

# The Day After the Battle

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Articles discussing the People’s Republic of China’s (PRC) likelihood of attacking Taiwan are appearing with increasing frequency and seeming rising urgency. While we acknowledge the “high impact” such an action would have on not just Western interests, but global stability, this is not the topic of our concern. We will defer to the strategists to discuss how such a conflict could arise, to the war gamers to develop ideas about how such a scenario would develop, and to military strategists on how to prepare for and, if necessary, fight the battle. What we are concerned with in this article is ensuring that all sides—US, PRC, Taiwan, as well as other nations around the world—take a long hard look at what the world may look like on the backside of such a conflict. Post-hostility planning is notoriously hard and often gets short shrift. Diplomats care about the “road to war” and how to avoid it; military planners care about how to fight the battle and rightly focus their efforts there. And thus, “The Day after the Battle” is put aside. In the case of a conflict over Taiwan, we feel such an oversight would be a mistake of monumental proportions.

The rise of the PRC over the past four decades is well documented. First, the economic expansion unleashed by Deng Xiaoping, followed by the start of the military reforms under Jiang Zemin, and finally capped with rapid double-digit growth in budgets has led us to a point where General Secretary Xi Jinping was able to reorganize the People’s Liberation Army (PLA) into a force focused on joint war fighting through theater commands—one explicitly focused on Taiwan. This has created an armed wing of the Chinese Communist Party (CCP) that is far different than it was in 1979 when the United States established diplomatic relations with the PRC and passed the Taiwan Relations Act, ensuring the United States could provide “defense articles and defense services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capabilities.”

According to the Department of Defense’s 2020 *China Military Power* report, the PLA now has “capabilities to provide options for the PRC to dissuade, deter, or, if ordered, defeat third-party intervention during a large-scale, theater campaign such as a Taiwan contingency.” In addition, “The PRC has the largest navy in the world,” “the largest standing ground force in the world,” “one of the world’s largest forces of advanced, long-range surface-to-air missiles,” “the PLA Air Force (PLAAF) and PLA Navy (PLAN) Aviation together constitute the largest aviation forces in the region,” and “the PLA Rocket Force (PLARF) fields a variety of

conventional mobile ground-launched short-, medium-, and intermediate-range ballistic missiles and ground-launched ballistic missiles.” Taiwan is now no longer even close to parity with the PLA. Taiwan’s military struggles to sustain an adequate defense budget, to fill out its ranks with enlistees or professional servicemen, and acquire the platforms necessary for a robust self-defense. Given the realities of the cross-Strait military dynamic and the growing divide between Washington and Beijing, it may only be a matter of time before Chinese leaders deem military preparation sufficient for invading and occupying Taiwan.

This article focuses not on the how we arrive at armed conflict, nor how the battle is fought, but rather seeks to provoke thought and discussion about the aftermath, in any number of war-termination scenarios. For arguments sake, we posit there is armed conflict, likely involving the full myriad of forces from the United States, Taiwan, and the PRC, and may or may not include allies, partners, or other third nations. This is more than just military coercion; it is an aggressive action.

We examine three issues: diplomatic/political, economic, and military. Although the article provides speculation and not firm answers about certain issues, it provides policy makers in Washington and Taipei a foundation of key issues that they should examine and think through to prepare for a postconflict scenario with the PRC. Despite disagreements about the answers to each question, these are important questions that all three sides need to think about seriously.

## **PRC Invasion Fails**

The first, and perhaps most obvious, consideration is what becomes of the political entity on the island of Taiwan. If the PRC fails to invade and conquer the free and democratic people living on Taiwan, there is a high likelihood of a formal declaration of an independent Republic of China, or perhaps Republic of Taiwan. This has implications not just for diplomatic relations with the United States but also, more broadly, to the international community. Indeed, a postconflict polity in Taiwan would likely seek wide international recognition, including membership in the United Nations and other international bodies. While we are unlikely to see diplomatic trickery like that which allowed the PRC to assume the “China” seat at the UN in 1971, it is conceivable that a path toward eventual membership could be found, despite PRC objections. Does Washington recognize the government of Taiwan; does it attempt to recognize both the PRC and Taiwan; do Japan, Korea, Australia, and other like-minded democracies follow suit; or is there diplomatic pushback?

Many of those answers are probably impacted by the road to war; if the PRC is the clear aggressor, there is likely more diplomatic breathing room. If the CCP’s

propaganda machine can make it appear that Taiwan bears part of the burden for the conflict, it may become more difficult to build a group of nations willing to recognize an independent Taiwan, regardless of relations with the PRC. Again, there are practical considerations. Does the PRC close its embassies in countries that recognize Taiwan; does Beijing expel diplomats from the PRC from those nations that supported or recognize Taiwan; and what happens to travelers to or from the PRC and any nations that recognize an independent Taiwan?

The PRC cannot simply cut all ties and ignore the United States, much less any group of nations including the United States, upon recognition of Taiwan. Formal diplomatic ties are easy enough to break, for a short time at least, but reality will soon set in. The PRC and the United States are too intertwined bilaterally and multilaterally to cease interacting; some accommodation will have to be made. That is not to say all will be stable and calm. As one astute observer pointed out, during the government of Japan's 2012 Senkakus purchase, the PRC put the Embassy of Japan under heavy siege more than 60 days and "allowed" daily protests and violence outside of the embassy and consulates.

Regardless of whether Taiwan survives or is occupied, its economy will most likely be severely damaged, especially if key facilities, like the power grid, are destroyed by PLA missiles. However, the PRC's economy will also be impacted, especially if any key port facilities or power grids are destroyed. Additionally, Taiwan faces a very real possibility that the crisis would create an internal stability problem, or at least fear of it, that results in martial law as occurred from 1949 to 1987, internal counterinsurgency, and likely protests and negative press against the government's heavy-handed internal stability efforts. Taiwan will have a real problem of how to deal with the insider threat; they will find some sleeper cells; and they will fear others. How Taiwan plans for and manages these concerns will have an important impact on life "the day after."

Today, the PRC is Taiwan's largest trading partner, accounting for nearly 30 percent of the island's total trade, and trade between the two reached 150.5 billion USD in 2018 (up from 35 billion USD in 1999). In 2015, the number of direct flights between them hit just under 900 per week, up from 270 in 2009. Nevertheless, the economic relationship is not all roses and has taken a downturn since Taiwan's president, Tsai Ing-wen, took office in 2016. In 2018, Taiwan investment in the mainland declined for its fourth consecutive year, and mainland investment in Taiwan is declining. As a result of the conflict, Taiwan's stock market would take an immediate hit and might not recover. For example, when the PLA fired 10 short-range ballistic missiles into waters north and south of Taiwan during the Third Taiwan Strait Crisis in 1995–1996, the stock market plummeted 1,000 points (27 percent) in three days and 15 billion USD in investment reportedly

fled the island, and insurance rates for companies and shippers rose rapidly to prohibitive levels. It took a full year to recover. And what would happen if any declared or actual, full or partial, blockade or embargo remains after the initial cessation of hostilities?

Taiwan's energy needs would be equally affected, insofar as it is completely dependent on crude oil imports. Every day, Taiwan consumes 250,000 barrels of crude, while a supertanker docks in Kaohsiung harbor every three days. This is compounded by the fact that Taiwan is chronically low on oil reserves (now, during peacetime): the 120-day strategic reserve built up after the 1995–1996 crises had dipped to a mere 18 days by 1999 (as a result of environmentalists forcing the government to scrap an armada of oil tankers anchored offshore). The dependence on shipping for trade and energy imports also points out the extreme vulnerability of the port of Kaohsiung—through which the majority of both passes. Just a couple of well-targeted surface-to-surface missiles could render Kaohsiung inoperable.

Taiwan would also require massive assistance for recovery efforts. Given the history of typhoons and earthquakes that have hit Taiwan over the past several decades, the island is prepared to deal with the power outages immediately thereafter; however, outages caused by missiles during a conflict will be more difficult to deal with rapidly. We have seen how attacks on infrastructure affect a population's ability to recover and to function: for example, see the cases in Syria and Libya. Targeted destruction via weapons is far more difficult to repair and restore than that caused by wind and rain.

The human dimension looms large. In 2018, a total of 404,000 people from Taiwan were working in the PRC, including Hong Kong and Macao, accounting for 54.9 percent of all nationals working overseas. What will happen to them if the PRC fails in its invasion attempt? Will those Taiwan passport holders be arrested, allowed to stay and do business, or forced to return to Taiwan for good and lose their companies in the PRC? And if they try to leave the PRC, will they be able to; will there be flights across the Taiwan Strait; or even from Hong Kong? And what about the vast numbers of Taiwan citizens in other countries, namely the United States, Japan, and Australia. They would certainly be exercising their freedom to assemble and speak out against the PRC; this would likely have an impact on domestic politics as well as foreign relations.

Militarily, in the aftermath of the conflict does the United States send forces to assist the government in Taiwan; does the United States establish a long-term military presence? Prior to the switching of diplomatic recognition in 1979, the United States had 30,000 troops, aircraft, vessels, and weapons systems stationed on Taiwan. Do these troops and assets return, and who will pay for them? This is

perhaps one of the most daunting aspects with which policy makers and planners must contend. An open return of active American military presence on Taiwan would be a major change in policy and is likely to have wide-ranging implications, not just vis-à-vis the PRC but for other allies and partners in the region as well. Many fear that even broaching this topic would incite, or invite, the very action we are trying to avoid and, thus, avoid discussing this as an option. However, it is precisely because it is of such importance that we must think this through ahead of time and be ready to act, or not, based on calm, clear analysis and not driven by circumstances.

What will happen to the PRC's civilian and military leadership? Will they survive or be replaced? If the PLA does not succeed in winning the conflict and forcing Taiwan to capitulate, there will most likely be a major change in leadership within both the CCP and in the senior leadership of the military. This is not to imply that the CCP would necessarily fall from power; the party has proven most astute at bending facts and reality to serve its purposes. However, it is likely that those who "lost" this chance to capture Taiwan would be moved out in favor of a new group of leaders. Whether those new leaders are more hardline or more conciliatory is anyone's guess.

If the PLA "loses" this conflict, how much does it need to rebuild, upgrade, and increase the size of its forces opposite Taiwan, and how long would it take? It seems unlikely that the CCP would simply accept this defeat as a permanent status, barring widespread diplomatic recognition of a free and independent Taiwan (and perhaps not even then).

Phase IV planning is tough and is not the most enticing work for planners and strategists, but it is very important, as we should all be well aware after two decades of Americans fighting in the Middle East. It is because these very important questions remain unanswered that the US government should host a workshop with experts in each of the three areas—political, economic/trade, and military—to provide their analysis for all three countries in each scenario. The results of the workshop should be able to help the US government prepare for and then execute the necessary steps to deal with the situation after the conflict. ☪

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