

Finance With Consequences: The Case for Reducing Arms Sales to Taiwan

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A Brief Introduction

An often unrecognized tenet of American foreign policy, arms sales enable the United States (US) to both decentralize its international military presence and stimulate domestic defense contractors by expanding their access to worldwide markets. Allied recipients of the arms also view the sales favorably: they get the privileges associated with an American security guarantee, a pathway to military modernization, and a renewed role in worldwide war-making efforts. Even for American politicians, approving arms sales to a particular country is an easy way to demonstrate their approval of the US alliance structure to their constituents. On the flip side, restricting arms sales is politically challenging to pull off, as exemplified by partisan divides on arms sales to Saudi Arabia and Israel, among others.

Yet, in an increasingly tenuous international situation, arms sales carry costs at levels more significant than their financial benefits. Although it may seem appealing to reassure an ally nation, recent US sales have had the propensity to inflame regional disputes and broadly destabilize security structures globally. This idea is best illustrated by American arms sales to Taiwan. Although intended to assure an ally of having American support in armed conflict, sales for the last several decades have angered China, provoked regional Chinese aggression, and proved to be the thorn in the side of many attempts at US-Sino cooperation to resolve key global issues.

Recent Escalations

Although China has disapproved of the sales for decades, tensions increased massively under the Trump administration and have only continued to rise under President Biden. The

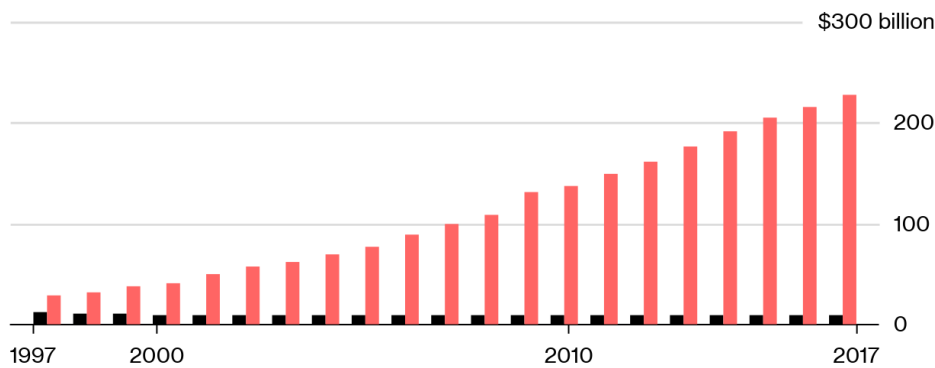
recent sale of \$750 million of howitzer ammunition was uniquely destabilizing, as it provided the Taiwanese military with the capability to further utilize precision GPS technology to update their tracking and targeting systems. This process is a unique sticking point in Sino-Taiwanese relations, as it is perceived by CCP (Chinese Communist Party) leaders as further Taiwanese military buildup. This perception justifies reciprocal buildup from the PLA (People’s Liberation Army), which only further intimidates Taiwanese forces, creating a vicious cycle of arms racing that broadly upsets the region. Specifically, regional allies such as Japan and South Korea are encouraged to respond to military buildup with their own domestic measures to build up their forces, which further fuels an increase in tension and a decrease in potential collaboration in the critical region.

While the creation of arms races is a daunting prospect in itself, an arguably more sinister aspect of recent sales is their relative inability to deter any potential Chinese threat to Taiwan credibly. Although howitzers possess some firepower capacity, they largely fall flat in the face of a Chinese invasion. According to the Global Times, a Chinese state newspaper, this would bring with it an “overwhelming saturation attack” from the PLA that would “instantly destroy the morale of the entire armed forces of Taiwan.” Plus, American draw-in to a large-scale conflict over Taiwan is questionable at best. Even as the Taiwanese representatives at the Taipei Economic and Cultural Representative Office responsible for arms sales are forced to

Advantage, Beijing

China's military spending has far outstripped Taiwan's over 20 years

■ Taiwan ■ China



*Note: Figures are in constant (2016) USD

Source: Stockholm International Peace Research Institute

Bloomberg

increase spending, the country is still incapable of catching up to China’s level of defense investment, as shown by over three decades of spending data.

This data clearly exemplifies the problem: even as

Taiwan pours billions into military funding, primarily through purchases of American equipment, the nation is still outpaced at every turn by massive spikes in Chinese investment, which guarantees technological and military superiority for decades to come. The stark

population differences between the two would only further intensify the disparities between the two in any potential conflict. So, not only do US arms sales to Taiwan dangerously increase the risk of conflict with China, they foolishly entrap our allies, and serve little strategic purpose in the event of such a conflict, which clearly precedes a slight financial benefit to the sales themselves.

Strategic Implications

While continued arms sales certainly raise the risk of regional conflict, they also implicate America's ability to create long-term collaboration regimes with China. The failure of US-Sino collaboration is uniquely key in 2021: global changes such as climate change, COVID-19 response, and regulation of emerging technologies necessitates a nearly unprecedented level of Great Power cooperation in order to harmonize multilateral regulatory and economic tensions. This is especially true in the context of American relations with China given recent diplomatic troubles between the two nations. Coupled with dangerous rhetoric espoused by right-wing politicians regarding China, President Biden's choice to diplomatically boycott the Beijing Winter Olympics further exacerbates concerns. Given this unique diplomatic setting, the further inflammatory signal sent by continued arms sales is no longer even a brash signal of strength, but a truly dangerous signal of American force projection that can only serve to further escalate an already tenuous situation.

A Path Forward

All of the examples above justify substantial changes to the current American arms policy towards Taiwan, but that is far from the end of the story. Though the idea of reducing sales in a vacuum appears appealing, without necessary conditions, if not performed properly, it could escalate tensions on a similar level to the continuation of said sales. The role of American foreign policy in this instance should be the establishment of institutional and diplomatic norms, the facilitation of arms reduction regimes, and the promotion of peace-focused alternatives to arms racing and conflict escalation. These methods should be viewed as fundamental tenets of a strategy of accommodation in the region, which is key to "testing the water" and eventually fully de-escalating tensions in the long term. However, attitudes in both America and Taiwan are largely skeptical of such a move, as it would be seen

as somewhat of a concession to China and a renege on American security assurances in the region. However, these concerns are largely unfounded. Such a reduction in sales would still allow for the viable development of a Taiwanese defense force sans the escalatory financial pressures the sales provide. With the goals of peace and collaboration in the region in mind, the clear option for reforming America's role towards Taiwan, and the world generally, is a deepening of our accommodation strategy, the most viable option in a bad situation.

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