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Opinion

Can Taiwan's divided legislature come together on defence?

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The recent large-scale Chinese military drills held around Taiwan show that Beijing is likely to adopt a combative approach to the island's newly inaugurated, independence-leaning president, Lai Ching-te.

Concerningly, the exercises were accompanied by statements from the People's Liberation Army (PLA) Eastern Theater Command asserting that their aim was to 'test the ability to jointly seize power, launch joint attacks, and occupy key areas.' This message was pressed home by a series of bellicose comments targeting Taiwan by China's defence minister at the recent Shangri-La Dialogue in Singapore, including that the prospects of peaceful reunification 'are currently being eroded by the 'Taiwan independence' separatists and external forces.'

These developments have returned to the forefront the pressing issue of Taiwan's need to continue to bolster its military, which Lai has pledged to do. And this in turn poses questions about the prospects of Lai's defence plans being backed by the legislative majority, now made up of the more Beijing-friendly Kuomintang (KMT) and Taiwan People's Party (TPP).

Antagonism between the president and the legislature

History highlights some of the potential difficulties these circumstances bring with them.

The first Taiwanese president hailing from Lai's Democratic Progressive Party (DPP), Chen Shui-bian, also presided over minority governments during both of his terms. Despite early attempts to incorporate KMT members into his Cabinet, he often faced obstructions to defence procurements by the legislature, then-controlled by a 'pan-Blue' alliance dominated by the KMT and its breakaway People's First Party (PFP).

During the term of President Tsai Ing-wen – Lai's immediate predecessor and a fellow DPP member – KMT officials also sought to freeze funding for several arms acquisitions from the United States.

Lai is aware of these precedents. Leading into the election he stated that the KMT had previously blocked defence funding bills on 69 occasions, citing this as a key reason that DPP supporters should strive to help the party achieve a legislative majority.

There are some signs that history could be repeating. Thus far the voting patterns of the TPP indicate that it, like the PFP, has largely aligned itself with the KMT. Moreover, in terms of the president's prospects of fostering a cooperative relationship with these parties, the new government is off to a shaky start.

The initial sign of an antagonistic legislature emerged when the KMT and the TPP together elected the recalled mayor of Kaohsiung and populist firebrand KMT legislator Han Kuo-yu as president of the Legislative Yuan – a role equivalent to the speaker of Taiwan's unicameral legislature, but which has expanded powers under Taiwan's Constitution. Han is known as a Beijing-friendly, fierce critic of the DPP, and has a record of opposing the DPP on defence.

Han's inauguration was then followed by KMT and TPP efforts to force through bills designed to enhance the power of the legislature. The reforms grant lawmakers the power to require the president to deliver regular reports and answer questions from lawmakers, as well as granting the Legislative Yuan more power to control government budgets and investigate government projects. The reforms also criminalise 'contempt' of the legislature.

These amendments – and the way in which they were rushed through the legislative process, with limited debate – sparked a series of mass protests, with the largest drawing an estimated 100,000 Taiwanese to demonstrate outside the Legislative Yuan as the bills were being read. Debates over the legality of the reforms are likely to be settled by an interpretation of the constitution.

These developments cast a long shadow over Lai's prospects for realising his legislative agenda. Yet setting aside the worst case scenario of parliamentary disputes devolving into a full blown constitutional crisis, there remains some chance that the president will be able to work with the KMT or the TPP to strengthen the nation's military.

The DPP vs KMT on defence

Bolstering defence has been a key platform of Lai's campaign as it was for his predecessor, Tsai.

Alongside this has been a consistent attempt by the DPP to paint the KMT as weak on defence. The KMT, in reply, has often complained about being depicted as Chinese Communist Party sympathisers for applying regular parliamentary scrutiny to defence spending.

It is certainly true that Tsai's record on defence was a substantial improvement compared to her KMT predecessor, former President Ma Ying-jeou. But the bigger picture on both parties' commitment to defence is not without complications.

Ma entered his first term in 2008 with a number of ambitious plans, including shifting from a conscription-based to a volunteer-only force within six years; adjusting the proportion of personnel, operational, and procurement spending to a 4:3:3 ratio; as well as the hallmark aspiration of raising defence spending to 3 percent of GDP (although Taiwan's bureaucrats often prefer to measure defence spending as a percentage of overall government spending).

Yet on each of these measures Ma failed. Instead he was to oversee one of the longest hiatuses in US weapons acquisitions, and defence spending fell as a percentage of both overall public spending and GDP. If funding on defence through Taiwan's unique Nonprofit Special Funds (and in Tsai's case the Special Budget) mechanisms are added to the regular defence budget – which gives a better picture of overall defence spending – Ma's second term saw a decline from 2.6 percent to 2.1 percent GDP spent on defence. The figure for the first budget of his term, inherited from Chen's last term, was at around the 3 percent mark.

In contrast, Tsai's defence budget in real terms has risen dramatically – about 70 percent from her first 2017 budget of NT$357.7 billion (roughly US$11.1 billion) to a record projected high of NT$606.8 billion (US$18.8 billion) in 2024. But this in part is a product of a growing economy. At 2.5 percent of the nation's GDP, 2024 defence spending remains well short of the DPP's 3 percent GDP aspiration (in part due to an optimistic growth outlook).

Increased defence spending also lost some of its share of the government spending pie, overshadowed by rises in social welfare and education spending, reflecting the competing political priorities of the DPP's largely

progressive base. Inquiries into and attempted obstructions to defence bills, moreover, came from both sides of the legislature during Tsai's tenure, albeit more so from the KMT opposition.

This reflects a key point: The gap between the two parties on defence is not as strong as it may first seem.

Tsai drew political capital from a series of big-ticket procurements during her tenure. But many of the systems her administration introduced were built on the work of the previous administration – planning for the Yushan-class landing platform docks, for instance, began during Ma's tenure, while the hallmark indigenous submarine program was also announced prior to Tsai's election. Ma also oversaw a brief flurry of defence purchases, including Javelin, TOW, and Stinger missiles, as well as amphibious vehicles.

As a percentage of GDP, Tsai's last defence budget fell short of the 2.6 percent reached by Ma in the first year of his second term. Taiwan's regular defence budget, moreover, actually shrank further to below 1.8 percent of GDP in the second and third year of Tsai's tenure, and to little over 1.6 percent in 2022, with raised procurement spending eating into the operational budget for the first time in 2024. Overall funding did not surpass Tsai's inherited budget (2016) in dollar terms until 2019, when the United States approved the sale of a US$2 billion-plus weapons package.

This underlies another key point about defence funding under Tsai: Exponential increases in Taiwan's defence budget in fact only really occurred during Tsai's second term in 2021. The year prior, tensions across the Taiwan Strait dramatically worsened after China reacted angrily to US officials visiting the island on two separate occasions. Beijing undertook invasion simulations and increased crossings into Taiwan's Air Defence Identification Zone (ADIZ).

Coming together on 'deterrence'?

This correlation between the rise in defence spending under Tsai and China's growing bellicosity in the Taiwan Strait is a core point to consider in assessing the prospects for cooperation on defence in the legislature. China's recent actions have fed a broad consensus across the three parties that China under Xi Jinping presents unique challenges, and that the island needs to strengthen its military deterrence to curb what Howard Shen, assistant director of International Affairs for the Kuomintang, recently called 'the Chinese Communist Party's militarist adventurism.'

Indeed, during his election campaign, the KMT's presidential candidate, Hou Yu-ih, emphasised that he would support the defence budget reaching 3 percent of GDP, arguing 'the greater the threat, the greater the scale of increase.'

On this point, leading up to the last election it was clear that strengthening defence was one of the few areas involving dealing with China in which the three major parties were closely aligned. The KMT, which promoted a '3D Strategy' for engaging with China, was critical of the DPP on many facets of its cross-strait policy. Two of the '3Ds' are 'dialogue' and 'de-escalation' – two areas in which the KMT pledged to improve on the independence-leaning DPP, which they accused of unnecessarily provoking China. On the third D, 'deterrence,' Hou said that 'the greatest priority should be strengthening defence to deter the Chinese mainland from using its military.'

This statement reflects the reality that both Hou, and the TPP's leader and presidential candidate, Ko Wen-je, invested substantial political capital on their credentials as backers of defence, bringing them into closer alignment with Lai.

Hou's campaign not only introduced 'four principles' for strengthening the military, including fostering an effective warfighting deterrent and raising salaries for volunteers, but threw its support behind the asymmetric warfare strategy embraced by the Tsai administration. Hou also vowed to continue the DPP's strategy of deepening cooperation with the United States, adding that he would also try to help Taiwanese companies work their way into the United States' defence industry supply chains.

Ko had voiced stronger support for a 3 percent GDP defence investment, pointing out that the rises in Lai's inherited defence budget bolstered procurements at the expense of operational expenses, which could adversely impact combat readiness. He also emphasised the need for further investments in AI automation and a further shift toward strengthening Taiwan's military deterrent and constructing a self-reliant military.

Potential obstacles to cooperation

On the other side of the equation, individual defence procurements pushed by the DPP could be the subject of opposition on technical grounds, as they had been in the past, or become embroiled in political attempts at point scoring. Last year, for instance, saw the DPP and KMT accusing each other of conspiring to withhold funding from Taiwan's indigenous submarine program.

Defence items could also become pawns in legislation bartering.

Both the KMT and the TPP have long argued that the same cross-strait tensions that have brought the focus on defence are due to the hardline position against Beijing of Lai and 'radicals' in the DPP. As such, they may be less willing to cooperate with the government on defence unless Lai agrees to pursue the measures the opposition argues will improve the nation's security, including increasing economic engagement, dialogue, and people-to-people ties with China.

While both the opposition parties staked political capital on their support for strengthening the island's deterrence, they may expect some support for their argument that backing the DPP on defence should not be misused to perpetuate a snowballing effect of strengthening deterrence to meet Chinese threats that are themselves escalated by provocations from hard-independence leaning DPP politicians.

At the same time, a firmer basis for Lai-opposition cooperation could come from a relative convergence between the parties on the area of political unification during the tenure of Xi Jinping. While Hou and Ko both differ from Lai in positively affirming the historical and cultural links between China and Taiwan, each of the three parties firmly rejects the 'one country two systems' formula currently applied to Hong Kong, which Xi has presented as the only model on offer to Taiwan from Beijing.

On that point, Beijing's gradual downgrading of its offer to the KMT – from co-leading China, to leadership of what is effectively a province of China – offers little political incentives for the island's entrenched political classes, especially given the growing centralisation of power in China, and the increasing trend of central government interference in the internal affairs of Hong Kong. Even among those in the KMT who agree with Beijing that unification is 'inevitable,' they would at least be likely to see the point of being invested in strengthening the island's position to negotiate its terms.

For Washington, and its allies, some form of compromise would be welcomed if not actively encouraged – especially in the wake of the threatening rhetoric in relation to Taiwan from China's Defence Minister Dong Jun during the recent Shangri-La Dialogue in Singapore. A combination of a stronger deterrent, along with forms of 'dialogue and de-escalation' that can cool down cross-strait tensions for the immediate future at least, would probably be seen as an optimal outcome.

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