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Opening a New Chapter for US-Taiwan Partnership in the Pacific Islands

By: Russell Hsiao

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For Taiwan watchers, the Pacific Islands have been a neglected piece of the geostrategic puzzle. Comprised of small, distant island-nations with seemingly marginal strategic importance for Taiwan's defense or economic interests, the region's value—from the traditional mindset of Taipei policymakers and outside observers—has tended to be considered only in terms of its diplomatic value for supporting the international legitimacy of the Republic of China (Taiwan). Now, in an era of strategic competition between the United States and the People's Republic of China (PRC), there has been a reconsideration of the region's strategic importance on the international stage. This has implications for the Pacific region, which some analysts have described as a new "[Great Game](#)," and underscores the need for Taiwan to reinvest in its four remaining diplomatic partners in the region: Palau, Marshall Islands, Tuvalu, and Nauru, as well as the Pacific Island Countries (PICs).

Pacific Islands and Strategic Importance of Taiwan's International Space

The reasons why policymakers in Taipei and Washington traditionally view the Pacific Islands from a narrow diplomatic lens are understandable. In the competition for diplomatic recognition between Taipei and Beijing, which has been ongoing since 1949, the Pacific Islands have long been one of the critical battlegrounds. Over the last four decades, many island-nations in the region seesawed between their recognition of Taipei and Beijing, in bids for higher offers of lucrative monetary incentives that were doled out by both sides in exchange for diplomatic ties. [1]

However, Taipei's hyper-emphasis on diplomatic recognition overlooks the growing importance of the region—such as for fishery resources, raw materials, vital maritime routes for shipping, and the strategic geographical location of the PICs for its broader interests. [2] As a result, even legitimate development aid vital to the region's development and for the global commons has often been wrapped up in an oversimplification of the overall costs of the cross-Strait diplomatic competition—without clear consideration

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of these other vital goals. Consequently, public support within Taiwan for maintaining or even enhancing ties with the Pacific Islands has meandered.

Conversely, Washington did not acknowledge the stakes in supporting Taiwan's international diplomatic space for decades after the normalization of relations with the PRC in 1979. Still, in the face of Beijing's diplomatic offensive, which is in part responsible for unilaterally changing the status quo in the Taiwan Strait, Taiwan's international space has important strategic value—not only for the maintenance of peace and stability in the Taiwan Strait and the Western Pacific, but also for the rules-based international order. As a result, the United States has finally recognized an interest in shoring up Taipei's international diplomatic space to help maintain peace and stability in the Taiwan Strait through the legislation such as the [Taiwan Allies International Protection and Enhancement Initiative \(TAIPEI\) Act](#) of 2019.

Different Approaches to Taiwan's International Space

To be clear, Taiwan's international space has long been influenced by the dynamics of cross-Strait relations, as well as international geopolitics. As Beijing tries to impose its interpretation of the UN Resolution of 2758 to [marginalize Taiwan in the international system](#) through its "One-China Principle," whether or not Taipei can expand its international space will depend in part on external support for its legitimacy and political autonomy.

Under the Kuomintang (KMT, 國民黨), the Ma Ying-jeou (馬英九) Administration (2008-16) relied heavily on Beijing to maintain stable cross-Strait relations and expand Taiwan's international space. The Tsai Ing-wen (蔡英文) Administration (2016-2024)—with which [Beijing has refused official communications since she came to power](#)—has focused its efforts on rallying international support for Taiwan's international space to counter the PRC's pressure campaign. While the two approaches reflect critical differences in how each administration approaches the matter of the country's international space, the two initiatives are not independent of external geopolitical trends. The Ma Administration's approach coincided with the then-Obama Administration's efforts to engage the PRC, whereas the Tsai Administration dovetails with the Trump Administration's launch of the "[Free and Open Indo-Pacific Strategy](#)" and great power competition with the PRC.

During the Ma Administration, the two sides of the Taiwan Strait pursued a "diplomatic truce" that—at least on the surface—halted the trend of "checkbook diplomacy." In actuality, while Beijing did not appear to actively pursue the establishment of diplomatic relations at Taipei's expense, it continued to pledge

to provide significant resources and projects, [some covertly](#), into the region. Accordingly, it was only a matter of time before these countries would see less benefit in maintaining their diplomatic relations with Taipei, and succumb to what other countries have called "[elemental realism](#)." This situation was only made clearer and more acute when China poached partners from Taiwan in the Pacific, including Kiribati and the Solomon Islands, in 2019.

It is both this naivety and benign neglect by Taipei, its allies, and like-minded partners that gave China the strategic opening to make significant diplomatic inroads into the Pacific Islands.

Growing Alignment between the US "Free and Open Indo-Pacific" and Taiwan's Interests in Pacific Islands

While it is understandable why Taiwan remains focused on maintaining its diplomatic relationships, it cannot be nearsighted in its focus on its existing diplomatic relations, since this could be a missed strategic opportunity to turn the tables—especially in a resource-deprived environment where a relatively small investment can go a long way. In light of Beijing's concerted and sustained strategy, it behooves Taiwan, regardless of the administration in charge, to think creatively about how its initiatives toward the region can be more politically sustainable, as well as further integrated into the US Indo-Pacific Strategy.

The signing of the memoranda of understanding (MOU) between the United States and [Palau](#), [Marshall Islands](#), and [Micronesia](#)—which make up the Federation of Freely Associated States (FAS)—over [the first two months of this year](#) commit long-term US resources to the region. Depending on how these resources are implemented and sustained, these three MOUs could potentially open a new chapter for US-Taiwan cooperation in the Pacific Islands. Indeed, President Joe Biden's proposed federal budget released earlier this month includes [more than USD \\$7.1 billion](#) in funding for the Marshall Islands, Micronesia and Palau that will be allocated over the next 20 years. Similarly, Taipei should develop a long-term vision and strategy with adequate resourcing that can advance and can further its interests alongside those of the region. Nowhere else in the world are the interests of Taiwan and the United States' more strongly and better aligned than in the Pacific Islands.

Conclusion

Although Taipei's role in the Pacific Islands from 1979 onwards may have been viewed as non-constructive to regional development due to the presumptively negative effects of checkbook diplomacy, the role that Taiwan is now seen as potentially playing is vastly different, especially in contrast to Beijing's debt trap

diplomacy.

Taipei should think creatively about how to use existing initiatives like its New Southbound Policy (which does not directly target the PICs) and deeper cooperation with target countries like Australia and New Zealand in order to broaden and deepen its presence in the Pacific Islands. Moreover, it is critical that successive administrations in Taipei, regardless of the party in charge, guarantee policy continuity and ensure that Taiwan's engagement is comprehensively sustained. Taiwanese leaders should make regular visits to the Pacific Islands to highlight not only the region's vital importance, but also to underscore the enduring nature of Taiwan's commitment both to the region and its people.

Taipei needs to clearly articulate and incorporate the PICs into Taiwan's broader vision for the free and open Indo-Pacific in a way that is multidimensional and strategic. In addition to the United States, Australia, and New Zealand, it is essential for Taipei to coordinate directly and indirectly with Japan and India under the "Quad" framework in the Pacific Islands. In particular, [Japan has a long and sustained engagement with the region](#) that is worthy of careful study. Some issues that Japan and PICs share include building capacity through coast guard cooperation, enhancing maritime domain awareness, humanitarian assistance and disaster relief, countering illegal, unreported, and unregulated (IUU) fishing, and soft infrastructure development. At the same time, allies and like-minded countries should work proactively to address the concerns of climate change, which is an essential issue for Pacific Islanders and stands as an area where *all* parties could stand to work together.

Now that the Biden Administration has launched a renewed vision and ambitious commitment to invest resources into the Pacific Islands, it opens a new chapter for US-Taiwan partnership in the Pacific Islands. In an era of strategic competition between the United States and the PRC, the recalibration of the region's strategic importance on the global stage is necessary. As Alexander Gray, a non-resident senior fellow at GTI and former National Security Council official under the Trump administration, wrote in [US-Taiwan Relations in the 21st Century: Building the Foundation for a Global Partnership](#): "now is the time for an aggressive embrace of the expansion of Taiwan's diplomatic space."

The old adage applied to war is just as valid in terms of diplomacy: "The best defense is a good offense." Bearing this principle in mind would serve Taiwan well in its relations with the island-states of the Pacific.

The main point: Taipei policymakers have traditionally viewed the Pacific islands as a battleground with the PRC for diplomatic recognition. However, Taipei should undertake a more considered approach to the PICs that involves Taiwan's other allies and like-minded partners, and takes advantage of important shared issues.

[1] For example, Kiribati had diplomatic relations with the PRC from 1980 to 2003, with the ROC from 2003-2019, then switched back to PRC in 2019. Nauru had diplomatic relations with the ROC from 1980 to 2002, with the PRC from 2002-2005, and from 2005-present with the ROC. Papua New Guinea had diplomatic relations with the PRC from 1978 to 1999, with the ROC from 1999-1999, and with the PRC from 1999. Solomon Islands had diplomatic relations with the ROC from 1978 to 2019, with the PRC from 2019-present. Vanuatu had diplomatic relations with the PRC from 1982 to 2014, with the ROC from 2014-2014, and with the PRC from 2014-present.

[2] To cite one example of the roles of these islands as producers of raw materials, Nauru is [a major exporter of phosphate](#).

US-Taiwan Partnership with the Pacific Islands

By: John Hennessey-Niland

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"Pacific Partnership brings host nations and partners together to prepare during calm periods to effectively respond in times of crisis, throughout the Indo-Pacific." This one sentence summarizes not just an annual exercise in the region—it is also an appropriate mission statement for a new US-Taiwan Partnership with the Pacific.

When Pacific Leaders met in Suva, Fiji last month, [regional and international media](#) described this Pacific Islands Forum (PIF) Special Leaders Retreat as "a significant moment for Pacific unity." The meeting was hailed as a key step in reuniting the Pa-

cific family after one of its smallest members, Kiribati, pulled out of the PIF last year. In the [official communique](#) from the summit, the delegates expressed their support for intra-regional solidarity, affirming their commitment to achieving a “resilient Pacific Region of peace, harmony, security, social inclusion and prosperity.” Beyond these formal declarations, I hope that there were informal discussions and consensus that the “Blue Continent” is free and open—and that it views positively more partnership with like-minded partners, including Taiwan and the United States.

I am not the first person to call for an enhanced relationship between the United States and Taiwan and its partners in the region. The Global Taiwan Institute (GTI) and Taiwan-Asia Exchange Foundation (TAEF) have put forward detailed proposals for “building a US–Taiwan development assistance coordination mechanism and programs” in its recent joint report titled [“Assessing Trends and Demand Signals for Taiwan’s New Southbound Policy.”](#) This report builds on the 2021 policy brief from the same organizations, and seeks to better connect Taiwan’s New Southbound Policy (NSP, 新南向政策) with the new US Indo-Pacific Strategy.

With perspective gained as the former US Ambassador to the Republic of Palau, it is my view that the time has come to move forward and establish an enhanced and expanded partnership with Pacific Island countries. Successful cooperation in response to the COVID-19 global pandemic proved that such partnerships are both vitally needed and can greatly benefit all partners. This type of partnership could be a win-win-win for the United States, Taiwan, and the island states of the Pacific.



Image: US, Taiwan, and Palau participants at Pacific Partnership 21. (Image source: [US Pacific Fleet](#))

US-Pacific Partnership

In 2020, the United States announced a [“Pacific Pledge”](#) as part of its new Indo-Pacific Strategy, noting that the United States “considers the Pacific Islands to be important partners” and

“greatly values our historic ties, strong economic links, and mutual cooperation.” In 2022, the Biden Administration issued its [“Pacific Partnership Strategy,”](#) the first ever US strategy focused on the region. In it, the administration called for “broader and deeper engagement with the Pacific Islands as a priority.” It noted that the new US strategy is also “aligned with the goals of the Pacific Islands Forum’s (PIF) 2050 strategy.” This partnership with the region was reaffirmed when President Biden hosted Pacific Island leaders in Washington last year, which concluded with a joint [“Declaration on US–Pacific Partnership.”](#)

In 2022, the PIF released its [“2050 Strategy”](#) for the “blue continent” that comprises the Pacific Islands. Building on the 2018 [Boa Declaration on Regional Security](#)—which recognized an expanded concept of security—the strategy identifies seven areas for future cooperation and increased engagement with partners, including: political leadership and regionalism; people centered development; peace and security; resource and economic development; climate change and disasters; ocean and natural environment; and technology and connectivity.



Graphic: The seven areas for increased cooperation, outlined in the Pacific Island Forum’s “2050 Strategy.” (Graphic source: [Pacific Islands Forum](#))

As the [2050 report](#) states, “securing the future of the Pacific cannot be left to chance, but requires a long-term vision, strategy and commitment.” PIF leaders have noted that this “will require a whole-of-region approach, the inclusion of key stakeholders in supporting and delivering on our shared priorities and engaging as the Blue Pacific Continent in strategically beneficial partnerships at the regional, multilateral and global level.” The PIF’s interest in key partnerships based on the seven priority areas of cooperation has helped inform US strategy for the Pacific Islands, as well as the strategies of other states.

Other Partnerships with the Pacific

A number of other partners of the Pacific states have issued new policy documents focused on lines of effort that support the PIF’s identified priorities. Indeed, in June 2022, the governments of Australia, Japan, New Zealand, the United Kingdom, and the United States established a new coordination mechanism called [“The Partners in the Blue Pacific”](#) (PBP). This reflects the increased engagement by a number of nations, both in and

outside the region, with the Pacific states.

In fact, this is not a new phenomenon. In 1997, Japan established the [Pacific Islands Leaders Meeting](#) (PALM) as a forum to be held every three years for ministerial-level talks with PIF members. This increased Japanese interest in the region was further confirmed by Tokyo's "[Free and Open Indo Pacific](#)" (FOIP) strategy. In the document, then-Prime Minister Shinzo Abe stated that "Japan bears the responsibility of fostering the confluence of the Pacific and Indian Oceans and of Asia and Africa into a place that values freedom, the rule of law, and the market economy, free from force or coercion, and making it prosperous."

The government of Australia in its [2017 Foreign Policy White Paper](#) stated that a stable and prosperous Indo-Pacific is the most important Australian national interest. Australia's "reprioritization" of the Pacific is now known as the "Pacific Step Up"—a formal commitment to further engage in the Pacific region. Australian Foreign Minister Penny Wong in her visits in the region has repeatedly stated that "what is at the heart of this (step up) is a strong desire to play our part in the Pacific family and build stronger relationships."

India's "[Indo-Pacific Ocean Initiative](#)," announced at the 2019 East Asia Summit, has sought to develop regional cooperation and participation among partners in the region. This initiative is consistent with India's "[Security and Growth for All in the Region](#)" (SAGAR) policy. India has also supported an increased focus on the Pacific by the "Quad"—the informal quadrilateral strategic dialogue between the United States, Japan, Australia, and India. The May 2022 [Quad Leaders Statement](#) reaffirmed that the Quad is "committed to working together to address the needs of Pacific Islands partners" and "will further strengthen our cooperation with Pacific Island countries."

Other multilateral organizations both in the region and outside of the Indo Pacific—such as the Association of Southeast Asian Nations (ASEAN), as well as the European Union (EU)—have updated and refocused their policies regarding ties to, and support of, the Pacific. As the EU put it in its 2022 [Strategy for Cooperation in the Indo-Pacific](#), "the EU aims to contribute to the region's stability, prosperity and sustainable development, in line with the principles of democracy, human rights and the rule of law."

Time for a Deeper US–Taiwan Partnership with the Pacific Islands

The [June 2022 report](#) by the Global Taiwan Institute reviews

how Taiwan can strengthen relations with its partners, actively participate in international organizations, and expand its regional and global economic ties. The perfect place to do so is in the Pacific, based on the comprehensive partnerships that the United States and Taiwan have developed in and with the region. Such a partnership would build on the cooperation between the two partners that already exists, with a specific focus on the key priority issues identified by Pacific Island countries and the PIF. Other like-minded nations also have a role to play to support these objectives in the increasingly contested Indo-Pacific.

Both the United States and Taiwan share historical ties and agree on fundamental principles with the Pacific Islands. That is the bedrock on which their partnership with the region is built. But just as no man is an island, the Pacific Islands faces real and growing threats to their wellbeing, and in some cases, very survival.

As the former US Ambassador to Palau, I have written recently in the [Georgetown Journal of International Affairs](#) that the US relationship with this strategic nation (and the region) is on a stronger footing now than before. This is due to a series of recent initiatives by the United States and like-minded partners to strengthen this partnership. While I was in Koror, the US country team focused on what I called "the three big Cs": China, climate, and capacity building. Our counterparts at the Embassy of Taiwan and other like-minded missions worked on the same set of issues. While the People's Republic of China (PRC) and its malign activities are a key focus in the region, Pacific Island leaders are also concerned about the impact of climate and the need for capacity building. For some, these two challenges may be even more of an immediate concern.

Palau provides a model for a successful, effective partnership in the Pacific Islands. The United States and Taiwan governments—in coordination with the government of Palau—support numerous programs that address the identified needs of Palau and the seven priority development areas identified by the PIF in its "2050 Strategy." Palau's other diplomatic partners, such as Australia, Japan, and India, also contribute to this partnership with Palau based on mutual, shared interests.

Depth and Breadth of US-Taiwan Partnership with Palau: A Model for the Region

[The Department of State's fact sheet on US relations with Palau](#) provides significant detail regarding the depth and breadth of US support. To summarize: "the United States and Palau cooperate on a broad range of issues, including strengthening regional security, promoting sustainable development and

tackling the climate crisis, remediating unexploded ordnance (UXO), and protecting fisheries and the environment.” This is a whole-of-government effort, which includes elements of both hard and soft power. This partnership is highly effective, as it targets issues that matter to the United States, its allies, and Palau.

Since it established formal relations with Palau in 1999, Taiwan has instituted a similarly large (on a per capita basis) development assistance program with the island nation. According to [media reports](#), Taiwan provides over USD \$10 million annually in direct assistance to Palau. In every state and in nearly every hamlet, there are signs listing the projects and contracts funded by Taiwan. The local papers regularly have a photo of Taiwan’s ambassador presenting a check to the government or local organization in support of a specific programs. But the support from Taiwan is about more than just money. The very visible signs of Taiwan’s partnership with Palau underpin a relationship that is based on shared principals and agreement on key challenges in the islands, particularly in regards to the three big Cs previously mentioned: China, climate, and capacity building.

The successful partnership that the United States and Taiwan have with Palau has become a model for the region. This was clearly exhibited by their response to the [global COVID-19 pandemic](#). In a demonstration of the bipartisan agreement that exists in the US Congress regarding the importance of US ties to the Pacific, Washington treated Palau and the other two Compact States in exactly the same manner as the 50 United States and its territories for the purposes of COVID-19 prevention. The US rapidly mobilized funding and sent equipment and personnel to assist Palau and other Pacific Island nations as part of a coordinated international response. Palau in fact was the first nation in the world to completely vaccinate its population, which helped mitigate the impact of the pandemic.

In terms of “soft power,” there is no better example of how US partnership has supported governments and benefited the people of the region. This was a highly effective and well-coordinated interagency response that made a measurable difference. Taiwan also responded urgently, and the [very first shipment](#) of emergency assistance to arrive in Palau came from Taiwan on-board a Taiwanese fishing vessel. This delivery was quickly followed by the deployment of medical teams from Taipei, who worked alongside doctors and nurses from the United States. Taiwan also provided important budgetary support to help Palau manage and prepare for a resumption of travel and tourism once the pandemic eased. I was honored to participate in the visit by President Whipps of Palau to Taiwan in March 2021, which focused on these issues and this partnership.



Photo: Palauan President Surangel Whipps Jr. (center) meets with Taiwan Foreign Minister Joseph Wu (left) and former US Ambassador to Palau John Hennessey-Niland (right). (Photo source: [United Press International](#))

A Pragmatic—Not Political—Partnership: The United States, Taiwan, and the Pacific Islands

As a former diplomat in the region, I am fully aware of the sensitivities regarding Taiwan’s status. It is more productive in my view—and more urgent than ever—to focus on pragmatic approaches to shared challenges, as clearly demonstrated by the response from partners in the Pacific to the global pandemic. Taiwan can and does play a key role in the region. It is part of the region, much like the United States. While there are certainly significant challenges, there are also opportunities to do more to expand the partnership with the Pacific Islands in areas of shared interest and concern.

The *US Pacific Partnership Strategy* notes that “as we enter the most consequential period in the history of our partnership [...] it is time to recommit ourselves to working together in genuine partnership to address the mounting challenges of our time.” I suggest we consider in the traditional “Pacific Way” that a *talanoa* (dialogue) be organized to discuss ways the United States, Taiwan, and other like-minded governments can work together to deepen and expand partnership with the Pacific Island states.

The main point: In the wake of the COVID-19 pandemic, cooperation between the United States, Taiwan, and the Pacific Islands is at an all-time high. Washington and Taipei should work to maintain and expand their partnerships with the region to confront shared challenges.

Navigating the Pacific: Taiwan's Diplomatic Policy in Oceania

By: Cheng-Cheng Li

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Taiwan (as the Republic of China, ROC) currently holds official diplomatic relations with [14 sovereign states](#) around the world. Four of these diplomatic partners—the Marshall Islands, Nauru, Palau, and Tuvalu—are island states in Oceania. At the time of writing, the President of the Federated States of Micronesia (FSM) [David Panuelo](#) has proposed to sever diplomatic ties with China in favor of Taiwan. As elsewhere in the world, Taiwan's formal diplomatic relations in the Pacific region are limited to a significant degree by pressure and influence levied by the People's Republic of China (PRC). [1] Despite such pressure, the presence of official embassies in the four island states mentioned—as well as their strategic locations in the Pacific—make this region a highly significant one for Taiwan's diplomatic and foreign aid programs.

This region has also become a focus of greater international attention and engagement. In September 2022, President Joseph Biden hosted the first-ever US-Pacific Islands Summit, during which the [Declaration on US-Pacific Partnership](#) was signed, reaffirming the US commitments to regional affairs. The Pacific Island countries (PICs) themselves have recently developed the [“New Pacific Diplomacy”](#) and the [2050 Strategy for the Blue Pacific Continent](#)—both of which aim to demonstrate the solidarity of the region, the agency of individual island countries, and the growing urgency of their efforts to combat climate change. Amid these fast-changing geopolitics, it is essential to identify and reimagine the interests, strategies, and roles of Taiwan in the region.

Charting the Historic Evolution of Taiwan's Relations in Oceania

The Indigenous peoples of Taiwan have a long history of interacting with Oceanic societies through trade and legend which is demonstrated in the shared cultural heritage. During the period of Japanese colonial expansion in Asia (including control over Taiwan, 1895-1945), the Japanese government recruited Indigenous Taiwanese to Oceania for labor and military service during the Pacific War (1941-1945). During the 1970s and 1980s, sev-

eral Pacific Island countries gained their independence. In 1979, Tuvalu established official diplomatic relations with Taiwan. The relationship between the two began to rapidly develop due to Taiwan's need to purchase fishing licenses for legal fishing in Tuvalu's exclusive economic zone (EEZ). However, the emergence of problems with illegal fishing has tarnished Taiwan's reputation, as several instances of Taiwanese fishing boats violating Tuvalu's sea territory have caused concern for Pacific nations. [2]

During the period of Chen Shui-bian's (陳水扁) presidency from 2000-2008, Taiwan's diplomatic strategy was to establish a multilateral mechanism for its interactions with Pacific Island states. This era was marked by active diplomatic competition with China in Oceania. The [Taiwan-Pacific Summit](#), first held in 2006 in Palau, provides an illustrative example of President Chen's strategy of building multilateral relationships with Pacific partners. Through this forum, Taiwan aimed to strengthen connections with democratic allies in Oceania and improve its international standing, while also counterbalancing and resisting diplomatic coercion from China. In 2007, the second [Taiwan-Pacific Summit](#) took place in the Marshall Islands. These two multilateral summits reinforced Taiwan's strong commitment to democracy and emphasized that Taiwan's diplomatic interests overlap with those of the United States, Australia, and Japan.

When Ma Ying-jeou (馬英九) served as president from 2008-2016, he pursued a policy of [“flexible diplomacy”](#), seeking to maintain friendly and cooperative relations with China. At the core of Ma's flexible diplomacy was the [“diplomatic truce”](#) with the PRC, in which both states committed to refraining from poaching each other's diplomatic allies. Ma's flexible diplomacy advanced a range of economic and educational initiatives. As part of this policy approach, Taiwan's Ministry of Foreign Affairs (MOFA, 中華民國外交部) and the US-based East-West Center co-founded the [Pacific Islands Leadership Program](#) in 2013. In this context, Ma canceled the planned third Taiwan-Pacific Allies Summit in the Solomon Islands in 2009, instead conducting [bilateral state visits](#) to each of the Pacific Island allies in 2010.

On the other hand, Beijing has engaged in Oceania through a range of initiatives—including high-profile events, meetings, agreements, and foreign aid—with an eye towards building its own influence, as well as seeking to squeeze out Taiwan's presence in the region. In 2006, the same year as the first Taiwan-Pacific Summit, Chinese Premier Wen Jiabao (溫家宝) hosted the first [China-Pacific Island Countries Economic Development and Cooperation Forum](#) in Nadi, Fiji. More recently, Beijing sponsored the [China-Pacific Island Countries Foreign Ministers'](#)

[Meeting](#), which released a joint statement in October 2021; as well as the controversial [China-Solomon Islands Security Pact](#), signed in March 2022. The latter meeting was followed in May 2022 by a Chinese attempt to convince [ten Pacific countries](#) to endorse an agreement covering everything from security to fisheries. Although China failed to secure the regional agreement, these actions nevertheless raised the concerns of the United States, Australia, and other regional powers.

Multilateral Cooperation and Partnership

The government of Taiwan has drawn on its own Austronesian historical roots, languages, and cultures to craft an indigenous strategy for regional interconnection and political partnership. The idea of creating a permanent organization to promote Austronesian cultures and languages, known as the [Austronesian Forum](#), was first introduced during the [2002 Assembly of Austronesian Leaders](#). During the first and second Taiwan-Pacific Summits, the Taiwanese government and Pacific leaders elevated this framework to the regional level. In 2008, the Austronesian Forum was established as a permanent international organization. Nevertheless, the plan was put on hold for ten years during the Ma Administration.

It was not until 2018 that the Austronesian Forum was reactivated under President Tsai Ing-wen (蔡英文). In 2019, during her [“Oceans of Democracy”](#) state visit to Palau, Tsai pointed out that “Taiwan has passed a six-year program for the Austronesian Forum, opening a new chapter of more stable multilateral cooperation with Taiwan’s Indigenous brothers and sisters in the Pacific.” The forum’s headquarters was opened in Palau in September 2019. It is worth noting that during the [2021 Austronesian Forum](#), the US government joined the meeting for the first time.

In recent years, Taiwan, the United States, and the Pacific Island states have taken additional steps to formalize their partnerships. The [Pacific Islands Dialogue](#) was initiated in October 2019—shortly after Taiwan experienced the loss of two diplomatic allies, the Solomon Islands and Kiribati. At the same time, the United States launched [“Pacific Pledge,”](#) a new foreign assistance program for the Pacific Islands region that provided a total of USD \$300 million in aid funding. During the Pacific Islands Dialogue, co-hosted by Taiwan and US officials, Taiwan Foreign Minister Joseph Wu (吳釗燮) emphasized the significance of collaborating with “like-minded” democratic partners across the Pacific.

In April 2020, the United States and Taiwan organized a [virtual dialogue](#) to enhance coordination on COVID-19 assistance and

to discuss the effective measures practiced by Taiwan—referred to as the “Taiwan model”—to combat the spread of the virus. The main goal was to assist Taiwan’s four diplomatic allies in the Pacific in regaining their capacity and preparing collectively for the [post-pandemic era](#).



Image: Taiwan’s Ambassador Jessica Lee (background, center left) meets with Palau President Surangel Whipps Jr. (center right) to donate medical equipment from Taiwan to enhance anti-epidemic capabilities of Palau (October 25, 2021). (Image source: [ROC Embassy in Palau](#))

Bilateral Bonds: Taiwan’s Programs in Palau

The [Taiwan International Cooperation and Development Fund](#) (TaiwanICDF, 國際合作發展基金會) is the primary government organization responsible for coordinating and implementing foreign technical missions. The Taiwanese government offers a wide range of programs in areas such as public health, medicine, agriculture, and education.

Since 1998, TaiwanICDF has launched English-language degree programs, with the goal of fostering people-to-people relationships. Palau is among the countries that have close educational ties with Taiwan, as many Palauans seek higher education opportunities abroad due to Palau’s own limited educational resources. According to an analysis by the [Palau National Scholarship Board](#), the top three ideal locations for higher education are the continental United States, Guam, and Taiwan (followed by Hawai’i in fourth place). Statistics conducted by the author indicate that Taiwan-sponsored education has gained popularity among Palauans. However, the programs are not without issues: students have noted in the interview that there is a lack of a Pacific-oriented curriculum, insufficient English-language programs, and limited opportunities for internships in Taiwan.

TaiwanICDF has also collaborated since 2005 with 37 hospitals

to dispatch teams of healthcare professionals to Taiwan's partner countries. The medical programs vary across different nations. As part of its long-term medical cooperation with Palau, Taiwan's Shin Kong Wu Ho-Su Memorial Hospital (SKH, 新光吳火獅紀念醫院) has [implemented various programs](#) to improve public health in the country. For example, SKH has provided free school lunch programs for elementary schools in Koror to promote healthy diets, benefiting around 1,131 students. Additionally, according to former Palau Ambassador to Taiwan, Dilmei L. Olkeriil says approximately 5,000 Palauan patients have gone to Taiwan since 2007 through a joint medical referral program.

Taiwan Interests: Consolidation of Diplomatic Recognition

Taiwan's interests in the Pacific largely center around expanding its international space and consolidating its diplomatic partnerships with allied countries. As ICDF Technical Programs Department Director [Yen Ming-hong](#) (顏銘宏) stated, "to use our development projects to consolidate diplomatic recognition from our allied countries is the top priority of our foreign assistance projects." These foreign assistance projects are often employed as a means to advance foreign affairs priorities.

[The Pacific Islands Forum](#) is the primary regional organization in Oceania, and it often invites dialogue partners such as the United States and the European Union to participate in post-forum dialogue. However, Taiwan is not permitted to participate. As a result, Taiwan and its Pacific allies have organized the [Taiwan-Forum Countries Dialogue](#) and released a series of joint statements. Furthermore, Taiwan is interested in strengthening and broadening its alliances through the platform of Pacific allies, in collaboration with the United States and other regional powers. As an illustration, the then-US Ambassador to Palau, [John Hennessey-Niland](#), accompanied Palauan President Surangel Whipps Jr. on a visit to Taiwan in spring 2021, marking the first time that a US ambassador had visited Taiwan in over 40 years.

Taiwan's economic interests in the Pacific region primarily focus on tourism and fisheries, and Taiwanese tourism serves as a significant source of revenue for Palau. In an effort to bolster the tourism industry in the post-COVID era, Taiwan and Palau have planned to co-host the first [Belau Omal Marathon](#) on June 4, 2023. In the area of commercial fishing, Taiwan's Koo's Fishing Co., Ltd. was established in 2000 in the Marshall Islands, becoming the first Taiwanese fishing enterprise to have the Marshall Islands as the flag state. According to 2020 statistics released by the Western and Central Pacific Fisheries Commission (WCPFC), Taiwan ranked third in terms of fishing take in the Western and

Central Pacific region. [3]

Another area of interest for the Taiwan government is the demonstration of its naval capabilities. This was demonstrated by the 15th visit of Taiwan's "[Fleet of Friendship](#)" to Palau in 2020. Additionally, as part of a bilateral education program, the first two Palauan students of the ROC Naval Academy participated in a voyage from Taiwan to Palau during the same year.

Conclusion: Reimagining Taiwan-Pacific Relations

Taiwan holds a number of interests in the Pacific region. However, the issue of diplomatic recognition for Taiwan remains a top priority. I contend that this factor has hindered Taiwan's ability to fully engage and establish deeper relationships with its Oceanic partners. Over the decades, the Pacific Island Countries have developed extensive economic and diplomatic architecture, with particular emphasis on deepening regionalism and solidarity, collectively reducing and preventing climate change, and safeguarding the shared maritime environment. The government of Taiwan should reflect on how it may best prioritize and advance regional interests, and show itself to be a responsible partner of the Pacific Island states. Lastly, integrating the Austronesian Forum, Pacific Islands Dialogue, and bilateral programs to support and engage in meaningful collaboration with Pacific Island Countries and their regional architectures will be crucial for the Taiwan government's future strategy.

The main point: Establishing a well-coordinated and comprehensive diplomatic strategy and multilateral mechanisms is essential for Taiwan foreign policy in Oceania. The Taiwan government should not only prioritize its national interests, but also respect and advance the interests of Pacific Island Countries.

(The author would like to thank Sra Manpo Ciwidian for reviewing this article.)

[1] For example, in 2019 the [Solomon Islands](#) and [Kiribati](#) both ended their diplomatic relations with Taiwan and established ties with Beijing.

[2] Jess Marinaccio, "Rearticulating Diplomatic Relationships: Contextualizing Tuvalu-Taiwan Relations," *The Contemporary Pacific* 31, no. 2 (2019): 448–475.

[3] Pei-yi Guo, Cheng-Cheng Li, Sra Manpo Ciwidian, "Economic Development and Diplomatic Relations with Taiwan and China in Oceania," In *Economic Impact of Engagement with Taiwan and China: A Comparative Study*, edited by Chien-Huei, Wu, 134-155, 2022.

Beijing’s Subversive Political Warfare in the Pacific—and the Need for Greater Engagement by the United States and Taiwan

By: Cleo Paskal and Col. Grant Newsham (USMC, ret.)

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Honduras has said it intends to shift diplomatic recognition from Taiwan to China. We know this story: with the exception of 2007, [when St. Lucia switched from Beijing to Taipei](#), the trend has run in this direction, with China peeling off country after country. The 13 remaining countries that recognize Taiwan are under a constant political warfare assault to switch. In countries like Palau, People’s Republic of China (PRC) representatives make it clear that the individuals who make it happen will be well-rewarded.

The [Honduras story](#) was widely reported, with a sense of almost inevitability. But, within the same two weeks, David Panuelo, the President of the Federated States of Micronesia, wrote a remarkable [letter](#) to leaders in his country calling for a move in the opposite direction, from China to Taiwan. The reason he did it, and the response, gets right to the heart of China’s goals in the Pacific Islands, and how democracies are responding to Beijing’s plans.

This isn’t Panuelo’s first letter related to concerns over China’s role in the region. In March 2022, as news of a potential Solomons Islands-China security agreement leaked out, Panuelo [wrote](#) to Solomons Prime Minister Manasseh Sogavare expressing his concerns about the “far reaching and grave security implications” of signing such an agreement.

Sogavare [signed](#) anyway. He had switched the country’s diplomatic recognition from Taiwan to China in 2019. Since then Solomons has [postponed elections](#) due to be held in 2023, [arranged payouts](#) to 39 out of the 50 members of Parliament from a Chinese slush fund, [accepted](#) Chinese police training and equipment (including truck-mounted water cannons), and [agreed to a loan](#) from China to fund the setting up of 161 Huawei communications towers.

President Panuelo’s second [letter](#), this time to other Pacific Is-

land leaders, was in response to Chinese Foreign Minister Wang Yi’s (王毅) May/June 2022 visit to eight Pacific Island countries. Wang was touting China’s “[China-Pacific Island Countries Common Development Vision](#),” to be supported by the “[China-Pacific Island Countries Five-Year Action Plan on Common Development \(2022-2026\)](#).”

Elements of the “Vision” [include](#): law enforcement cooperation, incorporating “immediate and high-level police training”; “cooperation on network governance and cyber security,” including a “shared future in cyberspace”; the “possibility of establishing [a] China-Pacific Island Countries Free Trade Area”; “enhanc[ing] cooperation in customs, inspections and quarantine”; “creat[ing] a more friendly policy environment for cooperation between enterprises”; setting up Confucius Institutes; training young diplomats; “establish[ing] [a] China-Pacific Island Countries Disaster Management Cooperation Mechanism,” including a prepositioned “China-Pacific Island Countries Reserve of Emergency Supplies”—and much more.

The “Action Plan” [includes](#): “a Chinese Government Special Envoy for Pacific Island Countries Affairs” (which has since happened); a “China-Pacific Island Countries Ministerial Dialogue on Law Enforcement Capacity and Police Cooperation” (also done); “assistance in laboratory construction used for fingerprints testing, forensic autopsy, drugs, electronic and digital forensics”; “encourag[ing] and support[ing] airlines to operate air routes and flights between China and Pacific Island Countries”; “send[ing] 200 medical personnel” in the next five years; sponsoring “2500 government scholarships” from 2022 to 2025, and much more.

Combined, the Vision and Action plan are a blueprint for influence—if not control—of key levers of national power. This is consistent with Beijing’s trajectory in the region. Over the last several decades China has managed to insert itself throughout the Pacific and build attendant political influence and potential military access in the not-so-distant future—and without firing a shot.

It all follows a predictable sequence. First, the PRC puts in a commercial presence with Chinese nationals. Where possible, there is a targeting of key industries—such as fishing, lumber, and mining, often “greased” by corruption. There are also highly publicized “infrastructure” projects and “gifts.” This in turn leads to political influence, while creating a constituency that serves as PRC proxies. Dependency can also be deepened by lending to local governments.

This is all done with an eye towards an eventual military pres-

ence. Beijing is patient but has a clear objective. The Solomon Islands' deal with Sogavare shows how this plays out—and will continue to play out. In 2019, [Solomon Islands](#) and [Kiribati](#) switched diplomatic recognition from Taipei to Beijing. Both are strategically located—one isolates Australia, while the other has an old World War II US airbase that can be refurbished and is 1500 miles from Pearl Harbor.

China is managing to do what Imperial Japan couldn't accomplish. It has "taken" Guadalcanal and the rest of the Solomon Islands through political warfare, and is setting itself up to potentially push the United States back towards Hawaii. The reason for the focus is the same as in World War II. The Pacific Islands are key terrain, in the heart of US defenses. Establishing a presence there is leapfrogging the First Island Chain that hems in the PLA, and extends Beijing's "island hopping" to the Latin American coast.

Panuelo knew what he was seeing. In the [second letter](#), he wrote that Wang's proposal was: "The single-most game-changing proposed agreement in the Pacific in any of our lifetimes." He [added that](#): "I am aware that the bulk of Chinese research vessel activity in the FSM has followed our Nation's fiber optic cable infrastructure, just as I am aware that the proposed language in this agreement opens our countries up to having our phone calls and emails intercepted and overheard."

The intention, as he [wrote](#), was: "to shift those of us with diplomatic relations with China very close into Beijing's orbit, intrinsically tying the whole of our economies and societies to them. The practical impact, however, of Chinese control over our security space, aside from impacts on our sovereignty, is that it increases the chances of China getting into conflict with Australia, Japan, the United States and New Zealand, on the day when Beijing decides to invade Taiwan [...] To be clear, that's China's long-term goal: to take Taiwan. Peacefully, if possible; through war if necessary."

Many in the Pacific Islands, including President Panuelo, not only acutely understand the risk to Taiwan, they are aware that their futures are directly tied to any conflict. They have lived through this before, in World War II. For example, the island of Angaur, in Palau (a country that recognizes Taiwan), was the site of brutal battles in World War II that still scar the island and its people. The United States is now [building](#) an Over-The-Horizon Radar installation on Angaur. It is widely thought on Angaur that, once the installation is up and running, in the event of a kinetic attack on Taiwan, they will likely be hit first.

Taiwan often thinks of itself as standing alone, but there are

people in the Pacific Islands who know they could die on the same day, and likely just before, anyone in Taiwan.

This is why President Panuelo's [third letter](#) is even more remarkable. In it, he [describes](#) in great detail the "Political Warfare and Grey Zone activity [that] occur within our borders." He further [says](#): "One of the reasons that China's Political Warfare is successful in so many arenas is that we are bribed to be complicit, and bribed to be silent. That's a heavy word, but it is an accurate description regardless. What else do you call it when an elected official is giving an envelope filled with money after a meal at the PRC Embassy or after an inauguration? What else do you call it when a senior official is discreetly given a smartphone after visiting Beijing? [...] What else do you call it when an elected official receives a check for a public project that our National Treasury has no record of and no means of accounting for?"

The effect, he writes, is: "Senior officials and elected officials across the whole of our National and State Governments receive offers of gifts as a means to curry favor. The practical impact of this is that some senior officials and elected officials take actions that are contrary to the FSM's national interest, but are consistent with the PRC's national interests."

He then [described](#) the outcomes of this corrosion of the body politic. "So, what does it really look like when so [many] of our Government's senior officials and elected officials choose to advance their own personal interest in lieu of the national interest? After all, it is not a coincidence that the common thread behind the Chuuk State succession movement, the Pohnpei Political Status Commission and, to a lesser extent, Yap independence movement, include money from the PRC and whispers of PRC support. (That doesn't mean that persons yearning for secession are beholden to China, of course—but, rather, that Chinese support has a habit of following those who would support such secession)."

The results, he [writes](#), are: "At worst in the short-term, it means we sell our country and our sovereignty for temporary personal benefit. At worst in the long-term, it means we are, ourselves, active participants in allowing a possible war to occur in our region, and very likely our own islands and our neighbors on Guam and Hawaii, where we ourselves will be indirectly responsible for the Micronesian lives lost."

This leads him, [in the letter](#), to describe discussions that he has had, at his request, with the Foreign Minister of Taiwan, Joseph Wu (吳釗燮), about either recognizing Taiwan or initializing an agreement for a Taipei Economic & Cultural Representative Office (TECRO) in Micronesia. A core reason for that, he [explains](#), is

“greatly added layers of security and protection that comes with our country distancing itself from the PRC, which has demonstrated a keen capacity to undermine our sovereignty, reject our values, and use our elected and senior officials for their purposes.”

Given how important the region is to China strategically, he knows how dangerous this is to him personally and [writes](#): “I am acutely aware that informing you all of this presents risks to my personal safety; the safety of my family; and the safety of the staff I rely on to support me in this work. I inform you regardless of these risks, because the sovereignty of our nation, the prosperity of our nation, and the peace and stability of our nation, are more important. Indeed, they are the solemn duty of literally each and every single one of us who took the oath of office to protect our Constitution and our country.”

In Taiwan, discussions about recognition and the Pacific Islands are often just focused on the financial aspects of the issue. If it was just about money, they all would have switched long ago. China has made it clear that it will offer significant inducements to abandon Taiwan. But, incredibly, four are still holding out (Palau, Marshall Islands, Nauru, Tuvalu), and President Panuelo of Micronesia is looking to change the “inevitability” narrative shown by Honduras—something of potentially global importance, as it could show there is another option to eventual absorption by Beijing.

So, what to do about it—how can freedom be defended?

It requires a collaborative effort, but one tailored to each country. For example, in the case of Micronesia, the United States could work with Taiwan and Japan—and include Palau and Marshall Islands, Micronesia’s neighbours. This would add more heft to Taiwan’s efforts—which will always be outmatched by the PRC’s resources—and it also adds Taiwan’s unique contributions to what the US and Japan are doing.

Another approach would need to be developed to serve Solomons, Kiribati and elsewhere. There is no one-size-fits all solution. That means much more attention needs to be paid to the needs of the people and the uniqueness of each country. That’s what China does—but it focuses on identifying and exploiting weaknesses, while democracies should work on identifying and supporting strengths.

It also means treating locals like real partners, [the way the Japanese do](#). That means fully staffed embassies, with engaged, courageous and innovative representatives.

And, if you are serious, help the locals go after and expose cor-

ruption. The PRC infects the body politic through corruption, but many Pacific nations are ill-equipped to fight it. The language barrier alone is an issue. Taiwan in particular can help locals identify and expose Chinese criminals that set up shop in their nations.

If anyone believes in a free and open Indo-Pacific, it is imperative to recognize and support the brave leaders in the Pacific who are risking all for the things Taiwan, the United States, Japan and many others say they stand for. In the battle of systems, the Pacific Islands are once again on the front lines.

President Panuelo has stuck his neck out. China is sharpening the axe. Democratic states, Washington included, must show that he is not alone, and follow his lead in showing that democracy truly is worth fighting for.

The main point: The PRC is extensively employing political warfare to subvert island states and undermine American defense architecture in the Pacific. The United States and its allies should collaborate more closely with Taiwan to build responsible and effective partnerships with Pacific states, and present them with a better option than the corrosive engagement offered by Beijing.

Taiwan and the United States Share Key Interests in the North Pacific

By: Camilla Pohle-Anderson

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In September 2022, the US Institute of Peace published a Senior Study Group report on [China’s Influence on the Freely Associated States of the Northern Pacific](#), which consist of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau. The Senior Study Group was co-chaired by former US Indo-Pacific Command (INDOPACOM) Commander Admiral Phil Davidson, former Assistant Secretary of State for East Asian and Pacific Affairs David Stilwell, and Guam’s former Delegate to the House of Representatives Robert Underwood. The three co-chairs state in the preface to the report that “China’s engagement in these countries threatens US interests both locally and in the broader Pacific region.”

The report makes the case that strengthening US relations with the Freely Associated States (FAS) is essential to secure US interests and prevent China from increasing its influence in the

region. The report largely focuses on the interests of the United States, China, and the FAS, but also has significant implications for Taiwan.

The Federated States of Micronesia, the Marshall Islands, and Palau lie north of the equator and span a swath of ocean roughly the width of the continental United States, which is their closest partner. The United States administered the islands as trust territories from the end of World War II until their independence—the Federated States of Micronesia and the Marshall Islands in 1986, and Palau in 1994—leading to the unique ties they share today.

The three countries signed Compacts of Free Association with Washington upon independence, allowing them to receive grant aid and security guarantees from the US government. Citizens of these countries also receive other benefits, including the right to live and work in the United States without a visa, access to US programs and services like the US Postal Service, and the ability to enlist in the US military.

In exchange, the United States has the right to construct military facilities in the Freely Associated States and the right to deny third parties from using the islands' airspace, territories, and territorial waters for military purposes. While the United States and the FAS are in the process of renegotiating the grant aid portions of the Compacts, the security provisions will last in perpetuity.

China's Growing Interests in the Pacific Islands

The Senior Study Group report found that “Beijing sees Pacific Island nations as a low-investment, high-reward opportunity for China to score both symbolic and tactical victories in its global agenda.” The report states that China's interests in the region include:

“Enhancing power projection in the Indo-Pacific through strategic access to ports and Exclusive Economic Zones; cultivating supporters with voting rights in international institutions and increasing the number of voices sympathetic to its position in international disputes; constraining Taiwan's international space and reducing the number of Taipei's formal diplomatic partners; building soft power and promoting the Chinese model of political and economic development; enhancing access to export markets and diversifying supply chains in key commodities; advancing the Belt and Road Initiative and protecting Chinese workers and assets in the region; deepening trade relations; frustrating efforts by the United States

and its allies to project military power in the Western Pacific; and increasing its intelligence gathering and surveillance capabilities across a wider geographic range, with a particular eye on the US military.”

These objectives have clear implications for the FAS and for Taiwan. Beijing has made strides in recent years in its struggle for influence against Taipei. In 2019, [Solomon Islands](#) and [Kiribati](#) switched recognition from Taipei to Beijing. (Solomon Islands later signed a controversial [security agreement](#) with China in April 2022.) Among Taiwan's diplomatic allies in the Pacific at the time, Solomon Islands and Kiribati were the two largest countries by population, and their recognition of Beijing dramatically reduced Taipei's number of Pacific diplomatic partners from six to four.

Today, Taiwan's partners in the region include the Marshall Islands, Nauru, Palau, and Tuvalu. The Marshall Island and Palau are now Taiwan's two largest Pacific partners, and both are Freely Associated States.

The Senior Study Group report found that “As Beijing seeks to expand its influence among Pacific nations, strengthening the US-FAS relationship will be essential to securing US interests in the region.” The report also determined that the strength of the US-FAS relationship is “a crucial barometer of the durability of US alliances and partnerships and regional democratic norms,” as US commitment to the FAS will be seen in the region as an indicator of US commitments to its partnerships more broadly.

The report notes that ties between the United States and the FAS are strong, “but a failure to reach a mutually satisfactory resolution to Compact negotiations would be a major setback for US interests and regional security.” In addition, the Senior Study Group asserted that “China has not focused on the FAS in its influence-building efforts in the Pacific to the degree it has focused on South Pacific nations, but nonetheless is positioning itself to take advantage of any deterioration in US-FAS relations.”

FAS Relations with the US and Taiwan

Since the publication of the Senior Study Group report, the most significant developments in this area are the signing of memoranda of understanding (MOUs) between the United States and the Freely Associated States. In January 2023, [Palau](#) and the [Marshall Islands](#) signed deals with the United States to serve as frameworks for the ongoing negotiations, and reaffirmed their shared desire to strengthen their bilateral partnerships. In February, the United States signed an MOU with the [Federated States of Micronesia](#) to the same effect.

Taiwan's relationships with Palau and the Marshall Islands also remain strong. In October 2022, Palau President Surangel Whipps Jr. visited Taiwan President Tsai Ing-wen (蔡英文) in Taipei and [reaffirmed his commitment](#) to supporting Taiwan despite China's "mounting aggression" in the region. The following month, Taiwan Vice President Lai Ching-te (賴清德) [visited Palau](#), noting areas of collaboration on climate change, aquaculture, and medical care. In December, Whipps [reemphasized his support for Taiwan](#) and advocated for Taiwan's inclusion in the World Health Organization (WHO).

Marshall Islands President David Kabua also [reaffirmed his country's commitment to Taiwan](#) during a visit to Taipei in March 2022. At the UN General Assembly in September, he voiced support for [Taiwan's inclusion in the UN](#), and condemned China's large-scale military drills around the island following a visit by US House of Representatives Speaker Nancy Pelosi.

In March 2023, outgoing Federated States of Micronesia President David Panuelo [revealed](#) in a letter to national leaders that he had discussed with Taiwan the possibility of switching recognition to from Beijing to Taipei, and he suggested that Taiwan could pick up any projects China is currently undertaking. However, it remains to be seen how Panuelo's successor, who has [not yet been elected](#), will handle the issue.



Image: President of Palau Surangel Whipps Jr. (at podium) speaking during an appearance with Taiwan President Tsai Ing-wen (center right) during an official visit to Taiwan (October 6, 2022). (Image source: [ROC Presidential Office](#))

China's Influence Operations

In same letter in March, Panuelo excoriated China for conducting "[political warfare](#)" in the Federated States of Micronesia, including clandestine intelligence operations, interference in government affairs, and bribery of government officials to further Beijing's interests. Panuelo described how Chinese officials had frequently given [gifts and envelopes of cash](#) to members of the government, how China had supported secessionist

movements in the country, how Chinese research vessels had conducted espionage, and how in July 2022, during the Pacific Islands Forum, Panuelo himself had been followed by men who worked for the Chinese Embassy, one of whom was an intelligence officer. Panuelo argued in the letter that these influence activities had severely undermined his country's sovereignty and national security.

There have also been troubling activities in Palau and the Marshall Islands potentially linked with the Chinese government. In December 2022, a report by the Organized Crime and Corruption Reporting Project (OCCRP) revealed that a [Chinese triad leader with ties to the Chinese Community Party \(CCP\)](#) has cultivated ties with Palauan elites, and hundreds of Chinese citizens have been working in illegal gambling operations in the country. In the absence of diplomatic relations between Palau and China, the report notes, "unofficial proxies remain a powerful tool of attempted influence."

China may have proxies in the Marshall Islands as well. Starting around 2018, a Chinese-Marshallese couple attempted to [bribe Marshallese politicians](#) to enable the establishment of a "special administrative region" on Rongelap Atoll that would have undermined Marshallese sovereignty and opened the atoll to money laundering and other criminal activity. In 2018, support for the scheme [nearly toppled](#) former Marshall Islands President Hilda Heine in a vote of no confidence, which she suspected was an effort by the Chinese government to depose her. Kenneth Kedi, the speaker of the National Parliament and senator for Rongelap, supported the no confidence vote at the time—but [has since stated that he thinks](#) the scheme was connected to the Chinese government.

The Military Significance of the FAS

As the Senior Study Group report notes, China has an interest in "increasing its intelligence gathering and surveillance capabilities across a wider geographic range, with a particular eye on the US military." This will certainly include the FAS.

The proximity of Rongelap to the Ronald Reagan Ballistic Missile Defense Test Site on Kwajalein Atoll raised further concerns about the Rongelap proposal. Even if the Chinese government was not involved in the deal from the beginning, the creation of an autonomous region on Rongelap would potentially have allowed the Chinese government to conduct illicit activity there with little to no oversight from the Marshallese or US governments. Kwajalein is "critical to US space and missile-defense capabilities," according to the Senior Study Group report, and it could also "play a critical role in supporting missile launches,

space reconnaissance, and surveillance operations during a defense of Taiwan,” according to [senior experts at the Pacific Forum](#).

Palau is becoming increasingly important to the US military as well. It was a training location for US-led military exercises [in February 2023](#), and also hosted one of the US military’s largest joint Field Training Exercises in the Pacific [in June 2022](#). The exercises aimed to increase integration of US and allied fighting forces and to explore how a variety of locations could be used in a potential future conflict. In addition, by 2026 the United States plans to install [Tactical Mobile Over-the-Horizon \(OTH\) Radar](#) in Palau to bolster maritime and air domain awareness and monitor Chinese and North Korean activities.

It is clear that Palau and the Marshall Islands—as well as the Federated States of Micronesia—could play crucial roles in a potential US defense of Taiwan. The Senior Study Group report found that “the FAS play an important role in US defense planning, force posture, maritime operations, and power projection in the Indo-Pacific region and beyond.”

As tensions with China rise, the Freely Associated States are becoming even more valuable to the security of the United States and Taiwan. The US government has made it a priority to further strengthen its close relationships with the FAS, and Taiwan must do the same with Palau and the Marshall Islands—as well as potentially with the Federated States of Micronesia. The United States’ and Taiwan’s mutual relations with the FAS should be high on the agenda for policy coordination between Washington and Taiwan, and joint consultations should not be off the table.

The main point: While Washington and Taipei maintain strong ties with the Freely Associated States, China is increasingly exerting its influence in these countries in an effort to undermine US and Taiwanese interests. Accordingly, Washington and Taipei should prioritize strengthening their relationships with these crucial partners.