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## Escalating Clarity without Fighting: Countering Gray Zone Warfare against Taiwan (Part 2)

By: Eric Chan

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Over the last few years, the Chinese Communist Party (CCP) has transformed a [largely ineffective, decades-old carrot-and-stick approach](#) to unification with Taiwan into a [coordinated gray-zone warfare campaign](#) that seeks to exhaust Taiwan's defense forces and undermine the morale of Taiwanese people. Against this type of campaign, standard US and Taiwan modes of deterrence and signaling are ineffective—even if the United States were to openly adopt a policy of strategic clarity, which would only come into effect if the People's Republic of China (PRC) chose to invade. In [Part 1](#), I discussed the utility of creating a set of escalating responses to PRC gray zone warfare in the air, which would serve to both impose costs on the CCP and deter the Party from open warfare. In this part, I will look at the gray zone campaign on the sea, again with possible US and Taiwan responses.

### **Gray Zone Conflict on the Sea**

Whereas People's Liberation Army Air Force (PLAAF) gray zone operations are clearly meant to exhaust the Republic of China Air Force (ROCAF) and militarily intimidate the Taiwan populace, CCP maritime gray zone operations against Taiwan are designed to *establish presence with plausible deniability*. Thus, the PLA Navy (PLAN) is not the lead for these operations. Instead, [the Party relies on People's Armed Forces Maritime Militia](#) (PAFMM), followed by the China Coast Guard (CCG). The PLAN acts as the guarantor against armed escalation, all while [saber-rattling against Taiwan](#). These three maritime forces work together in a "[cabbage strategy](#)" of layered envelopment, forcing opponents to deal with the increasing strategic, operational, and public relations costs of penetrating each layer. While the strategy has been most often used in the South China Sea, the Party [has already](#)

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[begun](#) to utilize this against Taiwan, and will likely [accelerate](#) its use in the future.

The PAFMM operates at the forefront of plausible deniability, as “[helpers of the PLA](#)” (解放軍的助手) operating in a [dual military-civilian structure](#). The [2012 Scarborough Reef incident](#) was a watershed moment for the PAFMM, as the Party perceived that PAFMM involvement was crucial in allowing Beijing to gain control over a major disputed land feature without serious cost. In 2013, Xi Jinping (習近平) [visited the Hainan militia unit](#) (the Tanmen Maritime Militia Company, 潭門海上民兵連) involved in the incident, praised them, and exhorted them to build ever more sophisticated ships to “catch big fish.” For observers who might not have clearly understood that particular metaphor, the accompanying [PLA press release](#) stated that these Tanmen Maritime Militia ships would serve as “moving sea fortresses guarding the sea frontiers of the motherland.”



*Image: A PRC state media publicity photo of maritime militia personnel from Tanmen Township (潭門鎮) on Hainan Island conducting training in December 2019. (Source: [Xinhua](#))*

Currently, the Tanmen Maritime Militia Company remains an elite exception rather than the rule. While certain units of the PAFMM are armed with [sea mines and anti-aircraft artillery/missiles and receive professional naval training](#), the vast majority of the PAFMM are equipped with nothing more than satellite communications and shortwave radio. Part of this is simply the [use of their “civilian” status and the PRC flag as protection](#) against retaliation; the other part is that many units of the PAFMM are [funded, trained, and equipped locally, so its levels of professionalism vary](#). On the surface, this sounds like a disadvantage; how-

ever, the Party has proven adept in using the elite units when they [wish to dominate an area via the cabbage strategy](#), while using the vast bulk of the PAFMM as a messaging mechanism, as demonstrated by the [March 2021 Whitsun Reef occupation](#). This flexibility is key to PRC gray zone operations in the Taiwan Strait, as these operations have a higher risk for escalation to a great power conflict than the ones in the South China Sea.

The China Coast Guard is the second layer of the cabbage strategy, working as the paramilitary force deterring opposing maritime forces from reversing the gains made by the PAFMM. Over the last 10 years, the CCG has undergone a [significant evolution of capabilities, roles, and legal authorities](#), which better equip it to carry out this role. After consolidating from five separate maritime organizations in 2013, the CCG was designated as a part of the paramilitary People’s Armed Police (PAP) under the formal title of the Chinese People’s Armed Police Force Coast Guard Corps (中國人民武裝警察部隊海警總隊). In 2018, the CCG, along with the rest of the PAP, [was divested of most of its law-enforcement responsibilities](#). Instead, its three core missions are now internal security, maritime security, and supporting the PLA during wartime. In January 2021, the Standing Committee of the National People’s Congress passed a new China Coast Guard law (海警法) which [explicitly authorized the use of force against foreign organizations and in the defense of “sovereignty”](#) replacing the old domestic law which authorized use of force as a final resort in a law enforcement scenario.

In short, both the PAFMM and the CCG have been re-designed to wage China’s risky, aggressive gray zone warfare campaign more effectively. Given past incidents in the South China Sea such as [Whitsun Reef](#) and [Haiyang Shi You 981](#) (海洋石油 981), the Party has kept in reserve a number of escalatory techniques that may be used against Taiwan in the near future.

### ***Possible Responses by Taiwan and the United States***

Taiwan and the United States have a number of available counters for these gray zone techniques.

1. *Extend multilateral Coast Guard cooperation or basing.*

The Taiwan and US Coast Guards have [recently signed](#)

[a Memorandum of Understanding](#) to establish a Coast Guard Working Group that will “improve communications, build cooperation, and share information.” This is an excellent start, and points the way to the use of multilateral partnerships to impose strategic costs on the Party for gray zone warfare. Signing similar MOUs with the Japan, Philippine, Australian, and possibly even the Vietnam Coast Guard would go far towards signaling regional bandwagoning against aggression, while providing an avenue to resolve the various maritime disputes Taiwan has had in the past with [the Philippines and Vietnam](#). As the next step beyond MOUs, coordinated exercises, basing, or even patrols would force the CCP to contend with the prospect of involving multiple regional nations in any gray zone crisis, again raising the cost of escalation.

### *2. Begin targeted sanctions against PRC localities hosting aggressive PAFMM units.*

PAFMM units rely on the obfuscating factor of their dual civilian-military status to encourage paralysis in the gray zone. There are some PAFMM units which simply provide support for law enforcement, natural disasters, and search and rescue efforts, part and parcel of any nation’s maritime service. There are also PAFMM units which are [specifically trained by the PLAN, coordinate with the PLAN, and participate in military exercises](#). These are the units that most frequently participate in the riskiest gray zone missions where escalation control is important. Taiwan, the United States, and other allied and partner nations can impose costs on the localities in which these units are based by imposing a targeted tariff or sanctions regime; or at the very least, by ensuring that no friendly foreign economic investment goes into those localities. For Taiwan, this may mean further identifying existing *Taishang* (Taiwanese entrepreneurs operating in the PRC, 臺商) investment in those specific localities, and providing assistance in transitioning them to other domestic or foreign investment opportunities.

### *3. Practice rapid SINKEX.*

PAFMM/CCG gray zone operations are designed to exhaust Taiwan’s national defense resources and undermine civilian morale. Similarly, PLAN operations are designed to demonstrate PRC naval dominance about the island. This type of over-aweing is important both

in the context of “winning without fighting” and in the outbreak of actual open warfare, where the PLA would be in a race against time to secure Taiwan capitulation prior to US intervention. PLA systems confrontation warfare does not intend to annihilate the enemy, but rather [to paralyze and collapse enemy morale](#). In this case, there is utility in Taiwan demonstrating resolve and resiliency against the prospect of immediate political collapse, even if Taiwan military forces face setbacks.

One method of doing so would be to practice a [SINK-EX](#)—a “sink at-sea live-fire training exercise.” In this case, demonstrations could be performed to show how fast and how completely Taiwan military forces could, as a last resort, make its own western ports inoperable in a scenario where PLA forces secure an island lodgment. The recent example of the [difficulties surrounding the removal of one container ship](#), the *Ever Given*—and under peacetime conditions—is a powerful demonstration of the difficulties of clearing an enemy port under fire to the point where logistics can be sustained for an invasion force. Demonstrating to the CCP that PLA island lodgment would just be the start, and not the end, of their military difficulties would be a powerful deterrent against both morale-sapping gray zone warfare as well as an outright invasion.

### **Conclusion**

The recent US foreign policy discussion of whether or not to establish a policy of “[strategic clarity](#)” is incomplete. Strategic clarity by itself is not sufficient to counter PRC gray zone warfare. In this series, I have looked at the utility of escalating clarity as the appropriate counter. However, it should be noted that escalating clarity does not refer to the stance of the United States alone. Taiwan, both by itself and in conjunction with the United States and other partners, must adopt policies that will not just deter but impose costs on the PRC for its gray zone warfare; otherwise, the Party will certainly continue and expand its attrition-based campaign, using lessons learned from its various activities in the South China Sea.

**The main point:** PRC gray zone warfare on the sea involves establishing presence with plausible deniability, while using the threat of armed force just beneath the level of open warfare to paralyze the opponent.

The PRC has yet to use its full range of gray zone tools against Taiwan; this will likely change in the future. Through the use of escalating clarity, the United States and Taiwan can exercise graduated options that can incur costs on the CCP in the gray zone, as well as provide greater deterrence against an outright invasion.

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## Prospects of Leveraging Taiwan's Semiconductor Power for a Taiwan-EU Bilateral Investment Agreement

By: I-wei Jennifer Chang

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On May 10, Taiwan President Tsai Ing-wen (蔡英文) [spoke at the Copenhagen Democracy Summit](#), highlighting cooperative relations between the island-democracy and the European Union (EU). "Taiwan will continue to engage with the EU and other democratic partners to establish a more resilient supply of critical goods such as semiconductors and medical supplies," [she said](#) in a video message broadcast at the summit. As [EU countries](#) have requested Taiwan's assistance in relieving a global semiconductor chip shortage, Taiwan, which ranks as the EU's [sixth-largest](#) trade partner in Asia, has in turn urged EU partners to work towards a potential Taiwan-EU bilateral investment agreement (BIA).

Tsai also [said](#) at the Summit that "a BIA would not just help secure our supply chains; it would protect our mutual geopolitical and economic interests, and send a message about the partnerships and values on which our interests depend." Taiwan's newfound push to commence negotiations on the BIA comes as new strains in the China-EU relationship have impeded the speedy ratification of the [China-EU investment deal](#) reached in late 2020. Given that movement on the Taiwan-EU BIA is—at least in principle—tied to the conclusion of the China-EU investment deal, there seem to be dim prospects for jumpstarting bilateral Taiwan-EU BIA talks in the short term irrespective of Taiwan's potential semiconductor leverage.

## Freeze on the China-EU Investment Agreement

After seven years of bilateral negotiations, an agreement in principle was reached on the China-EU [Comprehensive Agreement on Investment](#) (CAI) at a virtual meeting attended by Chinese President Xi Jinping (习近平), German Chancellor Angela Merkel, French President Emmanuel Macron, and other EU representatives on December 30, 2020. The bilateral investment pact has been hailed as a significant [milestone](#) in China-EU relations, and as a major step in creating a more [level playing field](#) for European companies competing against Chinese state firms in the Chinese market. Moreover, the CAI became a symbol of how China-EU ties continued to grow even while the [transatlantic relationship](#) plummeted to a low point during Donald Trump's administration. In fact, Beijing may have been motivated by the need to preempt [transatlantic cooperation](#) against China under the new US presidency, and thus tried to pull out all the stops to conclude the deal only a few weeks before Joseph Biden's inauguration.

To Washington's dismay, the China-EU investment pact was reached by sidestepping thorny [human rights issues](#), such as those regarding Xinjiang and Hong Kong. However, the [coordinated US-EU sanctions](#) in March of this year against Chinese officials involved in the mistreatment of ethnic Uyghurs in Xinjiang, coupled with [Chinese retaliatory sanctions](#) against EU parliamentarians, have dealt a temporary blow to the final ratification of the agreement by the [European Parliament](#), a requirement for the deal to take effect. In response to Chinese sanctions against EU officials, [Bernd Lange](#), chair of the European Parliament's Committee on International Trade that is responsible for the review, said that China's response to European sanctions was too excessive and that review of the investment agreement would be put on hold. Later, on May 20, the [European Parliament](#) approved a resolution to freeze ratification of the CAI until Beijing lifts its sanctions on EU politicians. Given that the Taiwan-EU BIA is informally tied to the [conclusion of the CAI](#), this recent setback for the China-EU investment pact may, in fact, impede the start of formal investment negotiations with Taipei.

## Origins of the Taiwan-EU BIA

The European Parliament has been in favor of agree-

ments on [investment protection and market access](#) with Taiwan, with an eye towards expanding [Taiwanese investments in the EU](#) and rectifying its persistent [trade deficit](#) with the island. From the EU perspective, the overall trade relationship between the EU and Taiwan was “[performing well below its potential](#),” particularly given opportunities for cross-collaboration in the [information and communications technology \(ICT\) industry](#) and in the development of smart products and services. The Belgian Chamber of Representatives was the first parliamentary body in an EU member state to pass a resolution in 2012 supporting the negotiation and signing of an economic cooperation agreement with Taiwan. [1] Later, a [2013 resolution](#) passed by the European Parliament said that the decision to launch investment negotiations with Taiwan should be based on “economic reasons” and not the state of relations between the EU and China.

Since [2015](#), the EU has been interested in negotiating an investment agreement with Taiwan. The European Commission’s “[Trade for All](#)” strategy, which was released in a 2015 report, discussed the benefits of reaching investment agreements with key East Asian economies in the regional supply chain, including China, Hong Kong, and Taiwan. The [report](#) stated that the EU will explore launching negotiations on investment with Taiwan, building on the investment framework under negotiation with China at the time. The European Commission then began preparations for starting negotiations on investment with Taipei and exchanged views with Taiwanese officials. [2] The European Parliament passed a [resolution on July 5, 2016](#), calling on the European Commission “immediately to start negotiations on an investment agreement with Taiwan.”

### ***China First, Taiwan Second***

The European Parliament passed another set of resolutions in [May 2018](#), and more recently in [October](#) and [November 2020](#), calling on the European Commission to start BIA negotiations with Taiwan. [Peter Berz](#), Head of Unit in the Directorate General for Trade of the European Commission, remarked in early 2019 that although the EU has a “One-China Policy,” it will not rule out negotiations with Taiwan to sign a bilateral investment agreement. However, the [European Commission](#) has expressed that it will not begin formal negotiations with Taipei on a BIA until the EU and Beijing reach their

investment agreement first. Indeed, the EU’s policy to follow the “[China first, Taiwan second](#)” sequence has made any progress on a Taiwan-EU BIA contingent on the successful conclusion of the China-EU investment agreement.

After the CAI was reached in December 2020, there was hope that the Taiwan-EU BIA could finally get off the ground. In a resolution passed in January 2021, the [European Parliament](#) again highlighted the need to actively explore a Taiwan-EU investment agreement. However, European Commission Executive Vice President [Valdis Dombrovskis](#) said in February 2021 that “the Commission has not taken a decision on launching investment negotiations with Taiwan nor does it have a roadmap for the negotiations.” During this time, the EU has been working with Taipei to address some of Taiwan’s current [trade barriers](#) affecting European exporters, Dombrovskis said. There also has not been official discussion on a future Free Trade Agreement (FTA) between the EU and Taiwan given that currently, the primary focus appears to be centered on investment. [3] Thus, it seems that for the time being, there will not be any major progress on advancing the Taiwan-EU BIA until there is parallel movement on the CAI—at least until after ratification of the China-EU investment deal by the European Parliament.

### ***Leveraging Taiwan’s Semiconductor Power?***

Can Taiwan leverage its semiconductor prowess to jumpstart the BIA? Recently, the media have put a spotlight on Taiwan’s strategic role in global supply chains as a major supplier of [semiconductor chips](#). Taiwan Semiconductor Manufacturing Corp. (TSMC, 台灣積體電路製造股份有限公司) has emerged as a new player in the island’s relations with the United States, the EU, Japan, and other countries—and could very well influence their [national security](#) calculations towards Taiwan. Such views, in essence, enhance the critical importance of preserving [Taiwan’s national security](#) and preventing an outbreak of conflict in the Taiwan Strait. Some analysts have argued that Taiwan’s [semiconductor industry](#) serves a role similar to that of Kuwait’s oil: a strategic layer of protection against external threats. Some [commentators](#) argue that Washington, which came to Kuwait’s defense and repelled the Iraqi invasion of Kuwait in 1991, may do the same to protect Taiwan’s semiconductor industry.

However, there are drawbacks to the argument that Taiwan can utilize its semiconductor industry as a bargaining chip to propel the EU into negotiations on a BIA. Some Taiwanese analysts, such as [I-Chung Lai](#) (賴怡忠), president of the Prospect Foundation (遠景基金會), advise against the Taiwanese government interfering in the market on behalf of requesting countries. Instead of intervening in Taiwan's semiconductor production every time a foreign government makes such requests, [Lai](#) proposes that Taipei set up a cooperative mechanism with other countries to manage global requests for semiconductor chips—similar to the oil production and price regulation mechanism of the Organization of Petroleum Exporting Countries (OPEC). Furthermore, the effects of government intervention in TSMC's operations in a manner that favors certain countries would “cause enormous problems in the supply chain,” [Rupert Hammond-Chambers](#), president of the US-Taiwan Business Council, said at a Global Taiwan Institute virtual seminar on May 19.

Taiwan's semiconductor card does not seem to have direct influence on the EU Commission's decision-making in regards to the Taiwan-EU BIA. Instead, the EU seems hemmed in by the freeze on the CAI, which would likely push back the commencement of formal investment talks with Taipei. Indeed, the Taiwanese government faces procedural and structural constraints emanating from the EU-China relationship—which, despite the current clashes over human rights issues, remains an [economically important](#) relationship at its core. Nonetheless, Taipei should continue to work to significantly [boost investment](#) in EU member states in ways that would benefit both its domestic [economic innovation](#) goals and its BIA agenda. Taipei and the EU can enhance cooperation in improving [digital connectivity in Southeast Asia](#), investing in clean and renewable energy projects, and promoting low carbon initiatives, all of which are potential areas of collaboration under a BIA. [4]

**The main point:** Taipei may be looking at ways to leverage its semiconductor power to jumpstart negotiations on a bilateral investment treaty with the EU. However, a recent setback in ratification of the China-EU investment agreement may also impede progress on a potential Taiwan-EU BIA.

[1] “Taiwan/China: President Ma Meets Belgian Cham-

ber of Representatives Vice-President Sonja Becq,” *Thai News Service*, July 13, 2016, retrieved in Nexis Uni.

[2] Giacomo Fracassi, “Taiwan Momentum Needed for Taiwan-EU Trade Talks to Proceed,” *EU Reporter*, February 9, 2016, retrieved in Nexis Uni.

[3] “Register of Commission Documents: Written Answer: Trade and Investment Agreements between EU and Taiwan,” *Impact News Service*, February 12, 2018, retrieved in Nexis Uni.

[4] Stephanie Chao, “Taiwan and ECCT Talk Prosperity, Regional Peace,” *The China Post*, June 8, 2016, retrieved in Nexis Uni.

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## Critical Infrastructure Remains a Blind Spot in Taiwan's Defense Preparedness

By: J. Michael Cole

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Two rolling blackouts across Taiwan, occurring within the space of a week in May—both resulting from malfunctions at Taiwan Power Company's (Taipower, 台電) Hsinta Power Plant (興達電廠) in Kaohsiung—have raised concerns about the vulnerability of Taiwan's infrastructure to potential cyber or kinetic attacks by China.

The short-term power outages occurred on [May 13](#) and [May 17](#), affecting hundreds of thousands of households nationwide in select rationing areas. Coinciding with an unexpected [surge in COVID-19 cases](#) in northern Taiwan, the blackouts fueled rumors online that Beijing may have been attempting to exploit a moment of distraction in Taiwan to probe its energy grid, with a view to exacerbating pressure on the central government. The government [dispelled such rumors](#), and Taipower provided explanations regarding the twin incidents and reasons for the blackouts.

Although there was no apparent involvement by hostile forces in the May incidents, the vulnerability of Taiwan's energy grid was nevertheless put on full display. Amid a surge in demand for electricity, such as during Taiwan summers, all four coal-fired generators at the

Hsinta Power Plant must operate in parallel. During the [May 13 incident](#), a malfunction at a communication system in a transformer station in Kaohsiung resulted in the Hsinta Power Plant being unable to distribute energy. According to the Ministry of the Interior, the malfunction caused two coal-fired generators and two natural gas generators at Hsinta to trip, reducing output by 1.6 million kilowatts. Besides human error, an aging power infrastructure also represents potential risks for a steady and reliable supply of energy in Taiwan. One month prior to the twin outages, Kaohsiung Mayor Chen Chi-mai (陳其邁) had already [said](#) he hoped the Hsinta Power Plant, which has been in operation for 40 years, would be decommissioned as early as 2025, and replaced with a more modern system.

### ***Vulnerability to Hostile Acts***

The combination of aging power plants and narrow energy margins during peak demand exposed by May's incidents underscores the vulnerability of Taiwan's energy sector, and the lack of political will over successive administrations to remedy the situation. This, in turn, creates an opening for hostile forces seeking to disrupt Taiwan's energy supply. Besides cyber attacks that could replicate the kind of human or technical errors that contributed to the blackouts in May, a hostile regime could rely on local proxies, such as the China Unification Promotion Party (中華統一促進黨, CUPP), pro-Beijing organized crime, or [infiltrators](#), to conduct sabotage operations.

Such acts, whether cyber or man-made, could be committed to undermine support for the Taiwan government, to compound pressure on the government in times of emergency, or as part of an initial phase in an attempted invasion of Taiwan by the People's Liberation Army (PLA). Combined with disruptions to the public transportation grid and telecommunication, such attacks would pose a tremendous challenge to the government's ability to mobilize forces to respond to an eventual assault by the PLA.

As Ian Easton of the Project 2049 Institute [notes](#), citing the Chinese publication *Informatized Joint Operations* (信息化聯合作戰), the PLA could also launch kinetic attacks on "fuel supplies and the power grid. Like island nations everywhere, Taiwan is almost totally dependent upon imported oil and natural gas. There

are large emergency stockpiles for war, but these are hardly bottomless. The PLA plans to fire missiles and drop bombs on Taiwan's oil refineries, tank farms, and pipelines. During this phase of the bombing, we are told that hydro-electrical power plants, thermal power stations, and electrical transformers would also be stricken and burned. Command nodes in the power grid would be targeted by cyber attacks. The stated objective of such attacks is to place a strain on the civilian populace." Hostile disruptions to public utilities, including supply of water and electricity, could also be used to cripple output in Taiwan's high-tech sectors, such as the semiconductor industry.

External forces, combined with local agents, could also launch a disinformation campaign in parallel to exacerbate the effects of disruptions caused by cyber or man-made attacks, cause confusion and panic, and undermine confidence in government authorities. There are precedents for such coordinated attacks, such as those committed by [Russia against Estonia in 2007](#) and the [cyber attack against the Colonial Pipeline](#) in the United States earlier this year by elements suspected of being based in Russia. (Moscow denies the government was involved in the attack). It is also suspected that the [state-based Chinese hacker group RedEcho](#) was behind an attack on India's power grid that caused a massive power outage in Mumbai in October 2020 amid an eight-month standoff in Eastern Ladakh.



*Image: At a May 14<sup>th</sup> press conference, Taipower spokesman Chang Ting-shu (張廷杼) (left) explains the cause of the May 13<sup>th</sup> power outage that caused rolling blackouts throughout much of Taiwan. (Image source: [Taiwan Central News Agency](#))*

### *Preparation, Mitigation, and Response*

As one author notes in a recent report on Taiwan's cybersecurity, "a culture of accountability is noticeably absent from both its public and private sectors," which has resulted in cybersecurity flaws being concealed or merely reported as "system abnormalities." Thus, despite the progress that has been made in Taiwan's preparedness to respond to potential cyber attacks against the private and public sector, greater effort must be made to ensure accountability and transparency, and to plug blind spots that are sure to be exploited by a hostile foreign force like China. Ransomware attacks by private or patriotic hackers, as well as the disabling of key infrastructure by PLA cyber units in the opening phase of more traditional military operations, are therefore two areas of Taiwan's defense preparedness that merit further investment. Some initiatives, such as a [joint information security MOU](#) signed between Taipower and the Ministry of Justice Investigation Bureau (MJIB) in September 2019 to strengthen information security and ensure the security and reliability of the power supply in Taiwan, are steps in the right direction. However, more needs to be done.

Besides countering, mitigating the effects of, and identifying the perpetrators of cyber attacks, Taiwan must do more to ensure physical protection at key infrastructure sites. Besides on-site physical protection such as restricted zones and better surveillance, proper background checks—and, where necessary, the assignment of security clearances—should be normalized to ensure that employees at critical infrastructure sites are trustworthy and that they are not acting as potential agents of a foreign power. (The implementation of a security clearance system is urgently needed across the Taiwanese government system, but that is a subject for another day.)

Besides bolstering on-site security, the Taiwanese government must also make the necessary investments to modernize power plants and other networked elements of the country's infrastructure. Greater effort should also be put into ensuring sufficient and uninterrupted supply of electricity through redundancy, parallel systems, and auxiliary storage facilities. Grid stabilization projects, such as that at [Hornsedale in South Australia](#), are examples of projects that could be taken up by Taiwan. The government should also invest

in [large-scale battery energy storage systems](#) (BESS) to store energy collected by solar panels, wind farms, and other alternative energy sources in order to help stabilize the grid whenever distribution is affected. All these can reduce the frequency of blackouts in both peacetime and war, and would make it more difficult for a hostile external agent or saboteurs to knock out Taiwan's energy sector in a single blow.

As Evan A. Feigenbaum and Jen-yi Hou (侯仁義) point out in a [2020 paper](#) for the Carnegie Endowment for International Peace, there is also room for much closer cooperation between Taiwan and the United States on energy storage technology. Such storage solutions may include [virtual power plants](#) (VPP), which use cloud-based distribution to aggregate nationwide capacity from various energy sources; [1] [Tesla's Megapack](#); and carbon capture and sequestration (CCS) technology. Energy storage infrastructure would help reduce Taiwan's reliance on coal and natural gas—both of which are imported and therefore subject to interruption or embargo—to stabilize its grid. As Feigenbaum and Hou observe, CCS plays to Taiwan's industrial strengths and could in fact represent a new business sector, as no major country has yet to dominate this nascent technology.

Taiwan will never be able to completely defend its critical infrastructure against external assault, cyber attacks, and sabotage. However, by improving security, increasing redundancy, and investing in new sources of energy and storage, it can bolster its resilience and thereby augment its deterrent capacity against an external aggressor. The incidents last month at Hsinta have made it clear that the energy grid—and by extension, Taiwan as a whole—is particularly vulnerable to sabotage. Such blind spots should be remedied before they can be exploited by actors with malicious intentions.

**The main point:** Recent nationwide blackouts caused by two glitches at a power plant in Kaohsiung have drawn attention to the fragility of Taiwan's energy grid, and its potential vulnerability to sabotage by hostile forces. Various measures—such as modernizing the grid, boosting on-site security, and building redundancy and storage capacity through new technologies—could help reduce the risks of a catastrophic knock-out blow by China.

[1] According to Germany's Next Kraftwerke, one of the pioneers of modern VPPs, it's "a network of decentralized, medium-scale power generating units such as wind farms, solar parks and combined-heat-and-power units, as well as flexible power consumers and storage systems." Quoted in <https://www.greentechmedia.com/articles/read/so-what-exactly-are-virtual-power-plants>.

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## Since Spring 2021 Activities by China's United Front Bureaucracy for Taiwan

By: John Dotson

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The Chinese Communist Party (CCP)'s sprawling [united front](#) (統一戰線) bureaucracy remains one of its [key mechanisms for implementing policy towards Taiwan](#). In order to maintain a veneer of pluralism and representation for Taiwan within the People's Republic of China (PRC)'s one-party system—while excluding any persons or organizations who might possess actual democratic legitimacy as representatives of Taiwan—the CCP maintains a tightly-controlled network of united front organizations focused on the island. [1] Some of the most prominent among these groups are:

- The [Taiwan Democratic Self-Government League](#) (TDSGL, 臺灣民主自治同盟): The TDSGL, frequently abbreviated as "Taimeng" (臺盟), is one of the eight "[democratic parties](#)" allowed to operate within the PRC system as stage-managed adjuncts of the CCP. The *Taimeng* purports to represent pro-unification Taiwanese.
- The [China Council for the Promotion of Peaceful National Reunification](#) (CCPPNR, 中國和平統一促進會). [2] The CCPPNR is a [front organization chaired by CCP Politburo Bureau Standing Committee Member Wang Yang](#) (汪洋). It operates under the direct management of the CCP United Front Work Department, advocating the annexation of Taiwan under Beijing's "one country, two systems" framework. It also serves as a mechanism for advancing [CCP influence over ethnic Chinese commu-](#)

[nities abroad](#).

- The [Chinese People's Political Consultative Conference](#) (CPPCC, 中國人民政治協商會議): A pillar institution of the CCP united front bureaucracy, the CPPCC includes seats for appointed delegates from Taiwan—to include the [leadership](#) of the *Taimeng*.

In early May, an official from Taiwan's Mainland Affairs Council (大陸委員會) told media representatives that PRC officials—with an eye towards the upcoming July 2021 centennial anniversary of the Communist Party—were [ramping up united front efforts](#) in an effort to pressure Taiwanese officials to lower barriers to cross-Strait exchanges. Indeed, in spring of this year, the organizations within the CCP's Taiwan-oriented united front bureaucracy have held a number of events intended to promote Beijing's narratives regarding "reunification" (統一), as well as to promote cross-Strait social and economic ties—while excluding representatives of Taiwan's government. However, the outreach efforts of these CCP united front groups remain inhibited by the hidebound nature of PRC policy, as well as the political imperative to engage in loyalty signaling to CCP leader Xi Jinping (習近平) via participation in internal CCP ideological indoctrination campaigns.

### ***The CCPPNR's "Reunification Forum" in April***

One of most prominent of these events was the CCPPNR's inaugural "[Reunification Forum](#)" (統一論壇), which was convened in Beijing on April 13. The meeting was chaired by Wan Gang (萬鋼), who wears multiple united front hats: in addition to his role as the deputy director of the CCPPNR, he is also one of the vice-chairmen of the CPPCC; as well as [chairman of the Zhi Gong Party](#) (致公黨), one of the "democratic parties" that operate under CCP United Front Work Department (UFD) control. The official theme of the conference was "deeply studying and implementing the spirit of Xi Jinping's important speech on the 40<sup>th</sup> anniversary of the 'Announcement to Taiwan Compatriots,' firmly opposing 'independence' and advancing professional development in the New Era."

The original "[Announcement to Taiwan Compatriots](#)" (告臺灣同胞書) was published in People's Daily on New Year's Day 1979, and issued nominally in the name of the PRC National People's Congress. The document made renewed calls for unification, offered an end

to hostile military actions (such as artillery duels with Taiwan-controlled islands), and proposed the “Three Links” (三通) of direct postal communication, direct travel, and trade between the two sides. Wan Gang’s referenced [speech by Xi Jinping](#) was delivered on January 2, 2019, which largely reiterated existing PRC positions: demands for adherence to the so-called “1992 Consensus” (九二共識); unification based on the “one country, two systems” formula; a call for vaguely-defined “democratic consultation” on Taiwan’s future; and continued assertion of the PRC’s right to use military force.



*Image: Attendees at the inaugural “Reunification Forum” held by the CCPNR in Beijing on April 13, 2021. The banner in the background exhorts participants to “study and implement the spirit of the important speech of General Secretary Xi Jinping” pertaining to Taiwan policy. (Image source: [CPPRC](#))*

[Official coverage](#) of the “Reunification Forum” indicated little in the way of substantive policy discussion. Instead, the forum produced a series of verbose and heavy-handed propaganda statements, such as the exhortation to “unite Taiwan compatriots to work together to realize the great rejuvenation of our people and epochal proposition of peaceful reunification of the motherland.” Insofar as there was any actual policy discussion at the event, it was hinted at in the official slogan’s mention of “professional development” (事業發展)—an apparent reference to the economic inducements to be offered to Taiwanese businesspeople interested in working in the PRC, and willing to support PRC positions.

### ***Other Taiwan-Oriented United Front Public Events in Spring 2021***

The CCPNR’s “Reunification Forum” was the most

prominent united front event hosted in spring this year, but it was not the only one. Other Taiwan-oriented united front entities hosted a series of public events in April and May, many of them aimed at businesspeople—the Taiwanese group most consistently targeted by CCP cooptation efforts—and especially, younger engineers and entrepreneurs interested in high technology sectors of the economy. Some of these events included:

- April 2: The *Taimeng* central committee convened the [“2021 Taiwan Liaison Work Key Point Work Advancement Conference”](#) (2021 年對台聯絡重點工作推進會) in the city of Hefei (Anhui Province). One of the stated themes was “vigorously striving in work to win the hearts of Taiwan youth” (大力做爭取臺灣青年民心工作).
- April 13: A delegation of united front officials led by *Taimeng* Vice-Chairman Yang Jianlu (楊健率) [toured Taiwan-owned businesses in Guangdong](#), as part of a program of “Taiwan-invested mainland enterprises fusion development research” (大陸台資企業融合發展研究).
- April 18-19: The [“2021 Cross-Strait Traditional Chinese Culture and Modernization Conference”](#) (2021海峽兩岸中華傳統文化與現代化研討會) was convened in Putian (Fujian Province), with the official theme of “Oceanic Culture and Building the 21<sup>st</sup> Century Maritime Silk Road” (海洋文化與21世紀海上絲綢之路建設). The event was sponsored by the [China Democracy Promotion Society](#) (中國民主促進會), another of the “democratic” front parties under CCP control.
- May 11: The [“2021 Shanghai Cross-Strait Youth Innovation Competition”](#) (2021上海海峽兩岸青年創業大賽) commenced, with plans to conduct coordinated events throughout the summer in Shanghai, Guangzhou, and Taipei.
- May 14: Youth from Hong Kong, Macao, and Taiwan were [hosted under united front auspices](#) for tours of companies and government offices in the city of Ningde (Fujian Province), as part of a “research exchange activity” (研習交流活動) intended to encourage these young people to work or invest in enterprises in Fujian.

### ***The Need to “Biaotai” to Xi Jinping***

As indicated by coverage in state media and official summaries from party-state bodies, much of the recent time and attention of the PRC’s Taiwan-oriented united front bureaucracy has been consumed by the need to display conformity with CCP ideological indoctrination campaigns—and in particular, to obsequiously *biaotai* (表態), or signal loyalty, to CCP supreme leader Xi Jinping. Many of the public events conducted by these groups in 2021 have centered around the study of Xi’s statements on Taiwan policy; or else have ignored Taiwan issues entirely in order to focus on CCP internal ideological indoctrination campaigns, such as the ongoing [“Party History Study and Education Mobilization”](#) (黨史學習教育動員), a major initiative directly associated with Xi.

On March 18, the CCPNR Secretariat [convened a meeting](#) to discuss the ongoing party history campaign, declaring that it was “deepening study and implementation of the spirit of the important speech of General Secretary Xi Jinping” presented at the outset of the campaign. The *Taimeng* similarly [held an event](#) on April 25 to demonstrate its adherence to the campaign, stating that the CCP history program would help the organization to “persist in deepening study and implementation of the essential requirements of Xi Jinping Thought on Socialism with Chinese Characteristics in the New Era.”

Even in cases where Taiwan policy was officially on the agenda, Xi’s cult of personality was always front-and-center in these events. In the [official summary](#) of the April 13 “Reunification Forum,” the CCPNR described its role thusly: “In recent years, [CCPPNR] has adhered to the important guidance of General Secretary Xi Jinping for Taiwan work, extensively uniting Hong Kong-Macao-Taiwan compatriots and overseas Chinese to make positive contributions towards achieving the enterprise of reuniting the motherland.” Such stilted language is no doubt beneficial to the leadership of these groups within the CCP bureaucracy, but it is unlikely to win over many people in Taiwan itself.

### ***Conclusion***

The PRC’s [aviation](#) and [naval](#) forces, as well as efforts at [economic coercion](#), have been employed this year as the “stick” in Beijing’s psychological pressure campaign

against Taiwan. At the same time, Beijing is attempting to use the various components of its Taiwan-focused united front bureaucracy as the “carrot.” The events organized in the early months of this year serve to illustrate the CCP’s essential united front strategy towards Taiwan: ignore the government, while dangling economic inducements to Taiwan citizens—and sending a message that adherence to PRC narratives on Taiwan is a requirement for business opportunities in the PRC. In particular, the CCP’s united front efforts are seeking to coopt younger Taiwanese who are setting out on careers in business or high technology, encouraging them to live and work in the PRC.

Career inducements will likely be successful in coopting a certain number of people—if not into active affiliation with the CCP, then at least into silent acquiescence. However, the PRC’s Taiwan united front bureaucracy remains hamstrung by Beijing’s policy rigidity. Economic incentives alone are unlikely to move a critical mass of Taiwan opinion towards greater acceptance of Beijing’s “one country, two systems” formula for unification. The united front bureaucracy is also inhibited by the need to maintain repetitive, public, and obsequious *biaotai* to CCP ideological indoctrination programs and Xi’s cult of personality—a factor that serves as a constant reminder of the identity of the true political masters holding the reins of groups such as the *Taimeng* and the CCPPNR.

**The main point:** The PRC’s Taiwan-oriented united front bureaucracy has pursued an active schedule of events in spring 2021, intended both to promote CCP narratives and to co-opt specific constituencies in Taiwan. However, the effectiveness of the PRC’s united front bureaucracy remains hampered by Beijing’s policy rigidity, as well as the need to devote time and resources to internal CCP ideological campaigns.

[1] The CCP’s united front architecture could be defined narrowly, as those organizations falling specifically under the cognizance of the CCP United Front Work Department (統一戰線工作部); or in a broader sense, encompassing all organizations under CCP direction that serve a united front role, to include those under the cognizance of other party-state agencies. This article adopts the latter definition.

[2] Previous work by the author (see [here](#) and [here](#))

has translated the name of this organization as the “Council for the Promotion of the Peaceful Reunification of China,” or CPPRC. The English-language name “China Council for the Promotion of Peaceful National Reunification” has been adopted by the organization itself. To avoid confusion, the latter name is employed here. The name in the original Chinese (中國和平統一促進會) remains unchanged.

[3] The “[Announcement to Taiwan Compatriots](#)” (告臺灣同胞書) was published in *People’s Daily* on New Year’s Day 1979, nominally in the name of the PRC National People’s Congress. It made renewed calls for unification, offered an end to hostile military actions (such as artillery duels with Taiwan-controlled islands), and proposed the “Three Links” (三通) of direct postal communication, direct travel, and trade between the two sides.

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## The Reconsidering Taiwan’s Place in the International Order: Lessons from the WHO and ICAO

By: Michael Mazza

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Speaking at the ceremony announcing the signing of the US-Taiwan memorandum of understanding on coast guard cooperation, Taiwan Foreign Minister Joseph Wu (吳釗燮) [vowed](#) to work with the United States “to together defend our commonly cherished values of democracy, freedom, human rights, and the rules-based order.” A [commitment](#) to “upholding the rules-based international order” is a running theme in the statements of senior Taiwanese officials. Addressing the Copenhagen Democracy Forum last month, President Tsai Ing-wen (蔡英文) herself [fretted](#) that “authoritarian states are now looking to alter the rules-based global order by taking advantage of the COVID-19 pandemic.” On the one hand, it is natural for a small state like Taiwan to be invested in a rules-based order, given that those rules—in theory—also bind bigger countries to certain modes of interaction. It puts everybody—in theory—on equal footing. On the other

hand, the current order is inimical to Taiwan’s interests in important ways, mainly due to Taiwan’s exclusion from key parts of that order. Perhaps it is time for Taiwan to move on from pursuing participation in an order that rejects it, and instead advance creative proposals for overhauling that order entirely.

### ***How The Rules-Based Order Fails Taiwan***

On May 24, 2021, the World Health Assembly (WHA) decided [against](#) even discussing Taiwan’s inclusion as an observer in this year’s meeting. For the fifth consecutive year, and the second time now in the midst of a global pandemic, Taiwan has been excluded from partaking in the conversation about ensuring global public health. The past twelve months have been a particularly frustrating time for Taipei and featured a shameful display from the World Health Organization (WHO). Last year, when Taiwan was raising [red flags](#) about a mysterious disease in Wuhan, managing an exemplary [response](#) to COVID-19, and [donating](#) personal protective equipment around the world, the WHO did [not](#) welcome Taiwan’s participation at the WHA. Today, when Taiwan is dealing with a substantial outbreak for the first time, the WHO is still keeping Taiwan at arm’s length.

Nor is there any indication the United States is prepared to get serious about solving this problem. The Biden Administration, like the Trump Administration before it, is supportive of Taiwan’s participation. In comments at a recent German Marshall Fund [event](#), Jennifer Hendrickson White, a senior policy advisor at the US Mission to the United Nations, made clear the United States would continue to “advocate” for Taiwan’s inclusion—by making the case that its inclusion would bring tangible benefits to international organizations and their members, and by arguing that its inclusion is consistent with UN resolutions. The inclusion in this year’s G7 Foreign and Development Ministers’ [statement](#) of a call for “Taiwan’s meaningful participation in the World Health Organization forums and the World Health Assembly” was something of a coup for the United States and for Taiwan.

But this kind of advocacy will only go so far. Washington and like-minded countries are unlikely to win this argument when China is relying on coercion to ensure support for its position. In this case, competition on

Beijing's terms is probably necessary if Taiwan is to be invited over Chinese objections. It is not clear that Taiwan's partners have any appetite for such a competition.

It is not only in the realm of global public health that the presiding international order is not conducive to Taiwan's interests. Beijing has also taken advantage of Taipei's exclusion from the International Civil Aviation Organization (ICAO). During the first week of January 2018, China's Civil Aviation Administration unilaterally [opened](#) the M503 civilian air path through the Taiwan Strait to northbound traffic (it had previously only been opened to southbound flights) and announced three new west-east feeder routes to the M503. The CAA did so in violation of a 2015 cross-Strait agreement to consult ahead of such moves. Taiwan's concerns were twofold, as I [described](#) later that year:

*“Taiwan has raised concerns of both safety—the new routes run by Taiwan’s offshore islands, which have their own airports—and security. In particular, those responsible for ensuring Taiwan’s security worry that PLA aircraft may take advantage of the new routes to approach the island under the guise of commercial airliners [...] Moreover, should the PLA ever launch an invasion and successfully establish a beachhead on Taiwan, Beijing is likely to use civilian airliners as complements to military transport in order to ferry people and supplies across the Strait; civilian pilots using the newly announced air routes would be, in effect, training for an invasion.”*

Taiwan's appeals to ICAO to mediate the cross-Strait dispute fell on deaf ears. Indeed, ICAO failed to take any action in response to China's provocation, despite the CAA's apparent violation of the ICAO [Air Traffic Services Planning Manual](#). Then, in 2019, the Air Traffic Management Sub-Group of the Asia Pacific Air Navigation Planning and Implementation Regional Group, an ICAO body, issued a [report](#) listing the “full utilization of Route M503 in 2018” as a factor contributing to reduction in major air delays in the region. In other words, the new air traffic paths received the ICAO stamp of approval. Meanwhile, China has continued to ensure that Taiwan is not invited to observe triannual meetings of the ICAO assembly.

Taiwan may now be watching ICAO with renewed wariness as the organization struggles to deal with the actions of one of its members. In the wake of Belarus's apparent state-sponsored [hijacking](#) of a flight of the Irish airline Ryanair, ICAO indicated it was “strongly concerned” in what was still a mildly worded [statement](#). Following an emergency meeting on Friday, May 27, the ICAO Council [announced](#) it would undertake a “fact-finding investigation,” though it was unclear what form that investigation would take, whether Minsk and Moscow would cooperate, and with how much urgency the investigation would proceed.

If ICAO cannot restrain its smaller members from infringing on the rights of other members, there is no hope that ICAO will restrain China in the Taiwan Strait (or anywhere else, for that matter). What's more, Taiwan now must worry about “authoritarian learning,” as Brian Klaas points out in the *Washington Post*, [noting](#) that “dictators across the world look to one another for cues.” Russia and China unsurprisingly demurred from criticizing Belarus. That may largely be about supporting a fellow authoritarian regime, but Moscow and Beijing may have also seen something they might like to emulate. Given that Taiwanese carriers regularly fly over Chinese territory en route to other international destinations, Taipei will now have new cause for worry about the security of its airliners, which fly over Chinese territory as a matter of course, and the crew and passengers onboard. Indeed, on May 27, a Chinese Airlines flight carrying vaccines from Luxembourg via Dubai [avoided](#) flying through Chinese airspace in a deviation from usual practice.

### **Next Steps**

If the United States and its partners are not prepared to buy votes and twist arms to secure Taiwan's invitation to international fora, and if Taiwan's friends are incapable of defending or unable to defend Taiwan's interests within those fora, new approaches are needed.

First, the United States should consider convening meetings immediately preceding international assemblies that include those countries supportive of Taiwan's inclusion. This would require time and resources, but that should be a minor obstacle if Taiwan's exclusion from bodies like the WHO, ICAO, and INTERPOL is a national security concern (which it is). This would

allow Taiwan, its diplomatic allies, and supportive partners to engage directly on issues of mutual concern in multilateral settings and, where appropriate and feasible, to more effectively coordinate on advancing shared interests at the WHA and similar gatherings.

Taiwan, for its part, should consider whether it can encourage changes to the rules-based order that ensure its own interests are better protected. Because Taiwan sits outside that rules-based order, it can feel free to develop a series of proposals aimed at reforming and perhaps overhauling it. The Ministry of Foreign Affairs should put forth ideas of its own—it might even consider an internal essay competition on remaking the global order—while also commissioning studies from independent academic and policy experts.

Ideally, those tackling this challenge would both think small (say, standardizing rules on observership across UN agencies) and think big (abolishing the UN and starting from scratch). Taiwan is by no means invested in the UN system as it currently exists, and thus likely can bring more creativity to tackling its myriad problems. And while Taipei is not well-positioned to advance its favored reforms, the United States and other partners are. Washington should welcome good ideas that it can support, and that serve American interests. Taiwan should strive to provide them.

**The main point:** Perhaps it is time for Taiwan to move on from pursuing participation in an order that rejects it, and instead advance creative proposals for overhauling that order entirely.