Perspectives on Taiwan
Insights from the 2017 Taiwan-U.S. Policy Program

EDITORS
Bonnie S. Glaser
Matthew P. Funaiole
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Introduction: Why TUPP?

Bonnie S. Glaser

The emergence of the People’s Republic of China (PRC) on the global stage has had a profound impact on the next generation of American policy leaders. The PRC’s surging economic, political, and military prowess has understandably piqued American interest and attracted young practitioners of foreign policy to study and work in mainland China. Even for those whose expertise lies further afield, the PRC’s rise has come to dominate much of the current discourse on international affairs.

In some respects, this is a welcome development. The United States needs future thought leaders who are sensitive to the complexities of managing ties between Washington and Beijing. Yet there is also a downside. With Americans focusing increasingly on the PRC, those studying or going to Taiwan have dwindled—leaving the United States with a noticeable lack of young leadership that is knowledgeable about Taiwan.

I launched the Taiwan-U.S. Policy Program (TUPP) to address this shortcoming. The program provides a much-needed opportunity for future leaders to gain a better understanding of Taiwan through firsthand exposure to its politics, culture, and history. Experiencing Taiwan influences how individuals approach their work, their writing, and their overall worldview. It imbues in them an appreciation for Taiwan’s contributions to promoting human rights and democracy, and instills the importance of maintaining robust U.S.-Taiwan relations.

The inaugural 2017 TUPP delegation featured a diverse group of regional and functional experts, none of whom had previously visited Taiwan. The program was a resounding success. Each participant left the island with a sense of how Taiwan fit into their respective fields. I am hopeful that the progress made during TUPP’s first year will serve as a springboard for future iterations of the program. Over time, TUPP will create a corps of experts with knowledge about Taiwan and support for sustaining a close U.S.-Taiwan relationship.

I am extremely grateful to the many people and organizations that made TUPP possible. I wish to thank the Henry Luce Foundation, the Taiwan Foundation for Democracy, and the Global Taiwan Institute for their generous support. I also owe a debt of gratitude to our guide and interpreter, Serena Lin. Without her contributions, the program would not have been nearly as successful.
The papers in this compendium were written by the 10 members of the 2017 TUPP delegation. Each participant was asked to reflect on their in-country experience and produce a short article analyzing a policy issue related to Taiwan. These papers are a testament to the powerful impact that follows firsthand exposure to Taiwan. I am very proud to showcase the work of the 2017 delegation.
Ukraine and Taiwan: Small Powers in the Shadow of Great Power Rivalries

Emily Holland

Russia’s brazen annexation of Crimea in 2014 and its subsequent military action in eastern Ukraine shocked the international community and received widespread condemnation. But the Ukraine crisis has implications far beyond Europe: at its heart, the Ukraine crisis is the story of a relatively small power adjusting to changes in a neighboring great power with which it has a complex colonial history. The similarities between these cases were not lost on leaders in both Taipei and Beijing, who closely monitored the events in Ukraine as they unfolded. Indeed, there are several important lessons that can be drawn from the Ukraine crisis and applied to the issue of Taiwan’s security. In this paper, I compare and contrast the two cases and argue that although currently China’s interests do not seem to favor direct intervention a la Russe, rapidly changing geopolitical conditions, including an increasingly erratic U.S. foreign policy, could alter China’s incentives and grand strategy. If so, then the implications of the Ukraine crisis, particularly the lack of unified Western response in the face of a changing global balance of power, are worrying for Taiwan.

Like Ukraine’s, Taiwan’s position as a relatively small power on the border of a great power that regards itself as the sole power in its sphere of influence leads to a precarious security environment. Although there are large substantive differences, both Ukraine and Taiwan have long and complicated relationships with their neighboring great power. Further, like Ukraine, Taiwan has positioned itself as strategically important based on its orientation toward the West. While not a traditional buffer zone—a state that separates competing larger powers—like Ukraine, Taiwan’s geopolitical position at the intersection of Chinese and American power makes it extremely vulnerable to shifts in the balance of power. As China’s relative power increased, accompanied by

a more aggressive foreign policy, the United States refocused its grand strategy, ‘pivoting’ to Asia.² Under the Obama administration the United States pledged to respect China’s "core interests"³ while at the same time increasing U.S. military presence in the region. While President Trump’s foreign policy priorities in Asia are less clear, so far the U.S. security commitment to Taiwan has not shifted.

Both Ukraine and Taiwan are small democracies that lie in the shadow of large and powerful authoritarian countries. Social science research argues that the states most likely to disappear from the international system are those so-called buffer states that lie between two rivals.⁴ Buffer states including Ukraine and Afghanistan have experienced invasion, loss of territory, and protracted civil war. Ukraine became the flashpoint between an increasingly belligerent Russia and the West precisely because of its position on the border between the two powers. While Taiwan is not physically straddling the boundary between East and West, its firm commitment to democracy and its close relationship with the United States place Taiwan in a less precarious but nevertheless insecure geopolitical environment. Although Ukraine is a largely dysfunctional and extremely volatile democracy whereas Taiwan is a vibrant and stable one, the presence of accountable governance and electoral freedom is troubling to authoritarian states that seek to insulate their regimes. Although Russian president Vladimir Putin ironically championed the principle of “self-determination” for the citizens of Crimea,⁵ as authoritarian regimes of multinational states, both Russia and China are careful to safeguard their interests against the unwieldy power of democracy.

Taiwan and Ukraine are relatively small powers, but the potential subversive effects of democracy have shaken their powerful neighbors, particularly during periods of economic challenge. Russia invaded Ukraine shortly after a collapse in oil prices and at the start of a protracted recession in 2014. Also suffering from poor economic performance, China’s president Xi Jinping took the extraordinary step of meeting with the then president of Taiwan Ma Ying-jeou in Singapore in 2015.⁶ That Mr. Ma’s party, the Kuomintang, which favors closer ties to China, lost in the subsequent general elections to the Democratic Progressive Party (DPP), which rejects the “1992 Consensus,” the core of which is that Taiwan and mainland China are part of the same country, was certainly troubling for Beijing.

Fortunately for Taiwan, the Ukrainian comparison is not entirely parallel. One of the major differences between Ukraine and Taiwan relates to domestic cleavages: in Taiwan the potential for domestic conflict over strategic alignments is much lower than in Ukraine, and thus protracted civil war is unlikely. Further, Russia and China have vastly different grand strategies: Russia is a territorially expansionist great power, while China focuses mainly on territorial integrity and

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economic expansionism. Moscow’s approach to managing its sphere of influence has been markedly belligerent, whereas Beijing has focused on economic statecraft. Interestingly, taking note of Beijing’s successful strategy, in recent years Russia has begun to emulate China’s approach to investment in strategic sectors in target countries to increase its political clout.\(^7\) Despite these differences, however, the alignment of great power interests is remarkably similar between China and Taiwan, and Russia and Ukraine.

For Taiwan, there are two main lessons to be drawn from the Ukraine crisis. First, maintaining internal unity is crucial. In Ukraine, the predominant political cleavage was strategic orientation toward the West versus Moscow. This led to an extremely volatile domestic political system that left it vulnerable to exploitation by both sides. Many small powers on the borderlands of great powers have used the strategy of playing on the East-West divide. The Ukrainian example demonstrates why this is a dangerous strategy: not only is it internally divisive, but it also fosters a domestic political cleavage that a great power can exploit through a variety of tactics. Exiled former Ukrainian president Viktor Yanukovych abused this cleavage for personal gain, with disastrous consequences. In 2013, Yanukovych flirted with signing a European Union association agreement, which included a free trade agreement and would have laid the ground for future EU membership. Right before the deadline, however, Yanukovych backed out of the deal, instead accepting a $15 billion loan from Moscow as well as a sweetheart energy deal, prompting the mass protests that became the Maidan Revolution.\(^8\) The East-West cleavage continues to plague Ukraine, which is now in the third year of civil war, with no end in sight. Taiwanese president Tsai Ing-wen does not seem to be making Yanukovych’s mistake—partly because China refuses to play along—having recently committed to a campaign to reduce Taiwan’s presence on the world stage.

Second, should China’s incentives change, Taiwan should not expect a unified Western response. The tepid and fractured Western reaction to the Ukraine crisis pointed to an increasing foreign policy schism between the United States and Europe that has been exacerbated by the election of Donald Trump. Even faced with direct military action in the heart of Europe, Western policymakers faced an enormous challenge in formulating a response to what was essentially a fait accompli. Although Taiwan’s policy of increased engagement with “like-minded” Europe in the wake of Trump’s election is prudent, it is unlikely that European powers would do anything other than rhetorically condemn Chinese behavior. Even under Trump the United States is likely to defend Taiwan in the event of an unprovoked Chinese attack, but European powers are wary of causing conflict with China over a security issue they do not view as an essential threat. In the Ukrainian case, despite the dire consequences of war and invasion on the continent itself, European leaders faced enormous resistance to direct intervention and even harsh sanctions by powerful European business lobbies.\(^9\) Both Russia and China are too strong to challenge in their own backyards without risking global conflict, and there is little political will in Europe for this sort of confrontation.

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To avoid falling victim to great power rivalry like Ukraine, Taiwan must seek and defend a clearly defined security architecture. Unfortunately for Taiwan, this requires a strong and steadfast relationship with the United States, which may prove increasingly difficult given the volatility of the Trump administration’s foreign policy. Nevertheless, Taiwan’s capable diplomatic corps and military should continue to engage their U.S. counterparts on a host of issues. Perhaps the greatest lesson derived from the dismemberment of Ukraine is that capitalizing on the East-West cleavage for short-term gain is deadly; thus, despite Chinese efforts to isolate Taiwan, maintaining good relations with the United States under any administration is crucial.
Taiwan and Japan after Fukushima: Similar Reactions, Different Paths
Ryan Shaffer

Similarities between Taiwan and Japan can be striking. On a recent visit to Taiwan, I woke from a nap on the bullet train convinced that I was in Japan. Out the window was a mixed landscape of terraced agriculture and suburban development that spanned from volcanic hills to industrial waterfront; around me a tidy, modern train carriage that was silent, save for hushed conversations and the occasional vibration of an unanswered cell phone; on my tray table, a green tea and the remnants of a boxed lunch. The clues that I was on the Taipei–Tainan route rather than Tokyo–Osaka were pretty subtle—Mandarin instead of Japanese, and reversed geography (mountains to the east, water to the west).

The similarities run deeper than aesthetics—shared values of democracy and human rights, embrace of free trade, deep security ties to the United States, demographic challenges, ubiquitous convenience stores, earthquakes, typhoons, and tsunamis, etc. Taiwan and Japan also share similar energy challenges—meeting the needs of their energy-thirsty advanced economies despite few indigenous energy resources, all while simultaneously striving to meet ambitious climate targets. Taiwan and Japan were not long ago both committed to nuclear energy as a solution to the above challenges. Both are now struggling to rethink that commitment in the aftermath of the March 2011 Fukushima disaster.

When Fukushima occurred, Japan was the only country directly affected; nonetheless, the Taiwanese people were deeply impacted by the event. Following the disaster, victims of the March 2011 events in Japan received support from all corners of the globe, but it was Taiwan that proved to be the single largest donor country. Taiwan’s empathy and generosity were no doubt a function of their shared proneness to natural disaster, and of the palpable admiration with which

modern Japan and Taiwan view each other. But beyond that, it was all too easy for Taiwanese people to look at the scope of radiological contamination in Japan and envision the impact on an island as small as Taiwan. Perhaps that explains why, in the aftermath of Fukushima, it is Taiwan, not Japan, that has committed to abandoning nuclear energy.

At the time of the Fukushima disaster, Japan’s government also proposed a nuclear phase-out. In two major Japanese elections that occurred shortly after Fukushima—the 2012 national election that would bring Prime Minister Abe and the Liberal Democratic Party (LDP) back to power, and the 2014 Tokyo governor’s race—the future of nuclear energy served as a referendum issue. Among many antinuclear platforms, a coalition headlined by former prime minister Koizumi called for a complete phase-out of nuclear power. Koizumi’s plan envisioned replacing lost nuclear capacity by mobilizing Japanese society behind a moonshot effort on clean, renewable alternatives. The effort, according to the plan, would ultimately pay for itself—vaulting Japan into the vanguard of the global clean energy industry and slashing energy imports, all while helping Japan meet its climate targets. Abe and his LDP proposed a conservative approach. They argued that the risk to the economy was too great to walk away from nuclear. Despite Fukushima, Abe proposed keeping nuclear energy near pre-Fukushima levels, though promising to meet future demand growth and carbon targets with efficiency measures and a gradual ramp-up of renewables. When presented with the choice between Koizumi’s grand reform and Abe’s moderate tweaks, Japanese voters went with Abe.

In its 2016 elections, Taiwan went the other way. President Tsai and her DPP basically promised the Koizumi plan. They plan to eliminate nuclear power by 2025, and they propose significant reform of the power sector, meeting electricity demand by fast-tracking green energy such as offshore wind and solar. The plan promises aggressive public financing paired with a restructuring of the regulatory environment and transmission scheme. The plan also calls for modernizing coal facilities and substituting much of Taiwan’s coal generation with natural gas, while incentivizing emissions reductions through a cap-and-trade scheme.³

The Tsai administration appears on track to phase out nuclear power by 2025 as promised. But the rest of the plan—the aggressive reform part—is an open question. When discussing energy policy with leaders of both government and civil society in Taipei, you get the sense that the energy plan is less moonshot and more afterthought. Pension reform, gay marriage, repatriating colonial legacy assets, and cross-Strait relations are A-list items on Tsai’s crowded policy agenda. The nuclear phase-out is also clearly on the list. Nobody is talking about energy-sector reform. An executive at one of Taiwan’s major solar firms recently told me that he is focused on foreign markets for growth because he doesn’t see any potential in Taiwan. Not a ringing endorsement, to my ears.

Taiwan would not be the first to try to shift its energy-thirsty modern economy from nuclear and fossil fuels to renewables. Germany and Spain have tried. Japan, if somewhat by accident, has tried as well. Results in all three have been spotty—Germany’s utility bills are among the highest in Europe, and, ironically, Germany remains dependent on imports of electricity from French nuclear

plants. Spain’s aggressive push into solar energy led to a disastrous surge in public debt. In Japan, an early post-Fukushima push for renewable energy has created a massive glut of nonproductive solar assets, while the country’s inability to return nuclear reactors to service has pushed fossil fuel imports to historic highs—high enough to flip Japan’s trade balance from positive to negative, blow past its carbon emissions goals, and inflate electricity bills for Japanese homes and businesses. This path has been traveled before, and past experience suggests that Taiwan’s good intentions are not enough to ensure success where others have struggled.

I shared these concerns with a leader of one of Taiwan’s insurgent minority parties. His response was that Taiwan was doing just fine. As evidence, he pointed out that only one of Taiwan’s four reactors was operating. But is Taiwan doing just fine? Just a week before this conversation, Taiwan had suffered a blackout that left almost half of its households without power for five hours. That same week, Taiwan’s operating electricity reserve margin—the amount of electric capacity that exceeds demand—had dipped below 2 percent. For a political leader in the world’s ninth largest economy to conclude that such conditions are “fine” is extraordinary. The blackout in August was estimated to have cost over US$3 million to industry alone. But there are other very real risks to human health and safety—risks that can be measured in lives. One only has to look at the recent cases of Houston, Florida, and Puerto Rico, where energy outages have proven fatal to seniors in nursing homes and patients in hospitals.

In all fairness, Taiwan may look a lot like Japan, but it is not Japan, nor Germany, nor Spain. Taiwan is an extraordinary place—a tiny island that ranks among the world’s great economies. Despite its economic heft and prestigious contributions to global society, Taiwan is crassly denied membership to major global organizations. Taiwan’s civil liberty–loving democracy lives under unabating threat from its massive authoritarian neighbor. Taiwan’s strategic planners prepare for blockade and siege contingencies that would last up to about three months, but after that they admit they are pretty much at the mercy of outside powers to determine their fate. Conventional wisdom may just not apply to Taiwan in the same way that it would to others. A 3 percent electricity reserve

margin would be cause for lost sleep in Tokyo, Madrid, and Berlin, but perhaps not in Taipei, which has lived for 70 years with China dangling over its head like the Sword of Damocles.

The promise of a nuclear-free, green-powered Taiwan—a Taiwan version of the Koizumi plan—was one of the promises on which President Tsai campaigned and won. If she achieves it, Taiwan and the rest of the world will be better places for it. Significant and carefully targeted public support for renewable energy could speed deployment, boost Taiwan’s domestic energy industry, and lead to innovations that unlock further clean-energy possibilities. Global leadership on what is arguably the world’s most pressing and urgent challenge would help reinforce Taiwan’s legitimacy and prominence in the global community. Cleaner air will lead to healthier, happier people and more visits from foreign tourists. It will be Taiwan that exemplifies the post-Fukushima, postnuclear potential for a clean, green modern energy economy.

However, there are real costs and consequences to abandoning Taiwan’s nuclear energy program, and significant consequences to Taiwan if the nuclear phase-out is not coupled with the aggressive energy sector reform. Phasing out nuclear power will leave billions of dollars (U.S.) in stranded assets and eliminate upwards of 40 billion kWh per year of carbon-free electricity production.\(^\text{11}\) Tsai’s administration acknowledges that there will be a transition period to a new green energy economy in which the impact of the nuclear phase-out is higher costs, more imports of fossil fuels,\(^\text{12}\) greater vulnerability to supply disruption, and increased emissions of carbon dioxide and other pollutants. Skeptics warn that the “transition period” may be far longer than Taiwan may want to admit.\(^\text{13}\)

Post-Fukushima, Taiwan has broken with its Japanese friends in choosing the “Koizumi” energy plan, demonstrating a determination and resolve to move forward without nuclear power. But phasing out nuclear energy is the easy part. The passage of time will take care of that. Without policy changes, the statutory lifetimes of the four reactors will all pass by 2025. The voters who brought Tsai Ing-wen to power must now recognize that they have embarked on a path from which they can’t turn back. The costs of abandoning nuclear power are now a certainty. Time to move the rest of the energy-sector reform to the front of the policy agenda.


\(^\text{12}\) Lee, “Taiwan’s Environmental Leadership.”

India and Taiwan: Act East, Go South, Balance China
Hemal Shah

The India-Taiwan relationship has been growing slowly but surely. Relatively flourishing economic and trade ties spearhead the relationship in the absence of diplomatic relations. However, India’s recent shift in observing the One China Policy (OCP), while managing to maintain stable relations with China, opens up the opportunity to inject a tactful strategy to realize the full potential of the India-Taiwan economic relationship—the focus of this paper—and further strengthen the democratic economic alternative to China.

To that extent, both India and Taiwan are at their own economic inflection points. The fastest-growing large economy today, India wants to position itself as a manufacturing and logistics hub in Asia; Taiwan is focused on transitioning its economy from a manufacturing to an innovation-driven, knowledge-based economy. Both India and Taiwan are vibrant democracies, seeking greater ties with the United States, Japan, and Southeast Asia. Furthermore, they share common security concerns over China, but also rely heavily on trade with their mutual neighbor.

THE CHINA FACTOR

China continues to claim swaths of Indian territory in the northeastern state of Arunachal Pradesh. Despite China’s fervent demands for India to reaffirm the OCP, Beijing won’t support India’s protest of the Pakistani-occupied territories in the Indian state of Kashmir. The situation with Taiwan is even more complex, as China continues to see the island as a breakaway province with the aim of reunification, contrary to majority Taiwanese perceptions.¹

China’s Belt and Road Initiative (BRI)—a US$1 trillion infrastructure financing mechanism spanning 60 countries—aims to consolidate its political influence through economic projects. While the BRI

¹ Beijing also clashes with its Southeast Asian neighbors over its 3,200 acres of land features in the South China Sea, and with Japan over the Senkaku/Diaoyu Islands in the East China Sea. See CSIS Asia Maritime Transparency Initiative, Country: China, https://amti.csis.org/island-tracker/chinese-occupied-features/.
excludes Taipei, New Delhi chose to exclude itself to protest the BRI’s China-Pakistan Economic Corridor (CPEC) and its “encircling” effects.\(^2\) Unveiling the potential of an alternative geo-economic dynamic, Japan proposed to develop the Asia-Africa Growth Corridor (AAGC) with India, west of the Indian Ocean.\(^3\) India and Taiwan, in concert with Southeast Asia, also have the unique opportunity to solidify economic ties through their “Act East” and “New Southbound Policy” (NSP), respectively, east of the Indian Ocean.

India’s foreign policy—historically informed by the “nonalignment” rubric—is also increasingly looking to the United States and Japan as strategic partners in the Asia-Pacific region. China’s 12-week standoff with India and Bhutan at Doklam this past summer, which eventually resulted in disengagement, shows that despite India’s resistance to the idea of balancing, “it is likely to move inevitably in that direction.”\(^4\) It also sends a strong signal to Washington and Tokyo that, unlike before, it is willing to act.

Both Japan and the United States—democratic powerhouses of the Asia-Pacific—are bound by the belief that a strong India is in their interests to ensure China’s peaceful rise. They support India’s role as the net security provider in the Indian Ocean region, while they collaborate to protect the freedom of navigation in the East and South China Seas. In a scenario that is colored by the possibility of a retrenching United States, the limitation of Japanese power, and a rising China, it makes strategic sense for India and Taiwan to strengthen economic ties, foster relations with the broader region, yet continue to engage with China separately.

### INDIA-TAIWAN RELATIONS

Three distinct periods can add perspective to the current state of the Indo-Taiwan relationship today in the context of the OCP:

1950–1991: Despite Chiang Kai-shek’s foundational visit to British India in 1942, an independent India voted in 1950 to recognize the People’s Republic of China as the sole government of China, with Taiwan as part of China’s territory. Despite India’s humiliating defeat in the 1962 Sino-Indian War, India maintained its recognition of the OCP. India’s grueling emergence from the 1991 balance of payment crisis and slumping ties with a weakened, post–Cold War Russia prompted its leaders to pivot to the “Look East” policy.\(^5\) Indian leaders traveled to East Asia and envisioned ways to replicate the prosperity of the Asian Tigers, including Taiwan, back home.

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1992–2009: The gradual removal of nuclear test–related U.S. sanctions on India following President Bill Clinton’s visit in 2000 finally signaled a thaw in the U.S.-India relationship; the world’s oldest and largest democracies had declared themselves “natural allies.” Rapprochement with Japan followed immediately, while engagement with peers in the developing world, including China, continued.

Delhi and Taipei also established reciprocal offices on the ground and oversaw a time of slow but steady progress. In 2002, the two countries signed a bilateral investment agreement and began direct flights the following year. They also held the India-Japan-Taiwan conference in Taipei in 2004. The next few years included visits by Taiwanese legislators (2005–2006) and Ma Ying-jeou, then head of the Kuomintang, who became president of Taiwan in 2008.6

2010–present: India’s recognition of the OCP took a turn in 2010 when Beijing denied a visa to an Indian military commander based in Pakistan-occupied Kashmir. In turn, Delhi demanded that China recognize a “One India Policy.”7 Around the same time, India’s engagement with Taiwan took off. In 2010, Taiwan hosted former Indian president Abdul Kalam, signed a deal on degree recognition in higher education, and eased visa restrictions. High-level Taiwanese diplomats visited Delhi in 2011, including then politician and current president Tsai Ing-wen.8

Data from the Taipei Economic and Cultural Center (TECC) in India shows that bilateral trade has grown fivefold, from US$1.9 billion in 2001 to over US$5 billion in 2016, with India’s exports to Taiwan jumping from US$550 million to US$2.2 billion. By the end of 2016, 90 Taiwanese companies had set up shop in India and 72 projects and joint proposals had been carried out.9 Educational exchanges are rising, and over 4,000 Indian students have taken Mandarin Chinese lessons in India provided by the Taiwan Education Centers (TEC). Taiwan also included India as part of its NSP in addition to a host of Southeast Asian nations.

A BALANCING STRATEGY

It is imperative that India and Taiwan continue to drive their unofficial relationship through trade and commerce. While they engage with China separately, they could pursue a version of a “better balancing” strategy adapted from Ashley Tellis’s 2014 monograph, Balancing without Containment. /stratperspective/inss/Strategic-Perspectives-24.pdf?ver=2017-03-14-123654-447. The “Look East” policy was a product of the post–Cold War world, when Indian prime ministers visited China, South Korea, and later the broader East Asian region to recognize the fact that India was changing its foreign policy quickly to be a part of the East Asian story. The ultimate goal of the policy that subsequently evolved into “Act East” was to ensure a multipolar Asia, according to Dhruva Jaishankar, “Actualizing East: India in a Multipolar Asia,” Institute of South Asian Studies Insights, No. 412–23, May 2017, https://www.brookings.edu/research/actualising-east-india-in-a-multipolar-asia/.

7. Ibid.
8. Ibid.
Tellis originally shapes this strategy in the context of China’s erosion of the United States’ global hegemony to reshape the extant political order to serve its interests.

In this case, China’s relative gain through its economic relationship with both India and Taiwan makes a strong case for both countries to further boost their own overall gross domestic product, develop and maintain their prowess in technological innovation, and shift away to “raising up” their allies or natural partners in the Asia-Pacific region. Instead of provoking China, both India and Taiwan should focus on forging a free trade deal, informally but selectively cut down trade barriers, and reduce their dependence on China.

The informal institutionalization of a better balancing strategy, for instance, could not only provide an alternative for Taiwan to shift its manufacturing base from China to India, but also enable India to use Taiwanese manufacturing competence. For instance, both countries could benefit through partnerships that pool in Taiwan’s hardware prowess with India’s software knowledge in the information communication technology sector. This will also help boost high-quality jobs and economic growth to help maintain India’s position as the fastest-growing large economy and solidify Taiwan’s participation in building a strong economic rules-based order in the region.

Taiwan could play an important role in reifying India’s Act East policy, which aims to counter the strategic influence of China through strengthened economic relations with Southeast Asia; in turn, India can serve as an important conduit for Taiwan’s NSP to reduce Taiwan’s economic dependence on China and expand its influence in South and Southeast Asia, further strengthening the democratic alternative to China’s BRI.

With Taiwan’s help India could also better understand the psyche of the Chinese Communist Party and sharpen its own strategic thinking to inform a meaningful engagement with China. Above all, a burgeoning yet complementary economic relationship between India and Taiwan could further enhance India’s role as a strong economic and democratic counterweight in Asia, while looping in Taiwan unofficially to help preserve a rules-based order in the Indo-Asia-Pacific region.

However, for Taiwanese business to shift to India as its manufacturing and export base, India needs to step up to address the lack of transparency, predictability, and stability in its investment environment. Taiwanese investors should share best practices in doing business to help shape the direction of Prime Minister Modi’s business-friendly initiatives—“Make in India,” “Digital India,” “Start-Up India,” and “Skill India”—to position India as an attractive investment destination.

**POLICY RECOMMENDATIONS**

**Improve Connectivity to Link South Asia, Southeast Asia, and East Asia**

As China expands its footprint in the Indian Ocean region—from logistics bases in Djibouti in Africa, to Gwadar in Pakistan, and Hambantota in Sri Lanka—India and its partners should consider greater connectivity among South Asia, Southeast Asia, and East Asia. India represents a large market that cannot be ignored; however, foreign investors often run into challenges navigating the country’s fragmented logistics and supply chain network.
As an ICRIER-CIER study points out, companies from India and Taiwan could collaborate to develop regional production and supply chain networks in East Asia to link India with Southeast Asia, where Taiwanese companies are looking to build their manufacturing bases.10 Taiwan’s economy is also characterized by a strong “trade-investment-services linkage.”11 Their investments in China’s manufacturing sector are often supplemented by investments in supporting service industries, including financing, logistics, and retail, enabling them to expand and develop their supply chains.

Partners like Japan are working with India to develop transport infrastructure along strategic pathways running through the country. At the same time, Taiwan can help lend its expertise in cooperatively building an integrated logistics network in India. While Japan helps India enhance strategic connectivity in the northeast, Taiwan can pick up from there to extend the trade routes through Myanmar into Southeast Asia. This will also allow Japan to focus on developing the AAGC in the west. Japan and Taiwan should strategically collaborate in India to craft win-win strategies for all.

**Make in India Rather Than China**

China has long been Taiwan’s top trading partner and investment destination. Taking advantage of China’s large market, low labor costs, and shared language and culture, Taiwanese entrepreneurs set up bases in China, risking the volatile political situation. Rising wages in China present a strategic opportunity for Taiwanese businesses not only to take advantage of India’s and Southeast Asia’s competitive markets, but also to diversify out of China.

Taipei is increasingly advocating for India as an attractive alternative to China, but Taiwanese companies have been slow to invest in India. Although India presents opportunities with a large market and lower labor costs, it is not yet ready to serve as an export base to developed Western markets and is poorly integrated with Southeast Asia. While Taipei looks to enhance its ties with India through the NSP, it should also advocate for best practices in common priorities such as reforms to India’s tax system, banking sector, logistics and distribution system, intellectual property rights, infrastructure financing, and land acquisition. This would spur more Taiwanese businesses to treat India as an attractive alternative.

Some large Taiwanese companies are already reaffirming this balancing strategy. New Delhi’s focus on “Make in India” and the promise of a better business environment prompted Foxconn, one of the world’s largest hardware manufacturers, to invest US$5 billion in India as an attempt to downsize and diversify away from China.12 Taiwanese companies could also look to auto-component and cell phone manufacturing in India and use it as an export base as India looks to reduce its dependence on Chinese manufacturing firms. New Delhi should also consider extending industrial clusters or special economic zones to smaller Taiwanese companies to incubate and

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11. Ibid.

scale up as they develop their bases in India, in turn creating good-quality jobs for the 1 million Indians entering the labor market every month.

**Capitalize on Complementary Industry Sectors**

Both Taiwan and India can gain from each other—through market access and transmission of best practices—to expand their economic relationship and strategic goals in the region. Two areas are of rising importance: information technology (IT) and food processing.

India can complement Taiwan’s IT hardware manufacturing prowess with its value-added software capabilities. The ICRIER-CIER study shows that companies from both countries could collaborate in many areas—cloud computing, digital technology–enabled design, and green environment—to secure new global business and cater to developed markets. Movement of skilled Indian IT professionals is an opportunity, though limited due to language barriers. Moreover, India’s onerous local content and manufacturing requirements need to be addressed to harness the full potential of this symbiosis.

In agriculture, Taiwan has an advanced food-processing industry despite a low agricultural base and limited natural resources. India, on the other hand, has a broad base and abundant resources but a labor-intensive food-processing sector coupled with obsolete technology. Importing Taiwanese technology would make sense, but would need to be further customized. The absence of a trade secrets law and onerous security testing regulations in India hinder high-quality technology transfer. As a model member of the World Trade Organization, Taiwan should also socialize India into adhering to trade facilitation standards as well as avoiding the lowest common denominator approach on regional trade deals. Furthermore, Taiwan and India should agree to mutually acceptable product standards if India is to export raw materials for processing in Taiwan. This could be further institutionalized through the recent India-Taiwan memorandum of understanding on agriculture and allied sectors as part of the NSP.

**LONG-TERM STRATEGY**

India’s transition from a nonaligned foreign policy to one that is driven by national interest is telling. With the recent Doklam standoff with China in the Himalayas, India has shown that it is willing to stand up for smaller neighbors like Bhutan to preserve a rules-based order in the region. By ratcheting up economic and trade links with Taiwan, continuing to host the Dalai Lama, and directly reaffirming the need to protect freedom of navigation in joint statements with the United States, Australia, and Japan, India is sending a strong signal to China that it will not accept unilateral changes to the status quo.

Both India and Taiwan are bound by the common values of a liberal, democratic, rules-based order with shared security concerns. A growing economic yet unofficial India-Taiwan relationship will only strengthen India’s economic development and bolster its position as the net security

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13. ICRIER-CIER, *Enhancing Trade, Investment and Cooperation between India and Taiwan*. 
provider in the Indian Ocean region. It will also give Taiwan an opportunity to forge stronger relations with the fastest-growing large economy by reducing its dependence on China.

As India tactfully toes the line on the OCP, it should look at its relationship with Taiwan through a strategic lens, without using it as a bargaining chip. India should extend its base for Taiwanese manufacturing and exports, absorb business best practices, build trade links with the neighborhood, understand China better through intelligence sharing with Taiwan, and collaborate with like-minded neighbors to build a democratic alternative to China’s BRI.
Remaining Asian Divisions: Reunification at a Crossroads

Duyeon Kim

Since the unification of Germany, many Asia watchers have wondered about the remaining two divisions in the world: China-Taiwan and North Korea-South Korea. Both were once one nation composed of one ethnic heritage but later were divided by complex politics, external forces, and civil war. Discussions surrounding reunification have lasted as long as their divisions.

Comparative studies are not always useful because of very different contexts. But these two cases, nonetheless, share two common umbrella questions that are pertinent to policy studies: Is reunification necessary and, if so, how should it be done? Both cases involve debates about the use of force versus peaceful means and about the end goal of a “one country, two systems” solution versus one state. There are also distinct parallels between the cross-Strait and Korean cases when it comes to current debates about reunification: identity, different political systems, and dwindling popularity with passing generations. These factors will become increasingly important for policymakers in both Taipei and Seoul that will have implications for their respective strategies in managing cross-Strait and cross-border relations.

OBJECTIVES AND MEANS

Since the Cold War, both governments—the People’s Republic of China (PRC) and the Republic of China (ROC)—have insisted they are each the sole legal government of China. Beijing sees Taiwan as part of its territory. Meanwhile, South Korea’s constitution declares its legal territory as consisting of the entire Korean peninsula, which is contrary to the United Nations’ designation of two sovereign Korean states, and could complicate matters in times of contingency or post-unification.

When determining whether reunification is advantageous for their respective national interests, decisionmakers in Taipei and Seoul must tackle several key questions. These center on what their respective national objectives are vis-à-vis unification, and if unification is the answer, then by what means it should be achieved.

For Taiwan, its leaders must wrestle with the island’s ambiguous sovereignty and navigate the delicate balance between maintaining the status quo and considering an undefined “right time” to declare independence. There also exists the possibility that Taiwan eventually will have no choice but to unify on Beijing’s terms.

Beijing has long held unification as its ultimate goal and has been rumored to intend to see it realized by 2049 (the 100th anniversary of the establishment of the People’s Republic of China), although officially no deadline has been set. Like his predecessors, Chinese president Xi Jinping has explicitly aspired for a Hong Kong–like “one country, two systems” outcome with Taiwan.² Beijing’s official stance is to reunify through peaceful means, but it has never renounced the use of force;³ it still “asserts its resolve to use force if necessary.”⁴ This means that pressure could mount for Beijing to become more aggressive if it perceives Taiwan pushing for de jure independence and concludes that time is no longer on China’s side.⁵

On the other hand, Taiwan’s political parties are not united on the issue and dispute the definition of “One China.” Taiwan’s Kuomintang party (KMT) has been ideologically pro-unification, while the ruling Democratic People’s Party (DPP) tends to favor independence. The KMT maintains there is one China with the ROC as the sole representative of an undivided sovereignty. Views within the DPP are more nuanced, but often lean toward eventual independence, with President Tsai Ing-wen favoring maintenance of the status quo for now. Taipei’s ultimate fear, at least for proponents of independence, seems to be that it will eventually be left with no other options but to reunify on China’s terms.⁶

For South Korea, meanwhile, key questions are: Should it even aspire to reunify? If so, by force or peacefully, and toward what end?

Traditionally, “Korean reunification” is believed by both South and North Korean governments to mean one country, one system. But in South Korea, political parties paint different pictures for a unified Korea. Conservatives typically envision “one country, one system” under South Korean rule,

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⁵ Interviews with various China and Taiwan experts, August 2017.

allied with the United States. For many progressives, however, reunification typically means a federation, and some are even comfortable with a nuclear-armed North as long as it does no harm to the South.

Like the cross-Strait case, Korean unification involves a debate over the means of unification, which is divided in broad terms between the use of force versus peaceful means. South Korean conservative parties tend to include “reunification by absorption” in their discourse, while progressive parties emphasize peaceful unification. It is also no secret that the North has had plans to reunify by absorption as well.

While South Korea’s constitution posits peaceful unification, the use of force has nevertheless hovered in the minds of both countries’ decisionmakers as an option. An important restraint on either side using military means has been the presence of U.S. forces on the Korean peninsula since the end of the Korean War. In a crisis or contingency, however, South Korea, and perhaps even the North depending on the health of its leadership, might be tempted to attempt to militarily absorb the other.

In both the China-Taiwan and South-North Korea cases there are concerns about the potential downsides of unification, but there is little overlap. Those opposed to unification in Taiwan are typically concerned that unification might compromise their democratic values and rights. Opponents of reunification in South Korea are more concerned about the financial burdens and social problems (such as overpopulation in Seoul and crime) resulting from reunification, while supporters believe a unified Korea could boost the country’s standing in the region.

ISSUES FOR DECISIONMAKERS

There are also parallels between the Taiwanese and Korean cases when it comes to reunification that would present key challenges for decisionmakers in Taipei and Seoul: identity, different political systems, and the will of the younger generation.

Taiwan’s political parties are divided on the issue of reunification, while China is unified in its stance in favor of unification. Meanwhile, South Korean political parties and the North Korean regime all maintain that reunification is a key objective and a desired outcome. A common feature, however, is that the people of Taiwan and South Korea are split on the matter, with a growing younger generation agnostic toward or opposed to reunification.

First, studies show an increasing number of people in Taiwan identify themselves as “Taiwanese” and not “Chinese.” In Korea, South Koreans identify themselves as “South Korean,” although they are ethnically Korean and they use distinct words for “North Korean” and “South Korean.”

Second, most people in Taiwan do not favor reunification any time soon, in part due to the existence of vastly different political systems: 66.4 percent oppose, 18.5 percent are in favor, and

7. Ibid.
15.1 percent are noncommittal. China is an authoritarian regime, while Taiwan is a vibrant democracy. Similarly, an increasingly provocative North Korea is an authoritarian regime with a backward economy that stands in stark contrast to its vibrantly democratic and economically advanced South Korean neighbor. A South Korean government poll in 2016 showed 50.8 percent of the respondents believed “early unification is not necessary.”

Third, studies show that the younger generation in Taiwan—81 percent of those in the 20- to 29-year-old age group—oppose reunification. Similarly in South Korea, a 2016 poll showed 41.8 percent of respondents in their twenties and 38.3 percent in their thirties believe reunification is unnecessary.

**IS UNIFICATION THE ANSWER?**

Most cross-Strait watchers estimate that in the near to mid-term, Taiwan will aim to preserve the status quo because of the pragmatic understanding that moving toward independence could result in retaliatory measures from Beijing. Nevertheless, Taiwan’s leadership is likely to seek to preserve the right of the people of Taiwan to make their own decision regarding unification.

Xi Jinping has not set a timetable for reunification, but he may do so in his second term as party leader. The 19th Party Congress work report hinted at a mid-twenty-first-century deadline, linking reunification with the national rejuvenation of the Chinese nation. In the meantime, Beijing will need to define the concepts of reunification, one China, and sovereignty so they reflect the current times and are acceptable to the people of Taiwan. Taipei will need to consider the will of the people in Taiwan and measure that against the costs and benefits of strategic interests.

For Korea, the most plausible scenario for reunification is one that occurs in the event of a crisis on the peninsula as a result of a North Korea regime collapse. Inter-Korean tensions and hostilities arise over security-related matters and not over reunification. The challenge in this scenario is for South Korean leaders to have devised enough blueprints to achieve as soft a landing as possible while dealing with the highly complex and intertwined social, economic, legal, political, and security issues that will likely arise simultaneously. Despite the younger South Korean generation being increasingly opposed to or noncommittal toward reunification, there is a widespread understanding of the potential geopolitical, economic, and strategic gains for a unified Korea. A 2009 Goldman Sachs report projected a unified Korea’s GDP would outpace that of France, Germany,...
and Japan in 30 to 40 years.\textsuperscript{16} The younger generation may find this attractive if they would be able to maintain their current standard of living without incurring major losses in the process. This will be challenging, however. One study estimates the cost of absorbing the North as high as 13 to 15 percent of South Korea’s GDP for over a decade.\textsuperscript{17}

Oneness and homogeneity are vital components to Asian identity. But democratic values and economic prosperity on one side of the Strait and south of the 38th parallel seem to be calling into question the need for a political union simply for blood-related nationality purposes among the younger generation, which is already far removed from historical memory of their divisions and the people across the divide.


How Trump Can Advance U.S.-Taiwan Relations

Evan D. Moore

For several months, the Trump administration has been conducting a comprehensive review of its China policy. The process, which first came to light in September,1 is leading to a remarkable revision of U.S. policy toward East Asia. Josh Rogin of the Washington Post reports that “the administration is coalescing around a strategy that will attempt to define the Indo-Pacific chessboard on America’s terms and respond to the threat that China’s activities pose to the United States and its regional allies.”2 This effort is commendable and appropriate, but the administration would do well to expand its scope even further to include the U.S. relationship with Taiwan.

Current U.S. policy toward Taiwan dates to the 1979 Taiwan Relations Act, which notably requires the United States to “provide Taiwan with arms of a defensive character and shall maintain the capacity of the United States to resist any resort to force or other forms of coercion that would jeopardize the security, or social or economic system, of the people of Taiwan.”3 However, this law predates epochal changes in cross-Strait relations, including Taiwan’s democratization and the mainland’s emergence as a global power. As it continues its policy review, the Trump administration should seek ways to fulfill the legal and moral requirements of the Taiwan Relations Act in the face of China’s campaign of political, economic, and military pressure.

BOLSTERING TAIWAN’S POLITICAL STANDING

Beijing has long sought to isolate Taiwan from the international community. As Emily David of the Project 2049 Institute notes, China’s objectives are simple: Beijing insists countries “must hold formal diplomatic relations with either China or Taiwan, but not both . . . in a plan that intends to delegitimize Taiwan’s government and minimize its international space.” To that end, China has offered enormous incentives to Taiwan’s remaining international allies to compel them to abandon Taipei—and within the past year, three of Taipei’s 20 partners have done so. China has also used its leverage in UN-affiliated agencies such as the World Health Organization and the International Civil Aviation Organization to prevent Taiwan from participating in them.4

As China continues to sideline Taiwan, the Trump administration should respond with efforts to support it politically. One such measure under consideration is the Taiwan Travel Act, which encourages the executive branch to lift its self-imposed restriction on visits with Taiwan, and allow U.S. policymakers to visit their Taiwanese counterparts, and vice versa.5

Furthermore, the United States should seek every opportunity to afford Taiwan the respect and dignity it deserves in the international community. James Moriarty, chairman of the American Institute in Taiwan, pledged in a July speech at CSIS that “The United States will continue to support Taiwan’s membership in international organizations where statehood is not a requirement for membership, and its meaningful participation in international organizations where statehood is a requirement.”6 But the United States can go further, including allowing Taiwan’s military to observe the annual Rim of the Pacific exercise, establishing a formal mechanism for people-to-people exchanges, and strengthening bilateral cooperation through apolitical initiatives such as the Global Cooperation and Training Framework.7

EXPANDING U.S.-TAIWAN TRADE

Taiwan’s economy is heavily reliant on trade with the mainland. Daniel Kliman and Harry Krejsa of the Center for a New American Security note that “As of 2015, roughly 40 percent of Taiwan’s exports went to China, [and] the stock of Taiwanese investment in the mainland reached approximately 133 billion U.S. dollars.” However, this dependency can leave the island vulnerable when the trade relationship with Beijing changes. Dean Cheng and Walter Lohman of the Heritage

7. David, “The Chinese Communist Party’s Political War on Taiwan.”
Foundation note that Chinese exports to Taiwan have declined by over 12 percent, and imports from the island have dropped by nearly 9 percent.8

Taipei officials have told the U.S.-China Economic and Security Review Commission that Beijing has also sharply curtailed the number of tourists visiting the island,9 resulting in a decline of 30 percent from 2016 to 2017.10 This pressure campaign, the commission found, appears to be aimed at compelling Taiwan to endorse the so-called 1992 Consensus, “a tacit understanding reached at a meeting between representatives of Taiwan and China in 1992 that there is only ‘one China’ but that each side may maintain its own interpretation of the meaning of ‘one China.’”11

It is unfortunate then that the $65 billion U.S.-Taiwan trade relationship has been fraught with a series of disputes over the past 15 years on intellectual property and the beef and pork trade. Rupert Hammond-Chambers, president of the U.S.-Taiwan Business Council, told the House Foreign Affairs Committee that “in each case, U.S. trade negotiators have chosen to sever ongoing trade links . . . in an attempt to pressure Taiwan into making changes to its economic and trade behavior.” However, as Taipei addressed Washington’s concerns, the United States introduced a new set of conditions for Taiwan to meet.12 Thus, economic ties between the two countries remain far short of their full potential.

The Trump administration’s stated preference for bilateral trade deals over multilateral arrangements13 offers a unique opportunity for the administration to improve economic ties with Taipei through a U.S.-Taiwan free trade agreement (FTA). Such a deal is important because it would likely have benefits beyond its immediate scope. Hammond-Chambers argues that “Asia-Pacific countries will not engage with Taiwan in FTA negotiations in the face of PRC objections unless the U.S. offers leadership and an established framework.” However, “if the U.S. does launch FTA negotiations with Taiwan, we can reasonably expect Japan, Australia, India and some ASEAN countries to follow-suit.”14

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10. Cheng and Lohman, “Panama, Taiwan, China, and the U.S.”
11. Southerland, “As Chinese Pressure on Taiwan Grows, Beijing Turns Away from Cross-Strait ‘Diplomatic Truce.’”

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RESISTING CHINESE AGGRESSION

For the past two decades, China has conducted an extraordinary military build-up to enable it to prevail in a conflict over Taiwan. The Department of Defense reports that from 2007 through 2016, “China’s official military budget grew at an average of 8.5 percent per year in inflation-adjusted terms,” and is 14 times larger than Taiwan’s military spending. Beijing is expected to further increase its military budget to as much as $260 billion in 2020.15

As Admiral Harry Harris, head of U.S. Pacific Command, said, “As the military spending and capability of the PRC grow every year, the ability of Taiwan to defend itself decreases.”16 Despite the mainland’s military advantages over Taiwan, the United States can still use arms sales to raise the costs of potential Chinese aggression to buy time for U.S. assistance during a conflict. The Trump administration’s $1.42 billion sale announced in June 2017 was a good first step, but more must be done.17

To that end, Ashley Tellis of the Carnegie Endowment for International Peace told the Senate Armed Services Committee in April that the United States should expeditiously transfer to Taiwan “advanced military equipment, such as strike-fighter aircraft, air-to-air and antiship missiles, mobile surface-to-air missile systems, naval mines, and tactical surveillance capabilities,” as well enhancing the strategic and operational coordination between the United States and Taiwan. As Tellis says, the objective of these investments is to “strengthen deterrence and prevent the island from being forced to make choices regarding unification under coercion or the threat of force.”18 In other words, if the United States is to meet its obligations under the Taiwan Relations Act, then Washington should consider a much more substantial provision of weapons and material to Taipei in its next arms sale.

A NEW FRAMEWORK FOR TAIWAN TIES

As the United States approaches the third decade of the twenty-first century, the situation in the Taiwan Strait bears little resemblance to the circumstances of 1979. China is increasingly a global strategic competitor of the United States instead of a potential strategic partner, while Taiwan is a democratic kindred spirit and a major trading partner rather than an embarrassing authoritarian backwater.

The Trump administration should work to move the U.S. relationship with Taiwan beyond its Cold War origins. Prior to his inauguration, the president made an important step in this regard with his phone call to Tsai Ing-wen,  but unfortunately undid that progress later by pledging to consult with Beijing if he calls Taipei again. As the administration prepares to pursue a more hawkish policy toward the mainland, it should reverse course and seek further opportunities to engage and bolster Taiwan to help it take its rightful place in the international community.

At a minimum, the United States should unequivocally reject any possibility of a rumored “Fourth Communique” between Washington and Beijing over Taiwan. The last such statement of U.S. policy occurred in 1982, years before the country’s transition to democracy. Today, Taiwan is a state in all but name. A Fourth Communique would not only relegate a sovereign nation to a mere bargaining chip between great powers, but also undermine four decades of bipartisan U.S. policy toward Taipei and cast even greater doubt among allies and adversaries alike about the United States’ commitment to the Asia-Pacific.

While much depends on how the U.S.-China relationship develops, of greater importance is how Washington treats its fellow democracy in Taipei. Taiwan’s ability to resist Chinese political, economic, and military coercion is the difference between a free East Asian community of nations and one that is increasingly under China’s hegemony. Indeed, securing American values and interests in the region means securing a democratic Taiwan from an aggressive, authoritarian China.

Protecting Health and Humanitarian Assistance from Government Interference

Lindsey Ranish

The international public health and development efforts of nongovernmental organizations (NGOs) are being stifled by the People’s Republic of China (PRC), and it’s all because of politics. Taiwan’s successful, advanced society enables it to use its own lessons learned as it evolved from developing to developed and pay it forward in the form of capacity building for developing countries. Taiwan has over 2,100 NGOs practicing internationally that leverage these lessons learned in their missions to positively impact people in developing countries around the world.¹

The PRC perceives Taiwan’s involvement on the international stage as a threat to its One China principle and stifles Taiwanese NGOs by strong-arming their potential recipients and partners into saying “no thank you.” This interference hinders the ability of these NGOs to leverage Taiwan’s experience into capacity building and aid that are desperately needed. The PRC’s marginalization of Taiwanese NGOs has profound negative consequences for the health and quality of life across the globe. However, not all the blame lies at the PRC’s feet; Taiwan shares some of the responsibility. This comment may irritate some Taiwan-PRC relations experts, but it is true.

On a recent trip to Taiwan as a TUPP fellow, I had the opportunity to hear from Taiwanese NGOs. One story was particularly poignant, salient, and, frankly, unpleasant.

The Noordhoff Craniofacial Foundation (NCF), a Taiwanese NGO, works in developing countries to build clinics, conduct free craniofacial surgeries, and train local physicians to correct craniofacial anomalies. Craniofacial anomalies are congenital deformities in the growth of the head and facial

Impairments range from mild to severe and often require corrective surgery for optimal growth and development. Globally, 2–3 percent of all live birth infants are born with craniofacial anomalies or syndromes. One of the most common craniofacial anomalies is the cleft lip and/or palate. Clefts present most frequently, occurring in 1 per 700 live births. Clefts disproportionately affect Asian populations, making the work of NCF especially relevant.

Since its founding in 1998, NCF has provided 73 missions (nearly 2,000 free cleft lip and palate surgeries) throughout Asia. NCF has brought 150 medical practitioners from neighboring countries to Taiwan for craniofacial surgery training. In January 2016, NCF agreed to send Taiwanese health practitioners to a 1,000-bed hospital in Nabito for a five-day mission in August 2017 and sponsor two Nabito doctors to come to Taiwan for a yearlong training in craniofacial surgery. Four days before the volunteers were to depart for Myanmar, the director of the hospital abruptly canceled the mission. NCF was told, unofficially, that it had been canceled due to “politics,” and the decision came down from the uppermost levels in Naypyidaw (Myanmar’s capital). It was further revealed that Chinese pressure on the Myanmar government caused the cancellation of a mission that could have improved dozens, if not hundreds, of Myanmarese lives.

This is only one story of Chinese interference in the work of Taiwanese NGOs among dozens we were told had occurred in recent years. The PRC perceives Taiwanese NGOs’ work abroad as a threat to the One China principle and an affront to its sovereignty. Yet Taiwanese NGOs’ missions pose no threat to the One China principle. If the PRC took a less aggressive stance and instead pursued a more supportive approach toward these NGOs, Beijing might begin to win over the hearts and minds of the people of Taiwan. Winning the hearts and minds is a key step towards the PRC’s ultimate goal: reunification.

Since 1996, Taiwan and its NGOs have contributed over US$6 billion in international medical and humanitarian aid. Taiwanese NGOs contribute valuable public health and development projects throughout the developing world. They have built clinics and improved medical infrastructure; trained doctors, nurses, and other health practitioners; built schools; and provided technical training and assistance toward eradicating deadly communicable diseases like malaria, HIV/AIDS, and tuberculosis. Although not a member (or observer) of the United Nations (UN) or the World Health Organization (WHO), Taiwan worked on the UN’s Millennium Development Goals (MDGs) and currently works on the UN’s Sustainable Development Goals (SDGs).

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4. “Overview of Craniofacial Anomalies.”
5. Mossey and Catilla, Global Registry and Database on Craniofacial Anomalies.
Taiwan’s government established the National Council for Sustainable Development (NCSD) in 1997 with the mission of creating an institutional framework for a sustainable development strategy. The NCSD creates policies and programs, both domestic and international, related to sustainable development using the SDGs as its roadmap. NCSD recently undertook its first Voluntary National Review, an examination of the country’s activities and measurable achievements toward the SDGs. In particular, Taiwan has done much to promote SDG 3, ensuring healthy lives and promoting well-being for all at all ages, abroad. The most notable examples are the activities undertaken to combat and understand infectious diseases such as MERS, SARS, H5N1, Ebola, and Zika.

Taiwanese NGOs also provide emergency humanitarian assistance when disasters strike. From the 2004 Indian Ocean earthquake and tsunami to the ongoing Syrian refugee crisis, Taiwanese NGOs have been present at almost every catastrophic natural and man-made humanitarian disaster, delivering food, water, medical aid, funds, search and rescue, shelter, and reconstruction, and providing education. Taiwanese NGOs, and the Taiwanese who run them, contribute greatly to global society through their development, public health, and emergency humanitarian assistance work. Their efforts are far-reaching.

Yet for every successful NGO mission in the international community there are dozens that fail to get off the ground due to the PRC’s pressure on recipient countries. Many may ask why the PRC would care about NCF correcting the cleft lips of impoverished children in Myanmar. The PRC cares because, in its mind, there is one China and Taiwan is a rogue province that needs to be brought to heel. Therefore, any actions perceived as Taiwan behaving like an independent, sovereign nation are in direct conflict with that principle.

Taiwan’s Department of NGO International Affairs supports the country’s NGOs’ international participation through a variety of mechanisms. Taiwan’s government encourages NGOs to participate in international conferences and to host such conferences, and assists in handling any problems that may arise from NGOs participation on the world stage. However, Taiwan’s motives are not 100 percent altruistic. Taiwan’s government encourages international participation by its NGOs as an avenue to increase awareness of Taiwan’s interests and goals, as well as to promote its capacity to be a serious international player. Located under the Ministry of Foreign Affairs, the Department of NGO International Affairs often covers the NGOs’ costs incurred in sending representatives to international conferences and events, blurring the line between governmental and nongovernmental. Taiwan is not even subtle about it; former Taiwanese officials have stated that

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sponsored NGOs are responsible for building ties with other countries. Sometimes Taiwan’s government goes as far as to forcefully thrust itself into NGO projects, which results in countries abruptly cancelling long-planned activities.

These actions reflect an effort by Taiwan’s leaders to advance the nation’s access to and recognition in the international community. The politicization of some NGOs’ missions comes at a severe human cost: missed humanitarian assistance and development opportunities, the original objective and priority. Politics should never supersede or subvert efforts to improve quality of life. NGO missions should always remain apolitical and above the fray of political disagreements. While suppressing some humanitarian efforts, Taiwan’s actions do not share a burden of responsibility for these missed opportunities equal to that of the PRC’s behavior. The PRC’s obtuse political plays to cancel humanitarian missions stand in direct conflict with what it means to be a global citizen. Whereas Taiwan occasionally misuses its aid to expand its own international presence, it never directly seeks to stop aid from occurring, unlike the PRC. However, when actions on both sides of the Strait are brought to light and taken into consideration, the PRC’s actions are better understood and the comprehension behind its motives begins to emerge.

Taiwan’s increased visibility in the international space, not just the NGOs’ missions themselves, is what irks the PRC and ultimately results in the PRC batting down the efforts of Taiwan’s NGOs. From the PRC’s perspective, anything that can be perceived as promoting Taiwan as an independent entity is in direct contradiction to the One China principle. When put into that context, is it any wonder the PRC is vexed by Taiwanese NGOs’ international participation? I’m not saying that the PRC’s response is acceptable; it isn’t. But from an outside observer’s viewpoint all the blame for stifling Taiwanese NGOs’ international work does not lie only at the PRC’s door. Taiwan must take its share of the blame as well.

While the PRC’s actions regarding NGOs may be inflamed by the Taiwanese government’s actions, the PRC is undermining its own stated goal of reunification. The PRC needs to win the hearts and minds of the Taiwanese people in order to peacefully reunify China. Prohibiting Taiwanese NGOs from delivering much-needed aid and capacity building around the world creates resentment and frustration among the Taiwanese people. This strife and dissatisfaction only serves to push the Taiwanese further from the PRC and reunification.

The United States can play an important role in enabling NGOs to fulfill their missions. The United States can provide vital cover to Taiwanese NGOs without violating its One China policy. American NGOs could partner with similar Taiwanese NGOs to conduct capacity-building operations in countries likely to bow to Chinese pressure. I imagine it would be much harder to say “no thank you” to a U.S. NGO as opposed to a Taiwanese NGO with no international support. The U.S. government should also remind Taiwan that by taking such a visible position with its NGOs they are undercutting their own efforts at international recognition. Similarly, during talks with the PRC, the United States should remind the PRC that blocking Taiwanese NGOs undermines its attempts to win the support of the people of Taiwan for its ultimate goal of reunification.

10. Ibid.
In an era of fiscal austerity, nationalism, and “America First” in the United States, it can be hard to find an audience to make the argument for caring about Taiwan or its NGOs. From a purely economic standpoint, the more players there are in the aid and development game, the less the United States has to contribute. The more human argument is that it’s the right thing to do, the American thing to do. In a world fraught with uncertainty, devastation, sickness, and conflict it would be un-American to stand by while NGOs are trying to make the world a better place while being bullied into the ground by the PRC.

Nongovernmental organizations are just that—nongovernmental. This means they rise above the disagreements of squabbling governments and serve a higher purpose: the good of global society. The PRC needs to cease its pressure on foreign governments to not work with Taiwanese NGOs on development, public health, and disaster relief. At the same time, Taiwan should quietly support its NGOs to fulfill their missions, but not use its NGOs for the purpose of gaining international recognition and respect. Doing so blurs the line between government and nongovernment and only serves to further incense the PRC. The United States should support NGOs to fulfill their missions unencumbered by the mantle of government and politics, especially when quality of life and even human life itself are at stake.
Building Tomorrow’s Cities

Matthew P. Funaiolo

To those unfamiliar with the term, hearing “smart city” may evoke visions of flying cars weaving between futuristic skyscrapers at speeds only possible when directed by some all-knowing artificial intelligence. One could be forgiven for thinking the phrase was ripped from a line of dialogue in a summer blockbuster rather than something tangible that Taiwan’s leaders are striving to create. Yet on our delegation’s trip to Taiwan last summer it was a phrase we heard time and time again. In each of the three cities we visited—Taipei, Tainan, and Kaohsiung—politicians and policymakers were eager to discuss their respective efforts to develop smart cities.

There is, however, no universally accepted definition of what constitutes a smart city, no international standards to which politicians can peg the success (or failure) of their smart city policies. From what I gleaned from our meetings, Taiwan’s leaders see smart cities as a marriage of cutting-edge technology and traditional urban infrastructure that is underscored by a heartfelt desire to raise living standards. The Institute of Electrical and Electronics Engineers goes one step further. They note that a sustainable smart city “is an innovative city that uses information and communication technologies (ICTs) and other means to improve quality of life, efficiency of urban operation and services, and competitiveness, while ensuring that it meets the needs of present and future generations with respect to economic, social and environmental aspects.”

Taiwan certainly has the capacity to build these cities of the future. Its relatively small size and advanced economy are especially suitable for smart city development. Taiwan is also an ICT leader, which is the bedrock of smart city innovation. The highly urbanized nature of the Taiwan (over 75 percent of the island’s residents live in cities) makes it ripe for implementing technology aimed at overcoming challenges pertaining to transportation, communication, governance, pollution, and a host of other issues.

Smart city initiatives also enjoy top-down support from President Tsai Ing-wen. During the presidential campaign in 2015, Tsai noted that establishing “intelligent cities” will enable Taiwan to not only “enhance the standards of living for its citizens, but also to upgrade Taiwan’s industries and create job opportunities.” This message was reiterated a little over a year later at the 2017 Smart Summit and Expo, where Tsai expressed that her “government recognizes the great potential of big data and smart city technologies, and is making every effort to boost quality of life throughout Taiwan.”

In addition to improving domestic conditions, this support for smart cities is also tied to the Tsai administration’s New Southbound Policy (NSP). The policy is designed to strengthen Taipei’s relationships with South and Southeast Asian countries, as well as Australia and New Zealand. One facet of the policy aims to leverage Taiwan’s technological assets to bolster bilateral ties. This push includes an effort to share Taiwan’s smart city technology with overseas partners, such as India. Perhaps the most visible intersection of the NSP and smart city technology is the ongoing establishment of an industrial park in Taoyuan, dubbed the “Asian Silicon Valley.” Taipei hopes the Asian Silicon Valley can serve as a hub of innovation for domestic enterprises, as well as a testing ground for projects and technologies tailored to the needs of other nations.

Realizing the twin goals of using smart cities to raise the quality of life in Taiwan and to foster ties across the region requires Taipei to capitalize on existing smart city applications and support the creation of new technologies. To this end, Taipei can look to several key sectors where smart city development is already underway.

In 2014, the Executive Yuan launched the 4G Smart City Project Initiative, which is aimed at stimulating innovation and sustainable growth through collaboration between public and private sectors. As part of the program, the Ministry of Economic Affairs offered subsidies totaling NT$5 billion (US$164.5 million) to telecom providers over a three-year period starting in 2015. The success of the project prompted Taipei to further invest some NT$880 billion (US$29.7 billion) to upgrade the island’s digital infrastructure in preparation for the nationwide launch of 5G services in 2020. The increased number of connections and faster transfer speeds made possible by a 5G
network will enable Taiwan to greatly enhance wireless connectivity across all aspects of urban living—from energy-efficient street lights to sophisticated sensors that detect leaks in water mains.\(^7\)

Taiwan has also successfully implemented smart city initiatives aimed at making transportation across the island more efficient. Over the course of nearly a decade, Taiwan instituted a groundbreaking Electric Toll Collection (ETC) system that services all its freeways. Drivers can easily opt into the ETC system by attaching an e-Tag to their vehicle, which automatically charges them based on the distance of their journey.\(^8\) The ETC system has achieved an 88 percent penetration rate among auto owners, and it processes up to 15 million transactions per day. Eliminating the need for drivers to stop at tolls has cut CO\(_2\) emissions by some 128,000 tons and reduced consumption by 5.3 million liters of gasoline.\(^9\)

Taiwan boasts a renowned public health care system and is a global leader in advanced medical equipment industries. Not surprisingly, Taiwan is exploring opportunities for using smart technology to improve health access and outcomes. Taiwan’s single-payer compulsory insurance plan, known as National Health Insurance (NHI), issues each enrollee a Health IC smart card that contains the cardholder’s medical history and provider profile information. The smart card greatly increases efficiency by reducing insurance fraud, overcharges, and duplication of services and tests.\(^10\) The NHI’s advanced IT network transmits near real-time information that is critically important when responding to public health emergencies, such as outbreaks of influenza.\(^11\)

Some of Taiwan’s cities have begun implementing more localized measures. In 2016, Taipei established the Smart City Project Management Office, which has hosted hundreds of meetings related to smart cities, and facilitated the launch of some 60 public-private sector smart city measures. These programs include the use of unmanned drones to collect water samples and the installation of sensors around the city that provide residents with real-time air quality measurements.\(^12\)

Some of Taiwan’s smart city projects, particularly those that hinge on the island’s ICT capabilities, have garnered international recognition. Awards given by the Intelligent Community Forum, which recognizes “best practices in broadband deployment and use, workforce development, [and]
innovation,” listed Chiayi City and Taoyuan among the top seven intelligent communities of the year in 2017. Between 2012 and 2016, at least one city in Taiwan has been listed in the top seven.\footnote{13}

Notwithstanding these accolades, Taiwan’s cities do not appear to be as “smart” as other cities around the world. According to EasyPark’s 2017 Smart Cities Index, which ranks cities on indicators such as transportation, sustainability, and digitalization, Taipei ranked 57th out of 100. No other cities in Taiwan appeared on the list.\footnote{14} In the 2017 Cities in Motion Index, Taipei ranked first in the Technology category—which measures broadband access, mobile phones per capita, social media accounts, and other indicators—yet overall it ranked 56th out of 180 cities. Kaohsiung and Tainan ranked 141st and 150th, respectively.\footnote{15}

Given Taiwan’s capacity for smart city development and the enthusiasm our delegation encountered in Taiwan, I found these rankings surprising. Some commentators have noted that Taiwan’s restrictive regulatory practices do little to help foster a vibrant start-up environment.\footnote{16} Some of these regulations, for instance, require firms to show two years of profits in order to be listed on the stock market, which greatly limits the access startup companies have to much-needed capital.\footnote{17}

Additionally, Taiwan faces several political and institutional challenges as it transitions to an innovation-based economy. Decades of success as a manufacturing power have left the business community a bit stuck in its ways, and Taiwan’s government needs to take more strategic steps to encourage an entrepreneurial spirit among its people. As noted by the \textit{New York Times}: “Taiwan’s entrepreneurial scene . . . is growing but remains small. Many of those trying to start new companies . . . often run into the conservative mind-set that shunts younger people into risk-averse positions at established companies.”\footnote{18}

Lack of coordination between the central and local governments has also stifled efforts to transfer technology that has been successful in one test bed to other locations. In part, this problem has been driven by local politicians seeking to create customized smart city applications designed for their own constituents without fully accounting for compatibility standards. Smaller companies, many of which adhere to business practices that predate the smart city movement, have also struggled to adapt to smart city solutions.\footnote{19}

\begin{footnotes}
\item[18] Mozur, “In Taiwan, Survivor Mentality Stymies Tech Innovation.”
\item[19] Su, “A New Approach to Smart City Development Strategy in Taiwan.”
\end{footnotes}
To address these (and other) challenges, Taiwan adopted the Forward-Looking Infrastructure Development Program in 2016 to better manage its push to establish smart cities. The program includes a digital infrastructure component aimed at creating “a smart and connected nation.”20 In April 2017, the Ministry of Economic Affairs and the National Development Council co-launched a new round of requests for proposals (RFP)—a call for tenders on smart city pilot projects. While RFPs are typically targeted at smart transportation, smart health care, and the Internet of Things, there is a renewed emphasis on public-private partnership and streamlining the project implementation process.21

Taiwan’s leaders have been clear in their desire to better capitalize on the island’s smart city capabilities. William Lai, the newly appointed premier, stated on September 28, 2017, that “the central government will review and integrate the expertise of leading municipalities in the smart city development initiative, in a bid to create standard models in areas such as smart transportation and more effectively transfer them to other cities and counties.”22 Such comments speak to the need for the Tsai administration to better coordinate the various—and often disjointed—efforts across the nation to embrace smart city technology.

International partnerships, which are the foundation of the NSP, may also prove critical in building smarter cities. For instance, successfully pairing India’s prowess in software development with Taiwan’s expertise in hardware production could enhance smart city projects in both countries. This potential was recently on display at the India-Taiwan Smart City Summit, which was held in Bangalore on November 23 and 24, 2017. As part of the summit, a series of events were organized to better connect government representatives and business leaders from both countries, and afford them a forum to share their successes and challenges in implementing smart cities.23

Maintaining high-level domestic support while cultivating mutually beneficial international partnerships will go a long way in supporting smart city implementation. If successful, Taiwan could reap considerable dividends from these investments. Developing the critical technology needed for smart cities should not only help move Taiwan’s economy up the supply chain, but also grant the island’s residents greater access to public goods.

Being at the forefront of any technological movement comes with an assortment of challenges, but for Taiwan it is a worthwhile endeavor. As a nation that is routinely excluded from participating in international conferences, the NSP represents a rare opportunity to showcase Taiwan’s innovative spirit and technological prowess. The program has already attracted significant attention from both domestic and international partners, and has the potential to transform Taiwan into a leader in the field of smart city development.

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in international organizations, taking a leading role in the smart city revolution offers a unique platform for Taiwan to showcase its talents to the rest of the world. The political will is there, as is the technological capability, so for Taiwan it might be just a matter of time before it emerges as a leader in the smart city movement. That said, we’ll probably have to wait a couple more decades before we can all hop on flying cars from Taipei to Kaohsiung.
How Taiwan Leads the United States on Gay Rights

Rebecca Buckwalter-Poza

Although China often blocks Taiwan from participating in international organizations and negotiations,¹ the island wields significant policy influence in Asia especially. Nowhere is that truer than with respect to lesbian, gay, and bisexual (LGB) rights.

More than 250,000 people marched in support of marriage equality in Taiwan on Human Rights Day in December 2016. Taiwan’s supreme court mandated the legalization of same-sex marriage in May 2017, well ahead of anticipated policy movement elsewhere in Asia. Five months later, on October 24, tens of thousands of people marched through downtown Taipei to celebrate gay pride.

Taiwan is not simply ahead but far ahead of other nations in Asia on gay rights. LGB people in Vietnam and Nepal, the next most progressive countries, hope to lessen stigmas at best. In South Korea, sex between men in the military remains illegal; in Singapore, all sex between men is illegal.² Taiwan also leads the United States. Why? The island offers greater degrees of civic freedom, social openness, and religious tolerance—three critical factors in the advancement of gay rights.³ Gay rights in the United States are contingent upon improvements in these three areas, especially religious tolerance.

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2. Ibid.
THE PACE OF PROGRESS ON GAY RIGHTS IN TAIWAN AND THE UNITED STATES

Both Taiwan and the United States guarantee significant civic freedom. Differences in the pace of gay rights’ federal advancement owe largely to variations in religious tolerance and social openness. Although religious groups have become active opponents of marriage equality, Taiwan offers greater religious tolerance than the United States, but less social openness. Taiwan has consistently received a “0” rating on the social hostilities index included in reports by the Pew Research Center on trends in religious restrictions and hostilities worldwide. By contrast, the United States has seen social hostilities surrounding religion trending upward, although Pew nonetheless categorizes the U.S. score as “low.”

As the Taiwan Tongzhi Hotline Association’s Jennifer Lu, a leading marriage equality advocate, points out, there are no prominent openly gay celebrities or public figures in Taiwan. Even more fundamentally socially challenging: lesbian, gay, and bisexual people lack a vocabulary for their identity. To come out is not about an identity but an act. As Lu suggests, a lesbian might say “I like girls,” not “I am gay.” The absence of language hinders community building as well as broader social progress—LGB issues are literally excluded from conversation by default.

Without significant religious opposition and in a social vacuum, Taiwan has passed robust protections for LGB people. Taiwan’s 2004 Gender Equity Education Act not only made discrimination on the basis of sexual orientation illegal in schools, but imposed a duty on schools to support LGB students. As of March 2011, textbooks are also inclusive with respect to sexual orientation, rather than strictly heteronormative and heterocentric, and promote nondiscrimination. Workplace discrimination against LGB people has been illegal in Taiwan since 2007. Taiwan’s legislature is now mulling a national ban on conversion therapy and other harmful tactics used to attempt to change a person’s sexual orientation.

The remaining hurdle for the marriage equality fight is convincing the legislature to change the civil code to specify that marriage under the code includes same-sex marriage rather than creating a separate chapter to sanction same-sex marriage, which legislatively segregates those couples.

5. Ibid.
7. Ibid.
The latter option could give opponents a foothold to argue that married same-sex couples are not entitled to the same rights as their heterosexual counterparts. Either way, marriage will come to Taiwan in 2019: when the supreme court ruled for marriage equality, it charged the legislature with realizing marriage equality in law within two years.

Compared to Taiwan, the United States boasts a considerably greater degree of social openness. Yet religious intolerance has nonetheless limited federal progress to a single right—the right to marry—heavily based on clear legal precedent that is not specific to sexual orientation, but instead to human dignity. As a result, marriage has preceded other, arguably more fundamental rights.

Although they can marry, same-sex couples can still be denied housing on the basis of their sexual orientation in any of the 28 states without housing antidiscrimination laws.¹² Twenty-nine states do not prohibit discrimination against LGB people in public accommodations.¹³ In 16 states, not even public employees can count on being protected against orientation-based discrimination.¹⁴ For instance, conversion therapy is legal in 41 states.¹⁵

Nor do LGB people enjoy protection from discrimination at the federal level. Fewer than half of states—just 20—have passed nondiscrimination laws.¹⁶ A nondiscrimination bill to protect employees on the basis of both sexual orientation and gender identity, the Employment Non-Discrimination Act, has been introduced in every Congress since 1994—and ignored.¹⁷ Nine states require schools to cover sexual orientation in sexual education courses; three have mandated that schools include only negative assertions about sexual orientation.¹⁸

THE FUTURE OF GAY RIGHTS

While both the legislature and the judiciary have backed gay rights in Taiwan, ensuring the growth of social openness and the rejection of federalized religious intolerance, progress remains uneven in the United States, even under threat. While the Obama administration effected the most positive LGBT policies of any so far, the Trump administration has committed itself to dismantling even these limited protections.¹⁹ President Donald J. Trump has worked to empower rather than abate religious intolerance: He favors the imposition of a federal policy of "religious freedom" that would

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13. Ibid.
14. Ibid.
19. Ibid.
give individuals the right to discriminate against LGBT people, and others, on the basis of their religious beliefs.20

Taiwan has modeled a human rights–based trajectory to equality for the United States. The hold-up is simple, but the solution is not: until advocates in the United States find an answer to religious intolerance, Taiwan will continue to lead on gay rights.

20. Ibid.
The Rise of the Third Force

Erum Jilani

The year 2016 was a watershed moment for Taiwan’s young democracy. For the first time in history, the Democratic People’s Party (DPP) won both the presidency and an overwhelming majority in the Legislative Yuan (LY), which left the Kuomintang (KMT) disenfranchised after 68 years of holding either the presidency or the legislature, or both. That year also saw the growth of third parties and a movement among Taiwanese youth toward political mobilization. The New Power Party (NPP), founded in 2015, won five seats, giving it the power to form a caucus in the LY. The 2018 municipal elections will be a pivotal moment for the NPP, either indicating that the movement was a one-off or giving the party a larger voice in the national discourse to shape issues important to Taiwan’s youth. Below I assess the origins of the movement, its priority issues, and projections for the future.

SUNFLOWER MOVEMENT

The rise of Taiwan’s third parties can be pinpointed at one pivotal moment in history: the Sunflower Movement. On March 18, 2014, university students organized and occupied the LY for the first time in Taiwan’s history. Their primary grievance was the passing of the Cross-Strait Service Trade Agreement (CSSTA) by the KMT without a clause-by-clause review. The CSSTA would have opened selected service-sector markets in Taiwan to mainland Chinese investment and vice versa. It was slated to formalize existing business practices and lift trade restrictions between China and Taiwan.1 The protesters believed the trade deal would leave Taiwan further vulnerable to economic pressure from China. In a push to pass the agreement, the KMT promised to hold 16 public hearings on the details of the agreement with NGOs, the trade sector, and civil society. The KMT defaulted on this promise and only eight hearings were held with stakeholders either invited at the last minute or not invited at all. When the KMT called for a premature final vote on March 21,

students already organized outside the LY decided to storm the gates and demanded a formal review of the CSSTA.

The movement embodied the widespread domestic opposition to Beijing’s “one country, two systems” formula, a stance that the two majority parties had never outright challenged while in power for fear of economic and military repercussions from the PRC. The movement gave many individuals and organizations unsatisfied with Taiwan’s two-party system a vehicle to voice their grievances.

The occupation of the LY lasted for 24 days and garnered wide support from across the nation. The citizenry was supportive of the protest for three reasons: (1) it defended democratic procedures, (2) it protested against free trade favorable to the PRC, and (3) it expressed a nationalist mobilization against China. Due to the Sunflowers, the CSSTA was shelved and has never been ratified. An even larger and unexpected impact of the movement was reanimating a civil society that had grown dangerously pessimistic about the two-party system. The movement, although primarily formed by students, also included 54 civic organizations and NGOs that took part in the occupation. The impact extended beyond Taiwan to opposition groups in Hong Kong and Macau, which have now used similar symbols and rhetoric. Much credit can be given to the movement for ousting the KMT from power in the 2016 presidential election.

HISTORIC ELECTION

In the months following the Sunflower Movement, a civic awakening culminated in what has been deemed a “third force” in Taiwan’s politics. This force includes the NPP, the Green Party, the Social Democratic Party, and other smaller parties with various platforms centered on social justice. The election led to the first-ever ouster of the KMT, Beijing’s preferred partner, from both the presidency and the LY. DPP candidate Tsai Ing-wen became Taiwan’s first-ever woman president, garnering 56 percent of the vote as the DPP won its first-ever majority in the LY, picking up 68 of 113 seats.

A new force also took power in the LY: the NPP won five seats, giving the party the ability to form a caucus. The NPP ran a youthful, energetic, and anti-KMT campaign. It pushed a transformative agenda, proposing a new constitution with more democratic oversight. The party was strategic in aligning with the DPP to carve out legislative districts to prevent NPP and DPP candidates from splitting the vote. With the credibility of the Sunflower Movement behind them, the NPP has also achieved success in being taken seriously by the non-youth population in Taiwan.


ISSUES

The third force is intent on bringing social justice and civic issues to the forefront of the government’s agenda. Their political agenda is strongly focused on progressive social justice, human rights, and democratic values. Their economic policy focuses on higher corporate and luxury taxes to redress wealth inequality. There is a glaring lack of emphasis on foreign policy and defense issues, a weakness that will need to be addressed in order to compete with the established parties in the upcoming 2018 municipal elections.

Marriage equality is at the forefront of the agenda. Although the Council of Grand Justices has ruled that not allowing same-sex couples to marry is unconstitutional, it is up to the legislature to change Taiwan’s civil code. Tsai Ing-Wen rode into the presidency promising same-sex marriage, but the DPP has faced pressure from antigay Christian groups to reverse course. The third force has taken up the cause, putting immense pressure on the DPP to enact the change immediately. Once the code is amended, Taiwan will become the first country in Asia to recognize same-sex marriage.

Transitional justice is a primary theme that the third force is approaching with a laser focus. An attempt to resolve past crimes of Taiwan’s authoritarian period is a controversial topic that the NPP believes is necessary to address in order to move toward full accountability of the KMT. One aspect is the recovery of assets that the KMT illicitly acquired when Japanese imperial rule ended. The NPP believes these are the people’s assets, not assets that should bankroll the KMT’s political power. For the KMT, these assets provide the foundation for their campaign finance, and their loss could severely hamper the party in the 2018 local election and the 2020 national election. NPP legislator Freddie Lim goes a step further, stating, “our goal is to be able to gradually eliminate the KMT . . . an undemocratic, pre-modern political party.”

Another issue that has broad support within the third force is phasing out nuclear power and replacing it with renewable energy by 2025, a common objective for the NPP and DPP. Although not a new topic in Taiwan’s political discourse, the NPP has added much-needed energy and a watchdog focus in the legislature toward finalizing this goal. On the first day of Taiwan’s newly elected legislature, NPP chairman Huang Kuo-chang wasted no time making the NPP’s priorities known by grilling the minister of mainland affairs on nuclear energy.

The NPP is leading the charge to restore Aboriginal rights and land. In this regard, the most crucial role that the NPP is playing is keeping other parties accountable for moving forward on Aboriginal rights. Many of the challenges the indigenous people face, such as forced land evictions and dumping of nuclear waste, are often sidelined by the majority parties. The Indigenous Basic Act, which confers a range of fundamental rights, was signed in 2005 by then president Chen Shui-bian. Its implementation has been stalled while the KMT and DPP have pushed their priority

6. Laskai, “Taiwan’s Newest Political Party.”
issues. With the NPP garnering caucus power, the party will try to ensure Aboriginal rights are a priority for the LY.

FUTURE OUTLOOK

Since the 2016 election, the NPP has maintained its share of popularity levels between 10 and 15 percent until this October, when its polling dropped to 6.4 percent. This drop did not translate into more support for the other political parties, but instead was correlated with a significant 16 percent increase in respondents who indicated they did not support any specific party.8

Last fall, party chairman Huang Kuo-chang found himself the target of a recall vote led by the Stability Power Alliance, a conservative group opposed to gay marriage. The alliance successfully mobilized a petition to drive the recall, which was held on December 16, 2017. The recall was unsuccessful in garnering the 63,888 votes needed to recall Huang. The NPP viewed the results as a vote of confidence in Huang Kuo-Chang and a reinforcement of strong public support for reforms, including gay marriage.9 In a press conference held after the recall vote, Huang stressed that he and the NPP “still intend to push for experimental, progressive ideals aimed at realizing democracy, including the use of recall votes against legislators.”10

Having survived the recall, the NPP has been emboldened to push platform issues to new heights. On December 18, 2017, the NPP invited the public to vote on its website on six referendum topics, with the two issues that attracted the most votes being slated for a future referendum. Four of the six issues challenge sovereignty issues: (1) Should the president convene a “citizens’ constitutional convention”? (2) Should Taiwan participate in the Tokyo Olympics under the name “Taiwan”? (3) Should the government define its territory as “Taiwan, Penghu, Kinmen, Matsu and other islets”? and (4) Should the English name “Republic of China” should be removed from Taiwanese passports? The other two issues focus on labor rights: (1) whether the LY should pass an act ensuring a minimum of 19 public holidays for public and private employees, and (2) whether a minimum wage act should be passed.

The results of this poll and the two issues that NPP will push for a referendum will be revealed in early 2018, and will most certainly play a large role in the debate during municipal elections and LY elections later in the year.

To gain seats in the LY, the NPP must expand its platform to include issues that older generations in Taiwan deem priorities. These include forming solid policy positions on foreign policy, defense, pension reform, etc. The NPP must also broaden its media campaign, which has focused on social

media, to include more robust messaging through print newspapers and television, media through which older generations absorb political news. Only through broadening its platform and attracting voters across demographics can the NPP capitalize on its recent achievements and keep the Sunflower Movement and its ideals alive.

In just two years, the NPP has broken down the barriers of a traditional two-party system and given many Taiwanese who felt disenfranchised a political voice in Taiwan’s society. No one thought a group of activists staging a sit-in would evolve into lawmakers challenging the establishment and holding their feet to the fire. The 2018 municipal elections will provide a proving ground for whether the NPP is a fair-weather social movement or an established party with a firm grounding in Taiwan’s political landscape.

The views and opinions expressed in this article are solely those of the author.
Challenges to Taiwan’s Shift to All-Volunteer Force

Whitney McNamara

In recent years, Taiwan has sought to streamline and professionalize its military by concurrently reducing its armed forces and shifting to an all-volunteer force (AVF). Taiwan’s Ministry of National Defense (MND) announced in 2014 that it would reduce military personnel from 275,000 to 215,000, and later announced further reductions to around 175,000.1 Although the MND had been exploring a shift to an all-volunteer force since the early 2000s, it officially began the transition in 2009, with a deadline of a complete transformation in 2015. The results of the initiative, however, have been consistently underwhelming. In 2011, the military only attracted half of its targeted 12,000 volunteers and was short 4,000 recruits of its goal of 15,000 the following year. In 2013, the recruitment effort again missed the projected goal of 28,500 volunteers by 9,000.2 In response, the MND has continually pushed back the deadline and periodically lowered the volunteer benchmarks to more achievable numbers.

The costs of recruitment have dwarfed the savings associated with the dramatic reduction of the heavily conscripted military. To attract the best and brightest, Taiwan’s executive branch increased wages and benefits for volunteer soldiers, with a monthly pay increase of $133. The pay a basic noncombat duty soldier receives jumped from approximately $986 to $1,120, making the salary competitive.3 With persistent lags in volunteer recruitment, President Tsai Ing-wen ran on a platform of further increasing soldiers’ salaries to attract recruits, but the 5 percent increase in personnel over the FY17 budget largely replenished pension reserves.4

3. Ibid.
Personnel costs, however, already constitute a meaningful part of Taiwan’s defense allocations, representing 46 percent of the FY18 budget, crowding out other necessary expenditures such as procurement and operations and maintenance (O&M). The allocation for “capitalization,” for example, which includes equipment purchases, maintenance, and upgrades, fell 6 percent from the FY17 budget. Maintenance is particularly important for Taiwan, as many of its platforms are aging. The increase in personnel spending at the expense of acquisitions and O&M is part of a long-term trend, which suggests that Taiwan’s military may be unable to maintain current operational capabilities and readiness—especially if personnel costs continue to rise to incentivize volunteers to join or to pay military pensions.

Critics of the AVF program hoped that after coming to power, President Tsai, who inherited the initiative from the Ma Ying-jeou administration, would revert to a conscript-based military. Yet despite abysmal recruitment numbers, Tsai has maintained that an AVF military ultimately strengthens Taiwan’s defense. As conscript forces are substantially reduced and there is a dearth of volunteers to fill their place, there are fears that instead of a military that is leaner and more professionalized, it is just leaner. As a result, the MND announced last year that 9,600 young men born in 1993 will be conscripted to fill the gap. The solution is temporary—the conscripts will only have to serve one year—and does not address the underlying causes for the military failing to meet its recruitment targets.

Budgetary constraints are not the only obstacle Taiwan faces in its recruitment efforts. An aging population and declining birth rate, negative views toward the military, and conflicting perceptions of the threat China poses to Taiwan all act as formidable roadblocks. Foremost, Taiwan is attempting to recruit from a much smaller pool of young adults, as low birth rates plague a country struggling to even fill seats in universities. The 18-year-old male population for the 2000 class conscription, meaning those born in 1982, hovered around 210,000. In 2020, it will be less than 130,000 and shy of 90,000 in 2028.

Taiwan is also beset with lingering negative perceptions of the military due to its role in a dark period of the island’s history between 1949 and 1987, known as the “White Terror.” These four decades of martial law saw over 140,000 Taiwanese incarcerated and thousands executed. During this time, the military played an active role in suppressing political dissent and committed atrocities against the local population. For younger generations whose grandparents lived through the White Terror, the military can symbolize a misplaced idea of nationalism that Taiwan’s youth rejects.

Although martial law ended 30 years ago, relics of it still exist in the military. Outrage followed an incident in 2016 when the military police raided the home of a civilian selling declassified military documents—a legal activity—without a search warrant. Public perceptions of the armed forces again suffered after Corporal Hung Chung-Chiu died in July of 2013 during a training exercise. After being found in possession of a camera phone, Corporal Hung was held in solitary confinement

5. Ibid.

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and subjected to extreme punishment exercises in hot weather, eventually succumbing to organ failure. Public anger was exacerbated after the defendants charged with Hung’s death were given lenient sentences. The existing societal divisions over Taiwan’s armed forces are exploited by Beijing, happy to amplify the poor image of the Taiwanese military as they seek to convince young Taiwanese that resistance to China is otiose.

If Taiwanese youth do not view the military negatively, they likely view it with ambivalence. The military profession is not seen as a particularly interesting or gratifying career. As a result, the military is more likely to recruit those with fewer employment opportunities, as opposed to attracting highly educated and motivated young people. The MND has tried to glamorize the profession through unorthodox means, currently supporting the drama series *The Best Choice*, a military-themed romance drama, in an effort to energize young people about the military. It is unclear whether the drama will do more than entertain Taiwanese viewers.

Finally, young people have conflicting attitudes toward Taiwan’s position vis-à-vis China. Many grew up under former president Ma Ying-jeou, who spent years seeking better relations with the mainland. Though he succeeded in reducing tensions with Beijing, public perception of the existential threat that China posed to Taiwan declined, as the youth found it hard to reconcile spending money on defense against a country with which the president was tirelessly working to improve relations. Many also hold the view—fostered by Beijing—that the PLA has become such a dominant force that the focus should be on diplomacy, not military investment.

Despite a trend toward a more cohesive Taiwanese identity, the patriotism associated with that identity is not centered on defending the island from outside threats. The level of activism among young people in Taiwan was clearly illustrated by the Sunflower Movement, which mobilized nearly 100,000 young Taiwanese unhappy with the status quo. However, Taiwanese youth, like much of the general population, largely look inward—not outward—in an effort to bolster their country. Taiwan’s student population is preoccupied with building a dynamic civil society and economy, and are less concerned with investing in military power to strengthen their position against China.8

Regardless, China has not abandoned its goal of one day retaking the island by force, and its military habitually practices doing so. This fact makes mounting a credible defense against the mainland an evergreen concern. Two things must be done in order for Taiwan to bolster its defense forces. First, the active military force—volunteer or not—will not be able to stave off a Chinese attack or invasion alone if Taiwan does not have a robust and well-trained reserve force with high levels of readiness. The reserve force in Taiwan increasingly exists in name only. Since 2000, leaders have cut the length of mandatory service from two years to just two weeks. The units are underequipped, undertrained, and unorganized, since they are not assigned to actual units, making mobilization in the event of a conflict unlikely.9 Without an overhaul of the reserve

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system, there is little indication the once-a-year basic training will yield a force able to perform adequately in a combat environment and endure a Chinese attack.

Second, to entice the younger generation to join the country's defense, the military will have to better craft and communicate a narrative of what Taiwan's strategic goals are and the very real threat China still poses to Taiwan, regardless of whether cross-Strait relations improve. Much of the military’s establishment is focused on the Spratly Islands, a disputed group of islands in the South China Sea, and other territorial claims to which Taiwan's young people feel no connection. The emphasis on these obscure territories, while simultaneously deemphasizing the larger strategic threat that China poses to Taiwan, distracts from the larger purpose for which Taiwan’s military exists. The military will need to underscore the existential threat China poses to Taiwan if it wants to successfully rally new recruits around its mission. The audience for this message should not be confined to the male population; the military should seek an increased reliance on women, given the demographic challenges of the island.

Absent these steps, Taiwan will increasingly have to rely on economic incentives to recruit volunteers under an already austere budget that struggles to meet its modernization goals. Efforts to transform Taiwan’s military come at a tenuous time. The military balance in the Taiwan Strait is increasingly tipped in China's favor, and how successful Taiwan is at streamlining its forces will have significant implications for its ability to build a credible deterrence against an increasingly aggressive military power.

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