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## P R O C E E D I N G S

MR. HASS: Good morning. My name is Ryan Hass. I'm the Koo-Chair in Taiwan Studies at Brookings Institution, and it is my pleasure to introduce you all to today's panel discussion involving three of the top experts in the United States on Taiwan and U.S.-Taiwan-related issues. To maximum our time together, I'm going to be ruthlessly efficient in my introduction of these three experts. The first, in alphabetical order, is Dr. Richard Bush, who is a Nonresident Senior Fellow at the Brookings Institution, where he specializes in many of the most vexing challenges in Asia; foremost among them, cross-Strait issues, but also China-Japan relations, Hong Kong issues, U.S.-China relations, and other issues. Prior to joining Brookings, Richard had a distinguished career in government, where he served on Capitol Hill in the intelligence community, and as Chairman of the American Institute in Taiwan.

Our second panelist is Dr. Shirley Lin, who is also a Nonresident Senior Fellow at the Brookings Institution, where she also is a Compton Visiting Professor in World Politics at the Miller Center at the University of Virginia. She has previously worked and taught in Hong Kong, Taipei, and Beijing. She also has worked in private equity and venture capital, and her research focuses on international political economy, as well as challenges facing high-income societies in Asia.

Our third panelist is Dr. Shelley Rigger, who is the Brown Professor of Political Science at Davidson College. She began her academic career conducting research on Chinese politics, but later shifted to studying democratization in Taiwan. She is widely recognized as one of America's leading experts on Taiwan, having published numerous books, monographs, and articles on Taiwan's political developments.

So, these are our three panelists and here's our plan for the next hour. We're going to break our discussion into three parts. It's going to be a moderated and interactive discussion. The first segment will seek to shed light on the politics in Taiwan regarding the U.S.-Taiwan relationship. I will also invite our panelists to offer their analysis of President Tsai's recent October 10th speech. The second segment will explore the politics in the United States towards the U.S.-Taiwan relationship, and I will ask

our panelists about the durability of bipartisan support for Taiwan, and about the role of Congress in U.S.-Taiwan relations. And then we will reserve the final segment of our time together for you, our audience, to ask questions to this distinguished group of experts. I encourage everyone to submit questions, either via Twitter, using #USTaiwan, or via email at [events@brookings.edu](mailto:events@brookings.edu).

So, with that, I want to jump right into our discussion. I'm going to start with a lightning round question for the three of you. We'll first turn to Richard, and then Shelley, and then Shirley by order. The question is this: Beijing recently sent 150 war planes to the southern tip of Taiwan's air defense identification zone around the PRC National Day holiday. The penetration of ADIZ [Air Defense Identification Zone] is not new, but the volume of the flights was. What impact do you think these incursions will have on politics in Taiwan and on how Taiwan's major political parties relate to both China and to the United States. Richard, over to you.

DR. BUSH: Ryan, thank you for organizing this program. I believe that the recent actions by the PLA Air Force will only strengthen and reconfirm the views that existing political parties had about China. For the ruling DPP, it shows again that China is a bully and China is an existential danger to Taiwan. For the KMT, this event will confirm their view that all these tensions are Tsai Ing-wen's fault and if she'd only accepted the 1992 Consensus, none of this would happen. For Taipei Mayor Ko Wen-je, I think his view is that both sides need to reduce tensions and try to co-exist and that both Beijing and the DPP government are responsible. Thanks.

MR. HASS: Shelley?

DR. RIGGER: I would just point to a kind of stereotype about public opinion in Taiwan, which is that people in Taiwan are naively unconcerned about the military pressure that the island experiences, and I've heard people say this in lots of different ways over many years. And while it is certainly true that Taiwanese by-and-large don't panic about this kind of military pressure in the way that many Americans do and think Taiwanese ought to, it is actually not accurate that no one pays attention or people don't care or notice. It's clear from public opinion and also from the kind of political conversation in Taiwan that Taiwanese are well-aware of the pressure they're under, but are still not panicking, whether

or not people outside of Taiwan think they should.

MR. HASS: Shirley?

MS. LIN: It's such a pleasure, Ryan, to be here with Richard and Shelley, and they have basically taken most of what I wanted to say about this. I totally agree that there is a perception of naivete that nothing is going to go wrong. I don't think that's correct at all. So, I was in Taipei for 16 months until this August, and the Taiwanese are stoic about it, basically going about their business, fighting the pandemic without enough vaccine, the border is closed, and they're under constant pressure from China for the last decades, not ten days. And I think that the world didn't notice until this time as much as they have, but basically, my father living through '54 to '55, '58, and then I lived through the missile crisis of '95 to '96. It's all too familiar. The difference, of course, is that China also wants the world to notice this time, very much so. And Taiwan may feel -- Taiwanese may feel apprehensive, but they are very resilient, and most will not give up their autonomy and democratic way of life, which took over a century to build and so much struggle to create. So, on the political fortune of the parties, I think Beijing's focus on pressure will have important impact on the fortune. While the DPP benefits from China's assertive posturing, as it has embraced becoming part of an alliance of democracies. In some ways, Beijing has been a constant headache for the KMT and this time, no less. Surely, some Taiwanese may think that China's aggression will be toned down if the KMT were in power and blamed the DPP, as Richard said, for causing the tension by refusing to endorse the '92 Consensus, but I think more voters, especially young ones, do not buy that argument at all. They see China as a bully that weaponizes everything from vaccine to pineapple to force an outcome unacceptable to the people of Taiwan.

MS. HASS: Thank you, Shirley. If it's all right, I'd like to stay with you for one second because there's one other question I want to ask, which is relating to domestic politics of U.S.-Taiwan relations inside Taiwan. How much divergence or overlap is there between the various major political parties in Taiwan about how they view the United States' priority and emphasis they place upon U.S.-Taiwan relations and what objectives they each have for the U.S.-Taiwan relationship?

MS. SHIRLEY: Thank you, Ryan. I'm eager to hear our panelists about how the U.S.

thinks about this relationship. So, to start off with, I think, no doubt, the DPP and the KMT have changed position in terms of which party values upgrading military and economic relations with the U.S. in the last few years. In 2012, it was widely known that the U.S. did not prefer Tsai Ing-wen to win the presidential election and had a close relationship with Ma Ying-jeou. This has all changed as the KMT went down the path of deepening Taiwan's relationship with China, especially economically, and it's time we oriented the DPP to be the party that stands with the U.S. and its allies. This issue is now a big dilemma for the KMT. Eric Chu signals the KMT's position that Taiwan stands with the U.S. and should neither anger China nor accommodate China, but he has not yet been able to explain exactly how. These are contradictory objectives that are very difficult to work out. For the DPP, Tsai has been much of a political capital, opening up to American beef and pork, but no free trade agreement with the U.S. has materialized. The focus on building Taiwan's security and relationship with the U.S. and other likeminded countries gives ammunition to the KMT, that the DPP is creating more tension with the U.S. without gaining any economic benefit for Taiwan. So, I believe some middle voters can be swayed by the KMT's argument that the DPP is a pawn, is being used by the U.S. as a card, and the lack of trade agreement is the best evidence of that. As for Taiwan People's Party, Ko Wen-je has never crafted an appealing position on cross-Strait relations or foreign policy for voters, and let's see what he can do.

MR. HASS: Thank you, Shirley. Shelley, I'd love to turn to you and bring you into this conversation because there's a busy political calendar on the horizon in Taiwan. There are local elections in November 2022. Presidential and Legislative elections in January 2024. A referendum sprinkled in there along the way. What issues do you think are going to most animate voters in Taiwan? Are there swing voters like Shirley was just describing? And, if I can just add one more thing, where do you see the U.S.-Taiwan relationship sort of fitting into the hierarchy that the Taiwan voters have?

DR. RIGGER: Yeah, so for a very long time, we have understood Taiwanese elections and domestic politics as primarily dominated by domestic issues. And I think that is still important, but I also think that two external factors have affected Tsai Ing-wen's reputation and image in Taiwan a lot. One is the Hong Kong crisis, so Taiwanese observing the deterioration of life and freedom in Hong Kong

over the last several years are increasingly inclined to doubt the KMT's claim that, you know, if we just work harder to show our good will to Beijing that somehow, you know, that will be reciprocated. So, I think the Hong Kong issue has played into Taiwan domestic politics, although I think it is less likely in the next round of elections to matter because, unfortunately, tragically, I think, that story is largely closed, at least from -- you know, I think Taiwanese know what they -- they've learned what they were going to learn from that series of events.

And the other external issue is U.S. relations, where I think Tsai Ing-wen has very much, as Shirley just said, kind of taken over the mantle or the status of the Taiwanese leader who was able to secure a good relationship with the U.S. And for most Taiwanese, that is extremely important, you know. Public opinion surveys again and again show that one of the key factors determining whether or not people believe that Taiwan can be defended is whether or not they believe the U.S. will come to Taiwan's defense. So, being able to show results in building U.S.-Taiwan relations is a plus for any politician in Taiwan.

At the same time, these domestic issues still matter a lot. I think for the DPP, it's largely a matter of kind of running on Tsai Ing-wen's record of success, which may or may not be persuasive. I mean, the KMT is really hammering Tsai Ing-wen on any small vulnerability that they can identify, but I think on the whole, her record has been, you know, pretty impressive, but again, you know, not perfect. So -- and it's hard, I think, sometimes to run on a sort of continuity. More of the same is what we're offering you. So, they brought in constitutional reform which is still not particularly clear to me what exactly beyond lowering the voting age that constitutional reform agenda includes, but I think that is an attempt to kind of have a positive message beyond continuity.

And then for the KMT, I think the issues -- so the points of vulnerability where they will be coming after Tsai Ing-wen are things like energy, so, you know, the energy shortages and blackouts that have occurred in Taiwan which the KMT is keen to connect to the DPP's no-nukes pledge. They will also come after her on COVID because Taiwan, after avoiding COVID for over a year, did have a COVID outbreak that started in May, continued over the summer. Compared to virtually any other country in the

world, their success, even at the height of the outbreak, was phenomenal, but I think there was this expectation in Taiwan that Tsai Ing-wen was somehow going to manage to dodge COVID altogether. And the fact that, you know, it got in and it took a couple of months to contain it, is a gift to the KMT.

And they're going to come after her also, as Shirley just said, on the meat issue. You know, you allow the U.S. to export this meat that Taiwanese people don't want, which the DPP used to be the big advocate against meat imports and the KMT was the advocate for. Another place where they've switched sides. And you've got nothing to show for it because while TIFA talks have resumed, there's no agreement.

The third factor that I would take note of here is just, perhaps the most interesting thing to look at and look forward to in the next rounds of elections, is whether or not an alternative to the KMT and the DPP will emerge. So, Richard has already mentioned the Taipei mayor, Ko Wen-je, who has a party of his own, the Taiwan People's Party, and he, I think, would like to offer a kind of third option beyond these two. The KMT still has the brand, though, so we shall see whether the TPP can overtake and replace it as the number two party.

MR. HASS: Thank you, Shelley. Richard, I want to give you a chance to weigh in on anything that Shelley or Shirley have put on the table that is of interest to you, but I also, in addition to that, want to sort of take a step back and ask a broader question, which is that as time has gone by and Taiwan has become more consolidated as a democracy, social spending has gone up in relative terms while defense money has gone down. And this is understandable. Taiwan is not unique in this pattern, but it is a pattern that is observable, and, I guess, I'd love to hear your thoughts on is whether you expect this trend to continue into the future and whether there's anything constructive or helpful that the United States can do to inform this discussion or decision-making process related to the balance between social spending and defense spending as threats to Taiwan appear to be rising.

DR. BUSH: Thank you, Ryan. The relationship that you describe is real. Stephan Haggard at UCSD has demonstrated that in just about every authoritarian system that has transitioned to democracy, the demands to increase social spending and reduce defense spending has been a driver of



politics. And this was certainly true of Taiwan. And interestingly in Taiwan, the KMT did not allow the DPP to own this issue. It co-opted the issue and did its own work to shift this balance. Now, in Taiwan at least, I think that this trend will continue and that over time, the demand for more social spending will continue to increase. And the answer to that is simple. The population is aging, the birthrate is low, so the increasing number of people who by law deserve pensions is going to go up. Moreover, you will continue to have demands for funding to build infrastructure and otherwise keep Taiwan economically competitive. The problem that Taiwan faces is that it's operating with a basically fixed-sized budget pie. And, so, the fight for resources can be intense. The percentage of the government budget that goes to defense has remained about 11 or 12 percent over a decade, even though the threat to Taiwan has increased. It's bizarre. And, so, in my view, the only way to deal with this competition for resources is to increase the size of the budget pie, and that requires increasing taxation on things like wealth, capital gains, and so on. And as we understand, that is hard to do. United States is not a good example of a system that increases taxes to meet growing demands.

We have, on defense -- to come back to that -- we have worked for a long time to alert Taiwan to its defense problem and have tried to advise the Minister of National Defense on how to adjust to it. In the end, though, these are choices that people in Taiwan need to make. Are they willing to pay more in taxes to be more secure?

MR. HASS: Shelley, Shirley, do you guys have a view on this? Do you think that there's a helpful role for the United States to play in encouraging movement in the direction that Richard described?

MS. LIN: Yeah, I want to say, everyone should read Richard's latest book. It's very important to understand the tradeoffs in a small place that has a limited budget, even though -- and to also to Shelley's point, it's going to have a tough time even though the DPP has a lot of governing issues that are really long term structurally related that both parties created. Most of actually created under the KMT, and those challenges are creating a polarization Richard was talking about, which makes the tradeoff very severe and so that people are thinking, how much do we spend on defense in light of all the

other issues we have, as Richard says, pandemic preparedness. Taiwan didn't buy enough vaccines. That's one the reasons. It's not just managing, but sort of planning ahead and has to do with budget, as well, population decline. Taiwan is the lowest fertility country in the world. The leading according to CIA. Power generation is the issue that Shelley referred to. Political polarization and parochialism are all these issues that Taiwan needs help from the United States. And if these existential challenges, in addition to China, are not alleviated, the political divisions in Taiwan will grow. It's vulnerability to China will increase and Taiwan's will to resist coercion could diminish and, therefore, this willingness to work with China could also slowly build up, even though that's not where they are yet. So, what Richard was talking about is very related to Taiwanese foreign policy outlook.

MR. BUSH: Shelley, do you want to come in at all before I shift this to a different topic? Okay. Now, I appreciate those perspectives and I think this is an important issue that maybe we'll come back to in future discussions amongst us because there is this tension between social spending and defense spending, and the United States does have growing concerns about Taiwan's defense capacity and ability to defend itself and deter attacks. And it's important for us to think about ways that we can hopefully try to nudge discussion in a constructive way and not do damage in the process. But we will put that on the shelf for later discussion. For now, I'd love to get your thoughts on a more proximate issue, which is that President Tsai delivered her annual October 10th speech two days ago in Taipei. What do you think? How do you think it went? What stood out to you? What was most notable and why is the October 10th speech so significant? Shirley, why don't we start with you?

MS. LIN: Well, of course, Beijing hated it, but that's not unexpected and I would have to say, I also heard from a large number of older people in Taiwan who had trouble with it. But I have to say, personally, as everyone knows now, President Tsai drafted her speech herself several weeks ago. So, she really, really cared about the speech. As a second term president, she's not looking to get reelected, but is keen to establish her legacy and to position her party as one that is prudent, but very much in line with the voters' expectation and what they felt. Viewed in that light, I think her speech gets very high marks, certainly from me. She highlighted some ideas shared by most Taiwanese, mainly

upholding democratic values, diversity, inclusivity, and especially autonomy. In her choice of wording, she emphasized ROC Taiwan can be very controversial, which puts her right in the middle, however, in terms of rhetoric about Taiwan's national status among the voters.

And she did not shy away from Taiwan's challenges. And I think this is very important. All the problems I highlighted before. The long-term issues, including energy policy and sustainability which Taiwan lags behind, constitutional reform, which young people care deeply about, in addition to voting age, all sorts of issues in the constitution that people didn't want to touch. Vaccine acquisition, which is -- there's no chance of herd immunity before the end of this year in Taiwan. What does that mean for a country that, although it has 8 percent GDP growth the first half of this year. What will happen to the rest of the year and the projected 5.88 percent? Economic diversification and talent cultivation. If you think about her speech, she mentioned them more as challenges to be overcome, not to basically, you know, do any propaganda.

So, above, all, she stressed the need to overcome past divisions, over identity and strength in unity around a common Taiwanese identity. High marks from me.

MR. HASS: Shelley, how about you?

DR. RIGGER: Yeah. I think Shirley's done a great job of summarizing the -- especially the sort of domestic focus of this speech. So, I'm just going to limit my comments to the external facing aspects of the day. First of all, I was surprised to see some media reports kind of focusing in on the military parade, which she also talked about. You know, we saw these planes go over and so on, and there seems to be, in some of that coverage, the implication that, oh, you know, Taiwan's facing this military threat, so now they're having this military parade, but we all remember that this has always been a military parade. It's only the last few years under the DPP that it was not a parade of tanks coming up the main street in Taipei. So, I think the restoration of that kind of military parade vibe is, on the one hand, not unrelated to the threat that Taiwan is facing currently, but also not some kind of, you know, exotic new thing that Tsai Ing-wen initiated.

Mainly, what I would say, certainly on cross-Strait relations, is that she demonstrated once again her consistency. You know, saying the same things about cross-Strait relations, more or less, that she's been saying all along. You know, this Republic of China-Taiwan verbiage, I think is really, really interesting. In English, it's Republic of China parentheses Taiwan, but in Chinese, it's just- *Zhonghua Minguo Taiwan* (中华民国台湾), so it's this neologism that links Taiwan and the Republic of China and makes them the same thing. So, the idea that, you know, that the PRC has, that Taiwan is somehow a movement, you know, using the language of Taiwan is a movement toward independence, whereas using the language of ROC is at least preserving the possibility that Taiwan may have a Chinese identity that is meaningful. By putting those two together, it makes it hard to make that argument. I will say one thing she said a lot in this speech was China. So, attributing actions of the PRC to China, as opposed to the PRC or what sometimes Taiwanese leaders will do, which is to say the mainland. So, I think there, she's making the point that Taiwan can be differentiated to -- that the PRC has taken over the position of China in the world, and so we might as well call China, China.

I also think that the speech was notable for her sobriety. You know, I agree with Shirley that it was not a victory lap by any means, nor was it a sort of politically exhortatory kind of speech. It was really very, very sober, both in the domestic focus and the international focus, but I also thought, finally, that there was -- that she paid an unusual amount of attention to the opportunities Taiwan is facing in this moment to increase its international space and international support. So, she namechecked tons of countries and tons of international organizations which is, I think, notable.

MR. HASS: Yeah. Richard, how would you evaluate the speech? What stood out to you?

DR. BUSH: Well, I agree with everything that Shelley and Shirley have said. Taiwan voters have a constant tendency to ask the question, what have you done for me lately? And this was President Tsai's answer to that question. And it goes to the issue that all democratic systems face, and that is performance. Have the people you've elected done the job? And have they somehow, in some way, made life better? And this was her case. This was not the first time she's made this case. It's

certainly not the last time she's made this case because in, what, 13 months, we're going to have local elections and I think President Tsai will continue to try to frame political issues, particularly the one of performance, in order to convince voters, both for the local elections, but also the presidential election coming in about 15 months, that continuity is good. The DPP should be kept in power. And so, we will hear this line of argument again.

The other point that I would make is a theme that President Tsai stresses in all of her major speeches, and that is the need for greater unity in Taiwan. Taiwan is not made more secure if political parties are tearing each other apart and focusing on the defects of the opposition political party when the threat to Taiwan comes not from within, but from without. And this is one of those situations, and the United States has faced it in the past, where competing political parties need to set aside their rivalries on foreign policy in order to secure the country. And so, in a sense, she's saying, to borrow from Senator Vandenberg, politics should stop at the Taiwan story.

MR. HASS: Thank you. I want to pick that very theme up, but after we transition to the next phase of our discussion, which is looking at the U.S. politics of the U.S.-Taiwan relationship. And, Shelley, if I can start with you. It's not a state secret that the domestic politics in the United States are very fractured, that there is very intense partisanship on a lot of the issues. Taiwan, up to now, has escaped that, it seems. There has been large continuous bipartisan support for Taiwan. What has made that possible and what do we need to watch for to ensure that that trend continues into the future?

DR. RIGGER: Right. So, Taiwan, back in the old days, was a kind of Republican issue and a darling of conservatives because it was an anti-communist ally of the U.S. Then, after Taiwan democratized and became this kind of poster child for democratization, human rights, also free market economics, and continues to be this sort of stopping point for communism in Northeast Asia, it also picked up many friends on the democratic side. And so it has been, for the last few decades, one of the few, sort of, bipartisan foreign policy issues where both Democrats and Republicans gladly jump onto every bill in Congress that claims to be helping Taiwan. What worries me about the direction that U.S. policymakers, and not so much policymakers, but this sort of pundit class in the U.S., is doing now is that

increasingly, there is this discourse that Taiwan is some kind of a weapon system that the U.S. can use in this new cold war that we're going to have with China, or maybe it's a new hot war, depending upon who you're listening to. And, you know, so Taiwan in that scenario really risks losing Democratic party support because the idea of, you know, taking on China, not just in kind of, we should do better or with our own educational and industrial policies so that we can compete with China, but more of the kind of hawkish -- we need to take China down, and Taiwan's going to be one of our assets for doing that. That is, I would argue, already starting to erode enthusiasm on the left for Taiwan.

Increasingly now, I get questions from the left when I talk about Taiwan in public forums that are kind of, like, isn't Taiwan just another one of these neo-liberal, neo-conservative places that the U.S. has got to, you know, jettison because we can't afford to keep doing that kind of thing. So, you know -- and that's so ironic and paradoxical, right? You know, the first country in East Asia to legalize same-sex marriage, this very liberal in many ways and progressive society is -- that whole aspect of Taiwan's reality, is, I think, being clouded over by the politicization of Taiwan in the United States, and I think right now, that kind of dismissiveness toward Taiwan's actual virtues is on the kind of far left. But I worry that if Taiwan really becomes a kind of -- the primary focus of attention in the U.S. is on its role as a tool to use against China, that will be disastrous for Taiwan on many level, including the way, you know, the sort of bipartisan nature of U.S. support for it.

MR. HASS: Interesting. Richard, you've followed this closely for a long time. You were a previously Congressional staffer. Help us understand the role that Congress plays in this dynamic that Shelly's describing, and how should our friends in Taiwan understand and interpret expressions of support from Congress for the U.S.-Taiwan relationship?

DR. BUSH: Thank you. Taiwan has depended on Congress to protect it, to protect the ROC, since the late 1940s, so this is nothing new. I think that what is new, at least in the last 40 years, is the unanimity within Congress that China is a bad actor, so the enemy of my enemy is my friend, therefore, Taiwan deserves support. I think that it's also worth pointing out that the members of Congress who actually understand the principles that made the normalization of U.S.-China relations possible are

no longer there. And so, they do not understand -- the current members don't understand why you can't do certain things.

Now, I do think it's worth noting that just about all the legislation that Congress has produced in the last five years -- ten years is hortatory. It includes a lot of pro-Taiwan sentiment. It includes a lot of suggestions for how to change and, in the minds of the authors, improve U.S.-Taiwan relations, but it doesn't order the Executive Branch to do much of anything.

And so Congress, and particularly the members who initiate these measures, they get a lot of credit from people who support Taiwan and people in Taiwan, but they don't bear the responsibility for the consequences of their action. And the consequences are, I think, on the one hand, Congressional measures raise the hopes of at least some people in Taiwan about how strong the support for Taiwan is. On the other hand, they deepen the fears of people in the PRC who believe that U.S. support for Taiwan really is rock-solid and that the United States is using Taiwan as a card in a strategy in the containment of China.

MR. HASS: Well, Shirley, I want to bring you in on this as well. If you have any thought that you want to share on, sort of, the issue that Shelley and Richard have honed in on, you're welcome to, but given your expertise, I also want to add one other question on top of that. Trade. Trade is often identified as the number one priority when Taiwan officials speak about the U.S.-Taiwan relationship. They talk about the need for a free trade agreement. We all know that recently, Taiwan submitted its bid to join the Comprehensive and Progressive Trans-Pacific Partnership. CPTPP. Given the ill-winds that exist at the moment politically inside the United States on trade issues, what can we do? What can be done to meet the number one priority that the Taiwan leaders have for the U.S.-Taiwan relationship and move the ball forward on trade issues?

MS. LIN: Thank you, Ryan. I do want to respond to Richard and Shelley on the last question. It's actually perfect to talk about trade within that context. The issue between the U.S. and China for a Taiwanese perspective is very clearly the Chinese are playing the long game. To a lot of Taiwanese, the Americans are short-term oriented. And you could see that -- of course, that is the

essential problem with a democracy working with another democracy. There's no people who know it better than the Taiwanese; that everything depends on the next election cycle in the U.S. and in Taiwan. But if Taiwan does not become more internationalized and more integrated with the west, it's going to be - - unavoidably going to be, in the long term, part of China. So, because it is the most viable solution to Taiwan's economic and other problems. Beijing, of course, will have achieved what I think is the ultimate game, with all of this fear mongering. It is involuntarily a peaceful unification. And if that is their long game, then I think that the fact that Washington is split between the security discussion and economic discussion is not helpful. To have a comprehensive understanding of how to help Taiwan is what's really important, and coming to D.C. really reminds me that there's two different circles talking about priorities in a way that really -- it could make sense, but the reservations, for example, about Taiwan's regulatory capacity, its willingness to make concessions necessary for a FTA, despite giving up on American beef and pork, and Taiwanese companies' trustworthiness, or is too much to run SMIC. And this means that the U.S. is really not able to help Taiwan think about its challenges in the long term, whereas China does. It does what it does on a long-term basis and has been very consistent even though Xi Jinping has been, of course, out there, if you will, since two thousand, and I would say, fifteen [2015]. But how can Washington formulate a grand strategy for the Indo-Pacific region and for Taiwan without thinking about all of the issues that Washington is having difficulty with?

Coming to the CPTPP, increasing arms sales and bolstering Taiwan's defense is very, very important, but insufficient. Helping Taiwan become international, exchanging experience, experiences in addressing problems of a high-income society, concluding a U.S.-Taiwan trade agreement despite TIFA, there is no progress made on the agreement. And relying on bilateral agreement is very important. Cooperating areas like clean energy, helping Taiwan join multilateral forums with like-minded states, increasing Taiwan's participation in international organizations where its voice and experience would be useful, even vital, are essential if Taiwan's going to manage its cross-Strait relations and improve its resilience in the economy, public health, and the environment.



So today, China wants to join the CPTPP before Taiwan joins, which is a way of them showing that China can block Taiwan's entry into that regional trade group. The global economy is in jeopardy. The U.S. political environment makes it impossible for Washington to enter the CPTPP in the medium or near term. So, Taiwan has actually been relying more during the pandemic. Taiwan's trade and investment with China actually has increased. Twenty-five percent of Taiwan's total trade is with China, which is a historic high, and still, the majority of Taiwan's cumulative investment in the world is in China. Compare this with Taiwan's trade with the U.S. The U.S. has been Taiwan's leading trade partner until 2003, and now the U.S. is only 13 percent of Taiwan's total trade, and only 14 percent of Taiwan's cumulative foreign direct investment outbound. So, unless the U.S. provides incentives to deepen this economic relationship, China is going to be a much more convenient partner eventually and multilateral trade agreements, such as RCEP, will become Taiwan's only option. It is going to hurt Taiwan if RCEP actually goes into full gear. Now, Taiwan is a pariah internationally. Its participation in WTO, APEC, is really circumscribed by China, which is a prominent member in virtually every international organization. So, there's real limitation as to what Taiwan can do. Even if it joins and benefit from these organizations, what Taiwan really can benefit from is bilateral relationship at the moment because of the global situation. And given the favorability of Taiwanese to Australian people, Japanese, and Americans, that you can find in all the polls, the most important and practical way for the U.S. to help Taiwan is to sign bilateral economic agreements and help others sign bilateral agreements with Taiwan.

MR. HASS: Shirley, do you think it's possible for any country to move down that path of an FTA with Taiwan if the United States fails to act, or is the United States, say, an essential first mover to create space for others to --

MS. LIN: The United States is absolutely the benchmark. And there were all these discussions, of course, in the past about TPP, and now that the U.S. is not in the TPP, the U.S. cannot do the bilateral agreement because of all of the domestic issues, which we all understand. Everybody else we're talking about is a democratic country. High income economies are basically democratic countries.

And how can Australia or Japan, any of these countries, move forward with this kind of domestic situation?

MR. HASS: Well, our time is starting to run short, but I did want to sneak in one additional question before we turn to our audience's questions, which have been flowing in. And that is, it sort of goes back to something that Shelley was talking about a few moments ago. Is it possible, or is it advisable, for discussions around Taiwan to become more of a mainstream topic of conversation in political discourse inside the United States? Is there value in trying to raise public awareness of the depth of America's interest in Taiwan, or does doing so risk, you know, over cranking and creating a division that could imperil the bipartisan support that Taiwan has enjoyed up to this point? Richard, why don't we start with you and then maybe we'll bring in Shelley and Shirley, and then we'll turn to the audience.

DR. BUSH: I do think that we need a broader public conversation about Taiwan because the probability that we may have to go to war and sacrifice lives for the sake of Taiwan is not zero. And if we are going to do that, we need to know very clearly why we're doing it. On the other hand, for the near term and the medium term, I think we need to better understand China's threat to Taiwan, and the threat is not a military attack. It's more psychological warfare. Trying to undermine the confidence of Taiwan people in their future through things like cyberwarfare and social media and so on. And so, we need to think more clearly about how we can adapt our actions to best support Taiwan as it faces these challenges. And I think expanding our economic relationship radically is a good way to do that.

MR. HASS: Shelley?

DR. RIGGER: Yeah. I'm going to respond to this question with a plea to anybody in the media who is on this call, which is I would love to have a larger discussion in the United States about Taiwan. I would -- I think Richard is right that, you know, if we're seriously thinking about rock solid commitment to a place that may be, you know, under military attack, yeah, we need to talk to the American people about what's going on. But if the content of that communication is in this kind of, you know, anti-China using Taiwan as a weapon against the rising threat to America's future, then I think it's actually worse than nothing because it is the wrong message. It is a message that dehumanizes

Taiwanese people that undercuts everything that is actually valuable about Taiwan and, you know, basically turns an island of 23,000,000 human beings into the barrel of a gun. And, so, I'd rather not talk about Taiwan at all than talk about Taiwan like that. And what I will say and why this is a plea to the media is that, you know, people like Richard and Shirley, Bonnie Glaser, Ryan, many of us who are trying to make -- Paul Hare -- trying to make a more nuanced and ethical and informed by the reality of Taiwan itself, argument about Taiwan to the American people. It's very difficult for those positions to find an outlet to be published and more and more of the media coverage seems to be turning to the sort of most inflammatory kind of hair-on-fire, the war starts tomorrow, kind of sources who, I think, are not helping and, in fact, are making the situation a lot more dangerous. So, you know, if you want to talk to the American people about Taiwan, please talk to voices from all over and not just from that, sort of, China hawk militarily-focused -- I won't say fringe, but it feels like a fringe to me.

MR. HASS: Shirley?

MS. LIN: I will add to what Shelley says, to say everyone should read Shelley's book, "Why Taiwan Matters." Even though it was written a few years ago, I think it's still very, for those of you who want to have a primer on why Taiwan matters, and that is the name of the book, I think it's important for the public to understand and appreciate -- and today, more Americans understand the situation better than ever before because of chips. Everybody I know knows that they can't get their cars, or it's overpriced, or they can't get their Sonos systems because Taiwanese are not making them fast enough, in greater volume.

And that also speaks to Shelley's recent book about how the Taiwanese help build the Chinese, basically since reforming, opening, I think that it's a much -- a very important part of everyone's education to understand how important Taiwan is, not in relations to China itself, but as a important player in the global political economy. I feel that that is also a divided discussion which needs to be put together so that between the fighter jets and the chips, there's an understanding that it is a country with people who are doing their best to promote values that are universal that we identify with.

MR. HASS: Thank you. Well, in the process of your response, you addressed one of our questions that came in from Sheldon Ray at Raymond James about the silicon shield or semiconductor shield of Taiwan. But I wanted to pose another question from our audience to you all. This came from Stephen Schlaikjer, who is a retired foreign service officer, who wrote: in a written response to Chinese Communist Party General Secretary Xi Jinping, newly elected KMT Chairman, Eric Chu (Chu Li-luan), reportedly asserted that people on both sides of the Taiwan Strait were "all children of the yellow emperor." Does this characterization of a common, cultural, and ethnic identity truly reflect the sentiments of people in Taiwan? And, in general, how do you think Chu's response to Xi Jinping will play in Taiwan's electoral politics? So, over to you all. Maybe we'll start with Shelley?

DR. RIGGER: Yeah, I, you know, this is going to be an unpopular position probably on this panel and definitely with some in the audience, but I don't think that that is wildly inaccurate as a characterization. I did a survey with some co-authors, Lev Nachman, Chit Wai John Mock, and Nathan Chan in May, and we asked, is Taiwan's culture similar to various other cultures? And by far, the largest percentage was -- of respondents identified Taiwan's culture with Chinese culture. And it was about 55 percent said, you know, our culture is alike -- is similar to or is like Chinese culture. And just, you know, to sort of understand what that means -- and it wasn't 55/45. It was 55 and then a lot of people gave a middling answer. Compared to Hong Kong? So, we were really expecting Taiwanese to express cultural affinity with Hong Kong, but the percentage of respondents saying that Taiwan's culture was similar to Hong Kong was actually below 40 percent. So, I do think that there is still this fundamental understanding among Taiwanese that their history and their ancestry and their culture is Chinese. The problem is not China, right? The problem is the PRC. The problem right now for a lot of Taiwanese, and why a lot of Taiwanese are strongly skeptical of the mainland, is because the current leadership of the PRC is, in the view of many Taiwanese, hostile to Taiwan as a, you know, political entity and also hostile to Taiwanese people as human beings, and is also not good for the Chinese people in the mainland either. So, you know, I don't think the divide between Taiwan and the mainland is primarily ethnic or ethnonational or cultural. I think it's about politics and it's about -- we understand ourselves to be a free and democratic

society. That is not what they have over there and that is why we don't want to be absorbed into what the PRC has created for itself on the mainland.

DR. BUSH: Ryan, just a short comment. If you had polled residents of colonial America in the early 1970s as to whether they were British or not, or part of British culture, the great majority would have said yes. But on July 4, 1776, something happened.

MS. LIN: To continue Richard's point, I think -- I hope I understand Ryan's question's a political one -- how does this statement relate to people's political preference? And I can say, I'm very proud. I'm a *Yan Huang Zisun* (炎黃子孫) or that, you know, I came from the *Xinhai Geming* (辛亥革命), but does that have anything to do with predicting my political preference? I think that's a totally separate question. I recently did 23 and Me and I was totally shocked at my unflattering background by blood. But it didn't change me a bit. So, I don't think that the political calculation that goes into these statements, you really hope that there is a spinmeister who actually knows what they're doing, because I don't think even my own daughters would be happy to say that where you came from determines what you will be doing and what values you will hold. I think that that is a -- these are very progressive and modern people living on the island of Taiwan. And they're happy to be called Chinese culturally, but what does it mean for the political parties or the political candidates?

MR. HASS: Thank you. Well, we have time for one final question and I will give the question to a Congressional staffer, Samuel Gordon, who asks, what is, in your opinion, is the biggest threat or the biggest opportunity facing the U.S.-Taiwan relationship today?

DR. BUSH: I'll just take a stab at that. I think the biggest challenge for the United States is to make a significant change in our economic policies towards Taiwan. If our security relationship with Taiwan is so important, we cannot continue to implement a sort of grudging and unhelpful economic policy towards Taiwan and improving the Taiwan economy is the best way to strengthen that system.

DR. RIGGER: And I would just say the biggest threat is the politicization of Taiwan is an issue, and for Taiwan to lose its bipartisan character in U.S. politics would really be catastrophic.

MS. LIN: I guess I'll be the only one to say the biggest threat in Taiwan is the politicization of China, and the biggest threat is the same in the United States. To not understand the issues related to China, but to politicize everything as in anti-China and pro-China is very, very troubling for Taiwan to have rational policy discussions, and in the U.S., the trouble is greater. I think Biden has a great opportunity to deal with the pandemic differently, to deal with foreign policy differently, but he's very challenged. The parties are divided, both the Democrats and the Republicans, and I think that unless there is an ability to move forward, as both Richard and Shelley says, on security and economic front to help Taiwan, this relationship is, at we say in business, it's all sizzle and no steak.

MR. HASS: Well, let's hope that the U.S.-Taiwan relationship has a lot of steak, nutrients, calories to it going forward. With your wise advice and counsel, I am confident that it will continue on that course. I want to take a moment to just thank the three of you for such a rich conversation. Shirley, Shelley, Richard, I've learned a lot. I'm sure our audience has. This video will be on the Brookings website going forward, and I'm sure that others will take interest in it, as well. So, until we meet again, this will be a discussion to be continued, but for now, thank you so much. Bye-bye.

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