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Is Invasion of
Taiwan Imminent?

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Abstract

Since the US-China rivalry gained momentum, there has been one interminable question that has perplexed people in the strategic sphere— Is an Invasion of Taiwan Imminent? This paper takes a theoretical approach, containing itself to the realm of realism to answer this question in the contemporary geopolitical scenario. It explores Chinese leaders' assessment of fallout of an invasion and contemporary motivations. The paper ends with an assessment of presence of any indicators of imminent invasion.

Keywords: US-China, Taiwan, Taiwan Strait Crisis, Economic Interdependence, Great Power Rivalry

Introduction

Tensions between China, Taiwan, and United States have ratcheted over the past few years. An increasing number of academicians and practitioners (mostly western) alike have been speculating that a 'war is nigh'. From discussing, if 'China will ever invade Taiwan', they have moved on to 'when will the invasion happen'. This was prompted by former commander of the US Indo-Pacific Command (IndoPACOM), Adm. Phil Davidson's congressional testimony in 2021, where he claimed that 'China was preparing to take Taiwan within the next six year' (Lagrone, 2021). Working on that hypothesis if China does want to "take Taiwan" by 2027, then there are three possible postulations that would inform Chinese leaders' decision to invade. They are:

- *First*, the Communist Party of China (CPC) is very Hobbesian in terms of state legitimacy and Machiavellian in diplomacy. There exists a social contract based on economic legitimacy between the CPC and the Chinese public. Therefore, the Party would surely take into account the blowback it will receive for invading Taiwan. At current capabilities, invading Taiwan will be a daunting task and if wars of 21st century are any indicator, then it is very difficult for any country to invade and occupy a territory and assimilate it within. The most recent example is the war in Ukraine where despite much casualties, Ukraine is willing to fight to the last man, thus putting on an economic and military toll on Russia. A similar fightback from Taiwan to an invasion can draw China

into a prolonged war that could drag on for years. In such a situation, China would be subjected to sanctions from US and its allies and a possible blockade, which would be economically devastating for China. This would effectively end the economic social contract between the Party and the public as also would endanger the regime itself.

However, looking at domestic political and economic indicators, the Party is working on two distinct goals to survive any economic blowback from an invasion. Economically, the Party is working hard to build a self-sustaining economy as Xi Jinping introduced the ‘dual circulation of Economy’ in May 2020 that was later revised to focus solely on internal circulation (Yao, 2020). The other indicator is ‘increasing nationalism’. Since 2020, the audience for China’s nationalism rhetoric has shifted focus from a mix of foreign states and domestic populace to just domestic population (Wong, 2020). This brand of nationalism has ethnocentric undertones with strong indicators of territorial integrity.

- *Second*, since normalisation of relations with the US in 1979, China’s goal was a political unification brought on by enhanced economic partnership and people to people exchanges. China propagated Taiwan’s assimilation into the mainland by projecting “one country, two system”. However, the Party’s failure of this policy in Hong Kong has left no takers for the system in Taiwan. Beijing's seeming belief that cross-strait unity will be fostered by economic exchanges and people-to-people interactions has been challenged by these tendencies. The likelihood of a peaceful unification has decreased due to quick deterioration of connections.

- *Third*, growing Chinese economic and military might, Taiwan's solidifying democracy under the leadership of the pro-independence Democratic Progressive Party, and the growing US resolve to use the ‘Taiwan card’ in its strategic rivalry with China are all contributing to the erosion of many of the understandings, military considerations, and ambiguous positions that allowed decades of peace, prosperity, and democracy on the island.

The Party is often revered by scholars as scheming and evaluating, while always keeping a long-term prospect. If this holds true, China will certainly take into account the US

response to any military operation against Taiwan. Therefore, it is pertinent to explore the existing provisions and probable US responses to an invasion of Taiwan by China.

The US-Taiwan relationship is defined by the Taiwan Relations Act (1979). The Act allowed the US to supply “defensive arms” to Taiwan and authorised de-facto diplomatic relations between Taiwan and the US despite the US officially recognising the People’s Republic of China (PRC). However, the Act had kind of lost its relevance in face of the renewed threat to Taiwan from China. Therefore, the USA Senate Foreign Relations Committee approved a new Act called the “Taiwan Policy Act of 2022” to clearly lay out US’ policy towards Taiwan. The Act was a clear indication of US renewed policy and resolve to protect Taiwan from China’s belligerent actions by equipping Taiwan with modern weaponry, bolstering its defence capabilities, designating Taiwan as a ‘Major Non-NATO ally’, and sanctions regime to deter China’s aggression. However, the act could not be passed due to lack of support from the White House (Hammond-Chambers, 2023).

In August 2023, the US government approved a \$80 billion worth of military aid to Taiwan under its Foreign Military Financing Program (FMF) (Zengerle, 2023). While the amount is not substantial when it comes to military aid, it is significant because the program under which the aid is given is only for sovereign states. This is in line with US’ ambiguous position on Taiwan. Arming Taiwan has been a bipartisan agenda in the US. Under Trump, US’ arms sale to Taiwan amounted to \$18.27 billion adding another \$4.62 billion, thus increasing the sales to a cumulative \$22.89 billion in the last 8 years (FOAT, 2024). This suggests that the US is ‘arming Taiwan to the teeth’ to prepare it for a probable invasion. Apart from arming, the US has also been extensively training the Taiwanese Army. Under section 1342 of the ‘National Defence Authorization Act for Fiscal Year 2024’ the US Government required the Secretary of State in consultation with the Secretary of Defence to establish a “comprehensive training, advising, and institutional capacity building program for the military forces of Taiwan” (US Congress, 2023). The purposes of the program are:

- To allow Taiwan's military forces to defend the island nation in multiple ways, notably by supporting the employment of an asymmetric defence strategy.

- To enhance interoperability between the Taiwanese military and the United States military.
- To promote information exchange between the military forces of Taiwan and the United States.
- To encourage combined force employment.

The provisions of the program indicates that in case of an invasion, the US will intervene militarily to assist Taiwan. This can also be due to the fact that according to a wargame exercise done for the US congress recently, China will attack US' logistics hubs in western Pacific before invading Taiwan. This is probably the reason as to why the US is diversifying its logistics hubs in the Pacific region. There are other variables that indicates that the US will intervene militarily. Since he took over the presidency, Joe Biden has twice stated that US would intervene if Taiwan were invaded, only to be officially redacted later (Brunnstrom, 2022). The fall of Taiwan could very well make the "Cold War Domino Theory" true. If China takes Taiwan without any resistance, it will next set its eye on the South China Sea and the Senkaku islands. This would allow China complete domination in Western Pacific and hinder the US' capability to project power in Asia and the larger Indo-Pacific region. Additionally, if China becomes the dominating country in Asia, it would be able to influence the economic transactions in the region, effectively having control over half of the world's economy, thus becoming a global challenger (not just regional) to the US. This will have major consequences for the post-war global order dominated by the US.

Invasion Motivations

Under former President Donald Trump, the US government had explicitly showed that it considered China to be a threat to its ideals and power and would follow a containment strategy (Carpenter, 2020). This included shifting focus completely towards China. To achieve this goal, Trump shifted focus from West Asia and asked Europe to do more for its security. Further, Trump stationed more forces in the western Pacific region by withdrawing troops from Europe, Africa, and West Asia to focus on China. Trump's moves were helped by a quiet Europe and West Asia with ISIS diminishing and the Arab peace process going strong.

However, looking at the situation in the last couple of years, Europe and West Asia have been anything but quiet. Russia's invasion of Ukraine and the war in Gaza has forced US to commit resources to Ukraine and Israel and shift its focus back to Europe and West Asia. This has stretched the US, simultaneously engaging in multiple theatres and putting the focus off of China. One can argue that the current situation in Europe and West Asia has created a nice segway for China to achieve its territorial ambitions with the US distracted.

Another factor in favour of a possible invasion by China is its understanding of what it calls "Period of strategic opportunity". Xi in 2022 had said that "Our country has entered a period of development in which strategic opportunities, risks, and challenges are concurrent and uncertainties and unforeseen factors are rising. We must therefore be more mindful of potential dangers, be prepared to deal with worst-case scenarios, and be ready to withstand high, choppy waters, and even dangerous storms" (Wei, 2022). With the end of rapid growth in China, the Party may see the last few years as an opportunity to complete its political goals.

Assessment

Now coming to the central question: Is an invasion of Taiwan imminent? The short answer would be 'No'. If an invasion was imminent then China would make clear moves to protect its vital sectors (military and economy) against sanctions and disruptions. This would surpass its current industrial policies and 'dual circulation strategy', which together seek material and technological self-sufficiency, or even its restricted actions against the growing use of sanctions, export controls, and financial and economic pressures by the United States—something China is not actively pursuing. Financial measures including tighter cross-border capital controls, a ban on foreign financial assets inside China, and the quick liquidation and repatriation of Chinese assets overseas are all potential early warning signs of an impending conflict. Along with these, there would be a spike in the storage of essential supplies like food, medicine, or vital technology inputs; a halt to vital exports like refined petroleum products, vital minerals, or rationed imports like gas and oil; and a reordering or prioritising of vital inputs for military manufacturing. Restrictions on international travel would also apply to Chinese elites and high-priority workers (DiPippo, 2022).

However, going by the current geopolitical alignments with an increasingly polarised world, it seems that China will resort to use of force or invade Taiwan in the medium to long term.

There are several political factors and medium to long term policy indicators that have educated this assessment. The political factors are:

- ***No Political Solution.*** China and Taiwan had burgeoning trade relations and people to people exchanges before the advent of Covid 19. However, the last few years, the relations between the two have completely gone downhill. Beijing, since the 1980s, believed in the strategy of 'political reunification of Taiwan with the mainland' through economic exchanges and assimilation. A while ago, majority of people in Taiwan considered themselves as Chinese. However, according to recent data, 70-80% Taiwanese (mostly young people) considers themselves distinct from Chinese and claims a Taiwanese identity (Green, 2023). This is also evident by Taiwan re-electing the Democratic Progressive Party (DPP) and choosing a pro-independence President (Lai Ching-te). If the trend continues, Taiwan might declare independence in the future prompting a Chinese invasion.
- ***Xi's Legacy.*** One thing that all leaders care for before remitting office is their legacy. By 2030, it is anticipated that Xi will work to fulfil his historic legacy and accomplish the main objective of uniting and consolidating the middle kingdom; 70% of mainlanders strongly favour using force to annex Taiwan, and 37% believe it would be preferable if the conflict broke out in three to five years (Mastro, 2021). Xi, the 69-year-old President, is under pressure to complete his tasks on schedule.

Xi will be 73 years old for the PLA Centennial in 2027, when he is nearing the end of his third term. At the age of 74, he is expected to be re-elected for a fourth term with a military strong enough to launch an immediate and decisive invasion. It is unlikely that the world community will make China answer for its deeds. This is further backed by the shift in China's economic partners' views on the PRC's official recognition of Taiwan and United Nations resolutions, as well as the incapacity or reluctance of the international community to hold China accountable for its ongoing breaches of human rights in Xinjiang.

- **Power Parity.** Already a major economic power, China is rapidly catching up with the US in terms of military power. It is rapidly developing a Blue Water Navy and modernising its armed forces. As part of its military modernising efforts, China has developed the capability to inflict substantial damage to US assets in the IndoPACOM— with time, the power gap between the US and China will only decrease, giving China the necessary deterrence capability to invade Taiwan and stopping the US from aiding it.
- **US Resolve.** Even if China is not able to fully catch up to the US in military capabilities, the US might not have QPQ options to aid Taiwan. This is because the US has to take into account that, if it aids Taiwan, there is a far greater risk of a regional war as China would most likely use North Korea to drag Japan and South Korea into the theatre of conflict with Russia also playing a part. Further, China can use Iran to ignite flames in West Asia forcing the US to engage in multiple regions at the same time. Therefore, the US' commitments across the region might become a deterring factor.

The medium to long term policy indicators are:

- **Reduce dependency on Dollar and internationalise Renminbi.** Dollar is the world's primary currency for trade. The dollar strengthens the US economy and the predominance of its financial markets. China's push to diversify the dollar is not new. In the aftermath of the Asian Financial Crisis in 1999, Dai Xianglong the then Governor of People's Bank of China pushed for a change in the financial system. He said that "the role of international reserve currency played by few countries' national currency has been a major source of instability in the international monetary system" (Xianglong, 1999).

Since then, China has taken multiple measures to offset the dollar and internationalise the renminbi. One such step is setting up of commodities exchanges in China's industrial cities. The first commodity exchange was the Baotou Rare Earth Products Exchange, that is unitedly owned by 14 major rare earth companies in China. Subsequently, Baotou is also home to 80% of the world's rare earth resources. Similarly, China set up the Shanghai Crude Oil Futures in

2018 whose trading and copper futures in 2020 on the Shanghai International Energy Exchange. By setting up commodities exchanges (backed by Renminbi) in its major industrial cities, China aims to push the power and use of Renminbi in pricing of global commodities and in turn establish a substitute to the dollar dominated global financial system.

However, such an endeavour would require regional cooperation from neighbours and major trading partners. For starter, to increase the circulation of Yuan, major oil exporting countries to China like Russia, Angola, Venezuela, Iran, and Nigeria (Liu, 2022) have started taking oil payments in Renminbi. Subsequently, China is also using regional multilateral arrangements like SCO and BRICS to trade in regional currencies and develop alternative payment systems.

- ***Technological Self-Sufficiency.*** Technology has become an integral part of world's economy now. Sophisticated and disruptive technology has the power of changing fortunes of any country. One such example is semiconductors. Semiconductors have uses in everything— from small appliances to satellites and large weapon systems. Having self-sufficiency in semiconductor technology will certainly be a boost for any country. This was the reason the US has been trying to limit China's access to semiconductors technology (Welle, 2023). To inoculate itself from imports of critical technology, China has been pushing for self-sufficiency in technology. Former premier, Li Keqiang in 2023 said that “the new system for mobilizing, resources nationwide should be improved, we should better leverage the role of government in pooling resources to make key technological breakthroughs and enterprises should be the principle of innovation” (Baptista, 2023).

There are other measures that China is undertaking like the Belt and Road Initiative (BRI), that aims to build a global reliance on exports from China and diversify markets, dual circulation of economy, raising economic and financial substitutes to Bretton Woods Institutions, and building alternatives to SWIFT.

One can argue that the above mentioned measures undertaken by China are just a move towards safeguarding its economic interests, however it is to be noted that Russia started similar things in 2014 wherein it started stockpiling international reserves, diversified away dollar, aimed to achieve self-sufficiency in food and agriculture, and worked to build local hardware and software to reduce dependencies (Rferl, 2018).

Conclusion

The prospect of China invading Taiwan is dire and with the US engaging militarily, it becomes complicated and potentially explosive with enormous global ramifications. The theory of economic interdependence is at play in the US-China conflict, but history teaches us that economic interdependence does not always prevent war. However, an armed conflict between the world's two largest economies (US and China) would not just result in mutually assured destruction of their respective economies, rather it would plunge the world into an economic depression hitherto unforeseen. US policies strongly indicates that it has made up its mind to defend Taiwan, thus shifting the onus of escalation on China. It is China's decision now whether to ignite the region in a devastating war for a piece of real-estate or let the region continue on a path of prosperity. So far, the signalling from China does not look promising.

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