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The Closing Perception Gap on America's Taiwan Policy

By: Russell Hsiao

Russell Hsiao is the executive director of the Global Taiwan Institute (GTI) and editor-in-chief of the Global Taiwan Brief.

The Chicago Council on Global Affairs—a US-based think tank—recently released an update to its closely watched [public opinion survey](#) of American perceptions on Taiwan policy. The survey, which was released on August 26, 2021, provides a rare window into the sentiments of the American public on a critical foreign policy issue that has increasingly grabbed media headlines in recent years: Taiwan. While the views of US leaders are routinely expressed through policy pronouncements and official statements, the sentiments of the American public are less readily observable. With the notable improvement in relations between the United States and Taiwan in recent years, these trends raise relevant questions about whether current policies are in fact supported by the American public, and the extent to which those public opinions should, would, and could matter for Taiwan policy.

To be sure, the causal relation between public opinion and foreign policy has long intrigued scholarly research, but the academic findings thus far appear varied at best. According to one [scholarly research](#) on this connection within democracies: “Normally, public opinion is latent on foreign policy issues with decision makers only concerned about the potential activation of popular interest. In the absence of public activation, officials feel free to act.” Indeed, the executive branch is vested with broad discretion to act on matters of foreign policy and “[a]cademic analysis of decades of survey data has identified a stable set of [attitude gaps](#) between the public and their leaders.” Yet, while public opinion may not be determinative of executive action on foreign policy, it does show what policies can or will have public support and which ones will not, should decisionmakers decide to act. Naturally, the larger the gap, the more difficult a decision would be.

This gap is not imagined. As American scholar Walter Russell Mead [observed](#): “Elite opinion normally carries outsize weight in foreign-policy decision making, but when wide gaps

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open between elite and popular views, elected officials cannot ignore the polls.” Taiwan policy has not been an exception—perhaps until now. Indeed, the recent [Chicago Council survey](#), which was conducted in July 2021, was published with the headline: “For First Time, Half of Americans Favor Defending Taiwan If China Invades.” Standing at a paltry 18 percent in 1982—when President Ronald Regan was begrudgingly convinced to sign the 1982 Communiqué—against the backdrop of China’s increasing aggression against Taiwan and a growing unfavorable view toward China within the United States and across the world, the title captures a key finding of the survey and the results, on the whole, may indicate a tipping point in American public opinion on Taiwan policy.

While most coverage of the [survey](#) results have focused on the 52 percent of American people who indicated that they would favor using military force to defend Taiwan (versus 18 in 1982), other elements of the survey also warrant attention. Indeed, 69 percent favor US recognition of Taiwan as an independent country, whereas 53 percent support the United States’ signing a formal alliance with Taiwan and a plurality of 46 percent favor explicitly committing to defend Taiwan if China invades. These issues touch on important dimensions of the current Taiwan policy debates, and could shape the extent to which these issues are weighed in deliberations by the US government on which course of action to take on any of these issues.

Taken alone, the results of one survey may not be in-

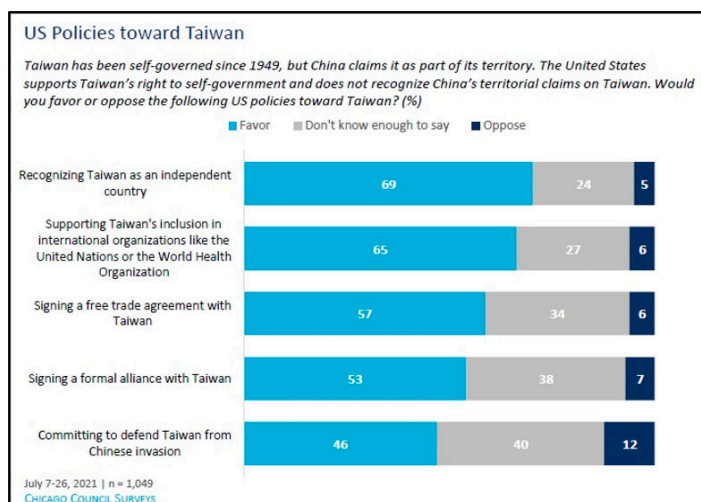


Image: Survey on US Policies toward Taiwan (Source: [Chicago Council on Global Affairs](#))

dicative of a fundamental shift. However, the Chicago Council results track with another [survey](#) conducted by the Center for Strategic and International Studies, a Washington D.C.-based think tank, which was released in October 2020. Similarly, in that poll, the survey asked “On a scale of ‘1’ to ‘10’, how important is it to defend U.S. allies and partners in the Asia-Pacific if they come under threat from China?” Explaining the results of the survey, Bonnie Glaser, one of the report authors, [wrote](#):

“The results show that Americans are, in fact, prepared to take a substantial risk to defend Taiwan. With a mean score of 6.69 out of 10, respondents from among the U.S. public gave stronger backing for defending Taiwan than Australia (6.38) and comparable to Japan (6.88), South Korea (6.92), as well as an unnamed ally or partner in the South China Sea (6.97).”

These results reflect that both US thought leaders and the public consider taking on a level of considerable risks to defend Taiwan, on par with that for treaty allies of the United States. While public opinion is not determinative of ultimate policy directions and no one should reasonably expect the two sides to re-establish a mutual defense treaty anytime soon, at best there may be a correlation and these results are telling of a gradual and notable shift in American public opinion.

An important backdrop to the Chicago Council and CSIS polls is the deteriorating view towards China in the United States. According to a [Pew Survey](#) released in March: “Roughly nine-in-ten U.S. adults (89%) consider China a competitor or enemy, rather than a partner.” The [Pew Survey](#) further explained:

“Today, 67% of Americans have “cold” feelings toward China on a “feeling thermometer,” giving the country a rating of less than 50 on a 0 to 100 scale. This is up from just 46% who said the same in 2018. The intensity of these negative feelings has also increased: The share who say they have “very cold” feelings toward China (0-24 on the same scale) has roughly doubled from 23% to 47%.”

What implications could these polls alone have, particularly in light of [growing concerns](#) about a Chinese

invasion of Taiwan? To be sure, policymakers have continued to highlight the importance of deterrence in the Taiwan Strait. And, as Glaser [noted](#) in explaining the CSIS survey results:

“Deterrence necessitates that China believes that the United States is likely to intervene should it attack Taiwan. The first step in making deterrence credible is ensuring that the U.S. military has the capabilities necessary to defend Taiwan and that Taiwan does its part to reinforce its security. Yet, public support for Taiwan’s defense – as evidenced by the recent CSIS study – is also critical. It demonstrates a robust commitment to overseas partners, which in turn serves to bolster peace and stability in the region.”

These shifts in perceptions toward Taiwan appear to be a function of two primary factors. First, it is likely due to increased awareness about the island-democracy in light of the positive and visible support shown by the US government and media coverage in recent years toward Taiwan for its vibrant democracy and exemplary handling of COVID-19. The second reason is likely China’s growing belligerence against Taiwan and the real potential for military conflict. It also correlates with a sharp negative downturn in attitudes toward China reflected in other polls because of growing awareness about its malign behavior—not only toward Taiwan, but also toward the region and the United States. As a Chinese-speaking democracy, Taiwan stands in stark contrast to its big neighbor.

Moreover, agency matters. How the executive responds to these polling data will undoubtedly [influence](#) to some extent the practical effects of such reflection of sentiments on actual policy. According to [Douglas Foyle](#): “The literature on elite beliefs suggests that the beliefs decision makers hold concerning public opinion may have an important influence on this relationship [on the linkage between public opinion and foreign policy].” In the context of Taiwan policy, while differences remain, there is a coalescing of views between the public, opinion makers, and policymakers.

For instance, Congress—the legislative branch whose members are elected by the American people—has by-and-large consistently demonstrated strong bi-partisan support for Taiwan by introducing pro-Taiwan legisla-

tion. At the very least, the results from these polls indicate that we are starting to see the public catch up to their leaders on Taiwan policy. This should theoretically give the legislative branch greater support for even stronger initiatives, and perhaps even hypothetically acting as a constraint on the executive branch should it consider withholding support for Taiwan in the face of growing belligerence from the People’s Republic of China (PRC).

As a further reflection of leadership sentiments, Senator Tammy Duckworth’s [recent statement](#) on the Taiwan Strait is instructive: “Not having a peaceful resolution will cost us. Because we will then have to send our treasures, our men and women in uniform, there. Taiwan Straits are a key route of international economic activity, just as the Straits of Malacca in Singapore are. And we’re going to find ourselves having to defend those. Senator Duckworth [added](#): “[...] the people of Taiwan deserve to know that America will not abandon them.”

In the final analysis, as GTI Senior Non-Resident Fellow Mike Mazza wrote in the [Global Taiwan Brief](#):

“The task now is for American leaders, including those in the most senior ranks of government, to reinforce this support. Laying the groundwork among the public for intervention now will ensure Washington will need to spend less time doing so once a crisis is in the offing. Robust public support for defending Taiwan, meanwhile, will contribute to deterring China from acting precipitously, making such a crisis less likely to come about.”

At this point, it is too early to say whether American public opinion is at a fundamental tipping point, but it appears to be a turning point. Moreover, this much is increasingly clear: The perception gap between US leaders and the public on Taiwan policy is closing.

The main point: Against the backdrop of China’s increasing aggression against Taiwan and a growing unfavorable view toward China within the United States and across the world, the results of recent American public opinion surveys may indicate a tipping point in American public opinion on Taiwan policy.

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The US-Philippine Alliance and Taiwan's Security

By: I-wei Jennifer Chang

I-wei Jennifer Chang is a research fellow at the Global Taiwan Institute.

During a July meeting with US Defense Secretary Lloyd Austin, Philippine President Rodrigo Duterte suspended his controversial decision to end the [Visiting Forces Agreement](#) (VFA), a security pact enabling the US military to operate from the Philippines. "A strong, resilient US-Philippine alliance will remain vital to the security, stability, and prosperity of the Indo-Pacific," said [Austin](#). "A fully restored VFA will help us achieve that goal together." Manila's turnabout comes as it confronts a growing [Chinese challenge](#) in the South China Sea, while continuously seeking to reap [economic benefits](#) from Beijing. The South China Sea rivalry between China and the Philippines has rejuvenated the US-Philippine military alliance, which could play an important role in a potential Taiwan contingency.

Philippine-China Relations under Duterte

After President Rodrigo Duterte took office in 2016, he reoriented his country's foreign policy towards engagement with Beijing, while launching attacks on the security alliance with Washington. Repeatedly emphasizing his [ethnic Chinese heritage](#) and calling China "[the only hope for the Philippines economically](#)," Duterte notably downplayed the [Hague's 2016 ruling](#) against the People's Republic of China's (PRC) claims in the South China Sea. He strived to gain Chinese investment through the framework of the "Belt and Road Initiative" (一帶一路, formerly "One Belt, One Road") for Manila's ambitious "[Build, Build, Build](#)" infrastructure plan. [1] Joint [oil and gas exploration projects](#) in the South China Sea were signed during Chinese President Xi Jinping's (習近平) 2018 visit to the Philippines, though their progress has been [stalled](#).

Amid a warming of relations with China, Duterte's moves to downgrade relations with the United States were motivated by Washington's criticism of his [bloody](#)

[drug war](#) and the Philippine's deteriorating human rights situation. In 2016, Duterte threatened to end the implementation of the 2014 [Enhanced Defense Cooperation Agreement](#) (EDCA), which enables US forces to access Philippine military bases. Later, in February 2020, the Philippine president decided to abrogate the US-Philippine VFA, after Washington had canceled Philippine Senator [Ronald dela Rosa](#)'s visa for his role in implementing Duterte's drug war as a former chief of national police.

Moreover, Manila was dissatisfied with how Washington was handling the South China Sea disputes. From Manila's perspective, the VFA signed in 1998 was intended to [deter Chinese expansionism](#) in the South China Sea. However, [China](#) occupied Scarborough Shoal (also known as Huangyan Island, 黃岩島) in 2012 and later built a large military base on Mischief Reef (美濟礁), both of which are claimed by the Philippines. The United States' [Freedom of Navigation Operations](#) did not deter China from occupying the disputed islands and reefs.

Yet, canceling the VFA is counterproductive to asserting Manila's maritime claims in the South China Sea. The Philippine military, as the weaker player facing the People's Liberation Army (PLA), needs external military support from the United States. Removing the VFA, and thus potentially creating a gap in the presence of US forces in the Philippines, [could embolden China](#) to take more aggressive moves against Manila's claims in the disputed area. Therefore, on June 1, 2020, in another policy U-turn, Manila informed the US Embassy in Manila that it was [freezing](#) its decision to withdraw from the VFA. Philippine Foreign Secretary [Teodoro Locsin Jr.](#) said the reversal of the VFA termination was motivated by tensions in the South China Sea, in particular China's occupation of Scarborough Shoal.

South China Sea Tensions

In March, the Philippines and the United States were alarmed by the massing of [more than 200 Chinese ships](#) at Whitsun Reef (牛軋礁, also called the Juan Felipe Reef by Manila) in the Spratly archipelago and the Chinese military's incursion into the Philippines' [exclusive economic zone](#) (EEZ). [2] For several weeks, [Manila](#) pressed Beijing to withdraw its "maritime militia" vessels from Whitsun Reef. Although these Chinese

ships later vacated the reef, the incident has raised Manila's fears about [future Chinese actions](#) in the South China Sea.

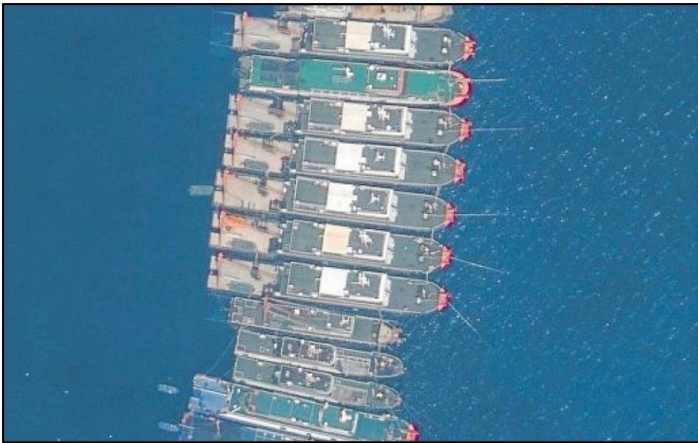


Image: Chinese ships moored near Whitsun Reef in the Spratly Islands, March 2021. (Source: [AFP/Philippine Daily Inquirer](#))

Indeed, the ongoing tensions in the South China Sea with China have pushed the Philippines back towards utilizing its security alliance with the United States. Manila is keeping the VFA in place, at least for now. However, it remains to be seen how the trilateral relationship will be affected when Duterte steps down as president in 2022—though he may run as a [vice-presidential candidate](#) to extend his time in power, and thus continue to influence the country's foreign policy.

US-Philippine Alliance and Taiwan Strait Security

The recent turnabout to preserve the VFA is arguably an indirect gain for Taiwan's security over the long run. The Philippines' geostrategic location on the "first island chain" alongside Japan and Taiwan indicates that it could play a vital role in the US strategy against China and may affect the United States' ability to effectively respond to crises and contingencies in the region, ranging from the South China Sea and East China Sea to the Taiwan Strait. [3] In the event of a Chinese invasion of Taiwan, [the United States military](#) would likely operate from its bases in Japan—and potentially in the Philippines—to deploy aircraft and other weaponry to the Taiwan Strait, and may also request logistical support from its two Asian allies that are physically closest to Taiwan.

Although it has not received the same level of attention

as the [US-Japan Security Alliance](#), the US-Philippine military alliance could be a secondary, albeit important, player in a Taiwan contingency. While US-Philippine military cooperation is primarily motivated by the imperative to [deter](#) China's aggressive activities in the South China Sea, the concurrent [Chinese military pressure campaign](#) against Taiwan has created a convergence of the South China Sea dispute with cross-Strait tensions. That is, Manila has interests in utilizing US support under the framework of the [1951 US-Philippine Mutual Defense Treaty](#) (MDT) to safeguard its territorial and maritime claims in the South China Sea. At the same time, the Philippines has obligations under [Article II of the MDT](#) to assist the United States with [mutual defense](#), which could be applied during a Taiwan Strait conflict. If the United States intends to help defend Taiwan from a Chinese invasion, then the [VFA](#) is important not only to the US-Philippine alliance but also to Taiwan's national defense.

Furthermore, [analysts](#) have pointed to the concern that once Beijing strengthens its control over the South China Sea, it could weaken US power projection in the Indo-Pacific region and thus impact US policies elsewhere in the region, extending to the Taiwan Strait. The US-Philippine partnership against Chinese expansionism in the South China Sea issue, as well as the US-Japan alliance in the East China Sea, has spill-over effects on Taiwan Strait security. Therefore, the interconnectedness of regional security issues requires the United States to take the lead in coordinating a region-wide Taiwan Strait strategy with key allies such as Australia, Japan, South Korea, and the Philippines.

According to analyst [Bonny Lin](#), Japan and Australia are the two countries most likely to provide military assistance to the United States to help defend Taiwan. [Lin](#) believes that the willingness of the Philippines, South Korea, and Singapore to help the United States in a Taiwan contingency are more uncertain. [She](#) argues that these latter countries may aim for neutrality or provide "limited, less conspicuous forms of assistance, such as intelligence-sharing, support for limited humanitarian military operations [...] or logistics support." However, Manila, which has a large migrant worker population in Taiwan, may be more willing to assist in Taiwan's defense if a sizeable number of Filipinos are killed in a Chinese military assault on the island, [Lin](#) said. Fur-

thermore, if the Taiwan Strait conflict were to widen as the Chinese military either launched attacks on or seized [disputed territories](#), such as those in the South China Sea, there could be a more forceful response by regional actors including the Philippines.

Taiwan-Philippine Tensions

Taiwan and the Philippines are [rival claimants](#) in the South China Sea. Mistrust between the Taiwan and Philippine militaries, arising from tensions over [territorial claims and fisheries disputes](#) in the South China Sea, may complicate the willingness of the Philippine military to come to Taiwan's defense. Notably, an incident in May 2013 over the killing of a Taiwanese fisherman by a [Philippine coast guard ship](#) led to a military showdown: President Ma Ying-jeou (馬英九) dispatched Taiwanese warships to conduct [naval maneuvers](#) in the Balintang Channel to apparently teach the [weaker Philippine military](#) a lesson.

Indeed, the Philippines has to contend with two more militarily powerful neighbors—China and Taiwan—and a conflict scenario in the Taiwan Strait could affect Manila's national security interests. A Chinese victory over Taiwan could lead to a stronger and closer Chinese presence in [the Luzon Strait](#). On the other hand, if Taiwan ultimately repels a Chinese invasion and becomes more militarily powerful, Manila may be concerned that [Taipei](#), which does not recognize [the Hague's 2016 ruling](#) in favor of the Philippines, could become increasingly assertive towards disputed territories also claimed by Manila.

In sum, the Philippines' need for US support to counter Chinese aggression in the South China Sea may end up bolstering Taiwan's security. Given the interconnectedness of the South China Sea dispute and Taiwan Strait security, Taipei may find it in its interest to enhance military-to-military trust with Manila by mitigating maritime disputes and boosting bilateral engagement on regional security issues. Taipei should also welcome a more active US-Philippine partnership in the South China Sea even if doing so theoretically goes against its [territorial claims](#).

The main point: Manila's recent decision to scrap the termination of the Visiting Forces Agreement is a boost for the US-Philippine alliance in the face of rising Chinese assertiveness in the South China Sea. A stronger

US-Philippine alliance could provide potential security benefits for Taiwan.

[1] "Senate Armed Services Committee Hearing; the Nomination of Navy Adm. John C. Aquilino to be Commander of the U.S. Indo-Pacific Command.; Testimony by John Aquilino, For Reappointment to the Grade of Admiral and to be Commander, United States Indo-Pacific Command," Congressional Documents and Publications, March 23, 2021, retrieved from Nexis Uni.

[2] "Philippines, US Begin Two-Week Joint Military Drill Amid Tensions in South China Sea," *Asian News International*, April 12, 2021, retrieved from Nexis Uni.

[3] "Duterte's Foreign Policy Shift to Undermine US' Geopolitical Influence," *Business Monitor Online*, September 30, 2016, retrieved from Nexis Uni.

The Growing Urgency of Taiwan Military Personnel Reforms

By: Bernard D. Cole

Capt. Bernard D. Cole, USN (Ret.), Ph.D. is a professor emeritus at the National War College in Washington, DC. He was a surface warfare officer in the US Navy for 30 years. Dr. Cole's previous books include The Great Wall at Sea: China's Navy in the Twenty-First Century, which was selected for the Navy Reading Program. These views are the author's alone and not those of the Center for Naval Analyses, the National Defense University, or any other agency of the US Government.

Admiral Philip Davidson, the commander of US military forces in the Indo-Pacific, testified before the Senate in March 2021 that [China might invade Taiwan by 2027](#). His replacement, Admiral John Aquilino, warned two weeks later that a [Chinese military attack on Taiwan](#) "is much closer to us than most think." Their [warnings](#) about a near-term Chinese attack have been echoed in Congress and by analysts elsewhere.

Fears of a cross-Strait war have been intensified by recent People's Liberation Army (PLA) Air Force [flights into Taiwan's Air Defense Identification Zone](#) (ADIZ). These flights increased during 2020 and are continuing in 2021. China has also continued "mirror-imaging"

military exercises on the Fujian coast that serve as a warning to Taipei. [1]

Taiwan passed potentially powerful defense reorganization acts in 2000, which came into force in 2002. [2] Their provisions included: improved accountability for defense spending; developing a corps of civilian, professional national security experts as part of an effort to strengthen civilian control of the military; and developing an all-volunteer military. Some progress has been made toward these and other goals, but not enough to enhance Taiwan's defense to the degree necessary in the face of potential Chinese military attack.

US policy regarding Taiwan's *de facto* independent status is delineated in the 1979 Taiwan Relations Act (TRA). While it does not obligate the United States to defend Taiwan in the face of military attack or coercion, it does establish Washington as Taiwan's only possible defender. This position is anomalous but based more on ideology than facts on the ground: since Taiwan's status as a Western-style capitalist democracy is very much in the US interest, and is linked to US global credibility, it trumps China's economic, military, and political worth to Washington.

Any American president would find it very difficult to stand aside in the face of a Chinese armed attack on Taiwan. However, a decision to intervene militarily on Taiwan's behalf would almost certainly occur only in light of Taipei's making maximum preparations to defend its own territory—and this currently is not apparent.

Five Factors Weakening Taiwan's Defense Efforts

First is the overwhelming conventional military force China can bring to bear; there has not been a meaningful "military balance" across the Strait for at least 20 years.

Second, Taipei has not followed the "[porcupine strategy](#)" advocated by analysts, spelled out in 2008 by US Naval War College Professor William Murray. Not enough progress has been made adopting these recommendations. They include focusing procurement, maintenance, and training in areas including mine warfare, hardened command and control structures and networks, and stockpiling energy and other resources.

Third, too many people in Taiwan—among both decision-makers and the public—seem to believe the United States will save it from Chinese military assault. The TRA requires the United States to sell Taiwan military hardware and technology, but even if Washington decided to come to Taipei's assistance in the event of such an assault, US military forces would confront distances that render problematic their arrival in theater in time to prevent successful Chinese military pressure on the island. [3]

Fourth, the Taiwanese military budget has been inconsistent during the past two decades or more, evidencing the government's apparent historic reluctance to take seriously the Chinese military threat. The Tsai Ing-wen Administration, in office since 2016, has increased defense spending, but too much of that spending still goes to systems like heavy armor, correctly criticized by Murray and others as not optimal for Taiwan's defense. The recently passed special defense budget aims to correct this imbalance.

Fifth and most serious is the failure to create a capable, all-volunteer military, despite 20 years of trying. There appears to be a general reluctance among Taiwan's youth to serve in the military. One college student [stated](#), "Military camp culture isn't that strong, and our sense of patriotism isn't as keen." A [second](#) thought that "not too many young kids want to serve," while [yet another noted](#) the unpopularity of military service.

Efforts to create an all-voluntary military in 2003-2004 failed, even though skewed to succeed, as testified to the Legislative Yuan by the director of military manpower. [4] The drive to institute an all-volunteer military has continued to sputter; Taiwan's active duty military in 2000 numbered approximately 400,000 personnel; that number has shrunk to no more than 165,000 in 2021. Furthermore, today's draftees serve a pitiful four months on active duty, which is inadequate to produce a competent soldier.

Volunteer militaries are expensive; the most easily solved hindrance to ending conscription is the refusal or inability to pay enough to attract recruits, a problem exacerbated by the attractive benefits available in the economy's private sector. The military pay raise instituted by Taipei in 2002 was approximately 34 percent; by comparison, instituting an all-voluntary military in

the United States in 1973 included a near-100 percent pay raise. [5]

Taiwan's Persistent Military Personnel Problems

Taiwan's unsatisfactory military personnel situation is exacerbated by an inadequate military reserve system. The system established by the 2000 defense acts requires so little training for reserve personnel—just four periods of five to seven days during eight years of service, with many ways legally available to avoid even those brief periods—as to make Taiwan's military reserves a very problematic force.

The declining population is another demographic problem hindering creation of an all-volunteer military. From a 2019 high of 23.6 million, the island's population is projected to fall back to its 2010 level of [22.2 million by 2030](#), in a continuing decline.

Taiwan Air Force (TAF) manning is particularly acute. There is no questioning the dedication and skill of TAF pilots, but their numbers are an issue. TAF's fighter squadrons probably are not close to matching the normal US personnel ratio of approximately two pilots for each aircraft. And spending money on hardened aircraft shelters and rapid-runway repair kits is not as eye-catching as buying F-16s, but is crucial to Taiwan's air defense. [6]

Maintaining Trilateral Mutual Deterrence

Balance is an important element in the US-China-Taiwan imbroglio, with all three sides facing major issues:

- Washington must balance US economic, military, and political interests in both Taiwan and China.
- Taipei must maintain its current *de facto* independence, while not provoking China to mount a military attack.
- Beijing must balance its efforts to achieve “peaceful reunification” while preventing *de jure* Taiwan independence.

From Washington's perspective, the critical issue for all three participants is how to maintain the trilateral mutual deterrence necessary to prevent Beijing from attempting to forcefully unify with Taiwan; to prevent Taipei from declaring *de jure* independence that would very likely provoke such an attack; and to prevent the

United States from abandoning its “One-China Policy,” while continuing to deter both Beijing and Taipei from dragging it into a war.

In sum, Taipei is acquiring modern weapons, albeit not in accordance with the commendable “porcupine defense” idea. Most critically, it has not established a system to provide an adequately manned active duty and reserve military force. A good deal of fault for this crucial weakness resides in the Executive Yuan, and particularly the Legislative Yuan—which historically have failed to consider the Chinese military threat serious enough to emulate the “iron dome” attitude of Israel or Singapore.

Until Taipei establishes a capable military personnel system, its defense capability will remain weak, despite current and possible future US assistance.

The main point: Taiwan's military forces continue to face serious shortcomings in manpower, training, and force structure. Until these issues are addressed, Taiwan will find it difficult to mount an effective defense in the face of the growing military threat from China.

[1] One recent example of such drills is described in: “China's Military Conducts Assault Drills in Seas Near Taiwan,” (18 August 2021), at: https://www.defense-news.com/training-sim/2021/08/17/chinas-military-conducts-assault-drills-in-seas-near-taiwan/?utm_source=Sailthru&utm_medium=email&utm_campaign=EBB%2008.18.21&utm_term=Editorial%20-%20Early%20Bird%20Brief.

[2] Discussed in Bernard D. Cole, *Taiwan's Security: History and Prospects* (N.Y.: Routledge, 2006), Ch. 4.

[3] I gave a series of lectures to Taiwan's Professional Military Education institutions in 2011, during which I pointed out that the nearest US military assets, mine hunters stationed at Sasebo, Japan, would take at least 10 days to steam to Taiwan and begin hunting for mines in Taiwan's harbors. A TAF colonel later asked me how long I thought the Taiwan military could hold out against a Chinese military assault. When I replied, “two weeks, at most,” he rejoined, “but you said US military forces could be here in 10 days, so why should we increase our defense budget?” Such thinking is dangerous.

[4] Statement by Wu Ta-peng, quoted in Deborah Kuo, “Trial Voluntary Military Service Program Not as Popular as Expected,” *CNA*, Taipei (14 October 2004), at: <http://www.cna.com.tw/eng/ceplist.php?class-1P>.

[5] *Ibid.*

[6] Much is made of the periodic use of highways as fighter aircraft emergency runways, but usually not discussed are how such aircraft would be sheltered, fueled, and maintained in the absence of airfield facilities.

Taiwan Fosters the Most Critical Capacity in Pacific Island Nations

By: Shirley Kan

Shirley Kan is an independent specialist in Asian security affairs who retired from working for Congress at CRS and serves as a founding member of GTI's Advisory Board.

Working with the Congressionally-mandated East-West Center (EWC), Taiwan engages efficiently with Pacific Island nations and fosters their critical capacity in leadership, but this quiet effort has not garnered the credit given to Taiwan's high-profile diplomacy. Taipei has advanced development, democracy, and governance by helping local leaders in the Pacific. Additional international benefits align with the interests and values of Washington and its allies. Taiwan has sponsored the EWC's Pacific Islands Leadership Program since 2013, even before US senior-level attention to Pacific Island nations intensified in 2019. The Indo-Pacific Command (INDOPACOM) requires access to allies across the vast Pacific to secure peace and rule of law. Taiwan seeks to preserve its presence and promote partnerships in a free and open Indo-Pacific. What are the program's achievements? What are this review's recommendations?

The Most Critical Capacity is Leadership

The Republic of China (ROC), commonly called Taiwan, has advanced development and democracy in Pacific Island nations by fostering leadership. Leadership is key to any endeavor, from local communities to regional or global cooperation. Taiwan's Ministry of Foreign Affairs has partnered with the EWC, which is centrally

located in Honolulu. The US Congress established the [EWC](#) in 1960 to promote relations among the United States, Asia, and Pacific.

The Pacific Islands Leadership Program ([PILP](#)) with Taiwan is a center of excellence to develop leadership in the Pacific. This program has practical effects. The objective is to build a network of collaborative leaders committed to shaping the prosperity of the Pacific region by taking informed, effective action.

The intensive training has promoted the personal and professional development of 157 leaders in 15 countries. Among the [alumni](#), 57 percent are women, and 43 percent are men. The PILP helps people of the Cook Islands, Federated States of Micronesia, Fiji, French Polynesia, Kiribati, Nauru, Niue, Palau, Papua New Guinea, Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.

“Inside-Out” Development of Individual Leadership

This program benefits cohorts of leaders by starting at the individual level, including self-understanding of their careers and challenges. The PILP focuses first on the personal advancement of participants and their values, interests, and background. Then, participants connect their unique, deep personal knowledge to leadership.

Leadership is “extremely personal,” according to PILP's leadership, Gretchen Alther and Lori Concepcion. The program applies an “inside-out” approach. Participants develop their strengths and definitions of leadership, which are rooted in their places. They start by understanding themselves. For example, an alumnus of the program practiced law in French Polynesia but turned to training leadership in his country and the region. [1]

In addition to personal advancement, professional advancement is the second focus. For example, the chief of staff of Palau's president previously worked at the United Nations. However, she returned to Palau to support its development and people. The PILP's leaders say that the program “bears fruit way after the program has ended” for the participants.

Strong Voices for the Pacific

On top of local benefits for their communities or nations, participants have gained achievements at the

regional and global levels. The program helps leaders to navigate challenges of national and regional collaboration in a changing world. The program focuses on younger professionals in their early- to mid-careers, allowing for long-term impacts.

An example of local achievements comes from an alumnus from the Solomon Islands, who has implemented a project in his community for the conservation of marine resources. He showed Taiwan what he could do locally. Both “his peers and the program helped him to realize his capacity,” note the PILP’s leaders. Another alumnus is a pharmacist in Fiji, who decided to stay in her nation to serve a local and remote community instead of leaving Fiji.

The reality in the Pacific is that even if leaders work in their small nations, they are working regionally or globally, especially concerning climate change. Alumni are “strong voices for the region,” no matter which nations they return to work after the PILP, according to its leaders. An alumnus in the Marshall Islands worked in a ministry that reviewed her nation’s performance in gender inclusion. The PILP benefits such leaders by connecting them to colleagues for greater impact. The program also supports young professionals to be strong, committed leaders.

“Eye-opening” Experiences about Taiwan

The program particularly promotes appreciation for Taiwan by immersing cohorts of current and rising leaders in the island’s experiences. In turn, Taiwan engages directly with leaders from the countries that benefit from this program. Taiwan’s representative office, or Taipei Economic and Cultural Office (TECO), in Honolulu also engages with participants.

One participant, Patrick Balou Wilson, said in 2017 that he gained the capacity and motivation to work out solutions to his [country’s needs in development](#), while he was the chief parliamentary research officer in the Solomon Islands. His experience helped to deepen understanding between his nation and Taiwan.

Before the program, some participants already have interacted with Taiwan, particularly if it has embassies in the participants’ nations. However, some have traveled to Taiwan for the first time as part of the PILP. Indeed, some participants traveled to Taiwan as only

their second foreign country after the United States (for parts of the program).

Participants have remarked that, before the program, they did not realize Taiwan’s influence and impact in projects that have helped their nations, such as a project to fight climate change in Kiribati. They have gained “eye-opening” experiences to see how Taiwan helps their countries, the PILP’s leaders point out. The program has offered participants positive perspectives to see where their own countries could advance in technology and inclusiveness, after meeting with Taiwan’s officials who include Digital Minister Audrey Tang (唐鳳). Young Pacific Island leaders also have been impressed by how many of Taiwan’s leaders are women.

Benefits for the Indo-Pacific

In reality, beyond helping individual leaders in their communities, the program contributes to the regional and geopolitical contexts. Participants gain “eye-opening” insights into Taiwan’s place in Indo-Pacific geopolitics that also involve China, the United States, and other countries. EWC President [Richard Vuylsteke](#) remarked in 2017 that the PILP “has enabled young Pacific island leaders to develop personal and institutional networks that facilitate the sharing of concerns, insights, and perspectives across the region and with the wider international community.”

The PILP helps to safeguard a free and open Indo-Pacific. However, this environment poses challenges to Taipei’s need to preserve its diplomatic relationships against Beijing’s poaching.

In 2019 under the Trump Administration, Washington pursued important interests to ensure that Pacific Islands stay [strategically aligned](#) with the United States. This effort included preservation of Taipei’s diplomatic presence and promotion of shared values. Taiwan’s president and diplomats have worked to sustain diplomatic relationships, including in the Pacific.

However, in September 2019, the Solomon Islands and Kiribati switched diplomatic recognitions from Taipei to Beijing, despite an intense, high-level US campaign led by the National Security Council ([NSC](#)) to sustain stability in the Pacific Islands and Taiwan’s diplomacy. The ROC (Taiwan) has diplomatic ties with four Pacific Island nations: Marshall Islands, Nauru, Palau, and Tu-

valu (out of a total of 15 countries that recognize the ROC).

Taiwan's diplomacy overlaps with US priorities. The Compacts of Free Association (COFA) govern US links with the Marshall Islands, Micronesia, and Palau, or Freely Associated States ([FAS](#)). Taiwan re-established a representative office in the US territory of [Guam](#) in 2020.

Recommendations for Storytelling

This review concludes with six recommendations. [2]

1. Taiwan could more visibly and vocally promote its projects that help Pacific Island nations and evaluate the effectiveness of grassroots diplomacy. Taiwan has latent links to Polynesia.
2. Taiwan could consider whether to emulate this PILP to foster leadership capacities and grassroots diplomacy in another region.
3. Taiwan could improve how to tell its story, which is critical for strategic communication. Taiwan ought to be able to explain to participants and enhance support for Taiwan's situation. Taipei could increase public diplomacy to counter Beijing's divisive disinformation.
4. Taiwan could build on its reputation for inclusion of women in leadership by setting up a Women, Peace, and Security (WPS) program in the Ministry of National Defense (MND), including in the Reserve Force. For instance, INDOPACOM emphasizes its [WPS program](#).
5. Taiwan could encourage the Biden Administration to re-start the Trump Administration's high-level attention to Pacific Island nations.
6. Taiwan could highlight the PILP domestically to show Taiwanese their regional contributions.

But beyond telling Taiwanese people their international impact, the PILP indicates how their identity could break out of the conventional, constrained binary framework. The United States and other countries have struggled with whether to treat Taiwan merely as a sub-set of dealing with China or to treat Taiwan as a partner in its own right. Since Japan lost its rule over Taiwan (1895-1945), Japanese associations have faded

in Taiwan. Instead, Taiwanese have dealt with the divisive issue of whether to have a Taiwan-centric or Sino-centric identity. China's political warfare exploits this binary propaganda of so-called "unification" or "independence" to penetrate media narratives to define or distort Taiwan's status, fighting against Taiwan's story.

Nonetheless, Taiwan has a third historical, geographical identity. Taiwan also is a member of Pacific Island nations. In the Polynesian Triangle (an area marked by Hawaii, New Zealand, and Easter Island), people often refer to Taiwan. Scientists have identified Taiwan as the main origin of Polynesian ancestors. However, Taiwan does not reciprocate with such common linkages.

The main point: Taiwan has quietly but efficiently fostered leadership in Pacific Island nations, which is the key capacity to sustain shared values and interests in a free and open Indo-Pacific.

[1] Author's online interview with Gretchen Alther and Lori Concepcion, respectively, the PILP's Director and Program Officer, on August 24, 2021. This article draws in part from their remarks that are cited here and later.

[2] This author alone is responsible for these recommendations.

Mitigating the Trade-Off Risks of Taiwan's Over-Reliance on its Semiconductor Industry

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Taiwan's growing reliance on its semiconductor industry as an asset and international diplomatic tool is widely heralded by [strategists](#), [economists](#), and [business professionals](#) alike. Yet, the country's lack of export diversification, centralized prioritization of resources, and a sober expectation of long-term market dominance present a high-risk environment in which Taiwan is vulnerable to both endogenous and exogenous shocks. There are important trade-offs that policy makers should consider in their efforts to leverage Taiwan's semiconductor industry for international rec-

ognition.

For instance, Taiwan's extended drought in the first half of 2021 placed severe pressure on both local and national water supplies. Government regulators had to [incentivize farmers](#) to skip this growing season and even to halt irrigation altogether in order to divert water to neighboring chip manufacturing processes. The recent drought is but one example of Taiwan's economic vulnerabilities. However, several steps can be taken within the governmental and corporate policy spheres—such as resource regulations, international partnerships through the private sector, and expanded research and development—which would uphold the value of the crucial semiconductor industry while mitigating the risks associated with over-relying on it.

The Value of Taiwan's Semiconductor Industry

The importance of the semiconductor industry in Taiwan is now internationally recognized—and for good reasons. Taiwan Semiconductor Manufacturing Company (TSMC, 台灣積體電路製造股份有限公司) alone [manufactures 84 percent](#) of the world's most advanced chips. In many ways, the growth of companies such as TSMC demonstrates the well-deserved success of Taiwanese innovation. It is thus no surprise that policy makers, economists, and strategists have bought into the benefits of the chip industry as a tool for Taiwan's diplomacy—often arguing that this [success story](#) is an opportunity for international recognition and leverage. In recent months, as the [global chip shortage has strained the supply chain](#), Taiwanese companies have been in a unique position to fill the gap. For the first time, it seems, cooperation with Taiwan [is needed](#). Jeremy Huai-che Chiang, writing in a [previous issue](#) of the *Global Taiwan Brief*, even called the shortage a “rare diplomacy gain for Taiwan,” an instance in which the island could demonstrate its “industrial might.”

Taiwan's strengths as a technologically advanced export economy fit into the strategies of the [United States, Japan](#), and the [European Union](#) insofar as they provide crucial equipment and know-how to the global supply chain, and help achieve selective decoupling from China. More specifically, in an effort to reduce global economic dependence on China, the [United States is looking](#) instead to build partnerships with Taiwan and [protect its interests](#). The United States Innovation and

Competition Act of 2021, passed by the US Senate in early June, highlights several points of potential cooperation with Taiwan: these include democratic governance of technological development, investment in high technology research and development, and the formation of a digital technology trade alliance. [1] Why then should adjustments be made to such a seemingly advantageous environment?



Image: A farmer in Hsinchu, Taiwan walks across a dry field on his farm (March 2021). Amid a severe drought early this year, water usage for Taiwan's semiconductor industry was prioritized over irrigation for agriculture. (Image Source: [New York Times](#))

Long-Term Outcomes of Semiconductor Dependence

If there is a lesson to be learned from the water supply shock, it is that Taiwan should not solely depend on the semiconductor industry as a strategic diplomatic tool. Most related to the current situation is the domestic strain on natural resources. As an island, Taiwan is scarce in [land, labor, and usable water](#). As of 2019, TSMC alone [reported](#) using 10 percent of Hsinchu's water supply per day, and outsourced water in the midst of the drought in April 2021. Although the company has committed to various [environmentally conscious initiatives](#) to reduce waste and water usage—including the construction of water reclamation facilities—local supply shortages have resulted in a [decline of output](#) in other industries, particularly agriculture. When considering the impact of resource depletion, the effects

of scarcity on local prices, and narrowing of the market to rely particularly on manufacturing alone, the long-term outlook for defending against shocks is bleak. In Hsinchu alone—where [restrictions](#) were not only placed on chip hubs and farms but also on drinking water—other factors such as changes in population, chip demand, and climate could all severely affect the local and national economy.

The [lack of diversification](#) in Taiwan’s economy in itself presents several challenges. While it may be argued that Taiwan’s savvy in manufacturing is not [limited to chips](#), the extent to which other product sectors and companies are leveraged as [diplomatic tools](#) is incomparable. Taiwan is not the only player in this market, and as the United States and [Japan](#) continue to increase focus on research and development—as well as to create sophisticated ecosystems for semiconductor businesses—the market will become increasingly [competitive](#). While Taiwanese support and coordination will be valuable to an extent, there is also an incentive for the United States to “figure out which areas of the supply chain we want here [in the United States]” and to “develop our own capabilities,” according to the German Marshall Fund’s Bonnie Glaser. [2] Additionally, while the price of chips continues to rise and the market is caught in a shortage at present, the risk of [uncontrolled inflation in the future](#), combined with the costs of building foundries to reach supply-demand equilibrium, is particularly volatile. Undiversified economies [do not remain stable](#) amid such changes.

As an additional factor to consider, when calculating the possibility of an attack on Taiwan by China followed by control of its industries, there is [reason to predict](#) that its chip manufacturing capabilities would not be sustainable. As US-Taiwan Business Council President Rupert Hammond-Chambers argued during a Global Taiwan Institute [panel](#) on global chip supply chains, “We are not dealing with Chinese control over semiconductors, we are looking at taking it offline in a short period of time, which would have dramatic consequences.” Of course, in such circumstances, the state of Taiwan’s semiconductor industry would be of secondary importance. Nonetheless, considering that Taiwan’s vibrant semiconductor industry is not guaranteed to survive, economic diversification will serve as mitigation against such developments.

Risk Mitigation in Governmental and Corporate Policy

Taking into consideration the dynamic ecosystem in which Taiwan’s semiconductor industry exists as well as the value it currently holds for international engagements, while also taking heed of the risks associated with a lack of diversification in relation to resources, strategy, and export markets, there are several noteworthy policy options.

(1) Enforce regulations on resource usage.

Governmental regulations regarding resource allocation should include a combination of policies limiting their use, incentivizing measures such as the use of reclaimed water, and enforcing tradable water usage quotas. [3] While the agricultural sector [will adapt to the more limited availability of water](#) by necessity, such equilibriums are neither long-term, nor should they be reached through coercion. By adopting a set of standards that account for environmental impact and demand, as well as [increasing the value of water](#), areas such as Hsinchu will be able to avoid frequent destabilization and a future undiversified economy. Additionally, enforcing the use of [tradable quotas](#) will ensure an efficient market in which each party achieves either their desired output or receives proper compensation.

(2) Expand company-level partnerships abroad.

As of June 1 this year, [TSMC began construction](#) on a USD \$12 billion chip factory in Arizona, with plans to open for production in 2024. This project, however, remains one of the [few tangible international partnerships](#) at the company level within the Taiwanese semiconductor industry. Given the risks posed by domestic resource strains and possible exogenous geopolitical vulnerabilities, these types of partnerships will be crucial for the future of sustained Taiwanese dominance in the chip manufacturing field. Allowing operations to branch [beyond domestic borders](#) will not only diversify resource availability, create employment opportunities for Taiwanese nationals, and manifest a reliance on Taiwan’s technical know-how, but also mitigate the effects of exogenous shocks to the island.

(3) Provide tax incentives and grants for Taiwanese manufacturing abroad.

While company-led endeavors to forge these partnerships will most likely occur organically, it is important

to incentivize their development through [tax incentives](#), particularly those available abroad. Promoting the development of Taiwanese [manufacturing capabilities on US soil](#) or in partnership with US-based companies will help accomplish Taiwan's goals of risk mitigation; furthermore, for the United States government, it will also promote the goal of economic decoupling from China.

(4) Provide domestic incentives for research and development.

To address the increasing competition within the semiconductor industry, Taiwanese governmental agencies will need to further invest in research and development. [4] While the domestic market is [currently focused on manufacturing, diversifying its role in the supply chain](#) would buffer the industry against price changes, as well as broaden its appeal to international partners. In this regard, an incentive program that establishes a pipeline for Taiwanese students with more diverse degree backgrounds—and that includes more phases of the supply chain—would help in this effort, as well as slow [the rate](#) of Ph.D. students that do not return to Taiwan after receiving their degree. [5] Investment into the fields of software and [software-hardware integration](#) would help prepare the Taiwanese workforce for shifts in chip demands as well.

Conclusion

While the semiconductor industry in Taiwan has found its rightful place in the center of the global supply chain and international cooperation, overreliance on chips as a new source of political leverage has several potentially detrimental risks. Taiwanese governmental agencies and companies should diversify in order to mitigate shocks posed by strains on natural resources, changes in market competition, exogenous price and population changes, geopolitical factors, and a severe brain drain. To do so, restrictions should be placed on resource use, international partnerships should be made at a company level and encouraged through tax incentives, and domestic research programs must be expanded.

The main point: Encouraging over-reliance on its semiconductor industry as a diplomatic tool poses risks to Taiwan's relatively undiversified economy. These risks should be addressed through resource regulations,

international partnerships through the private sector, and expanded research and development.

[1] US Congress, Senate, United States Innovation and Competition Act of 2021, 117th Cong., 1st sess., 2021, S. 1260, subtitle C, sec. 3121.

[2] US Congress, Senate, Committee on Armed Services, *Hearing to Receive Testimony on the United States' Strategic Competition with China*, 117th Cong., 2021 (testimony of Bonnie Glaser), 41.

[3] Avril C. Horne, Erin L. O'Donnell, Adam J. Lock, David C. Adamson, Barry Hart, John Freebairn, "Environmental Water Efficiency: Maximizing Benefits and Minimizing Costs of Environmental Water Use and Management," *WIREs Water* 5, no. 4, 2018.

[4] Genda J. Hu, "Government-Industry Partnerships in Taiwan," in *Securing the Future: Regional and National Programs to Support the Semiconductor Industry* (Panel 4: The Taiwanese Approach), 2003, 151.

[5] Shirley L. Chang, "Causes of Brain Drain and Solutions: The Taiwan Experience," *Studies in Comparative International Development* 27, 27-43, 1992.