Will KMT Reform after the 2020 General Elections?

In the aftermath of the Nationalist Party’s (Kuomintang or KMT) second-consecutive defeat in the 2020 presidential election and its lackluster performance in the Legislative Yuan election on January 11, Chairman Wu Den-yih (吳敦義, b. 1948) and other senior party officials resigned en masse. The party’s next chairman and central standing committee (中常會) members will be elected on March 7. At the time of this writing, four candidates have thrown in their hats to be the ailing party’s next chairman. There are several potential candidates but only a few have formally declared their candidacy thus far. Those who have formally declared include Chang Ya-chung (張亞中, b. 1954), Wu Chih-chang (武之璋, b. 1942), Hau Lung-bin (郝龍斌, b. 1952), and Johnny Chiang (江啟臣, b. 1972). Other possible and non-exhaustive list of candidates reported on in the local media include KMT Tainan chapter head Hsieh Lung-chieh (謝龍介, b. 1961), Kaohsiung Mayor Han Kuo-yu (韓國瑜, b. 1957), New Taipei City Mayor Hou You-yi (侯友宜, b. 1957), and Legislator Chiang Wan-an (蔣萬安, b. 1978).

After the devastating 2016 general elections, the KMT flirted with a shift towards a more conservative and radical orientation by electing their botched 2016 presidential candidate, Hung Shiu-chu (洪秀柱, b. 1948). Four months into her presidential run and a little over three months before the 2016 elections, Hung was replaced by Eric Chu in an extraordinary party election that saw her benched in a last-minute attempt to salvage the election. After Chu and the KMT’s categorical defeat in the presidential and legislative elections, Chu resigned as chairman of the KMT. The vacancy paved the way for supporters of the dismissed presidential candidate to hoist Hung up to the helm of the party in a provisional election that saw Hung defeating her closest opponent by a decisive 23
percent.

Wu Den-yih’s victory as party chairman in May 2017 with 52.24 percent of the votes appeared to point to the party’s return to a mainstream orientation and a victory for the “establishment wing” of the KMT that had been withering. According to Lauren Dickey in reference to Wu’s victory, “his win is an important turning point as the opposition party seeks to redefine itself. In terms of cross-Strait relations, it suggests a return to an outlook far more moderate than blatant support for unification.” A native Taiwanese, Hakka-minority, and part of the party’s local faction (本土派), Wu was ostensibly elected because he was seen as capable of speaking to and playing to these political advantages and appeal to a general audience—especially compared to Hung. At first glance, the party’s sweeping electoral success in the 2018 local elections suggested that Wu could be a strong contender as the party’s presidential candidate for 2020. Yet, the incredible surge in popularity of the Kaohsiung mayor and then KMT presidential candidate clearly derailed those forecasts.

It is worth remembering that even with Wu, Beijing had its doubts about his political reliability. According to Dickey: “His (Wu’s) emphasis on the ‘different interpretations’ clause of the so-called ‘1992 Consensus’ is widely interpreted as a warning signal for Beijing. Moreover, unlike Hung who overtly supports unification with the PRC, Wu sees both Beijing’s ambitions for unification under ‘one country, two systems’ and Taiwanese pursuit of independence as destabilizing options.”

According to FPRI Research Associate Thomas Shattuck: “The KMT has two primary issues: an aging support base and a perceived outdated policy on China.” Indeed, as Bonnie Glaser of the Center for Strategic and International Studies noted at a conference co-hosted by Global Taiwan Institute and The Heritage Foundation:

“The real question is whether the party [KMT] itself reforms. Whether some of the older generation people move aside [and] make way for the younger generation. Whether they try to redefine themselves as an indigenous party. There are younger people that I’ve talked to in the KMT that would like to be the ‘Taiwan Kuo-mintang,’ not the ‘China Kuomintang’—that may be a bridge too far in the immediate future. But they have to figure out their messaging and their policies, and, of course, fundamentally have to examine what their policies going to be going forward towards Beijing. Are they simply going to stick with the ‘1992 Consensus’ or are they going to come up with new policies? If they do not revise their policies going forward, then I doubt that they will be able to win support. The most important thing is [sic] KMT reform and generational change.”

The KMT’s Central Standing Committee—the real locus of the party’s decision making—will be elected on the same date as the party chairman. According to the Party Constitution, the Central Standing Committee consists of 39 members, 32 of whom are elected by party representatives. Five members will be designated by the party chair, and the remaining two positions are filled by the heads of the party’s Youth League and its Department of Youth Affairs.

It remains to be seen whether the “establishment wing” of the party will lead or become further marginalized within the KMT. As Shattuck nicely sums up: “The danger lies in that if the KMT does not reform its cross-Strait policy and identity, the country’s youth will continue to view the KMT as an old, backward party, forcing them to vote for the DPP as the only other viable major party. The world has changed, and China has changed, so why shouldn’t the KMT’s policies also reflect these changes?”

The main point: The KMT will elect a new chairman and central standing committee members in March 2020. These elections will determine the direction of the party and indicate whether or not the KMT will undertake the necessary reforms to remain a viable party.

Senior Chinese Official Calls for More Effective Preferential Measures after Taiwan’s General Elections

On January 19, the Chinese Communist Party (CCP) held its “2020 Taiwan Work Conference” (2020年對台工作會議) in Beijing. The annual conference is the first major policy meeting laying out the CCP’s policy
The work conference was attended by the deputy director of the inter-agency policy-coordinating body, the CCP’s Taiwan Affairs Leading Small Group (TALSG)—which is the highest-level party organ responsible for developing the party-state’s Taiwan policy—Wang Yang (汪洋). Wang is concurrently a member of the all-powerful Politburo Standing Committee (PBSC) and chairman of the Chinese People’s Political Consultative Conference (CPPCC). Wang headlined the conference and declared that the CCP should raise the effectiveness of its preferential measures of “benefit Taiwan for the people’s interest” (惠台利民), promote more cross-Strait youth exchanges, emphasize the “One-China principle” and resolutely oppose and contain any forms of Taiwan independence. The 2020 meeting was chaired by State Councilor and PRC Foreign Minister Wang Yi (王毅). The 2018 and 2019 work conferences were hosted by Politburo Committee member and director of the CCP’s Committee of Foreign Affairs Yang Jiechi (楊潔篪).

Wang, who is the fourth-highest ranking cadre, highlighted the components of this “soft-hard” approach at the 2018 work conference. For the “hard” measures, the CCP would uphold the “One-China principle” and the so-called “1992 Consensus,” and resolutely oppose and contain any form of Taiwan secession. During the 2018 meeting, Wang reportedly stated that “[w]e [CCP] should remain true to our original aspiration, keep our mission firmly in mind, and fully implement the CCP Central Committee’s decisions and plans [for Taiwan affairs] in a spirit of ‘time and tide wait for no man; seize the day, seize the hour’ [emphasis added].” For the “soft” measures, Beijing would expand cross-Strait economic and cultural cooperation; deepen the development of cross-Strait economic and social integration; gradually give equal treatment to Taiwan nationals studying, starting businesses, working, and living in the People’s Republic of China; and encourage people on both sides of the Taiwan Strait to promote Chinese culture and their “spiritual affinity.”

According to the People’s Daily—the CCP’s official mouthpiece—Wang noted that cross-Strait relations and Taiwan work will become more complicated and severe in 2020. Repeating his call from the 2019 work conference, Wang called on party cadres in the PRC’s Taiwan work-related system to strengthen the “four consciousnesses” (四个意识)—political consciousness (政治意识), overall situation consciousness (大局意识), core consciousness (核心意识), and awareness of alignment (看齊意識)—strengthen the “four self-confidence,” and achieve “two safeguards,” and earnestly implement the thought of the CCP Central Committee’s policy decisions on Taiwan, adhere to the “One-China” principle, and resolutely oppose and contain any form of secessionist activities.

Most notably, the chairman of the CPPCC—which is also the highest level organ in charge of the United Front system—emphasized that it was necessary to improve the effectiveness (實效) of measures that “benefit Taiwan for the people’s interests,” improve the institutional arrangements and policy measures to promote cross-Strait exchanges and cooperation, deepen cross-Strait integration and development, and ensure the welfare of “Taiwan compatriots.” Highlighting the focus of this approach, Wang noted that it was necessary to vigorously promote cross-Strait youth exchanges and create better conditions for Taiwanese youth to come to China for study, internship, entrepreneurship, and employment.

Clearly ignoring the impact of the civil unrest in Hong Kong on Taiwan’s elections, Wang repeated the common refrain that it was necessary to learn from Xi Jinping’s important guidance on Taiwan work and implement the policy of “peaceful (re)unification; one country, two systems.” In keeping with past practices, Liu Jieyi (劉結一), director of both the CCP Central
Committee and State Council’s Taiwan Affairs Office, delivered the work report.

While most analysts expect that Beijing will further harden its approach against Taiwan after the general elections, the work conference does not indicate a change in the CCP’s current approach or policy towards Taiwan. For now, Beijing seems poised to continue its “soft-hard” strategy against Taiwan, although it is not clear how it intends to raise the effectiveness of its policies of enticing Taiwanese youths, businesses, and aligned-political actors, while continuing to diminish Taiwan’s international space and maintaining its coercive military activities.

Perhaps more troubling for the future of cross-Strait relations is that General Secretary Xi Jinping has already clearly shown that he is unwilling to work with Taipei under Tsai’s rule, and there will be little willingness or reason on the part of President Tsai to unilaterally provide further concessions than what she has already offered. As Beijing’s response to the election results through the Xinhua News Agency make clear: “Momentary reversals are but just bubbles left behind by the tides of history … We want to directly warn Tsai Ing-wen and the DPP not to act willfully and rashly because of a temporary fluke.” It appears that Beijing may already have its eye set for 2024.

The main point: While Beijing will likely harden its approach against Taiwan after the general elections, the 2020 Taiwan Work Conference does not indicate a change in the CCP’s current approach or policy towards Taiwan and seems poised to continue its “soft-hard” measures.

Taiwan’s Pacific Stronghold in Palau
By: I-wei Jennifer Chang

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In late December 2019, Taiwan’s Vice President Chen Chien-jen (陳建仁) traveled to Palau to commemorate the 20th anniversary of diplomatic relations between Taiwan and the Pacific island-nation. “For two decades, Palau has been our constant companion, becoming one of Taiwan’s most faithful Pacific allies,” said Chen, who thanked Palau for supporting Taiwan’s efforts to participate in international organizations, at an anniversary luncheon hosted by Taiwan’s embassy in Koror and attended by Palau’s President Tommy Remengesau, Jr. Vice President Chen’s trip was also meant to safeguard Taiwan’s current diplomatic status among the countries in the Pacific islands after the Solomon Islands and Kiribati switched diplomatic recognition to the People’s Republic of China (PRC) in September 2019, whittling down Taipei’s total diplomatic allies to 15 countries in the world, four of whom are located in Oceania.

Palau in Indo-Pacific Geopolitics

The tiny Pacific island-nation of Palau, with a population of 21,000 and comprised of more than 500 islands southeast of the Philippines and a territory spanning 459 square kilometers, plays an outsized role in the United States, China, Taiwan, and other Asian powers’ respective strategies in the Pacific islands. The United States is working with Australia to counter China’s growing influence in the South Pacific and help Taiwan retain its remaining diplomatic allies. In May 2019, then Principal Deputy Assistant Secretary of State for East Asian and Pacific Affairs W. Patrick Murphy warned of the dangers of Chinese poaching of Taiwan’s allies. “China is attempting to reduce Taiwan’s diplomatic relations in the region and that’s kind of heavy-handed,” Murphy said. “It gives rise to tensions by changing the status quo and then the possibility of conflict,” he added. He expressed concern that Chinese militarization in the Pacific would destabilize the area, as China has done in the South China Sea.

The United States, which administered Palau under the UN Trust Territory of the Pacific Islands from 1947 to 1994, currently has defense agreements known as Compacts of Free Association (CFA) with Palau, the Federated States of Micronesia (FSM), and the Marshall Islands, that will expire in 2024. Under the terms of these agreements, the United States is responsible for the defense of these three Pacific nations; the US military has exclusive access to their airspace and territorial waters, though it has not stationed American troops there. Washington, in turn, provides economic assistance to these three Pacific nations, also referred to as the Freely Associated States (FAS). The CFA also
plays a factor in why Palau and the Marshall Islands continue to recognize Taipei; switching diplomatic recognition from Taipei to Beijing would risk angering Washington, their main external source of assistance.

Washington also has taken initiatives to strengthen its partnership with these Pacific islands. In May 2019, President Donald J. Trump hosted the three leaders of Palau, the FSM, and the Marshall Islands at the White House. The four countries issued a joint statement reaffirming their “interest in a free, open, and prosperous Indo-Pacific region” and resolving to address regional issues bilaterally and through multilateral forums. Furthermore, negotiations have begun to renew the defense agreements with the three Pacific nations, said US Secretary of State Mike Pompeo during his August 2019 trip to the region. A major concern is that if the United States does not renew the CFA with Palau and other Pacific island-nations, this could create an opening for China to further expand its presence in the region. One potential consequence is that Palau and the Marshall Islands would be increasingly pressured to drop Taipei and officially recognize Beijing after 2024, if not sooner. Therefore, it is imperative for the United States, Australia, and Taiwan to continually engage these Pacific islands at the highest levels of government in order to maintain Taipei’s diplomatic status quo.

Taiwan-Palau Partnership

Taiwan’s main goal is to shore up diplomatic ties with Palau and other allies in face of Chinese advancements in Oceania. In March 2019, Taiwan President Tsai Ing-wen (蔡英文) chose Palau as the first stop during her Oceans of Democracy (海洋民主之旅) state visits to Pacific island allies, including Nauru and the Marshall Islands. Later that year, Foreign Minister Joseph Wu (吳釗燮) and Council of Indigenous Peoples (原住民族委員會) Minister Icyang Parod (夷將·拔路兒) also served as special envoys to Palau. Taipei says that it and Palau possess similar ideals—such as upholding democracy and freedom—and an Austronesian heritage and culture shared by Taiwan’s aboriginal groups. But most importantly, both have supported each other over the past 20 years.

After three decades of US administration, Palau gained independence in 1994 and established diplomatic relations with the Republic of China (ROC) on Taiwan on December 29, 1999. Since then, Taiwan’s government has invested in numerous aid and development projects, in the fields of agriculture, green energy, medical and health care, and tourism in Palau. These cooperative projects and visible signs of Taiwanese-funded road and infrastructure projects in Palau have served to strengthen people-to-people ties. As a Palauan newspaper editor said, “every Palauan has a story” of interaction with Taiwan through education, medical treatment, and travels. Hospitals in Taiwan have saved the lives of thousands of Palauan people, a major reason why Palau will not break relations with Taiwan, said Palau’s ambassador to Taiwan Dilmei Louisa Olkerevil in 2018.

In return, Palau has voiced strong support for Taiwan’s international participation, most recently at the 74th United Nations (UN) General Assembly in September 2019. A few of Taiwan’s diplomatic allies spoke up on behalf of Taipei’s inclusion into international organizations. In addition to pro-Taiwan statements by Guatemala and Eswatini, Palau’s President Remengesau Jr. called for Taiwan’s participation in the UN General Assembly and other international bodies such as the World Health Assembly, International Civil Aviation Organization, and the UN Framework on Climate Change. Speaking at the UN meeting on universal health coverage on September 23, Remengesau Jr. called on the UN not to exclude Taiwan on matters of universal healthcare. “Taiwan’s universal health insurance program is a model for the world. Her support for Palau is an example of the power partnership in realizing universal health coverage,” he said. Taiwan’s Foreign Minister Wu received and thanked the presidents of Palau and Nauru, while they transited through Taiwan’s airport on their return trip from the UN meeting.

Palau under Chinese Pressure

As a small island-nation heavily dependent on foreign tourism, Palau has to carefully engage and balance the bigger powers in the region. Palau also cannot afford to lean on a single country, or limit its foreign relations to a few countries. Palau’s President Remengesau Jr. has said his country wants to be friends with everyone including China. Although Palau does not have formal diplomatic ties with China, President Remengesau Jr. has publicly expressed his desire to maintain friend-
ly and cooperative relations with China. In a 2017 interview, Remengesau Jr. expressed gratitude for the Chinese tourists and investments in his country. If he could, the Palauan president said he would want to recognize both Taiwan and China. However, he said Palau will continue to maintain official relations with Taiwan, whom he calls a “friend and partner” that has stood with his country through “thick and thin.” The majority of Palauans support the country’s diplomatic relations with Taiwan, said Palau’s Ambassador to Taiwan Olkeriil. “We are a democratic country, and we support and promote our relationship with countries with the same system of government, such as Taiwan,” Olkeriil said.

Palau is struggling with its tourism industry, particularly after Beijing retaliated against Palau’s diplomatic ties with Taipei by banning Chinese tourist groups from traveling to the Pacific island. The Chinese government ordered tour operators in November 2017 to suspend group tours to Palau. The precipitous decline in Chinese tourists from more than 70,000 in 2016 and 55,000 in 2017 to 25,000 in the first six months of 2018 dealt a significant blow to Palau’s tourism industry, which accounts for more than 40 percent of its GDP. Palau Pacific Airways was forced to suspend service to Hong Kong and Macau via Bali due to the sharp drop in Chinese tourists. Chinese tourists made up 47 percent of total international visitors to Palau in 2016, compared to Taiwanese tourists at 10 percent that same year.

In response to China’s travel restrictions, Palau’s leader retorted that his country will not bow to Chinese pressure to abandon Taiwan. Remengesau Jr. told Japanese media said he would seek economic assistance from Japan, among other countries, to offset the losses from the Chinese side. “I approached Japan, I said: ‘Please build one or two high-end hotel-resorts in Palau,’” he said. Remengesau Jr. also asked the United States and Taiwan to help boost its sagging tourism economy. “I have approached Taiwan, I have approached the United States... Just one investment can go a long way to help maintain the economic progress of a small nation such as Palau,” the leader said.

Taiwan, in turn, announced several measures to help Palau improve its tourism industry. Taiwan’s Ministry of Foreign Affairs (MOFA) planned to send tourism and business delegations to Palau. Baushuan Ger (葛葆萱), director-general of MOFA’s Department of East Asian and Pacific Affairs, said Taiwan will offer assistance to boost Palau’s tourism business. Additionally, President Tsai said that China Airlines, one of Taiwan’s main airline carriers, would offer an additional direct flight to Palau starting June 2019, bringing the total number of weekly direct flights from Taiwan to Palau to four. President Tsai said she hopes more Taiwanese will visit Palau. Taiwanese citizens currently can visit Palau visa-free for 90 days; Palauans also enjoy reciprocal visa-free treatment.

In light of President Tsai’s re-election following national elections on January 11, 2020, Beijing may show its displeasure by ratcheting up the pressure on Taipei on the international front. The Chinese government could strengthen efforts to poach another one of Taiwan’s remaining 15 diplomatic allies, particularly the smaller Pacific island-nations. Taipei should continue to work with Washington and other like-minded countries, such as through the Global Cooperative Training Framework (GCTF, 全球合作暨訓練架構) and the Pacific Islands Dialogue (太平洋對話), to improve the economies and livelihoods of Pacific island-nations and thus lessen the risk that Taiwan’s remaining diplomatic partners would switch recognition to China for its hefty economic aid packages.

The main point: Taiwan and Palau have enjoyed a mutually beneficial relationship based on economic assistance and diplomatic support for Taiwan’s inclusion into international organizations. As Taiwan seeks to shore up diplomatic ties with Palau against Chinese encroachment, Taipei should work with Washington and other democratic countries to enable Palau to withstand economic pressures from Beijing.

The Necessity of Reestablishing Port Calls to Taiwan

By: Robert D. Eldridge

Robert D. Eldridge, Ph.D., is the Japan-based North Asia director for the Global Risk Mitigation Foundation and the former political and public advisor to US Marine Corps in Japan.

High-level interactions between US and Taiwan of-
Officials have increased since the start of the Donald J. Trump Administration in January 2017. This is a sign of the growing importance that the two governments place in one another. A number of legal acts and pronouncements has facilitated these developments, including the **Taiwan Travel Act** of 2018 (passed unanimously by Congress) and the introduction of the **Taiwan Assurance Act** of 2019. Yet, there is still far to go and much to do. What should take place next—at the minimum—is the routinization of port calls by the US Navy (and Marines), which has taken on a new importance since access to Hong Kong was again recently denied by the People’s Republic China (PRC) in light of its violent crackdown there in 2019. The failure to conduct even one port call, when it is clearly necessary, is all the more odd since there is a law that called for the US government to “consider the advisability and feasibility” of such a port call—the **National Defense Authorization Act** (NDAA) of 2018.

**Port Calls are Long Overdue**

Port calls to Taiwan, which have not been conducted in more than 40 years out of diplomatic consideration—misplaced in this writer’s opinion—of the PRC, are long overdue. The issue of port calls to Taiwan has gotten increasingly high political attention in recent years in the United States, although the Barack H. Obama administration did not respond to suggestions for port calls whatsoever and Donald J. Trump administration has been still slow to.

The most recent suspension of US military port calls by China in early December 2019 was clearly done in retaliation for President Trump’s signing into law S. 1838 **“The Hong Kong Human Rights and Democracy Act of 2019”** on November 27. While it was the amphibious transport dock ship, the USS *Green Bay* (LPD), and the cruiser, USS *Lake Erie* (CG-70), that were unable to go into port at the time, the new policy suspended indefinitely all visits, and thus was a violation of a Sino-US agreement on ship visits (to be handled on a case-by-case basis) following Hong Kong’s handover in 1997. Had visits to Taiwanese ports been routine affairs, these ships could have diverted to Taiwan and thus not significantly alter 7th Fleet scheduling. Alas, such was not the case and there were ripple effects on follow-on Fleet operations.

Unfortunately, denials of port calls have happened previously, on short notice, and out of displeasure about one US action or another, or when bilateral tensions were high. US displeasure, which should have been immediate, has appeared to be slow in coming.

In late May 2001, the PRC announced it was denying some port calls later that summer including the USS *Inchon* (MCS-12), a mine countermeasures command-and-control ship. This cancellation followed the mid-air collision of a People’s Liberation Army Navy interceptor fighter jet with an Okinawa-based US Navy EP-3E ARIES II signals intelligence aircraft causing the latter aircraft to land on Hainan Island in April (and its crew mishandled).

In 2016, belated US freedom of navigation operations in the South China Sea prompted China to cancel a visit by the aircraft carrier, USS *John C. Stennis* (CVN-74). In late November 2007, China again cancelled a port call by the aircraft carrier USS *Kitty Hawk* (CV-63) based in Yokosuka, Japan, just hours before the aircraft carrier was scheduled to arrive. The reason: US arms sales to Taiwan, which it is legally allowed (and obligated) to do. A week before this, the USS *Guardian* and USS *Patriot*, both minesweepers, were similarly denied access, as was the frigate, USS *Reuben James* (FFG-57), the following month. Again, in October 2018, the amphibious assault ship USS *Wasp* (LHD-1) was denied entry due to the China-US trade war and the announced sale of military equipment to Taiwan.

While the actual value of port calls to Hong Kong can be questioned, the operational chaos and diplomatic frictions short notice cancellations cause cannot be ignored. With the increase in the number of US Navy ships transiting the Taiwan Strait—at least nine last year alone and one so far this year—the case for a more reliable location for refueling, replenishing of supplies, and recreation is particularly strong.

**From Calls to Legislation**

It was after the 2016 denial of the Stennis in April that then-Representative Randy Forbes (R-VA), chairman of the House Armed Services Seapower and Projection Forces Subcommittee, immediately issued a statement on May 2 that said “China has repeatedly politicized the long-standing use of Hong Kong for carrier port calls, inconveniencing the families of thousands of US
sailors and continuing a pattern of unnecessary and disruptive behavior. [...] Many US allies and partners, including Taiwan, would no doubt welcome our carriers and their crews with open arms. The time has come to consider these alternate locations going forward.”

Prior to 1979, when the US government switched diplomatic recognition from the Republic of China (ROC) to the PRC, ships of the US Navy routinely visited Taiwan. There is no known official policy today that prohibits ship visits to Taiwan, and indeed, such ships continued to visit into the first half of that year (such as a May 1979 visit). Moreover, Navy-owned research ships, such as the RV *Thomas G. Thompson* in mid-October 2018 called at the Port of Kaohsiung in October 2018 and the *Sally Ride* visited Keelung in late August 2019.

Yet, as former Assistant Secretary of Defense for Indo-Pacific Security Affairs Randall Schriver, who was then-President/CEO of the Project 2049 Institute, wrote in mid-2016: “It’s an accident of history rather than policy that such a precedent [of non-visits by warships] became locked-in. [...] The bureaucratic reflex is always to default against new precedence if there is any perceived risk.” As such, it is probably more correct to describe port calls to Taiwan as not a new policy, but rather a resumption of previous policy.

In any case, US Senator Ted Cruz (R-TX), who attended national day celebrations for the ROC last year, was another one who supported the idea in 2016 of alternate locations, including Taiwan, being considered for port calls, including by the *John C. Stennis*. (At the time, Ministry of National Defense officials in Taiwan stated that Kaohsiung was deep enough to accommodate the aircraft carrier but lacked facilities for the ship to dock.)

A year later, in June 2017, the Armed Services Committee of the US Senate approved several provisions in the 2018 National Defense Authorization Bill including the support for mutual port calls, and after both houses of Congress passed it in mid-November, President Trump signed it into law on December 12, the day after PRC jets reportedly carried out island-encirclement patrols around Taiwan. (The Act also calls for the US Navy to involve Taiwan in more military exercises, humanitarian assistance/disaster relief training, and other cooperation, including defense equipment.)

Immediately prior to Trump’s signing of the NDAA, China set off a firestorm when Li Kexin, the no. 2 official at its embassy in Washington, DC, stated in front of hundreds of people that port calls by US Navy ships to Taiwan would constitute a violation of the 2005 Anti-Secession Law and would lead to a military response: “The day that a US Navy vessel arrives in Kaohsiung is that the day that our People’s Liberation Army unites Taiwan with military force.” Trump certainly heard about the undiplomatic remarks but signed anyway, to the relief of many who believe in freedom of the seas and the need to protect a democratic Taiwan whose people see themselves as Taiwanese and not Chinese, against unilateral PRC declarations of “red lines.”

**Make the Port Calls Happen Soon**

Mutual visits have yet to occur, however, even though Taiwanese officials were reportedly actively preparing to propose port calls, with the new US legislation having gone into effect. Upgrades on ports, such as the aforementioned Kaohsiung, are also needed, but as one local editorial pointed out, the “payoff would be worth the investment.”

The recent re-election of President Tsai Ing-wen provides just the opportunity to further this coordination and keep the momentum going. I look forward to seeing, preferably shortly, US Navy vessels in Taiwanese harbors and those of the Taiwan Navy in our ports. So do many others.

Sadly, the emerging coronavirus pandemic that started in Wuhan and has been mishandled by authorities there and has spread to other parts of China and neighboring countries may make such a visit for humanitarian reasons urgently necessary. Let us hope the plans are in place to make such an operation successful.

**The main point:** Increased US naval activity in the Western Pacific, including the Taiwan Strait, necessitates flexible options for port calls. As there is no law that prevents US Navy port calls to Taiwan, and a new law requiring the study of the feasibility of mutual port calls between the United States and Taiwan, efforts should be made to realize a port call to Taiwan soon. The coronavirus pandemic may make a port call for humanitarian reasons essential soon.
The Case for a US-Taiwan Bilateral Trade Agreement

By: Amy Huang

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After the signing of the Phase 1 trade deal between the United States and China, the time is ripe for the United States to resume meetings with Taiwan under the Trade and Investment Framework Agreement (TIFA) with the goal of negotiating a bilateral trade agreement (BTA). A BTA will help foster business opportunities and technological innovation between the United States and Taiwan, and, more importantly, help advance the United States’ vision of a “Free and Open” Indo-Pacific region.

Economic Needs for Expanding Business in Asia

Taiwan has long been an important trading partner of the United States. It has also been an ideal place for US companies to diversify economic and legal risks when they attempt to conduct business with China. According to USTR, Taiwan exported goods worth USD $45.8 billion [1] and imported goods worth USD $30.2 billion during 2018, making it the 11th largest goods trading partner with the United States. For US firms, potential biggest beneficiaries from the FTA are the top exporters, in fields such as electrical machinery, mineral fuels, and aircraft industry. The similarities between US-Taiwan and US-China trade suggest that Taiwan could be an ideal substitute for mitigating the losses from the ongoing US-China trade war [2].

Taiwan possesses two major comparative advantages in high-tech innovation and manufacturing that motivate US-based tech giants such as Google and Microsoft to choose Taiwan to expand their investment as well as research and development facilities. First, Taiwan has better performance in intellectual property protection compared to Chinese companies. Second, it has relatively reasonable costs for hiring highly educated talent, making Taiwan an ideal place for American companies to expand research and development centers. In this regard, American companies would be able to reduce the surging costs from contracting with Chinese firms and purchasing made-in-China electronic components by shifting part of its manufacturing contracts to Taiwan in the future. In addition, Taiwanese firms enjoy the benefits of the trade creation effect generated by lower tariffs and zero-protectionism. In essence, the FTA is supportive of US firms’ diversification strategy in the short run. Since Taiwanese firms already play a key role in the global market, the FTA will facilitate long-term cooperation between Taiwanese and American firms in leading the global supply chain of high-tech innovation and manufacturing.

Overcoming the Challenges of Protectionism

Despite the prospects for US-Taiwan cooperation in the high-tech industry that can be discussed in a trade negotiation, the long-lasting disputes over US beef and pork imports to Taiwan have hindered trade negotiations. USTR pointed out in its 2019 Trade and Policy Agenda that removing Taiwan’s trade barriers on US beef and pork products are the priority for the talks. Although Taiwan’s Ministry of Economic Affairs said that it would work with relevant authorities to deal with this matter, there has been little visible progress to show on Taipei’s side. Indeed, it is incumbent on Taipei to propose a plan for reducing limitations on US meat to show its resolve to enter the negotiation.

One reason for Taiwan to reduce the trade barriers is that the value of Taiwan’s electrical machinery trade with the United States significantly surpasses that of beef and pork. In 2018, beef and pork imports from the US totaled USD $567 million, while exports of electrical machinery totaled USD $12.6 billion dollars, according to the Directorate General of Customs of Taiwan. These numbers imply that the government of Taiwan should focus on enhancing the manufacturing industry’s export competitiveness. Another reason is that the US demand for Taiwan’s beef and pork has been increasing in recent years—beef imports rose by 33 percent in terms of weight, and pork imports have grown by 106 percent compared to 2016, according to data from the Directorate General of Customs of Taiwan.

To overcome domestic concerns over market competition and health issues related to imported meat from the United States, industrial transformation and labeling guidelines could be a useful tool. Traditional agricul-
tural industry could remain domestically competitive by transforming into high value-added industry. For example, the Taiwanese government could assist pork producers in improving meat quality, building brands, or transforming farms into eco-parks for education and tourism. Moreover, a clear labeling guide can alleviate health and hygiene-related concerns regarding US beef and pork products for Taiwanese consumers. While the United States has argued that its beef and pork products are in line with international standards, food experts in Taiwan remain skeptical about ractopamine’s impacts on high-risk populations. In order to tackle this divide in the interpretation of scientific results, a detailed and clear food-labeling guide could be provided. Rather than introducing amendments to its Food and Sanitation Act to ban certain American beef products, Taiwanese government could urge meat retailers to provide buyers with health information and ingredients when they purchase US beef and pork products.

As the decade-long controversy over beef and pork leave a legacy of public distrust towards US meat, the United States should promote confidence among the local population with its products. It is worthwhile for US meat exporters to address domestic concerns in Taiwan that a BTA will make Taiwanese beef producer worse off by increasing the competition in Taiwanese beef market. The US Meat Export Federation (USMEF) has already taken action to establish ties and foster mutual understanding with Taiwanese meat retailers and consumers. In June 2019, USMEF brought a team of leading US beef producers to visit retailing buyers and several restaurants in Taipei, and they also hosted three other public tasting events in other cities of Taiwan. Positive results of these non-governmental exchanges helped mitigate consumer concerns over imported US meat in Taiwan, although more action from the government side could be done.

Lastly, taking steps from conditionally open to a fully open market would minimize the adverse impact of trade negotiations on Taiwan’s politics. The case of US-Korean Free Trade Agreement (KORUS FTA) suggests that insufficient communication with the public can create public resentment over the negotiations. Similar to Taiwan, the United States was South Korea’s largest beef exporter and consumer’s concern over the bovine spongiform encephalopathy (BSE) hindered the negotiation. South Korean government passed a Beef Access Agreement in 2008, which granted full access to South Korean market [3]. Due to the lack of transparency and the government’s awareness of the public opinion, the agreement caused public protest (the “candlelight vigil”) and reduced the then-ruling party’s ability to pursue its political agenda in the Korean Parliament [4]. As a result, since trade negotiation is not a one-shot game, the United States should allow Taiwan to reduce trade barriers on US beef in stages to defuse public concerns, especially during the election season.

**Broad-based Public Support for US-Taiwan BTA**

US scholars have argued that the US-Taiwan BTA would contribute to the US foreign policy goal of a “free and open” Indo-Pacific by giving Taiwan a stronger position to engage with regional trade frameworks. For one, the agreement can deepen Taiwan’s economic integration with the region by encouraging other regional actors to engage with the island. Taiwan is more likely to break through Beijing’s diplomatic blockade when other countries observe strong American support of Taiwan’s participation in the international community.

Another potential effect of this agreement is that it can reduce China’s economic leverage over Taiwan, as mentioned in AmCham Taipei’s 2019 Taiwan White Paper. Taiwan would obtain greater economic autonomy if its firms invest their capital in a variety of countries. Lower dependence on Chinese businesses will further strengthen Taiwan’s sovereignty and increase its resistance against Chinese Communist Party’s (CCP) aggression.

In addition, there is strong US congressional support for improving US-Taiwan economic relations. Indeed, a bipartisan group of 161 members of Congress recently sent a letter to USTR calling to start negotiations on a BTA with Taiwan. The Senate introduced the Taiwan Assurance Act on March 26, 2019, which also calls on the USTR to resume TIFA meetings on a bilateral trade agreement with Taiwan. After the law was passed, Heritage Foundation President Edwin J. Feulner predicted huge bipartisan support for US-Taiwan Bilateral Trade Deal on Capitol Hill in an interview with VOA. House Representative Ted Yoho also emphasized the importance of bilateral trade and the shared value of democracy between Taiwan and the United States.
Taiwan’s President Tsai Ing-wen’s visit to Colorado, Senator Cory Gardner also expressed strong support of closer US-Taiwan ties, saying that he would continue to work with the Trump administration on entering FTA negotiations with Taiwan. Furthermore, former AIT Director William Stanton mentioned that a US-Taiwan FTA will contribute to the US alliance system in Asia as Taiwan’s continued freedom and sovereignty plays a critical role in the continuation of this system.

**Conclusion**

Geopolitical security objectives and economic benefits constitute solid reasons for negotiating a BTA with Taiwan. Both sides should work on resuming TIFA meetings in a timely manner while both administrations’ security goals are aligned. The last TIFA meeting was held back in 2016. It is worth noting that after winning her second term in office, President Tsai Ing-wen reportedly suggested that signing a bilateral trade deal would lead to further economic and bilateral trade growth in the United States and Taiwan. Politicians in Taiwan should take actions to overcome societal concerns over US beef and pork products and reduce protectionism to facilitate trade negotiations. For the United States, the BTA with Taiwan should not be solely about business interests but also about forming a strategic arrangement that promotes peace and security in the Indo-Pacific region.

**The main point:** A US-Taiwan BTA would contribute to the US goal of a “free and open” Indo-Pacific by giving Taiwan a stronger position to engage with regional trade frameworks. Comparative advantage of Taiwan’s high-tech industry makes it an ideal place for US companies to expand R&D and to diversify risks.

[1] Top export categories in 2018 were electrical machinery ($4.8 billion), machinery ($4.7 billion), mineral fuels ($3.8 billion), aircraft ($2.6 billion) and optical and medical instruments ($2.1 billion).

[2] Electrical machinery products are among top trade categories of the US with both Taiwan and China, according to USTR.

[3] “It allows for imports of all cuts of US boneless and bone-in beef and other beef products from the edible parts of cattle, irrespective of age, as long as specified risk materials (SRMs) known to transmit mad cow disease are removed and other conditions are met.” – Remy Jurenas and Mark E. Manyin, “U.S.-South Korea Beef Dispute: Issues and Status.” September 23, 2010. US Congressional Research.


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The Coronavirus Outbreak Spotlights Taiwan’s Exclusion from International Organizations

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The outbreak of a new illness caused by a coronavirus—one that threatens a global pandemic, although the World Health Organization (WHO) has yet to declare it a “global emergency”—is drawing attention to Taiwan’s continuing exclusion, at China’s insistence, from the WHO and other international organizations. When the WHO once again failed to issue Taipei an invitation to the annual World Health Assembly in May 2019, Taiwan’s Foreign Minister Joseph Wu described the decision as “morally wrong.” In a prescient appeal, he described a “pandemic or epidemic outbreak in countries nearby Taiwan, especially China and Japan, or Southeast Asia” as one of the Ministry of Health and Welfare’s biggest concerns, explaining that “we need the WHO’s guidance in dealing with this [potential] situation, and excluding Taiwan is going to put neighboring countries in great jeopardy as well.”

Clearly, memories of severe acute respiratory syndrome (SARS), which originated in China and spread throughout Asia and further afield in 2003, remain fresh in the minds of officials in Taiwan. During the SARS crisis, Taiwan quarantined approximately 150,000 people and 37 people died of the illness. Foreign Minister Wu told the Telegraph last May that the WHO waited six weeks be-
before responding to Taiwan’s request for assistance. “It’s our belief that if the WHO had provided Taiwan with necessary help at an early stage, we could have prevented the situation from happening, we could have prevented the situation from getting that bad.”

Fast-forward eight months to January 2020 and, at the time of this writing, Taiwan has confirmed five cases of the coronavirus that has thus far infected at least 2,879 people, 81 of whom have died worldwide. Additional cases are probably going to be identified in days and weeks ahead. And although Taiwan is able to access WHO information indirectly through the United States and other friendly governments, such procedures can be inadequate when lives are at risk and time is of the essence. To put the matter into perspective, while SARS reportedly took three months to become easily transmissible between humans, the new coronavirus became transmissible in one month, according to one leading epidemiologist.

Importantly, the WHO is not the only international organization from which Taiwan is excluded that has a role to play in the current crisis. Consider, for example, Taiwan’s exclusion from the International Civil Aviation Organization (ICAO). Jessica Drun, a non-resident fellow at the Project 2049 Institute, has pointed out that despite Taiwan Taoyuan International Airport’s role as a major transportation hub in Asia, Taiwan’s aviation authorities are left in the dark about any WHO-ICAO coordination. ICAO’s website notes that the WHO may call upon it “to take action in order to assist in limiting [a disease’s] spread by air transport.” Additionally, ICAO has prepared guidelines for member countries, airports, and airport operators to manage health risks in the event of the outbreak of a communicable disease. People in Taiwan may not have direct and immediate access to these protective measures nor input into their development. This is especially troubling in fluid circumstances where guideline updates may be frequent.

Taiwan’s exclusion from the International Criminal Police Organization (Interpol) may even come into play as the virus continues to spread. Countries near and far are instituting new precautions at the borders to screen travelers for signs of illness. Interpol provides member countries—but not Taiwan—with access to a number of “databases against which they can check people, passports and vehicles.”

Enhanced scrutiny at border crossings and points of entry could, moreover, have unintended consequences, such as obliging smuggling operations to adopt new methods and find new routes. Another possibility is that, with Chinese travel restrictions in Hubei Province now affecting some 35 million, there could be a surge in people smuggling in the region. Via police operations, “investigative support for complex international cases;” and the INTERPOL Specialized Operational Network (comprised of experts on smuggling), Interpol plays an important role in combating transnational criminal acts, like trafficking in people, drugs, and wildlife. Yet, Taiwan is not permitted to directly participate in those operations, rely on that investigative support, or make use of the expert network.

Perhaps the current crisis, once it is resolved—halting the spread of the virus should be the priority right now—will galvanize international support for Taiwan’s formal engagement with the WHO and other international organizations going forward. The US position, of course, has long been to support Taiwan’s participation in organizations and meetings in which statehood (as defined by the United Nations) is not a requirement. Members of Congress have written letters over the years calling on the administration to make efforts to ensure Taiwan’s inclusion. A particularly strong congressional statement of support came in the introduction of last year’s Taiwan Assurance Act, sponsored by Senator Tom Cotton. The bill describes China’s “attempts to exclude Taiwan from international organizations” as “detrimental to global, health, civilian air safety, and efforts to counter transnational crime” and as “a national security concern of the United States.” It furthermore states it is US policy “to advocate for Taiwan’s meaningful participation in the United Nations, the World Health Assembly, the International Civil Aviation Organization, the International Criminal Police Organization, and other international bodies as appropriate.”

A number of European countries, Australia, and Japan have similarly supported Taiwan’s participation in these organizations, as have Taiwan’s formal diplomatic allies. Yet, these efforts have, to date, been fruitless. Where the United States and its partners in this effort coaxes and cajoles, Beijing undoubtedly bribes and threatens. Taiwan’s friends have, essentially, brought knives to a gunfight.

If global leaders were to genuinely prioritize Taiwan’s
“meaningful participation” going forward, what would a serious effort look like? There are two, potentially complementary routes.

First, Taiwan’s allies in this effort should strive to convince China to shift its approach. Importantly, China can do so without abandoning or altering its own “One China principle.” Taiwan participated as an observer in the World Health Assembly from 2009 to 2016, so Beijing does not oppose Taipei’s inclusion as a matter of principle. (It has objected in recent years because the Tsai Ing-wen government does not accept the so-called “1992 Consensus.”)

Step one is for countries to make clear to Beijing that they conceive of Taipei’s exclusion from the WHO, ICAO, and Interpol as national security concerns. China should understand that the United States and like-minded states see Taiwan’s exclusion as dangerously undermining global health, the safety of civilian air travel, and efforts to combat transnational crime and as thus detrimental to their national security interests. The point is to convey to Beijing that the issue has taken on new importance and that, when it comes to including Taiwan going forward, Taipei’s allies have a new seriousness of purpose.

Step two is to impose costs if China refuses to shift gear. Given that the WHO, ICAO, and Interpol are all United Nations organizations, Taipei’s allies should campaign against all Chinese candidates put forward for senior leadership roles in any UN agency. China’s expulsion from the G20 and, especially, the Asia Pacific Economic Cooperation grouping (APEC), where Taiwan is a full member, would have symbolic importance and real reputational costs. But ejecting China from these organizations will be no easy task, as Washington will find it difficult to convince sufficient numbers of other member states to go along.

This is where the second, parallel line of effort comes into play. If Washington and its allies are serious about seeing Taiwan’s exclusion as a national security concern, they should move beyond coaxing and cajoling and toward the sharper use of carrots and sticks in order to secure Taipei’s participation in (or Beijing’s ejection from) international organizations. Yes, this could require diplomatic horse-trading, threats to withhold aid (or promises to increase it), or reassessing other priorities of uncooperative member states. And yes, this might be distasteful, but it also may be necessary.

It is not simply Taiwan’s “international space” that is at stake, but human lives. In the quest to secure a role for Taiwan in organizations relevant to US national security, it is time to leave the knives at home and instead enter the arena packing heat.

The main point: Taipei’s exclusion from international organizations is not only detrimental to Taiwan to but to global health. Taiwan’s friends should make a more concerted effort to ensure its meaningful participation going forward.