

Taiwan's Security Policy¹

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Introduction

Any small state that is located in a complex neighborhood will have to struggle to ensure even a modest measure of security. By virtue of its size, the small state will have fewer resources than larger states, both relatively and absolutely. Because its challenge is structural in character it must demonstrate great skill in mobilizing the resources it has and then deploying them effectively to reduce the dangers of predation by others. It must remain constantly alert to changes in circumstances and then adapt quickly and nimbly. The security challenge faced by the Republic of China on Taiwan, with its complex history and unique political character, is probably unique. This chapter first elaborates generically on the quest for security, then reviews how the ROC regime has sought to enhance it in the key periods of its history, and then assesses current and future challenges.

Defining Terms

At the outset, it is useful to dwell the concept of security. It is one of those terms which specialists think they understand but none bothers to define. Consequently, the boundaries of the concept are muddled, as is obvious in the expansive way that a range of adjectives (internal, external, military, economic, energy, environmental, and so on) become associated with the word “security.” One would think that international relations specialists who emphasize the utility of the concept of the security dilemma would certainly dwell on what is meant by security. But that is not the case (Jervis 1978; Booth and Wheeler 2008). Apparently, their focus is more on the dilemma than on what the dilemma is about. We must therefore fall back on dictionary definitions, such as “freedom from danger, freedom from fear and anxiety,” and so on.

Whatever the definition, several dimensions seem to be at play concerning security of states. The first is the substantive scope of security, which can vary over time. Before the late 1980s, the KMT regime focused as much on internal security as it did on external security (if not

¹ This paper was originally published as “Security Policy” in *Routledge Handbook of Contemporary Taiwan*, edited by Gunter Schubert, New York: Routledge, pp. 529-44.

more so) and actually conflated the two, claiming that communists were in league with the Taiwan independence movement. Thereafter, the KMT made its peace with the Taiwanese majority and placed the political system on a democratic rather than authoritarian basis. For the PRC regime on the Mainland, internal security still rivals external security, and conflation of the two is a hardy perennial of Leninist statecraft.

Even if the scope issue is settled, there is also the matter of assessing when an acceptable level of security has been achieved and when it has not. Attaining absolute security is probably unrealistic, but there are gradations of relative security that probably vary with geography, the size of actor, its resource base, perceptions, and so on. The United States had a much more favorable security environment after the closing of the frontier in 1890 than the ROC state ever did, either before or after the KMT took control of it in 1928. With its current program of systematic military modernization, the PRC is in the process of moving toward a more acceptable level of security. For the last century, Canada has continued to feel secure despite the transformation of the United States into a superpower. During the Cold War, Finland was able to achieve “just enough” security vis-a-vis the Soviet Union through a policy of neutrality and restraint, while the United States created an unprecedented peacetime deterrent against the Soviet threat, even though it was located a hemisphere away.

How to respond to insecurity is a third issue. IR scholars have long since identified a repertoire of strategies that states can employ to enhance their security: appeasement, accommodation, band-wagoning, binding, engagement, internal and external balancing, containment, preemptive war, and so on. A mixture of some strategies is also possible: for example, engagement and balancing at the same time.

This suggests that to derive a state’s security interests and strategy cannot be an objective exercise. How the leadership of a state defines scope, responses, and what is just enough will inevitably be a subjective enterprise. It will be a function of leaders’ own intelligence, their own perception of potential adversaries, their approach to risk, and the quality of the institutions tasked with ensuring the state’s security.

Historical Background

It is fair to say that the ROC has been under some degree of siege since the Nationalist Party (Kuomintang, KMT) came to power in China in 1928. But the nature of that siege has changed significantly over time, both objectively and subjectively. This section reviews

briefly the ROC's quest for security up to 1980, as both context and contrast to the challenge it faced thereafter.

1928-1931

The immediate threat to the new regime was domestic. Although Chiang Kai-shek and his army had nominally unified the country, many warlord formations continued to exist and Chiang would not rest easy without eliminating them. He therefore engaged in a series of campaigns against his rivals that alternated with periods of reforms designed to increase the available resources. As the Chinese Communist Party (CCP) gradually revived itself and acquired a military arm after being decimated by the KMT in 1927, it essentially became another warlord force. Chiang's initial encirclement campaigns were ineffective but by and large he was on the offensive in the period before September 1931.

1931-1945

Japan's takeover of Manchuria put Chiang and the ROC on the defensive, where it would remain, more or less, for the next fourteen years. Although the CCP would pose a domestic challenge for much of this period, certainly in Chiang's eyes, the main threat was external. Between 1931 and 1936, Chiang was willing to appease Japan's continuing encroachment to give himself time to wipe out threats to his rear from the Communists and other political/military forces, but he was moving towards the offensive once those objectives were on the way to being accomplished. His kidnapping in Xi'an in December 1936 accelerated that transition (instead of starting it, as usually thought). But once war began in mid-1937, Chiang's attempt to make a stand in the Shanghai area failed and he lost both the ROC capital of Nanjing and many of his best fighting units. He therefore traded space for time, moving his headquarters first to Wuhan and then to Chongqing.

While on the defensive, Chiang sought the help of other powers to try to strengthen his position. Germany was the first, and its material and advisory assistance lasted until the beginning of the war with Japan in 1937, which pressured Berlin to end its aid. The ROC's next ally was the Soviet Union, which regarded China's struggle as a useful way of distracting Japan. Then, after Pearl Harbor, the Americans took on the lead role. The U.S.-ROC alliance was fraught with conflicts over war aims, military strategy, resources, and the role of the CCP. Chiang regarded the Communists as a growing domestic threat after the

New Fourth Army Incident of January 1941, whereas the Americans saw it as a force that was useful against Japan and a movement less corrupt than the Nationalist government.²

1945-1950

Chiang Kai-shek, who gained in prestige as a result of victory over Japan, regarded the CCP as a clear and present postwar danger. Two mediation efforts by the United States to create a power-sharing arrangement between the KMT and the CCP failed to prevent the outbreak of civil war. Despite the government's greater assets at the beginning of the conflict, it was hampered by Chiang's strategic errors (over-extension in the Northeast): the growing weakness of the ROC state from inflation, corruption and public alienation; superior performance by the Communists; and weak support from the United States. In the end, Chiang, the ROC government, and its battered military forces retreated to Taiwan at the end of 1949. Mao Zedong declared the founding of a rival People's Republic of China on October 1, 1949.

It is worth noting that the island of Taiwan, a Japanese colony after 1895, did not originally have a place in Chiang Kai-shek's strategic calculus and so was not foreordained to be the haven it became. As late as 1938, Chiang regarded it as a territory that was to be liberated after the war (like Korea) and, by implication, become a separate state. Thereafter, he saw Taiwan as lost Chinese territory that should be restored to China (like Manchuria). In Chiang's new view, the island was one of China's outer "fortresses" that must be held to ensure defense in depth (the three Northeastern provinces were another fortress). So in November 1942, Taiwan was included formally in the list of places the ROC demanded from a defeated Japan. Around the same time, Franklin Roosevelt concluded that a Taiwan returned to China would be a useful element in his plan for guaranteeing postwar peace and security through the collective efforts of the major wartime allies –the United States, the Soviet Union, Great Britain, and China, whom he termed the "four policemen." So when Madame Chiang Kai-shek raised Taiwan and other territorial issues with FDR in February 1943, she was knocking on an open door. The Cairo Declaration of December 1943 merely ratified a decision that FDR had already made. Pursuant to that decision, General MacArthur assigned the ROC military the task of taking over Taiwan after Japan formally surrendered. Had Chiang and Roosevelt not been on the same strategic wave-length three years before, the island might not have been available in 1949 as a refuge for the ROC (Bush, 2004: 9-39).

² The Incident, a violent clash, occurred after Chiang ordered Communist units south of the Yangzi River to move north of it.

1950-early 1980s

The Taiwan Strait provided some measure of physical safety, but the ROC state remained under siege. There was an expectation that the PLA would invade in 1950, an outcome that the United States in January signaled it was prepared to accommodate. Although the North Korean invasion of South Korea in June forced Mao to shelve his takeover plans, “liberating” Taiwan remained Beijing’s stated objective, and it would engage in coercive diplomacy in 1954-55 and 1958 to test Chiang Kai-shek’s resolve. But in the shadow of the Korean War, Washington gradually revived the wartime alliance, which ensured the ROC’s security and contributed to U.S. containment of the PRC (Garver 1997; Tucker 1994). Some U.S.-ROC tensions remained, as Taipei doubted the American security commitment and Washington worried that Chiang wished to entrap it in a war with the PLA.

Mao’s threat to Taiwan was as much political as it was military. The formation of the PRC as an alternative government of China challenged the very existence of the ROC state, and there began a zero-sum competition between the two over diplomatic partners and membership in international organizations. Taipei looked to Washington to actively protect its interests in the United Nations in the 1960s.

Chiang Kai-shek also took a number of steps, not all of them effective, to secure Taiwan from within. With the help of his son, Chiang Ching-kuo, the regime itself was purged of corruption and perceived subversives. A hard authoritarianism was imposed to minimize challenges from an indigenous population that was seen as a danger to regime survival. Similarly, land reform eliminated the power base of local elites and village elections allowed the KMT to penetrate local society and play factions off against each other. The regime’s initial economic strategy was import substitution, which made sense from a national-security perspective but impeded growth. Under pressure from the United States, the ROC began to shift to export-led growth. This transition was to have profound consequences for Taiwan’s security. It enabled an economic take-off and rapid growth, which gave the populace a stake in the regime (as had the land-to-the-tiller program). It provided both a model of economic development that the PRC would adopt after Mao’s death, implemented with investment and technology transfer from Taiwan and other economies, and thereafter a reason for stable cross-Strait relations. And it fostered the conditions for democratization—an educated middle-class—that would create a new context for decision-making on security policy.

Even as Taiwan was becoming an economic miracle, the ROC suffered a series of blows to its external political defenses. Richard Nixon engineered a diplomatic rapprochement with the PRC, Taiwan's fundamental adversary. Soon, the PRC entered the United Nations and the ROC was expelled. A large number of countries either established diplomatic relations with Beijing or switched relations to it. PRC membership in the World Bank, IMF, and other UN institutions was accomplished by 1985. But it was the United States that took the most consequential step for Taiwan's security when it established diplomatic relations with the PRC in 1979. In order to build ties with Beijing, Jimmy Carter went further than Nixon in making concessions on Taiwan. Diplomatic relations ended, as did the U.S.-ROC mutual defense treaty. Then, in 1982 Ronald Reagan pledged to reduce arms sales to the ROC military. The ROC's prospects in the early 1980s looked bleak.

In considering the security peril that small states face, it is useful to incorporate the idea of a "strategic lottery." That is, the relations of great powers create the broad context in which small states must seek to survive. Those small states have little or no control over the outcomes of the strategic lottery, but they must adjust, sometimes radically, to whatever happens. In the strategic lottery of East Asia, the Republic of China was, relatively speaking: winning from 1928 to 1931; losing more and more in the 1931-1941 decade; recouping losses somewhat with the post-1941 alliance with the United States; losing with the civil war with the communists and the retreat to Taiwan; making gains after June 1950 and the restoration of the American alliance; and in increasingly dire straits during the 1970s. Chinese leaders appear to have thought that it was only a matter of time before unification happened and the ROC disappeared. Some in the American government agreed with them. But Taiwan's leaders proved them wrong.

After 1980: Taiwan's New Security Environment

As much as American diplomacy had undermined Taiwan's security, the very character of the security equation changed. That was because China's post-Mao leadership made significant changes in its whole Taiwan policy. Now that the PRC was in a much stronger position internationally, it had some reason to think that Taiwan was so isolated that it could be coaxed into negotiating a political settlement. Beijing's key slogan changed from "liberate Taiwan" to "peaceful unification." The formula it evolved from 1979 to 1983 that came to be known as "one country, two systems" (1C2S) contemplated the end of the ROC regime, the creation of a Taiwan "special administrative region" that would be granted significant home-rule powers to the Taiwan authorities. Beijing could be forgiven for its optimism at

this point. First of all, the KMT regime agreed with it on the ultimate objective—unification; what was missing was any consensus at all on the terms and conditions. Second, with the 1982 arms sales communique, Beijing believed that Taiwan’s security relationship with the United States would atrophy. Third, the PRC thought that it had most of the leverage. From the perspective of Taiwan’s KMT leaders, for whom *regime* survival had always been a goal of their security strategy, the PRC’s 1C2S formula spelled the termination of the ROC regime and so wholesale defeat. They rejected Beijing’s approach to a political settlement out of hand.

Even if Taipei had blocked Beijing’s efforts to open a new, political front in what had always been a multi-front, political-military struggle, the larger security outlook was still poor. The ROC was diplomatically isolated. The strategic lottery still worked against it. American support continued in spite of the shift to an unofficial relationship, but its durability and effectiveness were open to question. The security provisions of the Taiwan Relations Act, passed by the Congress in March 1979 and signed by President Carter, boosted confidence, but Taiwan may have put too much stock in its value. The TRA’s provisions regarding both arms sales and a commitment to Taiwan’s defense were loosely written and constituted less than a binding requirement. They represented more of a political commitment than a legal mandate, and political commitments would have to be renewed as circumstances changed (Bush 2004: 150-160. Much would depend on the goodwill of the American president in power, and that was subject to change every four years. Ronald Reagan had acted like a strong supporter (even if he had approved the 1982 arms sales communique), but there was no telling who would succeed him.

Just as serious, the KMT’s domestic control came under challenge. The predominantly Taiwanese political opposition, known as the *dangwai* (“outside the Party”; i.e. non-KMT) recognized that the end of events of 1979 were a serious blow to the KMT’s legitimacy, a blow that could be exploited. The KMT had justified its authoritarian, extra-constitutional rule on two grounds: first, that it was in a state of war with the communists (hence the need to restrict political liberties); and second, that as the government of all of China it could not conduct national elections until the country was reunified (hence severe limits on competition for power through the ballot box). The opposition argued that the loss of U.S. recognition and Beijing’s reduction of tensions (“peaceful unification”) ended the basis for the KMT’s political monopoly. It began organizing around the island, in effect, breaching the legal ban on political parties. The regime cracked down in December 1979, but the *dangwai* clawed its way back. More worrisome, in the U.S. Congress, which had always been a bastion of support

for the KMT and its rule, articulate liberals gave public support to Taiwan's opposition. So from within and without, the ROC state was under a new state of siege.

Then Taiwan caught some breaks. The first was the PRC's compelling need for economic growth and development after the ravages of the Mao period and the attendant weakening of the Chinese Communist Party's legitimacy. To stimulate the Chinese economy and stabilize its political system, Deng Xiaoping needed external investment, management know-how, and global markets, and gradually he made the business environment friendlier to outsiders. Companies in both Hong Kong and Taiwan were Deng's prime candidates to provide this simulative role, and Taiwan entrepreneurs were increasingly eager to have access to China. Wage rates were rising on the island and the United States was demanding an appreciation of Taiwan's currency. China thus provided Taiwan firms with a new platform for production and assembly and, prospectively, a big consumer market. Chiang Ching-kuo, who became ROC president in 1978, accommodated to this desire, and Taiwan companies began an economic migration that made them leading investors in the Mainland.

This new development had important effects on Taiwan's security. First, it gave Beijing a stake in Taiwan's status quo. Deng did not abandon the goal of unification, but in the near term ensuring economic growth and political stability were far more pressing priorities. In order to develop economically, China needed a "peaceful international environment"; taking provocative coercive actions against Taiwan would only alienate the United States, which also had a role to play in PRC development. Moreover, short of resources, Deng made a conscious decision to delay military modernization and so the acquisition of any ability to undertake a serious PLA campaign against Taiwan, even had there been an policy inclination to initiate one.

Of course, Beijing hoped that economic engagement might lead to the sort of political settlement it sought, with Taiwan business leaders becoming a constituency for unification. And there were initial steps in that direction. To facilitate trade and investment, understandings on technical matters like the authentication of documents were required. So Koo Chen-fu and Wang Daohan, the heads of each side's semiofficial organization for cross-strait affairs, met in Singapore in April 1993. As a political basis for the meeting, the two sides had worked out the 1992 consensus, in which each made a general commitment to one China but then took different positions on what one China meant. That was good enough to start political interactions, but they soon fell afoul of the second major development, the opening up of the Taiwan political system.

Democratization would not have happened when it did without the pressure of the *dangwai*, which transformed itself into the Democratic Progressive Party (DPP) in September 1986. Pressure from the U.S. Congress was not trivial. But significant credit also goes to Chiang Ching-kuo and reformist officials around him. Chiang had decided to begin a political transition in the early 1980s (Lilley and Lilley, 256-258). He made the counterintuitive judgment that the Kuomintang would be better able to stay in power by competing in an open political system than by continuing repression. Moreover, a democratic Taiwan would have a new, values-based claim on support from the United States. Chiang's successor, Lee Teng-hui, completed the political opening that he had begun.

Clearly, democracy has a mixed impact on national security. Policy-makers can make decisions more easily in a non-democratic system; broad public participation can constrain them in negotiations with an adversary. That was certainly the case with Taiwan: democratization permitted discussion for the first time on a whole variety of issues, including China policy (Bush 2005). It was no longer illegal to propose *de jure* independence for Taiwan, something that was anathema to both Beijing and the Kuomintang. Moreover, public sentiment would be a permanent check on any negotiations with the Mainland. Elections encouraged candidates to make campaign appeals that were popular with voters but created difficulties for external policy. Thus, Lee Teng-hui and Chen Shui-bian harnessed Taiwanese nationalism to secure political power and foster opposition to unification with China.³ That, in turn, fostered a series of tensions and mini-crisis with Beijing and undermined relations with the United States, Taiwan's sole external protector. Beijing feared that Lee and Chen were mounting a gradual challenge to its fundamental interest in national unification and so embarked on a program of military modernization to deter "separatism" and punish Taiwan if deterrence failed.

So by 2008, Taiwan was less secure than it had been in the early 1990s because of the dynamics of domestic politics. But pendulum-like, domestic politics then fostered moderation. Ma Ying-jeou, the KMT's candidate in the 2008 presidential election, ran on a platform that stressed reassuring China rather than provoking it, and building cross-Strait cooperation wherever possible. This engagement approach plus mounting public dissatisfaction with the DPP swept Ma to an easy victory. He then proceeded to carry out his campaign proposal. His willingness to revive the 1992 consensus with its loose commitment

³ More substantively, Lee also stressed the gap between Taipei and Beijing over whether Taiwan was a sovereign entity (Bush 2005: 36-57).

to “one China” was sufficient to reassure Beijing and so facilitated the resumption of long dormant cross-Straits negotiations. The focus was on “easy” issues, primarily the normalization, liberalization, and institutionalization of economic relations. Ma resisted PRC proposals to move on to political and security matters, partly because the Taiwan public was not ready to address them, and partly because they entailed issues of sovereignty. Despite this reluctance, however, tensions between the two sides of the Strait declined appreciably since the Lee and Chen administrations. When it came time for the 2012 presidential election, Ma won a second term by a comfortable margin (Bush 2012).

Ma’s effort to reassure and engage Beijing had a secondary benefit: improved ties with the United States. The unstated but working principle for Taiwan policy that emerged during the Clinton and Bush administrations was that U.S. relations with Taiwan would be a function of Taipei’s approach to China. A U.S. perception that the government in Taipei was pursuing a Mainland policy that was at odds with the American interest in regional peace and security would induce a reluctance to extend benefits to Taipei. A Taiwan government that sought within reason to reduce tensions and foster cross-Strait cooperation was more likely to lead to better ties with Washington. Thus, the Bush and Obama administrations were willing to improve the day-to-day conduct of relations, undertake new initiatives like making Taiwan visitors eligible for the visa-waiver program, consider initiatives like a bilateral investment agreement, and approve major packages of arms.

Looking Forward

A summary statement of the Ma Administration’s security strategy would include four points (Saunders 2014):

- First of all, maintaining good relations with the Mainland, which leads more actors in the PRC to have a stake in peace, stability, and incremental change and so raises the cost for Beijing of any sudden, coercive actions.
- Second, avoiding actions that the PRC would regard as provocative, thus reducing the possibility that Beijing would either feel compelled to mount a coercive response or that it might use the “provocation” as an excuse to react. Again, the cost of acting increases.
- Third, preserving the possibility that the United States will intervene militarily to help defend Taiwan, which would seriously complicate any PRC attack. As suggested

above, this requires ensuring a positive relationship with Washington and not creating the impression through word and deed that Taiwan is taking U.S. support for granted.

- Fourth, ensuring that Taiwan's military capabilities have their own two-fold deterrent effect. On the one hand, stronger Taiwan defenses in and of themselves, raise the cost of any PRC attack (they also strengthen the ROC government's confidence in negotiating with Beijing). On the other hand, if the PLA attacks anyway, Taiwan's armed forces can defend the island longer, so that the United States has more time to intervene in force.

Thus, President Ma's security strategy by no means ignores defense. For example, in April 2012 he warned against complacency: "We should not entrust our national security to the goodwill extended by the Mainland, otherwise if a crisis erupted in cross-Strait relations, we might be incapable of defending ourselves" ("Ma: National Security Can Not Depend On Beijing's Goodwill" 2012) However, his strategy has included significant economic, political, and diplomatic components, as does the PRC's strategy for pursuing its Taiwan objectives. As he put it in a December 2011 speech: "We don't rely only on weapons; we also rely on ideas to maintain peace. Now, either side, if they want to change the status quo unilaterally, they will incur a prohibitively high cost. So nobody wants to do that. Both sides want to maintain the status quo, so peace could be maintained" (Ma Ying-jeou 2011).

However, there is significant skepticism on Taiwan concerning this strategy. Although as much as 55 percent of the public supported Ma's approach through his re-election in 2012, at least 45 percent were either doubtful or downright opposed. The core of this dissent was the belief that Beijing's political strategy was working better than Ma's counter-strategy. That is, more than giving Beijing a stake in the status quo, Taiwan's growing business cooperation was fostering an economic dependence that would soon translate into political timidity, which in turn would place the island's government in an inextricably weak negotiating position when it came to political issues and, ultimately, unification. In this view, Ma's security strategy was fostering insecurity. This dissent came to a head in the spring of 2014 when a loose alignment of DPP legislators and student activists blocked approval by Taiwan's Legislative Yuan of a draft agreement on trade in services with the Mainland. This was a key element of Ma's engagement strategy, on the grounds that Taiwan would benefit more than it would lose from mutual liberalization. In the end, the general anxiety of at least some of the public, fueled in part by growing economic inequality and worries about future competitiveness, delayed approval of the agreement and slowed negotiation of a parallel pact on trade in goods.

On the one hand, those on Taiwan who focus on the risks of engagement have a point. The power asymmetry between the two sides of the Strait is growing. The PRC government is well experienced in using its available resources to leverage a better position vis-à-vis adversaries. For much of the history of the PRC, it had to play a weak hand but played it well. Now, it has a stronger hand and it may be tempted to manipulate its growing power with regard to Taiwan to leverage its political objectives through intimidation (Bush 2012, 137-158). On the other hand, the PRC is not likely to employ this approach as long as it has reason to believe that incremental progress towards that objective is occurring, which appeared to be the case in the Ma administration. Intimidation is more likely if Beijing should conclude that Taiwan will never accommodate to its goals—either because the island’s leaders seek to break out of a one-China framework (Taiwan Independence) or work towards permanent separation (two Chinas). The former is more likely under a DPP administration and the latter under KMT rule. Whatever the circumstances, a PRC strategy of intimidation that plays on Taiwan’s dependence and relative weakness need not require military action. Chinese leaders might well believe that the mere existence of its increasingly robust military forces would be enough to have the necessary political effect, that they could follow Sun Zi and subdue the enemy without fighting

The “engagement skeptics” (mainly the DPP) have not done much to elaborate an alternative security strategy. They are disinclined to follow the Ma Administration and use the 1992 Consensus as a political basis for conducting negotiations with China, and the DPP sometimes suggests that the benefits that Taiwan has received from cross-Strait economic relations since 2008 could continue uninterrupted if it came to power.⁴ The “engagement skeptics” argue that Taiwan should step up efforts to conclude trade and investment agreements with other trading partners to balance those with the PRC, which is a worthwhile goal. But the skeptics have no way of ensuring that Beijing would not exert political pressure on those trading partners to block any new accords. Also, the economic challenges that Taiwan faces stem more sources that are more fundamental than business interactions with the PRC. Both rapid technological change and globalization (disaggregating the production process so that its various parts take place in more than one economy, depending on what combination creates the most efficiencies) make it harder for Taiwan firms to maintain global competitiveness.

⁴ What is more likely to happen if the DPP returns to power is that the implementation of existing agreements would become ragged, and negotiations for new agreements would never begin.

Defense Strategy

Unless it exists in an environment without external threats, any country must include a defense component in its security strategy along with the economic, political, and diplomatic elements. It must answer the question of how it will defend its territory should an adversary decide to achieve its political objectives through military means, even though the target country tries to dissuade aggression through efforts at engagement, reassurance, and even appeasement. In the best case, building defenses will deter the adversary from even considering a resort to force. This defense imperative is truer of small countries that face much larger ones, as Taiwan is vis-à-vis China. And Taiwan is a special case. It is quite aware that the PRC's political goal is an approach to unification that would entail the termination of the ROC state.

For decades, three factors simplified Taiwan's formulation of its defense strategy. The first was geography, the 90 to 100 miles separating the island from the Mainland. World War II in Europe demonstrated the daunting difficulties of seizing well-defended territory by amphibious landing.

The second factor was China's own policy choices. After 1979, economic modernization was the priority goal, and external investment, including investment from Taiwan and the United States, was an important means. Diverting resources for the military in ways that scared Taiwan would be self-defeating. It was only when Taiwan's leaders undertook initiatives that Beijing perceived as threatening that it chose to build up certain types of military capabilities as a deterrent.⁵ To actually use those capabilities to unify Taiwan by force generally entailed too great a risk.

The third factor fortifying Taiwan's defense was the security commitment of the United States. This was embodied in a treaty from 1955 to 1980 conveyed in policy terms ever since, and also reflected in a continuing program of security assistance. True, the U.S. promise to defend Taiwan has remained somewhat ambiguous since 1979, partly to avoid offending PRC sensibilities but also to discourage reckless behavior on Taipei's part. At least implicitly, however, the United States has warned China not to use force, particularly if there is not

⁵ Examples of these initiatives include former President Lee Teng-hui's 1999 statement that cross-Strait relations were "special state-to-state relations" or former President Chen Shui-bian's proposed referendum on Taiwan's entering the United Nations using the name "Taiwan." Beijing regarded each as a step towards de jure independence.

provocation from the island's leaders. And China's behavior suggests that it in fact assumes that the U. S. will intervene in a cross-Strait conflict. Over the past fifteen years, Beijing has built up capabilities whose likely purpose is to challenge the U.S. military superiority in the Western Pacific and complicate any U.S. effort to intervene in support of Taiwan. Although these capabilities are useful for other missions on China's periphery, their existence and expense suggest that the PLA is not prepared to bet that the United States *will not* intervene (Fravel 2008; OSD 2014: 30-32).

In light of these factors, Taiwan's traditional defense strategy against a PRC attack has been forward defense, expressed in the strategic concept of "resolute defense and credible deterrence." This might also be called "extending space to buy time." For resolute defense, according to the 2011 national defense report, Taiwan "needs to be able to survive the enemy's first strike, averting decapitation, maneuvering forces to counter strikes, and sustaining combat power so as to achieve the objectives of 'strategic protection and tactical resolution.'" Credible deterrence requires ready capabilities that, combining firepower, joint operations, and training, will force "the enemy to rationally calculate the costs and risks of invasions." (Ministry of National Defense R.O.C. 2011: 108-109)

Regarding war-fighting scenarios, Taiwan counted upon a staged defense of the island:

- The task of the first stage is to oppose a blockade designed to exploit the reality that Taiwan depends on trade for economic and political survival. The battlefield would be the sea and skies surrounding the island. Taiwan's armed forces would "integrate joint operations capabilities to counter the enemy's blockading forces, open safe aerial and sea transportation routes, maintain communications to the outside world, and ensure continuity of government functions."
- In the second stage, the task would be interdiction to stop an invasion force from getting close to Taiwan. Here, the defense report advocates going on the offensive, at least tactically, in support of strategic defense. Taiwan would attack "the enemy's important military targets [probably naval, missile, and air-defense bases] and amphibious forces as they assemble and move." The objective would be to "stop and destroy the enemy when its war-fighting capabilities are relatively weak while transiting across the Taiwan Strait."
- The emphasis of the third stage, if necessary, is defense of the Taiwan homeland: resisting an amphibious invasion. The objective would be to "execute multilayered

interdictions to destroy enemy forces before the lodgments of landed amphibious and airborne troops are secured.” (Ministry of National Defense R.O.C. 2011: 73-74).

In sum, Taiwan hopes to mount a defense in and over the Taiwan Strait, as far from the island as possible, and so prolong the time available to the United States to intervene. A critical element is achieving air superiority in order to make a PLA blockade or amphibious campaign too risky to contemplate. This approach relied on the relative quality of its weapons platforms and the strategic depth that the ninety-mile-wide Taiwan Strait afforded, and securing advanced weapons platforms from the United States for the navy, air force, and army was designed to maintain the qualitative gap.

The first challenge to this strategy was Beijing’s decision to build indigenously a force of short and medium-range missiles for the purpose of deterring Taiwan’s leaders from political initiatives that threatened its fundamental interests. A few of these missiles were tested in the summer of 1995 and March 1996 in response to Lee Teng-hui’s June 1995 visit to the United States (Beijing believed that Lee was pursuing a covert independence agenda). Displaying this nascent capability had an immediate psychological effect on the Taiwan public. More ominous from a war-fighting perspective was the possibility that the missiles of the People’s Liberation Army (PLA) could someday immobilize Taiwan’s air force by repeated missile strikes on its airfields. A PLA that could project lethal power over long distances would thus negate the ROC’s long-standing defense strategy. As of late 2013, the PRC had over 1,000 short-range missiles in its arsenal. Also, improvements in Mainland air defenses with Russian help would render vulnerable the advanced fighters of Taiwan’s air force (Office of the Secretary of Defense 2014 [hereafter OSD 2014]: 6, 33-34).

Taiwan sought independently to acquire the means to render vulnerable China’s own assets. Taiwan’s MND clearly believes that it can use cruise missiles to exploit the vulnerability of China’s missile bases, ports, etc. But there is a question of whether such missiles would be effective without robust intelligence assets to identify targets and do battle damage assessments. Whether Taiwan could possess enough cruise missiles to seriously degrade PLA offensive capabilities (and to convince China’s decision-makers of that) is an important question. Moreover, for Taiwan to acquire a significant independent deterrent would raise concerns in Washington about preserving escalation control in a crisis. For Taiwan to raise such doubts on the part of its quasi-ally is at odds with a key element of its security strategy.

As Chinese military capabilities have improved across the board, Taiwan's overall threat environment has deteriorated. The U.S. DOD's annual report provides the most reliable assessment. It judges first that the PLA continues to acquire capabilities relevant to Taiwan without any reduction; its deployments of advanced assets opposite the island had not eased; and its exercises are designed and conducted with a Taiwan contingency in mind. (OSD 2014: 53). The PLA lacks the means for a Normandy-style amphibious invasion, but can probably seize one of the Taiwan-controlled islands off the coast of Fujian province. Yet such actions entail the risks of angering the Taiwan public and the international community for little genuine gain (OSD 2014: 54). Aside from such limited amphibious operations, the PLA could likely execute these options effectively:

- *Limited force or coercion*: a campaign of disruptive, punitive, or lethal military actions, including computer network or limited violent attacks against Taiwan's political, military, and economic infrastructure, and special operations forces attacks against infrastructure or leadership targets.
- *Air and missile campaign*: missile attacks and precision strikes against air defense systems, including air bases, radar sites, missiles, space assets, and communications facilities.
- *Maritime quarantine or blockade*: executing a traditional maritime quarantine or blockade would be beyond the capabilities of PLA Navy for the remainder of the 2010s decade, but China could do the next best thing by announcing exercise or missile closure areas in approaches near ports, in effect closing them to traffic (OSD 2014: 54-55).

It is true, as the DOD report concludes, that "Beijing appears prepared to defer the use of force, as long as it believes that long-term reunification remains possible and the costs of conflict outweigh the benefits." Still, "Beijing argues that the credible threat to use force is essential to maintain the conditions for political progress, and to prevent Taiwan from making moves toward de jure independence" (OSD 2014: 53).

In view of this deteriorating threat environment, Taiwan has had to face the pressing question of whether and how its defense strategy of extending space for time needs to change in response. William Murray of the Naval War College worries that the growing accuracy of China's missile force will give it the ability not just to wreak general damage on Taiwan targets but to destroy or degrade the island's naval and air war-fighting assets. In the face of the PLA missiles, combat aircraft, and ground-based air defenses, the Taiwan air force would

be hard pressed to win a fight for air superiority (Murray 2008: 14, 24). If Chinese decision-makers share this skeptical assessment of Taiwan's ability to execute its existing defense strategy, then they will not be deterred from coercion or pressure, should they decide to employ them.

Some American defense scholars have concluded that the only defense strategy that makes sense for Taiwan is one that better exploits its key strategic feature: the fact that it is an island and exploit the PLA's greatest weaknesses: that is, the vulnerability of an invasion force to attack while it is transiting the Taiwan Strait and coming ashore on Taiwan (Lustombo 2011). On the one hand, such an approach extends the time the United States would have to intervene and do so in an effective way, in spite of China's effort to assemble the capabilities to place at risk key U.S. assets: power projection platforms like aircraft carriers; advanced command, control, and communications systems; and so on. On the other hand, a more credible defense strategy that has some promise of enduring is more likely to sustain the resolve of civilian leaders and the population than one where the associated capabilities are in danger of being destroyed or rendered irrelevant.

What steps should Taiwan take to make the island more impregnable? Peter Lavoy of the Department of Defense makes the general argument that Taiwan requires a "more holistic approach" to its military vulnerability and limited budget resources. "Lasting security cannot be achieved simply by purchasing limited numbers of advanced weapons systems. Taiwan must also devote greater attention to [innovative and] asymmetric concepts and technologies to maximize Taiwan's enduring strengths and advantages." He suggests acquisition of maneuverable weapon systems; more hardening of defenses, greater use of decoys, deception, and concealment to complicate PLA targeting; and exploiting the island's geography to protect key resources and raise the cost of coercion ("Prepared Statement of Dr. Peter Lavoy" 2011).

Michael Lustombo of the Rand Corporation identifies two criteria concerning any new capabilities Taiwan might consider: lethality and survivability. "In other words, will the investment enable a capability to target vulnerable PLA forces, and can they survive formidable precision strike capabilities?" (Lustombo 2011:135) Murray and Lustombo identify types of equipment that would help Taiwan resist an amphibious invasion: coastal-defense cruise missiles; attack helicopters; mobile multiple-launch rocket systems; anti-armor weapons; stronger ground-based air defenses; surf-zone sea mines (Murray 2008: 26-28; Lustombo 2011: 133). To counter a PLA maritime blockade extend the time available for

the United States to intervene, Murray suggests stockpiling critical items (energy, food, medical supplies) and planning ahead for how to ration them (Murray 2008: 28-29). He identifies measures that could make a PRC long-range precision-strike campaign less effective both militarily and politically: hardening key civil and military facilities to preserve the chain of command; rendering redundant key infrastructure (distribution of food and water, medical services, wartime command and control, radars, civil defense, and, in particular, the electrical grid); using decoys to frustrate PLA targeting; improving training to ensure that personnel know how to fight should they have to (Murray 2008: 25-28).

Many of these measures have the distinct advantages of being relatively inexpensive and, cumulatively, raising the cost of coercion by China. And Taiwan is already taking some of these steps. But any effort to shift from forward defense to defense of the island and from platforms like advanced fighter aircraft and submarines to items associated with coastal defense must confront an institutional problem: the opposition of Taiwan's air force and navy. As Murray predicts: "Air force leaders would be understandably loath to admit that their fighters cannot defend Taiwan's skies; their navy counterparts might similarly resist suggestions that their fleet is acutely vulnerable in port. Both services' political champions would certainly challenge the implications of this . . . analysis. So too would the arms manufacturers who stand to benefit from the sale of aircraft, ships, and supporting systems to Taiwan" (Murray 2008: 30).

In 2013, Taiwan's Ministry of National Defense released its second Quadrennial Defense Review (QDR). This provided an excellent opportunity to assess the threat environment and then lay out a defense strategy that was appropriate to the threat but took into account the resources available. Phillip Saunders of the U.S. National Defense University concluded that the QDR was by and large accurate about how the modernization of the PLA had reduced Taiwan's military security, but was also concerned that it overstated the danger that a country in Southeast Asia might seize Taiping Island, an island in the South China Sea, which the ROC controls. That created the possibility that Taiwan would lose focus on the main danger, the PLA's potential threat to Taiwan itself. Saunders approved the QDR's emphasis on both "asymmetrical and innovative approaches" that could help defend Taiwan against an invasion and enhancing "survivability, hardening, mobility and resilience." But he faulted it for calling for a number of new and advanced conventional systems like fighters, ships and submarines, and tanks (Saunders 2014: cited passage on p. 4). Given the cost of those systems and the vulnerability of some of them to PLA's likely ability to negate their effectiveness, it is questionable whether the deterrence they provide would be worth the resources required.

Moreover, the Taiwan defense budget has been essentially flat for a number of years (generally less than 3 percent of GDP), even as the training mission and underwriting a volunteer force are placing greater strain on resources (Saunders 2014: 5; Murray 2008: 15).⁶ Strategy, after all, is all about making choices among mutually exclusive options.

Getting defense strategy right is only one element of an effective security strategy, particularly if the real threat is not a unilateral military campaign but an effort by Beijing to exploit the power asymmetry between the two sides of the Strait and to intimidate the island into accepting a political settlement on terms that the island's leaders and people have never found appealing. Beijing's temptation to undertake that option will be less likely if the ROC government is able not only to ensure effective defenses and a positive relationship with the United States but also strengthen economic competitiveness, diplomatic relationships, public support for Mainland policy, and the political system itself. As Taiwan's leaders recognized more than once in the past, security in part begins at home (Bush 2013: 159-195).

A New Strategic Lottery?

After the United States established diplomatic relations with China in 1979, the strategic odds appeared to be very much against Taiwan. The island and its Republic of China government survived because the United States sustained more of a commitment than China expected and because the island's leaders took policy steps to strengthen Taiwan's relative position: opening business relations with the Mainland, upgrading the domestic economy, and opening up the political system to ensure that the public had a veto over initiatives toward China it did not like. The response was far from perfect. Getting right the balance between engaging the Mainland and fortifying Taiwan's own defenses was not easy and each succeeding approach has been a function of who is in power at the time. Maintaining equilibrium between management of the politics of external policy while maintaining a good relationship with the United States has also been a challenge. But Taiwan's leaders have succeeded better than anyone might have expected in the early 1980s, in part because China's leaders had some stake in good cross-Strait relations and were willing accommodate U.S. policy – up to a point.

⁶ Compounding a shortage of budgetary resources, which is correctible in the short term given the requisite political will, Taiwan's demographic trajectory will reduce the number of young people available for military service—a problem that can only be solved over a long period and by choices outside government control (Mei 2011).

Yet China has expanded its economic clout, political influence and military power. The question is, whether these incremental improvements in the PRC's national power will at some point lead its leaders to abandon its relatively accommodative approach of the past several decades. That could foster a qualitative change to Taiwan's security unlike any of the incremental changes that have occurred so far. That is, will there be a new strategic lottery that will put Taiwan in a much more vulnerable position? Already discussed is the possibility that Beijing might lose patience with Taiwan's reluctance to accept a political settlement through negotiations and shift to a policy of intimidation. Another concern has to do with the commitment of the United States to Taiwan's security, which has always been an essential (if unstated) element of Taiwan's strategy.

There are two ways such a change in the U.S. commitment might take place. The first is a shift in the grand strategy of the United States. The idea is that U.S. interests require stable relations with China, which going forward will mandate reducing the number of disputes with Beijing to a more manageable level, which in turn might argue for reducing or ending the security commitment to Taiwan. This line of thinking has already appeared in what has come to known as the "abandon Taiwan" thesis (Bush 2013: 230-233). Reduction or elimination of U.S. arms sales to Taiwan are usually part of the mix, although those weapons transfers are actually not the reason that Beijing has not been able to achieve its unification objectives (the content of the unification offer is the problem).

The second way a significant change in Taiwan's security situation could occur stems from changes in the military capabilities of China and the United States and, as a result, how a war in East Asia would be fought. Briefly, China's defense strategy has been to build capabilities that would at least complicate and perhaps negate the ability of U.S. armed forces to come to the defense of allies and friends in the region, including Taiwan (what China calls "counter-intervention and what the U.S. military calls anti-access, area-denial). A principal tool in this strategy is development of anti-ship ballistic missiles that make vulnerable the key instrument of U.S. power projection: aircraft carrier strike forces. In response, elements in the U.S. military are developing the "air-sea battle concept," which is designed to cope with an adversary's anti-access, area-denial strategy from a safer, standoff position. China is never named in discussions of this concept but it is clearly the designated adversary. But to increase the vulnerability of PLA capabilities likely requires hitting targets on the mainland of China rather than in its littoral waters or coastal ports and bases. This in turn raises the danger of escalation. One way to reduce this capabilities race and its implications for war-fighting would be to reduce commitments to American allies and friends in the Western Pacific.

Neither of these fundamental changes has occurred, but they have begun to enter discussions surrounding U.S. security policy.

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