

## Fortnightly Review

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By: Russell Hsiao

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### 8th Yunnan-Taiwan Forum Unveils Scale of China's Economic Strategy Towards Taiwan

China's [political warfare](#) campaign against the administration of President Tsai Ing-wen (蔡英文, b. 1956) in Taiwan is multifaceted. Beijing's strategy of coercive persuasion combines a mix of military, political, and economic tools that range from hard to soft measures as well as central to provincial directives. As part of this dual-wielding hard and soft approach, Zhongnanhai has conducted increased military exercises around the island in recent years while simultaneously propagating a raft of directives aimed at luring more businesses and people from Taiwan into the Chinese market with the explicit purpose of promoting economic and political integration. These initiatives are essentially aimed at applying pressure on the central government in Taiwan from both top-down and bottom-up approaches. Although central-level directives such as the announcement of the "[31 Measures](#)" (卅一條措施) in February 2018 gets the most public attention, this whole-of-government strategy is also being coordinated with, reinforced, and amped up at the provincial level. One example is the [Yunnan-Taiwan Forum](#) (雲台會)—a provincial forum designed to promote economic integration between the southern province of Yunnan with Taiwan.

On the heels of the just concluded [11th Straits Forum in Xiamen](#), the 8th Yunnan-Taiwan Forum was held in the southern city of Kunming on June 26. The Forum reportedly attracted around 1,000 attendees. The participants this year included Taiwan's New Party (新黨) chairman, Association for Relations Across the Taiwan Straits (ARATS) deputy director, and the new chairman of The Association of Taiwan Investment Enterprises on the Mainland (ATIEM), among others. Heralding the Forum as one of the 71 Chinese government-authorized "[cross-strait exchange bases](#)" (海峽兩岸交流基地), the

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CCP provincial committee's deputy party-secretary reportedly showcased 13 programs of Taiwan-Yunnan cooperation [worth over USD \\$ 640 million](#) (4.4 billion Chinese Yuan). In 2009, the People's Republic of China (PRC) began establishing these so-called "bases" to promote cross-Strait exchanges at locations throughout China for the purpose of promoting cross-Strait exchanges between the people of Taiwan and China. In 2015, there were [only 37](#), the number nearly doubled in three years.

The Forum was [organized](#) by the PRC State Council's Taiwan Affairs Office (TAO, 國台辦) and the Yunnan Provincial Government. The deputy director of the Association for Relations Across the Taiwan Straits (ARATS), Sun Yafu (孫亞夫, b. 1952)—a semi-official agency of the People's Republic of China (PRC) in charge of conducting relations with Taiwan—gave an [opening speech](#). In his remarks, the deputy director and long-time Taiwan-hand noted how China's external economic environment has been affected by the US-China trade war and that this has had some influence on cross-Strait economic exchanges. Yet, the deputy director sounded a note of optimism about the general trend of cross-Strait economic cooperation, which, in his view, has not changed and prospects are favorable towards expansion of cross-Strait economic ties.

Furthermore, Sun [emphasized](#) how cross-Strait exchanges and cooperation require peaceful development in the Taiwan Strait. Echoing a common refrain of Chinese propaganda, [Sun proclaimed](#) that only if cross-Strait relations is good can Taiwan be good and the interests of the Taiwan compatriots be protected. The deputy director emphasized that to have better cross-Strait relations, compatriots on both sides of the Taiwan Strait must promote the so-called "1992 Consensus" (九二共識); oppose Taiwan independence and secession; and, at the same time, advance cross-Strait exchange and cooperation, and deepen cross-Strait integration and development in the spirit of the phrase ["the two sides are one family on each side of the Taiwan Strait"](#) (兩岸一家親).

Despite warning of the headwind, Sun said that the Chinese government will continue to deepen cross-Strait economic cooperation through the promotion of the "31 Measures" (卅一條措施) and its implementing measures. He added that Beijing will continue to

implement incentives so that Taiwan businessmen and enterprises there can obtain greater benefits in China and to take further steps to improve conditions for equal treatments of Taiwan businesses, and to strengthen the technological transformation of Taiwan enterprises in China. Other measures include helping Taiwan enterprises enter the Chinese market; attracting Taiwan enterprises to invest in and enter the [Taiwan Farmers Innovation Park \(台灣農民創業園\)](#), and the cross-Strait industrial cooperation zone (海峽兩岸產業合作區), and other similar trading zones. Furthermore, Beijing will encourage Taiwan businessmen and enterprises to take advantage of China's much-vaunted "One Belt, One Road" (一帶一路) initiative, the Guangdong-Hong Kong-Macao Greater Bay Area Construction (粵港澳大灣區建設) plan, and strengthen legal protection for businessmen and businesses from Taiwan.

Other speakers at the Forum included local Party officials. For instance, the CCP party-secretary of Yunnan province, Chen Hao (陳豪, b. 1954), noted in his [speech](#) that the "new era"—ostensibly in reference to general-secretary Xi's 19th Party Congress speech—is an era for compatriots on both sides of the Taiwan Strait for "great development, great actions." The party-secretary of the southwestern province claimed that Yunnan will institutionalize Yunnan-Taiwan cooperation, deepen market integration, and strengthen cultural exchanges. The party-secretary highlighted three points: 1) promote integrated development to share development opportunities; 2) advance cultural exchanges to jointly form a spiritual home (精神家園); and 3) strengthen youth exchanges to jointly share dreams.

In his [speech](#), the chairman of the New Party—which is part of the pan-blue coalition, i.e. the pro-Kuomintang group (KMT, or Nationalist Party)—Yok Mu-ming (郁慕明, b. 1940) took note of how much Taiwan can do with just one province (Yunnan) in China. Yok added that if cross-Strait exchanges were fully opened, there would be countless opportunities for the compatriots on the two sides of the Taiwan Strait. The New Party was formed in 1993 and several members of its youth committee have been indicted on charges of attempting to form an espionage ring in Taiwan on behalf of China.

The Yunnan-Taiwan Forum—which began in 2011 under the administration of former President Ma Ying-jeou—focused on promoting economic cooperation between Taiwan and the southern Chinese province bordering Myanmar (formerly Burma), Laos, and Vietnam. Previous high-level participants from Taiwan included former KMT Chairwoman Hung Hsiu-chu (洪秀柱) and former Minister of Economic Affairs Chiang Pin-kung (江丙坤). Notably absent were any reports of senior current representatives from the Nationalist Party attending this year’s Forum.

**The main point:** China’s multifaceted political warfare campaign against the administration of President Tsai Ing-wen in Taiwan includes central and provincial measures that reinforce each other. A prime example is the Yunnan-Taiwan Forum focused on promoting economic cooperation between Taiwan and the southern Chinese province.

### CCP’s United Front with Taiwan’s Aboriginal Peoples

Taiwan is considered by many anthropologists as the [birthplace of the Austronesian people and language](#). The island’s Austronesian heritage also serves as a cultural link between Taiwan and the Austronesian world that span Southeast Asia, Oceania, and East Africa. As one of the Chinese Communist Party’s (CCP) target of United Front work in Taiwan, the CCP is actively courting aboriginal leaders from the country. This effort was on full display on June 28 when the Research Center for Relations Across the Taiwan Straits (海峽兩岸關係研究中心) —a think tank established by the Chinese government’s Taiwan Affairs Office (TAO)—and the [Taiwan Cross-Strait Peaceful Development Forum](#) (台灣兩岸和平發展論壇) co-organized [“The Symposium on Cross-Strait Relations and National Rejuvenation”](#) (兩岸關係與民族復興座談會) in Beijing. Aboriginal elites invited to the conference included Kao Chin Su-mei (高金素梅, b. 1965), a member of Taiwan’s Legislative Yuan who serves as Honorary Advisor to the Taiwan Cross-Strait Peace Development Forum, who headlined the event. The director of the TAO, Liu Jieyi (劉結一), also reportedly attended the event. Held at the Diaoyutai Hotel in Beijing, the meeting was [reportedly](#) attended by more than 100 people from both sides of the Strait.

That the CCP is engaging with Taiwan’s aboriginal leaders via United Front channels is nothing new. Yet, against the backdrop of Taiwan’s dwindling diplomatic allies, and how countries in Oceania many with Austronesian heritage, these interactions take on even more strategic importance.

The CCP is known to have been actively courting indigenous tribes on Taiwan through United Front activities as early as 2000. [According to a study](#) published by Taiwan’s Mainland Affairs Council (MAC), China has been actively inviting aboriginal elites since as early as 2000, including national legislators, to visit and seek their recognition of a common identity. For example, the report pointed out that the “Mid-Autumn Festival of Cross-Straits Nationalities” (海峽兩岸各民族中秋聯歡晚會) held in China since 2002 with business representatives as well as legislators such as such as Liao Kuo-tung (廖國棟, b. 1955), Kung Wen-chi (孔文吉, b. 1957), and Kao Chin Su-mei, among others. In December 2009, the “Taiwan Minority History and Culture Exhibition” (台灣少數民族歷史文化展) was held in Beijing, which was attended by Legislator Yang Jen-fu (楊仁福, b. 1942) along with five other aboriginal legislators, and led by 14 elders of the aboriginal tribes with a 500-member delegation. The event was reportedly China’s first systematic exhibition of the theme of Taiwan’s aboriginal culture and history.

According to the [in-depth MAC study](#), which was commissioned by the National Development Fund and authored by Professor Chiu Kun-Shuan (邱坤玄), the CCP’s strategy for United Front with Taiwan’s aborigines includes five types of activities: 1) strengthen academic research that demonstrates the ties between aboriginal people in Taiwan and China; 2) invite aboriginal youth elites to visit China and seek their recognition of a common identity; 3) promote academic exchanges between ethnic minorities across the Taiwan Strait and increase cross-Strait interaction; 4) promote cross-Strait cultural exchanges among ethnic minorities and increase interaction between Taiwan Aborigines with China; and 5) sponsor Taiwan’s aborigines to visit China for exchanges.

A musician-turned-politician, Kao Chin is from the Atayal tribe—one of 16 officially recognized tribes in Taiwan—and a member of the Non-Partisan Solidarity Union (無黨團結聯盟), a political party associat-

ed with the pan-blue coalition (the pro-Kuomintang group, KMT, or Nationalist Party). The Taiwan Cross-Strait Peace Development Forum is made up of a coalition of [19 pro-unification groups](#) in Taiwan. The legislator has stirred controversy in the past for her pro-China activities. In 2009, [Kao Chin met](#) with the former CCP General Secretary Hu Jintao. In this year's meeting, Kao Chin and her delegation met with CCP Politburo Standing Committee (PBSC) member Wang Yang (汪洋)—the senior most Party official in charge of United Front. In their [meeting](#), the PBSC member reportedly thanked the attendees for being loyal adherents to the one-China principle and resolutely opposing Taiwan independence. Wang reiterated Xi's 40th anniversary of the message to "Taiwan Compatriots," which proposed five important policy proposals for peaceful unification. According to Wang, many Taiwan compatriots have expressed their willingness to actively strengthen communication and consultation with Beijing to realize this claim.

Five joint initiatives were [reportedly](#) announced at this year's Forum. These [initiatives](#) include supporting the development of special tourism cooperation in cross-Strait minority areas, expanding cross-Strait grass-roots exchanges and concentric circles, and resolutely resisting various forms of "de-Sinification" and Taiwan's cultural independence from China. The two sides also [reportedly](#) reached a consensus that include jointly adhering to the so-called "1992 Consensus" and promoting cross-Strait peace development; strengthening national unity and friendship, and sharing the mission of national rejuvenation; deepening cross-Strait integration and development, and enhancing people's affection and well-being; promoting Chinese traditional culture and maintaining the spiritual links of compatriots; and expanding cross-Strait grassroots exchanges.

The Forum is one example of how the CCP is promoting United Front with Taiwan's aboriginals and follows other initiatives targeting the indigenous community on the island. In related developments, the Minzu University of China (中國中央民族大學) recently established a quota for recruiting aboriginal students from Taiwan. According to a [report](#) from Taiwan's National Security Council meeting, in order to promote the Taiwan version of "One Country, Two Systems," the CCP is utiliz-

ing United Front and infiltration techniques to engage with local grassroots, farmers and fishermen, retired generals, religious groups, aboriginals, cultural organizations, media, and triads—among other groups.

**The main point:** That the CCP is engaging with Taiwan's aboriginal leaders via United Front channels is nothing new. Yet, against the backdrop of Taiwan's dwindling diplomatic allies, and how countries in Oceania many with Austronesian heritage, these interactions take on even more strategic importance.

## Potential Implications for Taiwan of New Assistant Secretary of State for East Asian and Pacific Affairs

By: Michael Mazza

*Michael Mazza is a senior non-resident fellow at the Global Taiwan Institute. He is also a visiting fellow in foreign and defense policy studies at the American Enterprise Institute (AEI), where he analyzes US defense policy in the Asia-Pacific region, Chinese military modernization, cross-Strait relations, Korean Peninsula security, and US strategy in Southeast Asia.*

There is much excitement within Washington's Asia policy world regarding the June 13 [confirmation by the US Senate](#) of David R. Stilwell as assistant secretary of state for East Asian and Pacific Affairs. The role has been without a confirmed political appointee for the entirety of the Trump administration. Finally, there is an official at the Department of State, chosen by the president—and hopefully trusted by him—to manage US diplomatic efforts in the Indo-Pacific region.

A retired Air Force brigadier general, Stilwell has served tours of duty in South Korea, Japan, and China, was Asia advisor to the Chairman of the Joint Chiefs of Staff prior to his retirement, and most recently was the director of the China Strategic Focus Group at Indo-Pacific Command (formerly Pacific Command) in Hawaii. He reportedly does not have much direct experience with Taiwan, but his appointment and confirmation could be consequential for the island. What are some of the potential implications for Taiwan as Stilwell takes the reigns at the Bureau for East Asian and Pacific Affairs (EAP)?

First, Stilwell's confirmation finally completes the senior-level Asia policy team within the Trump administration. His counterparts at the Department of Defense (DOD) and the National Security Council (NSC)—Randy Schriver and Matt Pottinger, respectively—are undoubtedly happy to have a political appointee partner at the State Department. Taken together, this group has years of experience living and working in Asia and in-depth knowledge of US alliances. Each of the three can boast of a clear-eyed assessment of the challenges that China poses. Thanks to his previous government service record and his many years in the think tank realm, Schriver's belief in the importance of the US-Taiwan relationship is well known, but Pottinger and Stilwell are thought to have similar outlooks.

Stilwell's completion of the Asia policy team is important for a couple of reasons. It will make for more effective upward pressure from these three leaders as they seek buy-in and support for new initiatives from the Trump cabinet's senior ranks. A confirmed EAP assistant secretary, moreover, will be able to better mobilize the State Department bureaucracy to implement administration policy, thus ensuring that DOD and State are both pushing in the same direction. If the United States is to successfully implement its Free and Open Indo-Pacific strategy (FOIP), it must be a whole-of-government approach and will have to utilize all pillars of American power. A confirmed assistant secretary puts Washington on track to doing so.

Second, a confirmed political appointee, given his or her backing by the president, can better enact significant changes to business-as-usual practices within EAP. This may have particular relevance to Taiwan, especially given legislation, introduced in March, that I wrote about in a [previous](#) GTB issue:

*"The Taiwan Assurance Act requires that the president submits to the House and Senate foreign affairs committees a report on the results of a State Department review of its Guidelines on Relations with Taiwan and on implementation of the Taiwan Travel Act. The Act encourages, but does not mandate, that the State Department guidelines "be crafted with the intent to deepen and expand United States-Taiwan relations..."*

The Taiwan Assurance Act has not been moved out of

committee, but its introduction signaled congressional interest in addressing a problem that has long vexed US-Taiwan relations and those who support a closer relationship. The State Department guidelines referenced in the legislation impede regular, sustained, and substantive bilateral diplomacy. They inhibit engagement at the assistant secretary level and below, and they all but rule it out at higher levels, especially in the national security space. Presumably after consulting with one another, the secretary of state, the national security advisory, and, of course, the president, can choose to disregard the guidelines when they see fit, but exceptions have been infrequent.

In today's Washington, however, a change to the status quo as Beijing defines it is a real possibility. Congressional leaders from both parties have indicated support for such change. National Security Advisor John Bolton, during his time as a scholar at the American Enterprise Institute, publicly called for easing limitations on meetings between American and Taiwan officials—and [recently met](#) with the secretary-general of Taiwan's National Security Council. Now, there is someone in place at the State Department that can get it done—if he chooses to make revising the guidelines a priority.

What might revised guidelines look like? Changes to restrictions on Taiwan diplomats' access to the State Department would be low hanging, but not unimportant, fruit. It should not be inconvenient for diplomats to engage in diplomacy. At present, it is.

A more substantial revision would be to allow for visits by Taiwan's foreign and defense ministers to visit Washington and meet with senior administration officials. DOD's recent [Indo-Pacific Strategy Report](#) describes China as undermining "the international system from within by exploiting its benefits while simultaneously eroding the values and principles of the rules-based order" and as seeking "Indo-Pacific regional hegemony in the near-term and, ultimately global preeminence in the long-term." The report highlighted the narrower threat to Taiwan as well.

Taiwan is undoubtedly an important partner in countering these challenges, and would be even if its only contribution to the effort were ensuring its own defense (its contribution, in fact, is not nearly so limited). Working level diplomatic engagement is crucial, but

given the nature of the challenge described, insufficient. If top leadership in both Taipei and Washington are not working together to set priorities and coordinate approaches, Taiwan and the United States are far less likely to achieve success in countering the China challenge.

Third, the confirmation of an EAS head that is, one hopes, inclined to help Taiwan enhance its self-defense capability, along with the [recent confirmation](#) of a new assistant secretary for political-military affairs, may create an environment at the State Department that is more conducive to speedier arms sales. The Trump administration does seem to have returned to a more regular sales process, which is positive. Even so, that does not necessarily prevent sales from being held hostage to the US-China diplomatic calendar. The more advocates within the administration for arms sales, the better.

Fourth, Assistant Secretary Stilwell will have a role to play if the Trump administration decides to conduct—or is instructed by Congress to conduct—a new Taiwan Policy Review (TPR). During the first and only TPR, conducted in 1994, the Clinton administration, as then-Assistant Secretary of State for East Asia and Pacific Affairs Winston [Lord put it](#), “has carefully examined every facet of our unofficial ties with a view to correcting their anomalies and strengthening their sinews.” There is interest on Capitol Hill in mandating a new TPR, and although that interest is driven by a desire to enhance US-Taiwan relations, there can be a risk in launching such a process, as outcomes cannot be known in advance. Those risks are significantly reduced with a political appointee running EAS, particularly one committed to the FOIP and the Trump administration’s more forward-leaning approach to Taiwan. It was Winston Lord that testified to Congress on the 1994 TPR’s results, so it stands to reason that David Stilwell would likewise be front and center in a 21st century iteration.

Finally, recent years have seen a succession of American Institute in Taiwan (AIT) directors that have worked to advance the US-Taiwan relationship in meaningful ways. The ongoing series of Global Cooperation Training Framework (GCTF) workshops is one concrete example of how they have done so. AIT has partnered with the Ministry of Foreign Affairs, other governments, and organizations within Taiwan to hold train-

ing seminars on important topics for civic leaders from around the region. These workshops demonstrate close bilateral cooperation, advance shared regional interests, and deepen Taiwan’s relations with countries across the Indo-Pacific.

One wonders, however, how many AIT initiatives have been blocked by the State Department or simply withered on the vine without a champion in Washington. We do not know yet what Stilwell’s priorities will be vis-à-vis Taiwan, but we do know that the Free and Open Indo-Pacific strategy will falter if Taiwan does not remain free and open. Perhaps going forward, the default answer from Foggy Bottom will be a “yes.”

**The main point:** The confirmation of an assistant secretary of state for East Asian and Pacific affairs may bolster Trump administration efforts to pursue a closer, more robust US-Taiwan relationship.

## The Hong Kong Crisis and Implications for Taiwan and the Region

By: Ambassador Stephen M. Young (ret.)

*Ambassador Stephen M. Young (ret.) served as a US diplomat for over 33 years, with assignments in Washington, Taipei, Moscow, Beijing, Kyrgyzstan, and Hong Kong. He is a member of GTI’s Advisory Board.*

Under the thuggish strongman Xi Jinping (习近平, b. 1953), China has launched a more aggressive regional policy that threatens to upend the recent long stretch of tranquility enjoyed in East Asia. Chinese President Xi has ratcheted up tension with Japan, almost as if World War II had never ended, despite recent lulls. Relations with Vietnam remain unsettled. Xi’s expansive claims to the South China Sea have angered both littoral states and the United States, despite an international legal ruling that dismissed Chinese assertions of sovereignty there. Tensions have spiked over Taiwan, again despite a prudent and low-key approach on the part of the country’s democratically elected leader. And now there is a totally avoidable rise in tension over Hong Kong.

Let’s recall the late Chinese President Deng Xiaoping’s pledge that Hong Kong could enjoy 50 years of a great

deal of autonomy under “one country, two systems.” This was also meant to reassure the people of Taiwan, in the wake of America’s diplomatic shift to China in 1979, that closer ties with the People’s Republic of China (PRC) could be relatively risk-free. It came as negotiations between the United Kingdom (UK) and China on Hong Kong’s future reached a crescendo in the early 1980s. Those two countries’ formal agreement in 1984 included a pledge that both Hong Kong and Taiwan could enjoy a great deal of autonomy for at least 50 years, putting off the agreement on an eventual return to full Chinese sovereignty.

The people of Hong Kong had little option but to go along with the deal London and Beijing worked out, though they did cling to the solemn pledges issued at the time. After a period of market volatility, things settled down, and—as the pundits all predicted—Hong Kong went back to doing what it did best: make money.

There have been some rough spots between Beijing and Hong Kong since 1997, to be sure. Efforts, pressed by Beijing, to pass a sweeping security law some 15 years ago brought huge crowds into the streets of Hong Kong, until China’s leaders backed down. And again, in 2014 the people of Hong Kong demanded more transparent election in what then became the Umbrella Movement. So why Beijing is opening this can of worms again, less than halfway through the vaunted 50 years of broad autonomy Deng promised Margaret Thatcher?

The rise of China over the past 40 years arguably has been a major factor in the current events in Hong Kong. The unique role of Hong Kong as an effective offshore financial and commercial hub managing trade and business into China proper has largely faded, as comparable financial centers have emerged in Guangdong’s Pearl River delta, as well as Shanghai, Chongqing, and Tianjin. The widespread poverty that was Mao’s great legacy has been transformed by Deng’s astute economic policies. A middle class has begun to emerge in China. This was all good news.

Xi Jinping appeared to be a consensus choice to replace Hu Jintao as top leader of the PRC ten years ago. Many presumed this son of a high-ranking communist cadre would continue the moderate policies of his predecessors. Yet, here we are today, with Mr. Xi taking on

quasi-imperial airs, declaring himself ruler for life and sidelining many of the people who facilitated his rise to power. At age 66, he could be around for a long time.

It is in that context that we are seeing the steady deterioration of Hong Kong’s autonomous status today. Only 22 years into the pledged 50 years of autonomy, Beijing’s hand there seems heavier than ever. True, the people of Hong Kong have some indirect say in who leads them; but China holds most of the trump cards. It enjoys final approval over the top leader there, and has increasingly been seen to be dictating the overall course of political life from behind the curtain.

There is little doubt China aspires to stricter controls over the political life in the autonomous territory. Despite the failure of the security law 15 years ago that brought then Chief Executive C. H. Tung’s downfall, here we see Beijing trying again to dictate legislation designed to curtail the freedom of Hong Kong’s seven million people to chart their own course.

I rather liked Carrie Lam, the current chief executive of Hong Kong since 2017, in my regular dealings with her when I served as US Consul General in Hong Kong from 2010 to 2013. She was accessible and moderate in her views. She reflected a deep understanding of Hong Kong’s political system, and had worked her way up to the deputy chief executive job during my tenure there. So I can only attribute intense pressure from Beijing in trying to understand Chief Executive Lam’s reckless decision to revive the idea of an extradition law widely known to be unpopular with her local constituents.

Why Xi Jinping is in such a hurry to exercise more control over Hong Kong is anyone’s guess. But I think Xi badly miscalculated his actions in the recent events in Hong Kong. For the young people of Hong Kong, 2047—the 50 year mark since Hong Kong was transferred from London to Beijing’s control that Deng Xiaoping promised would be years of autonomy for Hong Kong under the “one country, two systems” framework—is no abstraction, but their future. Business interests are also rattled, which could stimulate financial flight and perhaps see major firms shifting their operations south to the more predictable political climes of Singapore.

Closer to home, the message of Beijing’s ham-handed tactics in Hong Kong could not be clearer to friends in Taiwan. Xi’s China remains an autocratic and untrust-

worthy bully. Democratic Taiwan knows it has a reliable partner in the United States, and needs to take even greater care to shore up its defenses against the threats and blandishments of the “People’s” Republic of China.

The size and sustainability of the crowds suggest this is not going to die down soon, though the threat of violence, or even intervention by the PLA garrison stationed in Hong Kong should serve as curbs to the still largely peaceful crowds that have been demonstrating there. Carrie Lam has been circumspect, but has not yet met the key demand of protesters – that she formally withdraw the proposal for an extradition agreement with China.

Taiwan citizens have taken to the streets in vocal support of the democracy protesters in Hong Kong. Events in Hong Kong appear to have improved Tsai Ing-wen’s prospects, as her more pro-Chinese KMT rivals have been put on the defensive. There is still a long way to January’s elections, but a second term seems much more likely for Tsai than it did just a few months ago. Meanwhile Washington has sent the right signals to both Hong Kong and Beijing, though President Trump’s continuing bromance with Xi is a wild card factor.

**The main point:** Beijing’s intense pressure may be the reason for Carrie Lam’s reckless decision to revive the idea of an extradition law. The ongoing political crisis in Hong Kong will likely have implications for Taiwan and beyond.

## Taiwan-Solomon Islands Relations and China’s Growing Inroads into the Pacific Islands

By: Timothy Rich

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On June 3, in meetings with his Australian counterpart, the Solomon Islands’ foreign minister Jeremiah Manele stated that his country would make a decision on the continued diplomatic recognition of Taiwan [within the next hundred days](#). This follows elections in April

in which then Prime Minister Rick Hou stated that if re-elected, his country would [reevaluate relations with Taiwan](#). Hou lost, but the election of Manasseh Sogavare, who in a previous stint as prime minister [faced corruption claims](#) connected with donations made by the Chinese telecommunications company Huawei to his party, has differed little in his rhetoric about relations with Taiwan. Sogavare announced in late June [a task force](#) to not only visit Beijing and Taipei, but also other countries in the region that recognize China.

Why does it matter that the Solomon Islands, a poor country with limited political influence, may break off relations with Taiwan? The Solomon Islands have maintained relations with Taiwan since 1983 and have often spoken in support of Taiwan’s role and participation in international organizations that Taiwan cannot join, notably the United Nations. However, the country has no means to do much else to aid Taiwan. Nor have their relations lacked controversy. For example, in 2000, Deputy Prime Minister Allan Kemakeza was dismissed after [embezzling some of the USD \\$14 million](#) that Taiwan provided for civil war victim compensation. The same year, the Solomon Islands reportedly requested [USD \\$150 million to maintain relations](#)—which Taiwan declined—and [explored switching recognition to the People’s Republic of China \(PRC\)](#). One year later, [criminal gangs](#), aware of Taiwanese aid to the government, targeted government officials and demanded millions of dollars in civil war compensation. Opposition parties in 2006 claimed that [Taiwanese money](#) in part fueled the election victory of Prime Minister Snyder Rini, resulting in riots in the capital, Honiara.

Taiwan’s Ministry of Foreign Affairs (MOFA) denies engaging in “dollar diplomacy,” yet increasing assistance to the Solomon Islands now may be viewed as a cost-effective means to avoid further diplomatic isolation. Taiwan has provided considerable aid to the country already, including [USD \\$29.3 million](#) to the country’s Rural Constituency Development Fund in 2017, but such efforts have not prevented the country from enhancing economic ties with China. Whereas China is not a major economic partner to Taiwan’s other Pacific diplomatic partners, the Solomon Islands’ economic ties with China are robust, [constituting 64.5 percent of its exports, and 21.9 percent of its imports](#).

Despite these challenges, and with only seventeen



countries maintaining formal relations with Taiwan, of which six of them are in the Pacific, concerns arise in Taipei that if the Solomon Islands break relations with Taiwan, that this will create a [domino effect with other Pacific allies that still recognize Taiwan over China](#). To add to this climate of uncertainty, four other Pacific countries that recognize Taiwan over China are scheduled to hold elections this year (Kiribati, Marshall Islands, Nauru, and Tuvalu), with [Palau](#) following in 2020. All of these countries will likely see the role of Chinese aid and investment generate similar debates on whether to continue relations with Taipei, as it is going on in the Solomon Islands. But how realistic is it that the change in recognition from Taipei to Beijing of the Solomon Islands will lead others to turn to China as well?

Concerns of a domino effect are not new: often when a country drops recognition of Taiwan, this stokes fears of others following. For example, Taiwanese officials worried about a loss of Caribbean partners en masse when Dominica switched recognition to China in 2004, but St. Lucia's switch in 2007 to recognize Taiwan calmed such fears. Similarly, when Costa Rica broke relations in 2007, Taiwanese officials feared a domino effect in Central America that ultimately did not materialize. From 2008-2015 under the so-called diplomatic truce between Taiwan and China, neither country tried to entice countries to break relations. When China ended the truce following Tsai's election in 2016, China's efforts towards Taiwan's Central American partners resumed, resulting in El Salvador and Panama breaking relations with Taiwan. Nor does it seem that China would want all of Taiwan's diplomatic partners to break off relations in quick succession out of fears that this would encourage Taiwanese officials to engage in more provocative actions including a formal declaration of independence. Rather, China's strategy appears both to entice nearly all of Taiwan's partners to frustrate Taiwanese efforts to stave off losses, while maximizing international attention, and perhaps domestic attention in Taiwan, by spacing out such diplomatic victories over time.

As some countries have broken relations only to return to Taiwan, including Nauru and Kiribati, [this suggests that El Salvador could do so as well](#), following its switch to China in 2018 and elections this year. Some

suggest avenues in which Taiwan [could regain diplomatic partners](#), especially among Pacific island countries as China's One Belt, One Road (OBOR, or Belt and Road Initiative, BRI) initiative left many deeply in debt. Yet, the economic and political costs of breaking from a rising power may prove daunting. Furthermore, my own work suggests that as a country's debt increases as a share of GDP, a country is more likely to recognize China over Taiwan. However, the Solomon Islands' debt as a percentage of GDP has declined significantly in recent years. Looking at the Solomon Islands, debt as a share of GDP has decreased every year since 2003. Within this broader context, if the Solomon Islands decide within the next hundred days to break relations, one should not expect a change of heart unless China simply reneges on aid commitments.

China's efforts to woo the Solomon Islands should not be viewed purely as an attempt to further Taiwan's diplomatic isolation. Rather, China's interests in the Solomon Islands are consistent with a broader effort to expand Chinese influence in the Pacific, efforts that should be of strategic concern for the US and its allies in the region. The US ambassador to Australia referred to China's efforts in the Pacific as a "[pay-day loan diplomacy](#)," consistent with claims elsewhere that the conditions of Chinese loans often lead to countries granting greater concessions to China when they cannot repay. [Australia](#) remains concerned about Chinese telecommunications projects in the Pacific, not only because of their lack of transparency, but also the implications in terms of the security of Australia's own telecommunications infrastructure. Due to this and broader security concerns, Australia has spent [additional aid in the Pacific](#) in part to combat Chinese influence.

The potential for China to use expanded relations in the Pacific to host naval bases or conduct naval drills should also be of concern for the United States. Vanuatu, which recognizes China, has denied reports of negotiations for a permanent Chinese military base in the country. Australian officials have consistently voiced concerns about how [Chinese bases in the region](#) would negatively affect Australian interests in the region as well. However, it is conceivable that China would offer aid packages to one of Taiwan's diplomatic partners far above past offerings if it allowed China to extend its naval reach, a crucial element necessary to deter the

United States and others from assisting Taiwan in a future crisis. [Assuming initial Chinese interest in a base in Vanuatu](#), an offer to the nearby Solomon Islands after a diplomatic switch seems plausible.

Such concerns over Chinese militarization in the region and its implications for US strategic interests—including the security of Taiwan—likely played a crucial factor in why then [Acting Assistant Secretary for Southeast Asia W. Patrick Murphy](#) stressed the importance of Taiwan’s six Pacific diplomatic partners remaining with Taiwan. While many US officials expressed concerns about growing Chinese influence in Central America and the Caribbean as Taiwan lost additional diplomatic partners there, the loss of Pacific partners presents a less appreciated but also strategic challenge both to American security interests in general and certainly to Taiwan’s security, in particular if China can deny or delay an American response to a cross-Strait conflict.

If the Solomon Islands break relations, Taiwan can re-allocate resources budgeted towards other diplomatic partners as it has in the past. It can also alter its rhetoric about recognition and its insistence on calling partners “allies” when other countries rarely use the term so broadly. The current rhetorical ploy only [reinforces a victim narrative](#) when countries break relations by treating each as a devastating blow to Taiwan’s sovereignty without properly weighing the depth of substantive relations. However, Taiwan’s long-term interests require actions beyond bilateral aid allocations and rhetoric, especially as China can always offer larger aid packages. The severing of relations would also signal a declining influence of Australia and the United States in the Pacific, which may embolden Chinese efforts beyond isolating Taiwan.

With shared concerns in the Pacific, now more than ever it would behoove Taiwan to find means to explain that its diplomatic recognition matters, beyond its traditional role of upholding Taiwan’s sovereignty claims and for its partners to serve as proxies in international organizations. Rather, diplomatic losses in the Pacific signal a more aggressive China that threatens the interests not just of Taiwan but others and thus should promote multilateral responses. Such coordination may come in many forms. One option includes an informal multilateral effort among Taiwan, Japan, Australia, and the United States jointly to increase aid in

the Pacific region, with the implicit acknowledgment that the donor countries tie this aid to continued recognition of Taiwan. The announcement by Australian Prime Minister Scott Morrison to provide the Solomon Islands with [USD \\$250 million in infrastructure aid](#) suggests his country may be willing to make similar offers to Taiwan’s other Pacific diplomatic partners as a means to limit Chinese influence. However, it remains unclear whether the Trump administration, one that declared cuts in aid to several of Taiwan’s partners in Central America due to the refugee crisis, would see the value in aid in the Pacific as enhancing US interests. In addition, Taiwan could attempt to expand free trade agreements (FTAs) among its Pacific diplomatic partners, similar to efforts that were historically helpful in maintaining relations with [Central America](#). The potential inclusion of Australia may further stabilize such partnerships.

Regardless of tactics chosen, a Taiwan that allows the international community to view diplomatic recognition in the Pacific solely as an issue of importance between themselves, China, and the recognizing country in question risks allowing China to alter the strategic environment unchallenged.

**The main point:** The Solomon Islands will decide in less than 100 days whether to break relations with Taiwan in favor of China, a sign of growing efforts by China towards Taiwan’s remaining diplomatic partners in the Pacific. Taiwan’s long-term interests require tying these diplomatic battles to US and Australian security concerns in the region and encouraging a multilateral response.

## Taiwan’s Role in Combating China’s Political Warfare in Southeast Asia

By: Kerry K. Gershaneck

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If the recent Shangri-la Dialogue is an indicator, China’s

ability to coercively influence Southeast Asia is achieving continued—and considerable—success. During [the May 31-June 2 Dialogue in Singapore](#), then Acting US Secretary of Defense Patrick Shanahan focused on China’s “toolkit of coercion” and its influence operations to interfere in the domestic politics of other nations and undermine the integrity of elections. Predictably, China’s Defense Minister General Wei Fenghe counter-attacked, presenting China as a force for stability and prosperity, defending the Tiananmen Massacre and all other actions the PRC has taken in its often-contentious relations in the region, and portraying the United States as a troublemaker. As one [participant noted](#), Wei’s speech “showed China feels strong and comfortable enough to openly say obviously false things and defend even its worst actions without shame or hesitation”.

While a US-PRC face-off was expected at the dialogue, the comments of Singapore’s Prime Minister were unexpected—and even disturbing. In a departure from Singapore’s past defense of the international order against China’s efforts to uproot it, Lee Hsien Loong seemed to assume a notably more neutral stance. He asserted what one analyst called a “[false equivalence](#)” of US and Chinese actions in the region, and implied that the region was more afraid of China’s actions than reassured by American rhetoric. Rather than call out China’s continued expansionist actions in the regions, [Lee stated](#) that the US has “the most difficult adjustment to make” in terms of accepting that “China will continue to grow and strengthen.” Singapore is a bellwether for Southeast Asia, so it is crucial to examine the roots of China’s increased success of its political warfare operations there, and the impact and opportunities the situation presents Taiwan.

Southeast Asia holds a preeminent position in China’s quest for regional hegemony. According to Dr. Daniel Kliman, who served as senior advisor for Asia Integration in the Office of the Under Secretary of Defense for Policy, the region is “[a uniquely contested space](#)” and the outcome of this contest has immense implications for Taiwan’s continued freedom, sovereignty, and democracy.

Beijing employs a [well-resourced, comprehensive approach](#) to draw Southeast Asia into its sphere of influence. Political warfare is the primary means China em-

ploy to achieve its expansionist goals, without having to go to war. In fact, Southeast Asia may be considered a primary case study for Beijing’s political warfare operations worldwide. China employs [all means](#) of national power to win its political war here. The effect is [total war](#), a war that goes beyond traditional liaison work and the three warfares to include use of active measures that include violence and other forms of coercive, destructive attacks such as proxy armies.

Singaporean Ambassador Bilahari [Kausikan notes](#) that China is a totalitarian Leninist state that takes a holistic approach which melds together the legal and the covert, in conjunction with persuasion, inducement, and coercion. Importantly, Kausikan identifies the aim of the People’s Republic of China (PRC) is not simply to direct behavior but to condition behavior. “In other words, China does not just want you to comply with its wishes,” [Kausikan asserts](#). “Far more fundamentally, it wants you to think in such a way that you will of your own volition do what it wants without being told. It’s a form of psychological manipulation.”

China’s political warfare is, above all else, a weapon of compellence. In Beijing’s immense arsenal of political warfare weapons it employs in Southeast Asia, economic coercion is especially visible. Beijing entices Southeast Asian countries with its global One Belt, One Road (OBOR) initiative, lucrative military sales of submarines and other weapons, foreign direct investment, market access, and “debt traps” to compel foreign governments to comply with political and security objectives.

Further, China shapes public opinion “to undermine academic freedom, censor foreign media, restrict the free flow of information, and curb civil society.” [1] Its strategies include “fracturing and capturing regional institutions that could otherwise raise collective concerns about China’s behavior, and intimidating countries in maritime Asia that seek to lawfully extract resources and defend their sovereignty.” [2] The PRC’s propaganda organs increasingly dominate, co-opt, or [subvert international news media](#), and [savagely](#) as “immoral” those who criticize its egregious human rights abuses.

The countries of Southeast Asia are poorly equipped to counter these challenges. Some eagerly accept China’s hegemony. But for those willing to resist, Taiwan can help. Based on Taiwan’s seven-decade fight against Bei-

jing's political warfare, it can help to develop Southeast Asian capacity to counter China's malign influence.

### ***Unaware and Unprepared***

For Southeast Asian countries under attack by China's political warfare apparatus, today is—effectively—May 3, 1948.

George Kennan is best known for his Long Telegram of February 22, 1946, in which he delineated containment as the strategy to defeat the Soviet Union in the Cold War. Two years after proposing this ultimately successful grand strategy, on May 4, 1948 Kennan published another seminal memorandum, entitled "[The Inauguration of Political Warfare](#)." Kennan's second landmark of strategic thinking identified a crucial shortcoming:

*"(W)e have been handicapped by a popular attachment to the concept of a basic difference between peace and war, by a tendency to view war as a sort of sporting context outside of all political context [...] and by a reluctance to recognize the realities of international relations, the perpetual rhythm of [struggle, in and out of war]."*

Kennan called the threat by its proper name: political warfare—the same name the Communist opponents use for their perpetual struggle against the democracies.

Properly naming the threat elevated the fight to its rightful level in US national security prioritization. Naming the threat "warfare"—as opposed to merely "countering malign influence" or "competition"—provided the organizing principle that the democracies needed to fight the war. Accordingly, they fought the political war as they would a kinetic war, with appropriate policy, strategy, psychological preparation, education and training, manpower, and financial resources, and on many fronts. Kennan's memo played an important role in the West's containment of—and ultimate victory over—the Soviet Union during the Cold War.

For much of the world that is facing the Chinese Communist Party's political warfare today, it is still May 3, 1948: no one has received a 2019 version of Kennan's memo.

Most elected officials and other leaders do not even realize they are under attack. It is understandable: little

in their education or training prepares them to recognize and fight this threat. The few countries that recognize the threat are [poorly prepared to fight back](#).

In the naïve euphoria that engulfed the free world after the fall of the Soviet Union nearly three decades ago, democracies dismantled their institutions and capabilities to fight hostile political warfare. Discrete functions continue to exist, certainly, but they are "stove piped". Worse, in the absence of a guiding counter-political warfare strategic framework, the terminology employed for these functions can actually undermine national response.

Political warfare encompasses a rich lexicon of terminology and jargon such as: propaganda, information warfare, information operations, psychological operations, influence operations, hybrid warfare, public diplomacy, public affairs, public relations, proxy armies, United Fronts, disinformation, media warfare, LawFare, censorship, misinformation, persuasion, soft power, hard power, and sharp power. Add to this dizzying list terms like grey zone operations, comprehensive coercion, and asymmetric warfare, and it is easy to see why many elected officials and national security bureaucrats fail to view the fight holistically. The terminology diffuses effort and distracts those responsible for policy and operational response because few see their role in the broader context of a total war.

While democracies unilaterally disarmed their political warfare capabilities after the end of the Cold War, China did not. In fact, under Xi Jinping China has dramatically increased its funding and operations in this war. "The scale of these operations is difficult to overestimate," [writes former government analyst Peter Mattis](#). "Beijing has pumped billions of dollars into special initiatives, such as expanding the global reach of official media platforms. [...] [These] challenge democratic governments in ways fundamentally different than traditional security concerns."

For democracies, the outcome of the current inability to coherently confront the Chinese political warfare threat is foreseeable: inept response and ultimate defeat.

### ***What Can Be Done?***

In kinetic warfare, good military commanders think in terms of combined arms operations. By virtue of sound education and training, victorious generals know they cannot fight only one component (such as naval, air, ground, or special forces) to the exclusion of the other

components. If they do, they will lose the war. That “combined arms” mindset is currently lacking in the democracies’ response to China’s political war.

As the vital first step, education is required to intellectually equip current leaders, policy makers, and other influentials about political warfare. Taiwan has long been the [primary target](#) of China’s political warfare, so it can play a major role in Southeast Asian education efforts.

### ***Taiwan’s Asian Political Warfare Center of Excellence***

Based on its long history in which Taiwan has been under attack by China’s political warfare apparatus, and as the only democracy in Asia that still retains a political warfare college, Taiwan is well positioned to take the lead in educating willing Southeast Asian countries about this threat. By doing so, Taiwan could foster a nascent Southeast Asian ability to cooperate against the political warfare threat, and fostering this cooperation would thereby become a key component of Taiwan’s New Southbound Policy.

Accordingly, Taiwan should establish systematic education programs for government, business academia, news and media, NGOs, and other key organizations regarding China’s political warfare goals and methods. Such education programs were employed successfully during the Cold War, with threat briefs and public discussions as a routine part of the programs.

To this end, Taiwan should establish instruction in professional courses provided to government officials, and establish stand-alone political warfare-related courses for public information purposes. All of the courses should be open to representatives from ASEAN countries.

A quick victory in this effort would be to establish a five-day program of instruction. With competent, agile leadership, such a program of instruction could be resourced, validated, and operating within 30 days.

A longer-term, enduring victory is for Taiwan to establish a regional Asian Political Warfare Center of Excellence (APWCE), similar to the Hybrid COE—The European Centre of Excellence for Countering Hybrid Threats, based in Finland. The mission would be similar to the Helsinki COE:

“To develop a common understanding of PRC

political warfare threats and promote the development of comprehensive, whole-of-government response at national levels in countering political warfare threats.”

Specific functions might include examining political warfare targeted at democracies by state and non-state actors; mapping participants’ vulnerabilities to improve their resilience and response; conducting tailored training and scenario-based exercises to enhance participants’ capabilities in countering political warfare threats; conducting research and analysis into political warfare threats and methods to counter such threats; and engaging with experts to improve situational awareness of political warfare threats.

China’s political warfare poses an imminent existential threat to both Taiwan and Southeast Asian countries. Taiwan must invest in counter-political warfare education now to safeguard its freedom and sovereignty, along with the freedom and sovereignty of like-minded Southeast Asian nations.

**The main point:** Southeast Asia is under a relentless political warfare attack by China. Taiwan should play a major role in helping willing Southeast Asian countries successfully respond to this existential threat.

[1] “Ely Ratner: Rising to the China Challenge,” Testimony, Hearing on Strategic Competition with China (House Committee on Armed Services, United States House of Representatives, February 15, 2018).

[2] Ibid.