Fortnightly Review

By: Russell Hsiao

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Former Senior US Officials Call for Greater Clarity to Defend Taiwan

A growing number of former senior US officials are calling for the United States to shift away from its longstanding approach of strategic ambiguity on the question of whether to publicly commit to come to Taiwan’s defense in the event of a Chinese invasion of the island-democracy. The policy of strategic ambiguity was valuable and even necessary for dual deterrence in the Asia-Pacific theatre, especially in the decades immediately following World War II, with fledgling alliances and major power conflict knocking on many fronts. [1] The more recent calls for greater clarity—which were clearly vocalized at the Global Taiwan Institute’s annual symposium this year—have noticeably grown louder as great power competition again looms on the horizon. This sentiment is shared even among experts who have traditionally been more concerned about Beijing’s sensitivities, as increased tensions in the Taiwan Strait—reflected by the recent surge in People’s Liberation Army (PLA) exercises in and around the Strait—are destabilizing the delicate status quo that has preserved the peace since 1979. Indeed, at GTI’s annual symposium on September 15-16, several former senior US defense officials stated that they favored greater clarity regarding the US’ commitment to defend Taiwan.

Most notably at the symposium, former Assistant Secretary of Defense for Indo-Pacific Security Affairs Randall Schriver made a strong statement on the need for a shift in the US approach to the Taiwan Strait. Schriver, who currently serves as chairman of the Project 2049 Institute and recently participated in a US delegation led by Under Secretary of State Keith Krach to attend former President Lee Teng-hui’s (李登輝) memorial service on September 19, stated:
“We need to think about moving toward strategic clarity and tactical ambiguity. [...] What I mean by that and what we can continue to build out, the strategic clarity part, it is in our strategic interest for Taiwan’s continued existence, survival, and success. [...] It is against our interest for Taiwan to be absorbed into the “One-China” system as long as the CCP is in power and well beyond that. The tactical ambiguity would have to be preserved because we don’t want to forecast what we would do in a particular contingency.”

Lt. Gen. (ret.) Wallace Gregson, who served as the assistant secretary of defense during the Obama administration and is a member of GTI’s Advisory Board, supported Schriver’s views at the symposium, adding: “As we clarify what we stand for and what our position is [on Taiwan], we should be able to get other countries to come on board.”

Building on these statements, Elbridge Colby, the former deputy assistant secretary of defense for strategy and force development who played an instrumental role in drafting the latest National Defense Strategy, added during the symposium’s “Defense & Non-Military Coercion” panel:

“In terms of what to do about this [threat from China], this is one of the reasons I talk about Taiwan ad nauseam. Most people are tired of hearing me talk about it, but I think it is definitely one of the weak links in the chain, and because of the ambiguity issues, there is real question. When you’re in a situation where it’s going to be costly and there are questions about resolve we should be as strong as humanly possible. So I spend a lot of my time trying to persuade people that we should be clearer, if nothing else, to ourselves that we would defend Taiwan, because I think the worst situation, actually, is continuing ambiguity when the Chinese can actually do something about it.”

What is perhaps even more noteworthy than these public calls for greater clarity from longstanding supporters of a more robust US-Taiwan relationship is that they are being buttressed by prominent voices which have in the past sounded more conciliatory notes toward Beijing’s concerns. Indeed, in a Foreign Affairs piece written by Richard Haass and David Sacks of the Council on Foreign Relations, the two argued that: “The policy known as strategic ambiguity has [...] run its course. Ambiguity is unlikely to deter an increasingly assertive China with growing military capabilities. The time has come for the United States to introduce a policy of strategic clarity: one that makes explicit that the United States would respond to any Chinese use of force against Taiwan.” This represents a remarkably bold position for Haass, who served as the director of policy planning at the State Department during the first George W. Bush administration.

While the voices calling for greater clarity are indeed getting louder, the necessity of a clean and clear break from strategic ambiguity towards Taiwan is not shared by all experts and practitioners, even among supporters of a stronger US-Taiwan relationship. According to Abraham Denmark, who also served under the Obama administration as the deputy assistant secretary of defense, speaking at a recent Global Taiwan Institute virtual seminar:

“I can see the argument [for strategic clarity], but I don’t agree with it. I think that, broadly speaking, the decision to retain some degree of ambiguity about American commitments to the defense of Taiwan [...] is ultimately in our interest and actually in the interest of Taiwan. [...] I think it’s [strategic ambiguity] worked fairly well, in that use of force has not occurred, at least so far as we know China has to date been deterred, and the cross-Strait dynamic, although it’s certainly concerning, has been relatively stable.”

Sounding a reassuring note on US steadfast commitment to Taiwan’s defense while not explicitly affirming an unambiguous US pledge to come to Taiwan’s defense in the event of a Chinese attack, the Acting Assistant Secretary of Defense David Helvey reaffirmed his predecessor’s comments. However, he insisted that:

“We’ve been absolutely clear at the strategic level for quite some time. I think that clarity is manifested across [our] laws and policies. [...] The Taiwan Relations Act makes it absolutely clear our commitment to support Taiwan’s self-defense. [...] Having some degree of tactical ambiguity, whether it’s in terms of our operations and tim-
ings and our response, I think that ensures that we’re able to provide that type of decision space to the senior levels of our command. [...] It’s also important to maintain tactical ambiguity to preserve the prerogatives of our Congress, the prerogatives are laid out not only in the Taiwan Relations Act but also in our Constitution.”

As noted by Shirley Kan, who served as an analyst at the Congressional Research Service for over two decades and is also a member of GTI’s Advisory Board:

“The Taiwan Relations Act itself stipulates ambiguity so that we have clarity and flexibility as needed. But policy should adjust as conditions change. Nonetheless, a significant shift in our commitment to Taiwan’s self-defense should not be an isolated decision but should be part of a strategic policy review. [...] How will this story end? Whether it’s strategic ambiguity or strategic clarity, a strategy still needs an objective. What outcome do we seek with unity of effort within the US and with our allies? Do we have an objective for Taiwan?”

In 2000, then-President George W. Bush unequivocally stated that the United States would do “whatever it took to help Taiwan defend herself” in the event of attack by China. That remains the closest the United States has ever come to explicitly declaring that it would defend Taiwan in the event of an attack. At the time, an immediate crisis appeared to be on the horizon, as Beijing threatened Taiwan to prevent it from moving farther from its grasp following the island-nation’s first peaceful transfer of political power by a democratic election. As the PLA once again ratchets up the tensions to a troubling octave and concerns simmer over the possibility of a limited conflict in the Taiwan Strait, the calls for strategic clarity are once again getting louder and finding more receptive ears in Washington.

As Beijing intensifies its pressure campaign, there will be greater pressure and incentives for Washington to push back and rebalance the equilibrium in the Taiwan Strait. And as China appear to inch ever closer to the use the force to settle the Taiwan issue, the demand for greater clarity will grow ever stronger. As noted by Rep. Mike Gallagher (R-WI) at the GTI symposium: “My opinion is that strategic ambiguity no longer makes sense when you look at how the US has pursued extended deterrence across the globe. [...] I would say strategic certainty is the bedrock foundation built into Article 5 of our entire alliance system.”

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The main point: As China continues to ratchet up tensions in the Taiwan Strait, a growing number of former senior US officials are calling for the United States to shift away from its longstanding approach of strategic ambiguity on the question of whether to publicly commit to come to Taiwan’s defense in the event of a Chinese invasion of the island-democracy.


New Japanese Prime Minister’s Senior Defense Officials Are Taiwan-Friendly

Yoshihide Suga’s (菅義偉) rapid ascension as the successor to Shinzo Abe (安倍晋三), the longest-serving Japanese prime minister since WWII, sparked a media flurry about the low-profile politician who had quietly hovered around the center of political power for decades. Despite Suga’s position close to the center of power, not much is known about the views of the new prime minister, especially on foreign and defense policy, which were handled closely by Prime Minister
Abe. Yet, several newly appointed members of the new prime minister’s Cabinet reveal an interesting bent in the new prime minister’s preferences on foreign policy—especially on defense matters. Indeed, in addition to multiple holdovers from Abe’s administration, a couple of new faces in senior positions at the Ministry of Defense are known to be vocal supporters of stronger Japan-Taiwan relations. Indeed, it was announced on September 16 that Nobuo Kishi (岸信夫), a member of the House of Representatives in the Diet and the brother of former Prime Minister Abe, will be the defense minister in Suga’s Cabinet.

Following Abe’s unexpected announcement that he was resigning (again) due to health issues, questions were immediately raised about how a new prime minister would handle defense and foreign affairs. These inquiries intensified after Suga became the favorite, as he has had relatively few experiences in these matters. The selection of the new defense minister, a familiar face among Taiwan watchers who is outspoken in his support for strengthening security ties between Japan and Taiwan, may be intended to reassure those who were concerned about the continuation of the overall deepening of cooperation between the two countries that has taken place during the Abe administration over the last eight years.

Kishi, who had previously served as a senior foreign minister, is well-known for his support of stronger Japan-Taiwan ties. As a Diet member, he visited Taiwan numerous times as the unofficial but de facto envoy of the Abe administration. As noted earlier, Kishi, the younger brother of former Prime Minister Shinzo Abe as well as the grandson and grandnephew of two other prime ministers, is no ordinary politician. According to some analysts, he is considered a candidate for the prime minister’s office himself at some future point.

Additionally, Kishi serves as the head of the governing Liberal Democratic Party’s Japan-Taiwan Young Parliamentary Association on Economic Exchange. He has also reportedly been involved in advocating for the formulation of a domestic law that would serve as the basis for strengthening economic relations and personal exchanges with Taiwan, such as a “Japanese version of the United States’ Taiwan Relations Act (TRA)—a domestic law governing unofficial relations with Taiwan. While Kishi’s advocacy for strengthening Japan-Taiwan ties has been extensive, the ties between Kishi with President Tsai Ing-wen (蔡英文) are also quite deep. More recently, Kishi met with President Tsai on January 12 as one of the first delegations to meet the president following her landslide election victory on January 11, 2020. During Tsai’s tour of “Taiwan-Japan friendship” in 2015—before she was elected as president—Kishi, who was then still a member of Japan’s House of Councillors, hosted Tsai in Abe’s hometown in Yamaguchi prefecture. More relevant to his new role as defense minister, in an op-ed published in a Japanese political magazine in December 2019, Kishi called for a security dialogue between Taiwan, Japan, and the United States. Indeed, this statement echoes growing calls in the United States and Taiwan for such a dialogue among like-minded partners. Similarly, in 2005, Tokyo and Washington announced that stability across the Taiwan Strait was one of their “common strategic objectives” in a bilateral security consultative committee joint statement.

Notably, Kishi’s interest in stronger Japan-Taiwan relations has been reciprocated by Taiwan. In an interview with Sankei Shimbun back in March 2019, President Tsai indicated her administration’s desire to hold security dialogues with Japan. In the interview, she emphasized that “Taiwan and Japan are confronted with the same threats in the East Asian region [...] it is vital that talks be raised to the level of security cooperation.” “Prime Minister [Shinzo] Abe has been extremely friendly with Taiwan, and, after his inauguration, has made dramatic decisions [for Japan-Taiwan relations]. For the next step, it is necessary to strengthen our security discussions,” she added.

In May 2019, a group of former officials from the United States, Japan, and Taiwan gathered in Tokyo and issued a joint declaration calling for an enhancement of US-Japan-Taiwan ties. The joint statement called for the enactment of six specific measures to help enhance the security of Taiwan and address regional security concerns. These measures were: 1) approve the participation of Taiwan in US-Japan co-hosted regional humanitarian maritime security exercises; 2) commence an official security dialogue between Japan and Taiwan; 3) initiate an official security dialogue between Japan, the United States, and Taiwan; 4) for Japan to
enact a “Basic Act on Exchange between Japan and Taiwan”; 5) for Japan to enact legislation for agreements and memoranda of understanding (MOUs) with Japan and the United States in Taiwan; and 6) establish policies, mechanisms, and resources to counter malign influence operations initiated by the PRC designed to undermine the Japan-US security alliance and the democracy and freedom of Taiwan.

Notwithstanding the significance, if only symbolic, of Kishi’s appointment as the new defense minister, his selection is buoyed by the fact that the new vice minister—reportedly Yasuhide Nakayama (中山 泰秀)—is also known to be a Taiwan-friendly pick. Nakayama accompanied former Prime Minister Yoshiro Mori during the latter’s first visit last month to pay respects to former President Lee Teng-hui. Nakayama previously served as State Minister for Foreign Affairs in the Japanese cabinet and was appointed to be the Chairman of the Foreign Affairs Committee after the snap elections in October 2017.

It is perhaps important to point out that cabinet ministers are relatively weak in the Japanese political system, so it remains to be seen to what extent Kishi—as well as Nakayama—will be able to put his long-held beliefs into practice and cut through the entrenched bureaucracy to truly deepen Japan-Taiwan ties that he has advocated strongly for in his roles outside of the executive branch. Former Prime Minister Abe has indicated that he hoped to help the new prime minister, especially in areas of foreign policy. Abe’s involvement may help to bolster Kishi’s standing and push back against the pro-China LDP powerbroker Toshihiro Nikai (二階俊博), who may seek to curtail improvements in Japan-Taiwan ties for concerns over angering China.

Interestingly, Nikai recently revealed that had Chinese Communist Party General Secretary Xi Jinping (習近平) been able to visit Japan as originally scheduled this April, the two sides would have signed a major “fifth political document,” according to the Asahi Shimbun. “We were supposed to establish our intention for ‘co-creation’ to achieve world peace and prosperity led by Japan and China together,” Nikai reportedly stated.

For now, those plans seem to be on hold. Abe is known to be a strong supporter of Taiwan and seen as a bulwark against any bureaucratic tendency to lean towards China and his sudden departure is a concern for those hoping to see further improvements in Japan-Taiwan ties. Yet, any hopes for an immediate realignment of Japan’s foreign policy closer to China’s in Abe’s absence would seemingly, at least on the surface, be met with internal opposition in the new Cabinet to Beijing’s ultimate conditions that Tokyo forsake its friends in Taipei.

**The main point:** The recent appointments in Japanese Prime Minister Suga’s cabinet for defense bode well for Taiwan. However, cabinet ministers are relatively weak in the Japanese political system and it remains to be seen how much effect this would have on Japan’s policy towards Taiwan.

**Transborder Linkages Reinforce Identity Formation in Hong Kong and Taiwan**

*By: I-wei Jennifer Chang*

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At a joint media appearance last month with US Health and Human Services Secretary Alex Azar in Taipei, Taiwan’s Foreign Minister Joseph Wu (吳釗燮) stated, “Our life has become increasingly difficult as China continues to pressure Taiwan into accepting its political conditions, conditions that will turn Taiwan into the next Hong Kong.” Wu’s linkage of developments in Hong Kong and Taiwan is an overriding theme bridging two parallel social movements that have mutually reinforcing demonstration effects. Recent developments in Hong Kong, including China’s passage of a national security law for the territory and the postponement of the city’s legislative elections, initially slated for this month, have heightened people’s concerns about Hong Kong’s rapidly deteriorating autonomy and democratic freedoms and its implications for Taiwan.

Taiwan is closely watching the developments in Hong Kong. While Hong Kong’s civil society is resisting “mainlandization,” Taiwan is resisting Beijing’s “Hong Kongization” (香港化) of the island’s politics, economy, and society. Both places are experiencing social movements and identity formation that will continue...
to affect Taiwan-Hong Kong-China relations over the long run. Moreover, enhanced transborder linkages and communication between social activists in Hong Kong and Taiwan have created spaces for information sharing, learning, and reinforcing political and social solidarity.

**Social Movements in Hong Kong and Taiwan**

Recent protest activism that has come to shape social movements and identity formation in Hong Kong and Taiwan includes the Sunflower Movement (太陽花學運) and Umbrella Movement (雨傘運動) in 2014 and the anti-extradition bill (反中送) protests that began in 2019. To be sure, social movements are not reducible to individual protest rallies and anti-government demonstrations. [1] Social movements represent the broader, contentious confrontations involving a group of disenfranchised and disaffected people who continuously challenge political elites, usually through extra-institutional means. [2]

Young people have emerged at the forefront of social movements in both Hong Kong and Taiwan. The younger generation of social activists, who grew up utilizing social media and technology and are more likely to embrace a distinctively Hong Kong or Taiwanese identity, have voiced their grievances on a range of economic, political, social justice, and environmental issues. [3] Young people in Taiwan and Hong Kong also have another pressing reason to join protests: they face dimmer economic prospects compared to previous generations, including a challenging job market, stagnant wages, and widening socioeconomic inequality. Joshua Wong (黃之鋒) and Lester Shum (岑敖暉), two young leaders of the Umbrella Movement, have made a name for themselves in Hong Kong’s pro-democracy movement. Likewise, Lin Fei-fan (林飛帆) and Chen Wei-ting (陳為廷) became the most visible student leaders of the Sunflower Movement, which resulted in a temporary occupation of Taiwan’s Legislative Yuan in 2014. The Sunflower Movement broke a prevalent stereotype of Taiwanese youth as part of the soft, unmotivated, and apolitical “strawberry generation” (草莓族).

**Identity Formation**

The two parallel social movements in Hong Kong and Taiwan are intimately tied to local identity formation. Social activists were motivated to resist perceived Chinese political and cultural assimilation, or what has been termed the “mainlandization” of Hong Kong and, by extension, the “Hong Kongization of Taiwan.” [4] Thus, Beijing’s heavy-handed actions vis-à-vis Hong Kong and Taiwan have been a key driver of social activism and identity politics in those two places, though to a greater extent in Hong Kong. While Taiwan’s social movements tended to involve more domestic issues, Hong Kong’s social movement was inherently China-focused, given its governance model under “one country, two systems.” [5]

Despite Taiwan and Hong Kong’s substantial economic integration with China, local identity formation has continued to strengthen in both places. [6] The Chinese economic lure has failed to win the hearts and minds of the general public, especially among the youth in Hong Kong and Taiwan. Conversely, it has created the unintended opposite effect of igniting concerns in Hong Kong and Taiwan about the costs of economic engagement with China, which planted the seeds for the Sunflower and Umbrella Movements.

To be more precise, social movements and identity development are two mutually reinforcing processes. That is, strong identification with a distinct Hong Kong and Taiwanese identity, particularly when it is perceived to be under threat from Beijing, may spur activists to join such movements. Meanwhile, the experience of participating in anti-China protests, including engagement with other like-minded activists that share similar indigenous identities, can reinforce and further strengthen self-identification with Hong Kong or Taiwan. For involved individuals, the end result is moving farther away from viewing themselves as exclusively Chinese, if at all.

**Transborder Linkages**

Social activists in Hong Kong and Taiwan have found common cause as both sides seek to resist China’s multifaceted pressure campaigns. Through the creation of civil society and organizational networks, such as the New School of Democracy (華人民主書院) in 2011—founded by Chinese democracy activist Wang Dan (王丹) in Taipei—Hong Kong and Taiwanese activists not only shared information and movement tactics, but also created linkages between their two respective so-
cial movements. Taiwanese students have shown support for Hong Kong’s pro-democracy movement, as seen with the creation of Lennon Walls (連儂牆) across universities in Taiwan in response to the anti-extradition bill protests in 2019.

Hong Kong pro-democracy activists have frequently visited Taiwan in recent years to build relationships and exchange ideas. For instance, Eddie Chu (朱凱廸), Lester Shum, and Joshua Wong visited Taiwan in September 2019 and met with Sunflower Movement leader Lin Fei-fan, who had recently become Deputy Secretary-General of the Democratic Progressive Party (DPP). “I hope people can brainstorm together on how to win this war against Beijing’s white terror and authoritarian rule,” said Shum. A delegation of Hong Kong district councillors also visited Taiwan to observe the island’s January 2020 presidential and legislative elections. “We want to learn and gain more experience, to help Hong Kong people as they struggle on their democratic road in the future,” said Raymond Tang (鄧威文), a district councillor who was part of the delegation. Hong Kong activists have also appealed to Taiwan’s government to set up a mechanism to offer shelter to Hong Kong protesters who face intense pressure from Beijing. According to National Taiwan University professor Ming-sho Ho, who spoke at a recent virtual seminar hosted by the Global Taiwan Institute, Taiwan has become an overseas base for Hong Kong’s pro-democracy activists.

**Post-Sunflower Movement Era**

Taiwan’s Sunflower Movement, though it lasted for only one month, was a watershed moment in the island’s domestic politics. The Sunflower Movement has changed the island’s political landscape and arguably continues to shape political activism, particularly among Taiwanese youth. Many young former Sunflower Movement activists later joined Tsai Ing-wen’s (蔡英文) presidential campaign for the 2016 election and subsequently entered the government. Several new political parties known as the “Third Force” (第三勢力)—as distinguished from the two major political parties the DPP and Kuomintang (KMT)—also emerged from the youth activism of the Sunflower Movement. These third parties include the New Power Party (NPP, 時代力量) formed by now-independent legislator Freddy Lim (林昶佐), the Social Democratic Party (SDP, 社會民主黨), and the Taiwan Statebuilding Party (TSP, 台灣基進黨, formerly known as Taiwan Radical Wings 基進側翼). In the 2016 elections, only the NPP (among the “Third Force” parties) won seats in the Legislative Yuan. Additionally, the TSP gained one seat on the Taipei City Council with the election of Miao Poya (苗博雅) in the 2018 local election. In the 2020 legislative election, the NPP won three seats, while the TSP won one seat. Taiwan is a testament to the notion that social movements can engender political change and can turn protest activism into electoral and institutional participation.

Going forward, current anti-China social movements in Hong Kong and Taiwan will continue to fuel tensions in these two places with Beijing. As the Chinese government continues to deny democratic rights to the people of Hong Kong and exert various forms of pressure on Taiwan, the indigenization of identity in both places is likely to rise accordingly. These strengthened local identities, coupled with past movement experiences and growing organizational networks, will only facilitate the emergence of new protests and confrontations with Beijing in the future. Enhanced transborder ties between activists in Taiwan and Hong Kong, who are tied together by a common cause, can serve to provide external political solidarity and psychological support to overcome a formidable adversary.

**The main point:** Hong Kong and Taiwan’s social movements have emerged in response to the need to protect local identities and political freedoms from rising Chinese control and influence. Social activists in both places have formed a transnational network of support and political solidarity against a common adversary.

[2] Ibid.
[5] Ibid., p.68.
Beijing’s Anti-Taiwan Propaganda Goes into Overdrive

By: J. Michael Cole

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Besides a marked uptick in activity by the People’s Liberation Army (PLA) around Taiwan in recent months, Beijing has also been increasing pressure on Taipei with a new round of propaganda, which has compounded regional tensions.

In addition to reporting and editorials seeking to undermine morale among the Taiwanese and “warn” Taipei of Beijing’s ostensible preparations for a military assault (see my previous Global Taiwan Brief, “Propaganda Drives “Massive” PLA Exercises in the Taiwan Strait”), the Chinese Communist Party (CCP) now appears to be utilizing disinformation to make the case for the use of force against Taiwan.

Most recently, aircraft spotter Golf9 (the account owner limits who can view their posts) alleged on Twitter that they had uncovered tracking information, which demonstrated that a US EP-3 ARIES II reconnaissance aircraft had flown over Taiwan’s airspace, leading to speculation that the aircraft may have landed and taken off from an airbase in Taiwan. Around the same time, in an August 14 post, the South China Sea Probing Initiative (SCSPI, 南海战略态势感知计划) alleged on its Twitter account that a US Navy EP-3 had “entered Taiwan’s airspace.”

Days later, the Chinese- and English-language editions of the Global Times picked up the alleged EP-3 incursions. Citing the SCSPI discovery, the paper referred to “the abnormal path of a US Navy EP-3E reconnaissance aircraft, which was suspected of taking off from Taiwan island.” It then warned: “If the island has made arrangements of take-offs and landings of US military jets, it is crossing the Chinese mainland’s [sic] redline to safeguard national unity. This will be very serious. If the mainland has conclusive evidence, it can destroy the relevant airport in the island and the US military aircraft that land there—a war in the Taiwan Straits will thus begin.” Following this, it added:

“We suggest Beijing officially declare the “airspace” over the Taiwan island as a patrol area of the People’s Liberation Army (PLA). The PLA’s reconnaissance aircraft and fighter jets will perform missions over Taiwan island. These military aircraft could declare sovereignty, and could check whether there are US military planes landing at Taiwan’s airports or US warships docking at the island’s ports. If the island’s military dares to fire the first shot at the PLA’s aircraft, it will mean provocation of a war, and the PLA should immediately destroy Taiwan’s military forces and achieve reunification through military means.”

Days later, Taiwan’s Ministry of National Defense categorically denied the claims by the SCSPI and other accounts.

Although it may look legitimate, the SCSPI upon whose information the Global Times relied on to issue its threats is in reality an initiative linked to Peking University’s (PKU) Institute of Ocean Research (IOR, 北京大学海洋研究院). The director of the SCSPI is Hu Bo (胡波), who is also director of the Center for Maritime Security Studies and research professor at the IOR. A substantial portion of the posts on the SCSPI website and Twitter account (the latter neither indicates its affiliation with PKU nor states that it is Beijing-based) provides systematic support for Beijing’s territorial claims over the South China Sea and Taiwan, while depicting increased US military activity in the region as intrusive and destabilizing. One of the board members of the SCSPI—which was inaugurated in April 2019—is Wu Shicun (吳士存), president of the National Institute for South China Sea Studies (NISCSS, 中国南海研究院), based in Hainan Province. Like the SCSPI, the NISCSS has served as a platform to support Beijing’s territorial claims and in recent years has succeeded in attracting a number of foreign academics (including Taiwanese) who, like their Chinese counterparts, have often echoed Beijing’s official position on its territorial disputes. In recent months, various international media outlets have quoted or cited (see also here) “research” and posts by the SCSPI. (Although not all claims by the SCSPI are disingenuous, reliance on its information by
international media can help to legitimize disinformation.

In early September, social media was abuzz when claims emerged that a PLA aircraft (reportedly a Su-35) had been shot down by a Taiwanese air defense system after it intruded into the Taiwan Strait and the South China Sea. Once again, the rumors compelled Taiwan’s Ministry of National Defense to rebuke the claims as “fake news” and a “malicious act.” Rumors of the shoot-down spread once more, this time on open-source intelligence (OSINT) Twitter accounts in India, which has engaged in deadly military clashes with the PLA along its border this year. The origin of the initial post has yet to be conclusively ascertained.

The conjunction of such disinformation and state-sanctioned editorials in Chinese media has contributed to an escalation of tensions in the Taiwan Strait while exacerbating the Chinese ultra-nationalist view that external “provocations” must be met with force. In a highly charged atmosphere, imagery disinformation runs and fire-and-brimstone editorials contribute to an environment in which miscalculation and accidents become likelier. The harsh rhetoric also risks making de-escalation all the more complicated.

Beijing’s threatening posture also became more beligerent on September 18 and 19, with several intrusions by PLAAF aircraft into Taiwan’s ADIZ and several crossings into the tacit median line in the Taiwan Strait. During one encounter between a ROCAF pilot and a Chinese challenger, the latter told over radio that “there is no median line in the Taiwan Strait.” The incidents coincided with a visit to Taiwan by Keith Krach, the Under Secretary of State for Economic Growth, Energy, and the Environment. After years of “respecting” the center line—with the exception of an intrusion in late March 2019—Beijing, though its actions, now appears to have obviated a tool which, though unofficial, reduced the risks of collisions and miscommunication in the Taiwan Strait. If sustained in future, such intrusions could be used to exacerbate Taiwan’s sense of embattlement while helping to create the impression that the Tsai administration is incapable of preventing the PLA violating Taiwan’s territory.

Beijing has not limited its propaganda campaign to efforts to compound the psychological effects of its increased military activity near Taiwan. Commenting on plans by the opposition Kuomintang (KMT) to send former Legislative Speaker Wang Jin-pyng (王金平) as the lead representative to the Straits Forum (海峽論壇) in Xiamen, China—scheduled for September 19—state-run broadcaster CCTV in a current affairs show soon after the segment aired, the KMT said it was considering boycotting the forum unless CCTV apologized. Describing the segment as “unacceptable,” KMT Chairman Johnny Chiang (江啟臣) stated his party’s desire for dialogue with Beijing should not be construed as “suing for peace.” As no apology was received from CCTV, the KMT cancelled the Wang delegation. Plans for KMT officials to attend the forum as “private citizens,” including former interim party chairman Lin Rong-te (林榮德), were also scuttled. Pro-unification New Party Chairman Wu Cheng-dean (吳成典) and People First Party adviser Li Jian-nan (黎建南) attended the forum, as well as representatives from the business sector. In a news report, state-run Xinhua claimed that “nearly 2,000 compatriots” were attending this year’s forum, a number that is likely overinflated.

While the gambit has backfired in Taiwan and resulted in the cancellation of Wang’s visit, for a domestic audience in China it may have served to demonstrate that the CCP’s coercive strategy has proven beneficial and that Taipei is now begging to negotiate. The same could be said of the ostensible online reaction of Chinese netizens to the aforementioned comment by a PLA pilot that “there is no median line.” The CCTV “incident” may therefore also have been intended as a means to put pressure on Chiang, who is regarded by many elder KMT stalwarts and Beijing as too moderate, and too keen on reforming the party, for their liking. The KMT’s decision to boycott the forum could mean that more conservative forces within the blue camp—including the Huang Fu Hsing (黃復興) faction, which recently expelled one of its members, reportedly for remarking that it was “treasonous” for the faction’s top chief to say that he would rather Taiwan be taken over by the CCP than for the DPP to be re-elected in 2024—could conspire to sabotage Chiang’s chances of securing his hold on the party chairmanship next year. Optimally for Beijing, a more pliable party chairman who is more amenable to working with the CCP would replace Chiang next year. Among the potential candidates for party leadership is former presidential candidate Han Kuo-
yu (韓國瑜), who has received the solid backing of the Huang Fu Hsing and other conservative factions within the blue camp.

Besides causing frictions within the KMT and potentially undermining Chiang’s ability to control his party, the CCTV incident could also aim to increase polarization within Taiwanese society by depicting the Tsai Ing-wen (蔡英文) administration’s supposed refusal to engage in dialogue with Beijing (due to its “obstinacy” in not recognizing the so-called “1992 Consensus”) as the principal reason for heightened tensions in the Taiwan Strait. On September 13, Xavier Chang (張惇涵), a spokesman for the Presidential Office, urged the KMT to “uphold national dignity” and refrain from participating in the forum in Xiamen.

The main point: Beijing is ramping up its propaganda on the military and political fronts to create an atmosphere of crisis while trying to further polarize Taiwanese society. Besides the usual victims, the current KMT chairman could also be a target of the CCP.

A Political Analysis of Taiwanese Perceptions of Hong Kong Protests

By: Timothy S. Rich and Isabel Eliassen

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Even in the midst of a pandemic, Hong Kong activists have managed to organize dozens of protests against harsh new laws and regulations imposed by Beijing this year. China’s heavy-handed approach to suppressing the fundamental rights of the people in Hong Kong has promoted democratic sympathies in Taiwan. At the same time, the Hong Kong public since at least 2014 has become more supportive of Taiwan, including Taiwanese independence. The Taiwanese public has clearly taken notice of the Hong Kong people’s fight to preserve their rights, identifying common democratic values. Recently released nationally representative survey data covering January through May 2020 from the Taiwan Election and Democratization Study (TEDS) shows that while a clear majority within Taiwan view the protests in a positive light, partisan identification continues to influence views. In the TEDS survey, 1,680 Taiwanese were asked the following: “In response to the mass protests against the extradition bill in Hong Kong that began last summer, some people consider that as Hong Kong people’s fight for democracy, while others think that as a violation of social order. What do you think about the protests in Hong Kong?” A deeper
look into the data reveal interesting differences in how political orientation shapes Taiwanese views toward Hong Kong.

The outpour of sympathy within Taiwan towards the plight of their neighbor are reflected in the public debate about the appropriate measures to assist those fleeing Hong Kong. The Tsai administration may have attempted a delicate balancing act of providing moral support to Hong Kong protesters and encouraging some quietly to make their way to Taiwan, without addressing the underlying difficulties involved with welcoming arrivals, such as the lack of a refugee law, or the potential ramifications of further souring cross-Strait relations. However, this tells us little about what the Taiwanese public thinks of the current protests. Previous work suggests broad sympathy for Hong Kong protesters among the public, perhaps in part due to seeing Hong Kong’s fate as a harbinger of Taiwan’s own future if unification were to occur. In the lead-up to Taiwan’s national elections in January 2020, Hong Kong was also a frequent point of discussion, although its impact on Tsai’s rising approval rates at the time should not be overestimated.

The figure below shows that an overwhelming majority (79.48 percent) views the protests as a fight for democracy. However, a stark partisan divide is evident between the two largest parties, with almost all Democratic Progressive Party (DPP) supporters (94.47 percent) perceiving the protests in democratic terms, compared to only a slight majority of Kuomintang (KMT) supporters (50.80 percent) sharing the sentiment. KMT supporters’ views of the protests as a fight for democracy are also far lower than that of the three smaller parties that had at least ten respondents in the survey: the Taiwan Statebuilding Party (100 percent), the New Power Party (96.92 percent) and the Taiwan People’s Party (87.37 percent). The KMT’s views of the protests as a fight for democracy also contrast with those supportive of unification (only 9.82 percent of all respondents) largely viewed the protests as a violation of social order (62.59 percent), with slightly lower rates among the 4.04 percent of respondents that only identified as Chinese (56.67 percent). In contrast, over 90 percent of those in favor of independence (38.37 percent of respondents) or those who identify as just Taiwanese (64.44 percent) viewed the protests as a fight for democracy.

Additional statistical analysis further indicates that the KMT divergence endures even after controlling for future status and identity, as well as other demographic factors (age, gender, income, education, and father’s ethnicity).

Still, that the KMT was so divided on this topic indicates that even among nominally pro-China, pro-unification Taiwanese, uncertainty as to how to view China’s actions persists. This may stem from the difficulties of
spinning China’s response to the protests in a way that portrays China favorably, concerns about worsening cross-Strait relations, or tacit acknowledgement of claims by the DPP and others that Taiwan would find itself in a similar situation after unification.

Shifts in political identity towards Taiwanese and support for independence—factors that both benefit the DPP electorally—will also likely continue to shape Taiwanese views of Hong Kong and its relations with China. Even if the Tsai administration struggles to address asylum seekers, China’s actions increasingly push Hongkongers and Taiwanese to see commonalities and build networks between a people desiring democratic reforms and a people who a generation ago led their own country’s democratization. Together, these phenomena undermine China’s goals of unification. Perhaps ironically, as the Taiwanese population identifies less with China, it identifies more with the plight of another territory claimed by China that wishes to distance itself from Beijing.

Admittedly, this survey work cannot elucidate the deeper commitment Taiwanese may have to Hong Kong protesters and perceived commonalities despite limited personal contact with Hongkongers. After all, viewing the protesters favorably is a relatively low-cost endeavor, especially compared to the thornier issues of accepting more Hong Kong asylum seekers or supporting actions that could further worsen relations with China and lead to more aggressive actions by Beijing. For instance, China placed limits on certain types of tourism from China to Taiwan during President Tsai Ing-wen’s first term, in part due to her support for Hong Kong protests. It is conceivable that China would intensify such policies if the Tsai administration more openly accepted Hong Kong asylum seekers or took more explicit actions to support protesters.

Meanwhile, the KMT’s policies towards Hong Kong remain ambiguous, as the party cautiously attempts to improve cross-strait relations and hold hope for eventual unification while also not appearing to oppose democratic sentiment among Hong Kong protesters. For example, the party, in denouncing the recent security law, has repeatedly referenced China’s “one country, two systems” formula and the lack of autonomy promised under the arrangement. Among KMT supporters, enduring unification sentiment as well as generational differences may partially explain divergent support for protesters compared to DPP supporters. That most KMT supporters would be aware of President Tsai’s and the DPP’s support for protesters may also contribute to a reluctance to follow suit.

The findings that Taiwanese largely view the protests as a fight for democracy are consistent with the views of the governments and publics in many other democracies. However, besides democratic solidarity, this view, seemingly shared by the Tsai administration, potentially aids Taiwan’s own efforts to avoid Hong Kong’s fate. The United States has spoken out against the violence used against the protesters in Hong Kong and rescinded its special trade status, indirectly punishing China for overstepping, while the US Secretary of Health and Human Services visited Taiwan last month. Taiwan has the potential to further cement growing ties with the US and unofficial relations with other democracies in the region by highlighting its role on the front line for democratic ideals by providing assistance to Hong Kong asylum seekers.

The main point: Even as the COVID-19 pandemic continues to ravage much of the world, activists in Hong Kong have continued their fight for democracy and autonomy. Recent survey data shows that support for these protests in Taiwan has only increased, suggesting growing ties between the two places.

The Historic Czech Delegation to Taiwan: When a Small Democracy Stands up to China’s Intimidation

By: Katherine Schultz

Katherine Schultz is a research associate at the Global Taiwan Institute. This article is a the first of a two-part series on the Czech official visit to Taiwan.

At the beginning of September, a Czech delegation consisting of 89 members, including the Senate President, the Mayor of Prague, parliamentarians, entrepreneurs, and educators embarked on an official visit to Taiwan. The delegation, dubbed “historic” by Taiwan officials and observers for its high-profile participants and sym-
bolic significance, came at a time when many countries are becoming increasingly wary of the China's coercive and malign practices in the international arena. The visit enjoyed wide international attention—not only because the delegation was led by Czech Senate President Miloš Vystrčil, the second-highest ranking official after President Miloš Zeman—but also for the threats that the People’s Republic of China (PRC) diplomats publicly directed against Vystrčil. The visit appears to be reflective of a fundamental shift in perceptions within the Czech Republic—and perhaps more broadly in Europe—towards China and Taiwan. The first part of this series outlines the events leading up to the visit as well as the delegation's accomplishments, while the second part will discuss European solidarity with the Czech Republic during the visit and its larger implications.

**Counterproductive Chinese Intimidation Tactics in Prague**

Czech Senate President Vystrčil’s decision to lead a delegation to Taiwan was preceded by a very turbulent period in Czech-China relations. Following Chinese dismissal of Prague Mayor Zdeněk Hřib’s request to remove a “One-China” clause from a Prague-Beijing sister-city agreement, the mayor terminated the partnership in October 2019 and instead established sister-city ties with Taipei. Around the same time, the Chinese Embassy in Prague expressed outrage when then-Senate President Jaroslav Kubera attended a Taiwanese Double Ten reception in Prague. That fall, multiple controversies pertaining to Chinese influence in Prague—described in a past *Global Taiwan Brief*—came to light.

However, it wasn’t until early 2020 that the Czechs fully realized the lengths to which Chinese diplomats are willing to go to in order to bar another country’s development of ties with Taiwan. After then-Senate President Kubera announced his plans to make an official visit to Taiwan, intimidation by the Chinese embassy intensified significantly. In meetings with Chinese diplomats and at an event hosted by President Zeman—a long-time promoter of cooperation with China—Kubera was repeatedly pressured to reconsider the visit. The Senate president was later given a letter from the PRC embassy threatening retaliation against Czech businesses should he follow through. Tragically, Kubera never realized the visit—he died of heart attack in late January 2020. Kubera’s family blames his death on the pressure exerted by the Chinese embassy.

Miloš Vystrčil was elected Senate president in February, and despite continued pressure from Chinese embassy, he announced in June that he would proceed with the visit in honor of his predecessor Kubera. Vystrčil explained that he waited four months for an adequate public investigation and response by Czech officials to the threatening letter given to Kubera. Instead, he found that the Czech Republic was heavily dependent and subservient to China, and that there was no will among Czech politicians to free the country of this reliance. Vystrčil added that he also waited for the PRC to make a gesture indicating remorse over the incident and apologize, but to no avail. Instead, he experienced continued pressure from Chinese diplomats and came to the conclusion that China expected obedience from the Czechs, not a mutually beneficial and equal partnership. The delegation to Taiwan would help to demonstrate that the Czech Republic is a sovereign, independent, and democratic state, while simultaneously bolstering cooperation with a partner—in this case Taiwan—on equal footing.

This notion of standing up to Chinese intimidation was echoed by many other members of the delegation as well. For instance, Senator (and Senate Vice-President) Jiří Růžička explained to this author:

“For a man of my generation who has spent most of his life under a communist regime, it is very important to show that [...] we will not kowtow to anyone. The Czech Republic is a sovereign state built on democratic principles, which I try to defend not only as a senator, but also as a citizen. Taiwan and the Czech Republic have a lot of similar experiences in their history with authoritarian and totalitarian systems, so to me, the support of a democratic Taiwan is only natural.” [1]

Another member of the delegation also pointed out that there had been numerous visits to Taiwan by members of the Czech Senate in the past, and that it was because of China’s impertinence that the Senate president “had no other option but to make the visit in order to maintain his dignity.” Ironically, he concluded, Taiwan can thank Beijing for the realization of the visit
The Czech Republic is a multi-party democracy; therefore, it is no surprise that opinions on the visit varied widely. President Zeman and his supporters resolutely opposed the plans, while the majority of high-ranking politicians, including the prime minister and foreign minister, urged caution and advised against upsetting China. Meanwhile, many opposition politicians welcomed the return of a values-based parliamentary foreign policy, in line with the tradition of promoting democratic values and human rights, tracing back to the legacy of Václav Havel. Although the visit was opposed by the president, prime minister, and other political figures, it was supported by the Senate majority. [2] Senate President Miloš Vystrčil told this author in an interview that he also appreciated the hundreds of supportive emails and messages he received from the Czech people and underscored that the visit did not violate the “One-China Policy” as it is interpreted by the Czech Republic. [3]

Coincidentally, only 3 weeks before the visit, US Secretary of State Mike Pompeo delivered a speech at the Czech Senate during his Central European tour. Pompeo explicitly lauded the legislator’s decision to visit Taiwan and declared that “the United States will stand by the Czechs” in the face of China’s growing influence and threats. Then, only days before the visit, a joint statement signed on August 25 by 70 leaders from the European Parliament, the United States, Canada, and Australia condemned China’s pressure on the Czech Senate leader and backed the delegation. In a similar sign of support, Assistant Secretary of State for the Bureau of East Asian and Pacific Affairs David Stilwell argued at a Heritage Foundation event on August 31 that the visit was a “very reasonable interaction” given Taiwan’s success with handling the coronavirus.

**The Delegation’s Visit in Taiwan and its Achievements**

The goals of the visit—all of which were accomplished, according to the Senate President Vystrčil—were threefold: to search for business opportunities (particularly by connecting Czech and Taiwanese small and mid-sized enterprises) and expand research and development cooperation; to send a signal that the Czech Republic is a sovereign, independent country which conducts its parliamentary diplomacy as it sees fit; and to promote cooperation with a fellow democracy. The Senate President said he believes that democracies should cooperate and mutually reinforce the values they stand for, and that in his view, promotion of democracy only within the borders of one’s country is not sufficient. “We must also support democracy and freedom outside our borders, and that is what we did,” Vystrčil said. [4]

The 6-day visit—from August 30 to September 5—was described by the delegation’s members to this author as very productive and fruitful. [5] The delegation met with high-level Taiwanese representatives, including President Tsai Ing-wen (蔡英文) and Prime Minister Su Tseng-chang (蘇貞昌), signed MOUs on smart city and AI cooperation at a trade and investment forum, as well as on collaboration between numerous academic and research institutions, among many other accomplishments. The delegation also reported that 280 business meetings took place over the course of 150 hours spent on the island, and that some investment opportunities discussed by delegation members are already reaching the late stages of negotiations. Delegation members particularly appreciated that many of the discussed investment opportunities are to move entire production operations to the Czech Republic and that they are largely based in areas of innovation and high-added value industries—fields which can boost and transform the Czech economy. Finally, the delegation also learned from Taiwan's handling of the coronavirus, most notably its smart quarantine, the production of protective equipment, and the government’s communication with the public. [6]

Prague Mayor Hřib, who joined the delegation to further bolster Prague-Taipei ties, told the author that the visit confirmed that Taipei is a “reliable partner” and highlighted the planned direct flight connection between Prague and Taipei, Taiwan’s pledge to send a pair of pangolins to Prague Zoo, a donation of 100,000 face masks, the possibility of establishing a branch of Taiwan Cooperative Bank in the Czech Republic, and cultural and educational exchanges as key accomplishments of the visit. [7] Senate President Vystrčil also noted in an interview that the Taiwanese were very interested in cooperation, and that he hoped that the opportunities developed in Taiwan would be turned into concrete projects. [8]
Reflecting on the visit, Senator Růžička noted:

“[We appreciated] the readiness of the Taiwanese to negotiate with our delegation. There was not a single high-ranking representative of Taiwan or a major Taiwanese company with whom we did not discuss specific forms of further cooperation. The president, the vice-president, the prime minister, the ministers, the heads of global companies and research institutes—they were all ready to develop further cooperation between our countries.” [9]

The Senate President Vystrčil also delivered speeches at the National Chengchi University on the importance of freedom and democracy, and accepted an order on behalf of the late Senate President Kubera during a meeting with President Tsai. The visit was capped off with the Senate president’s speech at Taiwan’s Legislative Yuan, which concluded with a proclamation, “I am Taiwanese” (我是台灣人)—in reference to President John F. Kennedy’s iconic “Ich bin ein Berliner”—intended to express solidarity with Taiwan. Vystrčil also invited his counterpart, Legislative Yuan President Yo Si-kun (游錫堃) to the Czech Parliament.

Last week, Vystrčil announced that working groups would be formed to develop concrete opportunities in areas including investment, banking, a direct flight connection, the donation of face mask production lines, educational exchanges, and more. [10] Business opportunities and scientific collaboration will be developed individually, based on the contacts made in Taiwan. Meanwhile, the Czech-Taiwan Chamber of Commerce, in cooperation with the Czech Representative Office in Taiwan, will collect information about additional Czech and Taiwanese companies seeking business opportunities and facilitate communication between the interested parties. [11] Despite his initial opposition to the visit, Czech Prime Minister Andrej Babiš promised that the government will support any economic opportunities delivered by the delegation. Taiwan proved itself a reliable partner ready to provide tangible business opportunities; “the ball is now in our court,” Mayor Hřib concluded. [12]

Another delegation to Taiwan, this time led by the chairman of the Senate Education Committee, Jiří Drahoš, and comprising of members of the scientific community and companies dealing with cybersecurity, is planned for October—however, it remains to be seen whether the visit will be postponed due to the coronavirus pandemic. [13]

(The author would like to thank the Czech Senate President Miloš Vystrčil, Prague Mayor Zdeněk Hřib, and Senator Jiří Růžička for their comments.)

The main point: The historic visit to Taiwan by the Czech delegation led by Senate President Vystrčil was truly a remarkable moment for both Czech and Taiwanese foreign policy. While the trip primarily served as a way to stand up to mounting pressure by the PRC, it also provided a wealth of opportunities for deepening Czech-Taiwan economic ties.

[2] Ibid.
[3] Interview with Czech Senate President Miloš Vystrčil, September 22.
[4] Ibid.
[5] Based on interviews with Czech Senate President Miloš Vystrčil on September 22 and Prague Mayor Zdeněk Hřib on September 16, and an email exchange with Senator Jiří Růžička on September 14.
[7] Interview with Prague Mayor Zdeněk Hřib, September 16.
[8] Interview with Czech Senate President Miloš Vystrčil, September 22.
[10] Interview with Czech Senate President Miloš Vystrčil, September 22.
[11] Based on an email exchange with Senator Jiří Růžička on September 14, and an interview with Czech Senate President Miloš Vystrčil on September 22.
[12] Interview with Prague Mayor Zdeněk Hřib, September 16.
Next Steps for Enhancing US-Taiwan Trade Relations

By: Barbara Weisel

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Calls for a US-Taiwan free trade agreement (FTA) have grown louder since President Tsai-Ing Wen’s reelection and as geopolitical tensions in the Asia-Pacific have intensified. While a strong case can be made for the benefits of an FTA, especially following Tsai’s unilateral announcement that she was planning to lift longstanding restrictions on the import of US beef and pork, the launch of negotiations for a comprehensive bilateral trade agreement is unlikely in the foreseeable future for several reasons. Instead, the United States and Taiwan should turn their attention to other initiatives that can generate swift and concrete results on priority issues and meaningfully advance their commercial and strategic interests.

Calls to Deepen Economic Ties

US and Taiwanese advocates of closer relations have long touted the benefits of a bilateral trade agreement, and growing tensions with China have only intensified these calls in the past year.

Congress has pushed the Trump administration to make strengthening US-Taiwan trade and economic relations a higher priority. Last December, a bipartisan group of 161 members of Congress sent a letter to the Office of the United States Trade Representative (USTR) calling for increased efforts to begin bilateral trade agreement negotiations with Taiwan. Building on this, the Taiwan Allies International Protection and Enhancement Initiative (TAIPEI) Act, which entered into force on March 26, called on USTR to consult with Congress on opportunities for further strengthening bilateral trade and economic relations. Since then, many members have continued to urge the Trump administration to make progress on bilateral trade negotiations.

While the Trump administration has sought to strengthen US-Taiwan relations, its efforts have been centered mainly on areas other than trade. Seeking to further bolster commercial ties, President Tsai took the opportunity presented by US Health and Human Services Secretary Alex Azar’s August visit to Taiwan to express her interest in an FTA. Days later, in remarks to an online forum organized by Washington think tanks, she lamented that closer trade relations had been hindered by what she termed “technicalities that account for a small fraction” of bilateral trade. Her comments were understood as a reference to frictions over Taiwan’s quarantine restrictions on beef and pork, often cited by US officials as the primary issue standing in the way of closer trade ties with Taiwan.

Then, in late August, President Tsai unexpectedly ordered the lifting of restrictions on US pork and beef products. US Agriculture Secretary Purdue tweeted that the step was “encouraging news” and that he looked forward to final action from Taiwan. And Secretary Pompeo tweeted that the move opened the door for even deeper economic and trade cooperation. However, USTR did not issue any public statement on the move or respond to press requests for comment.

In an August 31 speech, State Department Assistant Secretary of State for East Asian and Pacific Affairs David Stilwell welcomed the cooperation between the United States and Taiwan on 5G, data protection, and other issues, while applauding Taiwan’s move on beef and pork. He announced that the two countries would establish a new bilateral economic dialogue to explore the “full spectrum” of the relationship, including semiconductors, healthcare, energy, and other issues. The speech was followed by a just concluded 48-hours visit to Taiwan by Under Secretary of State for Economic Growth, Energy, and the Environment Keith Krach, reportedly to discuss the structure of the new dialogue.
Weighing Taiwan as a Potential FTA Partner

The establishment of a bilateral economic dialogue was a recognition that economic cooperation lagged behind other aspects of the US-Taiwan relationship. However, the State Department’s announcement said nothing about an FTA or whether the administration might consider such an agreement with Taiwan. Were the administration to do so, it would have to weigh a number of factors. Among these are the nature of the trade and investment relationship and its potential for growth, the likelihood that Taiwan’s leadership has the political will necessary to conclude an agreement that meets US standards, and whether the FTA would support broader US economic and geopolitical interests.

Based on the trade and investment criterion, the United States would likely view Taiwan as a generally strong FTA candidate. Taiwan was the 14th largest US export market last year, while the United States is Taiwan’s second largest destination for exports. Much of the trade is in industrial goods, but it also includes aircraft, fuel, and consumer and agricultural products. The United States is Taiwan’s top supplier of agricultural goods, accounting for about one-third of Taiwan’s total agricultural imports, and Taiwan was the seventh largest destination for US agricultural exports last year.

Although global trade has declined significantly as a result of the COVID-19 crisis, US-Taiwan trade flows have remained strong so far this year, with Taiwanese exports to the United States slightly above last year’s levels. This increase has been driven by the trade diversionary effects of US-China trade tensions and increased demand for information and communications technology (ICT) products during the COVID-19 crisis. However, the trade flows continue to strongly favor Taiwan, increasing the US trade deficit with Taiwan, now the United States’ ninth largest.

In addition to the goods trade, the bilateral services trade is also robust, with a modest balance in the US’ favor. Furthermore, foreign direct investment flows have grown in recent years as well. These flows constitute a relatively small, but important share of each country’s overall FDI, with Taiwan’s FDI in the United States focused on the ICT and communications sectors, while the US FDI in Taiwan is concentrated in manufacturing, wholesale trade, and financial services.

Taiwan also would likely be viewed relatively favorably as a US FTA candidate based on certain political criteria. President Tsai’s landslide re-election in January provided her a strong mandate, positioning her well to make the tough decisions likely necessary to conclude an FTA negotiation with the United States. An FTA would enhance bilateral cooperation and more closely align interests between the United States and Taiwan on commercial matters and geo-strategic issues and challenges. However, careful consideration would need to be given to the impact of such an initiative on US-China relations.

Is an FTA in the Cards?

Notwithstanding the compelling case that can be made for a US FTA with Taiwan, as well as the heightened interest US and Taiwanese officials have expressed in the past year in boosting commercial ties, the United States is unlikely to launch FTA negotiations with Taiwan anytime soon. This is the reality regardless of which candidate wins the US presidential election in November and apart from any considerations of possible Chinese reactions to such a move.

There is no indication that an FTA with Taiwan would be a priority for President Trump were he to be re-elected. If Vice President Biden is elected, he has made clear that his administration will focus first on addressing the pandemic and rebuilding domestically before looking at any new trade agreements.

Even if a new administration decided to move ahead with an FTA with Taiwan, a major hurdle it would face is the expiration of Trade Promotion Authority (TPA) next July 1. Under TPA legislation, previously known as “Fast Track Authority,” Congress sets out trade negotiating objectives and procedural requirements that the Executive branch must meet in order for Congress to consider implementing legislation for an FTA under expedited procedures, including an up or down simple majority vote. While some have argued that TPA is not needed to negotiate an FTA, it is hard to envision a US trading partner willing to enter into a long and complex negotiation with the United States—and to expend the substantial political capital that would likely be required to conclude it—without assurances that the outcome would not be subject to significant renegotiation. At the same time, Congress has little
incentive to pass controversial new TPA legislation in the absence of a pending trade agreement, creating an unfortunate Catch-22 situation.

To avoid this TPA hurdle, a US-Taiwan trade agreement would have to be completed before the expiration of the current TPA, a virtually impossible task. USTR, which would lead the trade negotiations, has not convened a meeting of the Trade and Investment Framework Agreement (TIFA), the formal bilateral trade dialogue, since 2016. Such a meeting would be the most appropriate forum for discussion of outstanding bilateral issues and consideration of steps to lay the groundwork for a possible trade agreement.

**Other Options for Strengthening Economic Ties**

Even if a comprehensive FTA negotiation is unlikely in the near-term, the two governments should pursue other initiatives that could expand their economic ties and commitments to one another’s futures. While work on tech-related issues under the State Department’s new economic dialogue may be useful in furthering cooperation on tech and other issues, the United States should also develop trade-specific initiatives that would deepen the bilateral trade relationship in key areas.

A useful first step would be to promptly convene a TIFA meeting—not to focus on the trade deficit—but to review outstanding trade and investment barriers and develop a detailed plan and timetable for their resolution. Officials could also use the TIFA meeting to explore new bilateral trade initiatives, such as a digital economy agreement. Such an agreement would promote common approaches to digital governance issues, ensuring interoperability of US and Taiwanese digital ecosystems. The United States already has a digital trade agreement template, so early work could potentially get started in this area.

This type of incremental approach to deepening US-Taiwan economic relations is the most productive path forward at this time. Rather than a laundry list approach, the United States should develop a small set of concrete initiatives that would generate tangible results in priority areas and then systematically build on those achievements. The emphasis should be on developing rules that can facilitate bilateral trade and investment, cooperation that can help build common approaches to multilateral challenges, and initiatives that can boost the US-Taiwan partnership.

**The main point:** While the US-Taiwan economic relationship has only grown in recent years, a bilateral free trade agreement remains unlikely in the near-term. The United States and Taiwan should turn their attention to other initiatives that can generate swift and concrete results on priority issues and meaningfully advance their commercial and strategic interests.