Let Taiwan Join the OECD

By Bruce Gilley

As China increases its military threats to Taiwan, the West should signal its solidarity with the democratic island nation in ways large and small. One of those small moves would be to let Taiwan join the Organisation for Economic Development and Co-Operation (OECD).



Taiwan is the world's 21st largest economy, bigger than Australia or the Netherlands. It is also one of the most advanced. Taiwan closely adheres to international trade and investment rules, and it is a rights-abiding democracy that makes good governance a key goal. It is a full, voting member of the World Trade Organization and the Asian Development Bank, an ally of the United States, and a friend of the West. For all these reasons, Taiwan should be invited to join the OECD, the key economic policy coordination body for Western countries, alongside current Asian members Japan and South Korea.

Founded after World War II to continue European reconstruction, the OECD has brought in some non-Western countries that are closely integrated with the West and see themselves as close partners, not disruptors, of the global economy. These include founding members Japan and Turkey, as well as more recent accessions like South Korea, Mexico, and Chile. But the body is defined by its core Western membership and mission. "Like-mindedness" is an official principle.

Recently, the OECD has been flirting with admission for long-standing critics of the West, including Indonesia and Brazil. OECD leaders say this will make it "more relevant" and "less Western." This makes no sense and should be stopped. The OECD is as relevant as ever, and its Western character is its key strength. In addition to accelerating the accession of candidate countries Romania, Bulgaria, and Croatia (as well as Ukraine), the body should open membership talks with Taiwan, the most obvious non-Western candidate of all.

Since gaining observer status in 2001, Taiwan has participated in some low-level OECD committees covering steel, competition, and fisheries. It also participates on an ad hoc basis in committees on budgets, shipbuilding, laboratory practices, and resource waste.

For most candidate countries, the biggest challenge of OECD membership is aligning country standards and practices with OECD standards, of which there are hundreds. But Taiwan has been doing so for decades. Its policy already meets OECD standards in areas like <u>early childhood education</u>, <u>green growth monitoring</u>, and <u>quality of life</u>. In many policy areas, Taiwan is more advanced than the OECD.

For instance, without the use of heavy-handed legislation or ideological scolding, Taiwan has created one of the most successful countries for women, ranking 6th out of 179 countries in the OECD's Social Institution and Gender Index. That success, highlighted by the OECD's decision to include it

in the index for the first time in 2023, is a stern rebuke to the gender activists who insist that a free, market-based society is bad for women. Taiwan also quietly <u>leads</u> a key OECD group on the safe decommissioning of nuclear plants, based on its expertise in closing two of its three ancient reactors. Most analysts expect it will have to build new nuclear plants in future to meet its energy needs and emissions goals.

But China, which is a "partner" rather than an OECD member, has been allowed to block a wider role for Taiwan. In 2008, Beijing tried to force the OECD to sign a "policy of non-acceptance" towards Taiwan that included no organizational membership, no committee memberships, and no Taiwanese staff. That attempt was not successful. But Beijing has continued to put the squeeze on Taiwan in an organization where it has no formal vote. In 2016, OECD officials unceremoniously ejected Taiwan representatives from a steel committee meeting in Belgium after Beijing complained that their ministerial ranks were too low.

Taiwan is referred to in the OECD using the insulting moniker "Chinese Taipei," even though it declared itself an "independent, sovereign state" over 30 years ago. The former OECD secretary-general from Mexico heavily promoted partnership with China, and the current one from Australia seems no less smitten with China fever. While engaging with China is useful, it should not come at the expense of core OECD values, one of which is being a democracy. China certainly does not feel obliged to seek "partnership" with Taiwan in the global forums it controls, and it has blocked Taiwan's role in agencies like the Bank for International Settlements and the World Health Organization.

Bringing Taiwan into the OECD would strengthen the organization with the valued expertise of Taiwan's top-rate policy establishment. It would also be a clear vote of confidence in a country that gives a lot and asks little of its allies in the West. Beijing will fume and rage. But

Beijing should not be calling the shots in an organization founded to rebuild and restore the West.

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