

# CARNEGIE

P A P E R S

**DETECTING  
CONFLICT IN THE  
TAIWAN STRAIT:  
The Successes  
and Failures of  
Taiwan's Defense  
Reform and  
Modernization  
Program**

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## ABBREVIATIONS

ASW	antisubmarine warfare
C4ISR	command and control, communication, computers, intelligence, surveillance, and reconnaissance capabilities
CGS	Chief of the General Staff
DPP	Democratic Progressive Party
EW	early warning
GDP	gross domestic product
GSH	General Staff Headquarters
IAO	Integrated Assessment Office
KMT	Kuomintang, or Chinese Nationalist Party
LY	Legislative Yuan
MND	Ministry of National Defense
NCO	noncommissioned officer
NDL	National Defense Law
NSC	National Security Council
OSD	Office of the Secretary of Defense
PLA	People's Liberation Army
PRC	People's Republic of China
ROC	Republic of China, or Taiwan
SPD	Strategic Planning Department
SRBM	short-range ballistic missile
THAADs	Theater High-Altitude Air Defense System

THE TAIWAN STRAIT IS ONE OF THE TWO PLACES in the Asian Pacific where a major war could break out; the other place is the Korean Peninsula. For over fifty years, the People's Republic of China (PRC) and the Republic of China (ROC, or Taiwan) have maintained an uneasy peace across the Strait, punctuated by brief periods of limited conflict or by occasional military displays. The PRC insists that Taiwan is a part of China and asserts that the island must one day be reunited with the mainland. Until the early 1990s, the ROC government also viewed Taiwan as an integral part of China and insisted on eventual reunification, albeit under the Chinese Nationalist flag. But in recent years, with democratization opening the system to native Taiwanese, public support for independence has grown, as has the alarm in Beijing. As tensions have grown and the prospect of the resumption of a cross-Strait understanding regarding Taiwan's status has become more remote, stability has depended primarily on military deterrence. For China, such deterrence aims to prevent the final consolidation of Taiwan's separate status. For Taiwan (and the United States), it aims at preventing China from using force to compel reunification on Beijing's terms.

Yet there is reason to worry about Taipei's ability to deter the mainland. China's economic growth is producing a military threat that will be difficult for Taipei to fend off. Several years ago Taipei, prodded by the United States and domestic reformers, began a comprehensive and in-depth program of defense reform and modernization, but Taiwan's government spends relatively little on its military and has thus far failed to improve significantly its defense capabilities, structures, and procedures. Moreover, there is reason to fear that Taiwan may not be able to develop a more realistic and effective military strategy. It may not be prepared to accurately evaluate, acquire, and deploy a range of sophisticated weapons and support systems, create a more integrated overall force structure, or increase popular support for the armed forces by ensuring civilian controls and more transparent internal military processes.

To maintain a credible level of deterrence, Taipei must overcome these obstacles and follow through on its program of defense reform and modernization. This paper examines that program in some detail. The first section looks at the basic objectives of Taiwan's defense reform and modernization programs and the successes and failures to date. The second section assesses the underlying reasons for those successes and failures. A final section assesses the prospects for the future and the implications for U.S. policy and U.S.–ROC relations.<sup>1</sup>

## **REFORM AND MODERNIZATION OBJECTIVES**

Taiwan's defense reforms are focused primarily on four key issue areas: (1) civil-military relations; (2) military modernization; (3) improvements in national security and military strategy; and (4) procurement of weapons and technology. The ROC government is attempting, with assistance

from the United States, to correct significant deficiencies in each of these areas to develop a more professional, capable, and transparent military that is more responsive to Taiwan's democratic leadership and more capable of meeting the growing challenge posed by the Chinese military. The major reform or modernization objectives in each of these four areas and the means of attaining them will be examined in order.

### **Establishing Democratic, Nonpartisan, Civilian Control over the Military**

One of the most important objectives of defense reform is to depoliticize the ROC military and to place it under an institutionalized, open, and reasonably transparent system of popularly elected, civilian governmental control.

#### *Impetus for Change*

The democratization of Taiwan's political system engendered a reform movement that was critical of the way that the military had functioned in the ROC. It had been a highly insulated and secretive institution, under the direct and virtually exclusive control of the president and his immediate subordinates. Prior to democratization, a very small number of professional military officers or former senior officers in very high political posts made all the significant military-related decisions. The ROC president completely dominated basic decisions regarding Taiwan's national security and defense strategies, force structure, and even some elements of operational doctrine. The General Staff Headquarters (GSH) was in control of both operational doctrine and narrower policy-related issues governing military administration, and the armed services each implemented their respective war-fighting responsibilities.

Even more important, the ROC military had functioned under Chiang K'ai-shek and Chiang Ching-kuo as a party-controlled army in service to the Chinese Nationalist Party, or Kuomintang (KMT). From the 1950s to the 1980s, the military primarily served to sustain the KMT in power as the dominant representative of mainland Chinese interests on Taiwan and to challenge and eventually overcome Chinese communist control over the mainland. These objectives became increasingly problematic as the communists consolidated their power on the mainland in the 1950s, 1960s, and 1970s, as the PRC's military capabilities and political-economic influence within the international community grew during the 1980s and 1990s, and as Taiwan democratized from the late 1980s onward, leading to the rise in political power of the native Taiwanese population.<sup>2</sup>

The impetus for democratic, civilian control of the military came primarily from the Democratic Progressive Party (DPP), the major native Taiwanese opposition movement.<sup>3</sup> It wanted to ensure that the military would obey any non-KMT-led government that might win election in the future. Recently, calls for greater openness and democratic control over the ROC military have been given weight and urgency by major corruption cases involving payoffs by defense contractors to senior ROC military officers and government bureaucrats for the procurement of major weapons systems. These widely publicized cases heightened public awareness of the need for significant structural and procedural reforms of the military, designed to open it up to civilian scrutiny and subject it to clear, enforceable legal strictures.

Efforts by Taiwan's democratic political leadership to exercise greater control over the military have been obstructed by organizational features of the civil-military command system, in particular

the persistence of a dual authority structure over the armed forces: a parliamentary line of authority from the premier to the minister of defense to the chief of the general staff (CGS) for ordinary administrative matters and a second direct line of command authority from the president to the CGS for operational matters.<sup>4</sup> This structure complicated lines of command and control between the government (that is, the president and the premier) and the armed forces and made it virtually impossible for Taiwan's legislature, the Legislative Yuan (LY), to directly examine and question the policies and actions of the professional military, in the person of the CGS. The CGS could claim that his direct link to the president placed him (and the uniformed military) outside the premier-led parliamentary system and hence exempted him from LY questioning regarding operational matters.<sup>5</sup>

Reform has also been obstructed by the near-total absence in Taiwanese society of civilian expertise regarding military matters. The lack of civilian expertise on military issues derives from the secretive and exclusionary nature of the military system, the overall low emphasis that most ROC civilians place on military affairs and the pursuit of a military career, and the simple fact that the teaching of military-related matters has been carried out exclusively within the professional military education system. The resulting monopoly of military knowledge by the armed forces has tended to reinforce the prerogatives exercised by the professional military and has increased resistance to establishing effective civilian oversight. Because of this monopoly, the formal position of the minister of defense was not very significant. The influence of any individual minister was largely based on his prestige, which often derived from the fact that he had previously served as CGS. Although the minister of defense was routinely subjected to LY questioning, he did not have any power over military matters.<sup>6</sup>

### *Steps Undertaken*

In January 2000, the LY ratified a National Defense Law (NDL) and a Ministry of National Defense Organization Law. These laws have focused efforts on three major areas: (1) the depoliticization of the military; (2) the creation of a single civilian chain of command under the president, the premier, and the minister of defense along with the strengthening of the overall authority of the Ministry of National Defense (MND); and (3) the development of extensive levels of civilian expertise within the MND.<sup>7</sup> The dual chain of command would be replaced by a single line of authority. It would run from the president as commander in chief, to the premier, to the minister of defense, to the CGS-led military. This reform would clarify the system of command and control and expose the CGS and other senior military officers to direct oversight and examination by the LY, especially over planning, budget, and procurement.<sup>8</sup>

Other related changes would strengthen the joint operational authority of the GSH over the individual services by transferring many of the current responsibilities and powers of the service headquarters to the GSH. The CGS, as head of the GSH, would directly command several unified or joint warfare centers, including four military theaters on Taiwan, one each on Penghu and the offshore islands, and the two naval fleets. The three service headquarters would in turn be downgraded to the level of individual subordinate commands and focus primarily on operational training and doctrinal development.<sup>9</sup>

To strengthen the capabilities of the MND, the defense laws also aimed at increasing the specialization of units within the ministry. The MND would be divided into policy, armaments, and military operations. Policy and armaments would be directed by two vice ministers, and military

operations would be under the CGS. Within these three divisions, some offices would be transferred from the GSH, and some would be formed from old units.<sup>10</sup>

In addition, the transfer of many roles and functions from military staff offices to new civilian-led MND offices would strengthen the training of civilians in defense matters. Likewise, over the long term, civilian management techniques and systems would be introduced into the military. The number of civilian appointees would be increased and their capabilities enhanced. The national defense law required one-third of MND officials to become civilians by the end of 2003. U.S. assistance was critical in this effort to increase civilian control.<sup>11</sup>

Taken as a whole, these changes could significantly shift control over basic military decisions (including war-fighting operations) from the individual services to the GSH and—most important—to the minister of national defense and his senior subordinates. Under this new structure, and with the strengthening of the MND as an institution, the minister of national defense and his many civilian subordinates would become key players in the operational chain of command. Even more important, the MND itself—and not the professional military—would become the locus of critical decision making in such areas as strategic planning, acquisition, and budgeting.<sup>12</sup>

### *Effectiveness of Changes Instituted Thus Far*

The most obvious success has been achieved in the effort to depoliticize the military and to expose it to public scrutiny. First and foremost, the dual-track authority structure between the senior ranks of the uniformed military and the civilian leadership has been abolished in favor of a single chain of command within the premier-ministry structure. Although the president retains supreme power over the military as commander in chief, the CGS is now unambiguously subordinate to the MND and thus subject to LY oversight and interrogation. In fact, the LY and the media now have access to a wide variety of military and civilian officers and officials within the MND and the military chain of command. This has opened the entire military to the sometimes glaring eye of public scrutiny and sometimes to ill-informed criticisms by various politicians. Second, the formal influence of the KMT over the military has been abolished. The Taiwan military is now more genuinely associated with the ROC government and with the national constitution rather than with a particular party.

By contrast, Taipei has had only limited success in establishing genuine civilian control over the military.<sup>13</sup> On the surface, civilian control of the MND is proceeding according to plan. One-third of approximately 600 key positions within the ministry were filled by civilians by the end of 2003, as required by law.<sup>14</sup> However, this formal change may not translate into a genuine increase in civilian authority within the MND, or, more broadly, into an increase in civilian control over the military at least over the short to medium term. This is because many of the civilians staffing the MND are actually retired military officers. Moreover, the government has yet to develop an accepted, regular process for recruiting both government and nongovernment personnel into the MND, and it has not yet devised the required examination for prospective MND staffers.<sup>15</sup> It also lacks a regularized process for granting security clearances to civilian government officials whose positions require access to classified information. A recently proposed personnel security plan has generated strong opposition from KMT legislators and from others who argue that it could be used as a tool of political persecution by the party in power.<sup>16</sup>



## Restructuring, Streamlining, and Modernizing the Armed Forces

Taiwan's political and military leaders recognize the need to carry out a basic restructuring and modernization of the armed forces, primarily in response to the changes that have taken place in the mission objectives and threat perceptions of the Taiwan military during the past decade. Today, Taiwan faces a growing, more complex threat from China in the form of a modernizing, multidimensional People's Liberation Army (PLA) possessing an increasing number of short-range ballistic missiles (SRBMs), advanced strike aircraft, improved diesel submarines and surface ships, a growing amphibious attack capability, information warfare and psy-ops units, and likely fifth-column elements.<sup>17</sup>

### *Impetus for Change*

For the proponents of reform and modernization, Taiwan's changing threat environment requires a fundamental restructuring and streamlining of the armed forces and the acquisition of a vast range of new capabilities and operational procedures to deter and, if necessary, to repel a PRC attack. Specifically, Taipei needs to abandon or revise the long-standing practice of letting its ground forces determine the overall size, disposition, and internal pattern of decision-making authority within the armed forces, as well as the overall "stove-piped" nature of the ROC military structure (in which the separate armed services operate largely independently of one another). Taipei should replace these features with a smaller, more integrated, joint, and balanced force, possessing lighter, more mobile ground units, greatly improved naval and air capabilities, better surveillance and battle management systems, quicker response times, increased survivability (including both passive and active forms of defense against missile and air attack), and enhanced deterrence capabilities.<sup>18</sup>

The first priority in structural reform is to reduce further the overall size of Taiwan's military, from an existing level of approximately 370,000 personnel to approximately 325,000, as envisioned by the *Jing Jin* force consolidation program. This reduction is supposed to be accomplished over a three-year period by eliminating 15,000 positions per year between 2004 and 2006.<sup>19</sup> However, for some reform advocates, the ultimate goal of the force reduction effort is to reach a level of approximately 275,000 personnel, although no time period has yet been specified for this reduction.<sup>20</sup> Beyond personnel reductions, other elements of the program include decreasing the number of levels in the chain of command, merging or consolidating military educational institutions, streamlining high-level staff units, and reducing the number of general officers, especially in the ground forces. There also has been some discussion of moving away from a conscription force toward an all-volunteer military, to strengthen discipline and morale and to facilitate longer terms of service.<sup>21</sup> The all-volunteer military is viewed as necessary for the enhanced training levels required to attain the more sophisticated capabilities of the future Taiwan military. There is also discussion of establishing a more professional noncommissioned officer (NCO) corps, to improve training and to give more responsibility and opportunity to junior officers, while ceding more initiative to local levels.<sup>22</sup> Various observers of Taiwan's military reform process have also detected a desire to include more women in the military, especially if a volunteer force emerges.<sup>23</sup>

Taiwan's force structure improvements require the acquisition of more powerful and mobile ground, air, and naval combat platforms, as well as improved antisubmarine warfare (ASW) and air and missile defense capabilities, and more potent joint warfare, early warning (EW), reconnaissance, surveillance, and battle management systems. These include submarines, P-3C ASW aircraft,

Kidd-class and possibly Aegis-equipped frigates and destroyers, more capable air-to-air, air-to-surface, and surface-to-surface missiles, more advanced attack helicopters, improved Patriot ballistic missile defense systems, and long-range EW radar, including tactical radar upgrades and improvements in command and control, communication, computers, intelligence, surveillance, and reconnaissance (C4ISR) capabilities. Strengthening joint and rapid reaction capabilities, especially between the ROC air force and navy, is also a key modernization objective. In addition, the development of a more survivable force requires a variety of passive defense measures, including using steel-reinforced concrete to harden air bases, command, control, and communication facilities, and other vital military and political locations.<sup>24</sup> U.S. assistance in virtually all of these areas is critical. Finally, some observers in both Taiwan and the United States argue that the Taiwan military must also acquire limited but potent offensive strike capabilities to attack targets on the Chinese mainland. This highly controversial argument is examined below.

### *Steps Undertaken*

Taiwan is moving ahead with its plans to reduce the size of the armed forces and to examine alternatives to conscription. The *Jing Shi* streamlining and consolidation program, put into effect in July 1997, decreased the number of military personnel to less than 375,000. The military is to be reduced by a further 45,000 personnel within three years under a follow-up consolidation plan (*Jing Jin*). Moreover, the MND has reportedly formed a special task force to embark on research into an alternative recruiting system for military service instead of the present two-year compulsory service system. It recently unveiled measures to introduce limited voluntary military service on a trial basis, apparently as part of an experimental effort to move to a partial volunteer military in each service. Finally, the MND might also seek to streamline by cutting back on the political warfare apparatus of the Taiwan military. This apparatus is a holdover from the KMT party–army era, when the apparatus served largely to promote the idea of reunification and to oppose the pro-independence stance of the DPP.<sup>25</sup>

With U.S. assistance, Taiwan is showing some success in restructuring and modernizing its armed forces. Yet much remains to be done. The United States has enormously expanded the pace and scope of its weapons sales, advice, and direct assistance. In April 2001, Washington agreed to sell Taiwan (or to assist Taiwan in obtaining) an unprecedented level of advanced early warning and reconnaissance aircraft, surface naval combatants, and submarines, along with providing various types of technical assistance and support. After lengthy discussions, Washington and Taipei apparently reached agreement on the acquisition of virtually every major item approved at that time.<sup>26</sup> Among these, the highest priority is given to long-range, EW radar, missile defense, and ASW platforms and to improving C4ISR for Taiwan's air, sea, land, and joint defense platforms as well as its command and operation centers.<sup>27</sup>

In addition to providing major weapons and support systems, the U.S. Department of Defense has conducted over a dozen assessments and studies of Taiwanese military capabilities during the past three years, including in-depth examinations of Taiwan's ability to defend itself against air attacks, naval blockades, and military landings.<sup>28</sup> The Pentagon is assisting Taiwan in carrying out a strategic survey of vulnerabilities in the island's military and civilian infrastructure. The Pentagon has also undertaken a study of Taiwan's C4ISR systems and is providing mobile training teams and other assistance packages in such specific areas as battle management/C4ISR joint operations and joint

air defense doctrine, missile defense, logistics, information warfare, defense-related modeling and simulation, and defense counter-air operations.<sup>29</sup> Washington is also providing Taiwan with access to early warning sensors and other U.S. national military assets.

Moreover, since 2001, the U.S. military has sent representatives to Taiwan's annual military exercises, as part of expanding efforts not only to provide advice on war-fighting issues but also to coordinate with the Taiwan military to reduce the likelihood of friendly fire incidents in a conflict with the mainland and to improve coordination of noncombatant evacuation operations of U.S. personnel during a military crisis. In all, there are now as many ongoing U.S. military programs with Taiwan as with any major U.S. ally. To supervise and coordinate Taiwan's rapidly expanding defense cooperation with Washington more effectively, the MND formed a unified window, or coordination unit, dubbed the U.S.–Taiwan Military Cooperation Group, on May 1, 2002, under the auspices of Vice Admiral Lee Hai-tung. This unit is responsible for channeling all defense cooperation programs with the United States, even though many programs are actually being coordinated through the MND's Strategic Planning Department (SPD).<sup>30</sup>

Finally, Taiwan continues to move forward with efforts to establish both active and passive defenses against PLA air and missile attacks. The ROC military has apparently decided—despite considerable hesitation and under significant U.S. pressure—that it must acquire several batteries of PAC-3 Patriot ballistic missile defense systems. It is also contemplating the acquisition of more advanced, so-called “upper-tier” missile defense systems, such as Aegis-equipped destroyers with the advanced anti-missile Standard-Missile-Three and the ground-based Theater High-Altitude Air Defense System (THAADs), assuming these systems come on-line over the next few years.<sup>31</sup> In addition, a long-standing SRBM program remains active, as well as a more recent attempt to develop land-attack cruise missiles. Both undertakings are part of a larger effort to acquire a limited offensive strike capability against the mainland, discussed below.<sup>32</sup> At the same time, passive defense capabilities have been strengthened at some key military sites. For example, a program to harden air bases and critical communication centers is under way, along with the rapid runway repairs program. In the latter case, equipment has been procured, and a viable training program has been implemented.<sup>33</sup>

### *Effectiveness of Changes Instituted Thus Far*

The effort to restructure, streamline, and modernize the Taiwan military has had mixed results thus far. Little agreement exists over the specific contents of Taiwan's future force reductions (for instance, which services and which units are to be cut). Debate continues over the ultimate size and structure of any reductions beyond the initial 45,000 personnel, despite the ultimate objective of 275,000. A DPP study made public in late March 2003 stated that the size of the military should be reduced far below current planned levels, to approximately 256,000 (largely by trimming more personnel from the ground forces), and that spending on personnel should be cut to 40 percent of the total defense outlay, down from the present 56 percent, to free NT\$36 billion each year for procurement.<sup>34</sup> Yet the ROC army continues to strongly resist any major reduction in ground forces, which still constitute more than half of Taiwan's military. And enormous resistance remains to expanding the very limited experiments with volunteerism. For many observers within the Taiwan military (and especially within the army), the shift to a volunteer force would be very costly. They fear it could reduce the size of the military below necessary levels.<sup>35</sup> Finally, Taipei still cannot decide what to do with its political warfare system. It has stopped promoting the KMT's reunification ideal yet still employs thousands

of personnel. The MND and CGS will probably retain the system but focus it on internal welfare and morale (as well as psychological and information warfare directed at mainland China), while reducing its funding and downgrading its head to a lieutenant general.<sup>36</sup>

As a result of both U.S. assistance and Taiwan's own efforts, the quality of the ROC armed forces has increased in recent years. In the view of knowledgeable observers within the U.S. government, individual ROC front-line military units are generally well respected, their operators reasonably well trained and in some notable cases (for example, air force units) functioning at a higher level of readiness, and the equipment on major weapons platforms such as surface ships is well maintained. Moreover, specific combat units have reportedly improved their ability to fight at night, and some progress has been made toward creating joint war-fighting capabilities among the services.<sup>37</sup>

But serious problems remain in coordination, communication, integration, and planning among Taiwan's fighting units—absolutely critical areas for creating the kind of force that can more effectively deal with the growing Chinese threat. Although Taiwan, with U.S. assistance, is making a concerted effort to improve performance in each realm, progress remains relatively slow, and internal debates in Taiwan (as well as differences with Washington) continue over each area of modernization. Equally important, most approved weapons systems have yet to be acquired, much less made operational, and the pace of acquisition remains slow.

In many cases, Washington and Taipei have yet to agree on the configuration of the approved systems (for example, long-range radar), the specific date of their purchase (most systems approved in April 2001), and how much money should be spent on their acquisition or development or where they are to be produced (advanced ASW aircraft and diesel submarines).<sup>38</sup> And in some instances, differences remain between Washington and Taipei over the priority to be accorded some weapons, such as the PAC-3 ballistic missile defense system and the attack helicopters.<sup>39</sup> In addition, in the opinion of some knowledgeable Taiwan military officers, important elements of the modernization effort—such as the C4ISR system—are being constructed by Taipei and Washington on the basis of an inadequate understanding of their true potential. Specifically, the intended C4ISR system will not increase overall battlefield awareness and local unit initiative.<sup>40</sup>

Although the Chen Shui-bian government decided in the fall of 2003, largely in response to U.S. criticism of Taiwan's low level of defense spending, to establish a special budget of over \$15 billion to purchase three of the major weapons approved in April 2001 (PAC-3, submarines, and ASW aircraft), it is by no means certain that the LY will support this decision.<sup>41</sup> Moreover, developing the skills to operate the kinds of sophisticated weapons systems supplied by the United States will require major changes in training and a considerable amount of time. To make matters worse, Taipei has still not completed the study of civilian and military infrastructure vulnerability, and some U.S. military observers fear that Taipei is not hardening the "soft" strategic targets such as fuel storage depots and completing the runway repair effort. The completion of the study is being blocked by the Taiwan military's insistence that it can only study and protect military—not civilian—facilities. The lack of progress on hardening the soft targets is due to inadequate personnel and phlegmatic leadership. Finally, efforts to develop indigenous capabilities (for example, Taiwan's ballistic missile and antiballistic missile programs) are reportedly experiencing technical problems, especially regarding guidance systems.<sup>42</sup>

Perhaps most troubling is that Taiwan depends on the United States for the momentum behind its effort to carry out improvements in both hardware capabilities and supporting "software"

infrastructure and C4ISR systems.<sup>43</sup> U.S. officials told their Taiwanese counterparts at the second U.S.–Taiwan defense conference in February 2003 that Taiwan should spend more on its own defense and move more quickly to acquire specific systems such as the PAC-3 missile defense system.<sup>44</sup> This message was seconded by a U.S. delegation—led by Mary Tighe, the Principal Director for Asian and Pacific Affairs in the Office of the Secretary of Defense (OSD)—that visited Taiwan in March 2003. U.S. officials also delivered the same message to the Speaker of the LY, Wang Jin-pyng, when he visited Washington in summer 2003.<sup>45</sup>

### **Strengthening Overall National Security and Strategic Planning**

It may be more important for Taiwan to strengthen its strategic planning process than simply to acquire various new weapons and weapons systems, streamline the military structure, or more effectively coordinate military operations within and among the services. Without a comprehensive, integrated national security and strategic planning system, it becomes extremely difficult to link threat perceptions to strategic priorities, military missions, operational doctrine, and force structure requirements in a way that maximizes the ability of Taiwan's scarce military assets to protect vital national interests. And in the absence of such links, it becomes extremely difficult to assess such vital questions as: What types of weapons systems are absolutely essential for Taiwan's defense? How are they to be used most effectively? What level and type of jointness and operational training are required among the services, and to what end? How should Taiwan's most critical military assets be deployed to maximize their deterrence and war-fighting capabilities in a crisis or conflict? How should such deployments relate to possible U.S. force deployments during a crisis or conflict? And to what extent are offensive weapons and operational doctrines required for Taiwan's defense?

#### *Impetus for Change*

Historically, the ROC government has lacked the tradition, experience, and incentives to establish an integrated and systematic national security and strategic planning process. For decades, Taiwan's national security approach and military strategy were largely determined by the legacy of the KMT's experience on the mainland, the army's dominance over the ROC military, the personal views of President Chiang K'ai-shek and the CGS-dominated military system, and—before 1979—by the priorities of the overall U.S. security strategy in the Western Pacific. Taiwan's overall national security and foreign policy objectives were dictated by the KMT's rivalry with the Chinese Communist Party and its claim of authority over the mainland.<sup>46</sup>

In recent years, the shift from the ground force–centered, offensive mission of retaking the mainland to the essentially defensive mission of protecting Taiwan from a multipronged PLA attack has raised the importance of both air and naval forces to Taiwan's defense. And yet the resulting overall strategy of effective deterrence (*youxiao hezu*) and resolute defense (*fangwei gushou*) has been translated into a relatively simple doctrine of air-to-air, naval-to-naval, and ground-to-ground force interdiction. It was marked by almost no operational interactions between the services, weak levels of both intra- and inter-service command, control, and communication, the maintenance of very sizeable ground forces, and an orientation toward retaining significant forces in reserve to “hold on” until U.S. assistance arrives.<sup>47</sup> Overall, no true J-5 planning and command structure and process existed, and significant conceptual and procedural differences emerged between the GSH and the individual service commands.<sup>48</sup> Moreover, since 1979, Taiwan's specific force structure, and hence

the effectiveness of its defense strategy, depended on arms sales decisions made in Washington, while the Taiwan military as a whole was isolated from the global revolution in military affairs. As a result, many senior officers hold a very parochial attitude toward military strategy and doctrine.

In the absence of a more sophisticated, comprehensive, and integrated defense strategy, decisions regarding weapons acquisitions, operational doctrine, deployments, and changes in force structure became prey to the political and personal motivations and biases of senior political leaders (particularly the president), the vagaries of interservice rivalries (in which the ground forces continue to hold a privileged position), and the opportunities and pressures presented by the United States as Taiwan's sole security partner and source of its major military weapons systems. A more transparent, systematic, pragmatic, and institutionalized national security and military strategic planning process would provide a much more credible and convincing set of standards for determining the critical elements of Taiwan's overall military modernization and reform effort. Such a planning process would permit Taiwan's military to make a better case to the United States, the LY, and other interested and influential players regarding its weapons requirements (or nonrequirements<sup>49</sup>) and to adjudicate disputes among the armed services more effectively. It would also reduce the level of arbitrary or personal influence exerted on the entire process.

Taiwan's civil-military defense establishment needs to develop a broad range of approaches to strategic assessment, planning, and implementation. This task is not nearly as complicated for Taiwan as it is for the United States. Taiwan faces a very clear security challenge from a single source. Nonetheless, the development and implementation of the most effective military strategy for meeting that threat presents significant challenges.

China is a very large potential adversary possessing significant resources and growing military capabilities, especially in the areas of air, missile, and submarine attack. Although the Taiwan Strait acts as a defensive barrier against ground assault, the main island of Taiwan is located less than 100 nautical miles from China and can be reached quite rapidly from the mainland by air. The island itself is relatively narrow with many mountainous areas along the east coast, offering little opportunity for maneuver and defense in depth.<sup>50</sup> Taiwan also has relatively limited resources and is highly dependent on a single foreign source for much of its military hardware and systems. It also depends on that same source for military assistance in the event of a serious military threat from China. And to make things worse, Taiwan's national identity and foreign policy are to a great extent in significant flux as a result of democratization and the resulting Taiwanization and de-Sinification of its society and polity.

These factors suggest that the Taiwan military must develop a military strategy that is highly efficient in the use of limited resources, effectively integrates EW and rapid response capabilities, and maximizes the application of military countermeasures (especially significant offshore operations) against the most likely and most potent threats from the PLA. Taiwan must also take precautions against inadvertently provoking a PLA attack during a crisis or unnecessarily escalating an existing conflict, but if a conflict does occur, it must be prepared to maximize assistance from the United States. This is a tall order.

### *Steps Undertaken*

Taiwan has turned to Washington for help in developing its national security and military strategy and its strategic planning process. It is studying and to some extent to emulating the integrated and

robust national security and military strategic planning system used by the U.S. executive branch and the Department of Defense. Taipei seeks to strengthen national security, defense, and foreign affairs planning and to improve interagency coordination by enhancing the strategic planning capability of Taiwan's existing National Security Council (NSC) and strengthening the NSC's contacts with the Taiwan military and its overall coordination role in civilian and military areas. In the area of military strategy, Taiwan's MND is working to acquire in-house capabilities to develop military strategic plans that more effectively link threats with doctrine, force structure, procurement, training, and military purchases. It is doing this through conducting war gaming and making short-, medium-, and long-term assessments of the changing PRC threat. It is also seeking to foster greater jointness among Taiwan's armed services and to integrate the relevant activities of subordinate organs within the MND and the armed forces.

To achieve these ends, an SPD and an Integrated Assessment Office (IAO) were established within the MND in 2000, both modeled after similar offices within the U.S. Department of Defense.<sup>51</sup> The SPD (directed by a navy vice admiral) is charged with overseeing the implementation of the entire defense reform process. It is also responsible for developing a comprehensive strategic planning process, analyzing Taiwan's strategic environment especially over the near term (one to five years), and promoting security cooperation and exchanges with foreign militaries. The IAO (directed by an air force lieutenant general) is responsible for analyzing the specific nature of the threat to Taiwan in both the medium and long term (ten to twenty years), and for developing and analyzing various types of military scenarios or contingencies that might emerge (using, among other means, defense modeling and simulation techniques developed at the U.S. Pacific Command), to be able to assess Taiwan's military strategy, plans, force structure, military capabilities, and resource allocation.<sup>52</sup>

### *Effectiveness of Changes Instituted Thus Far*

Taipei's effort to establish an integrated, comprehensive strategic planning process has fallen short thus far. To be sure, significant organizational changes were undertaken in some areas, but the MND's SPD and IAO are both severely understaffed and lack a sufficient number of skilled personnel to perform their duties. Moreover, some uncertainty remains as to the specific division of labor between the two organizations, thus producing some rivalry. The MND is currently in the process of reassessing its initial institutional arrangements under the reforms and is scheduled to finalize those arrangements in 2004.<sup>53</sup> But as a result, the specific missions of and authority relationships between the SPD and IAO—and the respective relationship between these organizations and the MND—have yet to be determined.<sup>54</sup>

Efforts to develop a comprehensive and integrated national security strategy and to improve interagency coordination have achieved only limited success. Taiwan has established a security dialogue and other defense-related discussions with the United States. Several forums now exist, including the annual U.S.–ROC Monterey Talks held in Monterey, California, and the U.S.–Taiwan Defense Review Talks, which include officials from the U.S. OSD and their policy-making counterparts from the Taiwan MND. The former focuses largely on national security and military strategy–related issues, and the latter focuses largely on defense policy issues, as well as weapons acquisitions.<sup>55</sup>

As these interactions proceeded, Taiwan's NSC has also begun to develop a comprehensive national security strategy. Taipei wants a strategy that all segments of the political leadership in

Taiwan and the public at large can support, as well as one that the U.S. government can support. However, this effort has been hampered by Taiwan's intensifying national identity crisis, which pits advocates of an entirely separate Taiwanese sense of nationhood against advocates of some form of future social and political association with mainland China. This crisis has blocked any agreement on Taiwan's national security interests beyond protection of the home islands and the advancement of Taiwan's diplomatic stature.<sup>56</sup>

In the strategic planning process, a greater emphasis was placed on the notion of "jointness" among the armed services. However, an overall military strategy of deterrence and defense that integrates the separate missions of the individual services into a coherent whole has yet to appear.<sup>57</sup> In the absence of such a strategy, it is difficult to determine what level and type of jointness might be best for Taiwan. Some observers in both Taiwan and the United States fear that the interests and concerns of Taiwan's ground forces are continuing to dominate efforts to develop military strategy and doctrine.<sup>58</sup>

Taipei has had greater success in improving interagency coordination. The relevant national security and defense agencies have displayed a greater level of coordination and consultation with one another in their interactions with the U.S. government at the above-mentioned Monterey Talks.<sup>59</sup> However, a systematic, institutionalized internal interagency process has yet to emerge within the ROC government. Taiwan's NSC does not play a strong coordinating role among national security and defense-related agencies, and no equivalent exists to the so-called Principals Group of the U.S. government, consisting of the heads of all major national security-related agencies.<sup>60</sup>

### **Revamping the Procurement Process and Increasing and Diversifying Weapons Production and Acquisition**

A crucial aspect of Taiwan's defense reform is improving the efficiency and integrity of the procurement process, diversifying the sources of procurement, and increasing the indigenous production of weapons systems.

#### *Impetus for Change*

For many years, public confidence in Taiwan's military has been undermined by repeated corruption scandals involving the procurement of extremely expensive weapons systems from the United States and other foreign suppliers. These scandals have usually witnessed the payment of various types of bribes or kickbacks by defense contractors or their agents to Taiwan military officers within procurement offices.<sup>61</sup> This type of behavior reinforces the view held by certain segments of the public that the Taiwan military is an overly secretive, conspiratorial, and corrupt defender of authoritarian rule. Moreover, some members of the LY and the public have opposed significant defense outlays because they strongly suspect that American business circles (perhaps in collusion with the Taiwan military and business) have driven U.S. policy regarding weapons sales, resulting in inflated prices or in efforts to dump obsolete weapons on Taiwan.<sup>62</sup>

#### *Steps Undertaken*

The Taiwan government has supported efforts to create a more transparent, objectively based, and institutionalized weapons procurement process to diversify the sources of weaponry and to develop a stronger indigenous production base for many weapons systems. The effort to restructure the MND



includes the establishment of a more professional, single-decision-point MND Armaments Bureau led by a vice minister of armament. This office develops strategies for procurement of weapons and equipment as well as plans for the development and indigenous production of defense-related technologies. It provides extensive overall support for weapons acquisition by the armed services. It oversees and enforces the implementation of the entire procurement process on the basis of an extensive body of rules and regulations that have been established in recent years. Reformers have also urged establishing clearer standards and criteria for assessing Taiwan's defense needs (involving, for example, a clearer mutual understanding between Taiwan and the United States of what constitutes a "significant upgrade" of specific weapons systems or capabilities).<sup>63</sup>

### *Effectiveness of Changes Instituted Thus Far*

There has been little progress in improving the procurement process and the extent of indigenous weapons production. Some advances have occurred in combating corruption and in raising the level of transparency in the procurement process. The MND established the Armaments Bureau under a vice minister and devised policies, strategies, and plans regarding the weapons procurement process. However, the growing statutory involvement of the LY in the evaluation and approval of major weapons systems opened up the procurement process to enormous amounts of political manipulation and slowed the effort to move forward with acquisitions that the Taiwan military and the executive branch have already agreed to.<sup>64</sup> Moreover, Taiwan has yet fully to adjust to the end of the annual foreign military sales process with the United States. Sales can now theoretically be made whenever Taipei and Washington believe that Taiwan needs to increase its self-defense capabilities. However, Taiwan's defense planning process is not yet sufficiently developed to provide clear guidance on acquisition decisions.<sup>65</sup>

There are numerous obstacles to Taipei developing indigenous weapons production. Any effort to create a Taiwanese arms industry confronts significant economic costs and a steep technology curve. Taiwan does not have the industrial base or funding required to serve as a prime defense contractor on a major new weapons system. Hence, this is at best a long-term objective—and probably one that will never be reached. Moreover, although Taiwan would certainly like to diversify significantly its weapons procurement sources, it probably will not succeed over the medium term, because of Taiwan's relative diplomatic isolation and China's willingness to threaten political and economic retaliation against any country other than the United States willing to supply Taiwan with weapons.

## **UNDERLYING FACTORS FOR SUCCESS AND FAILURE**

Taiwan's defense reforms and modernization program have so far had mixed results: notable advances in some areas, but little real progress in others. What are the underlying factors explaining the success or lack of success of Taiwan's defense reforms and modernization efforts?

### **Reasons for Success Thus Far**

Much of the progress witnessed to date in the reform and modernization effort can be attributed to strong political elite and public support for the depoliticization of the military and the strengthening of civilian access and control; clear economic pressure for cost reductions, leading to support for reducing the overall size of the military; the application of relatively simple technical or training

“fixes” to specific military units, for instance, in readiness and night fighting capabilities among individual services; and the continuous, growing external pressure for reform from the United States, especially in regard to arms acquisitions, improvements in military support systems, and organizational restructuring. Yet, with the possible exception of U.S. pressure, these factors cannot ensure the success of those reforms and modernization efforts that require deeper conceptual, attitudinal, and structural changes in the system.

### **Obstacles**

Many underlying obstacles still exist to the successful implementation of reform and modernization. At root, success requires a sea change in the way Taiwan’s civil-military leadership makes decisions in virtually every area. Taiwan’s new democracy has produced demand for deeper and broader levels of civilian involvement and control in the decision-making process. At the same time, the threat posed by China has grown in size and complexity. To meet this threat and the demand for greater civilian involvement, Taipei must more effectively institutionalize decision making, expand military expertise into civilian areas, disperse overall authority across both civilian and military agencies, create a GSH with genuine joint war-fighting functions, develop a more credible way to prioritize and integrate military forces and missions, and allocate more funds for acquiring and deploying necessary weaponry. The underlying factors impeding such change are discussed below.

#### *Lack of Military Support for Reform*

Strong and energetic political and military support from the very top of the leadership structure is necessary to overcome the deeply rooted interests that resist such changes—and yet such support is presently lacking. The impetus behind defense reform dropped significantly when former ROC Air Force Chief, CGS, Minister of Defense, and Premier General Tang Fei retired within a year after the Chen government took office in March 2000. Tang was a major force behind the reform effort. Since the mid-1990s, he had been the leading figure among a strong group of pro-reformers within the Taiwan military that included many air force and navy officers and even a few army officers. These individuals accepted Taiwan’s democratization and also understood the need for genuine military reform. However, except for a very few individuals such as Tang Fei, the more vocal of these officers were eventually driven into retirement or marginalized in the late 1990s by the traditional military leadership. Since Tang’s departure from the government, support for reform within the military has largely fallen to less forceful individuals such as the Minister of Defense and former CGS and ROC Army Chief Tang Yiau-ming. Although Tang, a native Taiwanese, supports many aspects of reform, his army background, previous strong rivalry with Tang Fei (in which he tended to oppose whatever Tang Fei supported), and limited strategic vision do not inspire optimism.<sup>66</sup>

#### *Lack of Civilian Political Support for Reform*

High-level civilian political support for defense reform and modernization has also lagged significantly during the past two years. After taking office, Chen Shui-bian attempted to court the military and to champion the cause of military reform by visiting military sites and making supportive speeches. However, he has pulled back in recent years. Chen Shui-bian has become less able and willing to press forward with defense reform because of growing domestic and political

problems associated with policy deadlock within the ROC government, the sagging Taiwan economy, and growing pressure from Beijing. Moreover, since mid-2003, his energies were clearly focused on getting reelected. He did not want to expend significant amounts of political capital pressing hard for controversial and strongly resisted changes in the military. Some of Chen's supporters also wondered why the government should spend billions of dollars on modernizing the military when these outlays would probably not increase his political support. They also feel that money spent on the military will only be taken away from other uses of far greater benefit to the public. They argue that most ordinary soldiers are conscripts who have little interest in improving the armed forces, and that most senior officers are mainlanders who evince little sympathy for the Chen Shui-bian government. In fact, many senior officers reportedly remain strongly supportive of the "one China" concept and are bitter toward what they see as Chen Shui-bian's efforts to create a new Taiwan identity that rejects any future political association with mainland China.<sup>67</sup>

Basic political considerations also impede some very specific defense modernization issues. For example, no Taiwan politician is willing to generate or uphold the kind of support necessary for hardening soft targets, such as civilian and military leadership compounds, power grids, energy generation sites, and fuel storage facilities. Gaining support would require increasing significantly public concern over the very real possibility of a Chinese attack.<sup>68</sup> And yet, despite all these considerations, Chen might move with greater determination to implement defense reform now that he has been reelected (and thus no longer needs to run for office), especially if he obtains a workable majority in the LY in December 2004.

### *Service Rivalries and Institutional Barriers*

At lower levels of the political-military system, deeply rooted resistance remains toward many fundamental reforms. For example, service rivalries continue to obstruct many initiatives. The Taiwan army—still a dominant influence within the armed forces—generally exhibits strong and effective resistance to reducing the physical size and strategic importance of the army.<sup>69</sup> Moreover, some important institutional restructuring requires overcoming resistance within the military leadership—and especially army leaders—to the elimination of certain high-level billets. The effort to create a more representative GSH less dominated by the views of the CGS and possessing greater authority over operational matters requires moving both policy-related and operational command functions from the individual service headquarters to the GSH. This would involve the transfer of the existing commanders in chief of the individual service headquarters to the GSH, replacing the current deputy chiefs of staff. However, the elimination of these very senior GSH positions would require the removal of several general-rank billets and is thus strongly resisted by elements within the military.<sup>70</sup>

In addition, many military officers continue to resist any required time line or quotas for placing civilians within the MND. They fear a loss of defense capability by placing authority in the hands of inexperienced civilians. Currently, there is also little incentive or means to develop defense expertise among civilians. The military and defense education system is controlled by and composed of the professional military. There are also many structural and procedural impediments to greater civilian expertise. For instance, within every ministry, only the minister and vice minister(s) are political appointees, whereas all other posts are filled from the civil service system. As a result, there are relatively few chances for trusted civilian supporters of the political leadership to develop critical defense experience by working their way up the hierarchical ladder within the MND.

There are also few adequate positions for civilians to work as regular MND staff. In the past, the staff was limited to the graduates of military academies, and civilians were mostly hired for secretarial duties and even then could only be employed on a contractual basis. They were not listed as regular staff.<sup>71</sup> In addition, Taiwan's defense laws do not require major departments of the MND to be headed by civilians, with the exception of the MND vice minister for policy. And the Executive Yuan has yet to devise a certification examination for prospective MND staffers. It will take a considerable amount of time to alter this system to develop the necessary military expertise among civilians. And to make matters worse, a significant cultural stigma continues to attach to serving in military-related positions.

### *The Legislative Yuan*

The LY also poses a challenge to reform and modernization. The sharply divisive, zero-sum nature of Taiwan politics has produced exceedingly high levels of political manipulation and policy deadlock within the LY and in relations between the LY and the executive branch. Many Pan-Green members of the LY remain highly suspicious of large segments of the officer corps—and in particular the army—which they regard as a bastion of pro-mainlander influence. Moreover, LY members from virtually all political parties still view the military leadership as excessively secretive and prone to corrupt or insider dealings with foreign and domestic defense corporations. These suspicions contribute to efforts by many LY members to reduce defense outlays and the size of the army.<sup>72</sup> Most recently, some LY members also reportedly resist large increases in defense spending because: (1) they do not see the need for such outlays, given the virtual security guarantee provided to Taiwan by the United States; and (2) the dismal state of Taiwan's economy prevents such outlays. Moreover, as suggested above, the public as a whole continues to evince little support for any significant increases in defense spending.<sup>73</sup> As a result of such factors, Washington is concerned that all future major procurement programs will face protracted debates and politically driven opposition, as occurred with the recent controversial decision to acquire Kidd-class destroyers.<sup>74</sup>

Defense expertise among LY members remains extremely low, largely as a result of the general lack of such expertise within civilian society as a whole and the absence of incentives within the LY to acquire such expertise. Few benefits accrue to LY members as a result of service on the LY National Defense Committee, given both the public's lack of interest in defense matters and the fact that the committee does not wield much power or influence within the overall LY committee system. This situation is exacerbated by the absence of a system of professional committee staff to analyze and assess military issues and policies. Lacking knowledge of defense matters, many LY members rely on rumors, inaccurate press reporting, or their own political biases to form their views on critical issues. Hence, LY consideration of budget, procurement, and other defense issues is often ill-informed or, worse yet, deliberately obstructionist, thus contributing to a sense of resentment and suspicion within the professional military.<sup>75</sup> In addition, the above features of the LY contribute to the increasingly lengthy process involved in obtaining LY approvals, now extending to almost three years.<sup>76</sup> In short, on balance, the LY serves more as an obstacle than a facilitator of defense reform and modernization. And yet its role is increasingly critical to the ultimate success of those efforts.<sup>77</sup>

### *Economic Weakness*

Taiwan's current economic weakness impedes the modernization effort by reducing capabilities and incentives to undertake potentially costly downsizing, streamlining, and force structure

improvements and acquisitions. Taiwan's economy has only recently begun to show signs of recovery after a lengthy period of decline. Largely as a result of this downturn, Taiwan's defense spending has not increased in real terms for several years. The proposed FY2003 defense budget of US\$7.69 billion (NT\$261.5 billion) merely kept pace with inflation. Moreover, defense spending has declined steadily as a percentage of Taiwan's gross domestic product (GDP), accounting for just 14.7 percent of the projected total government budget for FY2003 and only about 2.8 percent of GDP, which is less than other countries facing major military threats, such as South Korea and Israel. And personnel expenses continue to occupy over 55 percent of total defense outlays (far exceeding both operational costs and military purchases), while investment in training lags. In recent years, the share of the defense budget allocated to purchasing new weapons and equipment has declined as the proportion of defense expenditure allocated to personnel expenses has increased.<sup>78</sup>

ROC officials have indicated that defense spending will increase by 4 percent and acquisitions increase by 30 percent by the end of FY2004. However, such increases are viewed in the United States as minimal. Moreover, as indicated above, it remains problematic whether Taiwan will allocate the funds necessary to purchase a total of approximately \$30 billion in approved U.S. weapons sales.<sup>79</sup> Taiwan's total annual acquisition budget is usually approximately \$400 to 500 million, thus requiring either special appropriations for virtually every significant purchase or a significant increase in the annual budget.<sup>80</sup> In all, economic pressures exacerbate the existing tendency to reject U.S. weapons offered to Taiwan as being excessively expensive.

### *Absence of Mutually Agreed on National Security and Defense Strategies*

Defense reform and modernization are also hampered by Taiwan's continued failure to agree on a more sophisticated set of national security and defense strategies. Debates over such strategies continue, reflecting the influence of myriad factors, including vested service interests, political and financial considerations, and differing views over the urgency and nature of the Chinese military threat to Taiwan. Ultimately, however, the persistence of such debates clearly confirms the inability of Taiwan's political process to produce an individual or group with the power, ability, and determination to overcome such divisive forces.

The most significant strategic debates are over the relative size and importance of air, naval, and ground forces and the utility of developing an offensive strike capability against China. In the debate over the different forces, the dominant school of thought believes that Taiwan must give priority to developing potent air and naval forces. Without such capabilities, it is argued, Taiwan would be unable to deter or defeat the most likely type of PLA attacks, including an air and missile barrage, a naval blockade, or an amphibious assault (which requires air and naval superiority for success). According to proponents of this strategy, air and naval forces would be especially important in defeating a rapid, intense PLA strike against military, communication, infrastructure, and political centers. Some analysts think that a decapitation-centered "fait accompli" strategy is likely, and they fear that it could occur before U.S. forces could appear on the scene.

Proponents argue that the continued maintenance of huge, costly ground forces simply diverts scarce resources and energies away from the development of these far more important air and naval capabilities. To supplement such capabilities, Taiwan should develop small, light, and highly mobile ground forces able to respond quickly to limited PLA ground assaults.<sup>81</sup> Proponents of this view obviously include senior naval and air force officers, as well as many U.S. military advisers and

experts. In addition, some members of the Pan-Green alliance reportedly support such a strategy as a means of reducing the influence of the army.

The opposing minority viewpoint believes that Taiwan must retain sizeable ground forces, for both military and political reasons. Militarily, such forces are absolutely vital, it is argued, in preventing the PLA from achieving any *final* victory by seizing the island of Taiwan; without such a seizure, whatever military strategy the PLA might adopt would fall short of success. Moreover, proponents of this view argue that Taiwan's air and naval forces will never be able to attain the size and capabilities necessary to defeat a massive PLA air and naval attack. They believe the PLA would be quite willing to sacrifice large numbers of inferior aircraft and ships to deplete Taiwan's capabilities, thus leaving the island defenseless, especially if the army has been heavily reduced in size. Thus, for these advocates, the only sure guarantor of Taiwan's survival (presumably until U.S. forces arrive on the scene) is sizeable ground forces. Politically, a sizeable ground force presence can also serve as a vital source of leverage for Taipei in any negotiations that might ensue during or after a conflict with China, especially if Beijing and Washington (or Washington alone) tries to compel Taipei to accept terms for resolving a conflict that do not serve Taiwan's interests. Without substantial ground forces, they argue, Taiwan will have little ability to resist such pressure. This minority argument in favor of ground forces persists within the strategic debate—and thus reinforces efforts to resist major reductions in the size of the ground forces—because it is supported by significant numbers of senior army officers, as well as some Taiwan strategists and scholars.<sup>82</sup>

The other debate—over the utility of offensive weapons—has become sharper in recent years. Two basic schools of thought exist among proponents. One group argues that the acquisition of an offensive conventional counterforce capability is necessary to deter China from launching a conventional attack against Taiwan. If deterrence fails, they argue, it would be critical to degrading China's ability to sustain an attack. These forces would consist essentially of several hundred SRBMs, land-attack cruise missiles, and air assets armed with standoff attack weapons capable of striking China's ports, theater command, control, and communication nodes, and missile launch sites. They would also include enhanced offensive information warfare capabilities.<sup>83</sup> Some advocates even argue that such capabilities might be used preemptively, to derail a PLA strike before it is launched.<sup>84</sup>

Another group argues that Taiwan must acquire offensive strategic countervalue capabilities to threaten major Chinese cities in central and southern China, such as Shanghai, Nanjing, Guangzhou, and even Hong Kong. These would consist essentially of a relatively small number of intermediate- or medium-range ballistic missiles with large conventional or perhaps even nuclear or biological warheads, intended purely as a deterrent against an all-out Chinese assault on Taiwan.<sup>85</sup>

Political leaders of both the Pan-Blue and the Pan-Green coalitions have at times seemed to support, or at the very least express sympathy for, one or both of these arguments. When he was running for president, Chen Shui-bian advocated what many observers regard as an offensive-oriented policy, explicitly calling for a change in Taiwan's defense strategy from "pure defense" to "offensive defense" (*gongshi fangyu*). This formulation abandoned the "old concept of attrition warfare" in favor of an emphasis on "paralyzing the enemy's war-fighting capability" and "keeping the war away from Taiwan as far as possible."<sup>86</sup> A key principle of Chen's platform was the "decisive offshore campaign" or "decision campaign beyond boundaries" (*jingwai juezhhan*), calling for Taiwan's military to "actively build up capability that can strike against the source of the threat"

using enhanced naval and air forces as well as joint operations and information warfare.<sup>87</sup> Not to be outdone, during the 1999 presidential election campaign, KMT candidate Lien Chan explicitly stressed the importance of long-range offensive missiles as the pillar of a second-strike capability for Taiwan.<sup>88</sup> Advocates of an offensive-strike capability also include individuals who are concerned with the high cost of acquiring more sophisticated defensive weaponry from the United States during hard economic times. They view offensive weapons such as ballistic missiles as a less expensive, more cost-effective means of deterring China. This group also includes some army officers, who view the deployment of such weapons as a means of avoiding the acquisition of more sophisticated and costly air and naval forces, and thus as a means of maintaining large ground forces.<sup>89</sup>

There are many opponents to the acquisition of either type of offensive capability. They point out that Taiwan could not develop a large enough offensive counterforce capability to threaten credibly the extensive number of potential military targets existing on the mainland. Moreover, it would likely prove extremely difficult to locate and destroy China's large number of mobile SRBMs, while Taiwan's relatively small missile force and infrastructure would be a top priority target for Chinese missile, air, and special forces attacks. In addition, an offensive counterforce capability would be of very limited value, opponents argue, because the Chinese would likely be undeterred if Taiwan were only able to threaten central and southern cities and not Beijing. They also point out that any type of credible counterforce capability would almost certainly require weapons of mass destruction warheads, which the United States would oppose. An offensive counterforce capability would thus likely prove to be inadequate and could also greatly exacerbate U.S.–Taiwan relations. Moreover, it might also provoke a massive preemptive Chinese strike, or at the very least a massive Chinese counterstrike that would almost certainly devastate Taiwan.<sup>90</sup>

Opponents of an offensive deterrent include significant numbers of scholars and military strategists, as well as many individuals within the U.S. government. Many knowledgeable American observers think that Taiwan is largely wasting its time, effort, and resources on acquiring genuine counterforce offensive capabilities.<sup>91</sup> Also, from the U.S. perspective, the possession of significant offensive weapons by Taiwan injects a potential element of unwanted instability into the equation. Many U.S. observers fear that Taiwan is developing offensive systems without a clear sense of how they will be used. In a political-military crisis, Taiwan might use such weapons to retaliate against the mainland without the consent of the United States. China might mistake such an attack as a U.S. strike, thus inviting retaliation against the United States and resulting in a major escalation.

### *Risk-Averse Military Culture*

Finally, and by no means least important, many of these problems are exacerbated by the existence of a type of “military culture” within the ROC armed forces that is highly cautious, conservative, and risk averse. In this culture, subordinate officers and soldiers hesitate to make even minor decisions without the approval of higher-ups. Innovation and initiative are not highly prized at any level of the system, and the existing NCO corps does not exercise the responsibility and authority appropriate to their position as critical intermediaries between the senior officer corps and ordinary soldiers. As a result, many structural and procedural reforms, as well as acquired military systems, do not realize their intended potential.<sup>92</sup>

## PROSPECTS AND IMPLICATIONS FOR THE FUTURE

Taiwan's defense reform and modernization process remains beset with multiple problems and obstacles. Nonetheless, if Washington continues to press hard for change and the ROC government continues to recognize the value of responding positively, albeit incompletely, to such pressure, there is little doubt that advances will continue. Specifically, it is likely that Taiwan will acquire several additional key weapons and support systems approved by the United States. Within the next five to seven years, Taiwan should achieve improvements in C4ISR, jointness, and training, and should acquire new destroyers, PAC-3 ballistic missile defense batteries, some form of long-distance radar (although considerable internal debate continues over this acquisition), and more sophisticated ASW systems.

The effort to strengthen, streamline, and civilianize the administrative hierarchy in charge of military affairs will doubtless continue. The MND will acquire more expertise and direct line control over key military planning and operational control decisions, absorbing many of the past functions of the professional military command structure. Moreover, lines of authority and internal decision-making processes and outcomes will no doubt become more transparent to the public and the LY.

The need for a more credible deterrent will provoke changes in the size, configuration, and orientation of the armed forces. In particular, the army will become smaller, and the air force and navy will receive greater attention and exert greater influence over defense restructuring and streamlining. In addition, all military services will carry out limited experiments in volunteerism.

The MND will produce a somewhat more integrated and coordinated strategic planning process, centered in the SPD and the Integrated Assessment Office, with input from both the civilian national security leadership above and the uniformed services below.

Finally, the arms procurement process will likely become less corrupt, more efficient, and perhaps slightly less dependent on a single source of foreign military hardware.

Such likely advances will almost certainly enhance the overall capability of Taiwan's armed forces. Yet it remains far from certain that they will reduce the threat of conflict with Beijing. The improvements in Taiwan's deterrent and war-fighting capabilities might not be large enough to influence greatly Beijing's overall political, diplomatic, and military strategy toward Taiwan—nor even to affect in any major way a specific decision to apply coercive measures or outright force in a crisis or military conflict. Thus far, there has been little evidence of PLA concern over the advances taking place in ROC military capabilities. China is much more concerned, as in the past, with the deepening U.S.–ROC military-political relationship.

In addition, these likely advances will probably not produce levels of efficiency, transparency, and accountability in the defense sector sufficient to generate significant levels of public trust and support, at least over the short to medium term. As indicated above, the Taiwan public's distrust of the military and its general disinterest in greatly increasing the military's capabilities are deeply rooted.

These improvements in reform and modernization could bring only marginal advances, reflecting the lowest common denominator set of changes intended to placate the most significant U.S. concerns, ensure the quiescence of key institutional participants in the military, and avoid alarming the public and key social interest groups in Taiwan. In other words, the more difficult political, bureaucratic, financial, and conceptual decisions required to achieve the stated objectives of the defense reform and modernization process could very likely be postponed or avoided altogether for many years.



To achieve such ambitious objectives will require:

- A more capable, united ROC political leadership at the top that is willing to take on the many challenges confronting the reform and modernization process in a more determined manner;
- A clearer recognition within both the elite and critical segments of society of the urgency of the threat posed by an increasingly capable PLA and of the urgent need for Taiwan to deal with that threat in a more capable manner;
- A deeper level of agreement among political elites and the armed services regarding the most optimal defense strategy and related force structures needed to meet that threat;
- A clearer understanding between the United States and Taiwan of the relationship between their respective core strategic and operational objectives in deterrence and defense.

It is probably impossible to meet such requirements over the short to medium term, given the depth and complexity of the obstacles and concerns involved, and the sensitivity of many issues, especially concerning U.S.–Taiwan relations.<sup>93</sup> Persistent differences remain between Washington and Taipei regarding military investments and weapons production priorities, the level and type of technology transfer to Taiwan, and the respective roles and missions to be performed by the U.S. and ROC militaries in the event of a crisis.<sup>94</sup> Adding to these difficulties, U.S. officials have expressed intense displeasure over leaks from Taiwan of various types of defense cooperation programs with the island, including confidential arrangements. Some U.S. observers reportedly suspect that such leaks might be politically motivated, to demonstrate U.S. support of Taiwan through disclosure of classified agreements.<sup>95</sup>

Beyond these difficulties, perhaps the most fundamental obstacle to a deepening of the reform and modernization effort is the zero-sum nature of political competition in Taiwan, combined with the intensely cynical, opportunistic, and sometimes corrupt attitudes so evident among politicians. As long as the opposing Pan-Green and Pan-Blue political coalitions continue to refuse to cooperate with each other in many critical policy arenas such as economics, cross-Strait relations, and defense, any ROC government will find it extremely difficult to develop and sustain costly, unpopular, and potentially divisive defense reform and modernization efforts. In all, it will remain very difficult to push forward with defense reform as long as the president, much of the military, and the LY regard one another with intense suspicion; as long as force modernization remains highly dependent on the vagaries of U.S. support and assistance; and as long as the public is left largely uninformed about the potentially lethal nature of the threat posed by the Chinese military.<sup>96</sup> And of course it is by no means certain that the highly risk-averse military culture of the ROC armed forces will be rectified any time soon.

However, even if a sufficient level of unity, agreement, and determination were attained over the near term, Taiwan may already be too far behind in the reform effort to improve its military capabilities appreciably before any crisis might emerge across the Taiwan Strait. Specifically, the U.S. government worries that Taiwan's defense reforms and modernization will not take effect early enough to deal with the possible emergence of several major PRC military capabilities by 2007–2010 or even earlier.<sup>97</sup> Few of the pending weapons acquisitions or institutional and procedural changes of the reform effort will take full effect before that time period. These concerns are intensified by a growing suspicion within the U.S. Defense Department that Beijing is now placing a top priority

on acquiring the capability to launch a rapid, *fait accompli* decapitation strike against Taiwan's political and military centers before the United States can respond. Countering such a contingency requires that Taiwan acquire genuinely potent military capabilities over a relatively short period of time. Thus, there is increasing movement by the United States to implement as soon as possible several "quick-fix measures" aimed at greatly enhancing Taiwan's joint operational capabilities and improving response and readiness over the near term. These measures center on efforts to achieve greater force integration and coordination using new C4ISR systems, to improve overall defense and operational planning, and to strengthen passive defense capabilities, especially at critical military and political sites.<sup>98</sup>

Yet even the attainment of these *relatively* modest short-term objectives faces significant obstacles. Senior leaders in Washington and Taipei increasingly disagree over the true urgency of the military threat posed by the PLA.<sup>99</sup> Moreover, well-informed observers in the United States insist that some essential defense efforts, such as the hardening and guarding of key leadership locations, command and control centers, and energy and supply networks, are simply not being done, and other planned improvements envisioned in critical areas (for example, C4ISR and long-range early warning radar) will fall short of desired expectations, largely due to financial constraints or technology problems.<sup>100</sup>

Most, if not all, of these difficulties must be overcome or at least greatly reduced if Taiwan is genuinely to enhance its combat sustainability and thereby either credibly deter the PLA or lengthen the time the United States has to respond to a Chinese attack. To facilitate this undertaking, Washington should make more concerted efforts to communicate a clear and consistent message to Taiwan's political and military leadership regarding its views and preferences in all areas of defense reform and modernization, while supporting Taipei's efforts to resolve its own internal differences and to clarify its strategic objectives.<sup>101</sup> The United States should also make greater efforts to aid Taiwan in the development of civilian military expertise and to provide assessments of defense issues that more accurately reflect Taiwan's overall political, military, and social characteristics, as opposed to the viewpoints of any particular armed service or political group. Ultimately, however, it will be up to Taiwan's leaders to overcome the many internal challenges remaining to their defense reform and modernization efforts.

Finally, the U.S. government must also make much greater efforts to coordinate the Pentagon's increasingly robust attempt to strengthen Taiwan's defense capabilities with the larger political and diplomatic objectives of the U.S.–China relationship. Although there is little doubt that the ROC military must be strengthened significantly to deal with a more ominous PLA threat, Taipei and Washington must balance this effort by an equally effective effort to reassure Beijing that such capabilities will not be used to shield Taiwan from attack during a move toward permanent and full independence. In other words, increased military capabilities alone will not maintain stability across the Taiwan Strait and, if mishandled, could even precipitate a conflict. This balancing act between deterrence and reassurance will require a much clearer understanding by Washington and Taipei of both the requirements and the limitations of their mutual effort to carry out defense reform and modernization in Taiwan.

For the United States, reaching such an understanding should necessitate a closer examination of the specific purposes and consequences of current efforts to strengthen Taiwan's military in a wide variety of areas. At present, U.S. defense assistance to Taiwan seems to be driven by a variety of one-sided or faulty assumptions. For example, some advocates of greater assistance often evince a purely

military-driven, open-ended desire to provide Taiwan with whatever capabilities Pentagon analysts believe are needed to combat the PLA's growing power. In addition, some U.S. politicians express the naive belief that Taiwan should or could be strengthened to the point where the United States can reduce significantly, if not eliminate altogether, the need to intervene militarily on Taiwan's behalf in the event of a major armed conflict with Beijing. Other observers (including many within the U.S. government) argue that a stronger and more secure Taipei will feel more inclined to negotiate with Beijing. These approaches and assumptions reinforce several fallacious notions—that Taiwan's security is a purely military matter; that Taiwan can absorb whatever weapons or support systems the United States might provide and eventually reach a point where it can defend itself without U.S. assistance and support; and that Taiwan's leaders associate U.S. military assistance and their own military modernization efforts with their views toward a cross-Strait political dialogue.

Under current conditions, the Pentagon's seemingly open-ended effort to assist the Taiwan military in a multitude of new areas, along with the limited results produced thus far, could eventually produce the worst of both worlds by creating the impression of a de facto U.S.–Taiwan defense alliance—thereby intensifying Chinese fears that Washington intends to treat Taiwan as a close military and political partner—without actually improving Taiwan's deterrence capacity in any meaningful way. Too often, U.S. arms sales and defense assistance to Taiwan have served more to advance Taiwan's desire to convey an increasingly close political relationship with Washington than to create genuine defense capacity. It is ultimately not in the interests of the United States to encourage or acquiesce in such a development.

An alternative approach would be to carefully base future U.S. defense assistance on a clear recognition that the United States will need to defend Taiwan if the island is attacked by a significant Chinese force, but that more arms for Taiwan will not necessarily produce more security or increase Taiwan's incentive to negotiate with the mainland. Washington should consider offering to Taipei only those military capabilities that the United States cannot provide or does not need to provide, such as the ability to deter or fend off a rapid Chinese attack designed to sow chaos among the public and to decapitate the political system before the U.S. military can deploy sufficient forces to the area. In most other areas, the United States should realize that if a crisis erupts, it will need to do the majority of the heavy lifting.

All in all, a more carefully delineated, affordable, politically acceptable, and realistically absorbable level of U.S. military assistance would stand a greater chance of achieving its objectives. However, in the final analysis, it is essential for both Taipei and Washington to recognize that defense reforms and military modernization alone will not guarantee Taiwan's security. Long-term security in the Taiwan Strait will only come as a result of a policy that combines a credible level of military deterrence with an equally credible level of diplomatic reassurance.

## NOTES

- <sup>1</sup> Many of the issues covered in this paper are extremely sensitive to both the U.S. and Taiwan governments and are thus not often discussed in detail in the open media. Hence, much of the information and analysis presented herein was derived from personal interviews conducted in the spring and summer of 2003 with both U.S. and Taiwan participants and knowledgeable observers. These individuals requested that their names not be cited.
- <sup>2</sup> For further details on the points raised in this paragraph, see Michael D. Swaine and James C. Mulvenon, *Taiwan's Foreign and Defense Policies: Features and Determinants*, MR-1383-SRF (Santa Monica, Cal.: RAND Center for Asia-Pacific Policy, 2001), pp. 15, 37, 65.
- <sup>3</sup> Other political parties also now support greater civilian, nonpartisan control over the military, as part of the democratization process.
- <sup>4</sup> Under this system, the CGS acts, in the military command system (*junling*), as chief of staff to the president for operational matters; whereas in the administrative system (*junzheng*), he serves as chief of staff to the minister of national defense. Government Information Office, *The Republic of China Yearbook 1997* (Taipei: 1996), pp. 123–4.
- <sup>5</sup> Michael D. Swaine, *Taiwan's National Security, Defense Policy, and Weapons Procurement Processes*, MR-1128-OSD (Santa Monica, Cal.: RAND, National Defense Research Institute, 1999), p. 8.
- <sup>6</sup> Arthur Ding, "Civil-Military Relations in Taiwan and China: A Comparison," unpublished paper prepared for the CAPS-RAND International Conference on PLA Affairs, August 15–16, 2003, San Diego, Cal., p. 4.
- <sup>7</sup> These laws—the NDL and the Ministry of National Defense Organization Law (sometimes referred to collectively as the "Two Defense Laws")—after being ratified by the LY were promulgated by the ROC president in January 2000 and subsequently went into effect on March 1, 2002. See Guofangbu, *2002 National Defense Report, Republic of China* (Taipei: Ministry of Defense, July 2002), pp. 164, 227, 230–2, available at [www.mnd.gov.tw/report/index.htm](http://www.mnd.gov.tw/report/index.htm). Also see John Pomfret, "Also on Taipei's Radar: Reform," *Washington Post*, April 25, 2001; Michael Tsai, "Organizational Reinvention and Defense Reform," *Taiwan Defense Affairs*, vol. 2, no. 3 (Spring 2003).
- <sup>8</sup> Under this restructuring, the GSH would serve as both the military command staff for the defense minister and commanding organ of military operations of the three armed services under the defense minister's supervision. See Hu Zhenya, *Guofangfa yu guofangbu zhuzhi tiaozheng* [The National Defense Law and the Organizational Re-structure of the Ministry of National Defense], available at <http://www.dsis.org.tw/peaceforum/papers/2000-02/TM0001001.htm>; and Arthur S. Ding, *Bijiao liangan de guofangfa* [The National Defense Laws of Taiwan and China: A Comparison], available at <http://www.dsis.org.tw/peaceforum/papers/2000-02/TM0001002.htm>.
- <sup>9</sup> Ding, "Civil-Military Relations," p. 9; Interviews, Taipei, Summer 2003; *2002 National Defense Report*, p. 231.
- <sup>10</sup> Ding, "Civil-Military Relations," p. 9.
- <sup>11</sup> For further information on the development of civilian control over the military, see M. Taylor Fravel, "Towards Civilian Supremacy: Civil-Military Relations in Taiwan's Democratization," *Armed Forces and Society*, vol. 29, no.1 (Fall 2002), pp. 59–63.
- <sup>12</sup> For example, the deputy minister responsible for policy and strategic and force planning will ostensibly play a very important role in this new system; Interviews, Taipei, Summer 2003.
- <sup>13</sup> For an excellent overview of the achievements and difficulties of the attempt to establish civilian control over the military, see Fravel, "Towards Civilian Supremacy," pp. 57–84.
- <sup>14</sup> Article 15 of the amended version of the MND Organization Law states that this goal must be achieved by January 29, 2003, but allows for a one-year extension of the deadline. This extension has been activated.
- <sup>15</sup> Such an examination is required for all government employees.
- <sup>16</sup> Interviews, Taipei, Spring and Summer 2003. Also see Lin Mei-chun, "NSC Defends Loyalty Test Plans," *Taipei Times*, June 13, 2002; and Crystal Hsu, "Civil Service Vetting Proposal Raises Opposition Ire," *Taipei Times*, June 12, 2002.
- <sup>17</sup> Much of the following discussion of Taiwan's military modernization program has been drawn from interviews conducted in Washington in Summer 2003; Swaine and Mulvenon, *Taiwan's Foreign and Defense Policies*, pp. 160–1; Alexander Chieh-cheng Huang, "Taiwan's Defense Modernization for the 21st Century: Challenges and Opportunities," unpublished paper prepared for the Conference on War and Peace in the Taiwan Strait, February 26–28, 1999, Duke University, Durham, N.C.
- <sup>18</sup> Interviews, Taipei and Washington, Spring and Summer 2003.

- <sup>19</sup> Interviews, Taipei, Summer 2003; also see “New Defense Minister Tang Announces Troop Reduction,” *Taiwan News*, February 3, 2002. The Chinese language version of the *2002 National Defense Report* [Zhonghua Minguo Guofang Baogaoshu 2002] refers to the *Jing Jin* program in Section 5–Defense Management, Chapter 3–Defense Resources Management, pp. 196–7. More recent references to *Jing Jin* can also be found in the *Lifayuan Gongbao* [Legislative Gazette], vol. 92, no. 44 (October 29, 2003), pp. 298–300.
- <sup>20</sup> Any significant reduction in force size would also carry a longer-term benefit in cost savings. Such savings would in turn presumably allow the military to devote increasingly larger portions of Taiwan’s defense budget to weapons and equipment improvements. See Chen Chao-min, Vice Minister of Armament and Acquisition, Ministry of National Defense, remarks to the U.S.–Taiwan Defense Industry Conference, San Antonio, Tex., February 13, 2003.
- <sup>21</sup> Given the general unpopularity of military service among the population, terms of service for conscripts have been reduced over the years.
- <sup>22</sup> The Taiwan military is top-heavy, with a high ratio of officers to soldiers, and it lacks an adequate number of professional NCOs (almost all existing NCOs are conscripts; only the sergeant majors in units are professionals).
- <sup>23</sup> Interviews, Washington, Summer 2003.
- <sup>24</sup> The development of such a more sophisticated force structure has also led to a perceived need to acquire greater technical skills.
- <sup>25</sup> Interviews, Taipei, Summer 2003; Ding, “Civil-Military Relations,” p. 3. The Chinese version of the *2002 National Defense Report* [Zhonghua Minguo Guofang Baogaoshu 2002] (Taipei, Taiwan: Guofangbu, July 2002) discusses the *Jing Shi* program in Section 5–Defense Management, Chapter 2–Defense Law Reform, p. 180; more recently, the *Jing Shi* program was reviewed in the *Lifayuan Gongbao* [Legislative Gazette], vol. 92, no. 44 (October 29, 2003), pp. 298–300.
- <sup>26</sup> One major exception is the submarine program. The absence of an available supplier, the desire of Taiwan to manufacture at least part of the submarines, and both financial and technical considerations have delayed agreement. For one recent account of the difficulties involved, see “Sub Impasse Continues,” *Taiwan Defense Review*, May 30, 2003.
- <sup>27</sup> These weapons and support systems will be discussed in greater detail later in this paper.
- <sup>28</sup> John Pomfret and Philip P. Pan, “U.S. Hits Obstacles in Helping Taiwan Guard Against China,” *Washington Post*, October 30, 2003, p. A1.
- <sup>29</sup> For a detailed discussion of the C4ISR assistance program between the United States and Taiwan, see “Po Sheng Decision Imminent,” *Taiwan Defense Review*, July 17, 2003.
- <sup>30</sup> For further details on U.S. defense assistance to Taiwan, see Michael Chase, “U.S.–Taiwan Security Cooperation” (forthcoming). Also see “Pentagon Reviews Taiwan Ties,” *Taiwan Defense Review*, January 18, 2003; and “Taiwan Reviews Defense Ties with Taiwan, Says Report,” *Central News Agency*, Taipei, January 20, 2003.
- <sup>31</sup> The decision to acquire ballistic missile defense systems of any kind remains a highly controversial subject within the ROC military, however. According to one very knowledgeable observer of this issue, “Many ROC Army officers do not view conventional ballistic missiles as a particularly significant threat to its ability to perform its mission of countering a PLA amphibious invasion. While viewing increasingly accurate and lethal ballistic missiles as a significant threat to its ability to sustain operations, many within the Air Force would rather increase the proportion of the budget to ‘defensive counter-strike operations’ (*fangyuxing fanzhi zuozhan*). The Navy has been perhaps more supportive of missile defense, particularly as part of an Aegis program.” Also, many within the LY and the media (and some military analysts) argue that missile defenses would be easily exhausted or saturated in a large-scale missile strike.
- <sup>32</sup> For apparent references to the acquisition of such a capability, see *2002 National Defense Report*, p. 71.
- <sup>33</sup> Interviews, Washington, 2003.
- <sup>34</sup> Li Wenzhong, He Minhao, Lin Zhuoshui, Duan Yikang, Chen Zhongxin, Tang Huosheng, and Xiao Meiqin (LY members representing the DPP), *Taiwan bingli guimo yanjiu baogao* [Research Report on the Scale of Taiwan’s Armed Forces], DPP Policy Committee Research Report Series, March 2003. The stated purpose of the report is to examine in detail the plans for the scale of manpower of the armed forces to ensure the optimization of the use of Taiwan’s limited national defense resources by lowering the percentage of the defense budget that is used for personnel costs. Also see “Taipei ‘Needs Leaner, Meaner Armed Forces,’” *Agence France-Presse*, March 31, 2003.
- <sup>35</sup> The DPP Report cited in note 34 proposes raising the proportion of volunteers in the armed forces and decreasing the period of compulsory military service to a mere nine months.
- <sup>36</sup> Interviews, Washington and Taipei, Summer 2003.

## DETERRING CONFLICT IN THE TAIWAN STRAIT

- <sup>37</sup> For example, according to a knowledgeable U.S. observer, Taiwan has reportedly established a joint operations structure, at least on paper. U.S. observers of Taiwan's exercises believe such a structure is a significant advancement over previous years.
- <sup>38</sup> Interviews, Washington and Taipei, Spring and Summer 2003.
- <sup>39</sup> Although the United States has urged Taiwan to establish a third, highly mobile, helicopter-equipped army brigade to rapidly plug holes in its defense line, some observers believe that Taiwan should equip such a unit with existing AH-1H Super Cobra attack helicopters and not the more costly Apaches. See, for example, "Taiwan Seeks to Purchase Attack Helicopters," *Taipei Times*, February 26, 2002; also see "MND Studies Effectiveness of Patriot Missiles," *Taiwan News*, March 26, 2003.
- <sup>40</sup> According to some knowledgeable Taiwan military observers, the acquisition of important C4ISR technologies such as the U.S. Link-16 system are limited to tactical applications, and overall communications networks are largely to be used to strengthen top-down controls, not to increase the awareness of local commanders. For these observers, Taiwan needs to expand its level of battlefield awareness by directly accessing satellite-based C4ISR systems operated by the United States.
- <sup>41</sup> The special defense budget, presumably to begin in 2005, will primarily fund the acquisition of submarines, ASW platforms, and the PAC-3 missile defense system. Other items approved in recent years, such as long-range EW radar and C4ISR systems, will eventually be funded through the regular defense budget. See "FY2004 Defense Budget," *Taiwan Defense Review*, September 18, 2003.
- <sup>42</sup> Interview, Washington, Summer 2003.
- <sup>43</sup> One notable exception is in the area of offensive weaponry such as ballistic missiles, discussed later in this paper.
- <sup>44</sup> For a recent assessment of the state of the PRC missile threat and the difficulties involved in developing an adequate response by both Taiwan and the United States, see Eric A. McVadon, Director, Asian-Pacific Studies, Institute of Foreign Policy Analysis, "Joint Air and Missile Defense for Taiwan: Implications for Deterrence and Defense," paper delivered at the Conference on Taiwan Security and Air Power, organized by the Center for Taiwan Defense and Strategic Studies (Taiwan) and the Institute for Foreign Policy Analysis (USA), held in Taipei, January 9, 2003.
- <sup>45</sup> See *Lien He Pao* [United Daily News], March 11, 2003, and citing Lien-Ho Pao, "Taiwan Speeds Up Anti-Missile Arms Buy Due to 'U.S. Pressure,'" *Agence France-Presse*, March 14, 2003.
- <sup>46</sup> For details, see Swaine and Mulvenon, *Taiwan's Foreign and Defense Policies*, pp. 15, 37, 65.
- <sup>47</sup> Specifically, Taiwan's military forces were given three largely independent missions: (1) air superiority (*zhikong*) for the ROC Air Force; (2) sea denial (*zhibai*) for the ROC Navy; and (3) anti-landing warfare (*fandenglu*) for the ROC Army. Each of these missions was generally viewed by each service as constituting a relatively separate and distinct task. For the official definition of Taiwan's national security strategy, military strategy, and supporting policies, see the *2002 National Defense Report*, pp. 59–78. For further details on Taiwan's defense strategy, see Alexander Chieh-cheng Huang, "Taiwan's View of the Military Balance and the Challenge It Presents," in *Crisis in the Taiwan Strait*, ed. James R. Lilley and Chuck Downs (Washington, D.C.: National Defense University Press, 1997), pp. 282–5; and Swaine, *Taiwan's National Security, Defense Policy*, pp. 53–5.
- <sup>48</sup> The Taiwan GSF has a J-5 office nominally responsible for strategic plans and policy, but it historically focused on narrow aspects of defense planning. Equally important, it did not exercise as much influence as the U.S. military's J-5, given the superior position enjoyed by the individual service headquarters in the Taiwan military.
- <sup>49</sup> That is, a more sophisticated security strategy and defense plan more effectively attuned to the growing challenge posed by the PLA would give Taiwan a much stronger basis for evaluating and, if necessary, resisting U.S. pressure to acquire certain types of weapons and systems. Interviews, Taipei, Spring and Summer 2003.
- <sup>50</sup> On the third point, Taiwan has a total area of 36,000 square kilometers, measuring only 394 kilometers from north to south, and 144 kilometers from east to west. Its long and narrow shape is not conducive to defense. Moreover, about two-thirds of the island is mountainous, and almost all inhabitants and military bases are concentrated on the plains and undulating hills. The great density of the population also makes it difficult for Taiwan to deploy and move its army in times of war. See Yuan Lin, "The Taiwan Strait Is No Longer a Natural Barrier—PLA Strategies for Attacking Taiwan," *Kuang Chiao Ching*, April 16, 1996.
- <sup>51</sup> Moreover, defense analysts and researchers from the United States have provided training and advice in the areas of strategy development, resource allocation, and defense analysis to SPD and IAO personnel. See Michael Chase, "U.S.-Taiwan Security Cooperation," forthcoming.
- <sup>52</sup> See *Zhanlue guihua si* (Outline of the Strategic Planning Department), available on the MND's web site at [www.mnd.gov.tw/division/-defense/mil/mnd/spd/Index.htm](http://www.mnd.gov.tw/division/-defense/mil/mnd/spd/Index.htm) and *Zhenghe pinggu shi zixungang* (Outline of Integrated Assessment Office) available at [www.mnd.gov.tw/division/-defense/mil/mnd/iao/TOCFrame.htm](http://www.mnd.gov.tw/division/-defense/mil/mnd/iao/TOCFrame.htm). Interviews, Taipei, Summer 2003.

- 53 *2002 National Defense Report*, p. 227.
- 54 Interviews, Washington and Taipei, 2003; *2002 National Defense Report*, p. 227.
- 55 Interviews, Washington, Summer 2003.
- 56 For example, it remains unclear whether Taiwan should retain claims to sovereignty made by the former KMT government, such as those regarding territories in the South China Sea. Interviews, Taipei, Summer 2003.
- 57 *2002 National Defense Report*, pp. 73–4. The definitions of “jointness” contained in the *National Defense Report* are rudimentary and largely focus on integrating operations within, not between, the services. In the absence of such a strategy, it is difficult to determine what level and type of jointness might be best for Taiwan. In the view of some observers, the interests and concerns of Taiwan’s ground forces continue to dominate efforts to develop military strategy and doctrine.
- 58 This point is discussed in greater detail in the next section of this paper.
- 59 During the initial years of the talks, Taiwan participants primarily included MND representatives and military officers. In recent years, however, officials from the Mainland Affairs Council, the Ministry of Foreign Affairs, and the National Security Council also attend, largely as a result of U.S. insistence.
- 60 Interviews, Washington and Taipei, Spring and Summer 2003.
- 61 “Taiwan: Nine Ex-Military Officers Indicted in Arms Scandal,” *Los Angeles Times*, July 6, 2001; “Taiwan President Orders Probe into Alleged Scandals,” *Agence France-Presse*, July 31, 2000; “Taiwan Military under Fire in Kickback, Murder Scandal,” *Agence France-Presse*, August 3, 2000; “Taiwan and France Work Together over Arms Scandal: Report,” *Agence France-Presse*, August 6, 2000.
- 62 Interviews, Taipei, Summer 2003. Public attitudes toward defense spending are discussed later in this paper.
- 63 Interviews, Washington, Spring 2003. The emphasis on increasing the indigenous production of weapons and support systems is contained in the *2002 National Defense Report*, pp. 65, 74.
- 64 The changing role of the LY in defense reform is discussed in greater detail later in this paper.
- 65 Interviews, Washington, Summer 2003.
- 66 Interviews, Washington and Taipei, Spring and Summer 2003. Tang announced in March 2004 his intention to retire from the post of minister of defense. His replacement will be Admiral Lee Chieh, incumbent CGS. According to one knowledgeable observer, although relatively unknown to most Americans, Admiral Lee—a strong advocate of submarines—is viewed as reform minded by Taiwan’s political leadership. His selection, along with other recent promotions of senior Taiwan navy and air force officers to high posts, suggest a renewed effort by Chen Shui-bian to reduce the influence of the army over the reform and modernization process.
- 67 However, Chen has apparently attempted to weaken such sentiments among the senior officer corps by accelerating the promotion of native-born Taiwanese officers to higher posts in recent years. See Foreign Broadcast Information Service (FBIS) report in Chinese, April 12, 2004, entitled “Highlights: Taiwan Military Issues 6 April 2004.”
- 68 Chen Shui-bian undoubtedly heightened public awareness of the threat posed to Taiwan by Chinese missiles when he pushed for a referendum on missile defense during the March 20, 2004, presidential election. However, the failure of what is regarded by many as a politically—not militarily—inspired initiative and the absence of any subsequent attempt by Chen to heighten public awareness of the need for serious civil defense efforts suggest that Taiwan’s leaders remain ambivalent over the necessity of alerting the public to the Chinese threat.
- 69 Less than two years ago, army control over the national security establishment was very strong. At that time, almost every position responsible for operations and planning was controlled by an army officer. The army also controlled all personnel assignments, and most billets in the GSH were also dedicated to the army. Although the army leadership does not seem to have the veto power it had in the past, it can still wield enormous influence and can obstruct, if not overcome, efforts by civilians, other services, and the MND to advance defense reform. Interviews, Washington and Taipei, 2003.
- 70 Pomfret and Pan, “U.S. Hits Obstacles in Helping Taiwan,” locate this resistance primarily within the Taiwan army.
- 71 The author is indebted to Arthur Ding for these observations.
- 72 For further details, see Swaine, *Taiwan’s National Security, Defense Policy*, pp. 45–7; and Swaine and Mulvenon, *Taiwan’s Foreign and Defense Policies*, pp. 65, 87–8.
- 73 For a discussion of public attitudes regarding defense spending, see Swaine and Mulvenon, *Taiwan’s Foreign and Defense Policies*, pp. 74–5.

- <sup>74</sup> See “Pentagon Reviews Taiwan Ties,” *Taiwan Defense Review*, January 18, 2003. After two years of deliberation and debate, the LY finally passed the bill approving funding for the Kidd-class destroyer program in late May 2003, but only after the navy agreed to cut the budget for the program. At the same time, the Taiwan military is reportedly learning some valuable lessons from these experiences on how to attain funding from the LY.
- <sup>75</sup> And of course this problem is exacerbated by the suspicions discussed earlier in the paper.
- <sup>76</sup> For a detailed discussion of the procurement process and the involvement of the LY therein, see Swaine, *Taiwan’s National Security, Defense Policy*, p. 46.
- <sup>77</sup> For further analysis of the problems involved in legislative supervision of the military, see Fravel, “Towards Civilian Supremacy,” especially, pp. 71–2.
- <sup>78</sup> See “Pentagon Reviews Taiwan Ties,” *Taiwan Defense Review*, January 18, 2003. For a detailed analysis of the defense budget process and the composition of Taiwan’s national defense expenditure, see Teng Yang-hsi, Senior Specialist, LY Budget and Accounts Committee, “A Preliminary Inquiry into the Defense Budget,” *Taiwan Defense Affairs*, no. 1 (October 2000), pp. 165–92.
- <sup>79</sup> Interviews, Washington, Summer 2003. Also see Ho Po-wen, “Military Purchases Top NT\$700 Billion in the Next Ten Years,” *Chung-kuo Shih-pao*, May 17, 2003.
- <sup>80</sup> One very knowledgeable U.S. observer interviewed by the author believes that Taiwan can acquire and fund many major weapons systems approved by the United States (such as the PAC-3, EW radar, enhanced C4ISR, Apache helicopters), if it increases its annual defense acquisition budget to US\$1 billion over a ten-year period. However, programs such as submarines, P-3C ASW aircraft, and a possible future Aegis destroyer sale would require special funding unless the annual defense acquisition budget were dramatically increased even further.
- <sup>81</sup> Interviews, Washington and Taipei, Spring and Summer 2003.
- <sup>82</sup> Interviews, Taipei, Spring and Summer 2003.
- <sup>83</sup> See, for example, Richard D. Fisher, *China Brief* (Washington, D.C.: Jamestown Foundation, January 28, 2003).
- <sup>84</sup> “ROC Military Doesn’t Rule out Pre-Emptive Attack on Mainland: Tang,” *China News Agency*, October 8, 2003, quoting Defense Minister Tang Yiau-ming.
- <sup>85</sup> Interviews, Taipei, Summer 2003; and Swaine and Mulvenon, *Taiwan’s Foreign and Defense Policies*, pp. 66–7.
- <sup>86</sup> Chen Shui-bian, *New Century, New Future: Chen Shui-bian’s Blueprint for the Nation, Volume I: National Security* [Xinshiji xinchulu: Chen Shui-bian guojia lantu, diyice: Guojia anquan] (Taipei: Chen Shui-bian Presidential Campaign Headquarters, 1999), pp. 50–1.
- <sup>87</sup> Chen, *New Century, New Future*, pp. 50–1.
- <sup>88</sup> “Taiwan Defends Long-Range Missile Plans,” *Agence France-Presse*, December 9, 1999. Lien Chan has reportedly since backed away from that statement, however.
- <sup>89</sup> Interviews, Taipei, Spring and Summer 2003.
- <sup>90</sup> Swaine and Mulvenon, *Taiwan’s Foreign and Defense Policies*, p. 67.
- <sup>91</sup> “Pentagon Reviews Taiwan Ties,” *Taiwan Defense Review*, January 18, 2003, states that U.S. opposition emanates “mainly from the State Department,” but the author has heard similar views expressed by senior U.S. military officers.
- <sup>92</sup> Interviews, Washington and Taipei, Spring and Summer 2003. For a highly critical take on the restraints placed on Taiwan’s NCO corps, see Wendell Minnick, “Taiwan’s Military Needs to Use Its NCOs,” *Taipei Times*, December 23, 2001.
- <sup>93</sup> In the area of strategic dialogue between Washington and Taipei, for example, inherent limitations exist on the extent to which the United States is willing to discuss such issues as basing plans in East Asia and military approaches to countering a Chinese assault on Taiwan.
- <sup>94</sup> Although both Taipei and Washington now generally agree—after considerable wrangling—on the importance of emphasizing C4ISR, theater missile defense/long-range radar, passive defense, and airborne ASW capabilities, differences reportedly remain over the specific sequencing of developments within and between each area, and the amount of funds devoted to each. Taiwan continues to press for the transfer of more critical military technologies than the United States is willing



to provide, partly in an effort to make itself less dependent on the United States. However, some observers believe that the United States resists such transfers to maximize profits over the long run. Clear differences remain over the strategy for acquiring or producing submarines and their cost. Finally, differences also persist over the level and type of coordination that should exist between U.S. and Taiwan forces.

<sup>95</sup> “Pentagon Reviews Taiwan Ties,” *Taiwan Defense Review*, January 18, 2003.

<sup>96</sup> As one senior defense official stated to the author in Summer 2003, “Because of the unpredictability of U.S. arms sales, Taiwan had fallen into a pattern of asking for far more weapons systems than it expected would be approved.”

<sup>97</sup> These capabilities could include the ability to strike Taiwan with a significant number of highly accurate, short-range ballistic and cruise missiles, to severely damage Taiwan’s off-shore defenses with a larger number of more capable submarines and surface combatants, to severely disrupt Taiwan’s communication capabilities with new space-based and information warfare systems, and perhaps even to seize strategic locations on Taiwan with a significant number of special operations forces.

<sup>98</sup> “Pentagon Reviews Taiwan Ties,” *Taiwan Defense Review*, January 18, 2003.

<sup>99</sup> Many politicians and experts in Taiwan seem to downplay the likelihood of a Chinese attack, even if they acknowledge that China’s capabilities are growing at a significant rate. Instead, such individuals tend to view the threat from the mainland largely as a political and economic challenge. During interviews with senior ROC officials undertaken by the author in summer 2003, only one official of several questioned stated that Taiwan’s defense reform effort is “urgent.” Most stated that reforms are important but not urgent, and the single official who stated that they are urgent explained that this is largely because of U.S. pressure.

<sup>100</sup> The C4ISR system eventually decided upon by Taipei is a substantially less ambitious system than the one originally proposed by the U.S. government, based on outside studies. The price of the system was reduced from \$3.9 to \$1.4 billion and is thus viewed by Washington as significantly underfunded. At such reduced levels, the resulting capabilities will be less than desired or optimal. See “Po Sheng Decision Imminent,” *Taiwan Defense Review*, July 17, 2003.

<sup>101</sup> For example, some U.S. experts (both in and out of government) reportedly encourage Taiwan to acquire offensive weapons such as ballistic and cruise missiles, whereas many others strongly discourage such weaponry. Still others send conflicting messages about the likelihood that major weapons systems such as the Aegis-equipped destroyer will be approved in the future. More broadly, many Taiwan observers voice uncertainty over Washington’s “true” stance regarding independence versus reunification. Some observers believe, apparently for strategic reasons, that the Bush administration is opposed to eventual reunification, even if it is achieved peacefully, whereas others believe that Washington will eventually be disposed to make a “deal” with Beijing to promote reunification at Taipei’s expense. This uncertainty regarding U.S. views and motivations could contribute to confusion regarding U.S. intentions in a military crisis or conflict and hence complicates Taiwan’s defense planning effort.



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