



US-Taiwan Relations in the 21st Century:
Building the Foundation for a
Global Partnership

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Introduction

In his preface to the White House Interim National Security Strategic Guidance issued in March 2021, President Joseph Biden stated: “I firmly believe that democracy holds the key to freedom, prosperity, peace, and dignity. We must now demonstrate—with a clarity that dispels any doubt—that democracy can still deliver for our people and for people around the world.”¹ Following this, the Strategic Guidance described the current broad security landscape as “a world of rising nationalism, receding democracy, growing rivalry with China, Russia, and other authoritarian states, and a technological revolution that is reshaping every aspect of our lives.” In particular, it pointed out that China has “rapidly become more assertive” and is “the only competitor potentially capable of combining its economic, diplomatic, military, and technological power to mount a sustained challenge to an open and stable international system.”

To respond to these challenges, the White House declared that “we will position ourselves, diplomatically and militarily, to defend our allies. And we will stand up for democracy, human rights, and human dignity, including in Hong Kong, Xinjiang, and Tibet.” It emphasized that the United States “can do none of this work alone” and will first need to “reinvigorate and modernize” its alliances particularly in Europe and Asia. It indicated that “our democratic alliances enable us to present a common front, produce a unified vision, and pool our strength to promote high standards, establish effective international rules, and hold countries like China to account.” It also expressed support for China’s neighbors and commercial partners in “defending their rights to make independent political choices free of coercion or undue foreign influence.” Finally, the Strategic Guidance stated that the United States “will support Taiwan, a leading democracy and a critical economic and security partner, in line with longstanding American commitments.”

¹ White House, “Interim National Security Strategic Guidance” (report), March 3, 2020.

Since the lifting of martial law in 1987, Taiwan has indeed made a historic transition into an outstanding model of democracy with a thriving civil society that has played a significant role in upholding the liberal international order. As President Tsai Ing-Wen (蔡英文) recently wrote (in *Foreign Affairs*), “at the heart of this [Taiwan] identity is our embrace of democracy, reflecting a choice that the Taiwanese made and fought for after decades of authoritarian rule.” In its 2021 Freedom of the World report, US-based NGO Freedom House wrote that “Taiwan’s vibrant and competitive democratic system has allowed three peaceful transfers of power between rival parties since 2000,” and gave Taiwan the second highest “global freedom score” (94/100) in Asia, just below that for Japan (96/100). At the same time, Taiwan has achieved remarkable economic growth emerging from a developing agricultural society into an advanced free market industrial economy and a major player in the global technology supply chain. In 2019, Taiwan was the United States’ 10th largest trading partner, outranking markets such as the Netherlands and Italy, with USD \$85.5 billion in two-way goods trade.

Today, however, Taiwan does face daunting military and political threats from an increasingly assertive China seeking unilaterally to alter the status quo across the Taiwan Strait. Apart from an alarming escalation of military operations against Taiwan, China’s intense pressure campaign has also included coercive measures to isolate Taiwan internationally from both its diplomatic allies, as in the latest case of Nicaragua, and critical non-diplomatic partners. Beyond this, China has also blocked Taiwan’s meaningful participation in a number of key international organizations, such as the World Health Organization (WHO) and other United Nations (UN) agencies, where Taiwan can benefit from as well as contribute to international cooperation. Finally, as nations in the Indo-Pacific region push toward economic integration through the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and Regional Comprehensive Economic Partnership (RCEP), China has opposed Taiwan’s member-

ship in these trade groups, seeking to marginalize Taiwan in the region.

In view of avowed US policy to promote democracies and to maintain its “longstanding commitments” to Taiwan, as recently reiterated by President Biden, this report thus examines ways that the United States, in consultation with Taiwan and like-minded partners, can help Taiwan strengthen relations with its diplomatic and non-diplomatic partners, actively participate in international organizations, and expand its regional and global economic ties. Beyond this, as China continues to utilize coercive measures and exploit international institutions to advance its national interests, we discuss how the United States and Taiwan, along with like-minded partners, can work together to protect and preserve the rules-based liberal international order. We hope that this report will encourage policy practitioners and others to support the effort to build a US-Taiwan global partnership that will help to sustain a free, open, and stable international system.

Taiwan's Diplomatic Relations and its International Space

Taiwan occupies a unique place in the current international order, a country of 23.5 million people and with a nominal Gross Domestic Product (GDP) of USD \$759 billion whose international legitimacy is under constant assault from the world's second largest economy. The People's Republic of China (PRC) continues to wage a multi-decade assault on Taiwan's international space, successfully reducing Taipei's formal diplomatic relationships to 14, as of June 2022. Since the establishment of the PRC, 117 states have switched recognition from Taipei to Beijing. Additionally, Taiwan enjoys 47 non-diplomatic, unofficial state-to-state relationships.

Similarly, Taiwan, which is officially known as the Republic of China (ROC), has faced a series of significant setbacks since its 1971 expulsion from the United Nations and its seat on the UN Security Council ceded to the PRC. Its expulsion from the UN has deprived Taipei from membership in key affiliated UN agencies, such as the WHO and the International Civil Aviation Organization (ICAO). The inability of the world's 21st largest economy to participate in the premier global fora on health, transportation, and other issues is deeply corrosive to efforts to solve transnational challenges like pandemics.

As the PRC continues its multipronged assault on Taiwan's international space while escalating its economic and military threats against Taipei, the question of Taiwan's international position is of growing significance. Maintaining and even expanding Taiwan's formal diplomatic recognition serves as an important demonstration of Taiwan's effectiveness on the global stage and frustrates Beijing's efforts to isolate its foe. Additionally, the maintenance and expansion of Taiwan's diplomatic recognition offers substantive value for Taipei, enhancing its ability to project diplomatic, cultural, and economic power in ways beneficial to its long-term international standing.

Advancing Taiwan's status and participation in inter-

national organizations, both within the UN system and more broadly, is similarly beneficial to Taipei's long-term international standing. Practically, greater integration into international organizations focused on health, culture, and transportation enhances the effectiveness of those bodies while advancing the global discussion on critical topics through the inclusion of one of the world's most dynamic economies.

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While the United States debates its response to PRC escalation against Taiwan, the Biden Administration would do well to regard advancing Taiwan's diplomatic and international space as an important component of its larger obligations to Taiwan, both under the Taiwan Relations Act (TRA) but also as a prudent strategy for stabilizing cross-Strait relations. There has been considerable policy debate in Washington regarding the efficacy of assisting Taiwan to actively resist PRC efforts to "flip" its remaining diplomatic allies.² Opposing arguments ignore the damage to Washington's overall Indo-Pacific strategy of a weakening in Taiwan's international position, as well as Beijing's "coercive" or "corruptive" efforts to achieve those ends; as Taiwan is seen to be vulnerable to PRC coercion, and Washington unable to prevent it, regional states make attendant calculations based on their relationships toward both Beijing and Washington.

² See: Derek Grossman, "Taiwan would be better off alone," *Nikkei Asia*, December 23, 2021.

In the years ahead, both Taipei and Washington have a vested interest in actively collaborating to maintain and expand Taiwan’s diplomatic space and presence in international organizations. Such coordination will strengthen Taiwan’s ability to resist PRC coercion, advance the interests of international organizations to which Taiwan is permitted to join or participate in, and promote Washington’s desire for a peaceful, prosperous Indo-Pacific region as its long-term competition with the PRC continues.

Taiwan's Diplomatic Relationships and Beijing's Coercion Campaign

Currently, Taiwan has formal diplomatic relationships with 13 UN-recognized states and the Holy See. A current list of Taiwan’s formal diplomatic partners is below, along with the year of recognition:

State	Year Recognized Taiwan
Belize	1989
Eswatini	1968
Guatemala	1933
Haiti	1956
Holy See	1942
Honduras	1941
Marshall Islands	1998
Nauru	1980-2002, 2005
Palau	1999
Paraguay	1957
Saint Kitts & Nevis	1983
Saint Lucia	1984-1997, 2007
Saint Vincent & the Grenadines	1981
Tuvalu	1979

As can be seen from the above chart, the remaining Taiwanese diplomatic partners are primarily small, developing states in the Pacific, Caribbean, and Central America. Such states are particularly vulnerable to PRC coercion, through a variety of illicit means, a change

in recognition to Beijing. In recent instances, the PRC has used the (promise of substantial economic inducements, often through the Belt and Road Initiative (BRI, formerly known as “One Belt, One Road,” 一帶一路) personalized interactions, including sponsored trips, scholarships), and financial incentives with local elites; and threats and coercion to compel a change in recognition away from Taiwan.

Since 2000, 17 countries have switched recognition from Taipei to Beijing, as demonstrated in the below-chart:

State	Year of Recognition Switch
Chad	2006
Costa Rica	2007
Dominica	2004
Dominican Republic	2018
El Salvador	2018
The Gambia	2013
Grenada	2005
Kiribati	2019
Liberia	2003
Nicaragua	2021
North Macedonia	2001
Malawi	2008
Panama	2017
Sao Tome & Principe	2016
Senegal	2005
Solomon Islands	2019
Vanuatu	2004

While each switch in recognition is reflective of different political dynamics and local circumstances, two recent switches should be highlighted to understand the scope of PRC investment in the effort to undermine Taipei’s diplomatic space. In the Solomon Islands, which initially recognized Taiwan in 1983, a change in government in 2019 from Prime Minister Rick Hou, a staunch proponent of ties with Taipei, to Prime Minister Manasseh Sogavare, precipitated the switch in recognition to the

PRC.

The decision to switch recognition produced considerable political divisions in Solomon Islands, where the PRC's regional behavior has long been a source of alarm and Taipei has provided critical social services, including healthcare, to significant swathes of the population over many years. Among the publicly-reported inducements provided to Sogavare and his inner circle were trips to Beijing and an agreement for several high-profile BRI projects in Solomon Islands, including a multi-million dollar sports stadium and commitments from Chinese companies to undertake substantial infrastructure projects. There have been reports of PRC interest in leasing an entire island in the Solomons, which has thus far not materialized.

El Salvador's 2018 change in recognition from Taiwan to the PRC produced considerable domestic discontent, with now-President Nayib Bukele criticizing the switch during his election campaign and attributing it to corruption. Bukele also spoke critically about the PRC's track-record in the developing world, including the use of infrastructure spending to exert leverage over developing states' foreign policy. However, since taking office, Bukele has failed to reverse course on recognition and has even welcomed Chinese investment into El Salvador.

Current Status of Taiwan's Diplomatic Relationships

Taiwan's remaining 14 diplomatic relationships are in various states of duress, with the PRC often actively campaigning, overtly or covertly or both, to secure a switch in recognition. In some cases, these efforts are conducted through lobbying the current government;

in others, by strengthening ties with opposition parties with the goal of securing a switch in recognition following national elections. The following is a brief examination of Taiwan's current diplomatic relationships:

Africa

1. *Eswatini*. The last remaining Taiwanese diplomatic partner in Africa, Eswatini has faced significant pressure from Beijing to switch recognition. In 2018, at the Forum on China-Africa Cooperation, the PRC stated publicly that it wished to see Eswatini join its fellow African states and recognize Beijing. The PRC has retaliated against Eswatini with onerous visa restrictions for its nationals, prompting a senior Eswatini official to note, "the ugly nature of the Chinese regime and its despicable means of suppression are contemptible, and it should be deterred by international public opinion." Taiwan has actively sought to maintain Eswatini's recognition, signing trade MOUs and exchanging numerous high-level visits in recent years.

Europe

1. *Holy See*. Taiwan's last remaining European diplomatic partner, the Holy See has been under substantial pressure to recognize the PRC in recent years. As the number of Catholics in the PRC has grown, and Beijing has exerted increasing control over the Church hierarchy in the PRC, the Holy See has been forced to debate the best mechanism for securing its interests in the PRC. Consequently, the 2018 renegotiation of the Holy See-PRC Provisional Agreement, governing the appointment of bishops within China, provoked considerable concern at the direction of Taiwan-Holy See relations. Both the Holy See and Taipei have continued to reaffirm the strength of the relationship, although the PRC's leverage over the growing Catholic population in

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China is cause for concern in the years to come.

Central America and the Caribbean

1. *Belize*. While Taiwan's relationship with Belize is generally strong, and the two partners enjoy a frequent exchange of high-level visitors, Belize in 2019 underwent a brief national discussion of China policy, prompted by an opposition party delegation's visit to Beijing. Ultimately, the Belizean government rejected any attempt to undermine its relationship with Taiwan.

2. *Guatemala*. As recently as 2019, Guatemala's president publicly reiterated support for the relationship with Taipei and rejected calls for a switch in recognition to the PRC. Among the areas of cooperation between the two nations, Guatemala has actively encouraged Taiwan's participation in international organizations and Taipei has provided assistance in areas including infrastructure, public health, education, and agriculture. Taiwan has provided several hundred million dollars to Belize to support a major highway project, and Taipei currently owns a substantial percentage of Belize's national debt.

3. *Haiti*. In addition to regular high-level visits, Taiwan provided significant financial assistance to Haiti following its devastating 2010 earthquake. Haiti has frequently been targeted by Beijing for its failure to follow its neighbor, the Dominican Republic, and recognize the PRC, including losing out on billions of dollars in concessional loans offered to Caribbean Community states that recognize the PRC. Since the Dominican Republic's 2018 switch, Taiwan has sought to shore up its relations with Port-au-Prince, offering over USD \$150 million in infrastructure-related loans.

4. *Honduras*. Tegucigalpa has been a centerpiece of the PRC's "vaccine diplomacy" during the COVID-19 pandemic, with generous vaccine offers from Beijing prompting the Honduran government to publicly speculate about opening an office in Beijing. While Honduras ultimately reaffirmed its commitment to Taiwan in May 2021, China's aggressive use of the public health emergency to diminish Taiwan's diplomatic space of-

fered an important window into the PRC's future tactics.

5. *Saint Kitts & Nevis*. In addition to regular high-level visits, Saint Kitts and Taiwan enjoy a robust cultural exchange and cooperation on education and agriculture.

6. *Saint Lucia*. Saint Lucia has been one of the Western Hemisphere's strongest supporters of robust relations with Taiwan, with Prime Minister Allen Chastanet noting that, "a celebration for Taiwan is a celebration for Saint Lucia." The PRC has been outraged at Saint Lucia's impertinence since its 2007 switch of recognition to Taipei, at the time referring to it as "brutal interference in China's internal affairs." Taiwan and Saint Lucia have continued to expand their ties since, exchanging high-level visits and cooperating on high-profile public health projects in Saint Lucia.

7. *Saint Vincent & the Grenadines*. The opposition New Democratic Party (NDP) has already proclaimed its intention to recognize the PRC should it win the next general election, a position the current government has denounced. The PRC has denied economic opportunities to Saint Vincent that it has extended to other Caribbean Community members, including concessionary loans. Taiwan has provided several high-profile infrastructure projects for Saint Vincent, including substantial financing for a recently-opened airport.

Oceania

1. *Marshall Islands*. One of the most stalwart of Taiwan's diplomatic partners, Majuro has confronted a unique challenge to its relationship with Taipei: efforts by sub-national actors to undermine both national sovereignty and Marshallese-Taiwanese relations in furtherance of ties with Beijing. The mayor of Rongelap Atoll in the Marshalls has sought to establish a "special administrative zone", which observers have likened to quasi-independent status, with the purpose of strengthening economic ties to China. While this issue has temporarily been mitigated by the government in Majuro, Beijing has an interest in exacerbating subnational tensions with the goal of undermining support for Taiwan in politically fragmented or geographically isolated states,

like it successfully did in Kiribati and Solomon Islands.

2. *Nauru*. Like the Marshall Islands, Nauru has been a staunch supporter of relations with Taiwan and publicly disclaimed a switch in recognition following the 2019 decision of Kiribati and Solomon Islands to recognize the PRC. Former Nauruan President Baron Waqa once proclaimed himself “Taiwan’s best friend” and publicly chided the PRC at the 2018 Pacific Islands Forum for its international misbehavior. Nauru had recognized the PRC until 2005, when it shifted recognition to Taipei.

3. *Palau*. Palau, like the Marshall Islands, maintains a Compact of Free Association (COFA) with the United States, providing additional protection from Beijing’s wrath as it pursues positive diplomatic relations with Taiwan. In 2021, US Ambassador to Palau John Hennessey-Niland accompanied Palauan President Surangel Whipps, Jr. to Taiwan, the first time a serving US ambassador had visited Taipei in over four decades. Taiwan and Palau were quick to establish a “travel bubble” during the COVID-19 pandemic, and ties between the two countries are robust across a range of areas.

4. *Tuvalu*. Tuvalu has repeatedly rejected PRC efforts it claims are an attempt to undermine its warm relationship with Taiwan, including offers from Beijing to construct artificial islands aimed at reducing Tuvalu’s exposure to rising sea levels. Taiwan’s support for Tuvalu has been multi-faceted, including construction of the country’s legislative building, a large annual medical mission, and substantial contributions to Tuvalu’s annual budget.

South America

1. *Paraguay*. The COVID-19 pandemic brought to the surface a long-standing debate in Asuncion regarding recognition of Taiwan, with the business community having long advocated for a switch in recognition to

the PRC. As the PRC conditioned vaccine availability and personal protective equipment (PPE) to Paraguay on a change in diplomatic recognition, unsuccessful efforts were made by factions in the Paraguayan Senate to switch recognition. As Taiwan’s largest remaining diplomatic partner, and with a large commodity and agricultural sector anxious for access to the PRC’s market, Paraguay will remain a battleground for the PRC and Taiwan in the coming months and years.

The PRC has waged an active campaign to deny Taiwan space on the international stage, both in its bilateral relationships and through international organizations, in an effort to delegitimize Taipei and facilitate Beijing’s eventual absorption of the island into the PRC. Taiwan’s current 14 diplomatic partners, primarily developing states with a limited global voice, are under regular pressure by the PRC through a variety of inducements and coercive measures to facilitate a switch in recognition. The PRC has devoted considerable resources to this objective, and developing states have often been unable

to resist the concessionary loans, major infrastructure projects, and inducements directed at local elites.

The United States has a significant national interest

in expanding Taiwan’s diplomatic space. As the US-PRC competition grows, Washington must prioritize resisting further efforts by Beijing to diminish Taiwan’s remaining diplomatic partnerships. The United States would be well-served by coordinating closely with Taipei, and also working to identify opportunities for Taiwan to expand its diplomatic relationships. There is a substantial need for major powers without formal recognition of Taiwan, including Quadrilateral Security Dialogue (Quad) members Japan, Australia, and India, to more actively address Beijing’s attempt to diminish Taiwan’s international space in countries and regions where these powers have substantial influence.

"As the US-PRC competition grows, Washington must prioritize resisting further efforts by Beijing to diminish Taiwan’s remaining diplomatic partnerships."

As the Biden Administration evaluates its posture toward Taiwan, now is the time for an aggressive embrace of the expansion of Taiwan's diplomatic space. Such an approach is consistent with the administration's focus on multilateralism, as well as its opposition, enshrined in its Interim National Security Strategic Guidance, to the PRC's coercive and malign behavior in the Indo-Pacific. Taiwan's long-term success on the international stage depends on Washington's commitment to this critical objective.

The Role of Taiwan's Nondiplomatic Partners for Its International Space

Taiwan does not maintain official diplomatic relations with a majority of nations. Yet, Taipei primarily relies on several major nondiplomatic partners to improve its international position, security, trade, and support its *de facto* sovereignty. While this limitation precludes Taiwan from the full benefits of recognition of statehood in the international diplomatic arena and high-level official contacts, it also does not entirely eliminate opportunities to better integrate itself within the international community, becoming an indispensable player in regional security, trade, and governance. This section examines a handful of policies the United States and other non-diplomatic partners of Taiwan can pursue in order to assist Taiwan in improving its *de facto* sovereignty and international position.

Absent a significant change in the diplomatic approaches of a majority of nations, in order to integrate Taiwan into international space more effectively, a “nondiplomatic” approach must also be utilized. This means that Taiwan cannot focus on its diplomatic partners alone. While Taiwan’s difficult diplomatic position complicates its international participation due only to Beijing’s objections, there are still many opportunities for Taiwan to become a significant player in the liberal international and regional political orders. Several emerging areas in which Taiwan has opportunities to improve its international position through nondiplomatic means include expanding its development of unofficial relations as it has done with Somaliland in Africa and Lithuania, Slovakia, and the Czech Republic in Eastern Europe, the passage of pro-Taiwan domestic laws in the United States and other countries, unofficial or “observer” integration into regional agreements, intelligence sharing and military cooperation, and the leveraging of Taiwan’s dominance in the manufacture of specific strategic resources such as semiconductors.

Taiwan is a vital US partner in the strategic, economic, political, and moral spaces and the United States has ample reasons to assist Taiwanese efforts to leverage

these nondiplomatic resources and capabilities. China attempts to reframe cross-Strait relations as “internal affairs,”³ endangering the international solidarity behind Taiwanese *de facto* sovereignty and cynically casting its broad territorial claims over Taiwan as integral parts of China. For both the United States and Taiwan, ubiquitous nondiplomatic integration of Taiwan into international spaces protects Taiwanese *de facto* sovereignty, serves US interests, and ensures that any Chinese attack against Taiwan will result in China becoming an international pariah.

The lifting of previous standing restrictions on interactions between representatives of Taiwan and the United States, initiated by the US State Department under Secretary Mike Pompeo and continued by now-Secretary Antony Blinken,⁴ is one of the more significant policy steps in building non-diplomatic ties between Taiwan and its unofficial allies.

Just a few years ago, the idea of sitting US Senators landing in Taiwan on a military aircraft may seem to some to be crossing a PRC “red line”—which refers to an issue that China considers to be important to the point that retaliation would be used to counter any interference they deem unsatisfactory. The most notable “red line,” is outlined in Article 8 of the Anti-secession Law,⁵ the clearest indication that China will use military force in the event that Taiwan declares formal independence. While working to have countries switch official relations from China to Taiwan may be unattainable in many cases (although such efforts should not be abandoned as articulated in the earlier section) the primary focus

3 Ted Anthony, “Analysis: Are China’s ‘internal affairs’ going more global?” *AP News*, October 11, 2019.

4 Ned Price, “New Guidelines for U.S. Government Interactions with Taiwan Counterparts” (press statement), US Department of State, April 9, 2021.

5 “Anti-Secession Law (Full text) (03/15/05),” Embassy of the People’s Republic of China in the United States of America, March 14, 2005.

should be instead on boosting bilateral ties through industry, trade, and public diplomacy with non-diplomatic partners. This effort would suffice to keep Taiwan as a respected member of the international order and build greater support for its *de facto* sovereignty.

One avenue for the expansion of Taiwan's international space is through the harmonization of and passage of legal frameworks in countries to codify relations with Taipei such that it does not become overly subject to the Beijing's pressure. In the United States, the Taiwan Relations Act, Taiwan Travel Act, Taiwan Allies International Protection and Enhancement Initiative (TAIPEI) Act, and Taiwan Assurance Act⁶ each bolster Taiwan's position without direct diplomatic contact. The Taiwan Relations Act, signed into law in 1979, remains the legal backbone⁷ of US-Taiwan relations and provide the foundation for bilateral relations.

The Taiwan Assurance Act of 2020 deepens⁸ military assistance and promotes unofficial ties as part of the Global Cooperation and Training Framework (GCTF), which includes Taiwanese experts in international discussions on public health, disaster relief, and other fields. Notably, domestic laws regarding Taiwan in the United States do not merely authorize defense sales. By establishing legal precedent for nondiplomatic support for Taiwan, *de facto* sovereignty is bolstered through repetition and contact. By following the letter of these laws, the United States increases Taiwan's international space and includes Taiwan issues in its larger geopolitical and economic competition with the PRC.

New Concepts and Institutions

The Summit for Democracy, Free and Open Indo-Pa-

cific (FOIP), Quadrilateral Security Dialogue (Quad), Australia, United Kingdom, and the United States security pact (AUKUS), and the Partnership for Quality Infrastructure (PQI) are each regional initiatives of interest to Taiwan. The FOIP, originally drafted by Japan, seeks to protect trade and sovereignty⁹ on the seas from Mumbai to Singapore to Tokyo. This concept has been widely adopted¹⁰ in the strategic language of Washington as well as Taipei and runs directly contrary to Chinese claims of a "9 dash line" which ostensibly denotes¹¹ territorial control over the vast majority of the South China Sea.

The FOIP, in practice, has led to the rejuvenation of the Quadrilateral Security Dialogue,¹² comprised of the

"The United States should consider highlighting the Taiwan issue to Japan, India, and Australia at every meeting of the Quad, with the ultimate goal being a nondiplomatic, unofficial role for Taiwan that improves military interoperability and enables Taiwan to voice its pressing security concerns without intermediaries or several layers of abstraction."

United States, Japan, India, and Australia. Known as "the Quad", this proto-alliance is widely viewed¹³ as a foil to Chinese aggression in the Indo-Pacific. Taiwan can seek to insert itself as an "observing member," thus integrating itself into the security, economic, and po-

9 US Department of State, "A Free and Open Indo-Pacific: Advancing a Shared Vision" (report), November 4, 2019.

10 Van Jackson, "America's Indo-Pacific Folly: Adding New Commitments in Asia Will Only Invite Disaster," *Foreign Affairs*, March 12, 2021.

11 Marina Tsirbas, "What Does the Nine-Dash Line Actually Mean?" *The Diplomat*, June 2, 2016.

12 Patrick Gerard Buchan and Benjamin Rimland, "Defining the Diamond: The Past, Present, and Future of the Quadrilateral Security Dialogue," Center for Strategic and International Studies, March 2020.

13 Derek Grossman, "The Quad Is Poised to Become Openly Anti-China Soon," RAND, July 28, 2020.

6 "Trump signs Taiwan Assurance Act," *Taipei Times*, December 29, 2020.

7 Taiwan Relations Act, 22 U.S.C. § 3301 (1979).

8 "Trump signs Taiwan Assurance Act."

litical dialogue that the Quad entails. Japanese strategic interest in Taiwan presents another opportunity for Taiwan to bolster its position via the Quad. As the Ryukyu islands and Japanese mainland are directly threatened if the People's Liberation Army (PLA) military assets were to be deployed in Taiwan, Japan considers¹⁴ a free and democratic Taiwan essential to its own geopolitical security. The United States should consider highlighting the Taiwan issue to Japan, India, and Australia at every meeting of the Quad, with the ultimate goal being a nondiplomatic, unofficial role for Taiwan that improves military interoperability and enables Taiwan to voice its pressing security concerns without intermediaries or several layers of abstraction.

Furthermore, incorporating Taiwan into regional intelligence sharing agreements is another nondiplomatic approach to include Taiwan in a semi-formal defensive coalition. As the United States considers adding Japan¹⁵ as the sixth “eye” of the Five Eyes intelligence sharing group, Taiwan can benefit from providing some of its own human and signals intelligence to regional US allies, which in turn share intelligence with the United States. In terms of human intelligence, the lack of sufficient intelligence on China has been a publicly acknowledged challenge for the Central Intelligence Agency trying to keep up with a shortfall of assets. Taiwan, with its linguistic and cultural ties, has a natural advantage in this regard. Airborne intelligence, surveillance, and reconnaissance (ISR), for example, provides imagery and signals intelligence in overlapping areas¹⁶ of strategic importance shared by Taiwan, Japan, and South Korea. Mutual access to reporting can help Taiwan to efficiently deploy¹⁷ its resources in response to Chinese fighter

sorties. By facilitating and managing this regional intelligence sharing, the United States can both maintain key secrets and simultaneously improve Taiwanese security and *de facto* integration with the Northeast Asian security bloc.

Finally, the Partnership for Quality Infrastructure is a Japanese-led investment scheme¹⁸ that presents itself as a direct competitor to China's Belt and Road Initiative. As developing states in South and Southeast Asia require huge injections of capital, the PQI presents an opportunity to bring Taiwan closer to Southeast Asia. Taiwan could seize the opportunity to become a co-financier, tying Taiwan closer into the fabric of the region's emerging “essential players,” establishing new international recognition of its precedent for sovereignty, as well as forming new economic and nondiplomatic political relationships with a host of important economies that may play a role in the reshoring of Taiwanese businesses from China.

Strategic Resources and Semiconductor Leverage

Given the ubiquitous application of semiconductors in modern consumer electronics, energy technologies, and weapons systems, Taiwan's role as the world's leading producer¹⁹ of semiconductors gives it unique leverage. Furthermore, Taiwan is one of the few places²⁰ in the world where 5-nanometer semiconductors are currently produced, with Taiwan Semiconductor Manufacturing Company (TSMC, 台灣積體電路製造股份有限公司)—a privately owned company—also the leader in research and development for 3-nanometer semiconductors.²¹ In order to leverage this valuable capability towards nondiplomatic successes in international space, Taiwan can secure exclusive deals with friendly coun-

14 Felix K. Chang, “The Ryukyu Defense Line: Japan's Response to China's Naval Push into the Pacific Ocean,” Foreign Policy Research Institute, February 8, 2021.

15 Jagannath Panda and Ankit Panda, “RESOLVED: Japan Is Ready to Become a Formal Member of Five Eyes,” Center for Strategic and International Studies, December 8, 2020.

16 Jacob J. Holmgren, “Expanding Cooperative Intelligence, Surveillance, and Reconnaissance with Allies and Partners in the Indo-Pacific,” Air University, January 15, 2021.

17 Mercedes Trent, “Over the Line: The Implications of China's ADIZ Intrusions in Northeast Asia,” Federation of American Scientists, 2020.

18 “Partnership for Quality Infrastructure,” Ministry of Foreign Affairs of Japan.

19 Alan Crawford et al., “The World Is Dangerously Dependent on Taiwan for Semiconductors,” *Bloomberg*, January 25, 2021.

20 Mark Lapedus, “5nm Vs. 3nm,” *Semiconductor Engineering*, June 24, 2019.

21 Andrei Frumusanu, “TSMC Details 3nm Process Technology: Full Node Scaling for 2H22 Volume Production,” *AnandTech*, August 24, 2020.

tries such as in the United States, Japan, and Europe. TSMC facilities are already under construction in the United States,²² with similar supply chain diversification plans under consideration in Japan²³ and Europe.²⁴

Semiconductors have been described as a new strategic resource,²⁵ potentially even replacing oil as more industrialized economies transition towards renewable and nuclear energy. Geopolitically, Taiwan can take advantage of its sole possession of economies of scale in the production of this strategic resource to similar effect as Saudi Arabia accomplished with oil in the past. The Saudi government, as the cheapest producer of oil for several decades, was heavily supported²⁶ by the US military and their ability to do business was secured due to oil's proximity to vital US national interests.²⁷ Today, Taiwan finds itself in a similar position, with China, the United States, and Europe each lagging behind Taiwan in terms of precision manufacturing capability and scale. Although some of the geographical importance of semiconductor production will decline as TSMC diversifies its portfolio in the United States and Europe, the supply-limited resource will still feature Taiwanese foundries prominently in the emerging global supply chain. The United States should view this as a net positive, since the fate of Taiwan is tied further to international supply chains, improving international support for Taiwanese sovereignty and thus deterrence in the Taiwan Strait.

Outside of Asia, international integration may not provide Taiwan with the same strategic and existential benefits as nondiplomatic relationships with the United

States, Japan, or Southeast Asia. However, European recognition of China's human rights atrocities²⁸ improves Taiwan's image as a democracy and provides leverage over the international community as a whole. The disgust²⁹ that many European lawmakers have shown for China's genocide of Uyghur minorities, systematic dismantling of Hong Kong's Basic Law and violation of the 1984 Sino-British Joint Declaration, and broad oppression of basic human rights across China provides European nations with opportunities to engage with Taiwan both economically and culturally. Furthermore, Taiwanese leadership in medical and technological fields gives European states the opportunities to retaliate against China or otherwise diversify China-dependent supply chains, including in semiconductors, medical industries, and other complex manufacturing fields.

22 Corina Vanek, "Taiwan Semiconductor's Phoenix plant likely three times larger than originally announced," *ABC15 Arizona*, March 3, 2021.

23 Jahnavi Nidumolu, "Japan to allocate \$5.2 bln to fund chip plants by TSMC, others - Nikkei," *Reuters*, November 23, 2021.

24 "EU mulls TSMC, Samsung deal to establish foundry," *Taipei Times*, February 15, 2021.

25 Kevin Curran, "Is Taiwan a Ticking Time Bomb in the Semiconductor Supply Chain?" *The Diplomat*, February 27, 2021.

26 Robert Ghobad Irani, "US Strategic Interests in Iran and Saudi Arabia," *Parameters, Journal of the US Army War College* 7, no. 1 (1977): 21-34.

27 Ibid.

28 "China: Events of 2020," Human Rights Watch, accessed April 2022.

29 Hans von der Burchard and Jacopo Barigazzi, "EU lawmakers propose taking China to court over Hong Kong security law," *Politico*, June 12, 2020.

International Organizations and Taiwan's International Space

Since its withdrawal from the United Nations in 1971, the Republic of China has been adrift from both the larger UN and its panoply of specialized agencies. Over the decades, various alternative avenues have been developed to allow Taiwan to participate, in non-member capacities, in various organizations where its global clout is difficult to overlook. In 2009, for example, Taiwan was extended observer status at the World Health Assembly (WHA) although it was prevented from participating again starting in 2016. The lack of international organization membership, and the PRC's growing clout within these bodies, is deeply damaging for Taiwan's ability to consistently participate in these organizations and for elevating its place on the world stage. The exclusion of Taiwan from most international Organizations (IOs), particularly those focused on specialized issues like health and transportation, is also deeply concerning for global health and safety. The basis on which Taiwan is precluded from meaningful participation is based on a distorted interpretation of UN Resolution 2758.

History of UN 2758

On October 25, 1971, 73 members of the United Nations participated in a pivotal vote over three draft resolutions to consider the matter of China's seat in that international body, as well as the UN Security Council. Ultimately, the General Assembly adopted the 23-power text (commonly referred to as the "Albanian Resolution") with a vote of 76 "yes," 35 "no," and 17 abstentions, "recognizing that the representatives of the Government of the People's Republic of China are the only lawful representatives of China to the United Nations and that the People's Republic of China is one of

the five permanent members of the Security Council."

Notably, the Assembly did not proceed to vote on the third resolution that was sponsored by 19 countries including the United States (commonly referred to as the "US Resolution").³⁰

Since its adoption, Resolution 2758 has been utilized by the PRC as the basis to prevent Taiwan's meaningful participation—both its government and its people—in the UN system without Beijing's assent. According to

"The basis on which Taiwan is precluded from meaningful participation is based on a distorted interpretation of UN Resolution 2758."

the PRC, "Resolution 2758 of the UN General Assembly has restored the lawful seat of the People's Republic of China at the UN and affirmed the

one-China principle [emp. added] at the Organization, which has been strictly observed across the UN system and widely respected by UN Member States."

While UN Resolution 2758 did indeed dispose of the question of who had China's seat in the United Nations, the resolution itself makes no explicit mention of Taiwan, nor of the territorial or population scope of China. A plain reading of the adopted Resolution makes this point abundantly clear and a careful reading of the considerations within the Assembly debate clearly shows that the resolution, as adopted, disposed of neither the critical question of Taiwanese self-determination nor the status of Taiwan. It was for this very reason that, on the former issue, Saudi Arabia submitted a separate resolution "expressing the view that the whole question revolved around the right of

³⁰ Marc J. Cohen and Emma Teng (eds.), *Let Taiwan Be Taiwan* (Washington, DC: Center for Taiwan International Relations, 1990): 124.

self-determination and that the Assembly had neither the right nor the power to compel the people of Taiwan to merge with the mainland.”³¹ As Ambassador Robert O’Brien, the 28th National Security Advisor and chairman of GTI’s US-Taiwan Task Force, stated: “[Resolution] 2758 relates solely to the occupancy of the China seat at the United Nations. Nothing more.”

Moreover, the resolution made no disposition on the status of Taiwan—much less recognize it as a part of China. Again, a fact of the matter is that the adopted Albanian Resolution did not even mention Taiwan. Indeed, some countries tried to suggest that the Assembly take on this issue during the debate over the resolution but it was ultimately not addressed.³² Until this day, these conflicting positions have never been reconciled despite Beijing’s distortions and even though senior leaders in Beijing knew full well of this at the time. Four days before the resolution was adopted, Henry Kissinger, who was then serving as the Assistant to the President for National Security Affairs, met with Chinese Prime Minister Zhou Enlai (周恩來). According to a memorandum of the conversation with Kissinger and Zhou on October 21, 1971, Zhou recognized this issue:

“The question is that in the other resolution [Albanian Resolution] it calls for the restoration of all lawful rights of China in the United Nations, including its seat in the UN.

In that resolution it is not possible to put in a clause concerning the status of Taiwan, and if it is passed, the status of Taiwan is not yet decided.”

These outstanding issues were largely sidestepped for four decades until they came to a head in 2007, when then-UN Secretary General Ban Ki-moon declared: “In that resolution [Resolution 2758], the General Assembly decided ‘to recognize [that] the representatives

of the People’s Republic of China are the only legitimate representatives of China to the United Nations. In accordance with that resolution, the United Nations

“The myth that ROC does not exist is a political construct—not a legal one—and obscures the objective reality that not only is there a vibrant democracy in Taiwan, but there are two mutually non-subordinate governments across the Taiwan Strait then and now.”

considers Taiwan for *all purposes* [emp. added] to be an integral part of the People’s Republic of China.” This overly broad interpretation, however, runs counter to both the original text of the resolution and the considerations of actual debate over the resolution, as well as the fact that the PRC never exercised sovereignty over Taiwan.

The rationale with any modicum of validity for this interpretation is if one believed that the ROC somehow ceased to exist in 1949—this is Beijing’s position. This flies in the face of the facts and has not been the position of the United States and many other countries. The fact of the matter is that the ROC did not cease to exist in 1949 or 1971.³³ While Taiwan was still under a one-party dictatorship in 1971, there may be more basis to assume that “representatives of Chiang Kai-shek” could apply to any successive leader of the ROC; after Taiwan evolved into a full-fledged democracy with direct presidential elections, any elected representative of Taiwan could not conceivably be described as a representative of Chiang Kai-shek (蔣介石). The myth that ROC does not exist is a political construct—not a legal one—and obscures the objective reality that not only is there a vibrant democracy in Taiwan, but there

31 Ibid. 124

32 Ibid.

33 For an excellent explanation of this logic, see: Richard Bush, “Thoughts on the Republic of China and its Significance,” Brookings Institution, January 24, 2012.

are two mutually non-subordinate governments across the Taiwan Strait then and now.

In August 2021, Taiwan's Foreign Minister Joseph Wu (吳釗燮) laid out the Taiwan government's argument plainly: "The resolution contains no mention of a Chinese claim of sovereignty over Taiwan, nor does it authorize the PRC to represent Taiwan in the UN system. [...] By falsely equating the language of the resolution with Beijing's 'one China principle,' the PRC is arbitrarily imposing its political views on the UN."

The PRC's continued misrepresentation of Resolution 2758 are reflected in countless official statements about how Taiwan is neither eligible to become a member of the United Nations, nor be able to meaningfully participate in any of its affiliated organizations without Beijing's acquiescence. PRC Foreign Ministry spokesman Zhao Lijian (趙立堅) stated: "We fully believe that the UN and its members will continue to understand and support the just cause of the Chinese government and people to safeguard national sovereignty and territorial integrity, oppose secession and achieve national reunification [sic]." Furthermore, according to Zhao, "the UN and its vast membership recognize the fact that there is only one China in the world, and Taiwan is an inalienable part of Chinese territory," and other countries "respect China's exercise of sovereignty over the island." These statements misrepresent the Resolution, as there was no disposition on the matter of sovereignty.

Further underscoring Beijing's persistent distortion and misuse of UN 2758, Ma Xiaoguang (馬曉光)—the spokesman for the PRC State Council's Taiwan Affairs Office (TAO)—stated in response to the introduction of the Taiwan Assurance Act: "The resolution fully embodies the one-China principle upheld by the UN [...] it completely settled China's representation in the UN 'politically, legally and procedurally.'" While implicit in the positions taken by the United States but not affirmatively stated since 2007, consistent with the language of the Act and in practice by successive administrations, Ambassador Kelly Craft, who served as the US ambassador to the UN under the Trump Ad-

ministration, stated it clearly: "Obviously we really are pushing for them [Taiwan] to be back into the U.N., or have a role in the U.N. health assembly."

Taiwan's continued exclusion reflects the constant tension between the principle and practice of the United Nations. Because the Assembly could not agree on a broad scope for its decision on the Resolution, the final action only disposed of the narrow question of who held China's seat on the Security Council and representation in the international body. By virtue of the fact of Foreign Minister Wu's argument, it is not contesting Beijing's seat in the United Nations. And as then US-Ambassador to the United States George Bush stated during the 1971 proceedings on the US resolution that "reflect[s] [...] incontestable reality" that two mutually non-subordinate entities exist.

The consequences of Taiwan's lack of participation in the UN system and the WHO particular was shown by the COVID-19 pandemic to be a significant hazard for global public health, particularly given Taipei's astute early response to the virus and the many lessons its public health authorities could have offered to the world through the WHO. Since the Severe Acute Respiratory Syndrome (SARS) epidemic of 2003, both the United States and Taiwan have argued strongly that Taiwan's exclusion is deeply damaging for global health. In that instance, the WHO was prevented by PRC objections from assisting Taiwan for over seven weeks, leading to needless loss of life.

Outside of the UN system, Taiwan has enjoyed significantly more success, including full membership in the World Trade Organization (WTO) and regional forums like Asia-Pacific Economic Cooperation (APEC). Taiwan's success in these organizations offers a roadmap for its future participation in a broader array of IOs, including within the UN system.

Recently, there has been a lot of discussion on Taiwanese participation in United Nations and non-UN international organizations. Although Taiwan has been fighting for this for years, this subject is currently getting more attention in the rest of the world

due to COVID-19. The US enacted the TAIPEI Act in 2020,³⁴ stating that it would advocate "for Taiwan's membership in all international organizations in which statehood is not a requirement" and "for Taiwan to be granted observer status in other appropriate international organizations." This is just one of many calls for action. Taiwan has already successfully been able to participate in some important Intergovernmental Organizations (IGOs) officially, and is active in other indirectly through nongovernmental organizations (NGOs). However, it still has not been able to officially participate in a number of priority organizations, including the WHA, ICAO, the International Criminal Police Organization (INTERPOL), the United Nations Educational, Scientific, and Cultural Organization (UNESCO), the International Telecommunications Union (ITU), and the United Nations Framework Convention on Climate Change (UNFCCC), among others.

After withdrawing from the UN in 1971,³⁵ Taiwan has tried to regain some level of UN participation,³⁶ with limited success. President Lee Teng-hui (李登輝) advocated for a strategy of "pragmatic diplomacy" aimed at improving Taiwanese participation in intergovernmental organizations. Starting in 1993, Taiwan began to campaign for UN membership as its own sovereign state existing side by side with China. This was unsuccessful due to Chinese opposition and broad adoption of the "One-China Policy." Recognizing the obstacles to UN membership as a sovereign state, in 1996 Taiwan began to campaign to "participate in the activities in the United Nations" without targeting full membership. This compromise-oriented approach also failed. Frustrated with the lack of progress, in 2007 Taiwan tried again to apply for full membership. However, the UN Secretary-General Ban Ki-Moon refused to accept the application and bluntly and unambiguously stated that "the United Nations considers Taiwan for all

purposes to be an integral part of the People's Republic of China."

Recently, the fight for participation has focused on individual UN agencies rather than the UN as a whole. Taiwan has persistently campaigned for WHO participation beginning in 1997. Under Ma Ying-jeou (馬英九), a leader seen as Beijing-friendly, Taiwan was finally allowed observer status³⁷ in the WHA in 2009. However, it could only participate under the name "Chinese Taipei" and Taiwanese health officials still were not allowed the level of access that they wanted. Taiwan has been unable to regain WHA observer status since 2016. The election of President Tsai Ing-wen has caused China to double down on blocking Taiwanese participation. For example, during the Ma Administration, Taiwan was able to participate as an observer³⁸ in climate change summits, however it was excluded³⁹ under President Tsai.

IGOs with Taiwan Participation

Taiwan has had some success in gaining membership or observer status in some IGOs, often under the name of Chinese Taipei. This includes a number of groups with little fame focused on specific, technical, regional issues like the Asian/Pacific Group on Money Laundering (APG)⁴⁰ or the Asian Vegetable Research and Development Center (AVRDC).⁴¹ However, Taiwan has successfully been able to gain membership in some more impressive organizations as well. Taiwan participates in the International Olympic Committee (IOC), but not under its own name, national anthem, or flag.⁴² However, by-and-large, the most prominent organiza-

37 Jacques deLisle, "Taiwan in the World Health Assembly: A Victory, With Limits," Brookings Institution, May 13, 2009.

38 Simona A. Grano, "Climate Change Politics: Can These Raise Taiwan's International Recognition," *Taiwan Insight*, April 25, 2019.

39 Jess Macy Yu, "Taiwan says shut out of U.N. climate talks due to China pressure," *Reuters*, November 14, 2017.

40 "Members & Observers: Chinese Taipei," Asia/Pacific Group on Money Laundering, access April 2022.

41 "World Vegetable Center," World Vegetable Center, accessed April 2022.

42 Lindell Lucy, "Let Taiwan be Taiwan at Olympics," *Taipei Times*, February 22, 2021.

34 US Congress, Senate, *Taiwan Allies International Protection and Enhancement Initiative (TAIPEI) Act of 2019*, S 1678, 116th Cong., 1st sess., introduced in the Senate May 23, 2019.

35 Sigrid Winkler, "Taiwan's UN Dilemma: To Be or Not To Be," Brookings Institution, June 20, 2012.

36 Ibid.

tions that Taiwan has entered are economic organizations: WTO,⁴³ the Asia-Pacific Economic Cooperation (APEC),⁴⁴ and the Asian Development Bank (ADB).⁴⁵ Along the same lines, the International Trade Union Confederation (ITUC)⁴⁶ allows for Taiwanese membership as well. Although not a full member, Taiwan is also an observer in the Organization for Economic Cooperation and Development (OECD).⁴⁷ These have been very important organizations for Taiwan, for trade and investment reasons, given that Taiwan is a major economy, but also as avenues to circumvent Taiwan's diplomatic isolation and communicate directly with foreign governments. Trade has been a fairly successful area for Taiwanese participation, because it is often able to be included as an "economy" or "customs territory" rather than a country. Additionally, its massive economic footprint makes it impractical to exclude it from trade discussions.

Of course, Taiwan has also been able to make a spot for itself with the assistance of the United States by creating new institutions such as the Global Cooperation and Training Framework in collaboration with the United States, Japan, and Australia.

WHO

The WHO is the IGO with the most immediate and urgent argument for Taiwanese participation—COVID-19. Taiwan was one of the first places to recognize⁴⁸ the virus as dangerous in December of 2019, when it alerted the WHO that COVID-19 could be probably be transferred between people. This warning was ignored by the WHO, which for weeks echoed Chinese talking

points saying there was "no clear evidence of human-to-human transmission." In a similar incident,⁴⁹ when a journalist asked a senior WHO official about engagement with Taiwan, they pretended not to hear the question and hung up the phone. When the journalist called back, the official ignored the question and talked about how well China had contained the coronavirus. Throughout much of the pandemic, Taiwan was a shining example of effective quarantine measures and contact tracing. Even though it was the perfect candidate to share its expertise with the WHO, Taiwan didn't have enough votes and had to withdraw⁵⁰ its bid for observer status. Today, the case for Taiwanese participation is even more dire, given that the island recently had a surge⁵¹ of cases and is still struggling to get enough vaccine doses. Recognizing this, a number of countries have called for Taiwanese participation. As noted previously, the United States enacted the TAIPEI Act, the G-7⁵² publicly stated support for Taiwan's observer status in the WHA, and a growing list of other countries⁵³ agreed. However, as of yet, nothing has changed.

ICAO

The International Civil Aviation Organization has been another big target, as Taiwan hasn't been part of ICAO meetings since 2013. Taiwan is home to several large airports, including the Taoyuan International Airport, which handled 48.7 million passengers⁵⁴ in 2019. Blocking it from discussions about air traffic and norm setting is dangerous. This is particularly true during COVID19. ICAO hasn't been coordinating with Tai-

43 Jens Kastner, "The WTO Crisis and Taiwan," *Taiwan Business TOPICS*, April 4, 2019.

44 "Asia-Pacific Economic Cooperation: Member Economies," Asia-Pacific Economic Cooperation, accessed April 2022.

45 "Asian Development Bank Member Fact Sheet: Taipei, China," Asian Development Bank, April 2021.

46 "Taiwan," International Trade Union Confederation, January 8, 2017.

47 "Taiwan gains OECD observer status," Unrepresented Nations & Peoples Organization, January 30, 2002.

48 Louise Watt, "Taiwan Says It Tried to Warn the World About Coronavirus. Here's What It Really Knew and When," *TIME*, May 19, 2020.

49 Charlie Lyons Jones, "The TAIPEI Act: supporting Taiwan in a Covid-19 world," *The Strategist*, May 19, 2020.

50 Wendy Cheng, "The Bold and Unruly Legacy of Chen Wen-chen," *New Bloom*, July 2, 2021.

51 Raymond Zhong and Amy Chang Chien, "'This Day Was Bound to Come': Taiwan Confronts a Covid Flare-Up," *New York Times*, May 20, 2021.

52 Nike Ching, "G-7 Countries Back Taiwan's Observer Status in World Health Assembly," *Voice of America*, May 5, 2021.

53 Elaine Ruth Fletcher, "Swelling Bloc Of WHO Member States Proposes Invitation To Taiwan For May 18 World Health Assembly," *Health Policy Watch*, November 5, 2020.

54 "Number of passengers in Taiwan 2018-2019, by leading airports," Statista, October 29, 2021.

wan on the impact of the disease on air travel, which has led to confusion and miscommunication. Furthermore, when people on Twitter began to denounce this, the organization blocked⁵⁵ profiles of the critics. ICAO participation is often called for in conjunction with WHA participation by Taiwan's allies.

INTERPOL

The International Criminal Police Organization (INTERPOL) is the world's primary place for cooperation on law enforcement. The I-24/7 is a communications system, only accessible to members, which provides access to criminal databases with names, DNA profiles, fingerprints, and stolen and lost travel documents. It's a critical hub⁵⁶ for international efforts against organized crime. Without membership, Taiwan is denied access to all of this. Taiwan sends police officers to 13 other countries for coordinating with local law enforcement, but this is not a sufficient replacement for INTERPOL membership. The recently introduced US Strategic Competition Act⁵⁷ called for Taiwanese participation in INTERPOL, in addition to the UN, WHA, and ICAO.

UNESCO

Taiwan is not a member of UNESCO, and is treated by the organization as a territory of China. This has led to a number of problems. Firstly, despite having a number of sites⁵⁸ that should probably qualify to be world heritage sites, none of them are recognized as such. This is because these sites fall under the jurisdiction of China, which actively tries to block⁵⁹ any Taiwanese sites from being considered. Beyond losing out on the international respect and cultural relevance that comes with world heritage site designation, Taiwan is also potentially losing out on a substantial amount of tourism

55 Jakob Wert, "CAO excludes Taiwan from cooperation amid Coronavirus, rejects criticism," *International Flight Network*, January 28, 2020.

56 "CIB advances Taiwan's case for INTERPOL participation," *Taiwan News*, November 6, 2020.

57 Keoni Everington, "US bill calls for Taiwan's inclusion in UN," *Taiwan News*, April 9, 2021.

58 "World Heritage in Taiwan," *Taiwan Today*, May 1, 2003.

59 Jason Pan, "Academics urge action on World Heritage sites," *Taipei Times*, September 18, 2013.

revenue.⁶⁰ Furthermore, Taiwan's lack of membership has made it very difficult for Taiwanese people to participate at all in the organization's activities. Applications from Taiwanese scientists to a virtual conference by the International Centre for Theoretical Physics (ICTP) were rejected⁶¹ by virtue of them being Taiwanese, and the organization later clarified that Taiwanese people would be excluded from all UNESCO-affiliated events.

UNFCC

So far, "climate diplomacy" and greater participation in climate organizations has not been a major initiative for the Tsai Administration, despite being a promising area for engagement. In 2019, there was the "combating climate change, Taiwan can help"⁶² campaign in and around the United Nations Climate Change Conference. However, beyond that it hasn't come up as often as the other IGOs on this list. As noted previously, Taiwan did have some history of participating as an observer in climate change summits during the Ma administration. Therefore, this could be a good area to push for greater participation once again.

A potential UN agency for Taipei to target for participation is the Economic and Social Commission for the Asia-Pacific (ESCAP). The aims⁶³ of this organization fall squarely in line with Taiwan's history of development work, and the United States as a member state can exert influence⁶⁴ for Taiwan's inclusion or observer status.

Indirect Participation via NGOs

Being shut out of inter-governmental organizations has pushed Taiwan to engage via indirect methods. Taiwan

60 "Socio-economic Impacts of World Heritage Listing," UNESCO World Heritage Convention, accessed January 13, 2022.

61 Lu Yi-hsuan and William Hetherington, "Taiwanese shut out of UNESCO events," *Taipei Times*, December 7, 2020.

62 Environmental Protection Administration, R.O.C. (Taiwan), "Taiwan Shares Expertise at UNFCCC COP25" (press release), updated October 29, 2020.

63 "About ESCAP," ESCAP, accessed January 13, 2022.

64 "ESCAP Members and Associate Members," ESCAP, accessed January 13, 2022.

has a flourishing NGO sector,⁶⁵ full of homegrown organizations, as well as regional hubs for global NGOs that appreciate it as a business location⁶⁶ without heavy censorship or excessive labor and property costs. Through NGOs, Taiwan is able to voice the interests of its people, share its expertise, and get access to meetings that it can't as a diplomatic entity. Unfortunately, this indirect participation is not always easy. Taiwanese people often are not allowed⁶⁷ to enter UN facilities using Taiwanese ID. Therefore, they can only participate⁶⁸ if they have an additional national ID from another country. Additionally, the UN committee for approving observer NGOs is famously political.⁶⁹ The countries with a seat on the committee, including China, have frequently been accused of indefinitely delaying applications from NGOs they don't like. China has not been subtle in trying to block access for NGOs with any affiliation with Taiwan. For example, Wikipedia was denied World Intellectual Property Organization (WIPO)⁷⁰ observer status due to the existence of Wikipedia Taiwan. Because of these difficulties, Taiwan's indirect participation via NGOs can only go so far. It is not a satisfactory replacement for official observer status or membership.

Since 1971, with the loss⁷¹ of its United Nations seat, Taipei has been excluded from the majority of international organizations. The emblematic example is the

65 Rebecca Wang, et al. "NGOs in International Development: Case Study of Taiwan in South/ Southeast Asia," *Prospect Journal*, no. 18 (2017): 89-116.

66 Dinah Gardener, "Taiwan Reaches Out to International Media and NGOs," *Taiwan Business TOPICS*, February 17, 2021.

67 Elson Tong, "Not just officials: Taiwan students blocked from visiting UN public gallery in Geneva," *Hong Kong Free Press*, June 15, 2017.

68 Brian Hioe and Parson Young, "Interview: Lima Taiwan Indigenous Youth Working Group," *New Bloom*, June, 16, 2016.

69 Melissa Kent, "Politicized UN committee using 'repeated and arbitrary deferrals' to block NGOs, critics say," *CBC News Online*, January 21, 2018.

70 Mary Hui, "Beijing blocked Wikimedia from a UN agency because of 'Taiwan-related issues'," *Quartz*, September 25, 2020.

71 Kelley Lee and Jennifer Fang, "Challenges and opportunities for Taiwan's global health diplomacy," Brookings Institution, May 10, 2016.

World Health Organization, the global health agency of the UN. Despite consistent lobbying from 1997 onwards and support from allies, Taiwan's 2007 membership application was denied.⁷² The main reason for this denial was Chinese influence, which continues to grow⁷³ within various UN institutions. From 2009-2016, the Chinese government allowed for Taiwan's participation in the World Health Assembly as "the Department of Health, Chinese Taipei" and then as "Taiwan, Province of China". This permission was withdrawn after the Tsai administration refused to endorse the "One China Principle" in 2016.

At present, the only significant international organizations in which Taiwan participates are the ADB, APEC, and the WTO. In all three cases, Taiwan participates under inaccurate names, such as "Chinese Taipei," as a concession to Beijing. Taiwan has had greater success in international co-operation through informal channels such as NGOs,⁷⁴ development projects, and medical missions, through Taiwan's International Cooperation and Development Fund (ICDF). The ICDF alone has engaged in bilateral projects⁷⁵ with 42 nations with whom Taiwan has no formal diplomatic relations,⁷⁶ including regional powers such as India, Thailand, Vietnam and Indonesia. In addition, the ICDF has collaborated⁷⁷ with the African Development Bank, European Development Fund and Inter-American Development Bank, as well as prominent NGOs such as the Red Cross.

72 I-wei Jennifer Chang, "Implications of Coronavirus Outbreak on Taiwan's Campaign for the World Health Organization," *Global Taiwan Brief* 5, no. 5 (2020).

73 Brett D. Schaefer, "How the U.S. Should Address Rising Chinese Influence at the United Nations," The Heritage Foundation, August 20, 2019.

74 Kelley Lee and Jennifer Fang, "Challenges and opportunities for Taiwan's global health diplomacy."

75 "Bilateral Projects," International Cooperation and Development Fund, accessed January 13, 2022.

76 "Diplomatic Allies," Ministry of Foreign Affairs Republic of China (Taiwan), accessed January 13, 2022.

77 "Cooperation with International Organizations and NGOs," International Cooperation and Development Fund, accessed January 13, 2022.

The issue with Taiwan's exclusion is not just purely a technical one but also a political one in which Taiwan should have a voice in international organizations. There have been significant negative consequences as a result of this exclusion, not just for Taiwan, but for other nations. A 2016 report⁷⁸ from the Brookings Institute claimed that Taiwan's exclusion has not only "weakened its domestic capacity to fight disease," but also "undermined the international community's

"The issue with Taiwan's exclusion is not just purely a technical one but also a political one in which Taiwan should have a voice in international organizations."

ability to respond effectively to global health risks," citing the outbreaks of Foot and Mouth Enterovirus in 1998 and Severe Acute Respiratory Syndrome (SARS) in 2002 and 2003. As previously mentioned, the most recent example has been the COVID-19 pandemic, in which Beijing willfully obfuscated⁷⁹ the nature and origins of the virus until it had already spread globally. Taiwan attempted to alert⁸⁰ the World Health Organization of the severity of the situation, but their warning was ignored.

For the United States, Taiwan's exclusion represents both an injustice against one of its allies, and the loss of a strategic opportunity to promote shared values and interests in the Asia-Pacific region. As a result in 2019, Congress passed the Taiwan Assurance Act.⁸¹ This states that the United States will "advocate for Taiwan's meaningful participation in the United Nations, the World Health Assembly, the International Civil Avia-

78 Lee and Fang, "Challenges and opportunities for Taiwan's global health diplomacy."

79 "CSIS Press Briefing: U.S. Policy toward Taiwan," Center for Strategic and International Studies, October 21, 2020.

80 "Taiwan says WHO ignored its coronavirus questions at start of outbreak," *Reuters*, March 24, 2020.

81 US Congress, House, *Taiwan Assurance Act of 2019*, HR 2002, 116th Cong., 1st sess., introduced in House April 1, 2019.

tion Organization, the International Criminal Police Organization, and other international bodies as appropriate". Together with the TAIPEI Act,⁸² this legislation forms the bedrock of the US approach to promoting Taiwan's participation in international institutions. More efforts need to be made to bridge the technical-political gap.⁸³

The United States will face a handful of core challenges in promoting Taiwan's participation in international organizations. The first will be Beijing's attachment to its "One-China Principle," and the sharp power influence which it will exert to achieve that goal. The second is Taiwan's relative smaller size and global influence compared to China, with far fewer allies. The third challenge is the decline⁸⁴ in US authority and legitimacy on the global stage during the previous four years, which will have to be reversed.⁸⁵

In 2015, Susan Thornton, deputy assistant secretary at the Bureau of East Asian and Pacific Affairs, at the Brookings Institute, described⁸⁶ Taiwan as a "vital partner, a democratic success story, and a force for good in the world." She said that Taiwan "shares our values, has earned our respect, and continues to merit our support." These shared values are a strong reason why the United States should support Taiwan's participation in international organizations, as Taiwan tends to vote and speak out in ways that align⁸⁷ with US priorities.

82 US Congress, House, *Taiwan Allies International Protection and Enhancement Initiative (TAIPEI) Act of 2019*, S 1678, 116th Cong., introduced in House May 23, 2019.

83 "Cancel Culture with Chinese Characteristics," (online seminar, Hudson Institute, Washington, DC, August 5, 2021).

84 Erol Yayboke, "Promote and Build: A Strategic Approach to Digital Authoritarianism," Center for Strategic and International Studies, October 15, 2020.

85 Daniel R. Russel et al. "What Are the Right and the Wrong Ways for the U.S. to Support Taiwan?," *ChinaFile*, May 19, 2020.

86 Susan Thornton, "Taiwan: A Vital Partner in East Asia" (prepared remarks), US Department of State, May 21, 2015.

87 Bonnie S. Glaser et al., "Toward a Stronger U.S.-Taiwan Relationship," Center for Strategic and International Studies, October

As a member of the international community, albeit in a restricted capacity, Taiwan has consistently shown responsibility and moral leadership in its actions. An expansion of Taiwan's global influence would serve both the United States and the broader international community.⁸⁸

Currently, Taiwan is a member of the Unrepresented Nations and Peoples Organization (UNPO),⁸⁹ of whom the Uyghur independence movement, under the hypothetical state East Turkestan, is a founding member.⁹⁰ This offers a venue for discussion between these two causes, which may be beneficial to US interests regarding ending human rights abuses towards the Uyghurs. A further area for Taiwanese influence in the region is the Pacific Islands Forum, of which Taiwan is not a formal member, but instead a major funder.⁹¹

2020.

88 "CSIS Press Briefing: U.S. Policy toward Taiwan," Center for Strategic and International Studies.

89 "Taiwan," Unrepresented Nations & Peoples Organization, July 19, 2018, accessed January 13, 2022.

90 "About UNPO," Unrepresented Nations & Peoples Organization, accessed January 13, 2022.

91 Pacific Islands Forum, "Taiwan/Republic of China provides funding for regional programmes" (press release), November 10, 2014.

Building a Foundation for Global Economic Partnership

US Foreign Policy Economic Priorities

As noted in the introduction, the Biden Administration's Strategic Guidance underscored the strategic challenges that China now poses to the rules-based liberal international order that the United States and leading European democracies have built and sought to maintain over the past 75 years. It pointed out further that "in many areas, China's leaders seek unfair advantages, behave aggressively and coercively, and undermine the rules and values at the heart of an open and stable international system."

On the economic front, the Strategic Guidance indicated that the United States "will confront unfair and illegal trade practices, cyber theft, and coercive economic practices that hurt American workers, undercut our advanced and emerging technologies, and seek to erode our strategic advantage and national competitiveness." It will enforce existing trade rules and create new ones that promote fairness as well as work with allies to reform the World Trade Organization. The Strategic Guidance highlighted the competition for technology leadership vis-à-vis China, stating that the United States "will build 21st century digital infrastructure, including universal and affordable high-speed internet access and secure 5G networks," and committed to engage US allies and partners to "uphold existing and shape new global norms in cyberspace," and to join with like-minded democracies to develop and defend trusted critical supply chains and technology infrastructure.

More broadly, the Strategic Guidance indicated that the United States will seek to revitalize and expand global health and health security initiatives for all nations to reduce the risk of future biological catastrophes. To bolster democracies around the world, the United States will work to help "ensure high-quality and equitable education and opportunities for children and youth, and advance gender equality, LBGTQI+ rights, and women's empowerment" to promote inclu-

sive economic growth and social cohesion. It will also focus on confronting corruption, which is "increasingly weaponized by authoritarian states to undermine democratic institutions."

On President Biden's first trip to Asia in May 2022, the United States and a dozen other countries launched the Indo-Pacific Economic Framework for Prosperity (IPEF) designed to establish high standard trade rules, especially for the digital economy, secure critical supply chains, promote clean and renewable energy, and combat corruption. Although Taiwan was not included in this initial list of members, National Security Advisor Jake Sullivan indicated that the United States is "looking to deepen our economic partnership with Taiwan, including on semiconductors and supply chains, on a bilateral basis."⁹² The launch of the "US-Taiwan Initiative on 21st-Century Trade" is an indicator of deeper cooperation.

Taiwan's Critical Role in the Liberal International Order

In 2021, Taiwan with its population of 23.6 million was ranked the seventh largest economy in Asia and the 20th largest in the world with a gross domestic product (GDP) value of over USD \$1.4 trillion and a GDP per capita over USD \$59,000 on the basis of purchasing power parity (PPP).⁹³ As of 2019, Taiwan was the world's fifth largest holder of foreign exchange reserves and the 11th of gold reserves, with holdings of USD \$478 billion and 423.6 metric tons respectively.⁹⁴ The World Economic Forum ranked Taiwan 12th out of 141 economies in the Global Competitiveness Report

⁹² White House, "Press Gaggle by Press Secretary Karine Jean-Pierre and National Security Advisor Jake Sullivan En Route Tokyo, Japan" (press release), May 22, 2022.

⁹³ "Economy of Taiwan," Wikipedia, accessed April 2022, updated May 2022.

⁹⁴ US International Trade Administration, "Taiwan – Country Commercial Guide," September 24, 2020.

released in October 2019.⁹⁵ Moreover, according to the Heritage Foundation's 2021 Index of Economic Freedom, Taiwan's economic freedom score was 78.6, making its economy the sixth freest in the world.⁹⁶ The study noted that Taiwan's overall score had increased and reached a high that year primarily due to a further improvement in government integrity.

The key driver of Taiwan's economic growth in recent years has been its development into one of the world's leading producers of information and communication technology products, with multinational companies like Foxconn (Hon Hai, 鴻海科技集團), Acer, MediaTek and others. Most notably, TSMC is currently the world's leading foundry for the most advanced computer chips used in the

global digital economy, with a 90 percent share of the market for the most advanced nodes currently in production and about 40-65 percent of revenues in the 28-65 nm category used in car-making.⁹⁷ It was the world's tenth most valuable company with market capitalization reaching USD \$410 billion in June 2020. Its major US customers include Apple, Advanced Micro Devices, Broadcom, and Qualcomm, in addition to many other companies around the world. Responding to US government security concerns, TSMC confirmed in July 2020 that it had suspended processing new orders from the Chinese company Huawei Technologies in May to abide by US export restrictions. At the same time, after negotiations and in anticipation of rapidly increasing global demand, TSMC announced a commitment to build an advanced USD \$12 billion wafer fab in Arizona, where it will be joined by other Taiwanese suppliers

95 "The Global Competitiveness Report 2019," World Economic Forum, November 4, 2019.

96 "Index of Economic Freedom," Heritage Foundation, updated 2022.

97 Kathrin Hille, "TSMC: How a Taiwanese chipmaker became a linchpin of the global economy," *Financial Times*, March 24, 2021.

to form a production cluster. In February 2021, TSMC announced it would also set up a subsidiary in Japan to conduct research in new semiconductor materials.

Looking ahead, Taiwan's government initiated a program in June 2020 to provide USD \$335 million in subsidies over a period of seven years to attract foreign technology companies to do research and development in Taiwan.⁹⁸ Shortly afterwards, it also launched a five-year Action Plan with a budget of USD \$597.5 million for display technologies and applications to expand Taiwan's role in the global screen-based technology industry, aiming to increase its annual output value of

USD \$47.3 billion in 2019, second only to that of Taiwan's semiconductor industry. This plan will channel investment into applications for smart retailing, smart

transportation, smart medicine and smart entertainment by incorporating emerging display technologies and applications. More broadly, Taiwan has developed and implemented a 5+2 Industrial Innovation Plan since 2016 to boost domestic investment and enhance the nation's global competitiveness in the five emerging and high-growth sectors of biotech and pharmaceuticals, green energy, national defense, smart machinery and Internet of Things. In addition, Taoyuan City in northern Taiwan initiated the Asia Silicon Valley development plan to cultivate core drivers of future growth in the high tech sector.

In the process of its rapid economic growth, Taiwan has also developed into a major and critical player in the global supply chain, especially for various electronics and advance technology products. According to the WTO, Taiwan was the 17th largest exporter and 17th largest importer of merchandise goods in 2019, with

98 New Zealand Commerce and Industry Office in Taipei, "Taiwan: Economic and Technology Sector Update" (report), November 28, 2020.

"There is growing interest on the part of US companies to invest in Taiwan particularly to utilize its rich human talent and technology resources."

international trade representing over 62.7 percent of Taiwan's GDP from 2015 to 2018.⁹⁹ In 2020, Taiwan's overall exports totaled USD \$345.28 billion, and imports totaled USD \$286.49. Its main trading partners included: China and Hong Kong (34 percent of overall trade), ASEAN (14 percent), the United States (13 percent), and Japan (11 percent).¹⁰⁰ Taiwan has also become a major foreign investor, with private Taiwanese companies estimated to have invested over USD \$150 billion initially in labor intensive industries in mainland China since opening of cross-strait relations in the late 1990s and, more recently with the support of the government's New Southbound Policy (NSP), a comparable amount in Southeast Asia. Tech-related sectors accounted for 35-47 percent of Taiwan's foreign direct investment (FDI) flows from 2016-2019.

Robust US-Taiwan Economic Ties

With respect to US-Taiwan economic ties, the latest United States Trade Representative (USTR) report indicated that US overall (goods and services) trade with Taiwan totaled an estimated USD \$103.9 billion in 2019, with exports at USD \$42.3 billion and imports at USD \$61.6 billion.¹⁰¹ As noted earlier, this ranked Taiwan as the United States' 10th largest goods trading partner, with USD \$85.5 billion in two-way goods trade.¹⁰² Top US goods exports included machinery (USD \$5.6 billion), electrical machinery (USD \$4.5 billion), mineral fuels (USD \$4.4 billion), agricultural goods (USD \$3.6 billion), aircraft (USD \$2.7 billion), and optical and medical instruments (USD \$2.2 billion). US trade in services with Taiwan (exports and imports) totaled an estimated USD \$18.4 billion, with US services exports consisting primarily of intellectual property (industrial processes), transport, and travel. Half a million Taiwan travelers visited the United States in 2019, and spent over USD \$2.3 billion on

travel and tourism related goods and services. Taiwan was also the seventh-largest source of foreign students (23,369) in the United States, generating an economic impact of USD \$902 million. According to the US Department of Commerce, total US exports of goods and services to Taiwan supported an estimated 208,000 jobs in 2015 (latest data available), with 130,000 jobs supported by goods exports and 79,000 jobs supported by services exports.

On the investment side, US FDI in Taiwan (stock) was USD \$17.4 billion in 2019, led by manufacturing, finance and insurance, and wholesale trade industries. Taiwan's FDI in the United States (stock) was USD \$11.1 billion in 2019, primarily in manufacturing, wholesale trade, and depository institutions. Sales of services in Taiwan by majority US-owned affiliates were USD \$7.4 billion in 2017 (latest data available), while sales of services in the United States by majority Taiwan-owned firms were USD \$3.1 billion. There is growing interest on the part of US companies to invest in Taiwan particularly to utilize its rich human talent and technology resources. In May of 2020, it was reported that Apple planned to build a new plant in Northern Taiwan to produce Mini LED and Micro LED related displays.¹⁰³ In September 2021, Google announced it would build its third data center in Taiwan, which would be its fourth in Asia (the other located in Singapore). In October 2021, Microsoft announced four new digital investment projects in Taiwan, including building an in-house data center, adding a cloud hardware team, launching an industrial ecosystem, and injecting international security resources. The projects are expected to generate USD \$10.48 billion in economic output and create over 30,000 jobs in Taiwan by 2024.

In its 2020 White Paper, the American Chamber of Commerce (AmCham) in Taiwan lauded and expressed appreciation to the Taiwan government for "the skillful, decisive manner with which it has handled the COVID-19 crisis—and to the Taiwanese pub-

99 "Taiwanese Foreign Trade in Figures," Santander, accessed January 13, 2022.

100 "Economy of Taiwan," Wikipedia.

101 Office of the U.S. Trade Representative, "Taiwan," accessed April 2022.

102 International Trade Administration, US Department of Commerce, "Taiwan – Country Commercial Guide," September 24, 2020, accessed April 2022.

103 New Zealand Commerce and Industry Office in Taipei, "Taiwan: Economic and Technology Sector Update."

lic for responding to the challenge as models of good citizenship.”¹⁰⁴ It declared that AmCham is “proud to be part of this conscientious community that has made Taiwan one of the safest places (if not the safest location) to be in the world today.” When Taiwan experienced a new surge of COVID-19 cases in the spring of 2021, and was unable to directly import vaccines as a result of Beijing’s interference, the US government stepped up to donate 2.5 million doses directly to Taiwan.

According to government statistics, Taiwan’s real GDP grew by 3.1 percent in 2020, in sharp contrast to economic contraction in Japan, Singapore and most others in the region, and by an even higher 6.3 percent in 2021, driven by a mild recovery in global demand and Taiwan’s competitiveness in integrated circuit manufacturing. The White Paper suggested that Taiwan, having successfully coped with COVID-19 and created a wide range of related products, systems, technology, know-how and research & development (R&D) in what can be broadly defined as pandemic controls, should now seize this opportunity to develop new industries and draw global recognition to its role in the health security sector. It also recommended that Taiwan consider using a portion of its large foreign-exchange reserves to create a sovereign wealth fund to invest in opportunities abroad and increase its economic ties internationally. Finally, AmCham concluded that as Washington pursues its strategy of building up its presence in the Indo-Pacific region and seeking to protect the interests of American companies, it is “likely to become increasingly aware of its need for trusted allies in

104 American Chamber of Commerce in Taiwan, “2020 White Paper: Overview” (report), June, 2020.

the region—and the extent to which Taiwan is highly suitable for the role.”

China's Mounting Threat against Taiwan and its Democracy

Despite, or perhaps because of, Taiwan’s remarkable transformation into a vibrant democracy and major global economy, Beijing has begun more urgently to step up pressures on Taiwan in recent years to coerce and further isolate Taiwan in order to force political

"Despite, or perhaps because of, Taiwan’s remarkable transformation into a vibrant democracy and major global economy, Beijing has begun more urgently to step up pressures on Taiwan in recent years to coerce and further isolate Taiwan in order to force political unification with China."

unification with China. Beijing had begun to escalate political, economic and military pressures after the election of Taiwan’s President Tsai Ing-wen in 2016. Since then, it has succeeded in prying away seven more of Taiwan’s remaining diplo-

matic partners (currently 15), and excluding Taiwan from participation in the World Health Assembly and other international organizations. As noted earlier, amid the global COVID-19 pandemic crisis, Beijing blocked vaccine shipments to Taiwan by requiring foreign producers to export the vaccines through Chinese companies in order to assert its sovereignty over Taiwan.

Beijing has also arbitrarily blocked selected agricultural imports from Taiwan and significantly curtailed Chinese tourism to Taiwan while continuing to obstruct Taiwan’s entry into regional free trade agreements. It has harassed and manipulated Taiwanese businesses on the mainland that seem sympathetic to the current ruling Democratic Progressive Party (DPP, 民進黨) in Taiwan. Finally, especially over the past year, Beijing has increasingly sought to intimidate Taiwan by sending military and other aircraft into Taiwan’s Area Defense Identification Zones (ADIZ) and across the cross-Strait median line on almost a

daily basis as well as conducting more frequent naval exercises around the islands, raising general concerns about an imminent invasion of Taiwan.

Meanwhile, with the escalation of US-China trade conflict over the past few years, China has also expanded coercive economic and cyber activities against Taiwan in an effort to accelerate the growth of China's own technology capabilities. Taiwan government officials pointed out recently that Beijing has stepped up its efforts to steal technology and poach talent from Taiwan in order to boost its semiconductor industry's self-sufficiency.¹⁰⁵ During a parliamentary meeting in late March 2021, Taiwan's Economic Affairs Minister Wang Mei-hua (王美花) told legislators that "Taiwan's chip workers have deep experience and speak the same language, meaning they are a natural target for poaching China has latched onto." In the same month, two chip design companies in Taiwan indirectly owned by a Chinese cryptocurrency firm were charged with poaching hundreds of Taiwanese engineers to work in China.

In a press interview, Hu Mu-yuan (胡木源), deputy head of Taiwan's National Security Bureau (NSB), warned that although Taiwan has strict laws and measures to try to prevent intellectual property theft and talent poaching by China, Beijing has been able to set up front companies and use Taiwanese headhunters and other methods to get around these laws. He underscored the importance of "preventing Taiwan's key technology and high-tech personnel from being infiltrated by the 'red supply chain'" to protect Taiwan's industry's competitiveness and ensure its economic security. He also pointed out that China's efforts were a threat not just to Taiwan, but also to Japan and South Korea in the region, threatening global trade and fair competition. One US analyst noted more broadly that "in addition to hacking to steal sensitive information and potentially to disrupt critical infrastructure, China also uses social media, influence over traditional media companies, and intimidation of Taiwanese companies

¹⁰⁵ "U.S. trade war pushing China to steal tech, talent, Taiwan Says," *Reuters*, March 31, 2021.

with China exposure to gain an invisible hold over all of Taiwan."¹⁰⁶

With the recent escalation of cross-Strait tensions, Taiwan officials have become increasingly aware and concerned about Taiwan's economic over-dependence on China. Shortly after she took office in 2016, President Tsai launched the NSP to diversify Taiwan's trade and investment ties away from China toward countries in South and Southeast Asia. Given rising labor costs in China and the recent US-China tariff war, this effort has had some success particularly in terms of increasing Taiwanese investments in Vietnam, Philippines and other Southeast Asian countries. The NSP has also expanded broad educational and people-to-people ties, although much of this, especially tourism, was disrupted during the recent pandemic. Additionally, the Tsai Administration launched a three-year reshoring program (2019-2021) to attract Taiwanese companies in China to return back to Taiwan.¹⁰⁷ This initiative has seen Taiwanese companies operating in China to-date pledging approximately USD \$33 billion of reinvestment back to Taiwan. More than half of that amount is expected to have been reinvested in Taiwan by the end of 2020. Nonetheless, Taiwan's exports to China have continued to grow in response to rising demand in the China market, as China's economy rebounded quickly from the COVID-19 pandemic with a 3 percent growth in 2020 and a projected 8 percent growth in 2021.

Thus, effectively blocked by China from joining regional free trade agreements and unable thus far to initiate new bilateral agreements except for those signed with New Zealand and Singapore in 2013, it will be very difficult for Taiwan to significantly diversify its global economic ties and reduce dependence on China without undermining its own future growth. Taiwan needs to be more integrated into the evolving interna-

¹⁰⁶ Syaru Shirley Lin, "Taiwan's continued success requires economic diversification of products and markets," *Brookings Institution*, March 15, 2021.

¹⁰⁷ Chun-Chien Kuo, "The Future of Taiwanese industries' supply chain reallocations under Covid-19," *Taiwan Insight*, March 16, 2021.

tional economy if it is to avoid being isolated by China and succeed in its efforts to maintain its critical role in the global supply chain, especially in the technology sector. As one US analyst argued,

“Taiwan’s path toward a sustainable economic future depends not only on a capable government, a hardworking population, and a more global outlook, but also on the support of the international community. Taiwan cannot resist the gravitational pull of the Chinese economy unless like-minded democracies, which may all eventually face their own versions of Taiwan’s China dilemma, make a concerted effort to work together to protect Taiwan’s autonomy and prosperity.”

This will be essential not only in defending Taiwan but also other democracies and the liberal international order against the predatory designs of a rising authoritarian China.¹⁰⁸

Building a US-Taiwan Global Economic Partnership

From the above, it is clear that the United States and Taiwan share strong and fundamental democratic values and vital interests as well as important responsibilities for upholding the rules-based liberal international order. As President Biden declared in the 2021 Interim Strategic Guidance, the United States must “work together with our democratic partners” to meet the challenges of the 21st century. And as the American Chamber in Taiwan concluded in its 2020 White Paper, as Washington pursues its strategy in the Indo-Pacific region, it will become increasingly aware of the critical role that Taiwan can play as a “trusted ally” in the region, especially in meeting the challenges of a rising and increasing assertive and authoritarian China.

¹⁰⁸ Lin, “Taiwan’s continued success requires economic diversification of products and markets.”

While China poses a competitive challenge to the United States, it presents a pressing and existential threat to the 24 million people of Taiwan and its democracy that needs to be urgently confronted, hopefully with the support of other democracies. As we saw above, apart from military threats, China is also increasingly engaged in coercive economic and cyber activities against Taiwan, especially aimed at stealing and acquiring its advanced technology, and is seek-

“While China poses a competitive challenge to the United States, it presents a pressing and existential threat to the 24 million people of Taiwan and its democracy that needs to be urgently confronted, hopefully with the support of other democracies.”

ing to further expand leverage by obstructing Taiwan’s efforts to enter into new bilateral and multilateral free trade agreements with other countries. At this critical juncture, the key challenge then is how the United States “will support Taiwan, a leading democracy and a critical economic and security partner, in line with longstanding American commitments” (as stated in the Strategic Guidance) and how they should work together to strengthen cooperation to defend their respective interests and the values of the rules-based international order.

In the following section, we offer specific recommendations as to how the United States and Taiwan should strengthen bilateral and global economic cooperation in order to help protect Taiwan’s autonomy and expand its global economic ties while working together to counter unfair and predatory trade policies, and develop and defend trusted supply chains and a modern technology infrastructure. As one of the world’s leading free market economies and an advanced

technology center, especially with its information and communication technology (ICT) and semiconductor industries, Taiwan indeed has a key role to play as a “trusted ally” of the United States in developing and defending the critical global supply chain and modern digital infrastructure. More broadly, we will also explore platforms from which the United States and Taiwan can launch cooperative efforts to expand global health security initiatives in the aftermath of the COVID-19 pandemic as well as coordinate and cooperate on measures to promote inclusive economic growth and foster social cohesion in order to bolster democracies around the world.

Conclusion

At this critical juncture in history, a central question is whether “democracy holds the key to freedom, prosperity, peace, and dignity” and “can still deliver for our people and for people around the world,” as President Biden asserted in his Strategic Guidance. Looking at the tumultuous decline and challenges facing democracies around the world over the past decade, it has become increasingly difficult to affirm this proposition. In this context, as Secretary of State Antony Blinken declared, managing US-China relations will be the “biggest geopolitical test of the 21st century” for the United States.

In this paper, we thus highlight the important role that Taiwan can play in this crucial contest between democracies and the authoritarian model that China represents. We underscore the urgent need for the United States to step up support for Taiwan and its democracy that is currently facing an existential threat from an increasingly powerful China clearly intent on isolating and subjugating Taiwan to its own advantage in this strategic competition. Indeed, as Assistant Secretary for East Asia and Pacific Affairs Dan Kritenbrink noted: “Maintaining Taiwan’s international space is fundamental to preserving the cross-Strait status quo and denying the PRC the political conditions it views as being conducive for coerced unification on Beijing’s terms.”

Finally, we conclude by offering a set of specific recommendations that we believe are mutually reinforcing and form the basis for a comprehensive strategy to help Taiwan defend its democracy and expand its international space. The bottom line is that significantly increased US-Taiwan interaction and cooperation across a full range of political, economic and social activities is needed to promote awareness of Taiwan’s value to the international community in order to counter China’s intimidation and coercion strategy. At the same time, by meeting its commitments to Taiwan,

the United States will demonstrate in concrete terms its support for democratic values and enhance its credibility among its allies, especially in Asia. Beyond this, we also offer recommendations on how the United States and Taiwan can work together to build the foundation for a global partnership to meet this historic challenge not only to their own interests but also to those of other democracies and the rules-based liberal international order that they represent and seek to uphold.

Policy Recommendations

First, Taiwan itself must take immediate steps to preserve and, if possible, expand its international space in the face of China’s escalating pressures. Taipei’s long-term ability to resist Chinese coercion and *maintain its right of self-determination* requires robust diplomatic as well as non-diplomatic partnerships across the globe. Second, the United States and Taiwan need to expand and deepen bilateral ties in order to strengthen the bonds and commitments to each other while working together to confront authoritarian forces and advance open and rules-based standards and democratic values in Asia and around the world.

1. Taiwan should develop a comprehensive strategy to strengthen its existing diplomatic ties. Taiwan’s Defense White Paper has served as a catalyzing messaging document, providing the public and Taiwan’s international partners with a critical window into its strategic defense thinking. A similar document is required on the diplomatic side in order to provide domestic stakeholders like the Legislative Yuan and civil society, as well as international partners like the United States and Taiwan’s current diplomatic partners, a clear sense of Taipei’s strategic direction. Such a document should unambiguously proclaim the necessity of not only defending Taiwan’s existing diplomatic relationships but also lay out concrete steps to strengthen them through a multifaceted diplomatic, political and economic strategy.

2. Taiwan should seek and create opportunities to expand its diplomatic ties. Taiwan should think creatively and reach out to other democracies, who may potentially consider establishing diplomatic ties with Taiwan in view of China's increasingly authoritarian and coercive policies. Not only would an increase in Taiwan's diplomatic partners strengthen its global position, but the success of such a campaign will do much to counter the narrative of China's inexorable rise.

Countries like the Federated States of Micronesia with close ties to the United States and two of Taiwan's remaining partners (the Marshall Islands

and Palau) present significant prospects, as would states that have recently switched recognition to the PRC under murky or contested circumstances, such as El Salvador, Kiribati, and the Solomon Islands. Taiwan has a compelling narrative for such countries, in contrast to the PRC's non-performing infrastructure projects, debt-trap diplomacy, and repeated interference in other states' domestic affairs. In countries where Taiwan had had a long presence, like the Solomon Islands, there remains considerable goodwill toward Taiwan, but Taiwan must act quickly—in tandem with the United States—to generate even greater political support for the resumption of diplomatic ties.

3. The United States should consolidate and expand its current efforts to help preserve and expand Taiwan's diplomatic ties. There has been continuing internal debate over whether the United States should assist Taiwan in maintaining and expanding its diplomatic ties. In the recent cases of El Salvador, Solomon Islands and Kiribati, for example, some argued that the United States should simply accept these diplomatic switches as a *fait accompli* and not a matter involving US interest. Nonetheless, as Assistant Secretary Kritenbrink pointed out, China has employed corrupt and coercive measures to isolate Taiwan and unilaterally

change the cross-Strait status quo, thus clearly impinging on US commitments and democratic values. In fact, there is an emerging bipartisan consensus in both the executive and legislative branches that recognizes that the United States does have a profound national interest in preserving and expanding Taiwan's international space, including its diplomatic ties, and should increase bilateral cooperation toward achieving this goal. To this end, we recommend that the State Department establish a new full-time position within the

Taiwan Coordination (TC) Office with specific responsibility for coordinating this effort with Taiwan and across the US government.

"Not only would an increase in Taiwan's diplomatic partners strengthen its global position, but the success of such a campaign will do much to counter the narrative of China's inexorable rise."

4. Taiwan should reevaluate and adapt its assistance program to meet the current needs of its partner countries.

A criticism of Taiwan from some of its former diplomatic partners has been its narrow focus on health, education, and training programs as the primary forms of assistance, rather than addressing their more urgent infrastructure needs. While Taiwan must be mindful of its resources, and contrast itself with the PRC's often under-performing development projects, it should reassess its overall assistance program and consider placing a greater emphasis on quality infrastructure projects among other current needs of the local population, such as sanitation and water treatment projects, targeted road and highway improvements, and dredging and port expansion efforts. This could also present an opportunity for Taiwan to collaborate with the United States, Japan and others to help meet the infrastructure and development needs of countries throughout Asia. For example, Taiwan should be included in the Blue Dot Network founded by the United States and Australia that assesses and certifies infrastructure projects worldwide. Taiwan should also seek to coordinate with and invest in Japan's Partnership for Quality Infrastructure initiative that would enable Taiwan to contribute to infrastructure development throughout South and Southeast Asia, hence increas-

ing Taiwan's visibility in those regions. We also recommend that Taiwan and the United States find ways to expand cooperation through the US International Development Finance Corporation (DFC).

5. Highlight the increasingly coercive nature of China's foreign policy as a threat to the legitimate interests of other countries. Evidence of such coercive behavior (reflected in its "wolf warrior diplomacy") has been abundant, for example, in China's hostage taking response against Canada in the Huawei extradition case, arbitrary import restrictions against Australia for proposing an investigation of COVID-19 origins as well as punitive measures against a wide range of foreign companies that had not designated Taiwan as being (falsely) under PRC authority. Rather than simply telling the positive story of Taiwan's past assistance and status as a responsible democratic polity, Taiwan—in coordination with the United States—must actively contrast itself with Beijing. This means highlighting Taiwan's noninterference in the domestic affairs of other countries, in contrast to specific instances of Chinese coercion and heavy-handedness, e.g., in the recent case of Lithuania. Taiwan also has a positive narrative on its approach to indigenous affairs, in contrast with the PRC's atrocities against minority groups in the PRC, which will resonate in many countries with diverse populations.

6. Taiwan should strengthen cooperation with non-diplomatic partners. With its unofficial but significant and critical presence in nearly 50 countries around the world, including the United States, Taiwan has a vast reservoir of supportive contacts and partners to draw upon to expand its international space. In reaction to China's increasingly coercive policies, many of these countries, including major countries in Europe and Japan, have recently stepped up their public support for Taiwan with high-level government and parliamentary visits and increased cooperation in substantive areas. Taiwan should seize this opportunity to develop a comprehensive yet differentiated approach to each of these countries, with the ultimate goal of strengthening political, economic and cultural ties that will serve to underscore the importance of Taiwan to the inter-

national community. Taipei can also work with these partner countries to increase advocacy on its behalf in international organizations, where there is growing realization of Taiwan's expertise and potential contribution in areas of public health, technology, democratic governance and culture.

7. Prioritize advocacy for Taiwan's participation in UN agencies and other international organizations. Despite not being an official member of the United Nations, Taiwan should continue to press for meaningful participation (e.g., observer status) in UN agencies as well as membership in other international organizations that do not require statehood. In particular, Taiwan should prioritize participation in the World Health Organization, International Civil Aviation Organization, and International Labor Organization (ILO), where Taiwan has considerable expertise and interests. Taiwan entities, with government encouragement and support, should also seek membership in various international organizations that cover an array of environmental, law enforcement, social, and cultural issues of broad concern to the international community. Taiwan should accept observer status where possible, as both an intermediate step toward full membership and an opportunity to advance useful causes within other forums. Taiwan should also devote attention to sub-regional organizations where it has substantial interests, including the Forum Fisheries Agency (FFA) and the Pacific Islands Forum (PIF).

8. Washington should increase advocacy for Taiwan's participation and bilateral cooperation in international organizations. The United States should establish a Director position at the National Security Council with specific responsibility for promoting Taiwan's international space and coordinating such efforts across the US government, especially with the State Department. The United States needs to act urgently on this priority by making clear to the leaders and member states of international organizations that the failure to confront Beijing's coercive efforts to exclude Taiwan will ultimately be to the detriment of these organizations. Meanwhile, Washington should enhance bilateral cooperation by providing the Ameri-

can Institute in Taiwan (AIT) with additional personnel and resources to enhance cooperation with Taiwan on substantive issues facing the international community. For example, various US departments and agencies, such as Environmental Protection Agency (EPA), Health and Human Services, and USAID, should consider posting officers to AIT in Taipei so that they can work closely and directly with their counterparts in Taiwan on global environmental, health and development issues.

9. Reinvigorate the US-Taiwan Trade and Investment Framework Agreement (TIFA) economic dialogue. For the past four years under the previous Trump Administration, the United States suspended USTR-led TIFA talks at the deputy level as the United States focused on, and sought to avoid disrupting, contentious trade negotiations with China. Similarly, the United States had suspended TIFA talks for several years towards the end of President Chen Shui-bian (陳水扁)'s Administration in the late 2000's primarily due to a disagreement on a specific agricultural trade issue. With the Tsai Administration having just lifted the ban on ractopamine-added pork imports (which was supported by the Taiwan public in a December 2021 referendum) and Taiwan currently under increasingly intense pressure from China, it is important that the Biden Administration and Taiwan has now resumed these annual high-level TIFA talks and should use this platform to explore more ways to expand bilateral trade and investment ties as well as underscoring the high priority the United States places on its partnership with Taiwan especially at this crucial stage. The two can now also use this forum more widely to discuss and coordinate policies to combat China's unfair trade practices and promote reform at the World Trade Organization.

10. Provide incentives to expand US-Taiwan bilateral investments. While the Biden Administration may not want to undertake any new free trade and investment agreement negotiations at this point, the United States and Taiwan should nonetheless proceed to expand consultations on steps to reduce regulatory barriers and create incentives to encourage and facili-

tate bilateral investments. In particular, a number of major Taiwan companies, e.g., TSMC and Foxconn, are already looking to make significant manufacturing investments in the United States, partly in anticipation of increased US-China trade frictions but also to meet growing demand and to bring their products directly (rather than through China) into the US market. Hence, the United States should work through the US Commerce Department's SelectUSA program to focus on attracting and facilitating Taiwan investments in the United States. For instance, in addition to the annual SelectUSA program (where Taiwan companies have composed one of the largest delegations in most years), Commerce could offer to host and assist Taiwan investment missions that are more specifically focused on particular industrial sectors. At the same time, Taiwan should consult with US Commerce and work closely with the US Chamber of Commerce in Taiwan to identify and reduce regulatory hurdles and provide additional incentives for US companies to invest in Taiwan, especially for research and development in advanced technology sectors such as those in Taiwan's 5+2 innovation and Asia Silicon Valley plans. Such R&D investment by US companies would also enhance US capabilities in its technology competition with China.

11. Coordinate on promoting cyber-security and secure supply chains through the Economic Prosperity Partnership (EPP). With China now perceived as posing greater security risks and regularly resorting to economic coercion against its trading partners, such as Japan, Korea, Australia and others, there are deepening concerns about the security of digital communication and critical supply chains that go through China in the region. While Taiwan is not yet a member of the recently-launched Indo-Pacific Economic Framework, the United States and Taiwan should nonetheless immediately commence bilateral consultations on joint measures to promote 5G and telecommunications security and secure supply chain for critical products, as set out in the five-year MOU establishing the Taiwan-US Economic Prosperity Partnership (EPP) in 2020. Beyond this, as concluded at the recent US-Japan summit in Washington in April 2021, Taiwan should

be invited by the United States and Japan to participate in their enhanced Global Digital Connectivity Partnership to promote vibrant digital economies and to partner on sensitive supply chains, including on semiconductors, to promote and protect critical technologies. Cooperation among the three and others would enhance the effectiveness of this effort to promote cyber-security and secure supply chains especially in East Asia.

12. *Begin consultations on expanding Taiwan's participation in bilateral and multilateral trade and investment agreements.* While Taiwan currently has relatively strong trade and investment ties with other countries, including the United States, its exclusion from regional trade pacts such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the Regional Comprehensive Economic Partnership (RCEP) is likely eventually to reduce Taiwan's comparative advantage in trade in the region and increase its commercial dependence on China. If so, this would enhance China's position particularly in its technology competition with the United States and other advanced economies. It is thus in the interest of the United States that Taiwan remains autonomous and more integrated with the international economic community. Hence, the United States and Taiwan should begin discussions in TIFA talks to prepare to launch negotiations toward a bilateral trade and investment agreement as soon as possible. The initiation of the Technology Trade and Investment Collaboration (TTIC) Framework is a step in the right direction but the role of the Office of the US Trade Representative is critical. The United States should also consider ways to simplify the needlessly cumbersome Congressional approval process for an eventual bilateral trade agreement. Moreover, in anticipation of the United States eventually returning to the CPTPP, it should work with and support Taiwan to prepare for an eventual joint entry into the regional trade pact. Beyond this, the United States should actively encourage and support Taiwan's efforts to enter into bilateral trade agreements with other countries, e.g., the United Kingdom and the European Union.

13. *Cooperate on developing health security initiatives in Asia.* In advance of the 74th annual World Health Assembly virtual meeting in May 2021, US Secretary of State Blinken issued a strong statement calling for Taiwan's participation. He underscored that "there is no reasonable justification for Taiwan's continued exclusion from this forum," despite China's objections, and called on the WHO Director-General to invite Taiwan to participate as an observer at the WHA, as it had done in the past.¹⁰⁹ In addition to pressing for Taiwan's participation at the WHA, given Taiwan's unique capabilities as shown in its response to the recent COVID-19 pandemic, the United States should work separately with Taiwan either bilaterally and multilaterally to help build up the capacity of other countries to prevent and respond to future infectious disease outbreaks, including through existing initiatives like the Global Health Security Agenda. Bilaterally, we recommend that the United States assign US Health and Human Services personnel to work with Taiwan Healthy Ministry officials through the Global Cooperation Training Framework to provide advice and training to other governments on strengthening health security infrastructures in Asia.

14. *Coordinate and cooperate on providing development assistance to Southeast Asian countries.* Over the past decades, the United States has continued to provide significant expertise and financial assistance through the US Agency for International Development (USAID) to ASEAN countries to help them better respond to transnational challenges and promote sustainable, rules-based and inclusive growth by expanding rights and opportunities for women, youth, and other marginalized groups across Southeast Asia. More recently, Taiwan has begun to expand educational exchanges and resource sharing programs with countries in Southeast Asia, primarily through its New Southbound Policy launched in 2016. We propose that the United States and Taiwan establish a coordination mechanism to work together on educational and devel-

¹⁰⁹ Antony Blinken, "Restoring Taiwan's Appropriate Place at the World Health Assembly" (press release), US Department of State, May 7, 2021.

opment assistance policy in Southeast Asia to increase the effectiveness of their respective programs and to create synergies between them. As cooperation grows, the United States should consider opening a regional USAID office at the American Institute in Taiwan to facilitate policy coordination in Southeast Asia.

15. *Expand and deepen engagement within the Asia Pacific Economic Cooperation forum.* Taiwan and the United States are both members of the 21-economy APEC forum that has contributed significantly to facilitating trade and promoting sustainable economic development in the trans-Pacific region over the past three decades. We believe there is significant potential here, despite China's presence in APEC, for even greater cooperation between Taiwan and the United States, including other like-minded democracies such as Japan, Canada, Korea, Australia, Singapore and others, to work more closely together to facilitate trade, combat corruption, and develop programs to promote inclusive and sustainable economic growth. As a full member of APEC, Taiwan ("Chinese Taipei"), with the support of the United States, should invest more resources to expand its role and work with other economies in this forum to build broader ties and underscore its capacity to enhance economic growth and social cohesion in the region.

16. *Establish Taiwan as a regional training center for non-governmental organizations in Asia.* Taiwan has not only developed into a model of democracy in Asia over the past two decades, but it has also witnessed the growth of an underlying civil society culture that has been and will continue to be essential in sustaining its democracy. Central to this has been the rapid expansion of local NGOs that are focused not only on domestic economic and social issues and programs but also increasingly on development and humanitarian assistance to rural and disadvantaged groups in developing countries abroad. A leading example of this is the Taiwan Alliance in International Development (Taiwan Aid) which serves as a platform for these outward-directed NGOs. We propose that the United States and Taiwan work together to set up a regional training center in Taiwan to enable and promote the

growth of similar local NGOs and civil society culture in other countries in Southeast Asia. More specifically, AIT (through the GCTF) should work with the Taiwan Foreign Ministry's NGO Bureau to identify and invite NGO workers in Southeast Asia for training at a university campus in Taiwan, with the participation of leading US, European, and Japanese NGOs as well. Such a center would be an opportunity to showcase Taiwan's vibrant civil society and enhance cooperation between and among Taiwan and other regional and global NGOs to strengthen the foundation for democracies around the world.

17. *Expand tech diplomacy and realignment of high-tech and semiconductor supply chains.* The defining 21st century resource will no longer be oil, but semiconductors. From industrial electronics to military equipment, semiconductors largely produced in Taiwan play a central role. While gaining "energy independence" largely worked for the United States, gaining "chip independence" isn't realistic, and would effectively be "reinventing a very expensive wheel."¹¹⁰ This is because Taiwan and South Korea have this manufacturing infrastructure, and are far ahead of US capabilities in this area. Taiwan can and should use this to their advantage with non-diplomatic allies. Building foundries outside of the United States would help in a strategic sense, but Taiwan should take a varied approach in their semiconductor diplomacy for their own sake. Specifically, the US government should consider preauthorizing licenses for American intellectual property that US firms can reference when they consider setting collaborative engagements with Taiwanese firms on R&D, logistics, and technology application to facilitate technology cooperation.

18. *Strengthen cooperation with Taiwan at the subregional level.* Building out initiatives such as the Indo-Pacific Democratic Governance Consultations and Pacific Islands Dialogue to include more coordinating partners and with stronger coordinating mechanism to better align the United States' Indo-Pacific Strategy

¹¹⁰ Jeremy Mark, "Supply chains and semiconductors: The need for US diplomacy," Atlantic Council, March 29, 2021.

and Taiwan's New Southbound Policy. Developing new and focused regional as well as subregional initiatives in Latin America and the Caribbean and also Africa by adopting the successful Global Cooperation and Training Framework model.

19. ***Institutionalize the Summit for Democracy.*** As part of a broader set of initiatives to be undertaken after the landmark Summit for Democracy, the United States along with like-minded countries should conduct multilateral parliamentary exchanges, sometimes simultaneously, to Taiwan and share ideas on how to deepen cooperation among democratic legislatures to promote their shared interests and respond to shared challenges to include trade and technology cooperation. Such efforts should consider meaningful ways to assist Taiwan to expand its engagements with multilateral groupings such as the established D10 group of leading democracies and formally allow it to coordinate with European and Asian democracies when engaging in collective economic sanctions.

20. ***Incorporate Taiwan into intelligence sharing agreements within Five Eyes + Japan.*** Facilitating and managing this regional intelligence sharing, the United States can both maintain key capabilities and simultaneously improve information-sharing to enhance Taiwanese security and *de facto* integration with allies and like-minded partners in the region.

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