CMSI Note #3: “Choose the Right Person, Choose the Right Path”: Taiwan’s Cross-Strait, National Security, and Defense Policies Under a Lai/Hsiao Administration

Julia M. Famularo

Follow this and additional works at: https://digital-commons.usnwc.edu/cmsi-notes

Recommended Citation
Famularo, Julia M., "CMSI Note #3: "Choose the Right Person, Choose the Right Path": Taiwan's Cross-Strait, National Security, and Defense Policies Under a Lai/Hsiao Administration" (2024). CMSI Notes. 3. https://digital-commons.usnwc.edu/cmsi-notes/3
“Choose the Right Person, Choose the Right Path”:
Taiwan’s Cross-Strait, National Security, and Defense Policies Under a Lai/Hsiao Administration

Dr. Julia M. Famularo

CMSI’s Perspectives and Key Takeaways

- The incoming William Lai/Bi-khim Hsiao administration almost certainly intends to continue to execute and deepen President Tsai’s defense reforms. Lai has also stated his support for the implementation of an Indo-Pacific Strategy concept.
- Lai has an opportunity to leverage the national security experience of President Tsai’s outgoing advisors, who may potentially help his administration calibrate Taiwan’s responses to People’s Liberation Army (PLA) military provocations in and around the Taiwan Strait.
- The Lai administration likely would prove receptive to U.S. and partner overtures that contribute to Taiwan’s ability to strengthen its maritime domain awareness and security; enhance maritime law enforcement and search and rescue capabilities; conduct maritime patrols; and improve information sharing.
- Lai intends to maintain the cross-Strait status quo, and has stated that he is willing to conduct dialogue with the People’s Republic of China (PRC) on the basis of mutual respect and equality.
- Lai almost certainly will seek to continue President Tsai Ing-wen’s policy of diversifying Taiwan’s economy and expanding sustainable trade partnerships with democratic nations. He has stated that overdependence on the PRC leaves Taiwan vulnerable to economic coercion, and thus opposes pursuing further economic agreements with China under the Economic Cooperation Framework Agreement (ECFA) or a potential Cross-Strait Trade in Services Agreement (CSTSA).

Context

Taiwan’s national elections took place on January 13, 2024. Democratic Progressive Party (DPP) candidate, Dr. William LAI Ching-te (賴清德), and his running mate, Ms. HSIAO Bi-khim (蕭美琴), will serve as the next President and Vice President of Taiwan. Their ticket won 40.05% of the vote. The Chinese Nationalist Party (KMT) candidate HOU Yu-ih (侯友宜, also rendered Hou You-Yi) came in second with 33.49%, and Taiwan People’s Party candidate KO Wen-je (柯文哲) came in third with 24.46%.²

William Lai is the current Vice President (VP). He previously served as a Tainan legislator (1999-2010), Tainan mayor (2010-2017), and as Premier (2017-2019) prior to successfully running as President Tsai’s VP in 2020.³ ⁴ Bi-khim Hsiao most recently served as Taiwan’s diplomatic representative in Washington (2020-2023), where she possessed a strong working relationship with both the Trump and Biden
administrations as well as with members of Congress. Previously, as a Taiwan legislator (2002-2008; 2012-2020), she served on the influential Foreign Affairs and National Defense (FAND) Committee. During this time, Hsiao also held various leadership positions in the Council of Asian Liberals and Democrats, Liberal International, and the Taiwan Foundation for Democracy. She is from the progressive wing of the DPP and a close ally of President Tsai.

During the election campaign, the DDP exhorted voters to “choose the right person, choose the right path.” Now that Dr. Lai, Ms. Hsiao, and other senior officials will collectively shape Taiwan’s cross-Strait, national security, and defense policies, what do they believe the “right path” looks like?

**Cross-Strait Policy**

According to a December 2023 survey, more than 60% of Taiwanese are moderately to extremely concerned that the PRC may attempt to invade Taiwan. It is thus unsurprising that defending Taiwan’s sovereign status has remained a cornerstone of President Tsai Ing-wen’s presidency, and such a policy would continue under a William Lai administration. DPP leaders consistently argue that there is no need to declare independence, as the Republic of China (ROC) is already a sovereign country and the PRC and Taiwan are not subordinate to one another. Lai states that his priority is to maintain the status quo by means of a “pragmatic and consistent” cross-Strait policy. He is willing to hold dialogue with China on the basis of mutual respect and equality, but criticizes the PRC for curtailing exchanges based on the DPP’s refusal to accept the so-called “1992 Consensus.” The supposed “Consensus” refers to a “political strategy” devised following the conclusion of 1992 meetings between representatives from PRC and ROC semiofficial government organizations, which enabled the KMT and CCP “to shelve their differing positions concerning which government is the legitimate, exclusive representative of ‘China,’” and subsequently allowed them to proceed to negotiations on practical cross-Strait agreements.

PRC authorities have repeatedly linked the so-called “Consensus” to their own “One China” Principle, which maintains that “there is but one China in the world, Taiwan is an inalienable part of China,” and the PRC “is the sole legal government representing the whole of China.” Conversely, the KMT asserts that the “Consensus” is intentionally ambiguous, enabling each side to interpret whether “One China” constitutes the ROC or PRC. The DPP argues that as China has “never acknowledged the existence of the ROC,” accepting the “1992 Consensus” implies that Taiwan is part of China.

According to Lai, pursuing a peace agreement with authoritarian China—as previously advocated by a number of prominent pan-blue politicians—is thus futile, as the fates of Tibet and Hong Kong demonstrate that “peace without sovereignty is not genuine peace.” Former DPP Premier and party heavyweight Su Tseng-chang also underscored this point during election rallies by calling attention to ongoing PRC human rights abuses against the Uyghurs and Hong Kongers.

William Lai almost certainly would maintain President Tsai’s policy of diversifying Taiwan’s economy and expanding sustainable trade partnerships with democratic nations, and states that dependency on China has “created vulnerabilities” that the CCP can exploit “through economic coercion.” For this reason, Lai remains opposed to pursuing further economic agreements with China under the Economic Cooperation Framework Agreement (ECFA) or Cross-Strait Trade in Services Agreement (CSTSA). He also supports Taiwan joining the Western-led Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).
National Security and Defense Policy

Although Lai—unlike Hsiao—did not serve on the Foreign Affairs and National Defense (FAND) Committee, as the DPP Caucus Whip he supported strongly U.S. arms sales to Taiwan and famously excoriated KMT legislators for repeatedly blocking the special budget for arms procurement in 2005. He almost certainly intends for his administration to execute and deepen President Tsai’s defense reforms. He has pledged to “expedite” Taiwan’s “transition into an asymmetric fighting force, focusing on cost-effective and mobile capabilities.” He also stated that he would “seek greater cooperation with partners and allies, particularly in training, force restructuring, civil defense, and information sharing.” Moreover, Lai has specifically stated that he seeks comprehensive security cooperation with Japan.

Vice President Lai has expressed his support for the Indo-Pacific Strategy concept. He stresses the importance of ensuring freedom of navigation and overflight; strengthening maritime domain awareness and security; enhancing maritime law enforcement and search and rescue capabilities; enhancing Taiwan’s ability to conduct maritime patrols, including with international partners; and “establishing consultation mechanisms to jointly maintain maritime security.”

Lai has argued that under his leadership, the potential for a cross-Strait conflict would decrease due to his focus on strengthening Taiwan’s national security and defense capabilities. It is possible that Bi-khim Hsiao may play an important role in helping to shape the future trajectory of Taiwan’s national security, defense, and foreign policies.

Implications

Throughout the election campaign, Lai and Hsiao made it clear that they would continue to lean toward and seek deeper cooperation with key democratic partners as they safeguard Taiwan’s robust democratic society and freedoms. Their administration’s policies will inevitably influence the trajectory of Taiwan’s security landscape by shaping Taiwan’s deterrence posture, national defense readiness, and ultimately its ability to counter an increasingly aggressive PRC all-domain pressure campaign.

---

1 Dr. Famularo is a Visiting Scholar at CMSI and a Postdoctoral Fellow in Taiwan Studies at the Harvard University Fairbank Center. The views expressed here are hers alone, and do not necessarily represent the views of the U.S. Department of Defense. She is grateful to her colleagues at CMSI and fellow Taiwan specialists who reviewed and provided constructive feedback on this memo.


3 Tainan is a city in southern Taiwan, and the former capital. “Vice President Lai,” Office of the President, Republic of China (Taiwan), https://english.president.gov.tw/Page/543.


7 “候選人簡介: 蕭美琴 [Candidate Introductions: Bi-khim Hsiao],” 挺台灣 [Team Taiwan] 2024 Presidential Campaign Website, https://taiwan2024.tw/about.