Fortnightly Review

By: Russell Hsiao

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New Government Polls Show Increasing Numbers of People in Taiwan Feel China is Unfriendly, Prefer Independence, and Favor Slower Pace of Cross-Strait Exchanges

Against the backdrop of increasing numbers of Chinese military exercises around Taiwan, political suppression in neighboring Hong Kong, and aggressive obstruction of the island democracy’s international space amid the Wuhan coronavirus pandemic (COVID-19), Taiwan’s Mainland Affairs Council (MAC)—the cabinet level agency in charge of the country’s cross-Strait policy—released its latest official opinion polls tracking Taiwanese public opinion on several key cross-Strait issues. These polls are conducted periodically and on average three times per year since 2010. In the first official poll released since the island’s January 2020 presidential and legislative elections, the latest series of results shows a dramatic increase in the percentage of people who view China as “unfriendly” (不友善) towards the Taiwanese government and its people. Amid an escalation of cross-Strait tension over the past four years, the government agency’s March 2020 poll indicates that the numbers of people on the island who think China is unfriendly toward the Taiwan government and the public have risen to 76.6 percent and 61.5 percent, respectively. These figures represent significant jumps of 7.2 percent and 6.9 percent from the previous poll conducted in October 2019 and are the highest numbers in 10 years.

The results of the newest government poll on public views toward China’s unfriendliness continued a multi-year increase in the number of Taiwanese who view China as unfriendly. This upward trend began in 2016 following Tsai Ing-wen’s (蔡英文) election as president and the commencement of Beijing’s multifaceted pressure campaign to isolate the new administration. These measures include poaching Taiwan’s diplomatic allies; military coercion; economic coercion; excluding Taiwan from international organizations;
pressuring foreign corporations; pressuring Taiwan’s non-diplomatic allies; economic incentives; political warfare; cyber espionage; and traditional espionage. In the poll conducted in March 2016, two months after Tsai was elected president for her first term, the numbers were already high at 59.3 percent (government) and 50.6 percent (people), especially when compared to the last poll taken during the Ma Ying-jeou (馬英九) administration in November 2015, with figures at 51.2 percent (government) and 46.9 percent (people).

In addition to surveying people’s views on China’s unfriendliness, two other polls track Taiwanese public opinion on issues such as the people’s views on unification, independence, or maintaining the status quo (民眾對統一、獨立或維持現狀的看法) and their views toward the pace of cross-Strait exchanges (民眾對兩岸交流速度的看法).

In the poll on the public’s view towards unification versus independence, the March 2020 polls show that 28.1 percent of Taiwanese nationals would prefer to maintain the status quo and then decide on independence or unification later (compared to 31.8 percent in March 2016), 26.7 percent prefer to maintain the status quo and move towards independence (compared to 19.8 percent in March 2016), 23.6 percent prefer to maintain the status quo indefinitely (compared to 26.5 percent in March 2016), 9.3 percent prefer independence immediately (compared to 6.5 percent in March 2016), and 0.8 percent favor unification immediately (compared to 1.1 percent in March 2016).

While the percentage of those favoring some form of status quo still represents the clear majority at 84.4 percent—roughly equivalent to the 86.7 percent polled in March 2016 after Tsai Ing-wen won her first presidential race—the percentage of those preferring to gradually move towards independence has noticeably increased by 6.9 percent, while those who want independence immediately has also increased by 2.8 percent. This shift in public sentiment has occurred despite the Tsai administration’s repeated emphasis on maintaining the status quo in the Taiwan Strait and Beijing’s incessant pressure campaign since she was elected president. Therefore, the increasing preference for independence seems correlated to Beijing’s intensifying pressure campaign, as well as other events like the ongoing civil unrest in Hong Kong, which are pushing more people in Taiwan toward independence from China—even immediately if necessary.

In the polling done on the public’s view on the pace of cross-Strait exchanges, the March 2020 poll indicates that 45.1 percent feel the current pace is just right, 26.6 percent think that the pace is too slow, 15.4 percent do not know, and 12.9 percent feel that it is too fast. By comparison, the March 2016 poll also showed 45.1 percent felt the pace was then also just right, but 21 percent felt it was too slow, 12.4 percent don’t know, and 21.5 percent felt that it was too fast at the time. Interestingly, people who held the view that cross-Strait exchanges were “too slow” experienced a huge spike following Tsai’s election, jumping to a high of 45 percent in June 2017, plateauing, and then dropping precipitously from August 2018 from 42.9 percent to the current 26.6 percent. The cause of this rise and fall may be attributed to the political shock of the abrupt halt of cross-Strait exchanges in June 2016, which was followed by General Secretary Xi Jinping’s hardening stance, increased Chinese military provocations, the Hong Kong crisis, and the current Wuhan coronavirus (COVID-19).

According to the Central News Agency of Taiwan, another poll also released reportedly by MAC—which is not yet available on its website—showed that up to 90 percent of the respondents disagreed with the PRC’s “one country, two systems” (一國兩制) proposal, 90.5 percent opposed its threat of force against Taiwan, and 91.5 percent did not agree with its suppression of Taiwan’s diplomacy. Perhaps most importantly, all the polls seem to show that mainstream public opinion in Taiwan is dead-set against the CCP’s negative attitude toward Taiwan. In another telling demonstration of the factors shaping Taiwanese public sentiment, 91.6 percent objected to the Chinese Communist Party’s (CCP) obstruction of Taiwan’s participation in the World Health Organization (WHO) amid the pandemic. Additionally, 75.2 percent agree that the government should call on the Beijing authorities to stop political manipulation in Taiwan by the WHO and co-operate in dialogue.

Since CCP General Secretary Xi Jinping proposed “Xi’s Five Points” (習五點) of “Exploring Two-Systems – Taiwan Version” (探索兩制台灣方案) on January 2, 2019 and introduced other hardline measures, polls show...
that the percentage of respondents who oppose “one country, two systems” has significantly risen from 75.4 percent to 90.0 percent. On a more recent policy matter, 86.4 percent expressed support for President Tsai’s declaration during her re-election victory speech on January 11, 2020 that cross-Strait interactions should be promoted on the basis of “peace, reciprocity, democracy, and dialogue” (和平、對等、民主、對話). Furthermore, 92.1 percent believe that the future of Taiwan and the development of cross-Strait relations should be determined by Taiwan’s 23 million people in order to maintain long-term stability.

Perhaps in anticipation of Beijing’s response to the release of the polling data, the deputy chairman of MAC, Chen Ming-Chi (陳明祺), appealed to Beijing authorities to “take a rational view of the Taiwan people’s response and the key foundation of cross-Strait interaction proposed by President Tsai Ing-wen, and to consider cooperating with Taiwan to deal with issues, health and pandemic prevention, not political containment.”

Despite the CCP’s dual “soft-hard” approach of simultaneously trying to woo Taiwanese people and businesses through various preferential economic measures while intensifying its pressure campaign on the government, it is clear that the enticements have not had the desired effects on Taiwanese public opinion towards China. Perhaps one reason is that the constituencies that actually benefit from these measures still represent a minority. Moreover, as Taiwan’s younger generation becomes more civic-minded and politically conscious, even those who may financially benefit will not necessarily be enticed to favor PRC’s authoritarian political system. More importantly, China’s continued saber-rattling tactics across the Taiwan Strait, its response to the COVID-19 crisis, and its obstruction of Taiwan’s entry into international institutions have clearly negatively influenced Taiwan public opinion towards China. In this context, the emphasis of CCP Politburo Standing Committee member Wang Yang’s (汪洋, b. 1955) statement at the “2020 Taiwan Work Conference” earlier this year on raising the effectiveness of these measures comes to mind. However, it remains to be seen whether any innovative approaches to genuinely engage Taiwan will come of it, as China continues to ramp up its military exercises around Taiwan while attempting to isolate the island nation.

The main point: The latest government polls in Taiwan show that increasing numbers of people in Taiwan feel that China is unfriendly, prefer independence, and favor a slower pace of cross-Strait exchanges.

Personnel Changes in the KMT’s Military Veteran Faction

Two months after it lost a second consecutive presidential election, Taiwan’s main opposition party appears to be undergoing a significant generational change in leadership at multiple levels. At the very top, the Nationalist Party (Kuomintang or KMT) held a special by-election on March 7 for a new chairman, which resulted in the election of the 47-year-old legislator Johnny Chiang (江啟臣, b. 1972)—no relations to Chiang Kai-shek (蔣介石). The election of Chiang, the youngest chairman ever to serve at the top of the 101-year-old party, could be seen as a clarion call for change and may be having a cascading effect. In late March, KMT Secretary General Li Chien-lung (李乾龍, b. 1949) confirmed to local media that General (ret.) Chin En-ching (金恩慶, b. 1944), chairman of KMT’s influential Huang Fu-Hsing (黃復興)—the department within the party for military veterans and retirees—had resigned from his post. Chin, who had served in that position since 2010, ostensibly stepped down in the hopes of passing the baton to a younger generation of leaders.

History of Huang Fu-Hsing

The Huang Fu-Hsing Party, whose formal name is the Party Department for Retirees of the National Army (國軍退除役人員黨部), was started in November 1954, when Chiang Kai-shek established the “Employment Guidance Committee for Retired Officers and Soldiers of the Executive Yuan.” Recognizing the importance of the veteran constituency and the challenges of a post-war economy, the main function of the committee was to assist in the employment of retired officers and soldiers in the island. In 1955, Chiang Ching-kuo, who was then serving as the director of the country’s secret police, supported the establishment of an corresponding department within the KMT for military veterans. Subsequently, the KMT Central Committee formed the
department for more than 70,000 retired veterans at the time. Chiang Ching-Kuo was the chairman of the advisory committee.

Formally established in July 1956, the organization was known as the Party Headquarters of the Retired and Employed People of the National Army, although it continues to be commonly referred to as “Huang Fu-Hsing,” for “all the children of the Yellow Emperor, revive China” (炎黃子孫, 復興中華). The group also took the “Advisory Committee for the Retired Officers and Soldiers of the Executive Yuan” (行政院國軍退除役官兵就業輔導委員會) as the administrative unit at the same level within the Executive Yuan. Chao Chu-yu (趙聚鈺), then secretary-general of the Advisory Committee, became its first chairman.

After KMT’s first defeat in Taiwan’s second direct presidential election in 2000, the Party’s Central Committee initiated sweeping reforms. Despite the changes, the Party decided to retain and further develop the Huang Fu-Hsing organization. On July 1, 2000, the KMT Central Committee appointed Admiral (ret.) Wang Wen-kui (王文燁)—who recently passed away—as the chairman of Huang Fu-Hsing. Wang held the position until 2010, when he passed it on to Chin. In April 2009, the number of party members in this faction reportedly reached 200,270, organized into 21 county and city branch offices, 200 district party offices, and 8,073 groups.

Current Wave of Personnel Changes

With Johnny Chiang’s rise to party chairman there are increased expectations for the Party’s “old guards” to step aside and allow genuine generational change within the Party. Furthermore, after Chin’s resignation, it is expected that Huang Fu-Hsing will similarly undergo a substantial transformation, which it has not experienced in decades. According to local media reports, along with Chin and Deputy Chairman Wei Yu-hui (韋渝惠), the heads of 13 of the 18 local party chapters have also resigned.

After KMT’s defeat in the 2020 presidential election, local media speculated that one of Chiang’s targets for reform was Huang Fu-Hsing. Chiang reportedly felt that the faction’s conservative positions were out of touch with prevailing social values. Furthermore, the Liberty Times reported speculative figures that the faction soaked up as much as 20 percent of the KMT Central Committee’s funds every month. Such resources will be critical to pushing reforms—especially in a budget-constrained environment.

In the special by-election for party chairman, there were about 83,000 eligible voters from within Huang Fu-Hsing, and these voting party members are influential in such elections. It is notable that neither former chairman Hau Lung-pin (郝龍斌, b. 1952)—son of the late General Hau Pei-tsun (郝柏村)—nor Johnny Chiang dared to call for reforms of Huang Fu-Hsing. In the end, media reports suggest that most military elders supported Hau, whereas most rank and file members of Huang Fu-Hsing may have supported Chiang, which could be one reason why Chiang won the chairmanship election.

According to a local media report, internal reforms within the faction will also be a factor going forward. In one assessment, “the future chairman of Huang Fu-Hsing should no longer be considered in terms of seniority or military rank; rather the focus should be on the abilities of the candidate—otherwise the goal of rejuvenation will be difficult to achieve.” According to a report in the Liberty Times, more than 6,000 Huang Fu-Hsing party members died in the first half of 2019, with more than 2,000 new members added, resulting in a total of more than 184,000 party members.

In terms of overall Party leadership, of the KMT’s six major committees, only the chairman of the Membership Committee has not yet been determined. While time will tell if the new chairman can successfully enact generational change and pass meaningful reforms, overall conditions and the resignation of the senior leaders within Huang Fu-Hsing present a rare opportunity to do just that.

The main point: Taiwan’s main opposition party is undergoing a significant generational change. The resignation of many senior leaders within the influential Huang Fu-Hsing military veteran faction presents a rare opportunity for the new chairman to enact sweeping reforms of the Party.
China’s Assertion of Global Leadership over Coronavirus Pandemic Brings United States and Taiwan Closer Together

By: I-wei Jennifer Chang

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As the United States, Europe, and much of the world are grappling with the global health pandemic created by the novel coronavirus (COVID-19) that originated in Wuhan, China has begun to slowly reopen the initial epicenter of the coronavirus outbreak. At the same time, China has kicked its global health diplomacy into high gear, providing medical supplies and sending medical experts to coronavirus hot spots to deflect blame for being the source of the outbreak. As Beijing seeks to assert global leadership over the coronavirus response and continues to sow disinformation in Taiwan, China’s relations with the United States and Taiwan have become further strained. With Washington touting the “Taiwan model” on combating COVID-19, the United States and Taiwan, meanwhile, have bolstered cooperation over the virus and continue to strengthen bilateral relations in an increasingly bifurcated international order.

Declaring Victory in Wuhan

Beijing has touted Wuhan’s progress since the city was sealed off on January 23 as a key initial victory in the country’s ongoing battle against the coronavirus. On March 10, Chinese President Xi Jinping (習近平) made a much publicized trip to Wuhan and declared, “Initial success has been achieved in stabilizing the situation and turning the tide.” Xi visited patients and health care workers at the Huoshenshan Hospital (火神山医院), a makeshift medical center that was completed in 10 days. With the number of new coronavirus cases continuing to drop in the city, Wuhan closed all of its temporary hospitals, according to Chinese state media. Shortly after Xi’s visit to Wuhan, health care authorities reported a rapid decline in the number of new infection cases, including locally transmitted cases, and imported cases. Since March 18, there have been mostly “zero” transmission cases reported in Hubei Province, including Wuhan. As a result, China plans to lift its two-and-a-half-month lockdown on Wuhan on April 8, three weeks after it eased travel restrictions on the rest of Hubei Province on March 25.

However, there are questions concerning the accuracy and reliability of Chinese official health data. China’s national tally of confirmed coronavirus cases notably excludes asymptomatic carriers—people who do not show symptoms but are still carriers of the virus—contrary to classification guidelines by the World Health Organization (WHO). According to the South China Morning Post, more than 43,000 people in China had tested positive for COVID-19 by the end of February but were asymptomatic and thus not included in the official count. As of April 5, China’s National Health Commission reported 81,708 confirmed cases of COVID-19 and 3,331 deaths. However, news reports indicate that the high number of urns in funeral homes in Wuhan surpassed the city’s official coronavirus death toll, suggesting that Wuhan’s actual coronavirus death toll could be in the tens of thousands. A US intelligence report also supports the view that China has been underreporting its infection cases and deaths. Wuhan has played a pivotal role in Xi’s campaign to convince domestic and foreign audiences that China has the coronavirus increasingly under control.

Sowing Disinformation

In an effort to deflect global criticism over the pandemic’s outbreak in China, the Chinese government has brewed conspiracy theories on the origin of COVID-19. On March 12, China’s foreign ministry spokesperson Zhao Lijian (趙立堅) falsely accused the US military of bringing the virus to Wuhan on his Twitter feed, suggesting that the coronavirus had started in the United States in the fall of 2019 and that American patients had been misdiagnosed with the flu. Such disinformation was echoed by other Chinese officials, suggesting a coordinated campaign to obfuscate the fact that the novel coronavirus first appeared in China. Another foreign ministry spokesperson, Geng Shuang, pointed to “different opinions in the US and among the larger international community on the origin of the virus.” The Chinese Embassy in South Africa also tweeted: “Although the epidemic first broke out in China, it did not necessarily mean that the virus is originated from China, let alone ‘made in China’.” President Donald J. Trump responded to Chinese attempts to blame the
United States by exclusively referring to COVID-19 as the “Chinese virus,” with other members of his administration, including Secretary of State Mike Pompeo and National Security Adviser Robert O’Brien, publicly emphasizing the Chinese origin of the coronavirus and Beijing’s cover-up and disinformation campaign. Chinese social media also spread rumors that the virus could have started in Italy as early as October 2019, before Wuhan’s outbreak in December.

**Chinese Global Health Assistance**

At a time when the epicenter of COVID-19 has shifted from China to Italy and now to the United States, China is capitalizing on the Trump administration’s perceived failure to curb coronavirus infections and poor leadership at home. When confronted with US criticism, Chinese officials have sought to portray such accusations as detrimental to international cooperation to save lives and have tried to shift the global narrative on China from being the source of the virus towards being the leading provider of global assistance to combat the pandemic. Indeed, Chinese state media has sought to highlight China’s global health leadership with images of deliveries of Chinese medical supplies—including ventilators, masks, and testing kits—to virus-affected countries throughout Europe, Africa, and Asia, and even the United States. According to Chinese state media, the first shipment of medical supplies arrived in New York City on March 29, carrying 12 million gloves, 130,000 N95 masks, 1.7 million surgical masks, and other supplies. Similar stories have been released about Chinese shipments to Italy and Spain, South Korea, the Philippines, Cambodia, Serbia, and multiple African countries. Several foreign officials have also expressed gratitude for the Chinese shipments on social media. Some countries, however, have expressed concerns about faulty Chinese equipment and inaccurate testing kits they received from China.

Some experts have argued that China may emerge from the coronavirus pandemic as a stronger global power relative to the United States, as Beijing positions itself as an international health leader that not only supplies materials to affected countries but also coordinates multilateral responses to the global health crisis. The United States, by contrast, is unprepared to lead a global response to the pandemic. With Washington already perturbed by China’s Belt and Road Initiative (originally referred to as “One Belt, One Road”), it now must contend with Xi’s renewed calls for another China-centered “Health Silk Road” (健康紡織之路), which could potentially further erode American leadership on global governance issues. The coronavirus pandemic has further accentuated the bipolar nature of the international system and the division of the world into US-led and China-led camps. Taiwan, caught between both major powers, will need to make hard choices on whether it will strategically decouple from China in the economic and political spheres over the long run.

**US-Taiwan Cooperation**

The United States and Taiwan continue to strengthen bilateral relations amid the coronavirus outbreak. President Trump signed into law on March 26 the Taiwan Allies International Protection and Enhancement (TAIPEI) Act, aimed at bolstering Taiwan’s diplomatic alliances around the world, deepening US-Taiwan economic relations, and supporting Taiwan’s participation in international organizations in which statehood is not a requirement. Secretary of State Mike Pompeo said on March 30 the United States backs Taiwan’s observer status in the World Health Organization and will assist Taipei’s participation in the global health body. Furthermore, the American Institute in Taipei (AIT) is working with the non-profit Taiwan FactCheck Center (台灣事實查核中心) to counter disinformation on the coronavirus on social media. China’s disinformation campaign in Taiwan has spread fake news about the coronavirus, including claims that Taiwan’s government had covered up the real number of coronavirus infections and deaths. This coordinated disinformation campaign was launched by netizens in China across multiple social platforms in order to provoke public mistrust in Taiwan’s government.

More recently, Washington and Taipei have stepped up cooperation over fighting COVID-19. With the United States standing at a critical juncture in staying off coronavirus infections—which have topped 330,000 cases and a death toll exceeding 8,900—Taiwan has pledged to send 2 million face masks to the United States. Washington also committed to sending Taiwan the raw materials to make 300,000 protective outfits. Furthermore, representatives from AIT, the US Department of State, the Taiwan Economic and Cultural Representa-
The Taiwan Bureau of International Organizations (TECRO), and the Taiwan Ministry of Foreign Affairs met in a virtual forum on March 31 to discuss expanding Taiwan’s participation on the global stage, including sharing lessons from the “Taiwan Model” to assist other countries in managing COVID-19. The “Taiwan Model” provides a democratic alternative to the Chinese narrative on coronavirus prevention, suggesting that democracies can also successfully contain the virus without resorting to extreme, authoritarian measures. In the face of an international order increasingly bifurcated between the United States and China as a result of the coronavirus, Taipei and Washington are building new bonds that go beyond traditional security interests and shared political values.

The main point: China has utilized the coronavirus pandemic as an opportunity to strengthen its global position, particularly in the absence of American leadership. Beijing has sought to deflect criticism over the origin of the coronavirus in China by providing medical assistance to virus-afflicted countries and sowing disinformation, further straining relations with the United States and Taiwan.

China’s Discursive Warfare over COVID-19 and Potential Repercussions for Taiwan

By: J. Michael Cole

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Following its mishandling of the early phase of the COVID-19 outbreak in Wuhan, Hubei Province, in late December 2019, the Chinese Communist Party (CCP) in recent weeks has launched a major discursive campaign to regain control of the narrative. In so doing, Beijing is attempting to turn crisis into opportunity. As the epidemic has transformed into a global pandemic, the party has employed global messaging campaigns in order to repair—if not bolster—its reputation with the Chinese public and to encourage amnesia about China’s role in the outbreak, and to instead position it as a source of succor. This “humanitarian aid blitz,” as Voice of America described it, has come replete with medical equipment by the crateful, dispatched to countries that are struggling to cope with the pandemic within their borders. Inevitably, this “aid”—which is not free—has been accompanied by prominent displays of the People’s Republic of China (PRC) flag and much propaganda by Chinese officials and state-run media. The script for this assistance could have come straight out of recent China-funded Hollywood blockbusters: China as the indispensable partner, whose intervention and “cooperation” with international partners ultimately saves humanity. In this scenario, the norms of international governance, and Taiwan’s ability to exist within that system, would inevitably be transformed.

COVID-19 and a New World Order?

Such “soft power” initiatives are not unique to China. Every superpower, and any country aspiring to such status, will at one point seek to underscore the essential role that it can play on the international stage. Yet there is a difference. China’s “aid” has been overwhelmingly transactional, in that assistance in time of emergency has often been conditional. Rather than being humanitarian, therefore, it comes at a price—and not just the sums of money the Chinese have actually asked their partners to disburse.

In many cases, recipients of Chinese “aid” ostensibly had to “earn” the so-called assistance through displays of deference. The Czech Republic, for example, was asked to demonstrate its gratitude before China shipped medical supplies to the central European country. From Europe to Africa, heads of state, foreign ministers, stars, and athletes have had to make profuse expressions of appreciation and indebtedness towards Beijing, in ways that left little doubt as to the demands from propaganda that preceded those actions.

However, there is reason to believe that countries that allowed Chinese “aid” during COVID-19 will be charged not once but twice for Beijing’s generosity. Sensing a moment of weakness within the international system, Beijing is now using this opportunity to consolidate its global position by tightening its grip on various partners, autocratic and not. This opening was created by the United States’ struggle to contain the epidemic at home and its perceived inability to play the leadership role abroad that has long been expected of it by the international community. And while the United States has indeed provided assistance to some countries—including a pledge of up to USD $100 million
for international efforts—it’s quieter approach means that, in many cases, such aid has gone unnoticed. This stands in stark contrast with Beijing’s flaunting of its assistance, which is allowing it to win the propaganda war. Some countries in Europe, meanwhile, have also lamented the “impotent bureaucracy” of the EU and its apparent inability to coordinate a response. In response, Beijing has jumped in, with special focus on the 16+1 group of countries, whose cheerleader, Serbian president Aleksandar Vucic, vocally insulted the EU while hailing China as a savior in the COVID-19 crisis.

The COVID-19 pandemic has therefore given Beijing a new opportunity to displace the United States, not just within the Indo-Pacific, but now on the global stage. This effort has furthermore been facilitated by the CCP’s near-complete co-optation of UN institutions, whose heads (some, as the World Health Organization Director General, Tedros Adhanom Ghebreyesus, installed with help from the Chinese) have occasionally amplified Beijing’s messaging on the early stages of the pandemic. Besides undermining confidence in UN agencies’ reliability, the uncomfortably close relationship that has developed between specialized agencies like the WHO with Chinese authorities has raised questions about whether such agencies place access to China above global health.

Much of Beijing’s efforts to rewrite the history of COVID-19 and erase its initial mishandling in Wuhan is likely aimed at the Chinese public in order to avoid mobilized discontent that could threaten the CCP’s ability to rule. The pandemic has also provided the opportunity Beijing had been waiting for to break the West’s back and assume its “rightful” position as a global superpower. By cashing in its second check from recipients of its “aid” during the COVID-19 pandemic, Beijing will likely aim to solidify dependencies through quid pro quos. This could include allowing greater investment by China in those countries and regions or giving Huawei access to their telecommunications infrastructure. In other words, the COVID-19 outbreak has given China a chance to create facts on the ground around the globe and to elevate itself to a position of superiority in dozens of bilateral and regional relationships. While recent revelations in several countries that “donated” Chinese COVID-19 kits are defective may temporarily undermine Beijing’s soft power campaign, the long-term effects of its efforts will remain. The returns that Beijing will extract from its captive states could have repercussions for Taiwan.

Repercussions for Taiwan

Reacting early and aggressively, in late December, to signs that something terrible was brewing in China, Taiwan has also turned the crisis into an opportunity to shine on the international stage. As the epidemic turned into a pandemic, Taiwan’s successful handling of the crisis—despite its exclusion from the WHO—has earned it unprecedented attention among foreign governments and the media. Its stellar response bucked the narrative which Beijing was simultaneously trying to rewrite.

And that, of course, was unacceptable to the Chinese authorities. Thus, as Beijing was seeking to frame itself as a responsible partner in global efforts to combat the COVID-19 outbreak, it also initiated efforts to undermine Taiwan’s response to the virus by targeting it with dis/misinformation campaigns and state propaganda, interfering with the repatriation of Taiwanese nationals from Wuhan, and on two separate occasions by launching threatening maneuvers by the People’s Liberation Army Air Force (PLAAF), including its first nighttime mission. Chinese officials have also repeatedly accused Taiwan of “using the pandemic to conspire for independence” (以疫謀獨), especially after the Tsai administration announced material assistance to the United States and European countries to help combat the pandemic. Even the UN has played a role in this, with the WHO chief reportedly attributing his tarred reputation to an alleged “politically motivated scheme” led by “Taiwanese hackers.”

Such behavior has made it clear that Beijing’s discontent with the results of the January 11 general elections in Taiwan—in which the China-skeptic Tsai Ing-wen was re-elected with record-breaking 8-million-plus votes—will cause its punitive stance toward Taiwan to continue unabated. This approach will be augmented by the increased influence that Beijing has acquired from its opportunism amid the COVID-19 pandemic, while many of the checks which it will cash in from various recipients of its conditional “aid” will likely have a Taiwan component to them. Already, growing Chinese influence at UN agencies, from the WHO to the Inter-
national Civil Aviation Organization (ICAO) has led officials there to shun Taiwan, censor calls for its participation in times of crisis, and for all intents and purposes adopt Beijing’s position on the territorial dispute in the Taiwan Strait.

Beijing’s exertion of increased influence on various countries, regions, and global institutions during the COVID-19 crisis will conceivably result in future demands by China to isolate Taiwan: by remaining silent on Chinese behavior in the Taiwan Strait, by voting with China at the UN General Assembly to counter appeals for greater participation for Taiwan, or by being complicit in actions that reduce the validity of the Republic of China (Taiwan) passport or limit the ability of Taiwan to conduct business with other countries, even if at the unofficial level.

Therefore, President Trump’s late-March signing into law of the TAIPEI Act, a piece of legislation which calls on Washington to “reduce its economic, security, and diplomatic engagements with nations that take serious or significant actions to undermine Taiwan,” could not have come at a more opportune time. The US Navy transit through the Taiwan Strait on March 26 also sent an important signal of support for Taiwan by the US, while reminding Beijing that its unwillingness to set politics aside in times of a global emergency and attempts to intimidate Taiwan while the world is distracted will not be countenanced.

As the COVID-19 crisis abates (and it will), the political landscape will have been changed—very likely in Beijing’s favor. Once the outbreak is behind us, China will shift its attention back to the “Taiwan problem” and seek to further isolate Taiwan for the choices its people have made through democratic mechanisms. No doubt it will also attempt to negate any gain, if only reputational, that Taiwan may have made during the outbreak. As long as Taiwan’s success story remains in existence, it will continue to provide a counter to the narrative that Beijing is seeking to impose on the international community. The only solution to this problem will be for Beijing to intensify its efforts to isolate Taiwan and erase its existence.

It therefore remains to be seen whether Taiwan will come out of the COVID-19 outbreak in a stronger position, thanks to good publicity and the enactment of the TAIPEI Act, or weakened due to gains made by Beijing in various countries and institutions. What is certain is that the CCP will not stand still: even at the height of the health crisis, it continued to play politics over Taiwan. Once the crisis has passed, we can expect it to renew—and possibly to ramp up—its campaign against Taiwan. Whether it is successful in those endeavors will be contingent on Taiwan and its partners showing a willingness to push back by adopting countervailing measures.

**The main point:** Beijing has seized an opportunity created by the COVID-19 pandemic to position itself as a global leader. Through propaganda and conditional aid, the Chinese regime hopes to increase its influence with countries the world over. Once the pandemic has passed, China could use this new influence to further isolate Taiwan.

### US International Development Finance Corporation: A New Avenue of US-Taiwan Cooperation

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Taiwan’s international affairs are constrained by its ambiguous sovereignty. With only 15 diplomatic allies as of this article’s publication—and likely more to drop off in the face of mounting pressure from an increasingly global China—Taiwan is forced to find creative ways to strengthen its relations with foreign partners. Taiwan’s policymakers have highlighted the potential that overseas development assistance (ODA) presents for Taiwan, and they were particularly excited and optimistic about Taiwan’s new cooperation with the US Overseas Private Investment Corporation (OPIC), which has transitioned to the US International Development Finance
Corporation (USDFC) and charged with mobilizing private capital to achieve US development goals. This offers Taiwan a means to engage with the US government in a manner that is not subject to the same diplomatic idiosyncrasies as other elements of their bilateral relations. Taiwan’s government and development finance community should work hard to increase cooperation with USDFC. This new avenue of cooperation between the United States and Taiwan would help both sides accomplish their strategic, economic, and development goals.

Policy Frameworks Provide a Strong Case for ODA Cooperation

US president Donald Trump and Taiwan president Tsai Ing-wen both have foreign policy frameworks that serve as the overarching drivers of strategic engagement in the Indo-Pacific region. The Trump administration announced its Free and Open Indo-Pacific Strategy (FOIP) in 2017. The US FOIP centers on economics, governance, and security in the region and is designed to counteract Chinese investment and influence in Indo-Pacific countries. Because the US government cannot match Chinese government outbound investment dollar-for-dollar, mobilizing US private sector capital in Indo-Pacific countries is a critical component of a successful FOIP. Similarly, the Tsai administration announced its New Southbound Policy (NSP) in September 2016 to facilitate and enhance Taiwan’s engagement with ASEAN member states, further countries in South Asia, Australia, and New Zealand. While the NSP includes goals for enhancing cultural ties, it is also heavily focused on building economic ties, both through encouraging Taiwan’s private sector companies to invest in NSP countries and by fostering an environment for more multilateral and bilateral dialogues.

These two foreign policy frameworks provide not only the backdrop but also the policy impetus for ODA cooperation between the United States and Taiwan. For Taiwan, ODA cooperation allows the Tsai administration to chart a new path of cooperation with the United States, one of its most important foreign partners. Taiwan would also be able to amplify its investments abroad, especially in targeted countries. This includes Taiwan’s 15 diplomatic allies, as well as the 18 Indo-Pacific countries that fall under the NSP. All the while, Taiwan will be working to build out a relationship with a new, powerful US government agency, helping it better leverage its private sector capital for political and economic gain abroad.

For the United States, this type of economic cooperation between the United States and Taiwan provides a pathway for strengthening economic ties that is less controversial than negotiating a bilateral FTA would be. Furthermore, it allows the United States to increase its investment in the Indo-Pacific region, serving as an important counterweight to China’s multi-billion-dollar Belt and Road Initiative (also known as “One Belt, One Road”). The United States and Taiwan should invest time and resources into strengthening development finance cooperation, while placing a particular emphasis on collaboration in the Indo-Pacific region.

This opportunity for greater cooperation comes at a time when OPIC and the export credit portion of the US Agency for International Development (USAID) have merged to create the USDFC—a stronger, more modern government agency. The USDFC will have an investment cap of $60 billion, more than double the investment capacity of its predecessor OPIC. With more resources, the USDFC is poised to increase cooperation with foreign development finance institutions and be more strategic about its investments abroad. According to an OPIC Statement, “[US]DFC will make America a stronger and more competitive leader on the global development stage, with greater ability to partner with allies on transformative projects and provide financially-sound alternatives to state-directed initiatives that can leave developing countries worse off.”

USDFC’s natural counterpart in Taiwan is the Taiwan International Cooperation and Development Fund (TaiwanICDF). TaiwanICDF is a government-funded agency that manages Taiwan’s foreign aid programs and offers lending and investment, technical cooperation, humanitarian assistance, and international education and training to Taipei’s diplomatic allies.” Given that USDFC and TaiwanICDF serve similar functions in their respective economies, the two agencies should aim to work together to strategically mobilize their private sector capital around the world.

Current Scope of US-Taiwan Cooperation

The scope of OPIC and TaiwanICDF’s current partnership had been focused on Taiwan’s diplomatic allies.
However, as the FOIP and NSP suggest, both sides appear eager to expand this partnership beyond its current scope. David Bohigian, the executive vice president of OPIC, traveled to Taiwan in July 2019 to meet with President Tsai, along with other officials in Taiwan’s Foreign Ministry and development finance community. Mr. Bohigian made it clear that OPIC is eager to partner with Taiwan on projects in the Indo-Pacific region, indicating benefits to both sides from cooperation. He also stressed that the United States and Taiwan could promote alternative, sustainable development models abroad “by supporting projects that are built to last, respect the environment, create local jobs, and ensure transparency.” Mr. Bohigian clearly articulated the strategic argument for US-Taiwan ODA cooperation throughout the Indo-Pacific region.

Because the initial scope of ODA cooperation between Taiwan and the United States is centered around Taiwan’s diplomatic allies, the projects under the current framework will be concentrated in Latin America and the Pacific Islands. Mr. Bohigian traveled to Taipei just a few months after Taiwan and OPIC successfully collaborated on their first joint project, something Taiwan’s government officials touted multiple times during our delegation meetings. In March 2019, OPIC and TaiwanICDF signed their first joint investment for a $184 million project in Paraguay in cooperation with Banco Regional, a Paraguayan bank, to enable on-lending to women-led and women-owned small and medium-sized enterprises.

Paraguay was an excellent place for OPIC and TaiwanICDF to begin their collaborative relationship. It is a place familiar to TaiwanICDF, and as of February 2018, Paraguay is one of four countries with which Taiwan has an Economic Cooperation Agreement.

This project provides a successful blueprint for US-Taiwan economic cooperation in third countries that have diplomatic ties with Taiwan. It also shows how cooperation with the United States can amplify the development work that Taiwan is already doing with its diplomatic partners. For example, TaiwanICDF, which is focused exclusively on providing assistance to Taiwan’s diplomatic allies, is already financing a number of projects in Paraguay on its own, mainly in the agriculture and healthcare sectors. These investments are targeted and impactful, but they exist on a smaller scale; collaboration with OPIC therefore allows TaiwanICDF to amplify the good work it is already doing.

**A Timely Opportunity to Do More**

To build on the Paraguay model, the USDFC and TaiwanICDF are exploring further cooperation in Haiti and St. Lucia, two other diplomatic allies of Taiwan. OPIC had teams on the ground in other countries that recognize Taiwan’s sovereignty, including Nicaragua, Tuvalu, Honduras, and Guatemala, so presumably these are further potential areas for collaboration. But there is also enormous opportunity for cooperation between Washington and Taipei on countries of greater mutual interest and strategic value. In our conversations with Taiwan’s government officials, they indicated that they were ready for cooperation in South and Southeast Asian countries, a region of key importance to both the US FOIP and the NSP.

Taiwan has demonstrated that it is eager to forge stronger ties between its private sector and the US private sector outside the development sphere, as well. For the second year in a row, for example, Taiwan brought the largest delegation to the annual SelectUSA conference, an event hosted by the US Department of Commerce to attract foreign direct investment into the United States. Taiwan’s cooperation with USDFC is another way to foster private sector cooperation, and it allows the benefits of private sector cooperation to be amplified outside the bilateral context. Taiwan and the United States were right to begin cooperation in this area in Paraguay, one of Taiwan’s remaining diplomatic allies, and there is much space left for further cooperation.

Taiwan would benefit from facilitating and increasing economic cooperation that takes place outside traditional multilateral forums and government-to-government relationships, which are fraught with diplomatic rules and sensitivities. Taipei will, and of course should, continue its policies of more traditional government-to-government engagement and fight for a voice in the international economic conversation. Taiwan will continue to try to negotiate bilateral FTAs, just as it will continue to be an enthusiastic and productive member of the WTO and APEC. But development finance cooperation provides an opportunity for largely unrestrained economic cooperation and should therefore be a top priority for the Tsai administration.
If executed properly, Taiwan’s cooperation with USD-FC will allow Taipei to engage with countries in the Indo-Pacific region in a meaningful way—in cooperation with the United States, at a higher level of investment than it could achieve on its own, and with the high standards that the United States and Taiwan are committed to delivering. An example of potential cooperation in this area is the Blue Dot Network, a multilateral initiative of the United States, Japan, and Australia that was announced in November 2019 and that aims to enhance cooperation on global infrastructure development. Taiwan and the United States can strive for a similar type of cooperation in a bilateral context, and if the Blue Dot Network expands beyond the current three countries, Taiwan should strongly consider joining. Development finance cooperation with the United States in the Indo-Pacific region would help put meat on the bones of the Tsai administration’s NSP, a hallmark for foreign policy which, to date, has few concrete markers of success in the economic sphere. Taiwan would have a real partner in the United States, because the promises of development finance cooperation between the two sides benefit not only Taiwan, but also the United States. The United States and Taiwan together can leverage their deep private sector pockets for mutual strategic benefit and the benefit of third countries around the world.

The main point: While the United States and Taiwan have maintained strong economic ties for quite some time, the two states have the opportunity to greatly expand their economic cooperation through joint overseas development assistance initiatives through the newly formed US International Development Finance Corporation.

[Editor’s note: When the article was originally written the USDFC (formed on December 20, 2019) was not officially established. To make the article current, some references to OPIC have been changed to USDFC and verb tenses were modified for style. The original version of the article is available here.]

[1] As part of a delegation trip to Taiwan in June 2019, I had the opportunity to meet with a number of Taiwan’s policymakers and experts.

[2] The USDFC was supposed to be operational as of October 1, 2019. However, the agency is still in the process of opening its doors as of the publication of this article.

Amid COVID-19 Crisis, Taiwan’s Opportunity to Escape China’s Vise

By: Michael Mazza

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In recent years, Taiwan has faced a relentless pressure campaign from Beijing, which has sought to isolate Taiwan on the international stage. The country has been denied meaningful participation in international organizations, has seen its formal diplomatic partners shrink in number, and has had its name erased from business websites across the world. Whether due to implicit or explicit Chinese intimidation, informal partners from Europe to Australia have been cautious in advancing bilateral ties. Yet much to China’s chagrin, the novel coronavirus (COVID-19) that originated in Wuhan may give Taiwan an opportunity to escape from Beijing’s vise. If Taiwan can continue to successfully manage the spread of the disease domestically while pursuing good-natured engagement with international partners, Taipei may well emerge from this crisis significantly improving the country’s international standing. And, as Rahm Emanuel, President Obama’s first chief of staff, might advise, “you never want a serious crisis go to waste.”

China’s mishandling of the novel coronavirus in the early going is indisputable. Its infectious disease reporting system, designed in the aftermath of the severe acute respiratory syndrome (SARS) and refined in the intervening years, failed when it was needed most. Meant to be “fast, thorough and, just as important, immune from meddling,” it turned out to be none of those things. Many of China’s missteps are well known now, and more may come to light in the days and months to come. Suffice to say, the Chinese Communist Party (CCP) was slow to act in the public interest, but moved fast when it came to manipulating people and information both for its internal and external audiences.

As Beijing has seemingly gotten a grip on the outbreak, it
has turned its attention abroad, apparently seeking to erase from international public consciousness its earlier missteps and to present itself as a savior to countries now suffering from the virus. Its propagandists have sought to muddy the waters about the virus’ origin, while Beijing has begun provisioning (for a price) much needed medical equipment to states facing the pandemic. Whether this effort will succeed is an open question, but the prevalence of faulty supplies sold thus far and Beijing’s disdainfully transparent peddling in conspiracy theories may be ultimately counterproductive.

By contrast, Taipei has thus far handled the disease with aplomb. In response to rumors out of Wuhan of a new disease in late December, Taipei was quick to begin screening travelers from the city. Taipei also warned the World Health Organization of the possibility of human-to-human transmission (a warning that was apparently ignored), three weeks before Beijing admitted the same. As Gary Schmitt and I have described, Taiwan’s approach has been “technocratic yet compassionate,” relying “on transparency, proactive searches for possible cases, responsible use of data, admittedly aggressive contact tracing, and government support for the sick and quarantined.” The war against the virus is not over, but thus far Taiwan has been particularly adept in waging it.

Like China, Taiwan has now begun focusing more intently on contributing to the global fight against COVID-19. Unlike China, it is donating millions of masks to the United States, Europe, and countries closer to home. From the earliest inklings of the emergence of a new virus up until now, the contrast between China and Taiwan could not be starker—a contrast that redounds to Taiwan’s benefit.

Taipei, while still focused on the crisis at hand, may be thinking about how it can make use of that contrast to advance its international standing. In particular, Taipei may have a chance to make substantial progress on three important foreign policy goals: (1) more normal (if still unofficial) relations with more of its overseas friends; (2) meaningful participation in international organizations; and (3) expanded trade with a wide variety of economic partners.

If it is to be successful in doing so, however, Taiwan will need to continue to enhance its own reputation as a responsible stakeholder. In the coming months, there will be three key ways to do so: by helping friends in need, by engaging in public diplomacy, and by seeking a boost from the United States.

Helping Friends in Need

Perhaps most importantly, Taiwan should keep doing what it is already doing. On April 1, President Tsai Ing-wen (蔡英文) announced a donation of 10 million face masks to medical workers in need, with more donations expected to follow as Taiwan’s own supplies allow. Per Taiwan’s Foreign Ministry, the country will donate 2 million face masks to the United States (to which it has already agreed to sell 100,000 masks weekly), 7 million to European countries, and 1 million to its diplomatic allies. Diplomatic allies will also receive “84 thermal imaging devices made in Taiwan,” as well as infrared forehead thermometers.

President Tsai also announced that her government has “asked firms to increase quinine production,” in order to ensure adequate global supply as the drug is used in the treatment of COVID-19. The president also announced “technological support” for foreign partners, which in some ways may be the most important leg of this “Taiwan Can Help” triad:

“We will share our domestic electronic quarantine system that utilized big data analytics, so that countries in need can accurately trace the contact history of confirmed cases, and investigate outbreaks effectively to prevent them from spreading. Our public and private hospitals will also continue to use videoconferencing to share our disease prevention experience and technologies to countries that need help.”

Many European countries may be particularly keen on these efforts. Given the size of Taiwan’s population, its public health system operates on a scale that many in Europe can understand and with which they can identify. Aspects of Taipei’s efforts to combat the virus, particularly when it comes to contact tracing and the use of big data, are likely to be more relevant to many in Europe—especially those not yet facing a severe outbreak—than China’s own experiences.

Public Diplomacy

China has been busy in the information domain. A report in Formiche, an Italian outlet, described Chinese state
media and diplomats as working “tirelessly to depict China as Italy’s savior.” According to Francesco Bechis and Gabriele Carrer, the report’s authors, these traditional propagandistic efforts were matched with a social media campaign:

“On Twitter, the mobilization was a great success, with thousands of posts celebrating Chinese solidarity. Yet not all of this was created by human hand. Nearly half of the tweets (46.3%) published between March 11 and 23 with the hashtag #forzaCinaeItalia (Go China, go Italy, ed.) and more than one third (37.1%) of those with the hashtag #grazieCina (thank you China, ed.) came from bots...”

Taipei need not play these games to compete with Beijing in shaping public opinion, but it does need a robust public diplomacy effort to ensure that its cooperative approach to countering the pandemic boosts Taiwan’s standing amongst both governments and populations writ large. Indeed, the simple act of conducting above-board public diplomacy will put Taiwan in a positive light as compared to China, given the latter’s penchant for spreading disinformation.

Wherever Taiwan is delivering aid or sharing experience, its ambassadors should be striving to publish op-eds, conduct media interviews, speak at think tank conferences, and host cultural events (when public health conditions permit) in order to facilitate engagement with the public. Taiwan’s diplomats do regularly engage in such efforts, but in the midst of this unique historical moment, they may be particularly effective.

**A US Boost**

The United States can and should aid Taiwan’s efforts to enhance its international standing, an outcome that is in American interest. Taiwan’s Foreign Ministry, for example, might consider working with the American Institute in Taiwan (AIT) and with partners in Japan, Europe, and elsewhere to host a series of virtual Global Cooperation and Training Framework (GCTF) seminars on COVID-19 responses. Such a GCTF series would be a natural follow-on to the recent COVID-19 virtual forum recently co-hosted by the State Department, AIT, and Foreign Ministry, and complement Taiwan’s ongoing efforts to provide “technological support,” as President Tsai described.

For its part, Washington should consider taking unprecedented steps within its own bilateral relationship that could have a positive effect on Taiwan’s other diplomatic ties. The National Security Council has already publicly thanked the people of Taiwan for supporting US efforts to combat the pandemic. Once the United States is past the worst of its own outbreak, President Donald Trump should call President Tsai to thank her personally for coming to America’s aid during its hour of need. Such an act would draw attention to the positive role Taiwan has played during the crisis, while perhaps creating more space for other countries to deepen their own engagement with Taipei.

At the same time, the speaker of the House of Representatives should consider inviting Tsai Ing-wen, if she is willing, to address Congress (a move that a group of Republican senators called for in early 2019). Doing so would be a remarkable and appropriate way to show appreciation for a faithful friend, while providing Taiwan’s president a platform with global reach. Holding Taiwan up as a country to be admired, while holding China to account for the damage it wrought, could provide an enormous boost to Taipei’s quest for more robust engagement with the international community.

Despite the pandemic, China has ensured that the WHO keeps Taipei at arm’s length and has continued to employ military intimidation against Taiwan. If anything, it has sought to tighten the vise—a vise from which Taiwan, if it plays its cards right, may be able to slip right out.

**The main point:** The contrast between Taiwan’s and China’s responses to COVID-19 could not be starker. Taipei should take advantage of its enhanced reputation to pursue deeper engagement with the international community.