

Zihao Li

Graduate Policy Memo: \$1 Billion Dollar Allocation Plan

(740 Words)

Summary

The collective agenda of this policy memo aims to spend the one billion dollars fiscal package on Taiwan. The amount of money will not be enough for a major military deployment; therefore, we hope to utilize the money to strengthen the US-Taiwan relationship, which coincides with the grand strategy of China containment. The potential options include; investing in joint military exercises, or investing in the diplomatic infrastructure in Taiwan. Of the two, we believe initiating investment through the American Institute is the better choice. A diplomatic channel can promote the US's influence over the region while avoiding a significant escalation with China. In the wake of the recent Chinese power push in Hong Kong, it is crucial to stop the momentum from spreading to Taiwan.

Background

Unlike other US allies in East Asia, Taiwan's legitimacy as an independent country is only recognized by 18 countries in the world(World Population Review 2020). However, the international community has established different forms of communication with Taiwan, sidestepping China's claimed ownership of the region. Because of China's dominant view, Taiwan has been pulling closer to the US's sphere of influence. In exchange, the US also considers Taiwan as an indispensable strategic location in winning the hegemonic competition with China(Layne, Christopher 2008).

Option One: A joint military exercise with Taiwan helps the island to fortify its buffer zone with China. The Han Kuang exercise is an annual military exercise practiced by Taiwan, preparing for the event of the People's Liberation Army invasion. It is observed by many of Taiwan's unofficial allies, and we have been increasingly involved with the exercise(TW News,2018). Our involvement in the exercise can send out a firm message to China, indicating our security ties with Taiwan. The message can benefit our relationship with Taiwan, as the involvement can be seen as a form of recognition by the public.

Furthermore, Taiwan has been a loyal purchaser of our military supplies. In the year 2019 alone, Taiwan had bought 8 billion dollars worth of military equipment (DSCA,2019). Active involvement with Taiwan's military exercise will likely encourage further arms sales and military cooperation; the additional revenue can be reinvested into Taiwan the same way, paving a path for our military presence in Taiwan.

A joint military exercise is not a new strategy. Within East Asia, we have been participating in the military exercise with South Korea and Japan; pushing a similar plan toward Taiwan will inevitably provoke China. We continuously encounter navigation conflicts with China around the Spratly Islands, and a provoked China may adopt aggressive strategy during these encounters.

Option Two: A concrete diplomatic presence in Taiwan opens many opportunities. With the fiscal package invested in improving the infrastructure of our diplomatic missions in Taiwan, we will be able to engage in more detailed intelligence gathering in the greater

China region. Our embassy in China is constantly facing difficulty obtaining information, and the Chinese government can and will evict our embassy if they detect unwanted activities. The Chinese government does not control Taiwan, and due to Taiwan's natural leniency towards us, our diplomatic progression will receive less interference. A stable and complete intelligence net can serve as a barrier, preventing China's power projection from spreading to South Asia. Furthermore, a better structured diplomatic compound may act as a refugee processing center. Taiwan is the second largest Chinese speaking region, and proximity to China makes it easier for those who are escaping from the Chinese political persecution(Crabbs, Karen Y 1992). These refugees' experiences are essential in formulating a global voice against China, creating obstacles for China to grow its political cloud.

Unlike the previous option, a diplomatic investment may yield less recurring revenue, and maintaining a robust diplomatic presence may require additional investments in the future. China too has been increasingly injecting investment in Taiwan, trying to establish its influence. Although we assume Taiwan will not likely impede our operations, we do not have absolute control over the Taiwanese government. As Taiwan is becoming a battleground for greater powers, It is uncertain how much liberty we will be given.

Recommendation

Despite the uncertainty of the diplomatic channel, we believe it coincides with our grand strategy of containing China. We have established strategic relationships with major countries around China; now with China's claim over the Spratly Island, securing

Taiwan effectively narrows down China's expansion ability. We want to avoid major escalation with China while undermining its hegemonic position in East Asia.

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