to encompass whole-of-government¹⁰ efforts, aims to manage strategic competition, build de-escalatory off-ramps, offer opportunities for cooperation, and prepare for all possibilities. By leveraging all elements of national power across the whole-of-government and the private sector, the U.S. and its allies can develop a more effective and coordinated strategy to navigate the complex relationship with China and to achieve maximum effect in deterring acts of aggression.¹¹

In recent years, U.S. leadership has found it challenging to offer a new, comprehensive, and consistent affirmative vision¹² and move beyond debates on the future of globalization—whether that means reemphasizing a global free market, de-risking through economic blocs or selective isolationism, or decoupling with some degree of disengagement/containment. Despite having more options than nearly any other nation, many tools from the traditional American “grand strategic toolbox” have been gathering dust. Diplomacy efforts have struggled to move beyond reactive,

and a clear vision has been challenging to consistently articulate and implement for a new global approach, leading some to settle for nostalgia and a desire to return to the post-Cold War status quo. For the military, there are growing concerns about multi-lateral dynamics across strategic forces, especially with China's rapidly growing nuclear arsenal,¹³ and mutual assumptions among great powers that any escalation into conflict would not last long or devolve into protracted conditions. The U.S. also continues to support key partners engaged in ongoing kinetic wars: Ukraine against Russia and Israel against Hamas.

In the face of these challenges, the United States and its allies must develop a coherent strategy that addresses the U.S.-China relationship, focusing on the integration of diplomacy, information, military, and economic efforts. The United States and key allies must develop enhanced options, particularly non-kinetic responses, to raise the cost of Chinese aggression and maintain peace in the face of these evolving challenges.

This paper aims to provide a detailed understanding of Integrated Deterrence and offer actionable recommendations for policymakers, military leaders, and private sector stakeholders to address the challenges posed by China in the coming years. It is the culmination of a series of convenings of high-level national security and economic policy officials and strategists hosted by MITRE and the Aspen Strategy Group (ASG). The report outlines key takeaways refined from these discussions, as well as core features of Integrated deterrence, to inform members of the U.S. national security community as they manage competitive coexistence with China and work to deter conflict. The paper begins with a brief overview of the challenges posed by China, followed by a definition of the components of Integrated Deterrence, then concludes with a series of recommendations for U.S. strategists and policymakers.

INTEGRATION: ADDING UP THE PARTS FOR THE CHINA CHALLENGE

A key component of the Integrated Deterrence strategy is the concept of integration, which involves a whole-of-government approach that ties together different types of capabilities to achieve targeted, strategic effects, with consideration for all levels of escalation. It involves fostering cooperation and coordination across various government organizations, the private sector, close allies and partners, multiple geographic regions, and the full continuum of competition-to-conflict.

Organizational Integration

Organizational integration begins with alignment within each government department and agency. This process involves ensuring coordination across various functions, including strategy and policy, operations, logistics and sustainment, research and development, acquisition, personnel, and training. For the Department of Defense, this also means ensuring coordination across the joint force. To develop a broader community of national security and economic security actors, integration must involve creative interagency and whole-of-government efforts, whole-of-nation approaches, and whole-of-world collaboration with key alliances and partnerships to leverage the range of capabilities and authorities for purpose-built and employed effects.

Geographic Integration

Geographic integration includes integration across Eurasia, the Global South, the Western Hemisphere, and the Arctic and polar regions. This geographic integration also includes U.S. domestic and international considerations, such as human talent, investment flows, financial

The Integrated Deterrence Approach: A Comprehensive Strategy for Managing Strategic Competition

This approach encompasses three key components: integration, deterrence, and the levers of national power.¹⁴

1. **Integration:** A whole-of-government approach that ties together different types of capabilities to achieve targeted, strategic effects. Integration involves fostering cooperation and coordination across various government organizations, close allies and partners, multiple geographic regions, and the full continuum of activities from competition-to-conflict.
2. **Deterrence:** Reducing the likelihood that aggressive actions will happen by shaping the thinking of an adversary. By understanding and influencing the decision-making processes of the CCP and the PLA, the United States and its allies can gain and maintain relative advantage during competition and conflict, ultimately reducing the likelihood or duration of war.
3. **Levers of National Power:** Harnessing all elements of national power, including diplomacy, information, military, and economic efforts. For the U.S. and allies, a particular focus on economic security is crucial, as the CCP increasingly prefers economic approaches to how it coerces, compels, and deters.¹⁵

interdependence, supply chains, technology development and transfer, and efforts to address and adapt to global challenges like climate change and environmental concerns.

Integration Across the Competition Continuum

Integration across the competition continuum¹⁶ includes conventional and nuclear military forces with renewed emphasis on approaches short of war.¹⁷ “Sub-threshold” capabilities provide more proportional and useful options in competition while enhancing military operations during conflict. A robust array of capabilities across this continuum is critical for the U.S. and allies to have diverse options to shape, deter, respond, and even win, if necessary. Increasingly, forces and capabilities across maritime (surface and undersea), air, land, and space can be further enhanced by contributions from cyber and special operations forces. Additional use of latent capabilities for economic security will also be critical.

Strategic non-kinetic effects, assembled from across whole-of-government capabilities and authorities, can still leverage analogs from kinetic effects in traditional domains while being developed and employed in parallel or in combination. Ultimately, this represents the next generation of “combined arms” across the competition continuum, using non-military and military, and non-kinetic and kinetic effects sequenced or together in whole-of-government “force packages.”

Public-Private Integration

Integration between the government and the private sector is an essential component of Integrated Deterrence. By fostering collaboration and coordination between government agencies and private sector entities, including industrial producers, financiers, and technologists, the

United States and its allies can leverage the expertise, resources, and innovation of the private sector to develop more effective strategies and capabilities.

Integration Across Allies and Partners

Integration across U.S. allies and partners includes robust bi-lateral (e.g., Japan¹⁸ and India¹⁹) and multi-lateral alliances (e.g., Five Eyes, AUKUS,²⁰ and NATO) and multi-lateral approaches (e.g., the Quad,²¹ and efforts with NATO, Japan, and South Korea). Increasingly, this also means regional and global support for key frontline states facing conflict (Ukraine and Israel) or aggression in Europe (e.g., Poland, the Baltics, and Finland) and in the Indo-Pacific (Japan, Taiwan, South Korea, the Philippines, and Vietnam²²). By fostering strong relationships across government agencies with their international counterparts and engaging the combined private sector, the United States and its allies can collectively understand and implement Integrated Deterrence.

This integration across the U.S. and allies is also an important counterbalance to the increasing integration across competitors and adversaries, such as the proclaimed “no limits” strategic partnership between Xi Jinping and Vladimir Putin.²³

Integrated Plans and Coordination

Integrated plans are critical for the successful implementation of Integrated Deterrence. Planning with rigor, repeatability, and reoccurrence is essential not just for government planning but also for more comprehensive dynamic campaigns at the nexus of national security and economic security. This process involves close collaboration between government agencies, allies, partners, and the private sector to develop and execute integrated and coordinated plans.

DETERRENCE: SHAPING ADVERSARY THINKING AND PREVENTING AGGRESSION

Another central component of the Integrated Deterrence strategy is deterrence, which seeks to shape the thinking of an adversary and prevent aggressive behavior and conflict. By understanding and influencing the decision-making processes of the CCP and the PLA, the United States with its allies can gain and maintain relative advantage across the competition continuum, ultimately reducing the likelihood of conflict.

This section will explore the concept of deterrence, the CCP's approach to deterrence, the risk of miscalculation, and tailored deterrence approaches to address China's unique vulnerabilities and concerns.

The Role of Deterrence in Strategic Competition

Deterrence plays a crucial role in strategic competition by dissuading adversaries from taking aggressive actions that could escalate into conflict. Deterrence relies on the perceived costs of aggression outweighing the potential benefits, thus discouraging hostile behavior. Deterrence can be achieved through a combination of diplomacy, information, military, and economic means, with the goal of shaping an adversary's decision-making processes and maintaining a favorable balance of power.

Understanding the CCP's Approach to Deterrence

Effective deterrence also requires a deep understanding of the strategy and objectives from competitors and adversaries. Numerous observers have stated that Xi Jinping views the United States as an adversary and he has reportedly emphasized war readiness to the CCP.²⁴ For many years, the CCP and the PLA have been working to reshape American perceptions through wolf-warrior diplomacy,²⁵ aggressive military posturing, space and cyber activities, and economic coercion through actions such as the Belt and Road Initiative, debt-trap diplomacy, and intellectual property theft. However, the CCP attempts to keep aggressive and coercive actions below the threshold for triggering a galvanizing event and resulting in an American response with force. While deterrence theory has worked so far in preventing conflict, the U.S. is missing opportunities to gain and maintain relative advantage in competition. To develop more effective deterrence strategies, Washington must invest in better understanding how China

views its own geopolitical position and calculates its ability to act which includes potential use of Comprehensive National Power (CNP)²⁶ as a comparative strategic assessment approach.

The Risk of Miscalculation and Tailoring Deterrence Approaches

The CCP faces numerous challenges and crises that Washington and allied capitals should consider for their own deterrence efforts.

Near-term and long-term demographic challenges, including population decline,²⁷ reduced workforce participation from youth unemployment and a “lying flat” generation,²⁸ frequent corruption and political control scandals resulting in the sacking of officials,²⁹ and increased economic volatility and anemic growth, are a few of the challenges the CCP faces. These factors contribute to an increased risk that Xi Jinping and CCP leadership may see a strategic window of opportunity closing at accelerated rates.³⁰ China may be more structurally rickety, but when coupled with consolidated and centralized political control, there may be an increased risk of miscalculation by CCP leadership. The U.S. has economic and financial issues, but with dispersed and decentralized control may have more adaptability and creativity to address its issues, compared to the CCP for China’s own economic and financial issues.

To tailor deterrence approaches effectively, the United States must develop a deep understanding of Xi Jinping and the CCP’s strategic goals, decision-making processes, and perceptions of risk. This understanding will enable the development of tailored deterrence strategies that address China’s unique vulnerabilities and concerns, while also providing the U.S. with a more nuanced understanding of the dynamics of escalation and the potential for unintended consequences.

BY WORKING CLOSELY TOGETHER, THE U.S. WITH ITS ALLIES AND PARTNERS CAN PRESENT A UNITED FRONT AGAINST CHINESE AGGRESSION, INCREASING THE COSTS OF HOSTILE ACTIONS AND REINFORCING THE CREDIBILITY OF DETERRENCE EFFORTS.

Expanding the Range of Deterrence Options

Approaches to deterrence exist on a spectrum between diplomacy and military, and those in the middle are often underappreciated. Washington needs to develop additional capabilities that impose costs and offer proportional response options to all levels of Chinese hostility. The United States and its allies must expand the range of deterrence options available to them, particularly in the non-kinetic domain. By doing so, the U.S. with its allies can better shape the CCP’s decision-making processes and reduce the likelihood of conflict.

Strengthening Alliances and Partnerships for Deterrence

A robust network of alliances and partnerships is essential for effective deterrence. By working closely together, the U.S. with its allies and partners can present a united front against Chinese aggression, increasing the costs of hostile actions and reinforcing the credibility of deterrence efforts. This includes deepening military

cooperation, intelligence sharing, and diplomatic coordination, as well as fostering economic prosperity, interdependence and resilience, and technological collaboration with renewed vigor.

Engaging the Private Sector in Deterrence Efforts

The private sector plays a critical role in supporting deterrence efforts, particularly in the areas of economic resilience, technology development, and information sharing. By fostering collaboration between the government and private sector entities, the United States and its allies can leverage the expertise, resources, and innovation of the private sector to develop more effective strategies and capabilities. This includes promoting public-private partnerships, incentivizing research and development in critical technologies, and enhancing the resilience of supply chains and critical infrastructure.

By understanding and influencing the decision-making processes of the CCP and PLA, tailoring deterrence approaches, expanding the range of deterrence options, strengthening alliances and partnerships, and engaging the private sector, the United States and its allies can gain and maintain relative advantage during competition and conflict.

LEVERS OF NATIONAL POWER: HARNESSING WHOLE-OF-GOVERNMENT CAPABILITIES AND STRATEGIC ECONOMICS

In the context of Integrated Deterrence, each of the core levers of national power, which include diplomacy, information, military and economic efforts, play a crucial role in addressing the challenges posed by China. This section will explore the importance of each lever of national power, with a particular focus on strategic economics as a critical component of Integrated Deterrence.

Diplomacy

Diplomacy enables the United States to engage with China and other nations in a constructive manner, addressing issues of mutual concern and promoting shared interests. By maintaining open channels of communication and pursuing issue-based collaboration, diplomacy efforts can help build trust, reduce tensions, and create opportunities for cooperation, even in the face of strategic competition.

Information

Information is a powerful tool in the strategic competition with China, as it can be used to shape perceptions, influence decision making, and counter disinformation. By leveraging information capabilities, the United States with its allies can expose and counter China's aggressive and coercive actions, such as intellectual property theft, cyber-attacks, and military provocations, while also exposing and promoting positive allied strategies and outcomes. Additionally, information sharing between allies and partners can enhance situational awareness, improve intelligence assessments, and support coordinated responses to emerging threats.

Military

The military lever of national power is essential for deterrence and, if necessary, defense against aggression. It is the ultimate backstop because it provides an overwhelming response capability. The United States with its allies must maintain a strong and capable military presence to deter China from taking aggressive actions and to reassure allies and partners of their commitment to collective security. This includes modernizing both conventional and nuclear military capabilities, enhancing interoperability among allied forces, and developing new operational concepts and strategies to address the evolving security environment. Military power also plays a critical role in supporting non-kinetic deterrence efforts, such as cyber and space operations, which can impose costs on adversaries and shape their decision making.

Economic Power and Strategic Economics in the Context of Integrated Deterrence

Economic power is another critical lever of national power, as it underpins both national security and prosperity. Strategic economics refers to the deliberate use of economic power to achieve geopolitical goals, not just economic ones. The CCP has identified the economic domain as having enormous potential to achieve its strategic aims. In response, the United States and its allies must focus on the nexus of national security and economic security, to shape and influence the strategic rivalry, limit China's economic coercion of other states, and serve as an additional suite of capabilities, if deterrence should fail.

Likely as a way to distract from structural and policy-induced domestic challenges, CCP leadership has increasingly proclaimed that the U.S. is trying to limit China's rise and overall economic prosperity.³¹ However, this view fundamentally disregards the extent to which the CCP has focused on military-civil fusion approaches, accelerating military modernization and attempting to breathe some vitality back into sustained economic growth. Because of its military-civil fusion approach, combining military modernization through advanced technology, the CCP uses economic growth as the rhetorical shield against any measures taken that may limit PLA military modernization and aggression.

Although economics may have a comprehensive set of options available, in the post-Cold War era, the U.S. generally has remained focused on diplomacy, military, and information, with economics underemphasized, narrowly focused (e.g., sanctions), and not marshalled in a strategically coherent manner along with other levers of national power. Washington must

THE UNITED STATES AND ITS ALLIES MUST FOCUS ON THE NEXUS OF NATIONAL SECURITY AND ECONOMIC SECURITY, TO SHAPE AND INFLUENCE THE STRATEGIC RIVALRY, LIMIT CHINA'S ECONOMIC COERCION OF OTHER STATES, AND SERVE AS AN ADDITIONAL SUITE OF CAPABILITIES, IF DETERRENCE SHOULD FAIL.

develop and implement a new economic strategy toward China that leverages the contributions of all government departments, including the Department of Defense, to deliver tailored economic effects, and also use pathways for collaboration with allies and partners. Elevating and focusing on economics and finance as part of the comprehensive approach may provide Washington, with its allies, geostrategic advantage, achieving results through proactive postures and decision making. Specific components of the economic lever of Integrated Deterrence are as follows.

Economic Statecraft

Economic statecraft involves the use of economic tools, such as trade, investment, and financial sanctions, to advance foreign policy objectives and shape the behavior of other nations. By leveraging economic statecraft, the U.S. and its allies can impose costs on the CCP and PLA for their aggressive actions, incentivize more cooperative behavior, and strengthen the resilience of their own economies against Chinese coercion.

Economic Security

Economic security is the ability of a nation to protect and advance its economic interests in the face of external threats and challenges. This includes ensuring the resilience of critical infrastructure, supply chains, and financial systems, as well as promoting domestic innovation and competitiveness. By enhancing economic security, the United States and its allies can reduce their vulnerability to Chinese coercion and create a more robust foundation for their own national security and prosperity.

Economic Warfare

Economic warfare involves the use of activities and measures to intentionally weaken an adversary's economy and undermine its ability and willingness to wage war or pursue aggressive actions.³² In the context of Integrated Deterrence, economic warfare could be employed as part of shaping efforts to deter conflict. Economic warfare can also be used in conjunction with military capabilities, if deterrence should fail. These are not new concepts,³³ but should be updated for use in the modern geopolitical environment and with new combinations of capabilities and authorities to develop and deliver strategic effects.

In conclusion, all levers of national power are essential components of Integrated Deterrence. Emphasizing the importance of economic power and strategic economics in the context of Integrated Deterrence will enable the U.S. and its allies to better ensure their security and prosperity in the face of evolving global threats.

SUMMING THE PARTS: RECOMMENDATIONS TO ENHANCE INTEGRATED DETERRENCE THROUGH PARTNERSHIPS ACROSS WHOLE OF GOVERNMENT, ALLIES, AND THE PRIVATE SECTOR

This section outlines key recommendations for policymakers, military leaders, and private sector stakeholders to enhance the effectiveness of Integrated Deterrence in managing strategic competition, maintaining peace, and navigating the evolving relationship with China.

1. Interagency Integration and Execution

1.1 Enhance Interagency Coordination and Decision-Making Processes

Emphasize and leverage existing U.S. interagency organizational processes, roles, and authorities at the nexus of national security and economic security, to offer more robust options, help guide and implement policy decisions, and facilitate cooperation with and among allies and partners. Improve interagency coordination and decision-making processes for impact and speed.

1.2 Strengthen the Infrastructure for Integration

Strengthen the infrastructure for integration by formalizing relationships and frameworks. Better institutionalize relationships and frameworks for Integrated Deterrence, especially at the nexus of national security and economic security, to ensure continuity and resilience across departments and agencies. Enhance economic planning and identify key opportunities for coupled economic-military planning, enabling the interagency to move from an overdependence on military-centric responses to more whole-of-government responses. Leverage existing planning tools and processes from the Department of Defense (e.g., dynamic campaigning

and operational design), to develop integrated capability and authority options from the whole of government to marshal for strategic effects.

1.3 Improve Sensitive Information and Intelligence Sharing

Improve sensitive information and intelligence sharing to enable the marshaling of whole-of-government resources. Counter-coercion campaigns require improved information sharing across government agencies and with allies and partners. Reforms to the Tasking, Collection, Processing, Exploitation, Dissemination (TCPED) and Technical Security and Foreign Disclosure (TSFD) processes can help standardize and streamline sharing, especially in crisis situations. Advancements in the quality of commercial data can also provide expeditious alternatives to classified information sharing, as well as supplemental insights to enhance intelligence information.

1.4 Keep Continuity and Momentum

Maintain momentum and commitment to the principles of Integrated Deterrence, regardless of political changes. Emphasize the bipartisan approach to national security and economic security, even if implementation and execution approaches may differ across administrations.

2. Deploy Levers of National Power for Deterrence

2.1 Strengthen Diplomacy Efforts

Seek to maintain an open dialogue with the CCP and Chinese government counterparts to provide opportunities to better understand intentions and reduce the risk of miscalculation. Focus on issues-based cooperation, competition, or confrontation, while seeking to avoid conflict. Strengthen diplomacy efforts with allies and partners to present a united front against Chinese aggression and reinforce the credibility of deterrence efforts.

2.2 Operationalize an Evidence-Driven Consistent Strategic Narrative Campaign

Enhance existing organizations³⁴ and renew focused efforts for a “Radio Free World” approach, by operationalizing an evidence-driven consistent strategic narrative campaign that highlights positive U.S. and allied strategy, initiatives, and outcomes, while simultaneously exposing malicious CCP activities and irresponsible behaviors globally.

2.3 Modernize Military Capabilities

Continue to modernize military capabilities to provide assurance, bolster capacity, and demonstrate resolve for the U.S. and its allies. Recognize, enhance, and accelerate the development and use of strategic non-kinetic effects, as both an alternative and enhancement to more traditional hard power approaches. Better integrate economic and military planning to ensure a cohesive approach to Integrated Deterrence.

2.4 Renew Emphasis on Economics and Finance

Renew a deliberate emphasis on economics and finance as a key lever of national power, for both security and statecraft. The U.S. should employ this lever, in combination with others,

to support and enable allies and partners, but also to shape, deter, and if needed, prevail against the CCP and PLA. Develop and implement a new economic strategy toward China, considering the role of all departments, including the Department of Defense, in economic effects, identifying opportunities to leverage whole-of-government capabilities, and using pathways for collaboration with allies and partners.

There has already been a shifting view of the essential contribution of economics and finance to America’s national security strategy, with some consensus building in the post-COVID era that “economic security is national security.”³⁵ Economics and finance are the pillars of growth and prosperity and they provide resources for security (the often-used metric of defense spending as a percentage of GDP). Correspondingly, national and international security provide the foundational conditions to enable economics, finance, and trade, resulting in the growth and prosperity of U.S. allies and partners—principally through technological innovation.

In the context of U.S.-China relations, this could mean incorporating some combination of strategic effects which can encompass capabilities from both economics and finance that can be employed for shaping, competition, and if needed, in conflict. However, as the 2023 Strategic Posture Commission noted, “Despite frequent use of economic sanctions, the U.S. government does not have a well understood concept nor a synchronized playbook for employing financial and economic measures to bolster U.S. efforts to deter adversary aggression.”³⁶ These capabilities must also include increasing U.S. and allied economic resilience against continued aggressive measures taken by our adversaries. Strategic economic effects can be another set of tools to affect adversaries, incentivize different behaviors, and if necessary, employed to limit and reduce their war-making and war-waging potential.

2.5 Foster Economic Cooperation

Prioritize opportunities that boost competitiveness and prosperity of the U.S. and allies.³⁷ Exclude nations that do not meet essential criteria, while still offering future opportunities. Enhance cooperation on economic trade and prosperity, as well as economic security. Provide clear criteria, and support allies and friendly nations to meet these thresholds.

2.6 Refine Economic Warfare Approaches

Review lessons from the historical use of economic warfare approaches, better understanding the past to inform the future. Update and refine economic warfare approaches as appropriate for 21st century operating norms, economic terrain, and threat landscape. These updated approaches can potentially be used as strategic non-kinetic responses to adversary aggression across the competition continuum. Integrate capabilities and authorities across the U.S. government, while also looking for cooperation from allied governments and the private sector, both industry and finance.

2.7 Enhance Analytic Capabilities for Economic Statecraft, Economic Security, and Economic Warfare

Enhance analytic capabilities for the continuum of economic security activities. Apply these capabilities to campaign objectives, plans, execution and assessment across individual departments and whole-of-government activities, including with allies. Additional data sets and advanced modeling capabilities are needed to assess the complex scenarios and tradeoffs inherent in evaluating economic security policy options.

3. Allies and Partners

3.1 Strengthen Cooperation with Allies and Partners

Accelerate U.S. interagency engagements and cooperation with allies and partners for Integrated Deterrence. Focus on building and using strong relationships across government agencies with their counterparts, to collectively understand and implement Integrated Deterrence. This includes sharing lessons learned and best practices from successful collaborations.

3.2 Deepen Sharing and Coordination Among Allies

Deepen sharing and coordination among allies, while prioritizing relationships and engagements with allies that have combinations of the most advanced economies and militaries. Establish a new National and Economic Security Alliance, which would likely include Japan, Canada, the UK, Australia, New Zealand, and select European members from NATO. Continue to emphasize existing multi-lateral efforts, particularly AUKUS, Five Eyes, NATO, the Quad, the Compacts of Free Association (COFA)³⁸ in Oceania, and other tri-lateral efforts, especially in the Indo-Pacific region.

3.3 Expand Regional and Global Support

Expand from a trans-Atlantic and trans-Pacific emphasis to instead focus on Indo-Pacific and European collaboration, with the U.S. supporting both. Foster and highlight economic security and national security ties between Indo-Pacific nations and European nations. Recognize the role and contributions NATO has in the Indo-Pacific region, as well as the responsibility to stand up to coercive and predatory behaviors from the CCP in Europe. More deeply consider how NATO could support Taiwan, especially if Article 4 or Article 5 may be invoked.³⁹

3.4 Enhance the Resilience of Defense Production, Including Doing More Forward

Accelerate efforts to establish resilient production of military systems, including at forward locations in both Europe and the Indo-Pacific. This is critical to support allied forces, and the U.S. forces operating forward with them, especially in the event of attacks on U.S. critical infrastructure to slow U.S. military and national mobilization and U.S. logistics flows to key areas of need.

3.5 Change the Interpretation of Buy America and the National Security Perimeter

Implement an integrated defense industrial base across allied countries in Europe and the Indo-Pacific to produce military systems. Align and synchronize the boundaries of International Traffic in Arms Regulations (ITAR), and Export Administration Regulations (EAR) and National Technology and Innovation Base (NITB), and the Defense Production Act (DPA) to facilitate this construct, which would become the new fence line for trusted supply, production, maintenance, and sustainment. Begin this effort with the Five Eyes and Japan, and additional countries could be added.

3.6 Consider the Internal Dynamics and Priorities Within a Unified NATO Alliance

Recognize challenges across four key subregions within NATO, the eastern front, the northern and southern flanks, and the western rear, each with different perspectives and priorities. Cohere these subregional perspectives, not just West-East, but increasingly also North-South. Emphasize critical infrastructure integration, especially for energy, and key fora for economic security and national security, such as the Three Seas Summit (Baltic, Adriatic, and Black Seas). Continue to focus on bolstering the security of NATO's eastern front.

3.7 Recognize the Vast Potential and Long-term Importance in Latin America, Oceania, Africa, and the Middle East

In concert with North American, Indo-Pacific, and European allies, prioritize approaches to foster development, economic prosperity, and security in nations from those regions that request assistance. Move beyond transactional approaches, and instead emphasize approaches for human talent development, friend-shoring opportunities, and added resiliency for key steps in value chains, in both the near term and longer term.

3.8 Help All Nations Confront China's Coercive Actions

Encourage all nations to stand up against China's coercive behavior, while also providing robust support and assistance. Consistently highlight the impact and outcomes from predatory deals from China, especially in developing nations. Develop a playbook that nations can use to counter economic coercion. Roll-back Chinese efforts to exploit resources using predatory lending and debt-trap diplomacy. Highlight cooperation efforts and successes. Support resistance forces for nations on the frontline of aggression, especially in Europe and the Indo-Pacific. Collective defense starts with every nation believing they can and must defend themselves, while also recognizing they are not alone.

3.9 Create Alternatives to China's Belt and Road Initiative

Offer a coherent alternative, especially to developing countries, for infrastructure, trade, and development to compete with China's Belt and Road Initiative, the Global Development Initiative, and the Global Security Initiative. This alternative should be an integrated approach from North America, Europe, and the Indo-Pacific. Nascent efforts should be integrated and accelerated.⁴⁰

4. Private Sector

4.1 Encourage Private Sector Involvement

Encourage and incentivize private sector involvement and alignment to national security and economic security objectives. Encourage all companies from allied nations to actively participate in strategic initiatives and avoid complacency in the face of global challenges. Support companies and industries that may face backlash or retaliation from the CCP. Encourage new companies to contribute to a more broadly defined defense industrial base.

4.2 Foster Collaboration Between Government and Private Sector

Encourage collaboration between the government and private sector, including industrial producers, financiers, and technologists, to better inform policy decisions that are grounded in real-world expertise and experience. This includes promoting public-private partnerships, incentivizing research and development in critical technologies, and enhancing the resilience of supply chains and critical infrastructure. Prioritize partnerships and cooperation for mutual benefits about real assets (both physical and digital); industrial production, supply chains, and critical input minerals and materials; and technology development and deployment. Consider the dual-use nature of all dimensions, to both underpin security and advance prosperity. Protect and, if necessary, deny adversaries access and advantage to elements essential for aggression.

4.3 Address Supply Chain Vulnerability

Recognize the renewed importance of detailed understanding of value chains, supply chains, and sourcing. Incentivize approaches for diversification and resilience. Mitigate single point-of-failure risks and minimize exposure to potential coercion

from adversaries. Prioritize resiliency through opportunities for expansion to like-minded nations, as well as domestically for the U.S. Address vulnerabilities in supply chains and ensure resilience in defense equipment, emerging technologies, and dual-use (civilian and military) sectors. Move from efficiency based (“just-in-time”) to effectiveness and resilience based (“just-as-resilient-as-necessary”) approaches. Re-shore and friend-shore production to increase alternatives to adversaries.

4.4 Address Economic, Financial, Industrial and Technological Contributions to Adversary Military Strength

Recognize the expanding use of advanced technologies, commercial products, and investment flows for military modernization in adversary countries. Focus efforts to disrupt and deny the flows of these technologies, products, and investments to support capabilities for the military and security apparatus in China and Russia.

4.5 Pool Capital for U.S. and Allied Advantage

Provide initial incentives for capital flows into key areas aligned to national security and economic security objectives, across the spectrum of real assets (both physical and digital); industrial production, supply chains, and critical input minerals and materials; and technology development and deployment. Devise a systematic way to identify opportunities where private capital can be deployed for returns, but also to enhance national security. Consider approaches to signaling with capital as a component of strategic messaging. This could include incentives to initially encourage capital flows and allocations, as well as disincentives or even penalties, to stifle access to capital that may be used to support military modernization for adversaries.

4.6 Operationalize Public-Private Partnerships

Operationalize public-private partnership approaches in key areas, such as microelectronics and critical minerals, bringing together suppliers, producers, users, and finance to enable outcomes that benefit both national security and economic security objectives.

4.7 Enhance Allied Energy Security

Incentivize American and Western Hemisphere energy producers to prioritize energy flows to the key allies and partners in the European Union (EU) and Indo-Pacific. Assist allies with energy resilience, through combinations of oil, gas, and nuclear energy, in addition to other renewable energy efforts they may pursue.

4.8 Enable a Combined Markets View Across Allies

Help producers and financiers identify larger markets, through collective demand integrated across allies and partners, especially for high-complexity, low-volume products and advanced technologies. Move from a paradigm of U.S. domestic market versus a global market to an alliance market, which today is nearly 50% of the world's GDP.

5. Strategy to Action

5.1 Develop a New Affirmative Grand Strategic Vision

Develop a new affirmative grand strategic vision for a future order that achieves security and prosperity for the U.S. and its allies. This vision should guide the development and implementation of policies and initiatives aimed at managing strategic competition with China and maintaining peace.

5.2 Define Clear Goals and Objectives

Define clear goals and objectives throughout competition with China, seeking to avoid conflict but also purposefully demonstrating resolve, solidarity, and support to other nations facing hostile, coercive, and predatory behaviors from the CCP. Establishing clear goals and objectives will help to guide the development of tailored deterrent strategies and the allocation of resources to achieve desired outcomes. Renew the United States' security and prosperity through a combination of technological, defense, and economic leadership.

5.3 Understand the Adversary

Consider that the CCP's increasing aggressiveness and coercion toward other nations results from increasing domestic economic fragility, accelerating demographic decline, and views of concern about a closing window of strategic opportunity, and that the inflection point has already passed from China's inevitable rise to some other trajectory that is more uncertain.

5.4 Recognize the Importance of Selective Interdependency and De-Risking

Recognize that an attachment to reconstituting the status quo or full decoupling are false choices, and instead work on deliberate combinations of selective interdependency and de-risking. Selective interdependence is critical to facilitate engagement and shape behaviors. De-risking also provides opportunities to bolster allies and partners, as well as U.S. domestic capabilities, supporting the foundations of a new coalition of like-minded nations.

5.5 Devise and Issue a Coherent National Strategy on Economic Security and Competitiveness

Highlight the importance of economics in the National Security Strategy, while also using the existing quadrennial NSS and NDS cycles as models and opportunities to provide more clarity about a dedicated strategy for economic security and competitiveness.

By implementing these recommendations, the United States and its allies can enhance the effectiveness of Integrated Deterrence in navigating the evolving relationship with China.

CONCLUSION: EMBRACING INTEGRATED DETERRENCE FOR A SECURE AND PROSPEROUS FUTURE

As the United States and its allies confront the complex challenges posed by China's rise and its ambitions to reshape the global order, an Integrated Deterrence approach offers a comprehensive and adaptable strategy for managing strategic competition, maintaining peace, and, if necessary, prevailing in conflict.

Through the adoption of a new affirmative grand strategic vision, a renewed emphasis on strategic economics, enhanced interagency coordination, strengthened cooperation with allies and partners, and active engagement with the private sector, the U.S. and its allies can develop a more effective and coherent strategy to navigate the intricate relationship with China. This approach, combined with a deep understanding of China's strategic goals, decision-making processes, and perceptions of risk, will enable the U.S. and its allies to better navigate the evolving relationship with China more effectively.

The U.S. must develop economic-military integration for deterrence and leverage the combined economic might of its allies and partners. More research is needed on how to execute escalation control and identify potential unintended consequences of the increased coupling between military and economic operations. Additional modeling tools and assessment approaches are also needed to understand which economic levers tend to work better than others, and under what conditions.

In conclusion, an Integrated Deterrence approach offers a promising, resilient, and adaptable framework for guiding the United States and its allies as they adapt to the evolving strategic landscape with China and shape PRC perceptions of risks and costs of action against U.S. core interests. The success of Integrated Deterrence will depend on the collective resolve and determination of the United States and its allies to navigate the evolving relationship with China, maintain peace, and secure a more prosperous and stable future for all.

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