2020 Taiwan Outlook: Implications of the 2020 Taiwan Elections
Russell Hsiao

With all the votes tallied, President Tsai Ing-wen (蔡英文) has been re-elected president of Taiwan. By a significant margin of 18.5 percent or 2.65 million votes, the people in the only liberal democracy in the Chinese-speaking world have handed her and her Democratic Progressive Party (DPP) another four years as the president and party with a majority control of the Legislative Yuan, respectively. Indeed, Tsai received 57.1 percent of the total votes, whereas her primary challenger, Kaohsiung Mayor Han Kuo-yu (韓國瑜) received only 38.6 percent. While Tsai’s victory is resounding, the path here has been far from smooth or guaranteed. From a traumatizing defeat for her party in the November 2018 local elections (that was interpreted by observers as a referendum on her personally), to dealing with an unprecedented contested primary for an incumbent president, she emerged as the favorite candidate to win the 2020 presidential election—and succeeded.

With the benefit of hindsight, this article will seek to explain what factors may have contributed to her electoral success and the implications of the results. There are three issues that probably contributed to the electoral outcome: 1) sovereignty as a focal point of the election; 2) a split opposition coalition; and 3) the youths turned out to vote. The three likely implications of the elections result that bear watching: 1) Beijing’s hardline response, 2) Tsai/DPP’s weaker political capital and the opposition’s troubling orientation, and 3) necessity of greater international support.

Three Factors Contributing to Election Results

Economic performance and sovereignty have long been defining issues in Taiwan’s general elections and the pendulum of public opinion often swings back and forth between these two with each election. What are different this time around appear to be a rel-
atively well-performing economy and a strong swing in public sentiment towards the importance of sovereignty. The latter change in sentiment is likely due to the growing awareness among the Taiwanese public about the threats posed by China to the country’s sovereignty and the people’s way of life through the CCP’s malign influence operations—both at home and abroad. Whether this swing is temporary or more permanent remains to be seen. A clear manifestation of this threat came from General Secretary Xi Jinping’s (習近平) hardline speech in his 40th anniversary of the Message to the Taiwan Compatriots, Beijing intensifying pressure campaign against Taiwan, and its hardline response to the ongoing Hong Kong crisis and Beijing’s suppression of people’s rights there under “One Country, Two Systems”—which is the PRC’s formula for unification with Taiwan.

A split within the opposition coalition is another factor that contributed to the election outcome. In the very beginning, from the political insurgency represented by Han Kuo-yu’s unlikely but decisive victory on the KMT ticket in Kaohsiung—with little to no help from the party establishment—to him besting the most seasoned and experienced politicians of the KMT have furthered a schism within the party between the establishment and anti-establishment factions that emerged during and deepened in the aftermath of the 2016 general elections, pointing to a malaise ailing the party. The KMT was left with an energetic fringe base represented by Hung Hsiu-chu (洪秀柱) and Han Kuo-yu, and seemingly without a viable political leader that could unite the party after Ma Ying-jeou.

Finally, 74.9 percent of eligible voters participated in the 2020 elections—this is 7 percent higher than in the 2016 elections. While a lot of ink has been spilled already about the generational differences in Taiwan’s politics, these elections may serve to solidify these political allegiances. Indeed, older generations tend to favor the KMT, whereas younger voters are generally supportive of President Tsai. Anecdotal evidence suggests that the youths turned out to vote in the 2020 elections. If true, this will represent a significant voter base and important voting bloc in future elections that both parties will need to pay close attention to in future elections.

Three Implications

The first implication is Beijing’s probable hardline response to the elections. While time will only tell how Beijing will actually respond, most indicators point to the Chinese Communist Party (CCP) ratcheting up its multi-faceted pressure and political warfare campaign against Taiwan. This will likely come in the form of ramped up efforts to poach Taiwan’s 15 remaining diplomatic partners. Also, Beijing is likely to continue—if not expand—its military activities around Taiwan. These activities are not only directed at Taiwan and affect the security of Taiwan but also neighboring countries like Japan.

The second implication is that somewhat counter-intuitively Tsai Ing-wen will emerge from this victory weaker than when she entered office for her first administration. Tsai spent a lot of her political capital in the first administration struggling to push through multiple highly controversial domestic economic and political reforms such as transitional justice, same-sex marriage, pension, labor, and judicial reforms, among other measures. These issues have, in no small part, contributed to her stagnating approval ratings leading up to the November 2018 elections. She also faced a lot of criticism for not standing up to Beijing enough from deep green elements within her own party. While the record-breaking number of popular vote that she received does point to a renewed mandate, some of these issues have not gone away although they were superseded by other events such as the Hong Kong protests and Beijing’s hardline stance against Taiwan. A consequence of her political weakness will be the need and expectation to compromise more politically both within factions within her own party but also with the other political parties that now make up the Legislative Yuan.

While Tsai’s victory may not be a surprise to many observers, the DPP maintaining its majority—albeit a slimmer one—should come as one. It is worth noting here that in terms of party votes, the DPP received roughly around the same number of votes as the KMT (4.8M to 4.7M; or 33.9 percent to 33.3 percent)—with the Taiwan’s People’s Party (TPP) garnering 11.2 percent and the New Power Party gaining 7.7 percent. But the DPP did lose 7 seats, dropping from 68 to 61. While one could argue that the loss of seats it could have
been worse—and perhaps it would have been had the KMT not committed several own-goals—it is still a loss of seats for the DPP. This result could be interpreted as less a rejection of the KMT and more of the party’s presidential candidate. That being said, the KMT only gained three extra seats from 25 to 28 and there were a number of very close races that should arguably not be as close. Taipei Mayor Ko Wen-je’s TPP won 5 seats and while in neither coalition (as the NPP is with the DPP, and the PFP with the KMT), they are likely to play their position as a truly independent third party that could play a disruptive role in the Legislative Yuan.

The third implication will be determined by the response from the United States, Japan, and other like-minded partners. In light of the aforementioned two factors, Taipei’s ties with Washington and Tokyo are going to be even more crucial over the next four years than in the past four years. General Secretary Xi Jinping has specifically tasked the People’s Liberation Army (PLA) to complete military reform and modernization by 2035 and to become a world-class military by 2050. The former chairman of the Joint Chief of Staff stated: “China probably poses the greatest threat to our nation [United States] by about 2025.” If the chairman of the most powerful military is worried about the threats posed by China, then it does not require a stretch of imagination to estimate how many times multiplied this threat is to smaller countries in its immediate periphery like Taiwan and Japan as well.

What’s Next?

While the results of the elections are perhaps not a surprise for many observers, the results are no less significant. The people have spoken. Will Beijing change course from its destabilizing efforts to unilaterally change the status quo and contribute to peace and stability in the Taiwan Strait? If Beijing continues to eschew genuinely engaging Tsai, it will be up to the United States, Japan, and other like-minded partners to counter-balance Beijing’s assertive and coercive behaviors—since they do not stop with Taiwan.

For its part, the United States has made its views clearly known. Only hours after the results were officially announced, US Secretary of State Mike Pompeo issued a strong and affirmative statement on behalf of the US government congratulating President Tsai Ing-wen on her re-election as president of Taiwan:

“The United States congratulates Dr. Tsai Ing-wen on her re-election in Taiwan’s presidential election. We also congratulate Taiwan for once again demonstrating the strength of its robust democratic system, which—coupled with a free market economy and a vibrant civil society—makes it a model for the Indo-Pacific region and a force for good in the world.”

“The American people and the people on Taiwan are not just partners—we are members of the same community of democracies, bonded by our shared political, economic, and international values. We cherish our constitutionally protected rights and freedoms, nurture private sector-led growth and entrepreneurship, and work to be positive forces in the international community.”

“The United States thanks President Tsai for her leadership in developing a strong partnership with the United States and applauds her commitment to maintaining cross-Strait stability in the face of unrelenting pressure. Under her leadership, we hope Taiwan will continue to serve as a shining example for countries that strive for democracy, prosperity, and a better path for their people.”

The ball is now in Beijing’s court.

The main point: The three issues that probably contributed to President Tsai’s re-election include sovereignty as a focal point of the election; a split opposition coalition; and the youths high voting turnout. Beijing’s hardline response, Tsai/DPP’s weaker political capital and the KMT’s troubling orientation, and necessity of greater international support are key likely implications of the election results.

(This article is adapted from a version that appeared in Japan Forward as “After Taiwan Polls, Will China Alter Status Quo or Contribute to Peace and Stability?” on January 14, 2020.)
2020 Taiwan Outlook: Greater Role for Taiwan, New Responsibilities for the United States

By: J. Michael Cole

J. Michael Cole is a senior non-resident fellow at the Global Taiwan Institute.

The Taiwanese people spoke clearly and loudly in the presidential and legislative elections held on January 11, giving the Tsai Ing-wen (蔡英文) administration and the Democratic Progressive Party (DPP) a strong mandate to continue to pursue closer ties with the US-led liberal-democratic order. In defeating her opponent from the Kuomintang (KMT), Han Kuo-yu (韓國瑜), with a precedent-setting 8.1 million votes and nearly 20 points, Tsai finds herself even more empowered to work with the Americans and partners in the region to secure a free Indo-Pacific region. Taiwan’s future role as a partner in such efforts was arguably contingent on a Tsai reelection: had Han been elected, Taiwan would likely have drawn down efforts to collaborate with the United States and other democracies as a price to pay for closer ties with Beijing. By holding on to its majority of seats in the Legislative Yuan, the DPP has also retained its ability to pass bills and budgets which will be necessary to ensure its participation in the US-led strategy in the region.

Beijing Reacts

Unsurprisingly, Beijing’s reaction to Tsai’s landslide re-election has been negative and presages continuation, if not intensification, of its policy of pressuring Taiwan. In a statement, the State Council’s Taiwan Affairs Office (TAO) repeated its unwavering stance on Taiwan and opposition to “Taiwan independence.” In an attempt to delegitimize the outcome of the elections, official state media in China, meanwhile, alleged that the Tsai government had engaged in “dirty tactics” and “repression” to win the elections, adding that “external forces,” including the United States, were involved.

Chinese Communist Party (CCP) General Secretary Xi Jinping (習近平) and his circle of advisers, therefore, are unlikely to be enlightened by the outcome of Taiwan’s elections in a way that would lead them to change Beijing’s official policy towards Taiwan—this notwithstanding President Tsai’s once again offering an olive branch to Beijing in her victory speech on January 11.

Consequently, Beijing is expected to ramp up its military coercion, political warfare, disinformation campaign and other efforts to undermine Taiwan’s institutions and break the democratic firewall that, once again, has stood in the way of Xi’s ambitions in the Taiwan Strait.

Taiwan-US Ties

Beijing’s likely belligerent response to January 11 makes it essential that Taiwan’s partners, chief among them the United States, Japan, and Australia, continue to extend—and arguably to increase—their support on matters of security so as to deter China from seeking a military “solution” to the Taiwan Strait. Tellingly, President Tsai immediately met with the top US diplomat in Taiwan, American Institute in Taiwan (AIT) Director William Brent Christensen, on the day after her election. During that meeting, Tsai reportedly said that “The Taiwan-US partnership has already grown from a bilateral partnership to a global partnership. In the future, we will continue to build on the foundation we have created over the past three years to strengthen our cooperation on global issues.”

Beijing’s likely belligerent stance will also ostensibly lead to attempts to poach Taiwan’s remaining official diplomatic allies, developments that, in turn, will encourage Washington to implement countervailing measures to ensure Taiwan’s continued ability to engage the international community (prior to the elections, Beijing warned that if Tsai were re-elected, China would capture all of Taiwan’s remaining official diplomatic allies). China’s ramped-up “sharp power” activities against Taiwan mentioned above will also encourage closer cooperation between Taiwan, the United States, and other partners, such as the Five Eyes. As Taiwan increases intelligence-sharing with the United States and other likeminded partners, greater efforts will be necessary to ensure the integrity of classified material, especially in light of the presence of a handful of new KMT legislators-at-large installed in the wake of the January 11 elections, who have suspected ties with the Chinese side.

On the military front, incentives for closer cooperation
between the Taiwanese armed forces and the United States will continue to mount as China challenges the status quo both in the Taiwan Strait and the Indo-Pacific. A new premium on joint training will emerge, and with US encouragement, other countries in the region could also be encouraged to work more closely with Taiwan, perhaps beginning with search and rescue and humanitarian activities.

As stated by Tsai on the night of the elections, Taiwan will continue to seek engagement with the United States through initiatives such as the Global Cooperation Training Framework (GCTF), a highly successful framework based upon a Memorandum of Understanding signed between the US Department of State and Taiwan’s Ministry of Foreign Affairs, that in recent months has attracted the participation of other partners, including Japan and Sweden, with other countries expressing interest in emulating the mechanism. Several GCTF rounds are already being planned for 2020, including a third one touching on information security and media literacy.

Progress on a bilateral FTA between Taiwan and the United States will once again be contingent on Taipei finding a way to resolve a beef and pork issue which for far too long has hampered the resumption of negotiations on a trade agreement.

At this writing it is uncertain whether Taiwan’s representative to the United States, Stanley Kao (高碩泰), will remain in his position or be called back to Taipei to serve in the Foreign Ministry. Regardless, it is expected that Taipei will ensure that the dialogue, which has existed between the two sides since 2016, is unaffected.

**Taiwan as a Proxy?**

Some political commentators, including Charles I-hsin Chen (陳以信), a former spokesman for president Ma Ying-jeou (馬英九), who was included in the KMT’s legislative “safe list” for at-large seats in the January 11 elections, argued recently that the political competition between China and the United States for influence in or over Taiwan constitutes a “proxy war.”

A proxy war, as Daniel L. Byman explains, “occurs when a major power instigates or plays a major role in supporting and directing a party to a conflict but does only a small portion of the actual fighting itself” (Byman here wasn’t writing about Taiwan, but I find his definition useful for the purposes of this article). In Taiwan’s case, a proxy war would entail two major powers—the United States and China—playing major roles in supporting competing forces within Taiwan without those two major powers themselves being involved in an actual conflict.

It would be a mistake to regard the situation over Taiwan through the lens of a proxy war. Rather, the Asian country of 23 million people is on the frontlines of competition between two superpowers. It sits atop a fault line in an escalating ideological battle between the US-led liberal-democratic order that has prevailed since the end of World War II, and an autocratic would-be alternative that, under Xi, has embarked on a mission, despite its claims to the contrary, to dismantle that order. Taiwan is not a territory where superpowers can wage a mere proxy war: it makes its own decisions, and choses which side it wants to be on in that ideological contest—in other words, it has agency. And the January 10 general elections, in which two key contenders with very different ideas about where Taiwan’s future lies were vying for the nation’s top office, was an important round in that agency.

Given its geographical location and Beijing’s ambitions, Taiwan will inevitably be caught in the strategic competition between the two superpowers. And given this, which side of the contest Taiwan ends up in—democratic or authoritarian—will have an impact on the outlook of that ideological competition. It must be emphasized, however, that Taiwan is not a mere pawn, or proxy, in all this: it has a say in the matter; its actions—those of its government and the voting public, not to mention civil society—have a direct impact on those outcomes. Taiwan therefore gets to decide, to a large extent, which side it’s on. It is, therefore, a participant in the larger battle for the future global order.

One fundamental point that needs to be repeated is that states never act entirely altruistically. Therefore, to claim that, in the past, the United States acted more out of consideration for “what is good for Taiwan” as opposed to “what is good for the US” misses the point. For one thing, interests can coincide; what is good for Taiwan can also be good, simultaneously, for the US. It is also worth pointing out that in comparing US policy today with that from, say, a decade ago, we must take
the changing geopolitical context into consideration: perceptions of the China threat back then differed markedly from those today, in large part due to the rise of Xi and the emergence of China as a powerful revisionist regime, one with the means, at last, to act on its territorial and ideological ambitions. And because of this, we have experienced a reassessment, not just in Washington but in other capitals as well, of the value of Taiwan as a partner in the liberal-democratic order’s fledging, and not always perfectly coherent, efforts to come up with a strategy to counter China’s more nefarious ambitions.

Since 2016, Washington has been increasingly open in its political and military support for Taiwan, and Taipei under the Tsai administration has undeniably embraced that support. Still, some critics of the Trump administration have pointed out that, in light of the recent “abandonment” of the Syrian Kurds, longtime allies of the United States in its campaign against radical groups in the Middle East, is would unwise for Taipei to rely too heavily on the United States. Taiwan no doubt would be delighted to be in a position where it can diversify its sources of security guarantees, but unfortunately that is not the case, and only the United States has been willing to extend such help. That being said, Taiwan has also put greater emphasis on strengthening its indigenous defense industry and the results of such initiatives should not be ignored.

As to abandonment, I believe there would be tremendous opposition to such a move involving Taiwan within both the executive and legislative branches of the US government. While certainly not downplaying the plight of the Kurds and the role they have played in countering ISIS, or the detrimental effects that abandonment could have on their people, the stakes in the Indo-Pacific, and Taiwan’s position within this architecture, are arguably much greater. Abandonment of Taiwan would be a decision with far greater geopolitical implications for the United States and the international community, and therefore one that is less likely to be made by Washington, regardless of who sits in the Oval Office.

The main point: Tsai Ing-wen’s re-election in a landslide on January 11 will ensure a continued and flowering relationship with the United States on matters from democracy promotion to securing a free and open Indo-Pacific. The outcome, and Beijing’s reaction to it, have created new incentives for Washington to ensure that its democratic ally is sufficiently capable of defending itself against the expected Chinese retaliation.

2020 Taiwan Outlook: A Stronger Taiwan in President Tsai’s Second Term
By: Shirley Kan

Shirley Kan is an independent specialist in Asian security affairs whose service for the US Government has included working for Congress at the Congressional Research Service. She is a founding member of GTI’s Advisory Board.

President Tsai Ing-wen (蔡英文) won re-election on January 11, 2020, with domestic and foreign expectations for Taiwan to be stronger in the interests of its people. A stronger Taiwan also enables it to contribute as an important economic and security partner of the United States and other democracies. Contrary to conventional wisdom that her second inauguration on May 20 will bring changes to personnel, it behooves Tsai to decide on Taiwan’s national security leadership much sooner. This imperative to have these key officials in place ahead of her second term has been urgent even before the crash of a helicopter on January 2 that took the life of the Chief of General Staff. What are expectations of Taiwan?

Leadership for National Security

It would be advantageous if Republic of China (ROC) (Taiwan) President Tsai names key officials (incumbent or new) ahead of the official start of her second term, without waiting for her inauguration in May. Realistically, observers expect the soonest that Tsai can name the leadership team would be in February, after the Lunar New Year on January 25. Taiwan’s President traditionally focuses on officials in national security, namely, those who lead the Mainland Affairs Council (MAC), Ministries of Defense and Foreign Affairs, National Security Bureau, and National Security Council. Also, officials and observers expect Tsai to select top generals and admirals as well as representatives to key foreign capitals (particularly, Tokyo and Washington). Urgent attention is focused on decisions about the in-
cumbents and the several candidates to be minister of defense and deputy ministers, with an expectation of leadership capability and willingness to engage internationally (not necessarily English proficiency).

First, Tsai’s decisions on leadership was made even more urgent after the tragic crash of a UH-60 Black Hawk helicopter on January 2, taking the lives of eight military officers, including the highest-ranking officer, Air Force General Shen Yi-ming (沈一鳴). Shen was the Chief of General Staff (CGS) and a potential defense minister (no matter which candidate won the presidency).

Significantly, General Shen was one of the key leaders to implement Taiwan’s shift to asymmetric warfare under its Overall Defense Concept (ODC). Especially in his last two positions as Deputy Minister of Defense for Policy and CGS, Shen was well known in robust dialogues with senior US officials and military officers of the Departments of Defense and State. The United States responded with heart-felt and high-level condolences, including a message from Shen’s counterpart, the Chairman of the Joint Chiefs of Staff, General Mark Milley. A Deputy Chief of General Staff, Admiral Liu Chih-pin (劉志斌), became the acting CGS. While Admiral Liu has visited the United States for recent meetings and previously interacted closely with Tsai as her aide-de-camp (including during her US stopovers), President Tsai will need to pay close attention to the appointment of the new CGS.

Second, the accident advanced the timeline for Tsai to provide certainty and direction in national security. This imperative already has been urgent given the intelligence, military, political, and other pressures against Taiwan from the Chinese Communist Party (CCP) under General Secretary Xi Jinping. The CCP’s ever-increasing threats to Taiwan include a development in July 2019, when the People’s Liberation Army (PLA) Air Force conducted its first combined, long-range air patrol in Asia with the Russian Air Force. Their bombers flew together over the East China Sea. Also concerning East Asia, Washington expects Taipei to sustain sanctions against North Korea and operation of a long-range radar to monitor missiles.

Third, Tsai can be expected to have more confidence and experience on defense policy and to spend much more time after her re-election on strengthening the military. Taiwan’s people should continue their democratic way of life, instead of fearing these elections as their last elections. As commander-in-chief, how will Tsai play a greater direct role in the chain-of-command, rather than mostly delegating to subordinate officials or civilian advisors? Will Taiwan request to be an observer—if not participant—in US-led exercises, including the Rim of the Pacific (RIMPAC) exercise in 2020, and to discuss US-Taiwan military interoperability? Will Taiwan ask for assistance to foster career-oriented military training to boost recruitment? Will Taiwan request US weapons systems that might include Paladin howitzers?

US expectations center on Taiwan’s alignment with a realistic assessment of the PLA’s threats and urgent shift to the priority of asymmetric warfare and joint warfighting, rather than sticking to traditional, service-oriented views about fighters, tanks, and ships or submarines. While approving sales of M1A2 tanks, F-16V fighters, and Stinger, TOW, and Javelin missiles in 2019, the United States also looks to Taiwan to build up its special forces, military reserves, and cyber capability, and to empower junior officers and senior enlisted leaders. Consistent with the Trump Administration’s emphasis to Taiwan to implement the ODC, Congress passed the National Defense Authorization Act for FY2020 (enacted on December 20 as P.L. 116-92), specifically calling for regular transfers of US defense articles that are mobile, survivable, and cost effective to most effectively deter attacks and support Taiwan’s asymmetric defense strategy. These items might involve anti-ship, coastal defense, anti-armor, air defense, naval mining, and resilient command and control capabilities.

The US Defense Department and National Security Council (NSC) stress that Taiwan is not alone in the need to transform its military into a distributed, maneuverable, and decentralized force to survive and counter the PLA’s missile, air, and naval attacks. Principal Deputy Assistant Secretary of Defense David Helvey summarized this point as the operation of “large numbers of small things” at the US-Taiwan defense industry conference in October 2019. He pointed out that the Pentagon is adapting deterrence to prioritize mobility, survivability, and lethality. Instead of catching up,
Taiwan’s military is expected to change along with US forces to challenge the status quo and advance away from being “prisoners of platform-based thinking” and only “incremental improvements” to designing new deterrence and defense against the PLA, as General David Berger advocates. This Marine Commandant critiques the US Marine Corps as “not optimized to meet the bold demands of the National Defense Strategy,” writing in a commentary in December 2019. Taiwanese generals and admirals would not declare such blunt criticisms of their forces. How will President Tsai bridge the gap between Taiwanese and US military cultures to adapt for effective deterrence?

Taiwan’s Consensus

In addition, the President can lead Taiwan’s will to fight and unity to counter the CCP’s threats. A perennial question is whether Taiwanese leaders of various political parties will forge a strong national consensus. In her New Year’s address, Tsai expressed one focus of consensus: never accept the CCP’s “one country, two systems.” Still, a new question concerns how Taiwan counters the CCP’s infiltration and interference. Another new issue is whether political parties competed in these latest elections in pro-Beijing versus pro-Washington directions with any damaging divisions in Taiwan. Will Tsai’s Taiwan-centric Democratic Progressive Party (DPP) capitalize on its electoral mandate to build a pro-Taiwan consensus with the Kuomintang (KMT) and other parties?

One crucial point of this consensus is Taiwan’s formal national name: Republic of China. This consensus counters the CCP’s objective to negate the ROC’s existence and annex Taiwan, no matter if the DPP or KMT won the presidential election.

Tsai can be expected to improve strategic communication to counter China’s challenges, not waiting until her second inaugural address. Advisors have encouraged her to engage more with the media. On the same day that Tsai won re-election and the DPP maintained its majority in the legislature, she spoke to foreign media reporting on the elections and referred to the country’s formal name. Tsai conveyed the voters’ confidence in the DPP’s commitment to peace and stability in the Taiwan Strait without compromising national interests. She said, “Taiwan is showing the world how much we cherish our free, democratic way of life, and how much we cherish our nation: the Republic of China (Taiwan).”

Secretary of State Michael Pompeo congratulated Tsai and Taiwan’s people for showing the strength of their democracy. The message expressed appreciation, first, for Taiwan’s strong partnership with the United States, and second, for Tsai’s commitment to cross-Strait stability. The message did not urge Tsai to resume cross-Strait talks, implicitly recognizing that the onus is on Beijing to work with Taipei to improve ties. A year ago, the NSC explicitly expressed this viewpoint in contrast to the CCP’s political warfare and typical media narratives that blame Taiwan or Tsai, after Xi read a speech that threatened force.

In addition to leveraging the results of the elections, Taiwan’s message can draw upon the people’s overwhelming preferences. According to polling data, the MAC reported in August 2019 that 84 percent oppose the CCP’s insistence on “one country, two systems.” Moreover, the MAC reported in October that 87.4 percent choose the cross-Strait status quo (whether with a decision later, indefinite situation, independence later, or unification later), while only 6.0 percent seek independence and 1.4 percent seek unification as soon as possible.

Taiwan needs to counter the CCP’s false narrative that suppresses Taiwan’s people in international diplomacy and organizations, raising concern even about the World Bank (as written by the Chairmen and Ranking Members of the House Foreign Affairs and Senate Foreign Relations Committees). Tsai can highlight the facts that Taiwan has never been a part of the People’s Republic of China (PRC) and the United Nations (UN) did not state this claim. Indeed, UN Resolution 2758 of 1971 allowed the PRC’s legal rights in the UN and expelled “the representatives of Chiang Kai-shek” but did not address the status of or even mention Taiwan.

Trade Talks

Last, a question is whether Tsai will resolve trade disputes. Speaking remotely to a conference in Washington in April 2019, she noted that “economic security is national security,” a point that Trump made in announcing the US Free and Open Indo-Pacific Strategy in 2017. Taiwan seeks trade agreements, particularly with the United States. Washington hopes that Taipei
will resolve disputes, particularly over US pork (using international and scientific standards). US expectations have affected talks under the Trade and Investment Framework Agreement (TIFA), or TIFA talks, which have not been held since 2016.

The main point: It is in Taiwan’s interest for President Tsai to decide soon about top military officers and national security officials for US-Taiwan convergence in assessing and deterring the PLA’s threats.

2020 Taiwan Outlook: Opportunities and Challenges for US-Taiwan Relations

By: Michael Mazza

Michael Mazza is a senior non-resident fellow at GTI. He is also a visiting fellow in foreign and defense policy studies at the American Enterprise Institute (AEI), where he analyzes US defense policy in the Asia-Pacific region.

This year marks the 20th anniversary of the first presidential election in Taiwan in which power first switched hands to the opposition party. At the time, modernization of the People’s Liberation Army (PLA) was underway and China’s threat to Taiwan, while not new, was growing more serious. That threat, however, was not nearly as potent as it is today. Writing on the feasibility of a Chinese effort to conquer Taiwan that year, Michael O’Hanlon argued that prospects of success were poor:

“...China could not take Taiwan, even if US combat forces did not intervene. Nor will China be able to invade Taiwan for at least a decade, if not much longer...China should be deterred from attempting an invasion by the military impracticalities of the scenario, regardless of US policy.”

O’Hanlon likewise argued that “coercive uses of force,” like blockades and missile bombardments, were manageable, as “the United States would have time to make any necessary military response” and “Taiwan’s very survival would not be at immediate risk.”

How times have changed. Assessments of China’s military threat to Taiwan today are far direr. In its 2013 National Defense Report, Taiwan’s Ministry of National Defense argued that China “plans to build comprehensive capabilities for using military force against Taiwan by 2020.” Four years later, in its Quadrennial Defense Review, MND reported, “the PLA now possesses the capability to impose a blockade on Taiwan and conduct multi-dimensional operations to seize our offshore islands.” The 2019 National Defense Report notes the PLA can carry out a successful air blockade as well and assess that the PLA is “capable of initiating joint blockades and joint firepower strikes against Taiwan.” A successful amphibious invasion of Taiwan is not yet within reach, but the PLA is making progress.

As Taiwan heads into 2020, Beijing’s threat to Taiwan’s freedom may be more pressing than it has been in decades. China’s evolving military capabilities have created an imbalance in military power across the Taiwan Strait. When considered in light of the emergence of a leader in the People’s Republic who has shown little flexibility in his approach to Taiwan, who has adopted annexation of the island as a key political goal, and who faces numerous internal challenges, a Chinese resort to force is neither far-fetched nor a long-term concern.

It is, at this point, impossible to confidently predict the outcome of the US presidential elections in 2020, but Taiwan’s leaders should not assume a Trump reelection or that, if the president is reelected, his Asia team will remain largely unchanged in the second term. Given the uncertainties presented by 2021, given that the current administration is well disposed towards Taiwan, and given the nature of Xi Jinping’s China, 2020 may be a critical year for deepening US-Taiwan relations and enhancing Taiwan’s security for the coming decade.

Trade: The Low-Hanging Fruit that Isn’t

Speaking to the American Chamber of Commerce Taipei last November, President Tsai Ing-wen called for the United States and Taiwan to conclude a bilateral trade agreement (BTA) as soon as possible, arguing that “a high-quality BTA between our countries would not only help strengthen our engagement, it would also set a strong precedent for a rules-based trade order in the Indo-Pacific region.”

There is significant support on Capitol Hill for such an agreement. The Senate version of the Taiwan Assurance Act, introduced by Tom Cotton and co-sponsored
by Menendez, Rubio, Cruz, Cortez Masto, and Coons, calls on the US Trade Representative (USTR) to “resume meetings under the United States and Taiwan Trade and Investment Framework Agreement [TIFA] with the goal of reaching a bilateral free trade agreement.” In December, the Congressional Taiwan Caucus co-chairs led a bipartisan letter, signed by a total of 161 lawmakers, to the US Trade Representative calling on him to “work toward trade agreement negotiations” with Taiwan. A BTA with Taiwan, they argue, “would expand markets for American goods,” “serve as a high bar for future agreements with other governments in the region,” “encourage more investment in American industries,” “establish comprehensive and high-standard rules for digital trade,” and “enhance our shared goal of enhancing the global competitiveness of US industries while spurring American job creation.”

USTR, unfortunately, is understaffed and seemingly uninterested in pursuing deepening trade ties with Taiwan. That TIFA talks have not been held since 2016 is telling. Even so, there may be an opportunity for progress. To take advantage of that opportunity, Taiwan will have to take bold action. Derek Scissors, a resident scholar at the American Enterprise Institute, told me Taiwan should opt for a non-traditional approach to concluding an agreement:

“Forget negotiations. The Taiwanese should start with USMCA [the United States-Mexico-Canada Agreement], explicitly improve the deal for the US by getting rid of multiple Mexican and Canadian demands they don’t care about, and say their goal is a vote in fall 2020. Communicated privately with USTR in January and go public in February.”

Put another way, Taiwan should make an offer that USTR would find difficult to refuse. There is an opportunity for the United States and Taiwan to conclude a mutually beneficial trade deal within the year. That opportunity will not last.

**Arms Sales**

Between June of 2017 and August of 2019, the Trump administration issued notifications to Congress of potential arms sales to Taiwan on five separate occasions. Those sales ran the gamut from spare parts to munitions and from pilot training to new tanks and fighter jets. The administration has moved away from the past practice of infrequent, “bundled” arms sales, with sales becoming more frequent. The first sale was announced prior to the onset of US-China trade hostilities, and negotiations to end those hostilities did not lead the Trump administration to avoid arms sales in successive years. At this point, there is not much to suggest that the president will depart from his approach to Taiwan arms sales thus far.

What sales, if any, will be notified to Congress in 2020? There is an outstanding request for 1,240 TOW (tube-launched, optically-tracked, wireless-guided) missiles, and anti-armor munitions crucial for rebuffing amphibious assault and defending routes inland should enemy forces establish a beachhead. Unless Taiwan has de-prioritized their acquisition since making the request last year, this should be a relatively easy transfer on which to agree.

In September 2019, Minister of National Defense Yen De-fa confirmed to the Legislative Yuan that the defense ministry had requested to purchase M109A6 Paladin howitzers from the United States. Taiwan is also believed to have an interest in acquiring the High Mobility Artillery Rocket System (HIMARS). Either or both systems would accord well with Taiwan’s Overall Defense Concept. As a bonus, a year after gaining approval for the purchase of new tanks and F-16s, the sale of mobile artillery systems would help to counteract the (arguably false) narrative that MND eschews the effective and affordable for the shiny and expensive. An agreement to sell Taiwan one or more major new defense systems in 2020 is not assured, but would not be that surprising.

**A Major Shift?**

In his 2000 *International Security* article, Michael O’Hanlon argued that since China could not, at the time, successfully invade Taiwan, “Washington need not abandon its policy of strategic ambiguity.” He went on to posit, “Given the dangers of a policy of strategic clarity, which could embolden Taipei to move toward independence and produce a major crisis, strategic ambiguity still makes sense.” This argument may have been reasonable at that time, especially given the election of Chen Shui-bian and uncertainty regarding the future direction of Taiwan’s first Democratic Progres-
sive Party-led government.

Today, however, a reassessment is necessary. It is not at all clear, for example, that the major “danger” of strategic clarity that O’Hanlon highlighted—that it would make a formal Taiwan declaration of independence more likely—remains a serious concern. Even if that assessment holds true, the risk of a move towards formal independence may be less likely than the risk of Chinese use of force without a change in US approach.

With the persistent military, diplomatic, and economic pressure the People’s Republic has applied to Taiwan in recent years, Beijing has proven itself hostile to the supposed cross-Strait status quo. Indeed, it appears bent on both destabilizing cross-Strait ties and destabilizing Taiwan’s internal politics. It may now be time for the United States to draw a clearer line in the sand—to more staunchly commit itself to Taiwan’s defense and to the preservation of its democratic institutions and way of life. Such a clear commitment is important if the United States and Taiwan are to dissuade China from the perilous course upon which it seems to have set itself.

Can Washington convey such clarity while maintaining a policy of strategic ambiguity? Perhaps, but there is an inherent contradiction in such an approach. The Trump administration is unlikely to jettison strategic ambiguity in 2020, but the president and his advisors have shown that they do not feel beholden to preserving the “sacred cows” of US foreign policy. This year, Washington should, in close consultation with Taipei, conduct an assessment of its Taiwan policy and ask some big questions in the process. Does strategic ambiguity allow for the effective deterrence of the PRC? Does the “One-China” policy continue to serve US interests? Should we establish a military-to-military relationship with Taiwan more akin to those we have with close allies like Japan and NATO members?

President Trump and his advisers may not be in office long enough to fundamentally shift the American approach to Taiwan and to cross-Strait relations. They can, however, do the hard work of conducting thorough risk assessments and developing options for their potential successors.

The Chinese threat to Taiwan grows ever greater. In 2020, the United States and Taiwan should strive to begin turning the tide in their favor.

The main point: In 2020, there are opportunities for the United States and Taiwan to deepen trade relations, pursue new and important arms sales, and update their relationship for the Xi Jinping era.

2020 Taiwan Outlook: US-Taiwan Relations in 2020

By: Ambassador Stephen M. Young (ret.)

Ambassador Stephen M. Young (ret.) served as a US diplomat for over 33 years, with assignments in Washington, Taipei, Moscow, Beijing, Kyrgyzstan, and Hong Kong. He is a member of GTI’s Advisory Board.

Happy New Year to all my friends in Taiwan and the United States! The editor has given me the challenging task of offering an outlook in this coming year for US-Taiwan relations. I am to include commentary on Taiwan domestically as well as assessing current cross-Strait ties. No easy task. I was trained as a historian, then I worked for over three decades as an American diplomat. As a historian, we are cautioned to look only at the past, for the future is unknowable. In fact, good history is supposed to allow a reasonable period of time to settle before one can accurately assess what has happened. But as a diplomat, we were tasked with making projections to assess future events and their implications for American interests. I will do my best.

As I write this, we have just witnessed another landmark in Taiwan’s democratic development, as the voters have chosen a new legislature and president. President Tsai Ing-wen’s decisive reelection—and her party’s retention of its Legislative Yuan majority—may distress the People’s Republic of China (PRC) and some pan-blue elements, but provides a measure of continuity and stability in that young democracy as it encounters a range of challenges, new and old. Meanwhile, the American electoral process is gearing up, with congressional and presidential elections scheduled for this November. Much is unclear at this point, including President Trump’s prospects and the question of the next Congress’ composition.

So let’s start with Taiwan. While Beijing is not pleased
to see President Tsai granted four more years, it has no one but itself to blame for the current state of cross-Strait relations. Neither appreciating nor understanding democratic processes, the authoritarian state there was hoping it would see Tsai’s defeat and a return to KMT rule that might reinvigorate trends toward “reunification” of the two sides of the Strait. That is precisely what drove many voters in Taiwan to give the DPP and its standard-bearer another term. China has focused more on threats and bullying than positive incentives, and the people of Taiwan have rejected that alternative.

Tsai has many challenges now. She must strive to bring people together again after a fractious electoral campaign. After celebrating with her supporters, she would be wise to reach out to those who did not vote for her and offer them a coherent strategy for managing Taiwan’s economy, in the face of continued hostility from its huge neighbor. At the same time, Tsai needs to re-inforce relations with Washington, while preparing for the uncertainty of our fall elections. She is fully capable of these tasks.

President Tsai’s conciliatory remarks after her electoral win were wisely aimed both at her opponents in Taiwan and the leaders of the PRC. Yet there will be skeptics on both sides, particularly in Beijing, where Xi Jinping placed his wager on a different outcome. Pan-blue opponents of Tsai must now reckon with four more years of her rule, along with a minority position in the Legislative Yuan. They would do well to look for new leadership within the party, favoring those with a steadfast commitment to the island’s de facto independence and a focus on realistic economic strategies that do not overly rely on cross-Strait amity and flourishing trade with the PRC. The KMT—if it is to survive as the second leading party on the island—needs to bring in new blood. It should also look to its friends in the United States for support. Given the generally skeptical attitude toward Xi’s China in America today, that strategy would argue against continued Pollyannish reliance on the good will of communist China, and its authoritarian leader for life. Otherwise, I suspect the KMT will fracture and could be headed toward long-term decline.

Of course, we can continue to hope for positive change in the PRC, unlikely as that currently appears to be. Hong Kong offers a number of clues to this. The ongoing resistance of the broad masses of people there to encroaching pressure by Beijing is encouraging, even as it courts possible crackdown by both the authorities within the former colony, and more ominously, from the PRC itself. Xi has shown absolutely no flexibility thus far, and as a result he has lost the battle for the hearts and minds of the people of Hong Kong. He also has to concern himself with the impact of events there on his own oppressed people.

I am sure many people in China are following events in Hong Kong closely. They see a “Han Chinese” population that is rising up in protest against attempts to constrain its freedoms, so solemnly promised in the process of Hong Kong’s turnover 23 years ago. Perhaps some of them may be reflecting on their own constrained freedoms, and are taking hope in Hong Kong’s rejection of a similar fate. Others—no doubt influenced by the bombardment of communist propaganda—might simply view Hong Kong as a rebellious and ungrateful city that needs to be disciplined.

Meanwhile, the United States approaches its own democratic process, which this fall will elect a new Congress and President. It is likely that the legislative branch will remain divided, with a Republican Senate balanced off by a Democratic House. The critical question is who will win the presidency. If Mr. Trump is reelected, a generally pro-Beijing policy is most likely, though mixed with ongoing trade tensions.

Trump has shown little interest in pushing for change in Chinese domestic politics. A President from the Democratic Party would likely adopt a sharper tone toward Xi’s autocratic policies. But in the end, accommodation of our huge economic and trade ties with China will constrain whoever wins the American election to continue trying to work out our differences amicably, whenever possible.

Another huge variable is the state of the economy, in the US, in China, and in Taiwan. Many close observers predict a slowing down of the American economy, which would have ripple effects around the world. We have been on a positive growth trend now for some time, so a correction would make sense. But something more serious, like a recession, would both damage Mr. Trump’s reelection hopes and probably also trigger a global slowdown. Trump’s massive deficits point toward this outcome, and
he is unlikely to change that trend as he seeks reelection.

President Tsai has sought to reduce Taiwan’s dependence on cross-Strait trade, a wise policy given these variables. But the fact is that China’s economic reach makes it the most significant player in most of Asia. So her “go south” strategy cannot be totally separated from the China factor. That said, there is much she can do to reduce Taiwan’s direct dependence on cross-Strait relations. Focus on US trade relations is vital to any such strategy.

A first step would be to end the short-sided and long-standing impasse over Ractopamine, the additive to pork products in the US market that has proven a sticking point in US-Taiwan trade since I was director of AIT a decade ago. To be blunt, this is merely a poorly disguised protectionist strategy on Taipei’s part. It has stymied progress on a Free Trade Agreement (FTA) between our two economies, and serves no practical purpose at a time when Taiwan needs closer ties with Washington for both economic and political purposes.

Newly reelected, President Tsai—an experienced economist and trade specialist—should move quickly to end this impasse and move forward on more productive trade relations with Washington. She will find a willing partner in Washington. Congress is ready to move on. So is the Trump administration. If Trump does not win reelection, Madame Tsai should be prepared to work with the next administration on this question, drawing on her huge reservoir of support on Capitol Hill.

Next, our two countries should look to Taiwan’s realistic defense needs and shore up the island nation’s ability to resist threats of PRC aggression. That would include both additional arms sales and enhanced military-to-military contacts. We face a common threat in China’s ongoing attempt to bully its neighbors and gain power projection beyond the first island chain. Japan is another key player here. Taipei’s historically strong relations with Tokyo can be energized to offset Chinese bullying.

There are other potential partners to the south, all of whom face a growing threat from Xi Jinping’s assertive economic and military policies. Taipei’s relations with Vietnam are good, and can be further strengthened, both economically and politically. The Philippines has historically been a friendly neighbor. ASEAN can be another strong economic partner. Taiwan should utilize its membership in APEC and other regional organizations to pursue closer ties with all who are willing. South Asia should not be neglected. India recognizes the danger to its interests in an aggressive China, and there are many other factors that argue for closer ties with Taiwan.

While it should not be a formal policy of the United States, we can also continue to hope for positive change in China. Our trade policy is one tool toward that end. Getting Beijing to abide by accepted international practices and standards is important. Our continued ability to project military power into the region—as well as our network of alliances—are both vital to this effort. Although constructing an anti-China bloc is a hoary relic of the Cold War, solid economic and security relations with our friends throughout Asia will remain an important strategy going forward. We should continue calling out the authoritarian regime in Beijing on such issues as its belligerent behavior toward Taiwan, its abuse of human rights at home, and its aggressive foreign policy toward its neighbors.

Finally, America must continue to stand as a symbol of democratic governance to a region that has struggled with this concept. As the old slogan goes, “democracy is the worst political system there is, except for all the alternatives.” China’s brutal authoritarianism has found few takers around the world, while America has been a beacon of hope throughout its longstanding adherence to democratic practices. Taiwan’s remarkable democratic transformation brings our two people that much closer together.

We must resolve to continue sharing these ideals with our friends around the world, and particularly in East Asia. Hopefully, some day, China too will open up its political system and join the modern world in that respect. Until then, America’s longstanding and firm commitment to the prosperity and security of our friends in Taiwan will be their best hope for a safe and secure future!

**The main point:** President Tsai Ing-wen’s decisive re-election may distress the PRC and KMT opposition, but provides a measure of continuity and stability in Taiwan as it encounters a range of challenges, new and old. These challenges include reuniting Taiwan people after a fractious electoral campaign, offering a coherent strategy for managing Taiwan’s economy in the face of continued
hostility from the PRC; and reinforcing relations with Washington, ahead of US presidential elections.