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By: Russell Hsiao

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Biden Administration Signals Continuity Rather than Change in Initial Approach to Taiwan Policy

The Biden administration formally took office on January 20, 2021 following a tumultuous transition from the 45th to the 46th president of the United States. While there are many areas in which the new administration clearly disagrees on policy with the former administration, one area where there appears to be less disagreement is Taiwan. To be sure, questions remain about the new administration's fundamental policy approach with regard to Taiwan—this will only become clear with time—but the early signs appear to signal more continuity than change in its approach to Taiwan policy. Perhaps the most significant indicator thus far came from Antony Blinken's [confirmation hearing](#) for Secretary of State. In response to a pointed question from Senator Mitt Romney (R-UT) about Taiwan ("How does Taiwan and our commitments to Taiwan figure in your thinking with regards to our interests in the region?"), Blinken stated:

"There's been a strong and long bipartisan commitment to Taiwan. The Taiwan Relations Act, also the communiqués with China, and part of that commitment is making sure that Taiwan has the ability to defend itself against aggression, and that is a commitment that will absolutely endure in a Biden administration. We will make sure Taiwan has the ability to do that.

I'd also like to see Taiwan playing a greater role around the world including in international organizations when those organizations don't require the status of the country to be a member, they should become members, and when it does, there are other ways that they can participate.

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And I think our own engagement with Taiwan should be looked at and indeed that's being done. As you know, some regulations were promulgated by the outgoing Secretary of State, we're going to take a hard look at those pursuant to the Taiwan Assurance Act and we will look at that. I had the opportunity, Senator, when President Tsai was running for office to actually receive her as a candidate at the State Department when I was last there. I spoke to her a number of times when she became president and I was Deputy Secretary of State. But the commitment to Taiwan is something that we hold to very strongly."

The clear statement of commitment to the provisions of the [Taiwan Relations Act](#) [1] and support for Taiwan's international space from the nominee for America's top diplomatic position will likely be seen as a reassuring signal for Taiwan supporters who are looking for policy continuity in a highly polarized political environment. At the very least, they suggest that the Biden administration will perhaps pursue a more traditional approach to Taiwan policy. Despite the reassuring notes, notably absent from Blinken's comments was any mention of the [Six Assurances](#), which was a prominent feature in the Trump administration's rhetorical framework for Taiwan policy. Indeed, the Trump administration had [declassified the assurances](#) along with several internal memos and cables that provided context to their substantive intent. Both [Rex Tillerson](#) and [Mike Pompeo](#), the first and second Secretaries of State under Trump, mentioned the Six Assurances during their confirmation hearings.

Even still, concerns that the Biden administration would buck the trend in the Trump administration's steady upgrade of relations with Taiwan were put at ease when Taiwan's representative to the United States, Ambassador Hsiao Bi-khim (蕭美琴), [revealed](#) that she attended Biden's inauguration ceremony after receiving a formal invitation. Noting the significance of the event, Senator James Risch (R-ID) [tweeted](#):

"I was gratified to see #Taiwan represented at the inauguration for the first time since 1979 today. I commend the new admin. for this invitation, & encourage them to build upon the progress made on US-Taiwan relations to reflect the challenges & geopolitical realities we face."

Indeed, this marks the first time since 1979 that Taiwan's representative to the United States was formally invited by the presidential inaugural committee as a foreign diplomatic guest and attended the inauguration. The invitation for Taiwan's representative to attend the inauguration follows Secretary Pompeo's 11th-hour decision to [lift self-imposed restrictions](#) on contact guidelines with Taiwan in the last few days of the Trump administration. While there is unlikely to be a blanket endorsement of Pompeo's revocation of the self-limitations, the Biden administration will inevitably draft new guidelines of its own. In light of recent events, it is more likely that any new contact guidelines will be prescribed and proscribed carefully and selectively by the new administration.

Beijing was of course far from a passive player in the presidential transition process. Any hopes that one would have for a quiet—if only temporary—lull in tension in the Taiwan Strait as Washington and Beijing attempt to recalibrate relations were quickly dashed as the People's Liberation Army (PLA) deployed an [unprecedented number](#) of fighter aircraft in patrols around Taiwan's air defense identification zone (ADIZ). In turn, this forced a quick and strong response from the Biden administration, with the Department of State issuing this [January 23 statement](#):

"The United States notes with concern the pattern of ongoing PRC attempts to intimidate its neighbors, including Taiwan. We urge Beijing to cease its military, diplomatic, and economic pressure against Taiwan and instead engage in meaningful dialogue with Taiwan's democratically elected representatives."

The United States maintains its longstanding commitments as outlined in the Three Communiqués, the Taiwan Relations Act, and the Six Assurances. We will continue to assist Taiwan in maintaining a sufficient self-defense capability. Our commitment to Taiwan is rock-solid and contributes to the maintenance of peace and stability across the Taiwan Strait and within the region."

Experts seem to generally agree that while a change of pace is likely, a radical change in policy is unlikely to occur under the Biden administration. However, experts

hold different views about the tactical effects of its approach to Taiwan policy. According to [Bonnie Glaser](#), director of the China Power Project at the Center for Strategic and International Studies (CSIS), speaking at a [webinar](#) on Taiwan policy hosted by the Foreign Policy Research Institute: “The Biden administration will adopt a policy of doing no harm to Taiwan. The Trump administration has on occasion used Taiwan as a cudgel against Taiwan.” Speaking at the same event where Glaser was quoted, [Rupert Hammond-Chambers](#), president of the US-Taiwan Business Council, sounded a more cautionary note. Hammond-Chambers pointed out that: “If the Chinese feel that there is leverage there [climate change cooperation] ... they will almost certainly make strong demands and concessions in other areas, Taiwan to me in on the top of the list.” He also [called on the Biden administration](#) to continue the practice of regularizing arms sales to Taiwan.

To be fair, the line between “doing no harm” and doing very little is arguably very thin. The execution of [Taiwan policy](#) has long been largely reactive by design, given that it focuses on the process of resolution rather than any set outcome. As a result, it has been Beijing that often gets to define what constitutes “harmful” in terms of what the United States should or should not do with Taiwan by linking it to other issues and dialing up its rhetoric against any actions that it perceives as running counter to its “One-China Principle.” While the signs out of the gate are positive, the Biden administration must be cautious that if it adopts a so-called “do no harm” approach, Washington must be clear in defining what is “harmful” in close consultation with partners in Taiwan, and, most importantly, not to take a reflexive approach that anything which irks Beijing should be avoided.

The main point: The early signs of the Biden administration’s approach to Taiwan policy appear to signal more continuity than change.

(The author would like to thank Isabel Eliassen for her research assistance.)

[1] For a discussion about the legislative intent behind the Taiwan Relations Act, see GTI’s event “[A Conversation with Former Congressman Lester Wolff](#)” on January 6, 2021. Mr. Wolff was one of the original architects of the Taiwan Relations Act.

CCP’s 2021 Taiwan Work Conference Highlights Expansion of Soft-Hard Approach

As regularly scheduled in the beginning of a new year, the Chinese Communist Party’s (CCP) [2021 Taiwan Work Conference](#) (2021 對台工作會議) was held in Beijing on January 17-18. Hosted only once a year, the Taiwan Work Conference is the clearest indicator of the Party’s official policy towards Taiwan and lays out its guidance for the Taiwan-related system in the People’s Republic of China’s (PRC). [1] [2] Wang Yang (汪洋), the 4th highest-ranking cadre of the CCP and deputy head of the policy-setting CCP Central Committee’s Taiwan Leading Small Group (中央對台領導小組)—chaired by General Secretary Xi Jinping (習近平)—delivered opening remarks at the meeting.

Wang concurrently serves as chairman of the National Committee of the Chinese People’s Political Consultative Conference (CPPCC) and is the party’s leading authority of the CCP’s United Front system in his role as the director of the United Front Leading Small Group (中央統戰工作領導小組). While Wang’s [remarks](#) at the conference did not point to any specific new policy measures, the Party appears to have at least [acknowledged](#) the need for it to reassess the effectiveness of its longstanding “soft-hard” approach of enticement and intimidation. Indeed, while the People’s Liberation Army (PLA) continues its coercive campaign with ramped-up military exercises around Taiwan, the CCP appears to be doubling down on adding economic sweeteners to woo Taiwanese businesses and people. In particular, the Wang noted “[four requirements](#)” (四要) for the Party’s approach to Taiwan policy in 2021:

1. We must accurately recognize changes, scientifically respond to them, increase risk awareness, establish a bottom-line, carry forward the spirit of struggle, and transform our growing comprehensive strength and significant system advantages into effectiveness in Taiwan work.
2. We must resolutely curb the separatist forces of “Taiwan independence” from relying on foreign forces to raise itself (挾洋自重) and provoke independence, fully demonstrating our determination and will to safeguard national sovereignty, security, and development interests, and never allow anyone or any force to split Taiwan

from the embrace of the “motherland” [sic] in any way.

3. We must support Taiwanese businessmen and enterprises to seize the opportunity in building a new development structure for the country, for them to actively participate in the implementation of the “14th Five-Year Plan”, the national and regional coordinated development strategy, and support Fujian province to explore new paths for cross-strait integration and development.

4. We must break the restrictions and obstructions of the Democratic Progressive Party (DPP) authorities on cross-Strait exchanges and cooperation, and continue to improve the institutional arrangements and policy measures that guarantee the well-being of Taiwan compatriots and achieve equal treatment so that Taiwan compatriots have more sense of benefits.

Highlighting 2020 as an extremely unusual year for the Party’s Taiwan work, Wang noted how the world has been undergoing major changes unseen in a century due to the global COVID-19 pandemic. The senior CCP cadre also underscored how the situation across the Taiwan Strait remains severe and complex, yet there are new opportunities and challenges facing Taiwan work. Specifically, Wang [stated](#) that: “We must adhere to the ‘One-China Principle’ (一個中國原則) and the ‘1992 Consensus’ (九二共識), resolutely curb separatist activities and external interference in Taiwan independence, actively promote the peaceful development and integration of cross-Strait relations, and advance the reunification [sic] process.”

[Media reports](#) noted that Wang did not mention either “peaceful reunification” (和平統一) or “one country, two systems” (一國兩制). During periods of heightened tensions in the past, Beijing has omitted reference to “peaceful” ostensibly as a signal to Taipei and Washington. In what appeared to have been a response to President Tsai Ing-wen’s (蔡英文) [second inaugural address](#) and improvements in US-Taiwan relations, Chinese Premier Li Keqiang’s (李克強) work report delivered at the beginning of the 2020 session of the National People’s Congress (NPC) notably omitted the word “peaceful” in Beijing’s approach to Taiwan. The use of the term “peaceful reunification” had been

a mainstay of Chinese rhetoric on Taiwan policy since 1979, and its omission [was interpreted](#) as a potential sign of change in PRC policy towards Taiwan. “Peaceful reunification” was later referenced separately in the premier’s [response to the media](#).

In reading the tea leaves, such official statements could be a signal to Taipei from Beijing that without the so-called “one country, two systems” model, it will not commit to a so-called “peaceful” approach in its Taiwan policy. It is also perhaps a signal to the United States as the new Biden administration takes office and Beijing’s deliberate omission of “peaceful”—now in two major speeches—could be a warning to the new administration to not take further steps to that Beijing sees as normalizing relations with Taiwan.

As an area of apparent emphasis in the CCP’s policy toolkit towards Taiwan for 2021, Wang highlighted efforts to encourage Taiwanese businessmen and enterprises to participate in China’s “14th Five-Year Plan”(十四五年計劃)—the PRC’s national development plan that spans 2021–2025. In practice, this could mean a significant expansion of the November 2019 announcement of a raft of [26 measures](#) (26條措施) to entice businesses and persons from Taiwan with preferential economic measures, which themselves followed a tranche of [31 similar measures](#) announced in [February 2018](#). It is reasonable to expect that further preferential measures will be announced over the next few years that will aim to implement this directive. These attempts by Beijing to bifurcate Taiwan’s businesses appear to be in response to the Tsai administration, which has been trying to redirect Taiwan’s capital and businesses southward through Taiwan’s [New Southbound Policy](#), leading some to leave the Chinese market because of the ongoing US-China trade war.

The main point: At the annual Taiwan Work Conference, which is an indicator of the Party’s official policy on Taiwan, Wang Yang’s remarks omitted terms “peaceful unification” and “one country, two systems,” and highlighted the so-called “four requirements,” which signaled tougher actions against “Taiwan independence” and called for additional economic incentives for Taiwanese businessmen and enterprises.

[1] The last three years Taiwan Work Conference were covered in the *Global Taiwan Brief*: 2020: <https://>

globaltaiwan.org/2020/01/vol-5-issue-2/, 2019: <https://globaltaiwan.org/2019/01/vol-4-issue-2/>; 2018: <https://globaltaiwan.org/2018/02/21-gtb-3-4/>.

[2] The meeting was chaired by Yang Jiechi (楊潔篪), director of the Foreign Affairs Office of the Central Committee of the Communist Party of China. Liu Jieyi (劉結一), director of the Taiwan Affairs Office of the Central Committee of the Communist Party of China, gave a work report.

Sweeping Recall Attempts Have Potential to Destabilize Taiwan’s Political Process

By: J. Michael Cole

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

On January 16, Democratic Progressive Party (DPP, 民進黨) Taoyuan City Councilor Wang Hao-yu (王浩宇) became the first councilor in a special municipality to be [recalled](#)—a development that could open the door for several recall attempts against elected officials nationwide. A total of [84,582 votes](#) (92.23 percent) were in favor of recalling Wang, compared to 7,128 (7.7 percent) who were against. Turnout for the recall, which took place in the district of Zhongli (中壢), was 28 percent. Members of both the opposition Kuomintang (KMT, 國民黨) and the Taiwan People’s Party (TPP, 台灣民眾黨), headed by Taipei Mayor Ko Wen-je (柯文哲), mobilized for the recall against Wang. The KMT described the outcome of the recall as “[encouraging](#)” for citizens in other parts of the country who wish to initiate recalls, adding that Wang’s removal “showed the strong determination of the people in Zhongli to eliminate legislators who are clearly incompetent.”

Wang’s recall occurred less than a month before another attempt, this time against Independent Kaohsiung City Councilor [Huang Jie](#) (黃捷), which is planned for February 6. Like Wang, Huang—who was formerly of the New Power Party (NPP, 時代力量)—was a vocal critic of Han Kuo-yu (韓國瑜), the defeated KMT presidential candidate and former mayor of Kaohsiung who was [recalled](#) from office in June of 2020. Since Wang’s defeat, [word has spread](#) that Taiwan Statebuilding Party (TSP, 台灣基進) Legislator Chen Po-wei (陳柏惟)

could also be targeted for recall.

The recall against Wang was [initiated](#) by Tang Ping-jung (唐平榮), executive officer of the [Taichung-based Hope Media Foundation](#) (財團法人公益傳播基金會). Founded in November 2016, Hope Media is [sponsored](#) by Globe Union, whose chairman is Ouyang Ming (歐陽明). Tang was introduced to Ouyang by the KMT’s Apol-lo Chen (陳學聖). According to the Globe Union [web-site](#), besides sponsoring Hope Media, the organization has also collaborated with the [Straits Economic & Cultural Interchange Association](#) (海峽兩岸經貿文化交流協會)—an outfit that promotes economic ties across the Taiwan Strait—as well as the Taichung Processing Region Friendship Association.

In an [interview](#) with the Chinese-language *Apple Daily* in June 2020, Tang, who worked in China before returning to Taiwan due to his father’s illness, said that he had been compelled to initiate the recall against Wang because of the latter’s “extreme language” and “rumor mongering,” which contributed to an environment he did not want his children to grow up into.

It is difficult to argue against the fact that Wang had a reputation for holding strong opinions and not hesitating to make them public. [1] However, if Tang’s main justification for initiating the recall was such “unseemly” behavior, then the same case could be made for the recall of dozens of other legislators, including many in the pan-blue camp. In Ms. Huang’s case in Kaohsiung, the argument falls on its own sword, as the young councilor is not known for using strong language. In fact, the reasons used for the recall motion against her are “[poor morals](#)” (presumably due to her support for same-sex marriage, which was [legalized in 2019](#)), “[violations](#)” of Hong Kong’s national security law due to her support for Hong Kong protesters last year, and [challenges to former Mayor Han](#) (including her [famous eye-roll](#) during a question and answer session at the city council), among others. In both cases, the likeliest rationale for the recall attempts is retribution for Han’s recall. Tellingly, Tang first began raising the prospect of a recall attempt against Wang the same month that Han was removed from office.

In recent years, ultraconservative groups, among them Evangelical Christian churches, have repeatedly threatened to launch recall attempts against elected officials

who supported the legalization of same-sex marriage in Taiwan, a tactic which appears to have been inspired by similar anti-LGBTQ movements in the United States, such as [MassResistance](#). One such attempt, [initiated by the Greater Taipei Stability Power Alliance \(安定力量\)](#)—whose principal aim was to block the legalization of same-sex marriage in Taiwan—was made against Huang Kuo-chang (黃國昌) of the NPP in 2017. Ironically, Mr. Huang’s near recall was made possible due to [revisions](#), passed in 2016, to the [Civil Servants Election and Recall Act \(公職人員選舉罷免法\)](#) which his party had initiated, resulting in the lowering of hitherto nearly unsurmountable thresholds for such efforts. The high thresholds, for example, had resulted in a [failed attempt](#) (known as the “Appendectomy Project”) to unseat then-KMT Legislator Alex Tsai (蔡正元) in 2015. After the revisions came into force, Evangelical anti-LGBTQ organizations [threatened](#) to launch similar efforts against the DPP’s Wang Ting-yu (王定宇) in Tainan and Hsiao Bi-khim (蕭美琴), who was a legislator in Hualien at the time and one of the prime targets of Evangelicals’ ire.

Following years of advocacy for the lowering of thresholds for referenda and other instruments of “direct democracy,” amendments to the Act have proved to have countervailing effects. On the one hand, it has made it possible for citizens to be more directly involved in policy making while empowering them to take action whenever elected officials were derelict in their duties. However, a darker side to this is the fact that these instruments of direct democracy—referenda, recalls—risk becoming tools for exploitation by forces that are attempting to exacerbate the political fault lines. So far, most recall efforts have been initiated based on what are arguably frivolous grounds, over reasons that, while possibly pointing to character flaws in the targeted officials, nevertheless fall short of qualifying for extreme measures such as their removal from office. Tellingly, the recall attempts against Wang Hao-yu, Huang Jie and Chen Po-wei all occur in ridings where the results of the elections that brought those individuals to office were very close, which suggests that the recall attempts may simply constitute an attempt to overturn the results of a democratic election. Frivolous recalls can therefore succeed if the opposition successfully mobilized voters who supported the defeated candidate while counting on the likelihood that those

who supported the elected official will not be so easily mobilized. Recalls should only be initiated when an elected official has clearly demonstrated that he or she is incapable or has been charged with a serious crime such as treason or corruption. The successful removal of Mr. Wang will likely open the door to several other attempts. Moreover, recalls contribute to further polarization and invite tit-for-tat moves by both ends of the political spectrum (whether used by the blue or green camp, such practices are detrimental to democracy and should not be countenanced). During such periods of partisan rancor, media and society become particularly exposed to disinformation produced both domestically and externally (i.e., by the [Chinese Communist Party and/or its proxies](#), with the aim of fueling extreme views in Taiwan). Referenda on same-sex marriage and food safety (November 2018) provided similar opportunities for the full expression of [extremist views and disinformation](#), contributing to polarization and a weakening of democratic institutions.

Democracy is predicated on voters making informed decisions based on facts; once disinformation, extreme ideology, and a spirit of retribution replace the facts, democracy risks descending into populism. The Central Election Commission (CEC, 中央選舉委員會) therefore has a greater role to play in determining whether a recall attempt, or a referendum, is based on credible foundations or is simply frivolous. In other words, the CEC should act like a court of law, with a “judge” or independent committee of experts deciding whether an application should be accepted or not. Otherwise—as it is in its present configuration—recalls and referenda are recipes for political and social instability.

Especially when it comes to elected officials, recalls should be permitted only in the most extreme of circumstances, when it can be clearly determined that the potential target for recall is unsuited for the position. Under no circumstances should recalls be initiated over fatuous claims such as “bad language” or “poor morals,” which arguably is the case for Mr. Wang, Ms. Huang, and Mr. Chen. The same should apply to recall attempts against elected officials over issues (e.g., legalization of same-sex marriage) which had been parts of their platforms when they ran for office. Their election to office constituted, in itself, agreement by a majority of voters in the candidate’s jurisdiction that the

policies espoused by said candidate were supported by society. Only policy *volte-faces* (e.g., a 180-degree turn on policies proposed by a candidate) should be used as arguments to initiate a recall effort.

Lastly, under no circumstances should recalls be launched as a means of retribution—as appears to be the issue in the Wang and Huang cases—for an earlier recall (in this case, Han Kuo-yu's). An endless cycle of recalls would pose a threat to Taiwan's electoral democracy, which depends on free, fair, and regular cycles of elections. The weaponization of recalls by extreme groups or cynical politicians would trivialize democracy and expose any elected official to removal from office based on lies, the mood of the day, and populist forces using various tools of high mobilization to overturn the results of a previous election. With very rare exceptions, popular discontent with elected officials should be expressed through voting decisions made in regularly held elections. If an official did not meet public expectations, he or she should be removed in the next election.

The main point: Lowered thresholds for the recall of elected officials have opened the door for the exploitation of “direct democracy” that could end up undermining Taiwan's democratic foundations. Only under extreme circumstances should elected officials be removed from office by means of referenda before their term ends.

[1] Wang, for example, attracted the [ire](#) of KMT supporters after he was deemed to have made light of the death of Kaohsiung City Council speaker Hsu Kun-yuan (許崑源), who jumped to his death in June last year following Han's recall.

Prospects for Taiwan-Israel Economic Cooperation amid Sino-US Rivalry

By: Christina Lin

Christina Lin is an adjunct fellow at GTI and research consultant for Janes Information Group. Her research interests include China and Euro-Mediterranean relations, NATO global partnerships, Sino-Israel ties, Belt and Road Initiatives, Taiwan, and the global supply chain.

The United States under the Trump administration had been asking its allies, including [Taiwan](#) and [Israel](#), to sever commercial ties with China in areas that present unacceptable security risks. In the midst of an increasing Sino-US rivalry, mounting concerns over the security risk in over-dependence on China's market in the global supply chain and about the military applications of dual-use technologies show no clear signs of abating under the Biden administration, so both Taipei and Jerusalem are likely to continue diversifying their relationships with other countries in the Indo-Pacific and with each other. Traditionally, Taiwan has figured prominently in US [discussions](#) regarding Sino-Israeli high-tech cooperation due to its potential adverse impact on the cross-Strait military balance. [1] Now, with increasing US pressure to “decouple” its hi-tech cooperation with China, Israel is looking to relocate its supply chain to other countries in the Indo-Pacific, and [Taiwan](#)—often dubbed the “[Israel of the Far East](#)”—could become an even more attractive option.

Current Taiwan-Israel Sectoral Cooperation

Economic relations between Taipei and Jerusalem have not been very significant, primarily due to Taiwan's focus on China and the United States and Israel's emphasis on trading with the EU and the United States, respectively. [For example](#), in 2019, Israel was only Taiwan's 31st largest trading partner, and trade with Jerusalem only accounted for 0.28 percent of Taiwan's total trade. However, in 2015, both countries slowly began to see [complementarity](#) between their economies, with Israel serving as a world leader in innovation and Taiwan emerging as a major international hub for engineering and quality manufacturing. This culminated in the first research and development ([R&D cooperation agreement](#)) between the Office of the Chief Scientist at

the Israeli Ministry of Economy and Taiwan's Department of Industrial Technology (DOIT, 經濟部技術處) in the Ministry of Economic Affairs (MOEA).

Currently, there are already various joint industrial [R&D cooperation](#) programs in place, funded by Taiwan's DOIT and the Israel Innovation Authority within the Ministry of Economy. Key [sectors for cooperation](#) include clean tech, communications, internet, information technology and enterprise software, life sciences, semiconductors, nanotechnology, defense, and industrial technologies. In November 2020, during the virtual [13th](#) Taiwan-Israel Economic and Technological Cooperation Conference, further areas discussed for cooperation included the circular economy, financial technology, digital healthcare, and smart city development.

manufacturing sector. Furthermore, he stated his belief that both sides are poised to tap new opportunities arising from the restructuring of global supply chains.

Although two-way trade only reached [USD \\$1.77 billion](#) in 2019, Cohen noted that bilateral investment and trade ties are increasing, as evidenced by a [40-plus-percent surge](#) in Israeli exports to Taiwan in the same year. Indeed, the primary aim of Taiwan-Israel economic ties is not necessarily increasing trade volume, but rather promoting innovation cooperation. In September 2019, the Taiwan External Trade Development Council (TAITRA, 中華民國對外貿易發展協會) opened a branch in Tel Aviv called the [Taiwan Trade and Innovation Center](#). According to Taiwan's former Foreign Minister [James Huang](#) (黃志芳), "the two countries are very innovative and I wanted to promote their cooperation," so the purpose of the new branch in Tel Aviv is "not to trade, but to encourage business cooperation."

Start-ups to Scale-up for Israeli Companies

[Emma Yang](#), director of TAITRA's Tel Aviv office, concurred that the aim of the branch is primarily to promote technological collaboration and innovation activities between Taiwanese companies and the Israeli startup ecosystem. Yang argued that Taiwan's manufacturing prowess complements Israeli tech innovation, and Taiwan can help Israeli companies go from the startup to the scale-up phase:

For Israeli companies, Taiwan can be a technological and strategic hub for scaling-up by providing access to all stages of the supply chain. Taiwan has a complete supply chain for many hardware tech products—from the smallest of chips and component manufacturers, through product design and assembly companies, to a large variety of end-product OEMs and brands.

Yang added that "in electronics, Taiwanese companies are the primary manufacturers of top world-leading brands' products, such as Apple iPhones and MacBooks, GoPro cameras, and hardware by Microsoft, Dell, HP, etc." In many cases, they are also the developers and designers, and as such Yang believes collaborating with large Taiwanese companies such as Acer, Asus, D-Link, and others "will place Israeli companies on the global stage and help their scale-up and growth."

1.4 Technology Sector & Subsector of Project (Select 1 sector and 1 corresponding subsector)

Clean-Tech

Agro biotech Energy Environment Materials

Water Technologies

Communications

Broadband Access Broadcast Enterprise Networking Home Networking

Mobile Applications NGN & Convergence Optical Networking Telecom Applications

VoIP & IP Telephony Wireless Applications Wireless Infrastructure

Internet

Content Delivery Content Management e-Commerce E-Learning

Internet Applications Internet Infrastructure Online Advertising Online Entertainment

Search Engines Social Networks

IT & Enterprise Software

Business Analytics Security Enterprise Applications Enterprise Infrastructure

Miscellaneous Design and Development Tools

Software

Life Sciences

Agro biotech Bioinformatics Biologicals Diagnostics

Healthcare IT Industrial Medical Devices Telemedicine

Therapeutics

Miscellaneous Technologies

Defense Hardware Industrial Technologies Miscellaneous

Nanotechnology

Semiconductors

Fabrication and Testing Manufacturing Memory & Storage Miscellaneous

Network Processors Equipment & EDA Processors & RFID Semiconductors

Security Semiconductors Video, Image & Audio



Source: Taiwan Ministry of Economic Affairs, Industrial Technology Research Institute, [Israel Innovation Authority](#), [Taiwan-Israel R&D Cooperation Program Call for Proposals \(2020\)](#).

During the conference, MOEA Deputy Minister Chen Chern-chyi (陳正祺) and Ohad Cohen, director of the Foreign Trade Administration at the Israeli Ministry of Economy and Industry concluded an [agreement](#) on standards and inspection cooperation. [Minister Chen](#) lauded Tel Aviv as the Silicon Valley of the Middle East and highlighted the potential of pairing it with Taiwan's

In addition to the need for scale-up, Israel also needs scale-economies, wherein increased production translates into cost reductions, as fixed and variable costs are spread over more units of production. Too small to have economies of scale for developing its products, Jerusalem needs to attract foreign investment and export-oriented trade to maintain economic growth. In the past, both Taiwan and Israel had relied on China's immense market and well-organized infrastructure, but now Taipei is diversifying towards Southeast and South Asian markets via the New Southbound Policy (NSP, 新南向政策). Additionally, Taiwan is cooperating with Washington via its "[Framework to Strengthen Infrastructure, Finance, and Market Building Cooperation](#)" (台美基礎建設融資及市場建立合作架構), established to raise funds through private sector capital for infrastructure and construction projects.

As for Israel, due to ongoing problems of Boycott, Divestment, and Sanctions (BDS) [2] movement from the [EU](#) and the United States, China became an alternative source of venture capital and financing of infrastructure projects. But now, as Jerusalem faces pressure from Washington to diversify to other sources of funding, various countries in the Indo-Pacific region and the Asian Development Bank (ADB) could step in to fill the investment gap.

Development Finance and Asian Development Bank

In 2015, Israel, along with various US allies in Europe, Asia, and the Middle East, joined the China-led Asian Infrastructure and Investment Bank ([AIIB](#)). Recognizing the importance of the Asian market to its economic growth, Israel also sought to improve relations with Asia by [negotiating free trade agreements](#) with China, Japan, and South Korea.

Although Washington would prefer that Israel join the Japan and US-led ADB rather than the AIIB as an alternative source of development finance, Jerusalem had been barred from the ADB due to the [objections](#) of Muslim member states. Israel was able to join AIIB despite membership of Muslim countries, largely due to Chinese leadership. However, now that the Trump administration was able to broker the [Abraham Accords](#) peace agreements between Israel and a slew of Arab and Muslim-majority nations—including the United Arab Emirates, Bahrain, Morocco, and Sudan—mem-

bership in the ADB looks increasingly likely for Israel.

As Israel diversifies its international relationships to include Taiwan, Japan, India, and other countries in the Indo-Pacific in order to adjust to the restructured global supply chain and maintain access to flows of capital, Taipei, Washington, and Jerusalem can utilize other existing cooperation frameworks to upgrade global development finance. For example, Israel could join the [Blue Dot Network](#) formed by the US, Japan, and Australia, which seeks to promote higher-quality infrastructure investment, as well as the Global Cooperation and Training Framework ([GTCF](#)), which helps Taiwanese experts share their expertise with other countries. Established in 2015, the GTCF serves as a platform to bypass Taiwan's lack of representation in international institutions, thereby allowing Taiwanese experts to share their knowledge and best practices in various fields, including public health, law enforcement, disaster relief, energy cooperation, women's empowerment, digital economy and cyber security, media literacy, and good governance. This is especially important, as Taipei's success in COVID-19 pandemic management, as well as its comparative success in supply chain diversification [from China to South and Southeast Asia](#), could offer valuable lessons learned for Israel as it also attempts to navigate these two challenges.

The main point: Sino-US trade tension presents an opportunity for Taiwan and Israel—both informal protectorates of the US yet have China as a large trading partner—to upgrade their economic cooperation, and jointly diversify their trade away from China towards other Asian countries in the Indo-Pacific to restructure the global supply chain and development finance.

[1] This apprehension goes back to the late 1990s, when Washington pressured Israel to cancel the sale of Phalcon early warning aircraft to China. The US intervened again in 2004 to thwart the sale of Harpy surveillance aircraft, leading to a Jerusalem-Beijing rift that took years to mend.

[2] BDS is a Palestinian-led movement promoting [boycotts](#), [divestments](#), and [economic sanctions](#) against [Israel](#). The goal is to push Israel to recognize the rights of Palestinian citizens currently living in Israel; allow Palestinian refugees, who were driven out of the country as early as [1948](#) when Israel was created, to re-

turn to their homes; and withdraw from all land that it seized after the 1967 Arab-Israeli war, including the West Bank. <https://time.com/5914975/what-to-know-about-bds/>

Assessing the Rationale Behind the Lifting of Taiwan Contact Guidelines

By: Michael Mazza

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Presidential ambitions are nothing new for secretaries of state. Unlike many of his predecessors, however, Mike Pompeo made little effort to obscure those aspirations. Many of his [closing tweets in office](#), for example, were arguably about politics rather than policy and on the day after the inauguration—he tweeted out a [countdown](#) to the next presidential election the day after Biden’s inauguration. While his January 9 [announcement](#), in which he declared the previously issued contact guidelines relating to Taiwan as “null and void,” could be understood in that context, that is not the only relevant context for understanding the revocation of the Taiwan guidelines. The decision should also be assessed in light of the evolution of Taiwan policy in recent years. These dual considerations lead to dueling assessments of the policy move. Let us consider each in succession.

A Dangerous Gambit?

Like some of his predecessors, Mike Pompeo never fully subscribed to the view that, as chief diplomat, he should refrain from appearing to politick on the home front. From his [2019 Cairo speech](#) in which he explicitly slammed the Obama administration’s Middle East policy—and criticized President Obama himself—to his [address](#) to the 2020 Republican National Convention, delivered remotely while on government business in Jerusalem, Pompeo showed disregard for traditional strictures on the secretary of state’s conduct and comportment.

That is why it is so hard to believe that future political

considerations were not at least partly responsible for Pompeo’s recent policy announcements. In this light, his [designation of the Houthis](#) as a terrorist organization four days after the January 6 attack on the Capitol could look like an effort to signal to Trump supporters that the secretary of state knows who the “real” terrorists are. In naming Cuba a [state sponsor of terrorism](#), Pompeo appears to be making a cynical play for Florida voters. And Pompeo’s elimination of the Taiwan contact guidelines looks like little more than an effort to enhance his tough-on-China *bona fides*.

In a [tweet](#) two days before the Taiwan announcement, Pompeo favorably contrasted arms sales to Taiwan under the Trump administration (USD \$15 billion over three years, in his telling) to those under the Obama administration (USD \$14 billion over 8 years). His snarky #DoTheMath hashtag and the explicit comparison to his immediate predecessors revealed a secretary of state primarily interested in bolstering his own political fortunes.

That tweet, in turn, came on the heels of the announcement that US Ambassador to the United Nations Kelly Craft would visit Taiwan later in January. Writing for Foreign Policy, Jessica Drun [described](#) that announcement thusly:

“He highlighted the trip in what was essentially a footnote to a press release condemning China for arrests in Hong Kong. That confirmed the suspicion of many Taiwan analysts that this administration views the island primarily as a card to play against the People’s Republic of China and as a convenient foil to it—or the “free China” per Pompeo’s press release.”

That suspicion was compounded by the fact that the since-canceled visit, coming so late in the Trump term, could be little more than symbolic. Symbolism, to be sure, has value, especially when it comes to Taiwan. Sending the UN ambassador to Taipei would have usefully highlighted Taiwan’s exclusion from international institutions like the World Health Organization at a time when the world would benefit from its involvement. New bilateral policy initiatives, however, could not have realistically been on the table with just days remaining in the Trump term. Rather, Pompeo’s [statement](#) arguably evinced an intention to poke China in

the eye—perhaps with a view to padding his resume in the process.

Drun rightly points to the problematic use of Taiwan as a “card to play” against China. But what is arguably more troubling is the use of Taiwan as a card to play against Democrats. As Drun [notes](#), despite Taiwan policy having for decades “been largely insulated from partisan whims,” Pompeo put that at risk:

“In today’s hyperpartisan domestic environment, there is a real risk in associating support for Taiwan with a specific political party [...]. This is even more the case given that Pompeo’s decision was made against the backdrop of a deadly insurrection, spurred on by a president getting close to political bankruptcy.”

Should Pompeo, in abolishing the guidelines, bequeath a partisan split over Taiwan policy, neither American nor Taiwanese interests will be served.

The Right Policy

But is that risk as great as Drun suggests? There is good reason to think not. Pompeo’s presidential ambitions may taint the nullification of the Taiwan contact guidelines, but their nullification was arguably a good policy. Writing in a previous [issue](#) of the *Global Taiwan Brief* about the Taiwan Assurance Act, which became law as part of last year’s [omnibus spending bill](#), I described why the guidelines were so problematic:

“That State Department officials cannot meet Taiwan counterparts in executive [branch] office buildings is an inconvenience that, one imagines, must have at times deterred such meetings. Refusal to treat visiting Taiwan dignitaries with the formalities and honors granted other foreign visitors denies them dignity without meaningfully advancing US interests in Asia. Ensuring that Taiwan’s foreign and defense ministers do not step foot in Washington, DC—indeed, keeping them outside the Beltway entirely—denies American senior national security officials opportunities to engage with counterparts from a country with whom the United States could one day conceivably fight alongside in a conflict with a rival nuclear power.”

Although perhaps now overtaken by recent events,

the Taiwan Assurance Act, which Congress passed with bipartisan support, requires the secretary of state to “conduct a review of the Department of State’s guidance that governs relations with Taiwan, including the periodic memorandum entitled ‘Guidelines on Relations with Taiwan’ and related documents, and reissue such guidance to executive branch departments and agencies.” The act unambiguously describes the sense of Congress as favoring a loosening of restrictions on diplomatic engagement with Taiwan.

Mainstream Democrats in Congress and in the new administration may reasonably be dismayed by the manner, timing, and context of the contact guidelines announcement—all of which are plainly problematic—but their policy preferences on this issue are likely to remain largely aligned with those of mainstream Republicans. In recent years, those preferences have been inclined towards pursuing a more robust, more normal relationship with Taiwan.

What’s more, the Biden team may welcome the move, even if only cautiously. David Stilwell, until recently the assistant secretary of state for the Bureau of East Asian and Pacific Affairs, told the [Financial Times](#) that a “lengthy review” preceded the decision to discard the guidelines. Newly minted political appointees now have access to that review, and may have even had access to it during the transition. The Biden transition team was not known for leaks to the press, but it is notable that there was not a hint of displeasure publicly aired in the days following Pompeo’s announcement.

Jessica Drun defensibly [accuses](#) Trump’s State Department “of attempting to bind the next administration’s hands on Taiwan policy, otherwise setting up incoming leadership to easy criticisms of inaction.” But Pompeo’s motivations aside, incoming officials may end up taking a more sanguine view of his decision. The six-month policy review mandated by the Taiwan Assurance Act would have been a point of prolonged friction in US-China relations, with Beijing attempting to use available leverage to affect its outcome. Now, however, the Pompeo announcement has reduced the import of that review. Secretary of State Antony Blinken, in his confirmation hearing, did [say](#) that “we’re going to take a hard look” at his predecessor’s decision, but also that he wants to be [sure](#) “we’re acting pursuant to the mandate in the [Taiwan Assurance] act that looks

at creating more space for contacts.” Blinken and his team may well welcome the opportunity Pompeo has provided to regularize diplomatic interactions with Taiwanese counterparts and to do so without having to themselves make fraught decisions about the prior guidelines.

Conclusion

It should go almost without saying that the timing of the guidelines’ nullification was not ideal. If Trump administration officials believed discarding them was the correct move, that policy should have been adopted sooner, at a time when the administration would have been well-prepared for Chinese blowback directed at either Washington or Taipei. Alternatively, it would have been better for the Biden administration to make this decision on its own—doing so would have made for a far more potent demonstration of American backbone and would have *reinforced* bipartisan consensus on Taiwan policy rather than risk weakening it as Pompeo did.

But despite the ill timing, despite the wretched context—the waning days of an administration only reluctantly cooperating in the presidential transition and beset by insurrection in the capital city—discarding overly restrictive limitations on bilateral engagement is a good policy. It is a policy for which Congress has, in bipartisan fashion, already voiced its approval and a policy that Taiwan’s leaders, by all indications, genuinely support. The Biden administration need not applaud Mike Pompeo for taking this step how and when he did. But the new administration can and should make the most of it.

The main point: The timing, context, and manner of Mike Pompeo’s nullification of the Taiwan contact guidelines were all problematic but it may work out for the best.

Japan’s Three Pillars of Defense and the Future of the Japan-Taiwan Defense Relationship

By: Joseph Ross

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In an [interview with Reuters](#) late last year, Japan Vice Defense Minister Yasuhide Nakayama observed, “There’s a red line in Asia – China and Taiwan.” He added: “How will Joe Biden in the White House react in any case if China crosses this red line? [...] The United States is the leader of the democratic countries. I have a strong feeling to say: America, be strong!” The statement’s purpose underscores Tokyo’s security concerns and how Taiwan factors into the US-Japan alliance. The last four years under the Trump administration saw the United States’ engagement with Taiwan increase as China became the primary strategic competitor. In tandem, communications between Washington and Tokyo on related matters have presumably grown. This trend is [likely to continue](#) under the Biden administration. Still, was Minister Nakayama’s statement of clarity a sign of one official’s assessment or reflective of an undercurrent in Japanese defense thinking? As Japan continues to express interest in increasing cooperation with Taiwan, cultivating this relationship’s security dimension is critical for all parties involved. The United States-Japan-Taiwan relationship is likely to be a cornerstone of regional security for years to come.

Three Pillars of Japan’s Defense

A reading of recent Japanese official defense policy documents suggests that the senior defense official’s statement may be reflective of the latter proposition. Every year, Japan releases its [annual white paper](#) “Defense of Japan.” The 2020 edition dedicated a section to the “[Three Pillars of Japan’s Defense](#),” which are Japan’s defense architecture, the US-Japan alliance, and security cooperation. Together, these pillars represent Japan’s plan to achieve the defense component of its national security.

The first pillar—Japan’s defense architecture—addresses the rapidly changing state of Japanese defense capabilities. Reforms within the last decade emphasize Japan’s current push to modernize its legislation and capabilities. One key part is the 2016 “[Peace and Security Legislation](#),” which bundled together several national security amendments into one law. A [notable aspect of this bill](#) allows the Japanese Self-Defense Forces (JSDF) to “provide necessary logistics support and search & rescue to armed forces of foreign countries engaging in activities for ensuring Japan’s peace and security.” Crucially, the legislation also changed the conditions in which Japan could employ “armed force” from exclusively defensive operations to “[three conditions](#)”: 1) a country or group attacks Japan or an attack against a country that “is in a close relationship with Japan occurs and as a result threatens Japan’s survival and poses a clear danger to fundamentally overturn people’s right to life, liberty, and pursuit of happiness;” 2) there are no other solutions to prevent an attack to secure Japan; and 3) if force is used, then it must be to “the minimum extent necessary.”

This change widens the scope of when Japan could use force to respond to a crisis. As tensions increase around the Senkaku/Diaoyutai Islands and within the Taiwan Strait, the JSDF’s ability to respond to a situation in a rapid fashion is critical. Although it remains unclear if Japan would respond directly to a crisis in the Taiwan Strait, the adjusted wording regarding the use of force gives it more flexibility than before. Considering the increasingly interconnected relationships between the United States and its partners, Taiwan is bound to fit into the category of a country with a close connection to Japan.

Another part of the developing defense architecture includes investments into the “[multi-domain defense force](#)” concept—Japan’s vision of joint operations, with a focus on cyber, space, and the electromagnetic spectrum. A part of this is the [interconnectivity](#) of Japan’s command, control, communications, computers, intelligence, surveillance, and reconnaissance (C4ISR) between all of its branches and allies. To this end, Japan plans to inaugurate a new [digital agency](#) next year as a part of its efforts to modernize and centralize its cyber defense capabilities. Moreover, its Ministry of Defense also put forth another [record-setting defense budget](#)

in 2020, which included requests for new [stand-off capabilities](#), research and development for its [next-generation stealth fighter program](#), and even a [hypersonic weapons](#) development program.

The US-Japan alliance, the second pillar, is equally critical to both partners. More than 60 years following the signing of the [US-Japan Security Treaty](#), the alliance continues to deepen cooperation in multiple domains to ensure the regional status quo. The alliance undertakes annual [bilateral and multilateral military exercises](#) to improve coordination between each country’s joint forces. Still, there is more the alliance can do to increase its coordination, especially on the defense front. Japan and the United States currently lack a truly functional joint defense planning group, which would allow both parties to organize and synchronize strategies based on crisis scenarios such as an attack on Taiwan. [1] As tensions increase in the region, both parties must develop the platforms necessary to effectively communicate during high-stakes scenarios.

The third pillar is security cooperation, a key focus for Japan. Given the size and complexity of the region, upholding the stability of the Indo-Pacific will require more than just one country’s contributions. On September 9, 2020, Japan and India [agreed to a deal](#) allowing both sides to “exchange supplies and services on a reciprocal basis during exercise.” This deal was a change of pace for India, which generally approaches its security unilaterally. Similarly, on November 17, 2020, Japan and Australia [brokered an agreement](#) enabling the two parties to reciprocally base their forces and undergo joint operations training. Both these deals and other developments point to Japan’s positive trend of deepening its role regionally.

Japan-Taiwan Security Relationship

Japan and Taiwan’s relationship, specifically as it relates to defense cooperation, is minimal. Still, that should not discredit recent developments. One program that serves as a testament to increasing relations is the [Global Cooperation and Training Framework](#) (GCTF, 全球合作暨訓練架構) launched by the United States and Taiwan in 2015, which Japan joined and has co-hosted since 2019. The GCTF gives Taiwan [a space to share information](#) related to health, cybersecurity, and many other topics with leaders from multiple

countries. The 2020 workshop, focused on “[Combating COVID-19 Disinformation](#),” hosted Japan-Taiwan Exchange Association Taipei Office Chief Representative Hiroyasu Izumi and AIT Director William Brent Christensen, as well as a number of cabinet-level leaders from the three countries. Although the GCTF does not include a defense component, creating a forum in which Japan and Taiwan can communicate is critical to developing a robust relationship.

Leaders from both countries have also made clear unofficially they want more robust ties. During former Taiwan President Lee Teng-hui’s (李登輝) memorial service in 2020, former Japanese Prime Minister Mori Yoshiro was in attendance and [made headlines](#) later for stating that a call between President Tsai Ing-wen (蔡英文) and new Prime Minister Yoshihide Suga was possible. Although it is unclear if the call took place, such an event would be unprecedented, as the leaders of Taiwan and Japan have not publicly spoken since 1972. Moreover, in its [recent diplomatic bluebook](#), Japan described Taiwan as an “extremely important partner” and highlighted its attempts to involve Taipei within international organizations such as the World Health Organization (WHO).

Despite their limited engagement, Japan and Taiwan are geopolitically interlinked. Should a crisis occur within the Taiwan Strait, it would send the entire region into flux. If China were to conduct a military operation against Taiwan, the likelihood of missile strikes against Japanese-American bases in Japan to deny them access to a conflict would certainly be high. Although Japan and Taiwan’s current relationship is limited, it behooves the two partners to engage early and coordinate militarily when possible. If the United States’ engagement with Taiwan in 2020 serves as a harbinger of things to come, then increased cooperation is likely. Japan, Taiwan, and the United States should all take proactive steps to build out their relationship.

Building the Bridge

Based on China’s increasingly aggressive actions and assertive posture, it is clear that the United States, Japan, and Taiwan must collaborate on new ways to engage each other. Leaders from these countries should consider implementing the following policies to bridge the current gap:

1. Develop a US-Japan Joint Defense Planning group to outline, prepare, and further integrate forces in case of a Taiwan Strait contingency. Given the increase of [Chinese military exercises in the surrounding region](#) and [Beijing’s growing investment in high-end military capabilities](#), it is clear that the US-Japan relationship must take another step forward to integrate forces and plans. [2] This group should begin as a collaborative project to jointly develop a working understanding of how both parties could respond to various Taiwan Strait contingencies. Although the likelihood of an imminent conflict is low, preparing for the unlikely is critical. Later, this group could develop into the [long-awaited US-Japan joint task force](#). Interoperability of joint forces is possible, but concrete action and training are needed. Considering the worries of a *fait accompli* over Taiwan and the Senkaku/Diaoyutai Islands, working from the same playbook is critical.

2. Open official and unofficial crisis planning discussions between relevant flag officers from the United States, Japan, and Taiwan. There is much to be desired in the future relationship between the US-Japan alliance and Taiwan. A solid start would involve connecting the militaries of each party and exchanging ideas on planning scenarios surrounding a Taiwan Strait crisis. Publicly announcing crisis planning operations would also signal to China that all parties are interested in maintaining peace and stability in the region.

3. Develop maritime and air intelligence-sharing platforms between Japan and Taiwan. This effort could include the United States as a broker; however, developing the bilateral relationship is critical. Considering the [ongoing harassment by the PLA via Air Defense Identification Zone \(ADIZ\) and maritime incursions](#), both parties would benefit from sharing intelligence information to track patterns of where and when China conducts operations.

Japan has made it clear that it takes China’s rise seriously by undergoing significant changes to its national security infrastructure. While individual investments are important, cooperation between Japan and Taiwan

is critical for the future stability of the Indo-Pacific. The relationship is currently minimal, but it should not stay that way for long, as balancing against China's assertiveness will require a common strategy.

The main point: Japan is strengthening the core pillars of its defense infrastructure in reaction to China's assertive behavior within the Indo-Pacific. Even though the United States is increasing its engagement with Taiwan, Japan lacks the same robust security partnership. In response, Japan (and the United States) should build out new avenues for defense cooperation to increase readiness in the face of growing uncertainty in the Taiwan Strait.

[1] John P. Niemeyer, "U.S.-Japan Coordination in an East China Sea Crisis," *Asia Policy* 15, no. 3 (July 2020): 31–42.

[2] Tetsuo Kotani, "China's Military and Paramilitary Activities in the East China Sea: Trends and Assessments for the U.S.-Japan Alliance," *Asia Policy* 15, no. 3 (July 2020): 7–17.

Exploiting the PLA's Global-Local Dilemma for Taiwan's Defense

By: Toshi Yoshihara

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In an interview last month, the Chairman of the Joint Chiefs of Staff, General Mark Milley, [spoke bluntly](#) about China's growing military challenge. The principal military advisor to the president asserted that Beijing had already "developed a significant military today, as of right this minute." He further acknowledged that the Chinese armed forces "are on a path [...] to be on par with the US at some point in the future" and have "stretched their legs and are becoming a global power." Across the Pacific, the [prognosis](#) about Taiwan's ability to resist China's use of force has become pessimistic, if not fatalistic. Admiral (ret.) Lee Hsi-ming (李喜明), the

former head of Taiwan's military, conceded that, "Time is definitely not on Taiwan's side." In his view, "It's only a matter of time for them to gather enough strength" to credibly threaten the island.

While the People's Liberation Army (PLA) is clearly looking far beyond mainland shores even as it prepares for the worst over Taiwan, hard choices lie ahead for Beijing. The reality is that China's globalizing military could impose opportunity costs on the massive resources Beijing needs to prevail over Taiwan should deterrence fail. Like household spending decisions about remodeling one room at the expense of upgrading another, every yuan China devotes to power projection forces is one fewer yuan it can invest in capabilities primarily suited for a cross-Strait war. The opposite is also true. This global-local dilemma will weigh on China's calculus. In this context and others, the United States and its allies can shape Beijing's decision making by bolstering Taiwan's defense and by strengthening their own deterrent posture.

The Global-Local Dilemma

To fulfill China's global ambitions, the PLA is building an expeditionary force at breakneck speed. Aircraft carriers, multi-mission surface combatants, amphibious assault ships, and fleet replenishment vessels will provide Beijing the global means to wage war at sea, project power ashore, police the oceans, and show the flag. These capabilities will boost Chinese power and prestige abroad while threatening to upend the strategic balance in the Indo-Pacific and beyond.

This globalizing force, however, will have to compete for resources since there are other military capabilities that China needs in order to deter or defeat Taiwan—the PLA's "[main strategic direction](#) [主要戰略方向]" since the 1990s. Beijing's preoccupation with the island as a major flashpoint continues to tie up a sizable portion of resources that would otherwise be available for missions farther afield. Chinese statesmen will face increasingly difficult tradeoff choices that they have not had to contemplate in the past.

The PLA must amass and maintain a force that is adapted to the peculiar needs of a potential cross-Strait war. Some of these warfighting tools [are tailored](#) to coerce or attack the island. They are not easily transferable or relevant to China's global ambitions. Short-legged

platforms built to perform a few critical missions are particularly inapplicable to expeditionary operations. China's longer-range land-based strike systems, including missiles and aircraft, are oriented narrowly toward a Taiwan contingency.

The PLA Rocket Force's short-range ballistic missiles are one-way precision weapons intended for use against Taiwan and other nearby targets. Coastal combatants lack the range and the seaworthiness to venture far from home waters and generally conduct a narrow range of tasks. Coastal anti-ship and air defense batteries can only defend their respective sectors along the approaches to the mainland. Beyond the costs of procuring the weaponry, the associated expense of maintaining, operating, manning, recapitalizing, and training is likely sizable.

Many of these military assets, the fruits of decades-long investment, are designed almost exclusively for a potential war over Taiwan. To the extent that these contingency-specific forces consume a slice of China's defense spending, the PLA's requirement to fight and win against the island and to defeat third-party intervention constitutes a kind of tax on its global ambitions.

This apparent resource tradeoff should be subjected to close study. American and allied policymakers should have a better sense of the price China must pay for going global to inform their strategies for a long-term competition. They should test whether the opportunity costs between China's general-purpose forces for expeditionary missions and its contingency-specific forces for a Taiwan confrontation pose meaningful fiscal dilemmas.

It is not clear whether the PLA's dual force structure for local conflicts and global operations is sustainable over the long haul. It may very well prove overly burdensome. Whether China can go global, despite the resources that Taiwan and other close-by disputes continue to consume, remains a critical question for the Chinese leadership and military brass. This uncertainty will grow more acute as China runs into economic headwinds that have been building well before the budget-busting COVID-19 crisis.

Forcing Harder Choices on Beijing

If China's global ambitions impose a discernible opportunity cost on its military capabilities over Taiwan and vice versa, then the United States and its allies possess leverage to steer Beijing's resourcing decisions. Washington and allied capitals can exacerbate China's global-local dilemma by pursuing strategies that compel Beijing to dilute its scarce capital across its priorities close to home and its prerogatives beyond the Western Pacific.

The PLA [is seeking](#) local preponderance in maritime Asia and has [exhibited interest](#) in obtaining overseas access and presence across the Indo-Pacific and beyond. Thus, the debate on whether the United States and its allies should hem in China behind the first island chain—the transnational archipelago that runs from Japan to the Philippines—or whether they should draw out the PLA to the open oceans where the allies excel in blue-water combat presents a false choice. The allies must prepare to compete near and far from China's backyard.

Initiatives aimed at driving up the costs of Chinese aggression against Taiwan could rivet the PLA's attention to the island, drawing investments away from Beijing's global plans. Conversely, measures that target the PLA's vulnerabilities in distant theaters could siphon spending from warfighting capabilities for a cross-Strait contingency, thereby undermining a core mission of the Chinese armed forces. Washington and its partners should maneuver Beijing onto the horns of a dilemma, steepening the costs of the choices Chinese leaders must make about their defense priorities.

Frontline states, such as Taiwan and Japan, have already begun to invest in capabilities to raise the costs of Chinese aggression in offshore areas. They have acquired anti-access weapons of their own, including ship-killing missile units, that would increase the PLA's risks of operating in the littorals. The US military is also [developing operational concepts](#) that would enable its forces to operate well inside the range of Chinese firepower and to fight PLA forces with dispersed, composable, survivable, and lethal units. Allied efforts to enhance resilience against China's first-mover advantage, such as measures to harden basing infrastructure, would further erode Beijing's confidence in its war

plans. The United States has drawn closer to Taiwan in recent years and it needs to adopt new policies that further loosen constraints on US military ties with the island. Others, such as Japan, should follow suit.

Moreover, a future conflict over Taiwan would likely expand beyond the first island chain. In addition to deep strikes against targets located as far as Guam, the PLA could conduct long-range attacks from the man-made Spratly bases toward the Sulu and Philippine Seas and the Bay of Bengal. Those manmade islands can host missiles, aircraft, warships, and sensors, forming a formidable bastion and launch pad in the heart of the South China Sea. The Chinese navy could dispatch surface action groups and attack submarines to prowl the Indian Ocean and the South Pacific to disrupt allied operations. In the future, forward-deployed PLA forces would already be positioned along key sea lanes that the US Navy relies on to surge or swing forces from one theater to another.

The allies must therefore be prepared to wage war against the globalizing PLA in multiple theaters, some located far from the Chinese homeland. The United States and its allied partners should be poised to aggravate the global-local dilemma by rendering the operational environment inhospitable to China's prospective expeditionary forces and overseas presence. Furthermore, they should hone their skills to hold at risk China's expeditionary fleet and the sea lines of communications that supply its forward-deployed forces. The ability to cut off PLA units operating in distant regions would exploit the inherent logistical difficulties of sustaining global operations and would deepen Beijing's paranoia about losing command and control of its forces.

The goal is to sow doubt in the minds of Chinese decisionmakers about their prospects for success in a cross-strait war *and* about the survivability of their power projection assets in faraway theaters. If the allied measures above stimulated enough fear, Beijing could be compelled to spend more to alleviate the global-local dilemma than it would otherwise prefer or to prioritize capabilities for one front at the expense of the other. Either outcome would likely slow, if not complicate, China's global and local ambitions.

Concluding Thoughts

To be sure, a cost-informed analysis might find that the tradeoffs between China's globally and locally oriented forces may not be as sharp as one might assume. For one thing, contingency-specific and general-purpose forces are not mutually exclusive in their functions. The PLA's expeditionary forces add to Beijing's ability to coerce or defeat Taiwan. They would multiply the lethality of those units assigned specifically to wage war against the island. For another, Beijing has shown over the past decade that it possesses the wealth to construct power projection forces at an impressive scale and speed, even as it has simultaneously deployed a powerful deterrent force against Taiwan and other local flashpoints. Perhaps China can have it both ways.

Even if that were the case, it would still behoove the United States and its allies to force more difficult choices on Chinese leaders and to induce Beijing to feel less confident about its ability to manage the global-local dilemma. Doing something would be preferable to doing nothing at all. Efforts to impose opportunity costs, even marginal ones, would do more to preclude Beijing from gaining strength unimpeded. Such moves may even postpone China's plans, buying precious time for the United States and its partners to organize resistance. There is a critical need for sustained high-level discussions between senior military planners in the United States and Taiwan on how best to force difficult choices on Chinese leaders.

Finally, China's global-local dilemma shows that Taiwan's future will not only determine Asia's power balance, but it will also influence Chinese decisions as Beijing extends its influence beyond the Western Pacific. Indeed, China's path to preeminence overseas runs through Taiwan. So long as the island keeps Beijing at arm's length, Chinese leaders will not have the luxury of going global unconstrained. In addition to Taiwan's geostrategic centrality, economic dynamism, and democratic vibrancy, the island's salutary role in complicating China's expansion abroad will further cement its unassailable importance to regional and global security.

The main point: While much has been made of China's increasingly globalized military operations, Beijing will face difficult decisions in determining how to al-

locate its defense spending in coming years. In order to make these choices more challenging, the US and its allies should work to strengthen Taiwan's defense and enhance their own deterrent capabilities.