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A Costly Commitment

Options for the Future of the U.S.-Taiwan Defense Relationship

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EXECUTIVE SUMMARY

America's security commitment to Taiwan faces a significant test. China's growing power presents a challenge to U.S. military superiority, while Taiwan's investment in its own defense has languished. Adding to the challenge of keeping peace in the Taiwan Strait is the shifting political situation in Taiwan, exemplified by the January 2016 elections in which voters rejected the cross-strait rapprochement policies of the Kuomintang (KMT) and turned over control of the presidency and legislature to the Democratic Progressive Party (DPP). The China-Taiwan relationship has remained relatively calm, but changes in the U.S.-China balance of power could make the Taiwan Strait a dangerous place once more if the implicit U.S. defense commitment to Taiwan loses credibility.

This paper outlines three broad policy options for the United States: shoring up the defense commitment by restoring military superiority over China; sustaining a minimum level of military advantage over China; or stepping down from the commitment to use military force to maintain Taiwan's de facto independence. It concludes that the United States should step down from the defense

commitment eventually, ideally through an incremental and reciprocal process with China that would draw concessions from Beijing. In the long term, the U.S. security commitment to Taiwan is neither beneficial nor advantageous for the United States. Taiwan will have to take responsibility for its own defense.

Stepping down from the implicit commitment to come to Taiwan's rescue with military force carries risks, but other options leave the United States worse off in the long term. The likely damage to U.S.-Chinese relations caused by pushing for military superiority in the region outweighs the benefits. Sustaining a minimum level of military advantage is possible, but absent a long-term economic slowdown and/or political changes in China—both of which are beyond U.S. control—maintaining such an advantage in perpetuity will be difficult. Stepping down from the commitment through a long-term process would give Taiwan the time it needs to make necessary changes in its defense technology and military strategy. Peace in the Taiwan Strait is an important American interest, but it must be weighed against the difficulty of maintaining credibility and the growing costs of deterrence failure.

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INTRODUCTION

The U.S. defense relationship with Taiwan is a risky and costly commitment that has become increasingly difficult to sustain. Barry Posen of the Massachusetts Institute of Technology put it best when he wrote, “The U.S. commitment to Taiwan is simultaneously the most perilous and least strategically necessary commitment that the United States has today.”¹ The United States can and should strive for a peaceful resolution of the Taiwan dispute, but through means other than an implicit commitment to use military force to defend the island.

Washington’s approach to keeping the peace in the Taiwan Strait during the latter years of Taiwan’s Lee Teng-hui (1988–2000) and most of the Chen Shui-bian (2000–2008) administrations was known as “dual deterrence.” Under dual deterrence the United States issued a combination of warnings and reassurances to both China and Taiwan to prevent either from unilaterally changing the status quo.² America’s overwhelming military advantage over the People’s Liberation Army (PLA) deterred China from using military force, while Taiwan moderated its behavior lest U.S. forces not come to its rescue.³ However, the dual deterrence concept is ill-suited to the current military environment in the Taiwan Strait.

Dual deterrence is no longer viable because the modernization of the PLA has improved Beijing’s ability to inflict high costs on U.S. military forces that would come to Taiwan’s aid in the event of a Chinese invasion attempt.⁴ The deployment of two U.S. Navy aircraft carriers to the waters around Taiwan during the 1995–1996 Taiwan Strait Crisis was a major embarrassment for the PLA, and it has played an important role in driving China’s military modernization.⁵ Improvements in China’s anti-access/area denial (A2/AD) capabilities have significantly complicated the ability of the United States to defend Taiwan by making it difficult for the U.S. Navy and Air Force to operate in and around the Taiwan Strait.⁶ According to a recent RAND Corporation study, “a Taiwan

[conflict] scenario will be extremely competitive by 2017, with China able to challenge U.S. capabilities in a wide range of areas.”⁷ This shifting balance of power strains the credibility of the U.S. defense commitment to Taiwan by increasing the costs the United States would have to pay in an armed conflict.

Two additional developments will challenge the cross-strait peace. First, the period of rapprochement that has characterized cross-strait relations since 2008 has ended. The former Taiwanese president, Ma Ying-jeou (2008–2016), championed cross-strait cooperation and economic linkages that brought a welcome sense of calm after the tumultuous administrations of Lee and Chen.⁸ However, the January 2016 landslide victory of the DPP in both presidential and legislative elections revealed popular dissatisfaction with Ma’s policies and a weakening economy.⁹ President Tsai Ing-wen pledged to maintain peace. But her unwillingness to declare support for the “1992 Consensus” (simply stated as “one China, different interpretations”) caused Beijing to suspend communication between the Taiwan Affairs Office and Taipei’s equivalent, the Mainland Affairs Council.¹⁰ Events since the election of president Tsai indicate that the relationship between Taiwan and China will be more confrontational than the relationship during the Ma administration.¹¹

Second, China’s slowing economy adds uncertainty to cross-strait relations. China’s GDP growth rate was 6.9 percent during the first nine months of 2015, well below the double-digit GDP growth rates of the last couple of decades.¹² Sliding growth and the resulting social instability could encourage China’s leaders to behave more aggressively toward Taiwan to bolster domestic legitimacy and ensure regime survival.¹³ However, a slowing economy could also restrict military spending and encourage Chinese policymakers to avoid big conflicts as they focus on shoring up the economy. At the very least, China’s economic situation is a source of uncertainty that was not present when the United States relied on dual deterrence.

What approach should the United States take in this shifting environment? Generally speaking, there are three options for the United States: it could do more to shore up the defense relationship with Taiwan and restore its military superiority over China; sustain a minimum level of military advantage over China; or step down from the implicit commitment to use military force in defense of Taiwan. This paper explores each of these and concludes that stepping down from the commitment is the best of the three options. The success of dual deterrence should be praised, but American policymakers must begin adjusting to a new state of affairs in the Taiwan Strait.

THE VAGUE U.S. SECURITY COMMITMENT AND THE CHALLENGES IT FACES

The U.S. security commitment to Taiwan consists of two pillars established in the Taiwan Relations Act (TRA) of 1979: arms sales and an implicit promise to defend Taiwan with military force should it be attacked. Both are set forth in Section 3 of the TRA, which states, in part, that the United States is permitted to sell Taiwan “defense articles and defense services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability.”¹⁴ Comparatively, the implicit commitment to use force to defend Taiwan is less clear. Section 3, part 3, authorizes the president and Congress to “determine, in accordance with constitutional processes, appropriate action by the United States” in response to “any threat to the security or the social or economic system of the people on Taiwan and any danger to the interests of the United States arising therefrom.”¹⁵ Military force is not explicitly mentioned, but it falls within the category of appropriate action that the United States could take.

The imprecise wording of the TRA has served the United States well by creating “strategic ambiguity,” the underpinning of dual deterrence.¹⁶ Strategic ambiguity, the open question of whether or not the U.S. military

would intervene in a cross-strait conflict, had two important effects. First, it gave the United States greater freedom of action in trilateral relations. By not binding itself to one particular position, the United States could better adapt to unpredictable events. Second, strategic ambiguity restricted China and Taiwan’s freedom of action. Upsetting the status quo carried high costs for both sides. The United States could warn Taiwan that no cavalry would come to the rescue if Taiwan provoked China by making moves toward *de jure* independence.¹⁷ Likewise, the high costs that would be inflicted on the PLA by a U.S. intervention prevented Beijing from initiating a conflict.

China’s growing military power has diminished the value of strategic ambiguity by improving Beijing’s ability to inflict high costs on an intervening American force. The mere possibility of American intervention may no longer be enough to deter China if the PLA is better prepared to mitigate the effects.

Further complicating the U.S.-Taiwan defense relationship is the slow but steady erosion of U.S. credibility over the last two decades. This analysis uses the “Current Calculus” theory set forth by Dartmouth professor Daryl G. Press as the basis for assessing U.S. credibility. Press states, “Decisionmakers assess the credibility of their adversaries’ threats by evaluating the balance of power and interests . . . Future commitments will be credible if—and only if—they are backed up by sufficient strength and connected to weighty interests.”¹⁸ From Beijing’s perspective, the U.S. commitment to defend Taiwan is credible if American military power can pose a threat to Chinese forces and the United States has a strong interest in defending Taiwan.

On the subject of interests, Taiwan carries much more importance for China than it does for the United States. Charles Glaser of George Washington University writes “China considers Taiwan a core interest—an essential part of its homeland that it is determined to bring under full sovereign control.”¹⁹ Beijing does not appear eager to reunite Taiwan with

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the mainland by force in the near future, but China’s president Xi Jinping has warned that “political disagreements that exist between the two sides . . . cannot be passed on from generation to generation.”²⁰ Maintaining Taiwan’s de facto independence may be important for the U.S. position in East Asia, but it does not carry the same significance that China places on reunification.²¹

Since China enjoys an advantage in the balance of interests, the credibility of the U.S. commitment rests on American military power. According to Press’s model, if the United States can carry out its threat to intervene with relatively low costs, then the threat is credible.²² When the TRA was passed in 1979, the United States enjoyed a clear advantage over a militarily weak China. That is no longer the case. Several recently published assessments of a U.S.–China conflict over Taiwan have sobering conclusions: America’s lead is shrinking, victory is less certain, and the damage inflicted on the U.S. military would be substantial. In *China’s Military Power*, Roger Cliff of the Atlantic Council writes, “Although China’s leadership could not be confident that an invasion of Taiwan in 2020 would succeed, it is nonetheless possible that it could succeed. . . . Even a failed attempt, moreover, would likely be extremely costly to the United States and Taiwan.”²³ The RAND Corporation reached a similar conclusion: “At a minimum, the U.S. military would have to mount a substantial effort—certainly much more so than in 1996—if it hoped to prevail, and losses to U.S. forces would likely be heavy.”²⁴ It is impossible to determine exactly how many American ships, aircraft, and lives would be lost to defend Taiwan from a PLA attack. But given the improved quality of PLA weapons systems and training exercises, it is safe to assume that the U.S. military would have to cope with losses that it has not experienced in decades.

Of course, it is important to note that high costs do not flow one way. In a war, the United States and Taiwan would make an invasion very costly for China, which reduces the credibility of Beijing’s threats to use force.

However, U.S. military superiority in a Taiwan Strait conflict was nearly absolute until very recently. This superiority made victory relatively cheap, which enhanced the credibility of the American commitment.²⁵ Improvements to already formidable Chinese weapons systems, combined with recent reforms that enhance command and control for fighting modern war, continue to ratchet up the costs the United States would have to absorb.²⁶

If the PLA continues to improve at the rate it has done over the last 20 years, the United States could be in the unpleasant position of fighting a very costly conflict over a piece of territory that China has a much stronger interest in controlling than the United States has in keeping independent. Close economic ties between the United States and China (bilateral trade in goods was valued at \$598 billion in 2015 in nominal dollars) would likely suffer as well.²⁷ The high costs the United States would face in a conflict over Taiwan undermine U.S. credibility. China’s stronger interests and ability to inflict high costs on the United States could encourage Beijing to take risks that until recently would have been considered unacceptable.

THREE POLICY OPTIONS FOR THE UNITED STATES

Broadly speaking, the United States has three options for dealing with the diminishing credibility of its implicit commitment to defend Taiwan. In this section I explain what kinds of policies would most likely accompany each option and present favorable arguments for each.

Restore U.S. Military Superiority

The most straightforward way to bolster American credibility would be to increase the U.S. military presence close to Taiwan and clearly demonstrate the political will to honor the defense commitment. The combination of increased military presence and unequivocal political support would be a clear break from dual deterrence. Instead of directing warnings and reassurances toward both Taiwan

and China, the United States would only warn China and only reassure Taiwan.²⁸ The United States would welcome a stronger Taiwan, but U.S. support would not be preconditioned on Taiwan's willingness to develop its defenses.

The ultimate goal of this policy option would be the establishment of a decisive and durable U.S. military advantage over the PLA. The clearest indicator of the U.S. commitment is military resources. Increasing the survivability of American air power in the area around Taiwan would send a clear signal of support. The American forces currently deployed in Japan would be the first to respond in a Taiwan conflict. Increasing the number of hardened aircraft shelters at U.S. bases in Japan, especially at Kadena Air Base on Okinawa, would protect aircraft from ballistic missile attacks.²⁹ Additionally, the United States would revive the annual arms-sale talks with Taiwan that occurred from 1983 until 2001. Advocates for returning to annual talks argue that moving away from scheduled talks resulted in arms sales becoming less frequent.³⁰ Future arms sales would include more advanced equipment that Washington is currently unwilling to sell to Taiwan, such as the F-35 Joint Strike Fighter aircraft and diesel attack submarines.³¹

Politically, American policymakers would clarify that U.S. military intervention in a Taiwan conflict is guaranteed. They would interpret the TRA as a serious commitment to Taiwan's security, and, according to Walter Lohman of the Heritage Foundation, "[make] abundantly clear to Beijing the consequences that will ensue from the use of force."³² The TRA would not be modified in any way that reduces the scope of America's commitment. Supporters in Congress would regularly issue resolutions that reaffirm support for the TRA, especially the parts related to the defense of Taiwan.³³ Strict interpretation of the TRA would be a clear demonstration of American willpower to take a hard line against China.

Public statements by American officials about U.S. intervention would not carry any preconditions or caveats. Such statements would be similar to the one made by President

George W. Bush in April 2001 that the United States would do "whatever it takes" to defend Taiwan.³⁴ Bush eventually walked back this statement, but successful implementation of the restore-superiority option would require similarly categorical shows of support. Removing preconditions from the commitment would bolster credibility by removing an off ramp the United States could take to avoid intervention. Additionally, Taiwan would not be expected to spend a certain percentage of its GDP on defense to secure U.S. arms sales or intervention.

Finally, the U.S. government would actively support de jure Taiwanese independence. As *Weekly Standard* editor William Kristol warns, "Opposing independence . . . might give Beijing reason to believe that the U.S. might not resist China's use of force against Taiwan or coercive measures designed to bring about a capitulation of sovereignty."³⁵ However, supporting Taiwanese independence would be risky. In 2005, China passed the Anti-Secession Law (ASL) in response to the growing political power of the pro-independence movement in Taiwan.³⁶ Article 8 of the ASL states that "non-peaceful means and other necessary measures" will be employed if "secessionist forces . . . cause the fact of Taiwan's secession from China."³⁷ The increased American military presence resulting from the restore-superiority option would have to be strong enough to prevent China from invoking the ASL.

Advocates of the U.S. military commitment to Taiwan argue that the island's success as a liberal democracy is linked to the regional security interests of the United States. For example, during his failed campaign for president, Sen. Marco Rubio (R-FL) said that "Taiwan's continued existence as a vibrant, prosperous democracy in the heart of Asia is crucial to American security interests there and to the continued expansion of liberty and free enterprise in the region."³⁸ In the U.S. Congress the ideologically driven, "pro-democracy" camp of Taiwan supporters is large and influential.³⁹ Proponents of a strong U.S. commitment to Taiwan also argue that Taiwan's political system

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is evidence that Chinese culture is compatible with democracy. According to John Lee of the Hudson Institute, “Taiwan terrifies China because the small island represents a magnificent vision of what the mainland could be and what the [Chinese] Communist Party is not. This should be a reason to reaffirm that defending democracy in Taiwan is important to America and the region.”⁴⁰ Supporters of a strong U.S. defense commitment to Taiwan through restoring America’s military superiority want to send a clear message to Beijing that the security commitment has not been shaken by China’s growing military power.

Sustaining a Minimum Advantage

The second option, sustaining a minimum advantage, would maintain the current U.S. military commitment with some slight modifications. This option is much less resource-intensive than the restore-superiority option. The United States would maintain its implicit military commitment, but with preconditions that encourage Taiwan to invest more in its own defense. Importantly, the United States would reserve the right not to intervene if Taiwan provoked an armed conflict with China. The overarching themes of this option are balance and moderation. It has taken the United States years of effort to create what appears to be a relatively stable status quo, so, its supporters ask, why risk destabilizing it by significantly altering the U.S.-Taiwan relationship without very good reason?⁴¹

Under this option, the United States would improve the military assets for defending Taiwan, but at a much smaller scale than with the restore-superiority option. The PLA’s steadily improving capabilities diminish the credibility of the U.S. commitment to Taiwan by raising the costs of conflict. Maintaining a qualitative advantage over the PLA as it continues to develop will enhance the credibility of the U.S. commitment to Taiwan by keeping the costs of war high for the PLA. However, such improvements would be tempered to mitigate the chance of overreaction by Beijing and possible damage to U.S.-China relations.

American arms sales to Taiwan would continue under this policy option. Arms sales create tension in the U.S.-China relationship, but three benefits of arms sales mitigate the costs they create.⁴² First, arms sales complicate PLA planning and raise the costs of conflict for China. Second, damage done to U.S.-China relations as a result of the arms sales is relatively small. A joint report from the Project 2049 Institute and the U.S.-Taiwan Business Council on China’s reactions to arms sales concludes, “Past behavior indicates that the PRC is unlikely to challenge any fundamental U.S. interests in response to future releases of significant military articles and services to Taiwan.”⁴³ Finally, arms sales demonstrate the commitment to Taiwan’s defense, especially in times of political transition.

Arms sales to Taiwan would also be adjusted to counteract the PLA’s quantitative advantage and operational strengths. Expensive items such as AV-8B Harriers, F-16 fighters, and *Perry*-class frigates would no longer be sold because they are highly vulnerable to Chinese weapons systems.⁴⁴ Instead, arms sales would prioritize cheaper, more numerous precision-guided weapons and advanced surveillance assets that would prevent Chinese forces from achieving a quick victory and buy time for the United States to come to Taiwan’s rescue.⁴⁵ Such weapons systems are, generally speaking, much cheaper and easier to maintain than aircraft and ships. A report from the Center for Strategic and Budgetary Assessments argues that by “forego[ing] further acquisitions of costly, high-end air and naval surface combat platforms” Taiwanese policymakers can focus their economic resources on more “cost-effective platforms” better suited to Taiwan’s defense.⁴⁶

The United States would expect Taiwan to make serious defense investments by increasing military spending and developing indigenous weapons systems. Taiwan’s military spending has increased in nominal terms after a precipitous drop in the late 1990s and early 2000s, but since 1999 defense spending has not risen above 3 percent of GDP.⁴⁷ Taipei’s

unwillingness to spend more on defense has upset some officials in Washington. In a November 2015 letter to President Obama calling for a new arms sale to Taiwan, Sen. John McCain (R-AZ) and Sen. Benjamin L. Cardin (D-MD) wrote, “We are increasingly concerned that, absent a change in defense spending, Taiwan’s military will continue to be under-resourced and unable to make the investments necessary to maintain a credible deterrent across the strait.”⁴⁸ Thankfully, Tsai Ing-wen and the DPP have made increased defense spending a major policy goal.

The development of Taiwan’s defense industry would provide an additional source of high-quality military equipment for the island’s defense. Taiwan has experience designing and manufacturing sea and air defense weapons. James Holmes of the U.S. Naval War College notes, “[In 2010] Taiwanese defense manufacturers secretly designed and started building a dozen stealthy, 500-ton fast patrol craft [*Tuo Chiang*-class] armed with indigenously built, supersonic anti-ship missiles.”⁴⁹ Indigenously produced air defense systems include the Tien Kung (TK) family of missiles, the Indigenous Defense Fighter, and anti-aircraft guns.⁵⁰ Importantly, “Made in Taiwan” is not a byword for poor quality. According to Ian Easton of the Project 2049 Institute, the TK surface-to-air (SAM) missiles are “comparable to [U.S.-made] Patriot systems in terms of capability,” and the Hsiung Feng III anti-ship missile “is more capable than any comparable system fielded by the U.S. Navy in terms of range and speed.”⁵¹

Sustaining a minimum advantage would be the easiest of the three policy options for the United States to implement. Inertia is a powerful force. The United States has invested a considerable amount of resources and effort to reach a stable status quo in the Taiwan Strait, creating an “if it isn’t broken, don’t fix it” mentality. Advocates of maintaining the status quo, such as the Center for Strategic and International Studies, argue that it is “critically important to U.S. interests” to deter Chinese coercion of Taiwan, lest instability spread in

East Asia.⁵² In prepared testimony before the House Foreign Affairs Committee, Deputy Assistant Secretary of State Susan Thornton said, “The United States has an abiding interest in cross-Strait peace and stability.”⁵³ Congress, historically a strong bastion of support for Taiwan, shows no indication of changing America’s Taiwan policy anytime soon.

Buttressing support for this policy option is the belief that America’s commitment to Taiwan is a bellwether for the U.S. position in East Asia. According to John J. Mearsheimer of the University of Chicago, “America’s commitment to Taiwan is inextricably bound up with U.S. credibility in the region . . . If the United States were to sever military ties with Taiwan or fail to defend it in a crisis with China, that would surely send a strong signal to America’s other allies in the region that they cannot rely on the United States for protection.”⁵⁴ Advocates of maintaining the U.S. commitment argue that East Asia would become more dangerous if other allies lose faith in the United States and start building up military capabilities of their own.⁵⁵ Supporters of the U.S. commitment also contend that backing down on Taiwan would embolden Chinese aggression in other territorial disputes.

Stepping Down from the Commitment

The final policy option would do away with America’s commitment to Taiwan’s defense on the grounds that military intervention to preserve the island’s *de facto* independence has become too costly and dangerous for the United States. Stepping down from the commitment to come to Taiwan’s rescue would be a major change in U.S. policy. However, other factors unrelated to the U.S. commitment would still make the use of force unattractive for Beijing. Taiwan would therefore not be defenseless or subject to imminent Chinese attack if the United States chose this policy option.

Without a U.S. commitment, Taiwan would have to improve its self-defense capability to deter an attack by China and fight off the PLA if deterrence failed. Taiwan does face an

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unfavorable balance of power vis-à-vis China, but this does not doom Taiwan to military defeat. In fact, research by Ivan Arreguín-Toft of Boston University indicates that large, powerful actors (such as China) have lost wars against weaker actors “with increasing frequency over time.”⁵⁶ However, in order to have the greatest chance of success, the weaker side must have the right military strategy. A head-on, symmetric fight with the PLA would likely end in disaster for Taiwan, but Taiwan could successfully deny the PLA from achieving its strategic objectives through the same kind of asymmetric strategy that China uses to make it difficult for the United States to defend Taiwan.⁵⁷ A military strategy emphasizing mobility, concealment, and area denial would both raise the costs of war for China and be sustainable, given Taiwan’s limited means.

Changing Taiwan’s defense strategy would not be a quick or easy task. The most immediate roadblocks to change are the equipment and mindset of Taiwan’s military. The upper echelons of the military have resisted implementing changes that could improve their ability to fight a war against the modern PLA. For example, James Holmes points out that Taiwan’s navy “[sees] itself as a U.S. Navy in miniature, a force destined to win decisive sea fights and rule the waves.”⁵⁸ This is a dangerous mindset given the PLA Navy’s dominance in fleet size, strength, and advanced equipment. The Taiwan Marine Corps (TMC) is also ill-suited to meeting the threat posed by China. Instead of being a light, agile force, the TMC is “heavy, mechanized, and not particularly mobile,” reflecting “a glaring failure by Taiwan’s defense establishment to recognize the TMC’s essential role in national defense.”⁵⁹ Overcoming the forces of bureaucratic inertia will be very difficult, but doing so is necessary if Taiwan can no longer count on the United States.

Stepping down from the U.S. defense commitment would likely involve reductions in U.S. arms sales. Reductions in the size, quantity, and frequency of arms sales would likely precede any reductions to the defense commitment because arms sales are a measurable

signal of American support for Taiwan. Lyle J. Goldstein of the U.S. Naval War College points out, “Arms sales have for some time taken on a purely symbolic meaning.”⁶⁰ This implies that the negative effects of reducing arms sales would be relatively small, since China’s extant military advantages are not being offset by U.S. weaponry. Additionally, stopping the arms sales would not have to be instantaneous. The United States could reduce arms sales incrementally to give Taiwan time to improve its self-defense capabilities.

One common argument made by opponents of stepping down from the commitment is that it is the only thing preventing China from attacking Taiwan. This argument ignores several important factors that make the use of force unattractive for Beijing. First, China’s reputation and standing in East Asia would be seriously damaged. Other countries in East Asia would harshly criticize China’s use of force, and would likely take steps to defend themselves. For example, countries involved in territorial disputes with Beijing in the South China Sea have responded to Chinese aggressiveness by improving their military power and pushing back politically and diplomatically.⁶¹ China’s reputational costs for attacking Taiwan would be very high. Additionally, any military operation against Taiwan would tie up a great deal of resources. Other states could take advantage of a Taiwan-focused Beijing to push back against other Chinese territorial claims.

Second, the PLA has problems with both “hardware” (equipment) and “software” (experience) that would restrict its options for using military force against Taiwan.⁶² The modern PLA has no experience conducting large-scale amphibious landings, which are complicated operations that would be very costly to execute against a dug-in defender.⁶³ On the hardware side, the PLA still lacks the amphibious-lift capabilities and replenishment ships necessary to mount a successful invasion attempt.⁶⁴ China has made big strides shifting the relative balance of power in the Taiwan Strait, but it still faces significant challenges that will take time to overcome.⁶⁵ Presently, the PLA is more

prepared to push back against American intervention than to initiate an invasion of Taiwan.

How the United States goes about stepping down from its commitment is important. Suddenly abrogating the TRA would be practically impossible given the entrenched support for Taiwan within Congress. The most realistic, feasible approach requires incremental reductions in U.S. support for Taiwan. Examples of such reductions could include setting a cap on the value and/or quality of military equipment that can be sold to Taiwan, changing the TRA to more narrowly define what constitutes a threat to Taiwan, or requiring Taiwan to spend a certain percentage of its GDP on defense in order to receive U.S. military support.

Incremental reduction would be easier to sell to U.S. policymakers because it buys time for Taiwan to improve its defenses, thus increasing the credibility of the island's military deterrent. As discussed earlier, Taiwan's defense industries have proven they can make high-quality military equipment that meets the island's defense needs. Taiwan has the ability to develop a robust and effective military deterrent, but it needs time to overcome existing challenges and address unforeseen obstacles. If the United States were to reduce its commitment incrementally, Taiwan's political and military leadership would have the time to address such challenges.

Incremental implementation of this policy option would also provide the United States with opportunities to learn about Chinese intentions, based on Beijing's reaction.⁶⁶ Stepping down from the defense commitment to Taiwan would be a major accommodation on a core Chinese security interest. American policymakers should demand some sort of reciprocal actions from Beijing that reduce the military threat the PLA poses to Taiwan. In *Meeting China Halfway*, Lyle J. Goldstein explains how "cooperation spirals" in the U.S.-China relationship can build "trust and confidence . . . over time through incremental and reciprocal steps that gradually lead to larger and more significant compromises."⁶⁷ However, if Washington takes accommodating

policy positions and Beijing responds with obstinacy or increased aggression, then American policymakers would likely want to adjust their approach.

Stepping down from the U.S. defense commitment to Taiwan, regardless of how it is implemented, is a controversial policy option that would face significant opposition. However, there is a strong case to be made for the benefits of such a policy. Taiwan's fate carries much more significance for China than the United States, and American military superiority over China is eroding. Although Taiwan faces serious challenges, it would be capable of maintaining a military deterrent without American support, especially given the other factors that rein in Chinese aggression. A self-defense strategy emphasizing asymmetric warfare could raise the costs of military conflict for China to unacceptably high levels. Most important, the risk of armed conflict between the United States and China would be significantly reduced.

SHORTCOMINGS OF EACH POLICY OPTION

Each of the three policy options has problems and shortcomings that would make their implementation difficult and limit their effectiveness. In this section I will discuss the most important flaws of each policy option.

Restore U.S. Military Superiority

Restoring U.S. military superiority would shore up the credibility of the American commitment to Taiwan at the cost of severe damage to the U.S.-China relationship. China might be deterred from attacking Taiwan, but it would have ample reason to strongly oppose the United States across other issue areas, including the South China Sea, trade issues, and reining in North Korea. Additionally, unequivocal American support would reduce incentives for Taiwan to improve its defenses.

The most important negative consequence of restoring U.S. military superiority is the severe damage that would be done to U.S.-

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China relations. China and the United States do not see eye-to-eye on many issues, but this does not make China an outright adversary.⁶⁸ Chinese cyber espionage against American companies, the rise of alternative development institutions led by Beijing, and island-building in the South China Sea are of great concern to policymakers in Washington.⁶⁹ However, U.S.-Chinese cooperation on other pressing issues, especially environmental concerns and punishing North Korea after its recent nuclear tests, has supported U.S. goals.⁷⁰ China is certainly not a friend or ally of the United States, but treating it as an enemy that needs to be contained is unwise.⁷¹ Restoring U.S. military superiority would set back much of the progress made in U.S.-China relations.

Restoring U.S. military superiority might be a boon to America’s credibility in the short term, but superiority may be fleeting. The growing U.S. military presence in East Asia, a result of the Obama administration’s “pivot” or “rebalance” to the region, has exacerbated the Chinese perception of the United States as a threat.⁷² Restoring U.S. military superiority will likely support this perception and provide a strong incentive for China to invest even more resources in its military. Additionally, falling behind in the conventional balance of power could prompt China to increase the quantity and quality of its nuclear weapon arsenal.⁷³ If Beijing quickly offsets the advantages of stronger U.S. military support for Taiwan, the United States could end up in a similar position to the one it’s in now, but with a stronger China to deter.

Increasing American support for Taiwan without any preconditions regarding Taiwan’s role in its own defense would be detrimental in the long run. Taiwan and the United States’ other East Asian allies are willing to cheap-ride on American security guarantees.⁷⁴ Taiwan is not disinterested in self-defense, but if someone else is shouldering the burden there is less urgency to do more, especially if increasing military spending means reducing social spending. China could exacerbate Taiwan’s “guns vs. butter” dilemma if it restricted

economic exchanges (trade, investment, and tourism) with Taiwan as a result of a stronger U.S. posture.

Increasing the American commitment to Taiwan carries significant risks and costs for a benefit that would likely be fleeting. The likely negative consequences of restoring U.S. military superiority would not be worth the benefits. American policymakers should not go down this path.

Sustaining a Minimum Advantage

The biggest weakness of sustaining a minimum U.S. military advantage is that it does not resolve any of the underlying issues in the cross-strait dispute, most important of which is the fact that Taiwan matters more to China than it does to the United States. Since the United States cannot equalize the imbalance of stakes vis-à-vis China, credible deterrence will require the United States to maintain military superiority over a steadily improving PLA. The United States is capable of absorbing these costs in the short run, but the recent history of the U.S.-China military balance suggests that China will be able to narrow the gap eventually.

Maintaining stability in the Taiwan Strait will become more complicated as a result of two trends in cross-strait relations and one higher-level trend. First, a distinct identity is taking hold in Taiwan; the people living there see themselves as Taiwanese instead of Chinese. Surveys conducted in 2014 showed that “fewer than 4 percent of respondents [in Taiwan] self-identified as solely Chinese, with a clear majority (60 percent) self-identifying solely as Taiwanese.”⁷⁵ A unique Taiwanese identity is dangerous to Beijing because it makes China’s ultimate goal of reunification more difficult, especially if the identity issue leads to greater political support for independence. Thankfully, the Taiwanese people have been very pragmatic and have not yet made a significant push for de jure independence.⁷⁶

Second, if China’s economy continues to slow down Beijing could become more aggressive toward Taiwan. A parade of doom

and gloom headlines reveal the weaknesses of China's economic miracle. The Chinese stock market experienced downturns in August 2015 and January 2016 that affected global financial markets.⁷⁷ China Labor Bulletin, a Hong Kong-based workers' rights group, recorded more than 2,700 strikes and worker protests throughout China in 2015—more than double the 1,300 recorded the year before.⁷⁸ In February 2016, Reuters reported that 1.8 million workers in China's state-owned coal and steel companies will be laid off in the coming years.⁷⁹ This is not to say that China's economy is in imminent danger of a catastrophic collapse. However, the political instability resulting from economic troubles could create an incentive for Beijing to act aggressively to burnish the Chinese Communist Party's image at home.⁸⁰ Exacerbating this risk is the rise of nationalist forces within Chinese society that could push the government into a more aggressive cross-strait policy. Such forces played an important role in the government's heavy-handed response to 2014's Occupy Central protests in Hong Kong.⁸¹ Economic problems coupled with aggressive ideology could prompt China to back away from any rapprochement with Taiwan. This could make the task of deterring a Chinese attack harder for the United States.

Third, America's other security commitments could draw attention and resources away from Taiwan. Keeping pace with the PLA in the Taiwan Strait will require investments in military power that will become more difficult to sustain, barring either a reduction in global commitments or a significant decrease in China's own economic and military power. The fight against ISIS in the Middle East and North Africa, the Russian threat to Eastern Europe, and Chinese island-building in the South China Sea are all vying for the attention of the U.S. military. The military has been able to cope with these contingencies, but there are signs of strain on the force.⁸² Given America's current global security posture, it will be difficult for the United States to sustain a minimum advantage over the PLA in perpetuity.

Sustaining a minimum U.S. military advantage is growing more difficult and costly over time as these above trends develop. Fortunately, the costs are likely to increase slowly and could be mitigated by advances in U.S. military technology. However, ultimately the United States will be stuck in the unenviable position of trying to defend Taiwan from a China that has growing military power and a strong interest in prevailing in any dispute.

Stepping Down from the Commitment

The two most important potential negative consequences of stepping down from the defense commitment to Taiwan are the reputational and credibility costs to the United States and the worsening of America's military position in the region. Advocates of maintaining the U.S. commitment also contend that Chinese control over Taiwan would lead to a substantial PLA presence, which would pose a serious threat to American and allied interests. The military dominance that the United States has enjoyed since the end of World War II would be called into question. Advocates of U.S. primacy in East Asia consider such an outcome dangerous and unacceptable.⁸³

Opponents of stepping down from the commitment argue that both China and the United States' Asian allies will view such a change as a sign of American weakness and unwillingness to live up to other commitments.⁸⁴ If the United States does not show strong resolve as China grows more powerful, Beijing would take advantage of American weakness to more forcefully pursue objectives that are detrimental to U.S. allies and partners.⁸⁵ The Brookings Institution's Richard Bush argues that "[the United States] cannot withdraw from the cross-Strait contest altogether because U.S. allies and partners would likely read withdrawal as a sign that the U.S. security commitments to them are no longer dependable."⁸⁶ Stepping down from the commitment to Taiwan would have two mutually reinforcing harmful effects: China would grow bolder in threatening U.S. allies and the allies would presume that the United States would

“Given America's current global security posture, it will be difficult for the United States to sustain a minimum advantage over the People's Liberation Army in perpetuity.”

“If President Tsai delivers on her promises to develop Taiwan’s defense industries, Taiwan could be capable of mounting an effective self-defense without U.S. intervention.”

not fulfill its commitments as the threat from China grows.

Fears over these negative consequences stem from a popular misconception of credibility in which the past actions of a state are considered indicative of how the state will behave in the future. As noted earlier, academic research indicates that states take other factors into account when making judgements of credibility, but the dogmatic adherence to this misconception among the American policymaking elite makes stepping down from the commitment an uphill battle.⁸⁷ Formal treaty commitments to states such as Japan and South Korea carry more weight than America’s vague commitment to Taiwan, but fears of abandonment will likely weigh heavily on the minds of policymakers in Seoul, Tokyo, and Washington.⁸⁸ Overturning the assumptions that credibility is bound up in upholding past promises will take a great deal of time and effort.

Ending the U.S. defense commitment to Taiwan could be detrimental to the U.S. military’s broader goals in East Asia. Taiwan lies in the middle of an island chain that runs from Japan to the South China Sea. Control of Taiwan has important strategic implications because of this location. The PLA could use Taiwan as a staging area to more easily project power into the South China Sea, the East China Sea, and the western Pacific.⁸⁹ Keeping this island chain free of Chinese military bases and friendly to the United States is therefore seen as essential for America’s position in the region. Indeed, Taiwan has loomed large in American military strategy in the region for decades. In 1950 General Douglas MacArthur described Taiwan as “an unsinkable aircraft carrier and submarine tender ideally located to accomplish offensive strategy and at the same time checkmate defensive or counter-offensive operations” from the surrounding area.⁹⁰ If Taiwan becomes the PLA’s “unsinkable aircraft carrier,” it would make U.S. military actions in support of other regional interests more difficult.

Fears over China’s improved military position that would follow seizing control over Taiwan are valid, but there are roadblocks to

this outcome that exist independent of the U.S. defense commitment. As mentioned earlier in this analysis, China would face numerous hurdles and negative consequences if it tried to invade Taiwan, given the difficulty of conducting amphibious invasions, the high likelihood of regional backlash, and the materiel and training limitations of the PLA.⁹¹ Taiwan could also do more to raise the costs of conflict for China through changes in military technology and warfighting doctrine.⁹² For example, Taiwan’s fleet of fighter aircraft is costly to maintain and outclassed by PLA fighters and surface-to-air missile capabilities.⁹³ Reducing the size of Taiwan’s fighter fleet and redirecting funds to build up mobile missile forces that could support ground units fighting against a PLA invasion attempt would improve Taiwan’s ability to resist the PLA and inflict heavy losses on Chinese forces.⁹⁴ If President Tsai and the DPP can deliver on their promises to increase defense spending and develop Taiwan’s defense industries, Taiwan could be capable of mounting an effective self defense without American intervention in the coming decades.

WHY THE UNITED STATES SHOULD STEP DOWN FROM ITS COMMITMENT

The United States should step down from the implicit commitment to use military force to preserve Taiwan’s de facto independence. American credibility is slowly eroding as China becomes more powerful, and the commitment will be more costly to maintain for a relatively minor benefit. Broadly speaking, the United States has two options for how it could implement this policy option: it could try to draw concessions from China to get something in return for stepping down from the commitment, or it could unilaterally drop the commitment. In either scenario, Taiwan would have to take on sole responsibility for deterring Chinese military action.

A policy that wins concessions from China would be the more desirable of the two options. Concessions could include resolution

of other territorial disputes involving China and American allies or dropping the Chinese threat to use force against Taiwan. This would be characteristic of what Charles Glaser calls a grand bargain, “an agreement in which two actors make concessions across multiple issues to create a fair deal . . . that would have been impossible in an agreement that dealt with a single issue.”⁹⁵ Making the end of the U.S. commitment to Taiwan contingent upon Chinese concessions to resolve its other territorial disputes peacefully would benefit both the United States and China.⁹⁶ The United States would free itself of an increasingly costly and risky commitment to Taiwan’s defense, but only if China compromises in ways that align with U.S. allies’ interests in the South and East China Seas. China would have to limit its objectives in the South and East China Seas, but in return would earn a major policy concession from the United States on a core national interest that has much more importance than the other territorial disputes.

If China proves unwilling to make concessions across multiple issue areas, the United States could still push for concessions on China’s military posture toward Taiwan. Instead of demanding a concession on the South China Sea dispute, U.S. policymakers could press China to take actions that reduce the military threat it poses to Taiwan via an incremental, reciprocal process of concessions.⁹⁷ Refusing to sell Taiwan any new military equipment would be a good way to initiate a cooperation spiral.

Stopping the sale of new equipment would not significantly reduce the Taiwanese military’s ability to defend itself for three reasons. First, most equipment sold to Taiwan by the United States does not represent the latest in U.S. military technology and is not necessarily superior to new capabilities fielded by the PLA.⁹⁸ Second, Taiwan’s domestic defense industry is capable of producing new equipment that is well-suited to asymmetric defense, although it will take time for Taiwan’s relatively small and underdeveloped defense industry to reach its full potential.⁹⁹ Finally,

stopping the sale of *new* weapons still gives the United States the latitude to sell spare parts and ammunition for weapons systems that have already been sold. Halting the sale of new types of weapons systems will signal a reduced U.S. commitment to Taiwan’s security that would not be overly disruptive to Taiwan’s self-defense.

One of several ways that Beijing might respond to this U.S. concession on arms sales would be to reduce the number of short-range ballistic missiles (SRBMs) within firing range of Taiwan. Currently there are more than 1,000 conventionally armed SRBMs (with a maximum range of approximately 500 miles) in the PLA arsenal that could strike Taiwan.¹⁰⁰ Improvements in guidance technology have transformed these missiles from inaccurate “terror weapons” that would likely target cities to precision munitions better suited for strikes against military airfields and ports.¹⁰¹ Stationing the SRBMs out of range of Taiwan would be a low-cost, but symbolically important, action. The missiles are fired from mobile launchers that could be moved back into range of Taiwan. However, the act of moving the missiles out of range would, according to Lyle J. Goldstein, “show goodwill and increasing confidence across the Strait and also between Washington and Beijing.”¹⁰² If China agrees to America’s demand to relocate its ballistic missiles, then additional steps could be taken to further reduce the threat China poses to Taiwan.

If China proved unwilling to make any concessions, either in other territorial disputes or in cross-strait relations, the United States could still unilaterally withdraw from its military commitment to Taiwan. No demands or conditions would be placed on Chinese behavior. American policymakers are unlikely to accept such a course of action given recent shows of Chinese assertiveness. Charles Glaser explains, “China appears too likely to misinterpret [unilaterally ending the U.S. commitment to defend Taiwan], which could fuel Chinese overconfidence and intensify challenges to U.S. interests.”¹⁰³ Unilateral

“Making the end of the U.S. commitment to Taiwan contingent upon Chinese concessions to resolve its other territorial disputes peacefully would benefit both the United States and China.”

“The security commitment to Taiwan outlined in the Taiwan Relations Act is a product of a different time, when the United States enjoyed clear military advantages over China, and Taiwan could be defended on the cheap.”

withdrawal would reduce the likelihood of U.S.-Chinese armed conflict, but the dearth of other benefits would make the policy difficult for policymakers to implement. Extracting some kind of concession from China, either in cross-strait relations or in other territorial disputes, should be a priority.

Finally, stepping down from the commitment to defend Taiwan with military force does not remove America's interest in keeping the Taiwan Strait free of armed conflict. The United States would retain the ability to punish China in other ways should it attack Taiwan. Diplomatic isolation and economic sanctions may not inflict the same kinds of costs on Beijing as military force, but they are additional costs that would have to be absorbed.¹⁰⁴ Additionally, U.S. arms sales are separate from the implicit commitment to defend Taiwan and could continue, albeit in some reduced or modified form.¹⁰⁵ Continuing to sell arms to Taiwan while stepping down from the implicit commitment to use military force to defend the island allows the United States to demonstrate support for Taiwan's defense without taking on the risks associated with direct intervention.¹⁰⁶

CONCLUSION

The United States should no longer provide the military backstop for Taiwan's de facto independence. The security commitment to Taiwan outlined in the TRA is a product of a different time, when the United States enjoyed clear military advantages over China, and Taiwan could be defended on the cheap. China's growing military power strains the credibility of the American commitment. Policymakers in Washington could respond to this changing environment by restoring American military superiority, sustaining a minimum military advantage, or stepping down from the commitment. All of these options carry risks and negative consequences, but it is in the best long-term interest of the United States to step down from the commitment to Taiwan.

American policymakers must come to terms with the idea that the balance of power has become much more favorable for Beijing since the TRA was adopted in 1979. Defending Taiwan is more difficult now than ever before, and this trend will be very hard to reverse. The most realistic way to reorient U.S. policy is to reach out to China to take incremental, reciprocal steps that slowly bring about the end of America's commitment. This policy will be very difficult for the United States to implement, but the advantages to U.S.-China relations could be substantial. Changing the U.S.-Taiwan security relationship would greatly reduce the likelihood of armed conflict between the United States and China and could create opportunities for U.S.-China cooperation that are currently beyond reach.

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