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By: John Dotson

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In the month of June, multiple spokespeople of the government of the People's Republic of China (PRC) made statements about Taiwan that were unusually provocative, even by the standards of the angry and uncompromising rhetoric leveled against Taiwan on a regular basis. Two of the most prominent examples of this were provided by official spokespeople—speaking in fora directed at international audiences—that forcefully asserted ownership over Taiwan, angrily denounced the United States, and asserted maritime sovereignty rights over the Taiwan Strait that greatly exceed the scope of international law and generally recognized maritime customs. These measures are part of a larger pattern of gradually escalating rhetoric regarding the PRC's claims over not only Taiwan, but also the surrounding maritime commons—as well as hostility directed towards the United States and its allies in the Indo-Pacific region.

General Wei's Speech at the Shangri-La Dialogue

The Shangri-La Dialogue, hosted annually in the late spring–early summer timeframe by the British think tank the International Institute for Strategic Studies (ISIS), has become arguably the premier international conference for security issues in the Indo-Pacific region. [This year's conference](#)—the first since 2019, following a hiatus in 2020 and 2021 due to the COVID-19 pandemic—was held from June 10-12 in its regular venue in Singapore. One of the controversial highlights from this year's event was an opposing pair of speeches by US Secretary of Defense Lloyd Austin and PRC Defense Minister General Wei Fenghe (魏鳳和), in which the two crossed rhetorical swords over multiple issues in the Pacific, including Taiwan.

[Austin's speech](#), delivered on the opening morning of the conference, made pointed crit-

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icisms of the PRC's "coercive and aggressive approach to its territorial claims," as well as its fishing incursions into other countries' waters, its unsafe intercepts of foreign military aircraft in international airspace, and its fortification of South China Sea "man-made islands bristling with advanced weaponry to advance its illegal maritime claims." Austin also directly raised the issue of PRC coercion against Taiwan, stating that:

"[W]e stand firmly behind the principle that cross-strait differences must be resolved by peaceful means. Now, as a part of our One-China policy we will continue to fulfill our commitments under the Taiwan Relations Act [which] includes assisting Taiwan in maintaining a sufficient self-defense capability. And it means maintaining our own capacity to resist any use of force or other forms of coercion that would jeopardize the security or the social or economic system of the people of Taiwan. So our policy has not changed, but unfortunately that does not seem to be true for the PRC [...] we see growing coercion from Beijing. We have witnessed a steady increase in provocative and destabilizing military activity near Taiwan, and that includes PLA aircraft flying near Taiwan in record numbers in recent months, and nearly on a daily basis. And we remain focused on maintaining peace, stability and the status quo across the Taiwan Strait. But the PRC's moves threaten to undermine security and stability and prosperity in the Indo-Pacific."



Image: PRC Defense Minister Wei Fenghe delivering an address to the Shangri-La Security Dialogue in Singapore, June 12. (Image source: [China Daily](#))

General Wei delivered a pugnacious response the next day in a speech titled "[China's Vision for Region-](#)

[al Order](#)." Wei declared that his government "firmly reject[ed] the US smearing accusation, even threats against China," and that "We should seek peaceful coexistence and win-win cooperation rather than hegemony and power politics." He asserted that the [US Indo-Pacific Strategy](#), promulgated in February, represented an effort "to hijack countries in our region and target one specific country. It is a strategy to create conflict and confrontation, to contain and encircle others." Wei demanded that the United States "stop smearing and containing China, stop interfering in China's internal affairs and stop harming China's interests."

The longest single section of Wei's speech was dedicated to Taiwan, in which he stated:

"Taiwan is first and foremost China's Taiwan. It's an internal affair of China's [...] and] China's reunification is a great cause of the Chinese nation, and it is a historical trend that no one and no force can stop [...] The Taiwan question [...] is a legacy of China's civil war and will surely be resolved as the Chinese nation achieves its rejuvenation. Those who pursue Taiwan independence in an attempt to split China will definitely come to no good end. [...] [China] will resolutely crush any attempt to pursue Taiwan independence. Let me make this clear. If anyone dares to secede Taiwan from China, we will not hesitate to fight. We will fight at all costs and we will fight to the very end. This is the only choice for China."

Wei blamed an unnamed country, clearly intended to be the United States, for perpetuating the separation between China and Taiwan:

"[F]oreign interference is doomed to failure. Some country has violated its promise on the One-China Principle as it applies to Taiwan. It has connived at and supported the moves of separatist forces for Taiwan independence. It keeps playing the Taiwan card against China. [...] China is firmly opposed to such acts. Here, I want to make it clear to those seeking Taiwan independence and those behind them: the pursuit of Taiwan independence is a dead end, and stop the delusion. And soliciting foreign support will never work. [...] If someone forces a war on China, the PLA will not flinch."

Overall, Wei's speech was more focused on Taiwan than his previous [2019 Shangri-La speech](#), in quantifiable terms. [1] It was also more inflammatory in tone, invoking war in a direct way that the 2019 speech did not. Wei's position as defense minister places him in a largely ceremonial role focused on military diplomacy, and the practical function of his office is to act as the mouthpiece of the PLA in its role as the Chinese Communist Party's (CCP) army. Accordingly, Wei's speech should not be understood as the voice of a more hawkish PLA, going beyond party dictates—rather, it is part of a larger campaign of propaganda to reassert and reinforce party policies.

“The Taiwan Strait Is Not International Waters”

Lest Wei's speech be regarded as an outlier, it was followed by [comments made the following day](#) (June 13) by PRC Foreign Ministry spokesperson Wang Wenbin (汪文斌), which prompted a flurry of controversy and commentary as to whether or not the Taiwan Strait should be regarded as international waters under international law and conventions. Following a series of almost *de rigueur* condemnations of the United States (which was “further expos[ing] its ill intention to sow discord and the true nature of its hegemonic practices and exercise of power politics”), Wang offered this response to a question about PRC military officials reportedly asserting full sovereignty over the Strait in discussions with US counterparts:

“Taiwan is an inalienable part of China's territory. [...] According to UNCLOS (United Nations Convention on the Law of the Sea) and Chinese laws, the waters of the Taiwan Strait, extending from both shores toward the middle of the Strait, are divided into several zones including internal waters, territorial sea, contiguous zone, and the Exclusive Economic Zone. China has sovereignty, sovereign rights and jurisdiction over the Taiwan Strait. [...] There is no legal basis of ‘international waters’ in the international law of the sea. It is a false claim when certain countries call the Taiwan Strait ‘international waters’ in order to find a pretext for manipulating issues related to Taiwan and threatening China's sovereignty and security. China is firmly against this.”

Other parts of the CCP's broader propaganda infra-

structure also stepped forward to promote this theme. For example, on June 17 the state broadcaster *CGTN* published a [commentary by Kong Qingjiang](#) (孔慶江), a professor at the China University of Political Science and Law (中國政法大學), who argued that only the “high seas”—i.e., those areas beyond territorial waters, the contiguous zone, and the economic exclusion zone (EEZ)—could be considered “international waters.” [2] Per this line of reasoning, “Apart from the internal waters over which China may exercise full sovereignty, none of the rest of the Taiwan Straits can be associated with so-called international waters, for China is entitled to exercise various ranges of jurisdictions over all these areas”—including the exclusion of foreign naval vessels from the area. Such an argument accords with a longstanding—albeit muddled and selectively asserted—PRC position that an EEZ confers sovereignty rights tantamount to those of territorial waters.



Image: Taiwan Foreign Ministry spokesperson Joanne Ou at a press conference on June 14, in which she rejected PRC sovereignty claims over the waters of the Taiwan Strait. (Image source: [Taipei Times](#))

This position was quickly rejected by the US Government, with State Department spokesperson Ned Price [stating on June 21](#) that “the Taiwan Strait is an international waterway [which] means that the Taiwan Strait is an area where high seas freedoms, including freedom of navigation, overflight, are guaranteed under international law. [...] We're concerned by China's aggressive rhetoric, its increasing pressure and intimidation regarding Taiwan, and we'll continue, as we have said before, to fly, to sail, and to operate wherever international law allows, and that includes transiting through the Taiwan Strait.” The PRC claims were also categorically rejected by Taiwan's government, with ROC For-

eign Ministry spokesperson Joanne Ou (歐江安) [stating on June 14](#) that the Taiwan Strait—except for the generally-recognized 12 nautical-mile zone extending from the coastline—was properly defined as international waters. She accused the PRC of “distorting international law” with its position. She further declared that “Our government has always respected any activity conducted by foreign vessels in the Taiwan Strait that is allowed under international law,” and stated that US and allied naval presence served to “promote peace and stability in the region.”

Conclusions

At the best of times, the PRC’s rhetoric regarding Taiwan is intemperate and uncompromising, but Beijing’s statements in June have been even more provocative than usual. Taken in tandem with recent PLA military activity—such as the [“beyond the island chain” aircraft carrier deployment in May](#) and the [sortie of 29 aircraft into Taiwan’s air defense identification zone](#) on June 21—Beijing’s words and actions are raising the temperature in the region beyond the standard baseline. This raises the question as to why Beijing might be doing so now—that is, whether these recent phenomena are merely part of the usual ebb-and-flow of cross-Strait (and US-China) geopolitical signaling, or whether some other factors are at play.

It is conjectural, but one potential factor may be connected to the botched Russian invasion of Ukraine. As that invasion—which bears many parallels to a potential cross-Strait conflict—has proven less successful and far bloodier than its architects projected, it may have sown greater doubts in Beijing about the prospects for a military seizure of Taiwan. If so, the expected response from the PLA, and the rest of PRC officialdom, would be to compensate for any such doubts by doubling down even more on histrionic assertions of the PRC’s absolute sovereignty over Taiwan.

There are also multiple domestic factors within the PRC that may be pressing agencies of the party-state to stake out a harder line on Taiwan. The PRC’s economic slowdown, as well as the ongoing internal crisis prompted by its “Zero COVID” policy and attendant mass lockdowns (itself a further aggravating factor for the economic slowdown) may be prompting the CCP leadership to press more forcefully on emotive nation-

alist issues in order to distract from domestic troubles. Yet, the most important factor of all may be the need for party-state agencies and senior officials to *biaotai* (“signal loyalty,” 表態) ahead of the upcoming 20th CCP Party Congress scheduled for this autumn. With CCP General Secretary Xi Jinping almost certain to take a third term in office—breaking a precedent in place under his two predecessors, and possibly setting Xi up to remain in office for life—and with jockeying for other positions up and down the ranks of the party bureaucracy, the summer and fall are shaping up to be a tense time in PRC officialdom. (This is especially true amidst an ongoing [anti-corruption campaign](#) that doubles as a means to staff the bureaucracy with patronage loyalists.)

In such an environment, one of the most reliable, and safest, means to *biaotai* is by ramping up the rhetoric on Taiwan. Accordingly, the months between now and the 20th Party Congress are likely to see further, but gradual, escalations in Beijing’s provocative actions and language surrounding Taiwan.

The main point: The month of June saw a notable escalation in the PRC’s rhetoric surrounding Taiwan, and in its assertion of maritime sovereignty claims in the Taiwan Strait. The possible connection between these developments and the CCP’s quinquennial party congress later this year suggests that such rhetoric and geopolitical signaling is likely to remain elevated at least through the autumn timeframe.

[1] Wei’s 2022 Shangri-La speech mentioned “Taiwan” 15 times, in a section of 435 words (in English translation). By contrast, Wei’s 2019 speech mentioned Taiwan 9 times, in a section of 251 words.

[2] The United Nations Convention on the Law of the Sea (UNCLOS), and generally accepted international maritime customs, recognize territorial waters (“territorial sea”) out to 12 nautical miles; a “contiguous zone” (12-24 nautical miles) in which countries may exercise additional rights for functions such as customs enforcement; and an economic exclusion zone (up to 200 nautical miles) in which countries may claim certain exclusive rights over the exploitation of economic resources. Although the United States generally accords with most terms of UNCLOS and international maritime custom, it has not ratified or adopted UN-

CLOS. See: *United Nations Convention on the Law of the Sea* (text as effective 1994), https://www.un.org/Depts/los/convention_agreements/texts/unclos/unclos_e.pdf.

Building a Silicon Bulwark: How the United States and Taiwan Can Retain Joint Leadership of the Global Semiconductor Industry

By: Ryan Fedasiuk

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In March of this year, the Taiwan Ministry of Justice's Investigation Bureau (法務部調查局) launched probes into more than 100 companies suspected of trying to woo the island's semiconductor engineers to work for mainland Chinese companies. Two months later, it raided the offices of [10 more semiconductor companies](#) and summoned their owners for questioning about talent poaching.

China's efforts to sabotage Taiwan's chipmaking industry are not new. In 2019, for example, Taiwan's *Business Weekly* reported that more than 3,000 semiconductor engineers had already departed the island for positions at mainland companies, amounting to nearly [one-tenth](#) of the roughly 30,000 Taiwanese engineers involved in semiconductor research and development (R&D). Although Chinese firms face significant barriers in various segments of the semiconductor industry, they have succeeded in amassing a wealth of intrinsic knowledge by luring not only top Taiwanese executives, but also ["entire production teams on the ground."](#)

Given its prominent position in so many global supply chains, threats to Taiwan's semiconductor industry are a source of international concern. This article argues that, despite their competing interests in some segments of the chip market, the US and Taiwanese governments share an interest in strengthening mechanisms for mutual legal assistance, harmonizing approaches to export control, and pooling investments in semiconductor fabrication.

Brandishing a Buckler: Taiwan's Efforts to Secure its Semiconductor Industry

Taiwan's sustained leadership in the global semiconductor industry has rested both on promoting the growth of its homegrown semiconductor enterprises and protecting them from foreign exploitation. Taiwan has launched myriad incentives to attract Taiwanese companies who had previously set up shop in the People's Republic of China (PRC) to "reshore" their operations. In 2019, Taiwan's Ministry of Economic Affairs (MOEA, 經濟部) managed to secure [USD \\$23 billion](#) worth of investment pledges from 156 Taiwanese companies returning from the mainland. More recently, the Tsai Administration has also supplemented economic carrots with legal sticks to crack down on cases of espionage, IP theft, and state-run talent recruitment initiatives.

First, Taiwan last month approved measures to strengthen its [National Security Act](#) (國家安全法), which apply harsher sentences for crimes including "extraterritorial misappropriation of trade secrets" and economic espionage. The move prohibits individuals from helping those in China, Hong Kong, Macau, and foreign countries from infringing on technologies that the government deems core to Taiwan's security. Infractions can carry a prison sentence of up to 12 years and fines between USD \$1.8 million and USD \$3.6 million. The Act imposes additional penalties on Chinese companies operating in Taiwan without authorization, as well as on Taiwanese firms acting as front companies for Chinese counterparts. In announcing the changes, Executive Yuan Spokesperson Lo Ping-cheng (羅秉成) also said that a [designated court](#) will be set up to process cases of economic espionage.

Second, Taiwan in 2020 revised its [Trade Secret Act](#) (營業秘密法) to include criminal penalties for IP misappropriation. Depending on the severity of the charge, trade secret theft—including poaching engineers from rival companies—can be punishable by up to 10 years of prison time. The Act was amended again in 2021 to define sensitive technologies at stake in trade secret cases related to national security, which can carry even harsher penalties. Intellectual Property Office Director-General Sherry Hong (洪淑敏) noted that the act was amended specifically because trade theft involving foreign powers has historically been [difficult to litigate](#), which had led prosecutors to pursue relatively light charges even for highly consequential infractions.

While both of these measures have served to close some loopholes by which Chinese semiconductor companies poach Taiwanese chipmakers, significant shortfalls in enforcement and prosecution have allowed Chinese firms to gain an edge in various segments of the global semiconductor industry. Chinese chip design companies have seen an unprecedented [30 percent](#) annual growth rate in sales since 2020, and pure-play companies like Semiconductor Manufacturing International Corporation (SMIC, 中芯國際集成電路製造有限公司) have seen marked improvements in fabrication capability, which could threaten the long-term position of US chip design companies like Nvidia, Intel, and Xilinx, as well as production juggernauts like Taiwan Semiconductor Manufacturing Company (TSMC, 台灣積體電路製造股份有限公司).

Moreover, despite recent legislative reforms, some Taiwanese prosecutors still appear unwilling or unable to levy sufficient penalties on Chinese firms engaged in illicit talent recruitment. One notable example is the case of [WiseCore Technology \(智鈇科技\)](#) and [IC Link \(芯道互聯\)](#). In early 2021, these two Taiwanese companies agreed to co-invest and set up a team of headhunters with Bitmain (比特大陸), a Chinese company which “illegally recruited several hundred local engineers by paying them at least double their original salaries” at the expense of Taiwan’s semiconductor industry. Despite these crimes, New Taipei District prosecutors [deferred prosecution](#) of WiseCore Technology and IC Link, ultimately fining each a paltry USD \$10,000, as they did not have previous records of similar crimes and were deemed to have shown “deep remorse.”

Building a Bulwark: US Interests and Opportunities for Collaboration

When it comes to semiconductors, the US relationship with Taiwan is complicated. The heavyweight of Taiwan’s semiconductor industry—and by extension the island’s geopolitical power—is TSMC. Its founder and CEO, Morris Chang (張忠謀), was famously [lured to Taiwan](#) in 1985 after being educated in the United States and spending two decades heading up the semiconductor wing of Texas Instruments. Among other Taiwanese industry leaders, Chang has also [criticized](#) recent US efforts to reshore some of its semiconductor manufacturing capacity, referring to the CHIPS for America Act—a USD \$52 billion subsidy package—as

being “naive” and “self-interested.” Both [American](#) and Taiwanese commentators worry that enhanced US subsidies for its domestic semiconductor industry could reduce global dependence on Taiwan, and therefore shrink Washington’s appetite to defend the island against a hypothetical invasion.

Despite their imperfectly aligned interests, however, there is still ample room for the United States and Taiwan to cooperate in defending their interconnected position in the global semiconductor industry. Both the US and Taiwanese governments share concerns about high-end semiconductor talent being poached by Chinese counterparts.

Given their complementary concerns, there are at least three actions the US and Taiwanese governments can take to broaden Taiwan’s “silicon shield” into a transnational bulwark.

First, Taiwanese prosecutors should make greater use of their Mutual Legal Assistance Agreement with the United States. In cases where prosecution under Taiwan’s National Security Act or Trade Secret Act would otherwise prove difficult, US law may offer easier pathways to more consequential indictments, especially if US intellectual property was involved in semiconductor design. For example, law enforcement agencies in South Korea have made use of their treaty with the United States to authorize asset seizures and bring [more severe charges](#) against North Korean companies engaged in money laundering and other financial crimes. In October 2020, Taiwan’s Ministry of Justice (MOJ, 法務部) worked with the US Federal Bureau of Investigation to achieve a similar result, bringing a USD \$60 million suit against [Taiwan’s United Microelectronics Corporation \(UMC, 聯華電子\)](#) for trade secret theft it had committed in Taiwan. For its part, the US Department of Justice’s Office of International Affairs should ensure that cases involving Taiwan’s semiconductor industry are prioritized, as Chinese efforts to poach Taiwanese talent undoubtedly jeopardize long-term US national and economic security interests.

Second, the United States and Taiwan must harmonize their approaches to export controls, which involve various elements of the semiconductor industry. Taiwanese companies have been [circumspect](#) in adhering to extraterritorial US export controls, such as those

brought against Huawei (華為) in 2020. TSMC, for example, has insisted that it can continue supplying chips to US-blacklisted companies, since its production processes do not exceed the 25 percent limit in using US-licensed software and technology that would trigger a requirement for a US export license. But curbing advances in the Chinese chip industry—and therefore long-term competition in other microelectronics, which could undercut Taiwan’s geopolitical interests—will require TSMC to play ball.

Finally, US and Taiwanese semiconductor companies can pool their cross-border investments in semiconductor R&D and fabrication facilities. Despite their competing views on the *wisdom* of US semiconductor subsidies, both Morris Chang and Intel CEO Patrick Gelsinger want their companies to receive CHIPS Act funding. TSMC, for example, hopes to use CHIPS Act funding to build a fabrication facility [in the United States](#). One way to limit the daylight between U.S. and Taiwanese semiconductor companies on issues like export control could be to create further opportunities for cross-border investments in semiconductor fabrication.

By strengthening mutual legal assistance, coordinating to improve export controls, and pooling investments in semiconductor fabrication, the United States and Taiwan can secure their position in the global semiconductor industry while defending against unwanted incursions by China’s technology and talent scouts.

The main point: Given Taiwan’s prominence in so many global supply chains, China’s efforts to poach talent from Taiwan’s semiconductor industry are a source of international concern. Despite their competing interests in some segments of the chip market, the US and Taiwanese governments share an interest in strengthening mechanisms for mutual legal assistance, harmonizing approaches to export control, and pooling investments in semiconductor R&D and fabrication.

Parsing Taiwanese Skepticism about the Chinese Invasion Threat

By: Timothy Rich

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Lab (IPOL). His research focuses on public opinion and electoral politics in East Asia.

In 2021, President Tsai Ing-wen (蔡英文) stated that the [threat from China grew “every day.”](#) The combination of China’s increased military capabilities, incursions into the [Taiwanese air defense identification zone](#) (ADIZ), and continued rhetoric from Beijing about [unification](#) has led some analysts to believe that China could [invade the country by 2027, if not sooner](#). Meanwhile, public opinion polls in [Japan and South Korea](#) have found that nearly three quarters of respondents believe that China will try to invade Taiwan, while the limited number of Taiwanese polls show [conflicting results](#) regarding the public’s willingness to fight if invaded.

An invasion would be politically and economically costly for China, requiring “[history’s largest amphibious attack](#),” a feat that the People’s Liberation Army (PLA) currently seems [ill-equipped](#) to accomplish, despite [outspending Taiwan](#) approximately 25-to-1. Although polls show [conflicting results](#) regarding a readiness to fight China, one must presume a public that increasingly identifies as Taiwanese would hamper Chinese efforts. Any action would also likely result in economic if not military responses from other states. Even if the PLA’s capabilities improve considerably by 2027, this does not necessarily indicate an intent to act. Yet, Chinese Communist Party (CCP) General Secretary Xi Jinping (習近平)—about to enter his third term leading a party that has long tied its political legitimacy to unification—may see such risks as acceptable if convinced either of success, or that waiting would further enhance Taiwanese independence sentiment—especially if Taiwan’s Democratic Progressive Party (DPP) were to hold on to the presidency in 2024.

However, what is often lacking in such discussions is the extent to which the Taiwanese public is concerned about invasion, and whether concern is predicated on China’s or Taiwan’s military capabilities. Existing survey work tends to ask about concerns regarding military conflict with China in the abstract. For example, [My-Formosa](#) polls in 2021 and 2022 found that majorities believe that war is not inevitable across the Taiwan Strait; while a 2021 [Intelligentsia Taipei](#) poll found 50.2 percent not concerned about war, and that 58.8 percent thought it unlikely in the next decade. Other polls

put concern within the context of Russia's invasion of Ukraine, such as a [March TVBS poll](#) that asked if China would use this opportunity to attack, with 57 percent not worried at all or not too worried, compared to 14 percent who were very worried. Such polls, however, give us limited indication as to what is motivating concern (or lack thereof) for possible military conflict.

Public concern would have several implications. An unconcerned public may be reluctant to support efforts to enhance the country's security, such as [increasing the defense budget](#); or may be overly optimistic about the United States' willingness to defend Taiwan, especially after recent statements from [President Joseph Biden](#). In contrast, analysts have often linked Russia's invasion of Ukraine to a possible cross-Strait conflict. Despite many [fundamental differences](#) between the two issues, these comparisons do not seem to have led many Taiwanese citizens to think that [they are next](#), although only [34.5 percent](#) of respondents in a March Taiwan Public Opinion Foundation (TPOF, 台灣民意教育基金會) survey believed the United States would come to Taiwan's defense in the event of an invasion. Yet, the extent to which awareness of China's capabilities, or Taiwan's defensive capabilities, influences such concerns remains unclear. For example, in the same March TVBS poll, 48 percent expressed no confidence in Taiwan's ability to defend itself militarily compared to 42 percent confident, but whether this lack of confidence enhances concerns has not been explicitly tested.

To capture Taiwanese concern about invasion, I conducted a national web survey in Taiwan via PollcracyLab on May 18-20, 2022. After a series of demographic and attitudinal questions, 640 Taiwanese respondents were randomly assigned one of the three following prompts to evaluate, designed to identify whether or not prompting respondents to consider the military capabilities of China or Taiwan influenced their concerns of conflict:

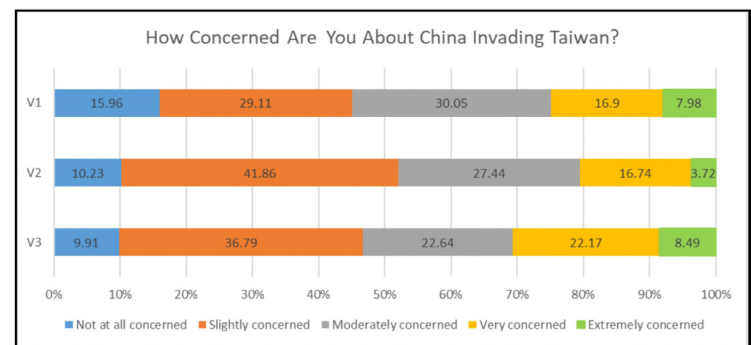
Version 1 (V1): How concerned are you about China invading Taiwan?

Version 2 (V2): Considering China's military capabilities, how concerned are you about China invading Taiwan?

Version 3 (V3): Considering Taiwan's defense capabilities, how concerned are you about China invading Tai-

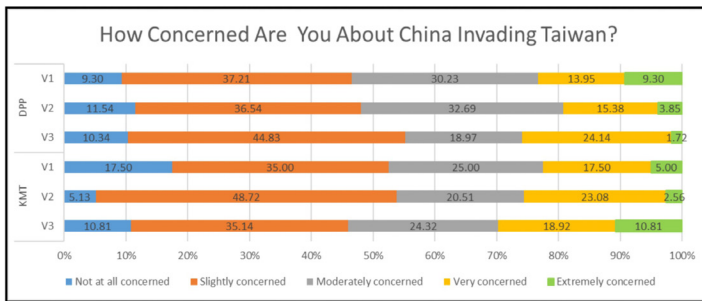
wan?

Starting with Version 1, roughly a quarter of respondents (24.88 percent) stated that they were very or extremely concerned, while 45.07 percent stated they were not at all concerned or only slightly concerned. Shifting to Version 2, Taiwanese were generally less concerned when the prompt emphasized China's military capabilities, a somewhat surprising result. Here, a majority (52.09 percent) stated that they were slightly or not at all concerned, compared to 20.46 percent who were very or extremely concerned. Finally, when the question emphasized Taiwan's defensive capabilities, concern increased, with 30.66 percent of respondents very or extremely concerned.



Graphic: Taiwanese concern regarding the threat of a Chinese invasion (Graphic source: Author's survey, conducted via PollcracyLab)

Next, I separated out respondents by party identification, finding limited differences between supporters of the two largest parties, the DPP and the Kuomintang (KMT). Across all three versions, a plurality—if not an outright majority—of both DPP and KMT supporters claimed to be not at all or only slightly concerned about an invasion. In response to Version 1, nearly identical rates of supporters of both parties claimed to be very or extremely concerned (DPP: 23.25 percent; KMT: 22.5 percent). Version 2 elicited the largest difference between the parties, with 25.64 percent of KMT supporters versus 19.23 percent of DPP supporters very or extremely concerned. At the other end, in Versions 1 and 2 KMT supporters were roughly six percent more likely than DPP supporters to be not concerned at all or only slightly concerned. Finally, in response to Version 3, DPP supporters were the least concerned, with a 9.22 percent gap between themselves and KMT supporters.



Graphic: Taiwanese levels of concern regarding a potential Chinese invasion, divided by political party (Graphic source: Author's survey, conducted via Poll-crazyLab)

In addition, the survey found that Taiwanese claim rarely to think about China, with two-thirds stating they had not thought of China at all in the last week. Moreover, attention to China did not correspond with concern about invasion in any of the three versions. Evaluations of current relations between China and Taiwan however did negatively correspond with concern, but only significant for those receiving Version 1.

The findings suggest that, despite increased rhetoric from Beijing, Taiwanese do not seem particularly concerned about invasion. This may be for several reasons—ranging from China's long history of threats towards Taiwan without an invasion, to miscalculation of Chinese military capabilities, to beliefs that American assistance is enough to deter China. It is also important to note that this survey predates President Biden's statement on defending Taiwan. Taiwanese may also view Russia's difficulties in its invasion of Ukraine as a sign that Chinese leaders will be cautious of similar hubris in terms of invading Taiwan. Former NATO Secretary General Anders Fogh Rasmussen [made similar claims](#), arguing that evidence from Ukraine may have delayed Chinese efforts, although Chinese officials have [suggested otherwise](#).

Yet, the fact that the highest levels of concern appear in the version that mentions Taiwan's defensive capabilities suggests an underlying acknowledgment of the difficulties in defending the country from a much larger military. The results also perhaps suggest a means for the Tsai Administration to frame its campaign to increase defense spending (currently at roughly two percent of GDP), as well as broader efforts to prepare the public for possible conflict. These efforts could include not only expanding military conscription, which ac-

ording to the Taiwan's Election and Democratization Study (TEDS) [March survey](#) has overwhelming support, but also bolstering first aid training and shelter capacities to strengthen Taiwan's ability to withstand the initial days of any conflict.

Admittedly, public concern about an invasion may vary considerably over time based in part on the actions of Chinese, Taiwanese, and American leadership. As is often the case with hypothetical situations in survey questions, original statements may also poorly reflect later behavior. If taken at face value, the results here suggest at the very least a perceptual challenge. Taiwan's defense will ultimately require a multipronged approach, one that not only leverages American commitments—despite a formal policy of “strategic ambiguity”—but increases domestic capabilities as well, potentially necessitating a [military reorganization](#) to confront the changing threat from China. A reformulation is also necessary in regards to Taiwan's traditional policy of requesting large weapons, which [the United States fears China would destroy early in any conflict](#), in favor of weapons such as mobile missiles. Yet, such efforts will be hampered if the Taiwanese public undervalues the potential threat from China, or is overly optimistic of America's depth of commitment to risk war with China to defend Taiwan.

The main point: Despite China's growing efforts to intimidate Taiwan into submission, a recent survey has shown that the Taiwanese public remains skeptical of the threat posed by Beijing. In turn, this skepticism could potentially undermine efforts to strengthen Taiwan's defense.

Building Bridges: An Overdue Update on Taiwan's ODA Policy

By: Zoe Weaver-Lee

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[Following its transition](#) from aid recipient to donor in the 1960s, Taiwan, which is formally known as the Republic of China (ROC), faced a severe diplomatic challenge after Chiang Kai-shek's representatives withdrew from the United Nations (UN) in 1971. The com-

petition with the People's Republic of China (PRC) for diplomatic allies subsequently took on even greater urgency for Taipei's foreign policy, and many official relationships developed and withered alongside the level of economic aid. In 1988, the Ministry of Economic Affairs (MOEA, 中華民國經濟部) set up the International Economic Cooperation Development Fund (IECDF)—which later became the International Cooperation Development Fund (ICDF)—with the intention of streamlining development loans and technical assistance to “[developing nations](#).” Since then, Taiwan's official development assistance (ODA) policy has slowly transformed to include both diplomatic partners and non-official allies, while also focusing increasingly on longer-term oriented projects.

Despite the significant changes in Taiwan's ODA on the ground—namely, a shift from lending to technical assistance, as well as a de-prioritization of seeking or maintaining official diplomatic relationships—there has surprisingly not been an update to its overall policy since the publication in 2009 of the Ministry of Foreign Affairs' (MOFA, 中華民國外交部) [white paper on foreign aid policy](#). In light of the nature of Taiwan's current international situation, as well [reports](#) that an update to the 2009 white paper is in progress, a comprehensive review of Taiwan's ODA strategy should assess the value of its aid to the development of long-term partnerships with both allies and non-allies.

The Evolution of Taiwan's ODA Policies

The most recent official update to Taiwan's ODA goals and policies was published during the Ma Ying-jeou (馬英九) Administration. Guided by a theme of “Taiwan's journey from recipient to donor,” the 2009 white paper [Partnerships for Progress](#) outlined the five key goals of MOFA's ODA policy at the time, as outlined in section headings: 1) “Promoting Friendly Relations with Diplomatic Allies;” 2) “Fulfilling Taiwan's Responsibilities as a Member of the International Community;” 3) “Safeguarding Human Security;” 4) “Giving Back to the International Community;” and 5) “Developing Humanitarianism.” The majority of Taiwan's aid work at this time was categorized as infrastructure construction, which included a broad variety of assistance types. Its medical missions, which consisted of a force of 165 workers, included 13 countries (all of which were official diplomatic allies) and over USD \$1.8 million in con-

tributions.

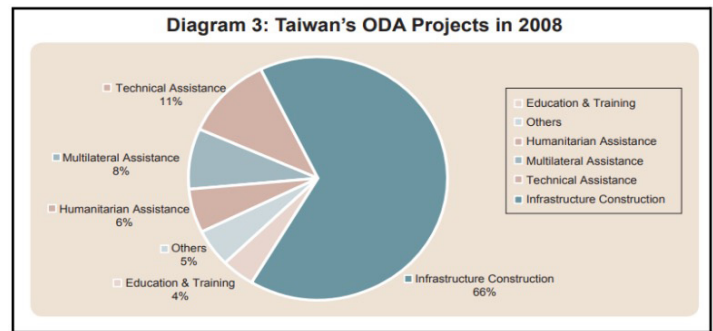


Image: Diagram in the 2009 white paper Partnerships for Progress, illustrating the makeup of Taiwan's 2008 ODA projects. (Source: [Ministry of Foreign Affairs, Republic of China \[Taiwan\]](#))

The white paper's section titled “New Approaches to Foreign Aid under Flexible Diplomacy” states that “President Ma Ying-jeou has called on government officials to adhere to appropriate motives, due diligence and effective practices when offering assistance.” As indicated by MOFA, the goals of Taiwan's ODA policies are to seek “ways to promote partnerships for progress with Taiwan's diplomatic allies and friendly countries so as to advance their sustainable development.” In what was perhaps the most significant element of this strategy, MOFA also stipulated that future ODA policies should include greater cooperation with international organizations such as the International Monetary Fund (IMF), the World Bank (WB), and the United Nations Development Programme (UNDP). Notably, this strategy places little emphasis on bilateral partnerships with non-allies.

Information regarding the use of loans as ODA is somewhat unclear, as this form of aid appears to have been included in other categories. For example, the 2009 white paper [indicates](#) that vocational training programs in The Gambia, El Salvador, Guatemala, Honduras, and Nicaragua were funded through loans. Furthermore, the 2009 white paper's only mention of micro-lending schemes—now a central part of Taiwan's support of [small and medium enterprises](#) (SMEs)—indicates that “Taiwan will eventually provide these farmers and micro-businesses with short- and medium-term loans.” It is worth noting that regulations governing such transactions were not introduced [until 2011](#), thereby explaining why details regarding loans and investments

under the ICDF umbrella have been limited up to the present time.

While MOFA's 2009 white paper outlined broad goals on how Taiwan could play a larger role in the global foreign aid system, a [need for a more formalized system for allocating funds](#) and oversight resulted in the *International Cooperation and Development Act (ICDA)* in 2010, which laid out the central goals of Taiwan's international development assistance policies. Perhaps most notably, the first two of these six goals were "to promote diplomatic relations" and "to enhance friendly relations with countries that do not have diplomatic ties with the ROC."

In the 2000s, criticisms of Taiwan's ODA practices began to surface significantly, namely accusations of bribery, embezzlement, and ill-gotten funds, which led to the passage of the ICDA. ODA expenditures of this era and from the past also funded so-called "checkbook diplomacy" operations, including the case of former Guatemalan President Alfonso Portillo, who [admitted](#) to taking USD \$2.5 million in bribes from Taiwan—earmarked originally for the construction of several libraries—in exchange for maintaining diplomatic ties.



Image: Taiwan medical workers in Chad, spring 2016. (Image source: [Taipei Times](#))

Taiwan's Current ODA Strategy

While diplomatically motivated ODA continues to make up a significant portion of its programs, Taiwan's inclusion of non-allies and implementation of mutually beneficial assistance programs indicates a greater focus on improving the international image of Taiwan among non-allies and building trustworthy relation-

ships, as well as committing to an altruistic vision of humanitarianism.

In [2020](#), Taiwan's ODA budget increased .051 percent from the previous year, with the greatest share of its program funding contributing to social infrastructure and services (47.2 percent). Among its wide variety of programs were micro-credit schemes, electric power grid maintenance, COVID-19 personal protective equipment (PPE) donations, and small business funds. In general, its programs were primarily focused on South and Central America, as well as the Pacific Islands, but were not limited to these regions. As of 2022, Taiwan has active bilateral projects with [37 countries](#), many of which are not official diplomatic allies. Perhaps most significantly, a structure is already in place for Taiwan's ODA programs in Europe. Specifically, its programs that focus on small business investment and green energy technology have been largely successful in [Romania](#), [Bulgaria](#), and [Bosnia & Herzegovina](#). These programs could thus serve as a template for expanding operations to EU countries and the United States.

At the same time, however, its project partnerships do not seem to extend to *former* diplomatic partners. For example, following Nicaragua's official shift of diplomatic recognition from Taiwan to China, an [agricultural infrastructure project based in the country](#) cited in the 2020 report has since been halted. The same is true for the projects with other former allies, including the Solomon Islands and the Dominican Republic.

Despite the obvious diplomatic motivation behind many of Taiwan's ODA programs, the projects themselves do hold value and are not predatory in nature. Key indicators of predatory ODA practices would be the length and consistency of aid, the nature of the donation, and the terms and conditions attached to loans or investments. Contrasting aid from previous administrations, the ICDF's most recent report [distinguishes loans](#) from other forms of assistance and notes that they only make up .02 percent of the total annual ODA expenditure. In general, Taiwan's current ODA is focused on donations and volunteer programs rather than loan schemes, partially demonstrated by the fact that the ICDF has 166 active projects in the [technical cooperation](#) department and only 59 in the [lending and investment](#) department.

In the case of Somaliland, for example, Taiwan has three active bilateral projects: an [agricultural development training](#) program, a [maternal healthcare training](#) and infrastructure program, and an [IT enhancement program](#) for government agencies. Training programs can provide long-term benefits that far outlast the end of the program, and the installation of key IT equipment and infrastructure for government agencies can benefit the recipient at the societal level as well. If MOFA can continue such programs to foster long-term relationships between the Taiwan government, the Somaliland government, and the people of Somaliland, both nations can benefit regardless of diplomatic status—a strategy that would [starkly contrast](#) with the tactics of Beijing in the region.

The impact of non-predatory ODA is significant, although not necessarily as it relates to diplomatic outcomes. In South and Central America, Taiwan's focus on sustainable agriculture programs, SME support through credit and training programs, and medical aid have contributed to strong, long-term relationships between Taiwanese officials, local NGOs, and citizens. [1] Similarly, Taiwan's recent campaign to disperse critical medical supplies and training to countries severely affected by the COVID-19 pandemic has led to [calls for its inclusion in the World Health Organization \(WHO\)](#) and greatly elevated its recognition as a critical player in the international community.

Possible Areas of Focus for Taiwan's New ODA Era

As argued by researchers at the RAND Corporation, "China's deeper pockets means that Taipei has to spend smarter." [2] Considering the significant changes in China's ODA policy since 2009 and Taiwan's ever-evolving role in the international community, it is important to recognize that Taiwan is not in a position to rely purely on financial means to maintain allies. Instead, it can use its ODA to foster stronger relationships and positive recognition. It seems that the benefits of such cooperation have not been lost on the ICDF, as its final section of the [2020 annual report](#) stated:

"Due to our limited budget, we will continue to seek external resources, step up cooperation with similar international organizations or NGOs, increase the number and scale of cooperation projects, and use financial tools and consultancy

services to provide partner countries with loans and technical assistance, which will create greater benefits and expand our international participation."

Considering the assessment that Taiwan's current ODA programs tend to follow non-predatory strategies of implementation and focus on building long-term relationships with non-allies, an updated ODA strategy should include:

- *A shifted focus from international organizations and official allies to non-official partnerships and local NGOs:* The ICDF's shifted focus from engaging international organizations to assist in the implementation of their programs, as well as its increased engagement with non-allies, indicates a change in priorities. An update to Taiwan's ODA policy should thus de-prioritize strengthening partnerships with current diplomatic allies through ODA. Instead, Taiwan should utilize MOFA's current aid infrastructure to reach strategic partners such as the EU, the United States, and nations that are frequent targets of China's economic coercion. Despite Taiwan's continued exclusion from major international organizations, its aid programs may be more effective in achieving its goals when not doing so through large, bureaucratic institutions.
- *The implementation of non-predatory programs that build long-term friendships:* Taiwan's engagement with countries that are not diplomatic partners should focus on the quality—not quantity—of the relationships. To do so, ODA must be well-managed, well-directed, and focused on tangible outcomes rather than conditional support. Instead of placing emphasis on conditional lending, large sums of monetary donations, or haphazard infrastructure construction, Taiwan's ODA programs should include micro-loans featuring long grace periods, training programs, equipment donations, and medical assistance. As indicated in this assessment, the nature of Taiwan's ODA policy has already laid the foundation for such relationships.

The main point: Considering the nature and scope of Taiwan's official development aid policies in recent years, a significant update is needed to Taiwan's overall ODA policy priorities to further emphasize non-predatory

tory programs, and the inclusion of countries beyond the list of its official diplomatic partners.

[1] Scott W. Harold, Lyle J. Morris, Logan Ma, “Countering China’s Efforts to Isolate Taiwan Diplomatically in Latin America and the Caribbean: The Role of Development Assistance and Disaster Relief,” RAND, 2019.

[2] *Ibid.*