Prospects for U.S.-Taiwan Relations

August 20, 2016

By Vincent Wei-cheng Wang

Vincent Wei-Cheng Wang is Dean of School of Humanities and Sciences and Professor of Politics at Ithaca College, specializing in international political economy and Asian studies. He is also a Senior Fellow in the Asia Program at the Foreign Policy Research Institute.

Abstract: This article contends that the Tsai administration will likely be positive for U.S.-Taiwan relations. While the partnership may well require more work than was expended over the last eight years, the yield may be significant.

After eight years of relatively smooth but low-key relations with Taiwan during the administration of the Kuomintang’s (KMT) Ma Ying-jeou—from 2008-2016—U.S. relations with Taiwan entered a new era with the landslide victory of Tsai Ing-wen of the Democratic Progressive Party (DPP) in January 2016 and her inauguration as the first female president of the Republic of China (ROC) four months later.

One important reason for Tsai’s successful campaign was her moderate policy on cross-Strait relations predicated on maintaining the status quo. Due to the impact of cross-Strait relations on peace and stability in the Asia-Pacific region and U.S. obligations under the Taiwan Relations Act (TRA), the United States has a sustained interest in assessing how Taiwanese elections may affect cross-Strait relations and, therefore, U.S. interests. During Tsai’s previous visit to the United States as a presidential candidate in 2011, she failed to assuage U.S. concerns. Top U.S. officials disclosed their concerns, including in a lead article in the Financial Times, which hurt her in her race against an incumbent whose cross-Strait policy was better known.1

Tsai called on Washington a second time as a presidential candidate in 2015. This time, at least on the surface, official Washington was calmer. Her major speech in June 2015 at the Center for Strategic and International Studies (CSIS) was reasonably well received, despite the vagueness of her stated commitment to the

status quo.2 The campaign was going well for the DPP, whereas the KMT was mired in disarray following its fiasco in the 2014 “nine-in-one” local and municipal elections and the spring 2014 Sunflower Movement, which was a reaction against the Cross-Strait Service Trade Agreement (CSSTA), in particular, and Ma’s cross-Strait policies, in general. Washington refrained from words and actions similar to 2011. However, many analysts and former officials still expressed their concerns that Tsai’s victory could rekindle tensions in cross-Strait relations.3 The reasons offered ranged from Tsai’s refusal to accept explicitly Beijing’s demand on the so-called 1992 Consensus, to Beijing’s possible escalation, and to concerns about U.S. entanglement by Taiwan. Will the second DPP presidency repeat the pattern of the first DPP presidency, during which President Chen Shui-bian’s words and deeds exacerbated Taiwan’s relations with China and the United States?

Based on available preliminary evidence, this article takes the position that U.S.-Taiwan relations under the Tsai administration overall will be largely positive. It may require more skills to manage and it will take some time to adjust to this relationship. The U.S.-Taiwan partnership may be higher maintenance than it was during the previous eight years.

Consider that although the U.S.-Taiwan relationship has maintained a consistent basic policy framework, impetuses for recalibration since 2000 have come mainly from Taiwan’s domestic politics and cross-Strait relations, rather than from changes in U.S. policy. In terms of a triangular relationship involving three actors (Taiwan, China, and the U.S.) and three dyadic relationships (cross-Strait, U.S.-Taiwan, and U.S.-China), changes in recent years have followed a sequential pattern: that is, overt changes, such as policies or actions taken by politicians or latent changes, such as Taiwan identity, originating in Taiwan (the first move) would cause changes in the direction and intensity of cross-Strait relations (the second move), which in turn would cause U.S. reactions to restore the status quo (the third move). The following section illustrates the contrasting sequential changes—Taiwanese domestic politics, cross-Strait relations, and U.S. reactions (corrective measures to restore the status quo)—of the three post-2000 Taiwanese administrations and the resultant external strategy pursued by each administration.

The Chen Administration, 2000-2008

In Taiwanese domestic politics, after Chen’s initial moderate policy of

---


reassurance known as “Four Noes and One Without” (sibu yimeiyou), Chen began in 2002 to push for, what could be viewed as, an aggressive Taiwanese nation-building project. Adopting a Taiwan narrative, the Chen administration actively promoted Taiwan identity, changed the textbooks and the names of state-owned enterprises in a conscious de-Sinification campaign. Manifested in a high-profile but also futile external strategy, the Chen administration sought membership in the United Nations as a new nation under the name Taiwan and pursued membership in the World Health Organization (WHO). Chen’s external strategy showed a clear preference for the United States and Japan and belied an anti-China overtone.

Cross-Strait relations during this period were tension-ridden. Although Beijing could be faulted for not responding more favorably to Chen’s initial overtures in 2000-2002, and one wonders whether cross-Strait relations would have been different had Beijing been more flexible, after Chen’s apparent shift in July 2002 in response to China’s snatching Taiwan’s diplomatic ally, Nauru, cross-Strait relations became volatile and unstable.

The principal U.S. policy concern at the time was that Chen’s pursuit of de jure independence could lead to China’s military retaliation and, consequently, entangle the United States in a war. The U.S.’s reaction was mainly to put pressure on Taiwan. The most dramatic example of this approach was when former U.S. President George W. Bush hosted former Chinese Premier Wen Jiabao in the White House in 2003. Bush called out Chen for seeking unilaterally to change the status quo. The United States and China in essence “co-managed” Taiwan. U.S.-Taiwan relations became difficult and high-maintenance. One indication of this deteriorated relationship could be seen in the “transit diplomacy”—where the Taiwanese president is permitted to “transit” through the United States en route to another country and is allowed to engage in a set of carefully defined activities while on U.S. soil. This had been used as an indicator of the state of U.S.-Taiwan relations in the absence of diplomatic relations. Chen’s first transit was through New York City, where he received a human rights award. Toward the end of the Chen

---

4 Chen pledged in his May 20, 2000 Inauguration Speech that provided the People’s Republic of China has no intention to use military force against Taiwan, his administration would not: 1) declare Taiwanese independence; 2) change the national title from “the Republic of China” to “the Republic of Taiwan”; 3) include the doctrine of special state-to-state relations in the Constitution of the Republic of China, or 4) promote a referendum on Taiwan independence, provided the PRC has no intention to use military force against Taiwan. These four pledges are called the “Four Noes.” In addition, the “One Without” was that Chen’s administration would not abolish the National Unification Council or the National Unification Guidelines. During his administration the National Unification Council met only once. On February 27, 2006, Chen declared that the NUC “ceased to function.” The full text of Chen’s speech can be found at [http://fas.org/news/taiwan/2000/e-05-20-00-8.htm](http://fas.org/news/taiwan/2000/e-05-20-00-8.htm).


6 Vincent Wei-cheng Wang, “President Chen Shui-bian’s Mainland China Policy: Normalizing or Electioneering the Cross-Strait Impasse?” *Cross-Strait and International Affairs Quarterly*, July 2004, pp. 103-151.
administration, the U.S. State Department placed strict limits on Chen’s transit requests. The options offered were so unpleasant—transit through Alaska and only for refueling—that Chen rejected the perceived reprimand and declined the transit visit. U.S.-Taiwan relations went adrift, and Taiwan became the odd man out in the triangular U.S.-China-Taiwan relationship.7

The Ma Administration: 2008-2016

One of the Ma administration’s earliest and foremost policy priorities was to repair U.S.-Taiwan relations. Another was to improve or even normalize cross-Strait relations. In domestic Taiwanese politics, Ma halted Chen’s vigorous de-Sinification campaign and implemented certain measures that his critics viewed as re-Sinification. Adopting an ROC discourse, his administration stressed the ROC’s pivotal role in the Sino-Japanese War (1937-1945) and the ROC’s sovereignty over disputed landforms in the East and South China Seas. In his inauguration speech, Ma declared that his administration’s cross-Strait policy would follow the principle of “no unification, no independence and no use of force” and would be based on the so-called 1992 Consensus.8

Cross-Strait relations eased considerably. The two semi-official exchange bodies set up in the early 1990s—Taiwan’s Straits Exchange Foundation (SEF) and China’s Association for Relations Across the Taiwan Strait (ARATS)—quickly resumed their dialogue, suspended since 1995, on the basis of the 1992 Consensus.9 By the time Ma left office, the two sides—under the aegis of SEF and ARATS—had signed 23 agreements. The 2010 Economic Cooperation Framework Agreement (ECFA) was the seminal agreement.10

As the “low-hanging fruit” in economic cooperation was exhausted, discussions moved from the technical, and relatively uncontroversial, to the political. Issues such as military confidence-building measures, Taiwan’s international space, and a cross-Strait peace agreement implicated Taiwan’s sovereignty and security. Reaching agreements became harder and Taiwan’s domestic political support waned.

9 Jiuer gong shi (the 1992 Consensus) was a term of art coined by Dr. Chi Su in April 2000 to summarize or epitomize the political understanding reached between SEF and ARATS with official blessing from both sides. It is essentially an agreement to disagree. Taiwan equates that with yizhong gebiao (One China, but each side has its own interpretation). China equates that with gebiao yizhong (each side reaffirms the One China principle). Over the years, Beijing placed increasing emphasis on the yizhong and almost never publicly endorsed gebiao. See Chi Su, Wèixiàn biàn yuán: cōng liǎngguólùn dào yībián yīguó (On the Principle of Perils: From the Two-State Theory to One Country on Either Side) (Taipei: Bookzone, 2003), pp. 4-75.
10 For a list of these agreements, see http://www.mac.gov.tw/ct.asp?xItem=67145&CntNode=5710&mp=1.
The Sunflower Movement of 2014 coalesced increasing public weariness toward Ma’s mainland policy in his second term. At any rate, Beijing was content to engage the Ma administration under the pretext of “peaceful development” and opted to take a less aggressive approach toward Taiwan’s international space, although critics contended that Beijing did not cede on its fundamental position in Taiwan’s status, all those “concessions” were minor or reversible, and Taiwan might have marginally expanded its international space but validated Beijing’s veto power. Taipei also adopted a less confrontational approach toward expanding its international space: rather than seeking membership in symbolic political organizations, such as the UN General Assembly, Taipei quietly but noticeably shifted its quest to “meaningful participation” (usually meaning observership) in functional and specialized agencies, such as the WHO, the International Civil Aviation Organization (ICAO), Interpol, and the UN Framework Convention on Climate Change (UNFCCC). Taiwan began participating in the World Health Assembly (WHA), the plenary body of the WHO, as an observer in 2009 under the name “Chinese Taipei.” In 2013, Taiwan was invited to the 38th International Civil Aviation Organization Assembly as a special guest—also under the name “Chinese Taipei”—by the ICAO Council President. Beijing seemed to have also tacitly honored Ma’s call for a “diplomatic truce.” The number of Taiwan’s diplomatic allies remained at 23 until November 2013, when Gambia unilaterally severed formal ties with Taipei. China did not re-establish diplomatic ties with the West African nation until March 2016, just two months before Tsai’s inauguration, in a move seen as a warning to Tsai.

Ma’s external strategy can be summarized as qinmei, hezhong, youri (pro-U.S., peace with China, and friendship with Japan). The ordering of these three most important bilateral relationships for Taiwan is not accidental. It showed that Taipei sought to improve its relations with both Washington and Beijing to maximize Taiwan’s interests. Comparing Ma to Chen, Ma’s detractors criticized him for in practice, pursuing a China-first strategy.

In terms of U.S.-Taiwan relations, Ma promised “zero surprise” interactions and worked to rebuild trust with the United States. U.S.-Taiwan relations notably improved, albeit in a deliberately low-key manner. Evidence includes the U.S.’s granting Taiwan residents the Visa Waiver Program (VWP); the resumption of the Trade and Investment Framework Agreement (TIFA) talks after a seven-year hiatus following the outbreak of mad cow disease in the United States in 2006; new rounds of arms sales; and less visible forms of defense cooperation. U.S. officials on more than one occasion publicly praised the improvement in cross-Strait relations, as this

---


reduced tensions in the region, encouraged dialogue, and alleviated U.S. policy concerns. U.S.-Taiwan relations were characterized by relatively modest expectations and low maintenance. It was unclear whether the two governments held a serious strategic dialogue about U.S. policy toward the Asia-Pacific region and Taiwan’s role in it. One piece of evidence was the curious (or studied) U.S. official silence on Taiwan in any of the three definitive documents defining the U.S. pivot to Asia (also known as the “rebalance” policy).

With rapidly improving cross-Strait relations, U.S. officials and think tank analysts began to voice a different kind of concern: whether cross-Strait rapprochement under Ma would proceed at such a speed and toward such a direction that it might adversely affect U.S. interests or at least cause the United States to be less certain about its roles in cross-Strait relations. Periodically scholars or former officials have advocated the U.S.’s “abandoning” Taiwan, but so far these voices have not become mainstream opinions. Over the course of Ma’s term, concern about the opposite problem grew—the question Nancy Tucker articulated in 2002, “If Taiwan chooses unification, should the United States care?”

The Tsai Administration, 2016-

With the ascension of Tsai, U.S. officials no longer worried that Taiwan will be absorbed into China’s orbit, at least voluntarily, as it adopted a more cautious approach toward cross-Strait relations. The new question was whether to adjust U.S. policy yet again to deal with the anticipated cooling-off (if not worsening) cross-Strait relations.

The second DPP administration is unlikely to commit the same mistakes that the first DPP administration made. All three actors in the U.S.-China-Taiwan strategic triangle seem content with the status quo—no one side is fully satisfied, but all can live with it. There is no discernible urgency for drastic change and no

---

rationale for increased tension. The unknown is Beijing’s flexibility toward the Tsai administration.

Judging from Tsai’s campaign and inaugural speech, her main priorities will be domestic issues. Several tough challenges, such as revitalizing Taiwan’s economy, pension reform, improving the social safety net, judicial reform, and transitional justice, form a daunting agenda. She needs much help on these issues but may not get very much.

In cross-Strait policy, she struck a conciliatory tone toward Beijing by pledging to maintain the status quo and refrain from provocative acts. But she also made it clear that she would not accept Beijing’s demand that she accept the 1992 Consensus and the One China principle. Her inaugural address acknowledged the “historical fact” that in 1992 SEF and ARATS “arrived at various joint acknowledgements and understandings […] in a spirit of mutual understanding and […] seeking common ground while setting aside differences.” She also indicated her “respect” for the “historical fact” that “over twenty years of interactions and negotiations across the Strait have enabled and accumulated the status quo and outcomes which both sides must collectively cherish and sustain; and it is based on such existing realities and political foundations that the stable and peaceful development of the cross-Strait relationship must be continuously promoted.” She pledged to conduct cross-Strait relations “in accordance with the ROC Constitution, the Act Governing Relations between the People of Taiwan Area and the Mainland Area, and other relevant legislation.” She further explained the elements constituting what she called “existing political foundations”: (1) the historical fact of the 1992 talks between the two institutions representing each side across the Strait (SEF and ARATS), when there was joint acknowledgement of setting aside differences to seek common ground; (2) the existing ROC constitutional order; (3) the outcomes of over twenty years of negotiations and interactions across the Strait; and (4) the democratic principle and prevalent will of the people of Taiwan.16

China’s initial reaction was relatively measured but dissatisfied. Terming Tsai’s speech, an “unfinished test answer,” and continuously pressing Tsai to answer the key question on the nature of the relations between the two sides, China nonetheless could discern certain potentially encouraging common ground and has wisely not set a deadline for compliance. Beijing essentially decided to watch Tsai’s behavior and listen to her words for a while. Thus, there should be no immediate crisis in the Taiwan Strait. However, how long this “cold peace” can last remains to be seen. Should Taiwan or China decide to take unilateral or provocative acts that are driven by domestic causes or political calculations, the United States could find itself faced with a deteriorating cross-Strait relationship and again be forced to act.

Although the Tsai administration will not fundamentally disagree with the Ma administration on the importance of the United States, China, and Japan to Taiwan, it surely will elevate the importance of the United States and Japan over

16 The full text of Tsai’s inaugural address is available at http://focustaiwan.tw/news/aipl/201605200008.aspx.
China. This can be seen in the fact that Tsai dealt with cross-Strait relations in the section on regional peace in her inaugural address—only one-half of one of the five main topics.

Since Tsai has not behaved provocatively, the United States should not proactively press her to accede to China’s demands as a way to keep the peace. A better approach for preventive diplomacy in this case would include ongoing dialogues with China and Taiwan, expecting the two sides to maintain peace and stability, encouraging the Chinese to show more flexibility toward Tsai, and counseling Taiwan on the virtue of caution in cross-Strait affairs. To return to the model laid out earlier, the United States, as the actor making the third move, can and should shape the environment (including incentives) in such a way that it will encourage the first mover (Taiwan) and the second mover (China) to make wise choices. In theory, the United States can change its role and become the first mover, which would impact U.S.-China relations and U.S.-Taiwan relations and affect how these two other actors act. For example, the United States might reassess Taiwan’s roles and contributions in the broader U.S. security strategy or in light of U.S.-China relations. With the U.S. presidential election looming, this debate is far from over.

Although this article takes a cautiously optimistic view of U.S.-Taiwan relations in the early months of the Tsai administration and does not share the immediate worries of some analysts, U.S.-Taiwan relations may experience a period of adjustment and some uncertainty, depending on the outcomes of the U.S. elections and the speed of confirmation of key administration officials responsible for Asian policy. Specifically, several priorities and outstanding issues will require skillful management in Taipei and in Washington.

**High-Level Strategic Dialogue**

U.S. officials should quietly, quickly, and substantively—not just symbolically—engage their counterparts in the Tsai administration. Such interactions should serve the purpose of “renegotiating” an (implicit) security pact to guide more specific policies. They should clarify each side’s strategic intentions, provide political reassurance, and establish close working relationships. As the United States is Taiwan’s ultimate security guarantor (if the U.S. president and congress adhere to the TRA or otherwise decide to defend Taiwan) even though the two countries are not formally allies, the dilemma inherent in alliance management still exists: the patron state fears entrapment and the client state fears abandonment.17 This poses familiar but significant challenges in managing the relationship.

In light of China’s growing assertiveness in regional affairs (such as South and East China Seas) under Xi Jinping and the increasingly frayed and potentially confrontational U.S.-China relationship, U.S. and Taiwanese security advisors should engage in a substantive conversation on how each side may need support from, or offer support to, the other side.

---

Given the structural constraints imposed by the unofficial nature of U.S.-Taiwan relations, high-level security dialogues have occurred sparingly and only after the 1996 Taiwan Strait Crisis. Given the Chinese challenge to U.S. leadership in the region and the concerns about a Taiwanese administration under DPP rule that might upset the apple cart, such dialogues should increase in frequency, scope, and depth.

During Tsai’s first transit as ROC president through the United States in June, several members of her national security team joined her entourage. It was useful for U.S. officials to meet with these new people. But that is only the first step. The two sides met in late June in Washington, for the Defense Review Talks. The most important security dialogue—the so-called Monterey Talks—is usually held in August. But as of mid-August 2016, no announcement has been made about this year’s talk and there is fear that it might not occur this year due to the changeover of the head of the American Institute in Taiwan (AIT). It would be wise for the United States to include Taiwan in those talks.18

Taiwan’s Defense Needs

The TRA and the Six Assurances19 clearly mandate that the United States provide Taiwan with defensive articles and services based on Taiwan’s defensive needs, and not in consultation with China. However, arms sales to Taiwan have become very symbolic and politicized. U.S. concerns about China’s possible reactions, bureaucratic infighting within U.S. military, partisan politics in Taiwan, and the penchant to use U.S. arms sales as proxy indicators for the U.S.’s security commitment to Taiwan have combined to create a convoluted process. Certain items have been offered, then long delayed (e.g., the diesel-powered submarines that former President George W. Bush promised in 2001). Some have become the focus of debates about whether they serve Taiwan’s defense needs well (e.g., some writers argue that rather than investing in assets aimed at preserving Taiwan’s air or sea superiority, Taiwan should invest in passive defense). Others fell short of what Taiwan requested (e.g., F-16AB retrofits rather than F-16CD or fifth-generation fighters). When new items have been delivered, they often have come after the PRC has acquired similar capabilities. U.S. officials complain that Taiwan has fallen short of its own goal of devoting three percent of GDP to defense. In other words, even on an issue where both sides should see eye to eye, there is occasional discord.

Probably out of frustration with this pattern and in search of new economic

vitality, Tsai in her inaugural address advocated a domestic defense industry (and singled out submarines) as one of five industries to be promoted by her administration. If the United States cannot sell diesel submarines to Taiwan as promised, it should help secure the design and facilitate technology transfer for the few key parts that Taiwan is still not able to produce on its own.20

The annual reports on PLA military power, published by the U.S. Department of Defense, point out that the cross-Strait military balance continues to shift to China’s advantage. As China continues to increase its defense spending at double-digit rates, while Taiwan seeks to cope with a shrinking population and the rising expenses of its welfare system (especially if Tsai’s social safety net reform is implemented, which would drive up the cost even further), Taiwan’s security challenges become increasingly complex. This requires the United States and Taiwan to work together even more closely.

Coping with these issues will require a depoliticized and professional problem-solving approach to meet Taiwan’s genuine defense needs. A robust Taiwan capable of defending itself, or at least not becoming a weak link in the regional security architecture, can better preserve political options for its democratic citizenry and avoid complicating the U.S. security posture in the region.

Trans-Pacific Partnership (TPP)

The Trans-Pacific Partnership has been called the economic pillar of the U.S.’s pivot, or rebalance, to Asia. The Obama Administration argues that this “twenty-first century trade agreement” is critical to U.S. leadership in the Asia-Pacific, where competing trade agreements have been proliferating (and often led by China).21 After seven years of negotiation, the twelve trading partners reached an agreement in March 2015. But the U.S. Congress, which had earlier given the Obama Administration so-called fast track authority under the Trade Promotion Act, has not taken up the vote on the final text (which, under the terms of fast-track authority, Congress is supposed to submit to a simple up or down vote). Mired in a presidential election year when neither major party’s candidate supports the TPP, the TPP appears at best to face an uncertain fate.

Assessing the criteria for TPP membership from the usual economic and non-economic angles, Taiwan can make a good case as a candidate for admission in the TPP’s second round. Both the KMT (Ma) and DPP (Tsai) governments have expressed interest in joining the TPP (and have argued that it is imperative that Taiwan do so), so there appears to be bipartisan support in Taiwan for the TPP.

20 “Military to continue with indigenous submarine project: defense ministry,” China Post, May 22, 2016, http://www.chinapost.com.tw/taiwan/national/national-news/2016/05/22/466917/Military-to.htm. To be sure, the United States has not produced diesel submarines in over 50 years and the U.S. Navy’s pro-nuclear lobby was firmly opposed to producing any non-nuclear submarines. So the most plausible way to fulfill President Bush’s offer would have been to promise technical help and/or work behind the scenes to pressure allies such as Germany to have its shipyards assist.

21 See United States Trade Representative’s Office, https://ustr.gov/tpp/.
However, there is also powerful domestic resistance. Certain government agencies 
are open to making concessions or undertaking reforms only as quid-pro-quo with 
other TPP members as the price of admission. They resist making more sweeping 
reforms a priori that would make Taiwan a more attractive candidate (and benefit 
Taiwan in other ways as well).

The Taiwanese government has publicly expressed its interest, and the U.S. 
government has publicly welcomed Taiwan’s interest, but so far the United States has 
not taken any concrete measures to push for Taiwan’s entry, arguing that Taiwan 
needs the support of all twelve members to join. The United States should and can 
be more proactive, because supporting Taiwan is mutually beneficial. If Taiwan were 
a member of TPP, it would be the sixth largest economy in the pact. It is also the 
U.S.’s ninth largest trading partner. The economic benefits from a trade deal with 
Taiwan are, thus, greater than those that flow from most existing U.S. trade 
agreements.22

Currently the main channel for trade talks between the United States and 
Taiwan is TIFA. Since the resumption of TIFA negotiations in March 2013, the 
main source of impasse has been the pork issue. Taiwan bans the import of U.S. 
pork containing ractopamine, citing human health concerns. But U.S. officials argue 
those concerns are not scientifically based and, therefore, the ban constitutes a 
trade barrier. Some U.S. writers have described the resolution of the pork issue as 
Taiwan’s “down payment” for TPP entry. There are early signs that the Tsai 
administration is seeking ways to lift the ban on U.S. pork and let the market decide 
whether U.S. pork sells in Taiwan. But this move quickly faced considerable 
domestic opposition.

TPP faces tremendous domestic opposition in the United States as well. It 
has proved politically unpopular in an election year. Donald Trump promised to kill 
the TPP if he is elected president. Hillary Clinton, who was Secretary of State in the 
first Obama Administration and played a key role in the pivot policy, has also 
changed her position and now says that she opposes the TPP. The only near-term 
chance for the TPP to become a reality is for President Obama to convince Congress 
to act on the agreement before his term ends in January 2017. But this is extremely 
unlikely.

Taiwan’s International Participation

The United States can be more proactive in supporting Taiwan’s 
participation in the international community. Opinion polls in Taiwan consistently 
have shown that greater international participation enjoys wide popular support, and 
that restrictions placed on Taiwan’s international participation (exclusion, unfair

22 The United States has free trade agreements in force with 20 countries. These are: Australia, 
Bahrain, Canada, Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Guatemala, 
Honduras, Israel, Jordan, Korea, Mexico, Morocco, Nicaragua, Oman, Panama, Peru, and 
treatment, imposing demeaning monikers such as “Chinese Taipei”) are a constant source of frustration and make Taiwanese more unfavorably disposed toward China. The people of Taiwan feel they have worked hard to earn their economic and political accomplishments and the principle of universality means that Taiwan should be entitled to participate in the international community with a suitable stature just like other nations.

The main obstacles to Taiwan’s participation come from China’s obstruction. China has worked vigorously to restrict Taiwan’s international space. In recent years, even though it has begun to acknowledge the importance of this issue to the Taiwanese people, China has maintained that Taiwan should negotiate its international space with Beijing and has shown only limited flexibility. Taiwan’s occasional appearances at the WHA and the ICAO appear to have resulted from Beijing’s decision to offer a “reward” to the Ma administration for its acceptance of the 1992 Consensus and its adoption of a less confrontational approach to Taiwan’s international participation. The “concessions” China has made are all reversible. In May 2016, just before Tsai’s inauguration, Taiwan received the WHA Director-General’s invitation. It came much later than in previous years, and the invitation invoked the 1971 UNGA Resolution 2758, which expelled ROC from the UN and replaced it with the PRC. Taiwan’s Minister of Health and Welfare went to the WHA and privately delivered a letter to the Director-General making clear Taiwan does not accept Resolution 2758 as a condition for the invitation.

The Ma administration touted the WHA and ICAO appearances as breakthroughs made possible only as a result of improved cross-Strait relations achieved under the framework of the 1992 Consensus. DPP supporters argued those breakthroughs were insignificant and perhaps made Taiwan even more dependent on China, but they could suggest no better alternatives. Early signs are that the Tsai government will inherit and continue the models of participation in the WHA and the ICAO established during the Ma administration. Although Beijing can certainly take away such opportunities, such a move, although confirming Beijing’s formidable ability to limit Taiwan’s international space, would only further alienate the Taiwanese people.

The United States should also work more diligently to remove self-imposed restrictions on supporting Taiwan’s enjoyment of international space. For example, Article 4 of the 1979 TRA says, “Nothing in this Act may be construed as a basis for supporting the exclusion or expulsion of Taiwan from continued membership in any international financial institution or any other international organization.” But the reality is that Taiwan has been excluded since then from all UN-affiliated organizations and specialized agencies. In 1998, former President Bill Clinton, while in Shanghai, uttered the so-called Three Noes, which included “And we don't believe that Taiwan should be a member of any organization for which statehood is a requirement.” This proscription severely limited U.S. capacity to assist Taiwan’s attempts to join international organizations. The State Department currently makes

---

Prospects for U.S.-Taiwan Relations

this distinction: the U.S. supports Taiwan’s membership in those organizations where statehood is not required, but the U.S. supports only Taiwan’s meaningful participation or to have its voice heard in those organizations where statehood is required. Taiwan’s alleged lack of statehood is a construct rather than an inherent deficiency. U.S. policy choices have limited the U.S.’s capacity to help Taiwan gain access and make the positive contributions Taiwan can make. Judging from all those intergovernmental organizations (IGOs) where Taiwan and China are both members, such as the World Trade Organization (WTO), Asia Pacific Economic Cooperation (APEC), and Asian Development Bank (ADB), strong U.S. support is crucial and can be effective in achieving or maintaining Taiwan’s membership. Among the most important organizations that set the rules for global governance are IGOs. If the U.S. supports only Taiwan’s memberships in NGOs and Taiwan’s “meaningful participation” in IGOs, Taiwan’s international space will remain quite limited and Taiwan can hardly participate in setting the rules. If the Tsai administration asks the United States for stronger support for Taiwan’s international participation, including in those IGOs, treaties, or trade agreements crucial to Taiwan’s well-being, the U.S. should be more supportive. Past experience (APEC, WTO, WHA, ICAO, etc.) shows that U.S. leadership is critical. Greater U.S. support for Taiwan’s international space will contribute to a more internationally engaged Taiwan and have a positive effect on U.S.-Taiwan partnership (see below).

U.S.-Taiwan Bilateral, Regional, and Global Cooperation

Most of the conventional discussions of U.S.-Taiwan relations portray the relationship as one of asymmetric dependence: Taiwan needs the U.S. (for security, economic, and diplomatic reasons) more than the United States needs Taiwan. Such assessments fail to mention the positive roles Taiwan can play that align with U.S. agendas on regional and global issues. Seeing U.S.-Taiwan relations as a one-sided relationship also limits the potential of this relationship, because Taiwan will always be seen as weak, dependent, unpredictable, a liability, or a potential problem. After the Chen years, the United States and Taiwan began to explore a positive agenda. One promising initiative is called the Global Cooperation Training Framework (GCTF). Under this program, the United States and Taiwan conduct training programs for experts from throughout the region to assist them with building their own capacities to tackle issues where Taiwan has proven expertise and accomplishments, including women’s rights, humanitarian assistance and disaster relief, democratization, global health, and energy security. In State Department official Kurt Tong’s words, the GCTF serves as “a vehicle for the United States to help showcase Taiwan’s strengths and expertise by addressing global and regional concerns.”

25 “Taiwan’s International Role and the GCTF,” remarks by Kurt Tong, Principal Deputy Assistant Secretary, Bureau of Economic and Business Affairs, State Department, at the Sigur Center for Asian Studies, Elliott School of International Affairs, George Washington
Exploring Taiwan’s potential positive contributions to regional and global affairs and helping to play up Taiwan’s strengths with U.S. partnership, the GCTF represents a conceptual change with great potential, and it is well-framed to avoid PRC obstruction. But it is only one initiative. Can the United States and Taiwan enlarge the scope of their positive agenda? How will the Tsai administration seek to play a larger regional/global role through the GCTF or other vehicles? How much more is the United States prepared to engage and showcase Taiwan?

Asian Maritime Territorial Issues

On July 12, 2016, an international arbitration panel of the Permanent Court of Arbitration (PCA) in the Hague, in a comprehensive ruling, held that the PRC’s so-called Nine-Dash line had no standing in international law. The tribunal also ruled that all of the land features in the South China Sea, including Taiwan-controlled Taiping Island (Itu Aba), are not entitled to a 200-mile exclusive economic zone (EEZ).26 The rulings put Taiwan in a bind. The Ma administration had sought to demonstrate that Taiping Island, which had been controlled by Taiwan since 1947, is an island entitled to an EEZ under Article 121 of the UN Convention on the Law of the Sea (UNCLOS) by traveling there and bringing back fresh water.27 The Ma administration’s position on the PRC’s more expansive Nine-Dash line, based on historical rights, was more ambiguous. On the one hand, the PRC’s Nine-Dash line originated from an ROC map of 1947 featuring eleven-dash lines. As the ROC’s president, Ma could not publicly renounce rights or sovereignty. On the other hand, Ma also realized that the PRC’s position had no legal standing under UNCLOS, given his own training in international maritime law. Taking a stance too close to the PRC’s on the South China Seas would, he surely realized, be legally untenable and politically unwise.

Tsai, on the other hand, might have been more sanguine about the ruling on Taiping Island, and her reaction toward the ruling on the Nine-Dash line was as mute as possible. She was relatively quiet, notwithstanding her promise to safeguard the ROC constitution, which contains stipulations about “guyou jiangyu” (historical or existing territories).

In other words, from the perspective of its place in the U.S.-China-Taiwan


Prospects for U.S.-Taiwan Relations

triangle, Taiwan appeared to be a loser in the PCA arbitration: it was not invited, or allowed, to participate in the process; its argument on Taiping Island was rejected; its Eleven-Dash line was implicitly rejected; and it was on the “wrong side” in terms of international politics—at odds with the United States and its ally and the victor in the case, the Philippines. But, given Tsai’s even greater caution than Ma’s about being seen as collaborating with the PRC, Tsai is unlikely to let the ruling poison U.S.-Taiwan relations. Tsai’s ambivalence is belied by her refusal to visit Taiping herself, her government’s discouragement of any private individuals (fishermen, politicians) visiting there, and her near silence on the Nine-Dash line issue. While KMT supporters criticized her reactions, it is doubtful most Taiwanese feel about these faraway islands the same way as Tsai’s nationalist critics.

In important ways, the status quo continues. Taiwan continues its presence on Taiping. Other claimants continue their activities in the areas they control. China’s activities have been ruled illegal. Since, according to the arbitration panel, no land feature qualifies as an island with an EEZ, much of the South China Sea remains high seas, open to all. This conclusion is favored by the United States because it retains maximum rights to freedom of navigation, which is an important source of its power and credibility in the region.

This article ends with a cautionary note. The next five months (between August 2016 and January 2017, when the new U.S. president is inaugurated) could be uncertain times for U.S.-Taiwan relations. If the Chinese conclude that the outgoing (or lame duck) Obama Administration is unlikely to respond resolutely, they may accelerate land reclamation or declare an air defense identification zone (ADIZ) in the South China Sea. By the same token, if they grow impatient with Tsai Ing-wen and decide to turn up pressure against Taiwan to accept the 1992 Consensus as Beijing defines it, will they also in turn test the United States? So far, the Chinese have “punished” Taiwan by removing some of what the Chinese perceive to be their unilateral concessions to Taiwan, such as threatening to reduce the number of tourists (especially tour groups organized by provincial or local governments and state-owned firms), eliminating customs duty concession and preferred purchase schemes, suspending contacts between SEF and ARATS, and halting interactions between Taiwan’s Mainland Affairs Council (MAC) and China’s Taiwan Affairs Office (TAO). Will this “re-normalization” lead to a cooler relationship across the Taiwan Strait? Will the relationship become so cold that serious mistrust develops? The recent errant missile released from a Taiwanese frigate in the direction of China’s Xiamen, striking a Taiwanese fisherman, laid bare the very limited channels of communication that remain between the two sides, as China’s TAO head Zhang

28 ROC government statistics discern a trend since the beginning of 2016 mainland tourists to Taiwan have declined in absolute numbers and relative importance, notwithstanding monthly variations. For February 2016, 405,307 visitors to Taiwan (or 44% of the total) came from China, down 0.29% year-to-year. For June 2016 (the latest data available and one month after Tsai’s inauguration), 271,478 visitors to Taiwan (or 33.2% of the total) came from China, down 11.9% year-to-year. See http://admin.taiwan.net.tw/statistics/release_en.aspx?no=13
Zhijun openly complained that Taiwan would rather brief the United States but did not offer a satisfactory explanation to China.  

Another looming uncertainty is the outcome of the U.S. presidential election. Both the Democratic and Republican parties held their national conventions in July. When it comes to Taiwan, both parties’ platforms contain fairly standard language. Conventional wisdom may hold that Taiwan might fare better under a Hillary Clinton administration, given her previous roles in U.S. foreign policy in general and the pivot to Asia in particular, her perceived personal antipathy toward China, her prior visit to Taiwan, and her likely seasoned foreign policy advisors such as Kurt Campbell.

It is difficult to imagine how Taiwan would fare under a Donald Trump administration. Despite the slightly more pro-Taiwan language in the Republican Party platform (especially its endorsement of the so-called Six Assurances), Trump has yet to articulate a coherent foreign policy agenda other than isolationism. Traditional allies such as NATO states, Japan, and South Korea have much to worry about if Trump wins. Although he has accused China of manipulating its currency and stealing U.S. jobs, it is doubtful that he will either see China as a strategic competitor or Taiwan as a strategic asset. In his foreign policy views, Trump is not ardently anti-communist or pro-democracy—two ideological views that have underpinned U.S. support for Taiwan in the past. In his fervor to “wean” U.S. allies and his “business approach” to foreign affairs, he may even strike a deal with China over Taiwan or sacrifice Taiwan to get along with China. If he were to delegate major decisions to his foreign policy advisors, Taiwan might benefit from working with several Republican strategists who share Taiwan’s outlook (Michael Green, for example). Both candidates have disavowed the Trans-Pacific Partnership. Therefore, Taiwan may not be able to count on TPP to bond with the United States.


30 The RNC platform’s language on Taiwan is as follows: “We salute the people of Taiwan, with whom we share the values of democracy, human rights, a free market economy, and the rule of law. Our relations will continue to be based upon the provisions of the Taiwan Relations Act, and we affirm the Six Assurances given to Taiwan in 1982 by President Reagan. We oppose any unilateral steps by either side to alter the status quo in the Taiwan Straits on the principle that all issues regarding the island’s future must be resolved peacefully, through dialogue, and be agreeable to the people of Taiwan. If China were to violate those principles, the United States, in accord with the Taiwan Relations Act, will help Taiwan defend itself. We praise efforts by the new government in Taipei to continue constructive relations across the Taiwan Strait and call on China to reciprocate. As a loyal friend of America, Taiwan has merited our strong support, including free trade agreement status, the timely sale of defensive arms including technology to build diesel submarines, and full participation in the World Health Organization, International Civil Aviation Organization, and other multilateral institutions.” See the RNC platform at https://www.platform.gop/. The DNC platform’s language on Taiwan is shorter: “We are committed to a “One China” policy and the Taiwan Relations Act and will continue to support a peaceful resolution of Cross-Strait issues that is consistent with the wishes and best interests of the people of Taiwan.” See DNC platform at http://www.presidency.ucsb.edu/papers_pdf/117717.pdf.
U.S.-Taiwan relations may not fully stabilize until the national security team of the new U.S. president is in place, which could be as late as April or May 2017. In the meantime, steady hands are needed to manage and nurture this important relationship.