Fortnightly Review
Russell Hsiao

Taiwan’s Delicate Balancing Act in the South China Sea
I-wei Jennifer Chang

 Taiwanese Identity, Support for Democracy Deepen amid Hardening Chinese Stance
J. Michael Cole

The Significance of Taiwan’s Representative Office on the Small Island of Guam
Shirley Kan

Why the Hong Kong National Security Law Matters for Taiwan
Michael Mazza

Who is Li Su?

In a recent opinion piece for the Washington Post, a prominent American journalist wrote that China’s recent actions in Hong Kong, namely its ruthless imposition of the draconian National Security Law, may serve as its blueprint for forcibly unifying Taiwan. According to John Pomfret, Beijing could even take military action against the island as soon as next year. The source of Pomfret’s provocative assertion seems to be based primarily on comments made by an individual named Li Su (李肅). Pomfret, the author of The Beautiful Country and the Middle Kingdom: America and China, 1776 to the Present—an extraordinarily comprehensive account of nearly two centuries of US-China relations—described Li as “a prominent hard-liner in Beijing” and “part of an influential group of scholars in China who support an armed solution to what they call ‘the Taiwan problem.’” [1] He apparently spoke with Li and was convinced to take him seriously enough to consider his warnings as worthy of being shared with the readers of one of America’s most widely read newspapers, even if such assertions are not new. [2] Yet beyond Li Su’s position as the president of the Beijing-based Modern Think-Tank Forum (當代智庫論壇), not much information about him is available in Western sources. Who is he and why would a prominent American journalist take him seriously—and more importantly, should other observers do the same?

As previously noted, not much is known about Li’s personal history, such as his place of birth, whether he is a member of the Chinese Communist Party (CCP), or even his age. However, his rather long and interesting list of professional experiences has been presented in various biographies provided for speaking engagements. When pieced together, they provide a compelling portrait of the man who caught Pomfret’s attention.
The most frequently cited positions that appear online for Li are that of the founder of the China Federation of Non-governmental Think Tanks (中國民間智庫聯合會 [籌]), president of the Modern Think Tank Forum, and founder of the Hejun Venture Consulting Group (和君創業諮詢集團).

According to information gathered from a variety of open-source materials, the Modern Think-Tank Forum claims to be the successor to the Beijing System Reform Research and Consulting Center (北京體制改革研究諮詢中心), the oldest non-governmental think tank institution founded in China, which Li helped co-found. The Center was established under the guidance of the National Economic Reform Commission, the State Economic and Trade Commission, and the State-owned Assets Supervision and Administration Commission. However, the Modern Think-Tank Forum is the association that Li seems to use most frequently when engaging with international interlocutors.

Additionally, Li founded Hejun Venture Consulting Group, a highly-rated business consulting firm operating in China, with both domestic and international clients. Li is seemingly a very well-known management consulting expert in the PRC, and his long and storied track record in this field includes providing consulting services to over 100 companies, including Sinochem Group, COSCO Group, Sinotrans Corporation, Hitachi, Delong Group, Weiguan Group, and Sanjui Group. Prior to his business consulting days, he served as deputy director of the Economic Research Institute of the Beijing Academy of Social Sciences, and at some point was a senior researcher at the University of Houston Asian American Research Center, as well as a visiting researcher at the Social Development Center of the Chinese Academy of Social Sciences.

In the hyper-political Chinese system, one has to have political benefactors in order to survive, much less thrive—and Li claims to be thriving and have many high-flying friends. In a lengthy online post describing his professional career in the Chinese think tank world, Li professes to have close working relations with Weng Yongxi (翁永曦), one of the “four reformer gentlemen” (改革四君子) in the 1980s (which also included Wang Qishan [王岐山], Zhu Jaming [朱嘉明], and Huang Jiangnang [黄江南]), helping to provide policy guidance to North Korea’s Kim Jong-il. After six rounds of exchanges, the group allegedly helped create the Xinyizhou Special Administrative Region (新義洲特別行政區). According to Li, he even helped plan the North-to-South Water Diversion for the Mongolian prime minister, in addition to consulting on Pakistan’s Gwadar Free Port Zone.

At its inception and early years, the Modern Think-Tank Forum was primarily focused on providing consulting services to the Chinese government on internal reform issues. Yet, according to Li, his think tank began to shift gear and focus on “changing the national policy of foreign governments” beginning in the early 2000s. The institute began taking on international projects from North Korea to Mongolia, and Nigeria to Pakistan. According to Li, the think tank served foreign presidents around the world.

Interestingly, in 2002, Chinese-Dutch Billionaire Yang Bin (楊斌)—who was later convicted for countless crimes and instances of corruption—asked Li to serve as a consultant for a project in North Korea. As noted earlier, Li claims to have provided advice to Kim Jong-il in North Korea and contributed to negotiations over the Xinyizhou Special Administrative Region, which helped to open the door to reform and opening up in North Korea. Then, in 2006, Hu Deping (胡德平)—the eldest of son of former CCP General Secretary Hu Yaobang (胡耀邦) who served as deputy chief of the United Front Work Department from 1998-2008, as well as secretary of the National Association of Industry and Commerce (which is under the United Front Work Department)—took Li on a business trip to Pakistan. Li claims to have advised then-President Pervez Musharraf to establish the free port zone in Gwadar, integrating China’s westward strategy with Iran’s India-Pakistan energy economy, with the goal of creating a new Dubai-like city in Asia.

From these associations, it appears that Li’s strongest political ties are with the United Front system. Li also has links with Tao Siliang (陶斯亮) and Ma Xiaoli (馬曉力), daughter of Ma Wenrui (馬文瑞), who served as vice chairman of the Chinese People’s Political Consultative Conference from 1984-1993. From 2012 to 2015, with the help of the two aforementioned princlings of the United Front system, Li began to shift the operations of the think tank to external work, with a focus on five major trends of Xi Jinping’s (習近平) “New Deal.”
Clearly, Li Su appears to have extensive professional experience in business management consulting. All this begs the question: why is a business management consultant with seemingly no background on cross-Strait issues either in government or academia like Li suddenly working on Taiwan policy?

According to various online media reports, Li had actually visited Taiwan several times in 2016 in the lead up to the 2016 presidential election, where he reportedly met with the leaders of the blue (KMT) and green (DPP) camps. In publicly available comments made since 2017, Li, along with Huang Jiangnan and Zhao Gang (趙剛), who is dual-hatted as an office director in the Ministry of Science and Technology, have opined on Taiwan policy, provocatively supporting a policy of forceful unification of Taiwan. Li and his associates were later denied entry into Taiwan in 2019 by Taiwanese authorities for their advocacy for using military force to unify Taiwan.

Li and the Modern Think-Tank Forum have also been engaged in an annual China-US dialogue with institutions in the United States. The primary counterpart for Li and his cohorts is the Shorenstein Asia-Pacific Research Center (APARC) at Stanford University. There have been at least 10 such dialogues organized up till 2019. It is not clear if all of them have been organized with Stanford.

It is also through this dialogue that Pomfret had apparently met Li. A detailed account of their discussion is provided here. Li began vocally commenting on Taiwan policy issues as early as 2017, asserting that Xi will complete the historical task of unifying Taiwan in his second term—that is, by 2021—a hundred years after the establishment of the Chinese Communist Party (CCP). To Li, the realization of cross-Strait unification during this period will not only put an end to the century-long struggle between the Kuomintang and Chinese Communist Party, but will also signal a great revival of the Chinese nation.

Li has a legitimately impressive and extensive record as a management consultant in the field of economic development, but his limited exposure to Taiwan policy raises questions about his relatively recent foray into these issues and diminishes his credibility as an authority on the topic. As someone who professes to be a policy entrepreneur with a track record of business development, it is worth questioning whether Li sees this bluster as simply an opportunity to obtain more government clients. It is also worth noting that Li’s rhetoric echoes the increasingly hawkish tone of official Chinese positions toward Taiwan, while his connections with the United Front system may be the driver behind his positions on Taiwan. One should not take Li too seriously for his 2021 forecast, at least not any more than any of the other Chinese hawks rattling the same saber.

The main point: John Pomfret’s source for the 2021 forecast Li Su is an experienced management consultant, but Li’s relatively limited experience in Taiwan policy and connections to the United Front system raises questions about his credibility with regards to the seriousness of his claims.


[2] For instance, Ambassador (ret.) Chas W. Freeman, Jr. has written: “There is an obvious deadline for bringing Taiwan to heel: the 100th anniversary of the founding of the CCP in 2021.”

Taiwan and Somaliland Establish Ties as PRC’s Diplomatic Pressure Increases

On July 1, the Taiwanese Foreign Ministry issued a press statement announcing that the governments of the Republic of China (Taiwan) and the Republic of Somaliland had agreed to establish ties. The foreign minister of Taiwan, Joseph Wu (吳釗燮), noted that eight countries and global organizations have set up representative offices in Somaliland, while the self-declared East African state has established its own representative offices in 22 countries. The full statement read:

“On behalf of the government of the Republic of China (Taiwan), Minister of Foreign Affairs Jaushieh Joseph Wu announced in a press conference on July 1 that agreement has been reached with the Republic of Somaliland on the mutual establishment of Representative Offices based on bilateral friendship and a shared commitment to common values of freedom, democracy, justice,
and the rule of law. The offices will be named the Taiwan Representative Office and Somaliland Representative Office, respectively. In the spirit of mutual assistance for mutual benefit, Taiwan and Somaliland will engage in cooperation in areas such as fisheries, agriculture, energy, mining, public health, education, and ICT.”

At a press conference revealing the agreement, Taiwan’s foreign minister noted that because formal diplomatic ties have not been established, the office in Somaliland will be called the “Taiwan Representative Office.” Additionally, Somaliland’s Ministry of Foreign Affairs tweeted: “The Government of Somaliland identified issues of mutual concern, including building-bridges of diplomacy; opening missions to boost political and socioeconomic links between the Republic of Somaliland and the Republic of China (Taiwan).”

Taiwan and Somaliland apparently signed the bilateral agreement on February 26, but waited nearly five months to make the announcement public. In the meantime, Somaliland has reportedly been resisting pressure from Beijing to abort its decision. According to one media report: “The Chinese ambassador to Somalia met twice with Somaliland officials to discourage ties between Somaliland and Taiwan, numerous reports indicated earlier this week, saying China would open a representative office in the Somaliland capital of Hargeisa should they break the agreement with Taiwan.”

Since the diplomatic switch to Beijing by Burkina Faso in May 2018, Taiwan has had only one diplomatic partner in the entire African continent. That last remaining diplomatic ally, eSwatini—formerly known as Swaziland—has come under intense pressure and economic coercion by China to switch ties. Earlier this year, the PRC’s then-ambassador to South Africa, Lin Songtian (林松添), threatened that China would economically “cripple” the small African kingdom and claimed “no diplomatic relations, no more business benefits.” Lin has since left his post as ambassador and has assumed the post of president of the influential United Front outfit, the Chinese People’s Association for Friendship with Foreign Countries (中国对外友好协会), underscoring the shift in the focus of that organization to the African continent.

In addition to being a rare countervailing diplomatic switch, the move on Somaliland could be seen as part of Taipei’s efforts to expand its strategic footprint globally by developing its relations with the African continent. Somaliland is strategically located in the Horn of Africa in northwestern Somalia. Crucially, it lies on the southern coast of the Gulf of Aden—a vital waterway for shipping, especially for Persian Gulf oil. It is bordered by the remainder of (internationally recognized) Somalia to the east, Djibouti to the northwest, and Ethiopia to the south and west.

Breaking away from Somalia in 1991 during the Somali Civil War, the autonomous region of Somaliland has held democratic elections but does not maintain diplomatic relations with any recognized state in the international community. It is a member of the Unrepresented Nations and Peoples Organization (UNPO), an advocacy group whose members consist of indigenous peoples, minorities, and unrecognized or occupied territories. Taiwan is also a member of this grouping.

Reactions to the announcement among analysts have been mixed. According to RAND analyst Derek Grossman: “Bad idea. If Taiwan wants to be treated as an internationally-recognized sovereign state, then it needs internationally-recognized sovereign states to recognize it. Lowering the bar to autonomous territories cheapens that brand.” On the other hand, Thomas Shattuck, a research associate with the Philadelphia-based Foreign Policy Research Institute, wrote: “This announcement—while falling short of formal relations—reverses course for Taiwan. The last time that Taiwan was able to add a friend or ally was in 2007 with St. Lucia. Somaliland and Taiwan share similar geopolitical circumstances, which almost make the new pairing seem natural.”

Beijing’s response was expected: “Chinese Foreign Ministry spokesperson Zhao Lijian (赵立坚) on Monday accused Taiwanese authorities of “plotting separatist activities” and violating the “sovereignty and territorial integrity” of Somalia by setting up mutual representative offices with Somaliland.” Striking a very different tone, in a tweet on July 9, the White House National Security Council applauded the decision: “Great to see #Taiwan stepping up its engagement in East #Africa in a time of such tremendous need. #Taiwan is a great partner in health, education, technical assistance, and
While the United States never formally severed diplomatic relations with Somalia, the US Embassy in Somalia was closed in 1991, when the central government collapsed due to the civil war, and it was not until December 2018 that the United States reestablished a permanent diplomatic presence in Somalia.

Given Somaliland’s lack of international diplomatic recognition, the establishment of ties will likely only have marginal diplomatic value for Taiwan. Yet, through this action Taipei is demonstrating that Taiwan can still have some agency in its limited diplomatic space. At the very least, it offers a reprieve—albeit a minor one—from the diplomatic onslaught that Beijing has been waging since Tsai Ing-wen (蔡英文) was elected president of Taiwan in 2016. In response to this intensifying pressure campaign, the US Congress passed and the president signed into law the TAIPEI Act in late March 2020. Among various provisions, the act states as policy to “consider, in certain cases as appropriate and in alignment with United States interests, increasing its economic, security, and diplomatic engagement with nations that have demonstrably strengthened, enhanced, or upgraded relations with Taiwan.” At most, the move by Taipei in Somaliland could open the door for improved relations between Washington and Somaliland, and may encourage some strategic cooperation between Taiwan and the United States in the strategically located Horn of Africa.

The main point: Taiwan’s announcement that it had established ties with Somaliland will likely only have marginal diplomatic value, but could open the door wider for cooperation with the United States in the Horn of Africa.

Following a Japanese news report on May 12 that the Chinese People’s Liberation Army (PLA) will be conducting large-scale beach-landing exercises around Hainan Island in August, reportedly including a simulated invasion of the Taiwan-controlled Dongsha Islands (Pratas Islands, 東沙群島), Taiwan’s government deployed an undisclosed number of Taiwanese marines to the islands to strengthen their defensive capabilities. The move highlighted Taiwan’s oft-forgotten claims in the South China Sea. For Taipei, the dispute with Beijing over the Dongsha Islands is only one of several bilateral and multilateral territorial disputes with other claimants in the South China Sea. Yet, Taiwan’s claims in the South China Sea have often been overshadowed by those of China and other regional countries, and have been further weakened by Taipei’s exclusion from regional and international organizations.

Taiwan’s Claims in the South China Sea

The Republic of China (ROC) proclaims that the Nansha Islands (Spratly Islands, 南沙群島), Xisha Islands (Paracel Islands, 西沙群島), Zhongsha Islands (Macclesfield Bank, 中沙群島), and Dongsha Islands, as well as their surrounding waters, are an “inherent part of ROC territory and waters.” The ROC argues that its rights over these territories are based on history, geography, and international law. Its historical claims in the South China Sea date back to 1947, when Chiang Kai-shek (蔣中正) drew a U-shaped, “eleven-dash line” (十一段線) on a map around the territory in the South China Sea that he claimed as encompassing ROC territory. After coming to power in 1949, the Chinese Communist Party (CCP) changed the “eleven-dash line” to a “nine-dash line” (九段線), though neither concepts are considered legal terminology. Therein lies Taiwan’s dilemma: changing the ROC’s historical claims would indicate—especially to Beijing—that the island democracy was abandoning its historical political identity and moving towards an inherently Taiwanese national identity, or even independence.

Taiwan’s government has argued that the ROC laid claims over the vast expanse of islands, reefs, cays, and banks in the South China Sea long before the People’s Republic of China (PRC) and Southeast Asian countries began raising sovereignty claims in the 1970s. The ROC currently controls Dongsha Islands, Taiping Island (Itu Aba, 太平島), and the unoccupied Zhongzhou Reef.
(Ban Than Reef, 中洲礁) in the Spratly Islands. Taiwan also previously held Thitu Island (Zhongye Island, 中業島), the second-largest natural island in the Spratly Islands, but lost it to the Philippines. After the ROC military withdrew from Thitu Island to escape a typhoon in 1971, the Philippines' army seized the island, later naming it Pag-asa Island. The South China Sea dispute is largely focused on the Spratly archipelago, which is claimed in whole or in part by Taiwan, China, Vietnam, the Philippines, Malaysia, and Brunei.

**Taiping Island and the Hague Ruling**

The ROC has controlled the largest natural island in the disputed Spratly chain, the 114-acre Taiping Island, since 1946, though China, Vietnam, and the Philippines also have claims on the territory. It has since become the fourth-largest island in the archipelago following China’s land reclamation work on Mischief Reef (美濟礁), Fiery Cross Reef (永署礁), and Subi Reef (渚碧礁). The island has a 0.74-mile airstrip and essential infrastructure in place, including water, electricity, agriculture, and transportation, to sustain economic life. Taiping Island is inhabited by around 180 people, including 150 Taiwan Coast Guard officers.

In July 2016, the Permanent Court of Arbitration in The Hague ruled in favor of the Philippines against China’s vast historical claims to the South China Sea. The international tribunal also determined that all of the islands in the Spratly archipelago, including Taiping Island, had the legal status of “rocks,” and did not meet the definition of “islands” under the United Nations Convention on the Law of the Sea (UNCLOS), which would have entitled them to a 200-mile nautical mile exclusive economic zone (EEZ). Taipei rejected the non-binding ruling, since it was effectively shut out of the arbitration process and was not given the opportunity to provide information to the tribunal. Taiwan’s government strongly insisted that Taiping Island—which boasts natural freshwater, fertile soil, crops, and livestock—can independently support human habitation and economic life and therefore meets the definition of an “island” under UNCLOS. Taipei reiterated its position that the ROC “holds sovereignty over the South China Sea islands and their surrounding waters.” President Tsai Ing-wen (蔡英文) also boarded a naval ship shortly after the Hague ruling, calling on its crew to defend Taiwanese territory in the South China Sea. Beijing, which also lambasted the Hague findings, praised Taiwan’s firm stance, since from its perspective Taipei was also upholding the PRC’s sovereignty claims over the disputed territories.

**Differentiating Taiwan’s and China’s Claims**

While the PRC and ROC share similar territorial claims in the South China Sea, past and present Taiwanese administrations have had no intention of cooperating with Beijing on the issue in light of the latter’s continuous bellicosity towards Taiwan. Ultimately, Taiwan’s and China’s approaches to the South China Sea disputes could not be more different. Taipei has largely been focused on the territories that it currently controls, namely protecting Taiping Island and the Dongsha Islands. While some of Taiwan’s activities on these islands, such as constructing an airstrip and conducting live-fire military exercises on Taiping Island, have raised complaints from Vietnam, they are a far cry from China’s large-scale land reclamation, military base installations, and other construction projects.

The Tsai administration seems to have made some subtle shifts in Taiwan’s references to its claims in the South China Sea, while still seeking to maintain the status quo. In contrast to Ma Ying-jeou (馬英九), who often referred to historical claims that dated back to late Imperial China, the Tsai administration has moved away from mentioning the “U-shaped line” and “historical waters” (歷史性水域線). Furthermore, both Ma and Tsai have sought to differentiate Taiwan’s claims from those of China by emphasizing Taiwan’s adherence to international law. The Ma administration did not acknowledge Beijing’s creation of artificial islands in the South China Sea as a basis for territorial sovereignty and argued that the dispute should be resolved through international law. Additionally, President Tsai stated in July 2016 that the South China Sea disputes should be “settled peacefully in accordance with international law and the law of the sea, including the United Nations Convention on the Law of the Sea.”

**Dongsha Islands Dispute**

The dispute over the Dongsha Islands is unique in the sense that it is limited to the two sides of the Taiwan Strait. No other countries have made claims to them; thus the Pratas Archipelago is often not considered part of the broader South China Sea dispute. Nonethe-
less, a Chinese military invasion of the Dongsha Islands may be a harbinger to a potential war in the Taiwan Strait, and Taipei may be forced to defend its outer islands.

However, the forthcoming Chinese military exercises in Hainan have raised concerns about Taiwan’s capability to defend its far-flung islands. The Dongsha Islands are garrisoned with around 200 lightly equipped Taiwanese officers of the Coast Guard Administration (海巡署) on sea patrol. Yet the islands are located in the South China Sea nearly 275 miles away from Kaohsiung and only 160 miles away from China’s Guangdong Province. The Dongsha Islands are not only far away from the main island of Taiwan, but also lack defensive barriers and are vulnerable to attack. Taiwan’s fighter jets would likely run out of fuel just to make the two-hour trip to protect the islands. Therefore, Taiwan has a very real possibility of losing the tactical battle against the PLA over the islands. Beijing, however, would likely face international condemnation from a unilateral military occupation in the South China Sea. Northeast and Southeast Asian neighbors, as well as the United States, could unilaterally or collectively take steps to frustrate China’s power projection in both the East and South China Seas.

Exclusion from Regional Conflict Resolution Mechanisms

Indeed, in a crowded field of contenders fighting over the South China Sea, Taiwan’s sovereignty claims have been greatly diminished by its exclusion from international and regional institutions aimed at mitigating and resolving the territorial disputes. As most of the claimants are Association of Southeast Asian Nations (ASEAN) members, Taipei’s non-cooperation with ASEAN creates more difficulties in gaining greater external support for its South China Sea claims. The ASEAN countries have often worked as a political unit in supporting members’ claims in the face of Chinese aggression. For instance, at the recent ASEAN summit in June, Southeast Asian leaders contended that the 1982 UN-CLOS treaty should be the basis of sovereign rights in the South China Sea, in an apparent rebuke of China’s historically based claims. Furthermore, Taipei has been critically left out of ASEAN-China discussions over the past several years on a legally binding code of conduct in the South China Sea, which is expected to be completed by 2021. Therefore, Taiwan’s government has proposed that all regional claimants including Taiwan participate in dialogue and cooperation mechanisms to resolve the territorial disputes—an idea that was outlined in former President Ma’s South China Sea Peace Initiative (南海和平倡議) announced in May 2015.

At bottom, Taiwan faces a difficult balancing act with respect to its national identity and its relations with China and the United States. Taiwan’s claims in the South China Sea are tied to its historical identity as the ROC, which also has direct implications for cross-Strait relations. If Taiwan relinquishes any of its claims in the South China Sea (similar to its informal relinquishment of sovereignty over Mongolia), this would raise the question of whether the ROC is changing its national boundaries or its constitution. Such moves may also weaken the effectiveness of China’s historically based claims and, in turn, could further exacerbate cross-Strait tensions. In the worst-case scenario, Beijing may interpret such moves as tantamount to moving towards Taiwanese independence. At the same time, Taipei does not want to appear to be closely aligned with China on the South China Sea issue, particularly as it seeks to strengthen relations with Washington, and thus has stressed its adherence to international law. Caught between the ROC’s historical identity and a fraught geopolitical external environment, Taipei is increasingly boxed-in from its inherited territorial claims in the South China Sea.

The main point: Taipei is caught in a complicated balancing act to not only assert the Republic of China’s (ROC) sovereignty claims over far-flung territories, but also seeks to differentiate its claims from those of China and highlight its adherence to international law.

Taiwanese Identity, Support for Democracy Deepen amid Hardening Chinese Stance

By: J. Michael Cole

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

A multi-year opinion poll released earlier this month...
revealed that a record-high number of Taiwan’s 23.8 million citizens self-identify as “Taiwanese,” with 67 percent identifying as “Taiwanese” and only 2.4 percent as “Chinese”—a trend that is unlikely to please Beijing. Conducted annually since 1992, the poll on Taiwanese attitudes by National Chengchi University’s Election Study Center recorded an 8.5 percentage point increase in those who identify as “Taiwanese” (from 58.5 percent in June 2019), a 3.3 percentage point decrease in those who identify as “Chinese” (5.7 in June 2019), and a 7.2 percent drop in those who identify as “both Taiwanese and Chinese,” or 27.5 percent, from 34.7 percent in June 2019.

The same survey revealed similar trends in support for independence versus unification, with 27.7 percent of respondents saying they supported de jure independence, with a significant increase from 15.1 percent in 2018. Among those individuals, 7.4 percent said they wanted de jure independence “as soon as possible.” Support for maintaining the “status quo” (de facto independence) for now and deciding later stood at 28.7 percent, while 23.6 percent said they wanted to maintain the “status quo” in perpetuity. Support for unification with the People’s Republic of China (PRC) as soon as possible now stands at 0.7 percent, the lowest mark recorded since the beginning of the survey.

A separate survey, also conducted by the NCCU Election Study Center on behalf of the Taiwan Foundation for Democracy—which will be released later this year and has been seen by this author—highlights similar trends in terms of support for Taiwan’s democratic system of governance, willingness to defend that system, and positive perceptions of Taiwan’s democratic future (see here for the results of the 2019 survey). Taken together, these polls demonstrate that Taiwanese views on democracy are intrinsically related to views on self-identification and independence versus unification.

**Beijing Strikes Out**

While changes in these attitudes have mostly been steady and gradual since 1992, all indicators underwent a marked shift starting in 2018. In every case, these trends have been unfavorable to China. These patterns have continued regardless of which party was in office in Taiwan (Chinese Nationalist Party, or Kuomintang) from 1992-2000, and 2008-2016, or Democratic Progressive Party (DPP), from 2000-2008 and 2016 to the present. Moreover, the numbers demonstrate that “goodwill” on the part of the Chinese Communist Party (CCP)—in the form of closer cross-Strait interactions, signed agreements, investment, tourism, and a reduction in Beijing’s saber-rattling toward Taiwan—has failed to translate into a shift in attitudes in Taiwan on self-identification and the independence-versus-unification question (support for maintaining the “status quo” indefinitely or keeping the “status quo” now and deciding later experienced a slight decline during the years of rapprochement under president Ma Ying-jeou [馬英九]).

Following the inauguration of Tsai Ing-wen (蔡英文) on May 20, 2016, Beijing almost immediately resumed its strategy of coercion against Taiwan with various “punitive” measures, including the resumption of efforts to steal Taiwan’s official diplomatic allies and weaponize tourism to hurt Taiwan’s economy. It also exploited its greater influence in Taiwan, accumulated during the Ma years, to attempt to “balkanize” Taiwan and undermine the Tsai administration, which refused to give in to Beijing’s precondition of embracing the so-called “1992 Consensus” and the associated “One-China Principle.” In the months leading up to the January 2020 general elections in Taiwan, Beijing intensified its military activity in the vicinity of Taiwan, including repeated intrusions into its Air Defense Identification Zone (ADIZ) and the occasional deliberate crossing into the Taiwan side of the median line in the Taiwan Strait starting in April 2019 (though markedly reduced, during the Ma years Beijing never completely halted its military buildup and activity threatening Taiwan). While political warfare and coercion have played a much greater role in Beijing’s strategy toward Taiwan since 2016, the Chinese regime has nevertheless retained some elements of its earlier strategy of economic incentives. This strategy came in the forms of “31 measures” (31條措施) and a follow-on “26 measures,” a package of “unprecedented benefits” which was meant to attract young talent from Taiwan, with the hopes that such inducements would translate into political gain for the CCP.

By 2020, with the re-election of Tsai with a record number of votes, it had become evident that both of
Beijing’s approaches to Taiwan—inducement and coercion—had failed to deliver the expected results for the CCP. Rather than weaken the appeal of Taiwan’s democracy and erode its support, China’s sustained “sharp power” activities toward Taiwan have resulted in a stronger embrace of democratic governance and willingness to defend it. As for its incentive program, the South China Morning Post reported in April 2019 that Taiwan’s “younger generation are heading across the Strait in search of work—not in support of politics.”

While the sharp turn towards a more Taiwan-centric identification and support for independence and democracy is largely a result of direct Chinese policy failures, it may also be attributed to CCP Secretary General Xi Jinping’s crackdown in Xinjiang and Tibet, assault on Chinese civil society and religion, and intransigence in Hong Kong. The NCCU poll was conducted before the implementation of the draconian National Security Law [維護國家安全法] in the Special Administrative Region), which has not gone unnoticed in Taiwan, which has developed a much more skeptical view of its neighbor. Cumulatively, Beijing’s behavior under Xi has been self-defeating to an extent unseen since the Taiwan Strait Missile Crisis of 1995-1996.

Impact in Taiwan

Greater support for de facto or de jure independence among the Taiwanese population, combined with deepening self-identification as “Taiwanese” and embrace of democracy, has already had an impact on the domestic political scene.

Unable to regain its footing following the Ma administration and its failed bid for the presidency in 2016, the KMT has struggled to come up with a cross-Strait policy that appeals to the general public. In both 2016 and 2020, it fielded presidential candidates, Hung Hsiu-chu (洪秀柱)—before she was replaced by the less ideological Eric Chu (朱立倫)—and Han Kuo-yu (韓國瑜), whose cross-Strait policies very likely undermined their chances at the ballot. Cognizant of shifting attitudes in Taiwan, the KMT has been compelled to . This process resulted in interim KMT Chairman Johnny Chiang (江啟臣)—who was thrust into the positon as chairman through a special by-election after his predecessor stepped down—briefly flirting with the idea of treating the “1992 Consensus” as more of a “historical description” than a viable instrument for cross-Strait policy, though he quickly faced backlash from within his own party. It if is to reform and become a viable opposition party again, the KMT will have little alternative but to adjust its rhetoric and policies on cross-Strait relations—a daunting challenge for any party head, who will have to contend with influential members of the older generation.

For the DPP, current trends appear to legitimize its approach to relations with China since 2016. Nevertheless, President Tsai and her prospective successor in 2024 will need to strike a difficult balance between appealing to public sentiment and the need to ensure that Taipei does not move in a direction that creates instability in the Taiwan Strait by provoking Beijing. In the long term, such a careful policy stance in Taipei could result in growing dissatisfaction among a public that demands more assertiveness from the government.

For smaller political parties, the trends in public sentiment have served to marginalize—if not render altogether irrelevant—those that advocate for unification, such as the China Unification Promotion Party, the New Party, and the Taiwan Red Party, while emboldening nativist parties and organizations (e.g., the Radical Party) to be more vocal in their calls for de jure independence.

Impact on Cross-Strait Relations

The twin failures of Beijing’s incentive and coercion policies have embittered decisionmakers in Beijing, for whom it has become increasingly difficult to contend that opposition to the “historical inevitability” of unification is only kept alive by radical elements within the DPP and foreign interference. Frustration with the KMT’s perceived foot-dragging on unification has resulted in Beijing losing faith in its supposed partner across the Taiwan Strait. Meanwhile, influential voices within the Chinese military establishment have begun to acknowledge, however begrudgingly, that “peaceful unification”—the end result of a successful policy of incentives and coercion—is becoming increasingly unlikely, and that only force could resolve the matter once and for all.

As his approach to Hong Kong has made clear, Xi is never one to admit defeat or take the people’s democratic aspirations into account. Everything else having failed,
Xi may therefore feel compelled to put a premium on a military strategy in the Taiwan Strait. Ultimately, his readiness to act on those impulses will be contingent on several factors, chief among them the domestic situation in China (e.g., instability, threats to the survival of the CCP), the state and credibility of Taiwan’s deterrent capabilities, and the geopolitical context. Taiwanese identification, patriotism, and support for democracy have all survived various attempts by Beijing to thwart, manipulate, and reverse them, and there are few indications that the CCP will liberalize its rule in China or make a more “appealing” offer to Taiwan (and even there it is doubtful that the Taiwanese would embrace a different framework, especially in the wake of the demise of “one country, two systems” in Hong Kong). Clearly, two arrows—Chinese ultranationalism and an unstoppable Taiwanese thirst for self-determination—are hurtling toward each other. And the clock is ticking.

The main point: The two pillars of Beijing’s strategy toward Taiwan, coercion and incentivization, have failed to arrest ongoing trends in Taiwan supporting independence and a democratic form of governance. Everything else having failed, the Chinese leadership could become more inclined to use force against the object of its desire.

Preserving Presence and Promoting Partnerships

President Tsai Ing-wen (蔡英文) and Minister of Foreign Affairs Joseph Wu (吳釗燮) have decided to reopen the Republic of China (Taiwan)’s representative office in Guam. The Ministry of Foreign Affairs (MOFA) closed the office in August 2017 under the previous minister (David Lee, 李大維). In its announcement (in English and Chinese) on July 3 of this year, MOFA stated that the office “will facilitate economic and trade cooperation and exchanges between Taiwan and the greater western Pacific region, deepen Taiwan’s relations with its Pacific allies, and increase multilateral exchanges.” MOFA also cited the promotion of Taiwanese investments in Guam, tourism between Guam and Taiwan, medical cooperation, and consular assistance for Taiwanese in Guam. (Taiwan sent about 20,000 visitors a year, the third largest group of foreign tourists.) Moreover, in 2017 and 2018, Guam’s Governor Eddie Calvo visited Taipei and urged Tsai to restore the office.

Significantly, MOFA referred to “strategic shifts” in the Pacific for re-opening the office.

However, the Trump administration set forth the US strategy for the free and open Indo-Pacific in November 2017. Guam’s strategic significance also is not new. The US military long has valued Guam as the western-most US territory and strategic site for forward deployments in the western Pacific. Guam has two important military bases: Naval Base Guam and Andersen Air Force Base. Since 2000, the US military has engaged in a moderate buildup of forces on Guam. With concerns about North Korea and China, the defense buildup has supported US deterrence and potential assistance to allies and partners. In 2012, the Obama Administration issued a Defense Strategic Guidance for the strategic “rebalance” of priorities to the Asia-Pacific, which further raised Guam’s importance as a “strategic hub.” [2]

The Significance of Taiwan’s Representative Office on the Small Island of Guam

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 (CRS). She is a founding member of GTI’s Advisory Board.

Taiwan is re-establishing a representative office in the US territory of Guam, but this seemingly sudden reversal is spurring speculation of a military motive. More significantly, Taiwan’s small step epitomizes a strategic approach. This step is not controversial for US policy. Stepping in sync with the United States and other democratic countries, Taiwan is preserving its presence and promoting partnerships in a free and open Indo-Pacific.
attention by Guam’s Delegate to Congress, Madeleine Bordallo.

In short, Taiwan is restoring the office to regain its previous presence and promote partnerships. The timing is not related to any new strategic significance of Guam or military-to-military (mil-to-mil) ties on Guam, despite speculation of a military motive.

After the small office closed, there were diplomatic developments. The ROC (Taiwan)’s embassy in Palau had to take over the duties in Guam as well as the nearby Commonwealth of Northern Mariana Islands (CNMI) and Federated States of Micronesia (FSM). In November 2017, President Tsai enjoyed US stop-overs in Hawaii and later Guam on her way to and from visits to Tuvalu, the Solomon Islands, and the Marshall Islands. She promised Taiwanese business leaders in Guam to reconsider the closing. Also, Tsai has been very concerned about consolidating Taiwan’s ties to countries in the Pacific, as the People’s Republic of China (PRC) coerced or compelled countries to switch diplomatic recognitions from the ROC to the PRC. In 2019, the Solomon Islands and Kiribati switched recognitions, despite an intense US campaign led by the National Security Council to sustain stability.

**TECO’s Function as Consulate**

The US-Taiwan partnership is non-diplomatic—yet not “unofficial”—under the *Taiwan Relations Act* (TRA), P.L. 96-8. Thus, the office will be called a Taipei Economic and Cultural Office (TECO), although it will function like a consulate. After this TECO re-opens, Taiwan will have 13 US offices in Washington, New York, Boston, San Francisco, Los Angeles, Atlanta, Seattle, Houston, Chicago, Honolulu, Denver, Miami, and Guam.

Along with Taiwan’s *de facto* embassy called the Taipei Economic and Cultural Representative Office (TECRO) in Washington, the TECOs in other US cities serve functions for official as well as grassroots engagement. Similarly, the United States set up the American Institute in Taiwan in Taipei (AIT/Taipei) to continue operations after the embassy closed. Later, an AIT Branch opened in a southern city as AIT/Kaohsiung, functioning as the *de facto* consulate under AIT/Taipei whose director acts as a Chief of Mission. However, different from the US State Department’s practice, TECOs operate more under MOFA’s direct authority than under TECRO’s direction. Indeed, some directors of TECOs already have served as ambassadors at ROC embassies.

**Strategic Significance**

Aligned with Washington, Taipei preserves its presence in the Pacific to play a part in strategic competition against the CPC regime. Its comprehensive challenges cover diplomatic, information, military, economic, and legal threats.

In May, the White House issued the US *strategy* to deal with the PRC. The document declared that “the United States is working in concert with mutually aligned visions and approaches such as the Association of Southeast Asian Nation’s Outlook on the Indo-Pacific, Japan’s free and open Indo-Pacific vision, India’s Security and Growth for All in the Region policy, Australia’s Indo-Pacific concept, the Republic of Korea’s New Southern Policy, and Taiwan’s New Southbound Policy.”

Then, in June, National Security Advisor Robert O’Brien warned that the CPC’s challenges involve ideology and ideas. The CPC schemes to control thought even outside of the PRC.

Earlier this month, Secretary of Defense Mark Esper reiterated that the National Defense Strategy recognizes great power competition and focuses on China as the pacing threat. Esper emphasized efforts to strengthen allies and build partners.

Thus, the TECO in Guam (like Taiwan’s other offices around the world) could counter the CPC’s disinformation and convey strategic communication. The office could contribute in unilateral, bilateral, or multilateral ways for economic and security interests.

**Issues in Mil-to-Mil Engagement**

Still, the seemingly sudden reversal of the office’s closing is spurring spurious speculation that the timing is due to new mil-to-mil engagement in Guam. Such speculation entails even an assumption about military officers at TECOs in Guam and Honolulu working closely together, although that would actually be impractical. On July 9, MOFA disputed the speculation, noting that “military cooperation is not one of our country’s considerations” to re-open the TECO in August or September.

Taiwan’s Ministry of National Defense (MND) does not have military training in Guam. MND has not assigned
any past or future military liaison officers (functioning as military attaches) to the TECO in Guam. Taiwan’s offices in the United States with military liaison officers are in Honolulu, Los Angeles, San Francisco, and Washington. High-level and extensive visits justify the assignments at those offices, but not in Guam.

Nonetheless, there are issues. Should restoring TECO in Guam involve implications about defense? How should Taiwan decide in debating about whether to post military attachés to that office? Given incremental improvements in bilateral ties under the Trump Administration, officials and observers often opine that mil-to-mil engagement should expand. In the past, Taiwan asked to sail naval ships and fly military aircraft (such as C-130 planes) to Guam for training missions. Moreover, some in Congress (such as Representative Mike Gallagher, who introduced the Taiwan Defense Act in the House on July 1) argue for clarity rather than ambiguity in US support for Taiwan’s defense. US training with Taiwan’s military could expand to Guam. Singapore, whose F-16 pilots train with Taiwan’s F-16 pilots at Arizona’s Luke Air Force Base, signed an agreement in December 2019 for training of fighter pilots in Guam. [3]

However, Taiwan’s F-16 fighter pilots will still be able to train in Arizona. Also, MND is shifting to asymmetric warfare under the Overall Defense Concept, as the Pentagon urges its implementation. Furthermore, Taiwan does not need an expeditionary force in defense of its homeland. The Pentagon also prefers more efficacy than symbolism in US support for Taiwan’s deterrence, readiness, and survivability, as Deputy Assistant Secretary of Defense Heino Klinck noted at a GTI event in May. Of critical concern, Taiwan has a limited defense budget (USD $11.4 billion in 2020), accounting for only 1.9 percent of GDP. According to remarks in June by Acting Assistant Secretary of Defense David Helvey, the United States expects allies and partners to invest appropriately in their own defense.

Significantly, the more urgent and realistic issue is whether to allow Taiwan at the Rim of the Pacific (RIMPAC) multinational maritime exercise this August centering at Hawaii. The US Navy has not invited Taiwan to send participants. Nevertheless, RIMPAC 2020 should include military observers from Taiwan, especially since the Trump Administration ended invitations to the PRC’s navy. [4]

The main point: Taiwan’s re-opening of a small office in Guam still epitomizes a strategic step, even if not involving military cooperation. More immediately, military observers from Taiwan should be welcomed at the upcoming RIMPAC.

[1] This author precisely translates “中国共产党” as the “Communist Party of China (CPC)” (which the CPC also officially uses) and avoids ambiguous association of the CPC with “Chinese” culture or people.


Why the Hong Kong National Security Law Matters for Taiwan

By: Michael Mazza

Michael Mazza is a senior nonresident fellow at the Global Taiwan Institute, a visiting fellow with the American Enterprise Institute, and a nonresident fellow at the German Marshall Fund of the United States.

In the two weeks since Beijing imposed the National Security Law (NSL) on Hong Kong, it has become utterly clear that the authorities mean business. Books have disappeared from library shelves, schools have been forced to disallow pupils from singing “Glory to Hong Kong,” the Chinese Communist Party (CCP) has inaugurated the Office for Safeguarding National Security, and there were numerous arrests on the law’s first day in force. In response to the NSL’s promulgation, Taiwan’s government issued statements of condemnation and called upon Beijing to constructively engage with Hong Kong’s people to resolve disputes. A presidential office spokesperson also made it abundantly clear that Taiwan stands with the people of Hong Kong:
“Spokesperson Chang emphasized that at this time, he believes that all of Taiwan is united in solidarity, and that regardless of political affiliation, in both government and civil society, democratic Taiwan and Hong Kong are of one mind, supporting the people of Hong Kong and the universal values of freedom and democracy. Taiwan, along with its partners in the international democracy camp, also has a responsibility to continue to support Hong Kong and its people.”

Taiwan has couched its response to the NSL in the language of universal values and portrayed it as driven by altruism. That portrayal is not insincere, but the NSL does matter to Taiwan for reasons beyond freedom’s fate in Hong Kong.

**Heightened Threat**

Writing for *The Washington Post*, John Pomfret argues, somewhat oddly, “perhaps the most worrisome element in the law is what is left unsaid. And that is that the legislation could serve as a blueprint for dealing with Taiwan.” Why oddly? Because the imposition of a similar national security law in Taiwan would come only after invasion and what would presumably be a brutal pacification. Worrying about a Taiwan NSL is akin to worrying about what the water damage might look like after grappling with a five-alarm fire.

But Pomfret is right to suggest the law’s promulgation should raise concerns in Taiwan. Although it has been evident at least since Xi Jinping’s speech to commemorate the 40th anniversary of the “Message to Compatriots in Taiwan” in 2019, there can now be little doubt that the Chinese leader has reasonable hope for peaceful unification with Taiwan. The NSL is designed to utterly crush dissent in Hong Kong and silence overseas supporters of democracy activists. In forcing the NSL on Hong Kong while continuing to insist that “one country, two systems” is the right model for Chinese unification with Taiwan, Beijing has made it clear that it does not care what Taiwan’s people think of such an arrangement. That bodes ill for cross-Strait relations going forward.

If Xi Jinping is no longer concerned with bringing about peaceful unification—here it should be noted that the Kuomintang, too, has been critical of the NSL and of “one country, two systems”—then he will rely ever more on coercion and ultimately force, if necessary, to bring about his desired union.

Likewise concerning for Taiwan is that, having fully extended CCP rule over Hong Kong, Xi Jinping has one less target at which to lash out in order to distract from domestic difficulties. Facing economic headwinds and an ongoing pandemic, the Chinese leader may well find it difficult to deliver on promises of greater prosperity in the coming years. He has already significantly advanced China’s position in the South China Sea and now he has served up Hong Kong on a platter. With these steps checked off his to-do list, the threat to Taiwan grows.

**Opportunities**

Despite the very real concerns with which Taiwan is grappling, the NSL also presents opportunities for the country to better its own lot. The NSL came into force on July 1, the 23rd anniversary of the United Kingdom’s handover of Hong Kong to China. On the same day, Taiwan opened its Taiwan-Hong Kong Office for Exchanges and Services under the auspices of the Mainland Affairs Council (MAC). MAC has explained that the new office will:

“[... ] provide friendly and convenient consulting and assistance services for Hong Kong citizens coming to Taiwan for education, employment, investment, entrepreneurship, immigration, and settlement, as well as for Hong Kong-based multinational and international corporations seeking to develop in Taiwan. The Office will also pragmatically handle affairs related to humanitarian assistance and care for Hong Kong people [...].”

Taiwan’s effort to assist Hong Kongers that flee their home city is less substantial than it may appear at first blush. The Tsai Ing-wen (蔡英文) government has said that it welcomes people from Hong Kong that arrive legally and will make special efforts to assist them in managing the visa and immigration processes, but Taipei is not throwing open the door to refugees from the city. Even so, its decision in late May to form a task force dedicated to plotting out a humanitarian assistance effort, a few days after the NSL was added to the agenda for the National People’s Congress, made it an early mover and thus a leader on the international stage. Taiwan has found itself, if not actually coordinating with other members of the free world, at least pushing in the same direction. This convergence of responses—the United Kingdom and Australia have al-
ready announced plans to take in Hong Kongers, and legislation on the matter is working its way through the US Congress—provides an opportunity to engage more intensively with overseas partners.

Given the close business and civil society links that exist between Taiwan and Hong Kong, Taiwan may have a valuable perspective to share with foreign capitals looking for ways to respond to the NSL. Given its relative size and its need to maintain a modicum of stability in its relationship with Beijing, there may be steps Taipei is unable or unwilling to take. But in advising larger or less insecure partners on how best to support the cause of democracy in Hong Kong and dissuade Beijing from moving forward with draconian enforcement of the NSL, Taiwan has a rare opportunity to exert global leadership.

In so doing, Taiwan would make itself a more valuable diplomatic partner, enhancing its own standing in the world and ensuring foreign partners care more about its ultimate fate. China would be aggrieved by Taipei's maturing relationships, but might also assess that it needs to approach Taiwan with greater caution because of them.

The NSL also creates an economic opportunity for Taiwan. Writing for Axios, Dan Primack noted, “the romance between private equity and Hong Kong may be over, before it even had a chance to begin.” A new carried interest tax scheme (announced in early 2020) and a new limited partnership fund regime—both under development—had been expected to lure foreign fund managers to the city. Even if those reforms go forward, Primack argues, the NSL has made Hong Kong a far less attractive place for expats to live. “We’re still awaiting specifics of Hong Kong’s new carried interest tax treatment,” he writes. “In the meantime, expect rival jurisdictions like Singapore, and maybe even Japan, to wine and dine private equity executives.”

Given what has been an at-times inhospitable environment for PE in Taiwan, it is little surprise that Taipei is not mentioned in the same breath as Singapore and Tokyo. That is unfortunate, but the circumstances are of Taiwan’s own making. Until 2017, when mutual fund managers in Taiwan were finally “allowed to set up onshore vehicles for PE investments,” the country maintained an unofficial ban on foreign private equity investments. Challenges remain, as Dan Blumenthal and I described in a paper for the Project 2049 Institute:

“The greater problem for PE, however, is one of clarity of regulations and transparency in the regulatory process. Assurances from the [Financial Supervisory Commission] and from ministry officials that foreign PE is welcome are useful but insufficient. To successfully advance US-Taiwan economic relations, Taiwan should be willing to match its commitment to openness with a commitment to reform its regulations and regulatory processes.”

It remains as yet unclear if there will be a significant exodus of businesses and expats from Hong Kong, but Taiwan should be ready to take advantage of that eventuality. Much as President Tsai established an ad hoc committee to develop a plan for aiding Hong Kongers, she should likewise create a working group—ideally including KMT representatives—tasked with identifying the reforms Taiwan would need to make in order to attract businesses and expats seeking to relocate from the city. Such reforms will attract greater international investment even without a global business withdrawal from Hong Kong, and Tsai should commit to rapid action.

**Conclusion**

The NSL is, first and foremost, a tragedy for Hong Kong, where new secret police are hard at work extinguishing freedom’s flame. The implications for Taipei, however, are substantial, and extend beyond the question of what to do with Hong Kongers seeking safety within Taiwan’s borders. There are new opportunities for Taiwan to safeguard its place in the world—a world that has also just become more dangerous.

**The main point:** In the wake of the National Security Law in Hong Kong, there are new opportunities for Taipei to safeguard its place in the world, but also heightened concerns about China’s designs on Taiwan.