

CENTRE FOR AIR POWER STUDIES In Focus New Delhi

CAPS InFocus: 60/2022

19 August 2022

The Significance of Taiwan to the World

Gauray Sen

Research Associate, Centre for Air Power Studies

Keywords: China military, Taiwan, Semiconductors, International Trade



Image Source: wmich.edu



Disclaimer: The views and opinions expressed in this article are those of the author and do not necessarily reflect the position of the Centre for Air Power Studies [CAPS]

This work is licensed under Creative Commons Attribution – Non-Commercial – No Derivatives 4.0 International License.

As China's predicted ascent to power materialized, so did its ambitions to dominate Asia and its competition with the United States. Numerous occasions have occurred where both powers came dangerously close to engaging in combat, but the rationale of mutual damage prevented both powers from pushing too far. Timing is crucial in this great power conflict. Fighting breaks out when the motives for war outweigh the justifications for preserving peace. Intriguingly, if one takes a deeper look at China, one would find that it is caught in an odd situation where it is experiencing both strength and weakness.

The most significant wars in history have been brought on by a fear of losing the benefits of growth before decline; this is known as the 'peaking power trap.' China is suffering from the same anxiety, and the benefit it is looking forward to is the tiny island of Taiwan. Recent events across the Taiwan Strait convey the same. This anxiety appears to be at its most serious state in the near past. China's response to the high-profile visit of Nancy Pelosi culminated in fearsome military exercises and missile tests that are most likely to threaten the Taiwanese people. The ensuing Taiwan crisis could thus become a reason for great power conflict.

In fact, the incorporation of Taiwan is a constitutional pledge of the People's Republic of China (PRC), and it is only a matter of time when it will take place. However, Washington does not support Taipei's independence bid, yet it is committed to defending the island if the incorporation is forced upon the people of Taiwan by applying military means. President Xi signalled his desire to absorb Taiwan and stated that China cannot pass the buck to incorporate Taiwan from generation to generation. Therefore, the intention of Beijing to occupy Taiwan and the resolve of Taiwanese democratic society to refuse it is going to be the greatest deadlock of our times. Nonetheless, the defense of Taiwan, is not only a commitment to fulfil for the United States but the biggest geopolitical game-changer. There are many reasons why the Taiwan's reunification with China would not only bring a regional change in the balance of power but also have global ramifications.

Many security experts, disguising behind Realist canons, expressed that the USA should let Taiwan go to China's lap. Thereby putting an end to a potentially catastrophic confrontation with China. They assume that the gifting of a regional 'Sphere of Influence' to China will be helpful in assuaging its aggressive behaviour and protect the United States from indulging in another state's affairs. The call for the withdrawal of support is self-interested and supposed to unburden the USA from saving the world. However, it's a half-baked truth. The subtleties of great power politics are much more than the naked national interest, without even acknowledging the change in the perceived national interest. The United States is a hegemon. Its virtue remains in the fact that it

does not let others rise to its position in any part of the world. The foremost national interest of the United States is to maintain the global liberal order and its position as a sole hegemon.

Therefore, Taiwan's possible incorporation would begin the collapse of the US-led world order and would alter the regional status quo in China's favour. The assimilation of Taiwan into China will have a political, economic, and strategic impact on the region. First of all, Taiwan resides in the first island chain and losing it means China will get an 'unsinkable aircraft carrier' where it can station its aircraft and hypersonic missiles. The range of the missile strike and the area covered by an aircraft will increase. The scholars harbour the believe that Taiwan incorporation will assuage China aggressive behaviour, and by it is a perfect way to ending the conflict in the region. However, these arguments are not testified and have little bearing. On the other side, fall of Taiwan would be fatal for regional peace and tranquillity.

From a security point of view, Taiwan is a precious real estate for China, and it could very well be used as a launchpad for its other expeditions in East Asia. Japan and South Korea, whose major exports navigated through the Taiwan Straits could be easily strangulated by China, and in this case, the defense of Japan would be more difficult for the United States. Furthermore, it will be the demise of US credibility as an ally, especially in East Asia and a complex security environment in the region where China dominates, will leave no other choice in front of these allies but to bandwagon with China.

Beyond geopolitics, Taiwan's significance is as a thoroughfare for the global supply chain. Taiwan is a developed economy therefore the economic impact of its defeat would be immense. The declining economy of the PRC might be revived by the incorporation of the Taiwanese skilled population as well as the technological industrial base that the tiny island economy possesses. Furthermore, the fall of Taiwan might cause a semiconductor crisis at the global level. Taiwan is the largest producer of cutting-edge semiconductors in the world, also known as the backbone of modern industrial revolutions. The occupation of Taiwan means handing over the world's most sensitive technology to the Chinese hand, and many believe China will not behave generously toward defaulters. The global economy will be severely affected by the influence that China will wield after a successful adventure in occupying Taiwan. For instance, more than 55 per cent of India's trade sails through the South China Sea¹¹ and New Delhi is largely dependent on the Taiwanese semiconductor industry, thus any change in the status quo in East Asia will impact its relations with PRC.

The Chinese show of military power in the Taiwan Strait is a wake-up call for all the stakeholders in the 'free and open' Indo-Pacific region. Taiwan, in response to Chinese assertive military drills, has put its forces on alert but has refrained from active countermeasures. Although Taiwan's military won't rely on the United States to give up American lives in order to protect the island, it can surely fight more effectively with American assistance.

NOTES:

¹ Kenneth, Waltz, Man, the State, and War. New York, (2018) NY: Columbia University Press.

² Hal Brands and Michael Beckley, "The Coming War Over Taiwan", Wall Street Journal, August 4, 2022, https://www.wsj.com/articles/the-coming-war-over-taiwan-11659614417. Accessed on August 09, 2022.

³ Hal Brads and Michael Beckley, "China Is a Declining Power—and That's the Problem", *Foreign Policy* September 24, 2021, https://foreignpolicy.com/2021/09/24/china-great-power-united-states/. Accessed on August 09, 2021.

⁴ Gaurav Sen, "Could Pelosi's Visit Spark the Next Taiwan Strait Crisis?," *The National Interest*, July 29, 2022, https://nationalinterest.org/blog/buzz/could-pelosi%E2%80%99s-visit-spark-next-taiwan-strait-crisis-203908. Accessed on August 07, 2022.

⁵ Cindy Wang, "China Extends Military Exercises Near Taiwan with New Drill", *Bloomberg*, August 8, 2022, https://www.bloomberg.com/news/articles/2022-08-08/china-extends-military-exercises-near-taiwan-with-new-drill

⁶ Lami Kim, "Should the United States Defend or Ditch Taiwan?" *The National Interest*, June 3, 2022, https://nationalinterest.org/feature/should-united-states-defend-or-ditch-taiwan-202772. Accessed on August 08, 2022.

⁷ John Bolton and Derik R. Zitelman, "Why Taiwan Matters to the United States", *The Diplomat*, August 23, 2021, https://thediplomat.com/2021/08/why-taiwan-matters-to-the-united-states/. Accessed on August 06, 2022.

⁸ Liam Gibson, "US once again thinks Taiwan is 'unsinkable aircraft carrier", *Taiwan News*, December 30, 2021, https://www.taiwannews.com.tw/en/news/4393143. Accessed on August 10, 2022.

⁹ "Losing Taiwan Means Losing Japan", *The Scholars Stage*, February 26, 2020, https://scholars-stage.org/losing-taiwan-means-losing-japan/. Accessed on August 04, 2022.

¹⁰ William Langley and Chan Ho-him, "How rising tensions across the Taiwan Strait could threaten global trade", *Financial Times*, August 5, 2022, https://www.ft.com/content/68871ec9-6741-4e0a-8542-940152df4e36. Accessed on August 10, 2022.

^{11 &}quot;Question No. #4832 Indian Trade Through South China Sea", *The Minister Of State In The Ministry Of External Affairs*, GOI, Answered on April 01, 2022, <a href="https://www.mea.gov.in/lok-sabha.htm?dtl/35118/question+no+4832+indian+trade+through+south+china+sea#:~:text=(a)%20to%20(e),China%20Sea%20and%20Malacca%20Straits. Accessed on August 01, 2022.