

## 5 An overview of Taiwan's defense reform

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Military institutions, after all, are not objects isolated in political and social space; they are not only responsive to their surroundings, but also responsible to them. They themselves are part of reality; they also create situations to which they must react. Innovation and reform in warfare touch on numerous issues in the military and civilian spheres.<sup>1</sup>

### Introduction

Even before President Chen Shui-bian assumed office in 2000, he had been one of few contemporary politicians in Taiwan who were familiar with defense affairs and had considerable personal connections with the armed forces. In 1992, President Chen Shui-bian, then a legislator, was the first opposition member to be elected as the National Defense Committee Convener in the Legislative Yuan; his incisive performance on the Committee not only made him a favorite among the local media, but also established something of a precedent and a tradition. Since his time on the Committee, Democratic Progressive Party (DPP) legislators have concentrated on defense affairs and their commitment to the reform of the military has already become something almost of a crusade. Three generations of reform-minded DPP legislators mark a period of constant pressure to get Taiwan's military to reform: Chen Shui-bian (between 1990 and 1996) and Huang-Hsiung Huang (1987–90 and 1993–6) were in the first wave. Parris H. Chung (since 1993) and Michael M. Tsai (from 1996 until 2002) were in the second wave. Since then, the tradition has been continued by Chung-Shin Chen (since 1999) and Wen-Chung Li (since 1999), who together mark the current wave.

Many achievements of Taiwan's defense reform to date in fact emanated from Legislator Chen Shui-bian's ideas. Indeed, many parts of Taiwan's *National Defense Law* (passed in 2000) were grounded in his draft of the *National Defense Organization Law* of 1991 – an ice-breaking initiative regarding defense organization reform at the time. He and his staff colleague, Chen-Heng Ko (now Deputy Secretary-General of the National Security Council), published a White Paper entitled *Black Box of Defense* in 1992, a 500-page volume that exhibited their comprehensive vision of future Taiwan's defense reform. Even today, that volume is still essential for an understanding, or moreover an undertaking, of Taiwan's defense reform.

Since then, Chen-Heng Ko maintained a close relationship with some of the more open-minded senior officers, such as Air Force (ROCAF) General Fei Tang, who was Chief of General Staff between 1998 and 1999, Minister of National Defense from 1999 until 2000, and, subsequently, President Chen's first Premier; and also Tan-Yu Li, who is currently Commander-in-Chief of the ROCAF. When Chen took over the Presidency 2000, the National Defense Law was already in place and provided a new framework for the civilian leadership to embark on defense reform. For many observers, given this new framework, Chen's connections with the senior military leadership and, more importantly, the fact that the new President himself was reform minded as well as having extensive knowledge of defense affairs, dictated that they were determined that Taiwan's defense reform was indeed about to happen.

Nevertheless, the expectations of Taiwan's defense reform began to evolve into impatience and even criticism after 2002. Earlier, in December 2001, high-ranking US officials and defense experts were urging Taiwan to reform its national defense. They made it clear that they regarded the success or failure of Taiwan's defense reforms as key to the future of US-Taiwan military exchanges.<sup>2</sup> In the US-Taiwan Business Council's Defense Industry Conference in San Antonio, Texas, in 2003, Randall Schriver, the US Deputy Assistant Secretary of State for East Asian and Pacific Affairs, told the Taiwanese delegations that "Taiwan's political and military leaders have recognized Taiwan military needs to reform. There are several elements of this reform program that are under way and we realize you are still adjusting to this reorganization as your military carries out ongoing transitions. *But much still needs to be done.*"<sup>3</sup>

In particular, Taiwan's prevarication on the procurement of an arms package proposed by the Bush administration in 2001 induced Americans to doubt whether the Taiwanese were willing to defend themselves. The *Washington Post* journalist John Pomfret's article in October 2003 recounted sharp criticism of Taiwan, from a US perspective. "US officials said many Taiwanese officials, including President Chen Shui-bian," he asserted, "are reluctant to lock horns with the powerful military to push the reforms; others have not acknowledged that Taiwan needs to improve its war-fighting capabilities. Taiwanese government officials and legislators acknowledged the pace of change was glacial." The US, he noted, had done whatever it could to assist Taiwan's defense. "The US has put a lot efforts into this project" (quoting Nelson Ku, the Commander-in-Chief of ROC Navy between 1994 and 1997 and now a legislator) "but there's really no improvement."<sup>4</sup> Explicitly mentioned in Pomfret's report were incompetent civilians and a conservative military; together they represented two genuine obstacles to Taiwan's defense reform.

Pomfret's argument is misleading and oversimplifies the complexity of the decision-making environment within which Taiwan's defense reform has to take place. The overarching goal of this chapter, however, is not to refute him; rather, it is an attempt to observe the complexities embedded in Taiwan's defense reform from a broader societal and political context and then to assess the reform strategies that civilian and military leadership might or plan to adopt. It argues that,

although the development of Taiwan's defense reform has been far from a total success to date, it has not failed. Under the leadership of President Chen and Defense Minister Yiou-Ming Tang, a sound foundation of Taiwan's defense reform has already been established in that they have created a nationalized and professional military, the foundation for lasting reform. Of course, for those who prefer to see Taiwan's defense reform in terms of a breakneck pace or along Revolution in Military Affairs (RMA) lines, progress may well be frustrating and a disappointment. Like the so-called 'quiet revolution' precedent of Taiwan's political reform, however, both President Chen and Minister Tang have acted strategically and adopted an evolutionary, cooperative approach. Given the complex decision-making environment within which they must operate, this may well have been the only real option available to them.

### **Myths and realities**

In researching and conducting defense reform, the use of the term 'reform' frequently produces a number of profound myths. Although much of the literature has treated this term interchangeably, with the use of such terms as 'adjustment,' 'innovation,' 'transformation,' 'modernization,' or, simply, 'change,' the linguistic implications of using the notion of 'reform' and other similar terms are still heavily burdened with positive or normative values. The meaning of 'reform' is still associated with the idea of improvement. From an historical perspective, such an implication can be questionable. French military reform during the inter-war period, for example, proved to be a false one and its introduction only made the disaster in 1940 all the more likely.

Similarly, a 'reform' could be irrelevant to the problems at hand. The US Army introduced some impressive and radical reforms in the 1960s and 1970s, based upon the assumption of a general war in Europe against the former Soviet Union, whilst at the same time its armed Services were losing a guerrilla-style conflict in Vietnam. In short, the term 'reform' may be politically attractive, but it would be worth recognizing that it may equally be false, irrelevant, and, more frequently, flawed. From this point of view, 'reform' does not necessarily guarantee an improvement of a state's relative military capabilities or a solution to the problems at hand. Well-intentioned reform still could easily fail unless the ideas behind it are convincing and smoothly diffused. Unless reforms are skillfully managed and whole-heartedly and convincingly implemented, they are likely to founder.

It is widely recognized that reform, change, or innovation is not a singular event, but a process. It "is more the result of accretion than of any single decision."<sup>5</sup> In reality, the decision-making process in general and the specific defense reform decision itself, particularly in peacetime, rarely occur in a vacuum. More probably, the decision is taken in a complex political context where decision-makers generally find themselves faced with a multiplicity of various demands simultaneously. The priority of these different and variable demands is hard to decide upon, since they may well be in conflict, if not totally incompatible.

First, a desirable outcome for one may be a less desirable outcome for another.

Change is inherently conflictual because it imposes costs on some and provides benefits in terms of favorable policy outcomes on others. Second, reform undertakings “instituted to solve one problem often create others because effectiveness in an organization depends on many factors, some of which are incompatible with others; hence, the dilemma.” The very improvements in some conditions that further the achievement of the organization’s objectives often interfere with other conditions equally important for this purpose. New problems are often internally generated in organizations in the process of solving old ones.<sup>6</sup> Meanwhile, “decisions about change have always been risk-laden. History abounds with examples of armies which lost because they did not change or because they made the wrong change.”<sup>7</sup>

Change is not a free lunch; it imposes costs. It causes debates and struggles. Actors need to take time, pay attention, and mobilize resources. “Change is difficult because it involves doing something new. The introduction of reform practices into a social system implies actions that entail a certain amount of uncertainty, risk, or hazard.”<sup>8</sup> Change has both positive and negative aspects. On the one hand, change implies experiment and the creation of something new. On the other hand, change means discontinuity and the destruction of familiar structures and relationships. Despite their positive attributes, changes can be resisted because they involve confrontation with the unknown and loss of the familiar. Additionally, changes do not always achieve the goals intended by their proponents; and even if they do, they may bring with them unintended and unwelcome consequences.

Some dilemmas may induce unpredictable political consequences, while others, evidently, constitute weighty obstacles to reform. The advocacy group is likely to see the benefits of the proposed reform, while the resistance group views things differently, often by emphasizing the costs of such an undertaking. To decision-makers, however, both benefits and costs must be taken into consideration together. Therefore, cost, risk, and uncertainty further complicate the decision-making on reform. For these two reasons, it is not uncommon that decision-makers will, in order to preserve room for political maneuver or keep open a line of retreat, deliberately avoid making firm commitments. As a consequence, not only *to make a decision* but also *the decision itself* is complicated and is open to subjective interpretations. Rather than being clear-cut, the substance of the decision is often ambiguous and hazy.

Dilemmas can occur at two different levels: at the (grand) strategic level, where the priority settings are military considerations, diplomatic goals, economic development, and political stability on the one hand; and at the operational (tactical) level, which often involves profound dilemmas for civilian leadership, on the other. For example, the purpose of defense reform can be to achieve improvements in the military effectiveness of a state’s armed forces, but such military improvements sometimes are not feasible or are even harmful to those whom the armed forces exist to protect – for example, the state’s polity, economy, or society.

Even in the (purely) military realm, military effectiveness has many different facets. Military activity takes place on many levels: for example, the political, strategic, operational, and tactical. Each level generates its own demands, which

the effectiveness that military organizations may need to meet. However, “the prerequisites for effectiveness at one level may conflict with those at another. When such conflicts occur, the organization may have to make a deliberate choice to diminish effectiveness at one level in order to enhance effectiveness at other levels.”<sup>9</sup> Moreover, for an army that faces conceivable external threats, but is wanting for sufficient resources, a trade-off between readiness and innovation is a particularly painful choice.<sup>10</sup> Organizations may be driven to innovate in order to attract more resources (manpower, equipment, budget, etc.), but the luxury of a generous defense budget does not guarantee successful military innovation. Diminishing resources often allow less ‘slack’ for non-traditional tasks and experiments.<sup>11</sup>

## **Trade-offs**

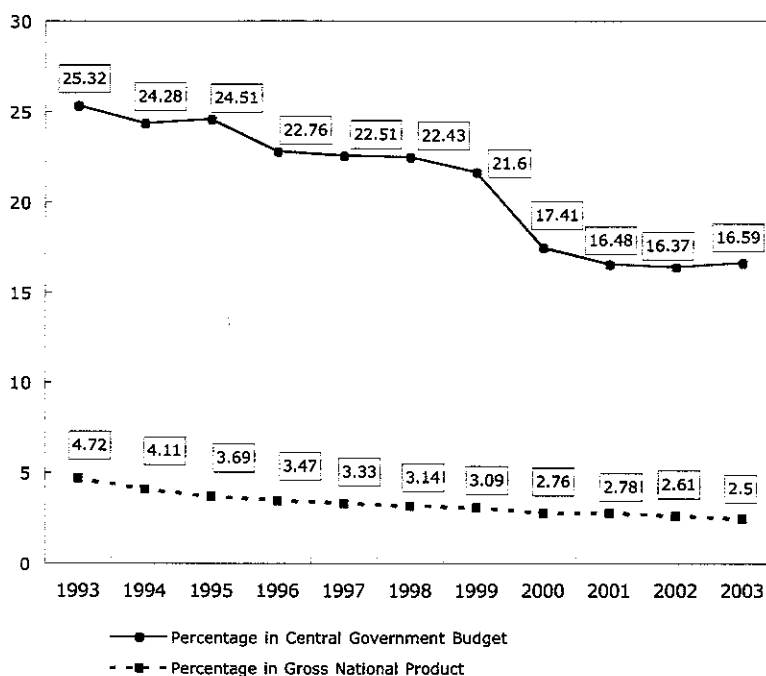
Taiwan’s ongoing defense reform is emerging within complicated external and internal contexts. There are at least four different sets of trade-offs that civilian or military decision-makers need to take into consideration when contemplating defense reform:

### ***The trade-off between Taiwan’s military policy and Taiwan–US relations***

The position of the US, as the principal external provider of Taiwan’s security, is not so clear when considering Taiwan’s defense reform options. Although the US encourages Taiwan’s armed forces to show more initiative in reform, it often disapproves of some of the options proposed by the Taiwanese, particularly those that could be construed to carry offensive implications. The Americans’ discomfort when receiving these proposals has been manifest either in terms of an expression of concern or, simply, by rejecting Taiwan’s requested weapons systems. When this happens, it often leads to diplomatic nervousness and crushes the Taiwanese military’s innovative concepts. For example, the ROCAF’s current novel operational concept of ‘Counter-measure Operations’ – namely to attack mainland China’s inland targets immediately after (or just before) Taiwan has been attacked – aroused US suspicion. The US military repeatedly expressed its profound concern about this idea and urged their Taiwanese counterparts to clarify its meaning.

### ***The trade-off between Taiwan’s military policy and economic development***

Since the late 1990s, Taiwan’s economy has been relatively in decline at a time when domestic political pressure has been mounting for increases in spending on social welfare. As Figure 5.1 shows, Taiwan’s defense budget declined sharply to below 3 percent of gross national product (GNP) in fiscal year 2000 and then dropped further to its lowest point historically of 2.5 percent of GNP in fiscal year



*Figure 5.1* The proportion of the ROC defense budget as a percentage of the total government budget and of the gross national product: Source: The MND (September 2003). The figures listed above are slightly different from those in *National Defense Report 2002*.

2002. The civilian leadership believes that economic development should be the first priority of the DDP government, and not merely for domestic reasons.

Facing China's rapid and extensive economic absorption strategy directed against Taiwan,<sup>12</sup> the DDP government has perceived the need to restore vigorously Taiwan's economic competitiveness in order to safeguard Taiwan's overall security position. Ing-Wen Tsai, Chairperson of Taiwan's Mainland Affairs Council, argued in 2003 that Taiwan should focus on the cross-Strait economic and trading issues in the short term and, later, shift to military issues in the intermediate term (2006–7).<sup>13</sup> As a result of Taiwan's declining defense budget in recent years, some of the armed forces' experiments and procurement projects, as proposed by reformists, have been received as being highly indulgent and regarded as unpromising. Meanwhile, since the existing size of the defense budget cannot accommodate large military investment programs, the Ministry of National Defense (MND) has had no other choice than to lobby for a special budget bill for funding, an initiative that has proved to be highly controversial.

#### *The trade-off between military change and political stability*

Compounding the difficulties inherent in Taiwan's defense reform is the complex, if not chaotic, domestic political arena. First, following in the wake of

democratization, the defense policy-making process in Taiwan has become more open and transparent. But there has been a backlash inasmuch as the system of defense policy-making has "became more complex, less co-ordinated, and often subject to internal wrangling." As a result, "this situation has arguably weakened the decision-making capacity of the central government."<sup>14</sup>

Second, the ideological confrontation between the Pan-Green and Pan-Blue factions in the Legislative Yuan often spills over into defense issues, particularly over issues of vital military procurement. For example, although Taiwan's civilian and military leadership had endorsed the procurement of four Kidd-class destroyers (DDGs), they still encountered stiff opposition in the Legislative Yuan during 2002–3. The Opposition successfully delayed the passage of a related budget and nearly halted the program completely until the American Institute in Taiwan (AIT) intervened.

Third, the institutional design of Taiwan's government does not encourage change. On the one hand, the design places a greater emphasis on stability and fairness than on reform and flexibility. Taiwan's rigid civil service system makes the transition from one regime to another almost meaningless. An incoming government could only make approximately ten new appointments (including the minister, his (her) deputy, and no more than ten political appointees) in any given ministry. The old bureaucracy would remain largely intact. Their jobs are well protected by law and they cannot even be sacked even for poor performance. Such a design not only prompts more or less internal resistance when a new minister tries to drive through a new policy, but also has a profound impact on military reform.

The amended *Organizational Act of the MND* requires that one-third of the staff in the MND (202 in total, excluding the Minister and one Deputy Minister) should be civilians. Under the new administration, the MND enthusiastically tried to introduce forty political appointees to take charge of defense policy planning and decision-making. However, the civilian Central Personnel Administration and Examination Yuan used an obsolete civil service regulation to veto this innovative and open-minded initiative from a supposed 'conservative' MND. Article 7 of the *National Defense Law*, however, reflects the ambiguity of the Constitution of the Republic of China. It states, for example, that Taiwan's national defense system is structured according to the following elements: the President, the National Security Council, the Executive Yuan, and the MND. The President has the authority to assign high-ranking officers and exercises influence over defense decision-making through the mechanism of military meetings. The Executive Yuan is responsible for resource allocation and policy implementation. The influence of the National Security Council on defense issues is always blurred, since it has no authority over policy execution. As a result of this dispersion of authority, any consultation and cooperation required by defense reform becomes a very laborious and attenuated affair.

Finally, military changes always have an impact on the armed services. If poorly managed, they could possibly have appalling effects, such as stimulating inter-service rivalry. At present, the possibility of a military *coup d'état* to topple the civilian government in Taiwan is negligible. However, the harmony and cohe-

sion of the armed services are often regarded as the critical index of military effectiveness, as well as the criterion for outsiders to judge the style and capacity of the civilian leadership. Any reform undertaking must therefore be highly sensitive to possible responses from the military. Some have argued that President Chen's decision to appoint the former Minister of National Defense, Fei Tang, to the position of Premier in 2000, was blatantly political. His motive behind Tang's appointment was to attract the loyalty of the military to his administration and to cultivate a healthy civil-military relationship.<sup>15</sup> Also, for much the same reason, President Chen chose the former Chief of Staff, General Tang, who had substantial influence within the military, as his Minister of National Defense, even though his party, the DPP, had long fought for a civilian as the Defense Minister. On defense issues, Defense Minister Tang was delegated considerable autonomy.

### *The trade-off between reform and readiness*

Pressing ever more heavily on Taiwan's defense reform has been the significant build-up and modernization of the PRC's People's Liberation Army (PLA). It is not surprising that one of the main driving forces for Taiwan's military to embark on a program of military modernization has been the PLA's recent acquisition of advanced air and naval platforms and its ever-increasing missile deployment, purportedly aimed at Taiwan. Consequently, Taiwan's military is hard pressed to catch up, or match, the PLA's build-up as quickly as possible and has been encouraged to do so by both the civilian leadership and by the US. Many analysts, both in Taiwan and the US, believe that the PLA is outpacing Taiwan weapons in quality and it is no longer an issue of possibility, but merely one of time. A recent study, for example, concluded that the PLA would complete its preparations to present a credible conventional threat to Taiwan by 2007.<sup>16</sup>

Taiwan's Ministry of National Defense (MND) has admitted that the PLA's air and naval combat power might "qualitatively surpass that of ours by 2010."<sup>17</sup> This time pressure, perhaps counter-intuitively, has proved to be a mixed blessing where Taiwan's defense reform is concerned. The conflicting momentum between advocacy and resistance is based upon a common motivation: on the one hand, opponents conceive the imperative of strengthening readiness and argue that the *current* military effectiveness to deal with the *current* enemy would be sacrificed by possible instability caused by reform. Proponents, on the other hand, believe radical change is needed and propose that a capability to deal with the *future* enemy may have higher returns in the *future*.

Many ROC military personnel may be familiar with the 'logic of interconnection': when developing a weapons system, a change to one part is likely to call for a series of related alterations that consume much time and money. Similarly, the adoption of one weapon often requires changes in other weapons, in tactics, and in organization. A single set of trade-offs requires a single choice. However, when various sets of trade-offs function together, it produces a complexity where both linear causality and proportional relationships between inputs and outputs are largely absent.



The procurement of the Kidd-class DDGs is a typical case of interconnection involving the first, third, and fourth sets of trade-offs. In the 2001 arms sale package, the US agreed to sell Taiwan four 9,000-ton Kidd-class DDGs – much larger ships than the ROCN had ever operated before – in order to strengthen the Taiwanese surface fleet. The Kidd-class DDGs are not new ships; the performance and function of these twenty-year-old vessels are, of course, significantly inferior to the US Navy's Aegis-equipped ships, the preferred choice of the ROCN. However, proponents in the Navy believed that the Kidd-class DDGs were much cheaper and easier to acquire. These ships could be assigned into the Navy's order of battle in a shorter period of time. First, the ships could fulfill the ROCN's new concept of 'Ocean-Going Maneuver,' as outlined in *Navy Vision*, which had been proposed by Admiral Jei Lee, the Commander-in-Chief of ROCN between 1999 and 2002 (and later appointed Chief of General Staff in 2002). Second, the ships could replace the existing obsolete Yang-class DDGs within a very short time frame. They argued that, even though the design of Kidd dates back to the 1970s, its strong capabilities in air defense, battle management, and power projection were still far better than many current, but smaller, frigates (FFGs) such as the Chengkung-class (Perry), Kangding-class (La Fayette) and Chinyang-class (Knox) FFGs.<sup>18</sup>

The Kidd-class DDG procurement triggered inter- or even intra-service rivalries and led, later, to a head-on confrontation in the Legislative Yuan. In April 2001, an Opposition legislator disclosed twelve deficiencies (some of them containing confidential material that had been deliberately leaked by certain quarters within the military) of the Kidd-class ships and argued that the MND should not buy these "useless giants," as they were described. The voice of opposition soon spread. In June, the MND announced that the procurement of Kidd-class DDGs would not be included in the next fiscal year (2002) budget bill in order to give the Navy more time to persuade the legislators. In April 2002, the admirals explained the Navy's stance on the Kidd Class DDG procurement, seeking the legislators' support. It failed again. Worse still, the Navy was dubbed "the last prodigal left in the world." Meanwhile, the urge to save the Kidd-class DDG budget and for the program to continue coincided with the Navy's request for AEGIS-equipped ships.

In June, a computer simulation conducted in the Han Kang exercise revealed that all four Kidd-class ships would be sunk consequent upon a determined attack by the PLA. This finding was again purposely leaked out into the public domain. Even the Chairman of the People First Party (PFP) came out against the Kidd-class program. After the Kuomintang (KMT) and PFP parties had both decided to boycott the Kidd-class DDG procurement budget in September, a dogfight between the two camps ensued. After the DPP's mobilization of support in the Legislative Yuan, the American Institute in Taiwan paid a visit to key members in the Pan-Blue camp. The outcome was that the Kidd-class DDG budget was ultimately endorsed in January 2003, but with one condition – that the MND was required to negotiate for a 15 percent discount with the US.<sup>19</sup>

From 2000 until 2004, the Kidd-class DDG was the first (and the only) large

defense procurement program in the Chen Administration sanctioned by the Legislative Yuan. As the first case under the 2001 arms package to be reviewed in the Legislative Yuan, the Kidd-class DDG program was soon confronted with a very complex political situation. The differences between two camps over program preferences and their respective perceptions of the various potential trade-offs led the discussion in the Legislative Yuan to become more passionate and heated than objective and rational. Given the prolonged domestic political tug-of-war over the Kidd-class DDG program, the DDP government came under considerable criticism from its US counterparts. As President Chen explained to Richard Bush, the former Chairman of the American Institute in Taiwan, "We have differences of opinion about the timetable for the delivery of US arms and on which weapons should receive priority."<sup>20</sup>

The procedure of the Kidd-class DDG program was significantly different from that of weapons acquisition during the KMT era. In the past, in order to complete the procurement as quickly as possible, the KMT operated under a cloak of secrecy. But with the Kidd-class DDG acquisition, such an approach was impossible, either because the DPP rejected outright such an authoritarian practice, or because Chen's minority government did not have such luxury. During the past two years, the Navy was left to fight an uphill battle alone without significant assistance or support from other civilian sectors or the other two military services. For ROCN liaison officers, it was a "frustrating nightmare."<sup>21</sup> However, the Kidd-class story is just a beginning; a more complicated case for the SSK submarine procurement now awaits them.

### **Strategies and focuses**

From a linguistic perspective, organizational change comes in different ways with different outcomes. As to the type of change, there is 'fine-tuning' change at one extreme end of the spectrum, which is aimed at doing better what is already done well. Next, there is 'incremental adjustment,' which involves distinct modifications to strategies, structures, and management processes, which are not radical enough to be described as 'strategic.' It appreciates the existing frame of reference and is designed to strengthen it by some minor changes. At the other extreme, the purpose of so-called 'transformation' change is to alter and overthrow the existing frame of reference by proposing another set of roles, missions, or strategies that are novel to those within the organization. Most authors view such innovation, transformation, or revolution as a kind of radical departure from the status quo. In terms of the scale of transformation, two types can be further identified: 'modular transformation' and 'corporate transformation' (or strategic change). The former refers to a transformation that is confined to departments or divisions, whilst the latter means a transformation throughout the organization.<sup>22</sup>

As for the approach to change, there are two broad categories: the first is 'top-down' versus 'bottom-up' approaches in terms of the agent of change. A 'top-down' orientation presents a directive/coercive style of reform management. A directive style involves the use of authority in reaching decisions about reform,

whereas a coercive orientation means the top, or senior, leadership forcing, or imposing, the reform process. With regard to defense reform, the 'top-down' orientation focuses on leadership, civilian or military, that sets the tone of reform and then drives the military to accept it. In contrast, a 'bottom-up' orientation portrays a collaborative/consultative style of reform management. A collaborative style entails widespread participation in key decisions that affect the organization and practice, whereas a consultative style means a limited involvement in deciding reforms that are relevant to specific spheres of responsibility. The 'bottom-up' orientation stresses the acceptance of a reform coming from the officer corps, especially through the process of organizational learning or as a result of a collective identity.<sup>23</sup>

The second category – which has some ontological implications – is the 'planned approach' as opposed to the 'emergent approach.' The 'planned approach' believes that organization change, by its nature, is a rational process. Reform, therefore, is both controllable and predictable. "Planned change involves common sense, hard work applied diligently over time, a systematic, goal-oriented approach, and valid knowledge about organizational dynamics and how to change them."<sup>24</sup> The 'emergent approach' to change starts from the assumption that change is a continuous, open-ended, and unpredictable process of aligning and re-aligning an organization to its changing environment. Advocates of emergent change argue that it is more suitable to the turbulent environment in which modern organization now have to operate. This is because, unlike the 'planned approach,' it recognizes that it is vital for organizations to adapt their internal practices and behavior to changing external conditions. Furthermore, it sees change as a political process in which different groups are engaged in an organizational struggle to protect or enhance their own interests. The emergent school in particular emphasizes: (a) the interconnectedness of change over time; (b) how the context of change shapes and is shaped by action; and (c) the multicausal and non-linear nature of change. Generally speaking, the 'emergent school' is the driving force behind the adoption of a 'bottom-up,' rather than a 'top-down,' approach to initiating and implementing change.<sup>25</sup>

However, emergent change is not random; its essence is as follows:<sup>26</sup>

- Effective managers do not manage strategically in a piecemeal manner. They have a clear view of what they want to achieve, and where they are trying to take the business. The final outcome is, therefore, deliberate and clearly identified.
- The route to that destination, however – the strategy itself – is not intended from the start or understood in any comprehensive way. Effective managers know that the environment they have to operate in is uncertain and ambiguous. They therefore maintain flexibility by holding open a range of options by which to reach their goal.
- The strategy itself then emerges from the interaction between different groups of people within the organization. These are different groupings, which have different amounts of power, different requirements for, and access to,

information, and different time spans, and reflect many parochial interests. These different pressures are then orchestrated by senior managers, who are always reassessing, integrating, and organizing.

- The strategy emerges or evolves in small incremental, opportunistic steps; but such evolution is neither piecemeal nor haphazard because of the agreed purpose and the role of the top management when reassessing what is happening. It is this that provides the logic behind incremental action.
- The result is an organization that is feeling its way toward a known goal, opportunistically learning as it goes.

This chapter has deliberately refrained from using such terms as ‘evolution’ or ‘revolution.’ It is important to note that significant organizational change could have been achieved at an evolutionary pace. Most scholars, however, acknowledge that an evolutionary process is the best possible way to accomplish the goal of fundamental change to an existing system. In a defense context, the frame of reference is one that is deeply embedded in a military institution. A significant change, such as the Revolution in Military Affairs (RMA), does not happen in an instant, or overnight. Historians have argued that “even in war – the most powerful accelerating force conceivable – most [RMAs] take considerable time to develop. Twentieth-century peace-time RMAs have sometimes required decades to come to eventual fruition and delays of that magnitude have inevitably led to arguments over the appropriateness of the term *revolutionary*.”<sup>27</sup>

During the period of the presidential campaign in 1999, President Chen put forward many proposals for defense reform in his White Paper on *Defense Policy*. He promised:

- 1 To streamline the defense organization, trim down the chain of command, and ensure the integration of military command and administration systems with the principle of civilian control.
- 2 To adjust Taiwan’s current military strategy of ‘pure’ defense to one of ‘offensive’ defense by abandoning the operational concept of ‘annihilate enemy at the water’s edge’ and engage in attrition warfare, which he proposed to replace with one of ‘paralyzing’ warfare.
- 3 To establish, in Taiwan’s war preparations, an offensive capability with which to attack the enemy at source. This would give priority to the ROC Navy and ROC Air Force; build up a ‘joint’ operations capability; develop an information operations capability; strengthen the integration of C<sup>4</sup>ISR systems; and encourage technological cooperation between private and military sectors. These initiatives would be based upon the principles of conducting war as part of a strategy of ‘the decisive battle outside the territory.’
- 4 To optimize a proper force structure, reduce the length of conscript service, and establish high-quality and professional armed services as personnel policy priorities.
- 5 To implement, in the event of an emergency, the concept of ‘all-out defense’

by building up the population's will to resist the enemy as part of a multidimensional protection of the country.

In short, the paper concluded that the overall goal was "To engineer the transformation for a modernized defense in order to ensure Taiwan's sufficient defense capability into the 21st century."<sup>28</sup>

Considering both the substance and the rate of change, President Chen's proposals conveyed a commitment for a major transformation of Taiwan's defense. For example, he clearly put forward an innovative operational concept – the 'decisive battle outside territory' – and declared his intention to discard the dominant doctrine of 'annihilate the enemy at the water's edge.' His initiative will, surely, register a chain of major sequential changes to such things as military strategy, force structures, and even arms procurement. As mentioned above, a well-intentioned reform still could fail unless, first, the reform ideas are convincing and smoothly diffused and, second, reform undertakings are skillfully managed and wholeheartedly implemented. After President Chen took office in 2000, the challenge lay in the skill, determination, conviction, and effort behind the persuasiveness, diffusion, management, and, ultimately, implementation of his initial commitments.

With the benefit of hindsight, President Chen did not adopt a rigid strategy for defense reform after his inauguration. This was because the policy to initiate and implement a planned approach had to be modified, following a head-on confrontation with the Opposition. Meanwhile, except for a few occasions when a 'top-down' approach was used symbolically for setting the agenda, President Chen broadly delegated and encouraged, most of the time, 'bottom-up' initiatives for reform. One relatively constant pattern in President Chen's defense reform undertakings has been his attention to personnel matters. His 'Three Assurance Policy,' for example, has been helpful for service morale among the rank and file. For promotion to officers' higher ranks, the path is much more open than ever before and opportunities have never been greater. Many young professional officers have achieved the rank of General over the past four years. An estimate of the number of top military officials promoted by Chen has accounted for more than three-quarters of the total number of top-level staff by the end of 2003.<sup>29</sup> In order to reduce the risk and uncertainty associated with defense reform, however, the MND has introduced a new interpretation of the wording of the phrase "evolution in military affairs." This has been done in order to lessen the implications inherent in 'revolutionary change' and to placate those military officers who had been deliberately targeted under the RMA approach advocated by civilian scholars.

The dilemma caused by the conflicts in the Legislative Yuan with a minority government largely reduced the capacity for risk-taking. Under such constraints, those reform undertakings that required the legislators' support, or a large budget, – especially those arms procurement programs in which legislators had personal interest – encountered serious hurdles. Here, the consideration of political stability would appear critical. Although the political context and the Legislative Yuan leant heavily on the generals and admirals, the increase in legislators' influence

over defense policy-making and a more transparent defense policy-making process, were reforms that the DPP had proposed, paradoxically, whilst they were still in Opposition.

The situation was dramatically different in other areas where the MND could escape from the political *mêlée* in the Legislative Yuan. Many substantial reform initiatives have begun to emerge. Some could even be described as being radical. For example, in order to generate a culture for 'jointness,' the MND proposed a rather ambitious scheme to integrate three basic military academies into a single university by 2007.<sup>30</sup> Some initiatives may well have profound strategic implications: the ROC Army, for example, was reported to be studying the possibility of handing over its missile units in support of the establishment of an independent missile service. In these schemes, parochial (service) interests, which are considered to be the most significant obstacles for reform, have seemingly given way to more advanced, innovative ideas.

Perhaps the most remarkable achievement comes from the establishment of nationalized and professionalized armed services. During the 1990s, the armed forces were gradually shedding their affiliation to the KMT as part of Taiwan's path to democracy. Bearing in mind, however, that nearly all high-ranking officers are KMT members who have been indoctrinated to oppose those who have advocated Taiwan's independence from mainland China, it was an outstanding accomplishment not only that the military immediately and unconditionally announced its loyalty to the new President; equally impressive was that they also obeyed the election result, once Chen Shui-bian, who was perceived as a pro-independence advocate, had won the presidential campaign in 2000. Over the past four years, based upon the *National Defense Law*, the role and mission of Taiwan's armed services have become more professionalized. Further, the principle of military disengagement from politics has been institutionalized, even to the degree that the armed services are being regarded as apolitical. All this demonstrates that Taiwan's armed services not only respond to the broad societal environment that they find themselves in, but also are determined to develop themselves into a capable, relevant, and professional fighting force.

## **Conclusion**

Although political factors limit the range of possible options for reform, the civilian and military leadership have adopted an 'emergent' approach to reform, namely to grasp every opportunity to shape the environment and to achieve significant progress in any number of desired initiatives. For many officers who have been used to take and follow orders, this 'bottom-up,' 'emergent' approach has been unfamiliar. But observing from the perspective of the many innovative schemes mentioned above, many imaginative servicemen have tried to out-manoeuvre institutional and systematic constraints and achieve some local successes in specific areas of defense reform.

This kind of reform is not a wholesale one, but incremental. It is not rapid, but steady. Considering the complications caused by the interconnection among

various trade-offs, this approach is proving a viable solution, without causing an already fragile political situation to erupt, precipitate a major upheaval within the military, or be forced to abandon the overall vision of defense reform. In fact, to some extent, it works.

## Notes

- 1 Peter Paret, *Innovation and Reform in Warfare*, Colorado Springs: United States Air Force Academy, 1961, p. 2.
- 2 *Taipei Times*, December 2003, p. 2.
- 3 See [www.globalsecurity.org/wmd/liberary/news/taiwan/2003/taiwan-0302014-dos-17796pf.htm](http://www.globalsecurity.org/wmd/liberary/news/taiwan/2003/taiwan-0302014-dos-17796pf.htm).
- 4 John Pomfret and Philip P. Pan, "US Hits Obstacles in Helping Taiwan Guard against China," *Washington Post*, 30 October 2003, p. A01.
- 5 Samuel P. Huntington, *The Common Defense: Strategic Programs in National Politics*, New York: Columbia University Press, 1961, p. 287.
- 6 Peter M. Blau and W. Richard Scott, *Formal Organizations: A Comparative Approach*, London: Routledge & Kegan Paul, 1963, pp. 250–1.
- 7 Huba Wass de Czege, "How to Change an Army," *Military Review*, LXXVII (1), 1997, p. 162.
- 8 Lawrence B. Mohr, "Determinants of Innovation in Organizations," *American Political Science Review*, 63 (1), 1969, p. 114.
- 9 Allan R. Millett, Williamson R. Murray, and Kenneth H. Watman, "The Effectiveness of Military Organization," in Allan R. Millett and Williamson R. Murray (eds), *Military Effectiveness, Vol. 1: The First World War*, Boston: Unwin Hyman, 1988, p. 3.
- 10 The idea of trade-offs between readiness and innovation is drawn from Jeffrey Record, *Ready for What and Modernized against Whom: A Strategic Perspective on Readiness and Modernization*, Carlisle, PA: Strategic Studies Institute, 1995, pp. 1–3.
- 11 Mohr, "Determinants of Innovation in Organizations," p. 122.
- 12 See Chui-Cheng Chiu, "The Construction and Deployment of China's Economic Absorption Strategies toward Taiwan under the WTO," in *Taiwan Defense Affairs*, 3 (3), 2003. The author argues (see p. 21) that the purpose of China's economic absorption is to "cultivate pro-China groups and isolate the Taiwanese government. With this strategic operation, China can not only improve its government's permeation into Taiwanese industries, but also create contradiction and problems between the Taiwanese civilian and authorities. Thus, it softens Taiwanese insistence on its sovereignty."
- 13 *United Daily News*, 30 September 2003, p. 13.
- 14 Michael D. Swaine and James C. Mulvenon, *Taiwan's Foreign and Defense Policies: Features and Determinants*, Santa Monica: RAND, 2001, p. 78.
- 15 *Financial Times*, 30 March 2000. Quoted from Peter Richard, "Civil–Military Relations in the Republic of China: A Conceptual Approach to Evaluating the Stability of Taiwan Civil–Military Dialogue," *E-Journal of the Center for the Study of Democracy*, 1, 2002, p. 27.
- 16 David Shambaugh, *Modernizing China's Military: Progress, Problems, and Prospects*, Berkeley: University of California Press, 2002, p. 329.
- 17 ROC MND, *National Defense Report 2002*, p. 55.
- 18 See Martin Edmonds and York W. Chen, "Assessment of the ROCN's Modernization: Views from Strategic and Operational Consideration," *Taiwan Defense Affairs*, 2 (2). Also in Martin Edmonds and Michael Tsai (eds), *Taiwan's Maritime Security*, London: RoutledgeCurzon, 2003, pp. 91–109.
- 19 *United Evening News*, 25 April 2001, p.2; *Taiwan News*, 20 June 2001, p. 2; *Central Daily News*, 25 April 2002, p.4; *United Evening News*, 17 May 2002, p. 7; *China Times*,

- 29 June 2002, p. 4; *United Daily News*, 3 June 2002 p. 2; *China Times*, September 8 2002, p. 4; *China Daily News*, September 12 2002, p. 5; *China Times*, 16 October 2002, p. 6; *Central Daily News*, 17 October 2002, p. 5; *China Times*, 2 November 2002, p. 4; *China Times*, 27 March 2003, p. 4.
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- 21 Interview with a ROCN Captain, December 2003.
- 22 Andrzej Huczynski and David Buchman, *Organizational Behaviour: An Introductory Text*, London: Financial Times/Prentice Hall, 1985, reprinted 2001, p. 606; Barbara Senior, *Organizational Change*, London: Financial Times/Prentice Hall, 1997, reprinted 2000, pp. 39–40; Michael L. Tushman, W. H. Newman, and E. Romanelli, "Convergence and Upheaval: Managing the Unsteady Pace of Organizational Evolution," in Michael L. Tushman and William L. Moore (eds), *Readings in the Management of Innovation*, New York: Ballinger, 1988, pp. 712–13.
- 23 Huczynski and Buchman, *Organizational Behaviour*, p. 606. The former (top-down orientation) vein can be seen in Barry R. Posen, *The Sources of Military Doctrine: France, Britain and Germany Between the World Wars*, Ithaca: Cornell University Press, 1984, whereas the latter (bottom-up orientation) is the main theme of Emily O. Goldman, "Mission Possible: Organizational Learning in Peacetime," in Peter Trubowitz, Emily O. Goldman, and Edward Rhodes (eds), *The Politics of Strategic Adjustment: Ideas, Institutions, and Interests*, New York: Columbia University, 1999.
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- 25 Bernard Burnes, *Managing Change: A Strategic Approach to Organizational Dynamics*, London: Pearson Education, 2000, pp. 280–284.
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- 29 *Taipei Times*, 23 December 2003, p. 8.
- 30 See ROC MND website: [www.mnd.gov.tw](http://www.mnd.gov.tw).