



Global Taiwan Institute

**Blinding the Enemy:
CCP Interference in Taiwan's Democracy**



Gary Schmitt and Michael Mazza

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Introduction

The People's Republic of China's (PRC) interference in Taiwan's democracy—efforts to influence politics in Taiwan through both overt and covert, both legal and illicit means—is a matter of importance not only for Taiwan but for the United States as well. As the Taiwan Relations Act (1979) states unequivocally, “It is the policy of the United States ... to consider any effort to determine the future of Taiwan by other than peaceful means ... a threat to the peace and security of the Western Pacific area and of grave concern to the United States.”¹

The issue of PRC interference in Taiwan's democracy came to a head in the November 2018 elections for local mayors, county magistrates, and township councils. Although the exact extent of the interference is difficult to quantify, that it existed is not difficult to see. And while the margins of electoral victories for the Kuomintang (KMT) suggest that the interference was unlikely to have been decisive in many or most instances, the PRC's efforts almost certainly boosted KMT candidates² and eased their paths to victory.³ Understanding the level and character of this interference is important if for no other reason than that future elections—such as the upcoming national election for president and the legislative assembly in January 2020—may be closer and, in such elections, Chinese Communist Party (CCP) influence operations could well make a real difference.

For Americans, understanding what happened in Taiwan is undoubtedly informed by our own recent experience

with foreign interference in elections. But there are important differences to be kept in mind and which make the case of China and Taiwan unique. First, China has the advantage of being ethnically and linguistically far more in sync with Taiwan than Russia could ever be with the United States. Second, the United States is a country of 330 million. As sophisticated as the Russian operation might have been, Moscow's capacity to move the electoral meter in the United States was always going to be marginal, even if important in key instances.

In contrast, Taiwan is a country of 23 million facing a Chinese behemoth with massive financial and cyber-related resources. The scale of what Beijing can “throw” at a much smaller Taiwan makes Chinese efforts potentially far more impactful. Not surprisingly, in the University of Gothenburg's annual analysis of democracy around the globe, two small states (Latvia and Taiwan), facing neighbors that are both much larger and determined to “return” the smaller states to their sphere, have the “absolute worst scores” for the level of foreign government dissemination of false information. Taiwan is the only country to score under 0.5—a score of 0 corresponds to “Extremely often. Foreign governments disseminate false information on all key political issues.”⁴

In the past, the most visible form of Chinese interference in Taiwan's electoral processes took the form of military intimidation. Most famously, the People's Liberation Army (PLA) fired missiles into waters surrounding Taiwan in 1996 ahead of the island's first direct, open presidential election in an ill-fated effort to dissuade voters from casting ballots for Lee Teng-hui.

More recently, Beijing's use of the PLA to sway elections is subtler. Indeed, after increasing the frequency of long-haul PLA Air Force patrols through the Miyako Strait, many of which encircled Taiwan, between 2015 and 2018, there was a seven-month pause in such operations from June to December 2018. Flights

1 Taiwan Relations Act (Public Law 96-8, 22 U.S.C. 3301), Sec. 2, b.4. <https://www.ait.org.tw/our-relationship/policy-history/key-u-s-foreign-policy-documents-region/taiwan-relations-act/>.

2 A particularly striking KMT win was populist Han Kuo-yu's election as mayor of the city of Kaohsiung—traditionally a DPP stronghold. Han's victory was, in part, the product of a massive rallying of supporters through social media. According to a report by investigative journalist Paul Huang, the largest Facebook group supporting his campaign (and which was used to distribute information to other social media) was likely “created, managed, and nurtured by what looks very much like a professional cyber group from China.” “Chinese Cyber-Operatives Boosted Taiwan's Insurgent Candidate,” *Foreign Policy*, June 26, 2019, <https://foreignpolicy.com/2019/06/26/chinese-cyber-operatives-boosted-taiwans-insurgent-candidate/>.

3 The Democratic Progressive Party (DPP) won 13 city and county elections in 2014 but only 6 in 2018. The KMT won 15 city and county elections last year, after having only won 6 in 2014, including winning the mayoralty race in a long-standing DPP stronghold Kaohsiung City.

4 V-Dem Institute, University of Gothenburg, “Democracy Facing Global Challenges: V-Dem Annual Democracy Report 2019,” p.34. https://www.v-dem.net/media/filer_public/99/de/99dedd73-f8bc-484c-8b91-44ba601b6e6b/v-dem_democracy_report_2019.pdf.

resumed in 2019.⁵ It appears Beijing was intent on softening its threatening posture towards Taipei in the run-up to the November elections in order to deny the Democratic Progressive Party (DPP)—the party most intent on maintaining the island's de facto independence—an issue on which to campaign against KMT candidates who were calling for closer relations with the PRC.

Although the PLA remains a tool in the CCP's playbook⁶—the military is, after all, the armed wing of the political party—other tools for election interference in Taiwan are more insidious and less understood here in the United States.

5 Jia Jiawen, "After 9-in-1 Elections, PLA Encirclement Flight around Taiwan 'Go quiet'" United Daily News, January 28, 2019, <https://udn.com/news/story/7331/3618234>. English translation of the headline from the Chinese.

6 Although the PLA appeared to "take a break" operationally in the run-up to the November 2018 elections, at other times, in an effort to reinforce the impression of Taiwan's weakness, it has used social media accounts to publicize PLA deployments of aircraft and naval vessels in the island's surrounding air and seas. Taiwan news channels have then used, without it appears verifying whether accurate or not, these same videos and pictures in their coverage. Reuters Institute for the Study of Journalism, "Digital News Report 2018," p.138. <http://media.digitalnewsreport.org/wp-content/uploads/2018/06/digital-news-report-2018.pdf>.

New and Traditional Media

The PRC's use of information warfare against Taiwan is, of course, not new. Radio stations, massive loudspeakers designed to reach across the waters of the Strait, and even artillery salvos of propaganda pamphlets, were all used by the PRC in the immediate wake of the Nationalist forces' retreat onto Taiwan and surrounding islands. From Beijing's perspective, the "loss" of Taiwan in 1949 to Chiang Kai-shek's KMT was, and remains, a bitter pill despite Mao's victory in the Chinese Civil War. Nevertheless, Mao's adage that "to achieve victory" one "must as far as possible make the enemy blind and deaf by sealing his eyes and ears and ... creating confusion in their minds"⁷ was more a policy hope than an effective reality when it came to Taiwan in the decades following the war.

Yet, misinformation and disinformation⁸ have become a more significant problem in Taiwan in recent years, with their effective impact fueled by both a politically polarized society and the pervasive use of social media by Taiwanese citizens.⁹ Distressingly, a sizeable portion of Taiwan's professional journalist community, via traditional media, has played a role in amplifying "fake news" rather than providing the rigorous reporting sensational stories require. Put simply, Taiwan's media environment—comprising both new and traditional outlets—has become a fertile milieu for PRC influence operations.

One such fabricated story that circulated widely

within Taiwan—and was well along before the government showed it to be false—was associated with a picture of a massed dumping of pineapples in the waters of a dam. The caption tied to the picture asserted that China was no longer buying fruit from Taiwan's farmers because of Tsai's stance on cross-Strait relations. "The farmers," it concluded, "work hard for nothing." Only later was it made clear that the picture was of pineapples dumped in a Chinese dam.¹⁰

“Taiwan’s media environment—comprising both new and traditional outlets—has become a fertile milieu for PRC influence operations.

According to a recent study, nearly 60 percent of Taiwanese look to social media for news.¹¹ Taiwan investigators have found that fake news stories have originated in both Taiwan and overseas, that they are initially spread via new media

(e.g., Facebook, Line, PTT message boards), and that they are then magnified by traditional mass media.

Chinese disinformation efforts took on particular poignancy following an incident in September 2018. After a powerful typhoon hit Japan and knocked out a bridge to Osaka's Kansai International Airport, a report on Taiwan's Professional Technology Temple (PTT) online bulletin board indicated that China's consulate had evacuated Chinese nationals from the airport. The report went on to say that if Taiwan citizens identified themselves as Chinese, they too could be evacuated from the airport. Taiwan's foreign ministry representative in Osaka, a 61-year old diplomat named Su Chii-cheng, came under a mountain of criticism for failing to aid Taiwan citizens and, subsequently, took his own life.¹²

7 Selected Works of Mao Tse-Tung, Volume 2 (Elmsford, NY: Foreign Languages Press, 1975), 166.

8 "Misinformation" is false information that is spread, unintentionally or not; "disinformation" is false information deliberately spread.

9 Nearly 90% of Taiwan's population is active on social media, with the two most popular social media platforms being Facebook and YouTube. LINE is the most utilized communication app, which also allows the exchange of texts, videos and images. Simon Kemp, "Digital 2019: Global Digital Yearbook, Datareportal, January 31, 2019 https://datareportal.com/reports/digital-2019-global-digital-yearbook?utm_source=Reports&utm_medium=PDF&utm_campaign=Digital_2019&utm_content=Global_Overview_Promo_Slide and "Digital 2018 Taiwan (January 2018)," SlideShare, <https://www.slideshare.net/DataReportal/digital-2018-taiwan-january-2018>.

10 "After Sanctions, Made-in-China Fake News Engulfs Taiwan as Ties Turn Sour," Business Standard, November 27, 2018, https://www.business-standard.com/article/international/after-sanctions-made-in-china-fake-news-engulfs-taiwan-as-ties-turn-sour-118112700194_1.html.

11 Reuters Institute for the Study of Journalism, "Digital News Report 2019," p.145, https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2019-06/DNR_2019_FINAL_0.pdf.

12 "Taiwan Representative in Japan's Osaka Commits Suicide," Reuters,

It only became clear following the Taiwanese official's death that the original PTT post, which was shared widely on the message board and repeated by mass media outlets, was untrue. PRC officials were no more able than their Taiwan counterparts to evacuate stranded travelers from the airport. As CCP Watch's Jessica Drun reported, official Chinese media played "into the narrative that [China] aided Taiwanese in Osaka" and made a point of criticizing the Tsai administration "for mismanaging the situation and being unable to support its citizens abroad."¹³ In the end, the original story was traced back to a Chinese microblogging site (Weibo) and "content farm" and posted on mainland media sites, where it was then picked up by PTT messaging.¹⁴ One survey study reportedly indicated that less than half those familiar with the story understood it to be false.¹⁵

The Kansai airport PTT post was, unfortunately, not unique in its falsehood. Per Drun:

Numerous other examples abound—all with a common thread of criticizing the DPP. This is seen in the spread of disinformation on social media during the very public and contentious debate on pensions reform, which saw untrue claims that the DPP government would enforce unnecessarily strict restrictions on pensioners. Another example includes widely shared posts that falsely accused Tsai of being

September 15, 2008. <https://www.reuters.com/article/us-japan-taiwan/taiwan-representative-in-japans-osaka-commits-suicide-idUSKCN1LV067>.

¹³ Jessica Drun, "Taiwan's Social Media Landscape: Ripe for Election Interference?" (Center for Advanced China Research) November 13, 2018, <https://www.ccpwatch.org/single-post/2018/11/13/Taiwans-Social-Media-Landscape-Ripe-for-Election-Interference>

¹⁴ Reporters without Borders, "China's Pursuit of a New World Media Order," March 22, 2019, p.17, https://rsf.org/sites/default/files/en_rapport_chine_web_final.pdf. See also, Puma Shen's presentation on Chinese sharp power at "Cross-Strait Relations: Present Challenges and Future Developments," Heritage Foundation, July 2, 2019, <https://www.heritage.org/asia/event/cross-strait-relations-present-challenges-and-future-developments>.

¹⁵ Cited in South China Morning Post, "Taiwan Set for Pro-Mainland Fake News Deluge before its Presidential Election," June 27, 2019, <https://www.scmp.com/news/china/politics/article/3016312/taiwan-set-pro-mainland-fake-news-deluge-its-elections>. As the former legal counsel to PTT has noted, "As far back as 2015, a cavalcade of Chinese '50 cent' accounts were active on PTT. From their IP addresses, one could see they were all entering through dummy accounts." Quoted in "Taiwan's Online 'Opinion War Arrived,'" Rebecca Lin & Felice Wu, Commonwealth Magazine, April 27, 2019, <https://english.cw.com.tw/article/article.action?id=2375>. The article also provides a useful overview of how the internet has affected political campaigning in Taiwan.

unsympathetic and disengaged from Tainan flood victims by remaining on an armored military vehicle and refusing to set foot in subsid-ing flood waters. All in all, these schemes out of China align with the broader approach Beijing has adopted towards Taiwan since Tsai came to power to discredit her administration and to portray the DPP as ill-equipped to govern.¹⁶

Some scholars in Taiwan have suggested that China's disinformation campaign not surprisingly intensified in early 2018 as election campaigning got underway, pointing to a return of the "ghost island" meme. Ozy reporter Leslie Nguyen-Okwu describes "ghost island" as "shorthand for the global isolation, lack of opportunity, economic stagnation, government corruption and overall sense of despair that seem to be haunting Taiwan as of late."¹⁷ The term apparently emerged from within Taiwan, but it undoubtedly embodies a narrative that the CCP would like to promote. Indeed, J. Michael Cole describes "ghost island" as a "recurring theme" in China's information warfare efforts.¹⁸ Writing in July 2018, Nguyen-Okwu reported that in the first six months of the year, a Google search indicated that the phrase had spiked in use by 86 percent over the previous year and that there were more than 400 PTT posts on "ghost island" over the same period.¹⁹

PTT has been a major tool of Chinese disinformation efforts. According to discussions we had in Taipei, PTT reaches between one and two million middle-class residents in Taiwan. Prior to the election, a large number of PTT accounts were bought and sold on Shopee, an online auction site active in Taiwan and Southeast Asia. (Drun reports PTT accounts have also appeared on Taobao, a PRC auction site). Influential accounts are sold for as much as NTD 200,000 (approximately US\$6,500). Many accounts purchased ahead of the elections, interviewees said, switched their tenor from moderately pro-DPP to strongly pro-

¹⁶ Drun, op cit.

¹⁷ Leslie Nguyen-Okwu, "Lost Ambition: Taiwan's Millennials Drown in Despair," Ozy, July 11, 2018, <https://www.ozy.com/fast-forward/lost-ambition-taiwans-millennials-drown-in-despair/87884>.

¹⁸ J. Michael Cole, "The Impact of China's Disinformation Operations Against Taiwan," Newsletter 2018, No. 21, The Prospect Foundation, March 10, 2018, <https://www.pf.org.tw/article-pfch-2049-6365>.

¹⁹ Nguyen-Okwu, "Lost Ambition," op. cit.

KMT or even pro-CCP. These accounts posted frequently in the early morning hours, so that PTT users would see their posts first thing in the morning.²⁰

Those PTT users include journalists for traditional media, who have evinced an unfortunate tendency to repeat claims from PTT posts without prior fact checking. In many cases, Taiwan mass media outlets are quick to amplify social media posts rather than take the time to verify them. Although social media is now ubiquitous in Taiwan, many residents still rely on traditional media for news and analysis.²¹ Falling short on checking the veracity of posts, traditional media are also potential conduits through which Beijing can seek to exercise undue influence in Taiwan. Because Taiwan's traditional media market is oversaturated,²² and profit margins may be small, there is an inevitable rush to be the first to break a story. Journalists may sacrifice accuracy in the process and pay few consequences when they do get the facts wrong.²³

Compounding the problem is that key media outlets in Taiwan are owned by individuals and companies with

“The effort is not subtle at all, with the Chinese government directly placing and paying for articles supportive of the PRC and its unification campaign.”

extensive business interests in China.²⁴ The concern has been that owners of these companies seek to remain in the good graces of Chinese government or Party officials who have the power to effect a company's bottom line and, in turn, exercise self-censorship on stories run by their Taiwanese media outlets or, more problematically, follow editorial lines suggested to them by their Chinese interlocutors. As one report noted, a major TV network with “significant interests in China” “shelved an interview in which the US de facto ambassador warned about external forces attempting to manipulate public opinion.”²⁵ At other times, this influence might be more subtle, with advertisers with significant business interests on the mainland making it clear that editorials or stories that put China in a bad light will result in withheld advertising buys.

At other times, the effort is not subtle at all, with the Chinese government directly placing and paying for articles supportive of the PRC and its unification campaign.²⁶ As reported in this same story, “The Taiwan Affairs Office paid 30,000 yuan (\$4,300) for the two feature stories about the mainland's efforts to attract Taiwan business people, according to a person familiar with the arrangements and internal documents from the newspaper. ‘I felt like I was running propaganda and working for the Chinese government,’ the person said.”²⁷

This issue has drawn more attention as various media outlets have reported that the Taiwanese conglomerate, Want Want China Holdings, has been receiving significant amounts of Chinese state subsidies for more than a decade.²⁸ Want Want, in addition to food processing

20 Interviews with national security officials and digital telecommunication employees. See also, Brian Hoe, “Is China Attempting to Influence Taiwanese Elections through Social Media, New Bloom, April 13, 2019, <https://newbloom-mag.net/2019/04/13/fb-page-approach-china/>. Hoe's question relates to whether the Chinese, in the run up to November's elections, were attempting to buy popular Facebook accounts with a pro-Taiwanese slant—presumably to change their focus—and hiring young women to “stream” pro-unification messages.

21 According to the Reuters Institute's “Digital News Report 2019,” p.144, 71% of Taiwan's citizens turn to TV for their news and 30% to print media.

22 There are over 350 privately owned newspapers in Taiwan, four major newspaper groups, scores of local radio stations, more than 280 channels carried by satellite television operators, seven 24-hour news cable channels, and five terrestrial television stations. For these figures, see Freedom House report, “Freedom of the Press: 2016,” <https://freedomhouse.org/report/freedom-press/2016/taiwan> and Reuters Institute's “Digital News Report 2018,” p.138.

23 According to one account, given the intense competition, “in the current news environment in Taiwan, a reporter's performance is evaluated by the number of hits their [sic] articles receive.” Yu-yen Chien, “The Influence of China's Sharp Power on Taiwan's Media,” Taiwan Strategists (No.1, March 2019), p. 29. This problem is not just found in Taiwan. As Peter Pomerantsev has noted more broadly, “As traditional media, especially print publications, struggle to survive, they find themselves operating in an online advertising market that favors ‘clickable’ stories.” “Breaking the Polarization Spiral,” The American Interest, June 10, 2019, <https://www.the-american-interest.com/2019/07/10/breaking-the-polarization-spiral/>.

24 “A number of Taiwanese media owners have business interests and political connections in China.” “Freedom of the Press: 2016.”

25 Reuter's Institute for the Study of Journalism, 2019, op. cit., p.144.

26 Yimou Lee & I-hwa Cheng, “Paid ‘News’: China Using Taiwan Media to Win Hearts and Minds on Island—Sources,” Reuters, August 9, 2019, <https://www.reuters.com/article/us-taiwan-china-media-insight/paid-news-china-using-taiwan-media-to-win-hearts-and-minds-on-island-sources-idUSKCN1UZ0I4>.

27 Ibid.

28 Sophia Yang, “Taiwan's Want Want received NT\$2.8 billion state grant

and hotel businesses, also owns major Taiwanese media outlets, including the *China Times* newspaper, China Television (CTV), and CTiTV. The company says that the subsidies are nothing out of the ordinary for doing business in China and intended by the government to assist its commercial activities there. That may be true, but it is also the case that Want Want's media outlets are known for their partisan reporting and coverage that favors closer ties with the mainland or candidates who favor such policy.²⁹ As one study found, since the *China Times* acquisition by the company in 2008, "the newspaper's coverage of human rights in China fell by two thirds." More generally, "the tone of the articles also became less critical" of China.³⁰

More recently, *Financial Times* reporter Kathrin Hille noted that, following Han Kuo-yu's selection as the KMT presidential candidate in mid-July, it was the only national news of note carried by Want Want's two television networks, ignoring current President Tsai Ing-wen's state visit to Taiwan's Caribbean allies.³¹ More telling, Hille reports that "journalists working at the *China Times* and CTiTV told the *Financial Times* that their editorial managers take instructions directly from the Taiwan Affairs Office." "They call every day," said one *China Times* reporter ... They have a say in the angle of the story, and whether it goes on the front page."

from China in 2017," Taiwan News, April 3, 2019, <https://www.taiwannews.com.tw/en/news/3686238> & Miao Zong-han and Ko Lin, "Taiwan to review issue of Chinese government subsidies: MAC," Focus Taiwan, <http://focustaiwan.tw/news/acs/201904250024.aspx>.

29 See note 29 below and National Communications Commission, "Results of the Study on Observed Statistics of Television News Reports during the 2018 Local Election Campaigns," May 6, 2019, https://www.ncc.gov.tw/english/news_detail.aspx?site_content_sn=360&is_history=0&pages=0&sn_f=3685.

30 Reporters without Borders, "China's Pursuit of New World Media Order," June 4, 2019, p.40, <https://rsf.org/en/reports/rsf-report-chinas-pursuit-new-world-media-order>.

31 Kathrin Hille, "Taiwan Primaries Highlight Fears over China's Political Influence," *Financial Times*, July 16, 2019, <https://www.ft.com/content/036b609a-a768-11e9-984c-fac8325aaa04>. For a pictorial comparison of the four leading Chinese-language newspapers' headlines on June 10, following the million-strong march in Hong Kong protesting Beijing's interference in the city's laws, with the *China Times* ignoring the march altogether on its front page, see <https://newtalk.tw/news/view/2019-06-10/257698>.

In a first for Taiwan's National Communications Commission since it was established more than a dozen years ago, CTiTV was fined and advised to remove top news officials for failing to fact-check stories it was running and for continually running positive stories on a KMT mayoral candidate that, in effect, became free political advertising.³²

Just weeks after the revelation of Chinese subsidies to Want Want China Holdings, the conglomerate's media company, Want Want China Times Media Group, was in the news again, this time for cohosting, alongside the

“Wang also called out the United States as an unreliable partner for Taiwan, suggesting that Washington would not go to war on behalf of Taipei and would lose if it did so.”

Beijing Newspaper Group, the fourth "Cross-Strait Media People Summit." Some 70 media personnel from Taiwan attended the forum, during which Wang Yang, chairman of the 13th Chinese People's Political Consultative Conference (CPPCC) National Committee and member of the all-powerful CCP Politburo

Standing Committee in charge of United Front work, insisted that media from China and Taiwan must:

uphold national ethics, fulfill their social responsibilities, and jointly play the role of communicating to people on both sides of the Strait by promoting Chinese culture, deepening the integration of emotions, and continuing to promote the peaceful development of cross-Strait relations and promote the process of peaceful reunification of the motherland, and strive to realize the China dream.³³

In describing Taiwan's future, Wang did not mince his

32 Keoni Everington, "Taiwan's NCC Fines CTiTV for Having 50% of Headlines about Han Kuo-yu," Taiwan News, March 28, 2019, <https://www.taiwannews.com.tw/en/news/3667786>. The fines totaled approximately \$32,000. The question many have raised is, given the size of the subsidies WantWant receives from the Chinese government and the profits the company makes there, whether the fines are a sufficient deterrent to prevent this behavior moving forward?

33 J. Michael Cole, "More than 70 Participants from Taiwanese Media Industry Attend 4th Cross-Strait Media Summit in Beijing," Taiwan Sentinel, May 11, 2019, <https://sentinel.tw/more-than-70-participants-from-taiwanese-media-industry-attend-4th-cross-strait-media-summit-in-beijing/>.

words. He claimed confidence “in saying that both time and momentum are on our side, the side of mainland China” (as opposed to on the side of Taiwan). Wang also called out the United States as an unreliable partner for Taiwan, suggesting that Washington would not go to war on behalf of Taipei and would lose if it did so. Noting that the United States failed to forestall communist victory during the Chinese Civil War and to achieve victory in the Korean War, Wang asked a rhetorical question: “They didn’t defeat us even during the time when we were very poor, so what will happen when they face China today? Will they have the courage to fight us?”³⁴ According to J. Michael Cole, the number of Taiwan media representatives attending this conference has more than doubled since the inaugural event in 2015. Why increasing numbers of self-respecting journalists willingly submit themselves to such bromides is an open question. Yet, clearly, Beijing has not been overly concerned with subtlety in its attempts to influence media on Taiwan.

³⁴ “Chinese Official Bashes U.S. at Cross-Strait Media Gathering,” Focus Taiwan, May 12, 2019, <http://focustaiwan.tw/news/aall/201905120012.aspx>.

Old School Influence: Locals, Gangs, and Money

Over the past decade, the PRC has been successful in developing ties with local leaders (such as party precinct chiefs and influential personalities and groups). Such ties have enabled the PRC to insert itself and its preferred narratives into local social networks. According to Hsiao Bi-Khim, a Taiwanese legislator, in remarks made at the Atlantic Council in April of this year:

Beijing has delegated responsibility to local governments in China to aggressively engage local government and community organizations inside Taiwan. Religious organizations and grassroots community groups that are targeted by counterparts in China are invited to visit under an innocuous cloak of exchanges or tourism, with majority expenses paid, allow for influence networks to be established throughout our society. My own constituency, or district, of Hualien County, has been the target of Guangxi Province in China, where counterpart government agencies have established contacts and networks in grassroots wards, schools, farmers associations, religious organizations, family clans, and even indigenous tribes.³⁵

The CCP may have also operationalized ties to organized crime.³⁶ Underground gambling rings, for example, may have been used to shift voting patterns by offering good odds for a favored candidate winning and, thus, incentivizing gamblers and their families to vote for that candidate. Knowledge of the odds, of course, is more widely known than just within gambling circles and can produce a wider perception of the inevitability of a race's outcome, potentially affecting both the vote and voter turnout.³⁷

Taiwan's authorities were clearly worried about the

role organized crime might play during the election campaigns. In May of 2018, police arrested more than 300 suspected gang members, partly due to concerns over gang involvement in politics. Investigators were also looking into whether organized crime was involved in an April 2018 protest over military veteran pension reform that turned violent.³⁸

In August 2018, police raided the home and offices of Chang An-lo, better known as the "White Wolf," a former triad leader and then head of the Chinese Unification Promotion Party (CUPP), an avowedly pro-China political party known to occasionally engage in violent acts. A spokesman for the Taipei District Prosecutors' Office explained, "We indeed conducted a search of the CUPP headquarters and residence of the main suspects for possible violation of the political donations act."³⁹ Authorities have long suspected that the CUPP receives money from Beijing, with Chang, according to news reports, still under investigation by Taiwanese authorities for receiving NT\$10 million in cash from China and distributing it to local Taiwanese in 1,000 red envelopes in the wake of the 2018 Hualien Earthquake.⁴⁰

In November, just prior to the election, police in Changhua and Yunlin counties arrested 11 members of the Bamboo Union, the gang formerly led by the "White Wolf," three of whom were also members of the CUPP. Two of those three, Tsai Ping-ju and Lu Chin-lin, "were suspected leaders of a violent criminal group allegedly engaged in illegal debt collection and political campaigning." The third, Hsu Shu-ming, "is believed to have recruited young people to attend political rallies arranged by Tsai and Lu, paying each participant NT\$1,000 on the condition

35 Hsiao Bi-Khim, remarks, "Chinese Influence Operations Activities: Implications for the US-Taiwan Relationship," Atlantic Council, April 8, 2019. <https://www.youtube.com/watch?v=PtIgvHvmKJo&feature=youtu.be&t=1744>.

36 Edward White, "Alarm in Taiwan over Triad Ties to Pro-China Groups," Financial Times, October 12, 2017, <https://www.ft.com/content/b09de5d0-aa76-11e7-93c5-648314d2c72c>.

37 Ketty W. Chen, "China's Sharp Power and Taiwan's 9-in-1 Elections," in *Taiwan Strategists*, op. cit. pp.7-8.

38 "Raids and 310 arrests as Taiwan cracks down on criminal gangs ahead of elections," Hong Kong Free Press, May 4, 2018, <https://www.hongkongfp.com/2018/05/04/raids-310-arrests-taiwan-cracks-criminal-gangs-ahead-elections/>.

39 "Taiwan police target pro-Beijing 'White Wolf' in donations probe," South China Morning Post, August 8, 2018, <https://www.scmp.com/news/china/policies-politics/article/2158801/taiwan-police-target-pro-beijing-white-wolf-donations>.

40 Keoni Everington, "Pro-China Gangster 'White Wolf' Snared in Taipei for Ill-gotten Gains," Taiwan News, August 14, 2019, <https://www.taiwannews.com.tw/en/news/3762916>.

that they wear CUPP vests and carry Chinese flags.”⁴¹

Several days later, citing unnamed officials, the *Taipei Times* reported, “it is suspected that organized crime syndicates are a primary conduit for the Chinese government to funnel an estimated NT\$35 billion (US\$1.13 billion) in financial support to pro-China organizations and political parties to run propaganda campaigns in an attempt to subvert the nine-in-one elections.”⁴² In total, more than 400 suspected gang members were arrested during the election season. And recently, Chang himself was indicted for, among other crimes, illicit political contributions and tax evasion.⁴³

Unfortunately, alleged Chinese funding of gang-linked political organizations is not Taiwan’s only concern when it comes to illicit finance in politics. Presiding over a meeting of the Executive Yuan on November 1, 2018, then-Premier William Lai leveled troubling allegations just three weeks before the “nine-in-one” local elections:

We have evidence to show there have been massive injections of money from outside Taiwan to influence the election outcome, along with the dissemination of disinformation through mass media and social media...Evidence also points to outside funding being given to criminal syndicates masquerading as political parties, so that they can destabilize our society by creating disturbances, and using violence and intimidation...Investigators have also found that some candidates are distributing cash or gifts to residents to buy their votes.⁴⁴

41 Chang Tsung-chiu, Chiu Chun-fu, and Jonathan Chin, “Bamboo Union, CUPP members arrested,” *Taipei Times*, November 10, 2018, <http://www.taipeitimes.com/News/taiwan/archives/2018/11/10/2003703953>.

42 Jason Pan, Huang Chieh, and Jake Chung, “At least 100 arrested in crackdown: CIB,” *Taipei Times*, November 15, 2018, <http://www.taipeitimes.com/News/front/archives/2018/11/15/2003704245>.

43 Everington, “Pro-China Gangster,” op. cit.

44 Jason Pan, “China subverting elections: premier,” *Taipei Times*, November 2, 2018, <http://www.taipeitimes.com/News/front/archives/2018/11/02/2003703459>.

A week prior, the director-general of the Ministry of Justice’s Investigation Bureau told the Legislative Yuan’s Internal Administration Committee that the Bureau was investigating 33 cases of possible illicit funding of nine-in-one election campaigns. Leu Wen-jong, the director-general, suggested there was evidence that money of unclear origin was being filtered through Taiwanese businesses in the PRC.⁴⁵

“Addressing legal but problematic campaign finance will be a key challenge for the Tsai administration and its successors.”

Illicit financial transfers, however, may not be the primary way in which the PRC directs money to favored campaigns. As a co-founder of the pro-unification Concentric Patriotism Alliance put it:

Whoever gets caught taking money from China will be put in jail...It’s not a problem if it’s money from a Taiwanese businessman. If you’re like our Chief who runs a business in China and uses the money for the Alliance, it’s not one else’s business. Authorities in China know which businesses support unification. They’ll do their best to make sure you don’t lose money.”⁴⁶

During our interviews in Taipei, we heard repeatedly that Taiwan businessmen with interests in the PRC were directed or simply “urged” by Chinese interlocutors to donate money to KMT candidates. How much, if any, of that money actually originated elsewhere is unknown. In some ways, however, that is beside the point. Since political donations from Taiwanese citizens living or having commercial interests outside of the country are legal, PRC-favored candidates can be funded without breaking Taiwan’s campaign finance laws.

Similarly, in the last election there seemed to be substantial “in-kind contributions” (non-monetary contributions), particularly media buys, most of

45 Aaron Tu, Lin Ching-chuan, and William Hetherington, “PRC funding of campaigns probed,” *Taipei Times*, October 23, 2018, <http://www.taipeitimes.com/News/front/archives/2018/10/23/2003702864>.

46 Taiwan: Spies, Lies and Cross-strait Ties, directed by Lynn Lee, Al Jazeera, September 6, 2018, <https://www.aljazeera.com/programmes/peopleandpower/2018/09/taiwan-spies-lies-cross-strait-ties-180906054720310.html>

which went in one political direction. But, again, on their face, such contributions are not illegal. Addressing legal but problematic campaign finance will be a key challenge for the Tsai administration and its successors.

Tackling the Challenge

With respect to the social media challenge in particular, Taiwan faces the equivalent of a “missile defense problem”: it is far cheaper to launch a missile (or a piece of fake news) than to intercept and counter it.⁴⁷ This imbalance raises an important question: is there a way to make disseminating fake news more costly for the PRC or at least limit the damage resulting from such attacks? Imposing costs is difficult, but there are steps that Taiwan’s government and those outside the government can take to shape the media environment on the island to ensure it is less vulnerable to the spread of disinformation.

1. Improving Media Literacy

At the broadest level, Taiwan’s government should invest in efforts to nurture more educated, more responsible consumers of media. In 2017, Taiwan had already announced it was instituting a curriculum to teach schoolchildren to identify fake news and assess media outlets for the reliability of their reporting.⁴⁸

Reaching adults with such an effort is a more difficult undertaking. There is little doubt that a segment of the older generation, who grew up under the one-party rule of the KMT and who are KMT voters, are more likely to accept one-sided reporting and less likely to see a need for consuming news from a variety of sources. Strongly partisan DPP voters are likewise so disposed. Moreover, there is, with any politically polarized society, a bias in what news sources a citizen picks; add in the amplification and repetition of a story made possible by social media, and countering false or misleading narratives becomes even more difficult. That said, political leaders can and should talk about the topic and, if raised in a non-partisan, non-polemical way, can instill a greater sense of caution in citizens about so-

47 Chinese “warfare” in the information space of course need not always be tied to disinformation. For example, presumably in an effort to give Taiwan citizens fewer worries about voting for candidates who argued for closer ties to the mainland in the run-up to the elections in November 2018, Chinese military exercises across from Taiwan appeared to decline in number by late summer, only to pick back up after the election.

48 Nicola Smith, “Schoolkids in Taiwan Will Now be Taught How to Identify Fake News,” *Time*, April 7, 2017, <http://time.com/4730440/taiwan-fake-news-education/>.

called “breaking news.”⁴⁹ Indeed, with the issue of misinformation more publicly discussed than ever in Taiwan, polling shows greater skepticism and lower trust levels about news reporting in general but social media as a source of news in particular.⁵⁰

2. Raising Journalism Standards

At the other end of the news “pipeline,” the creation of a more robust professional ethos within Taiwan’s journalistic community to advance more reflective, nuanced, and trustworthy reporting would be helpful. This is not something the government can or should shape, and it is undoubtedly difficult to do so given Taiwan’s highly dispersed and competitive media market. Nevertheless, as a profession in a free society, it is incumbent on journalists to police themselves and deliver news that is properly checked and sourced.⁵¹

In this vein, the Taiwan FactCheck Center, established in 2018, is a journalist-run nonprofit organization with the mission of verifying and, when necessary, correcting suspicious news items. The organization is doing important work, but its team of six is little match for the magnitude of the problem. Even so, they have been successful in gaining recognition for their work checking viral stories. Even though they cannot investigate every potential piece of “fake news,” their growing profile can serve to raise awareness of the challenge.⁵² Additional funding for the organization from non-governmental foundations in the United States, Europe,

49 For examples of such, see Margaret L. Taylor, “Combating Disinformation and Foreign Interference in Democracies: Lessons from Europe,” Brookings Institution, TechTank, July 31, 2019, <https://www.brookings.edu/blog/techtank/2019/07/31/combating-disinformation-and-foreign-interference-in-democracies-lessons-from-europe/>.

50 See polling data from Reuters Institute’s 2018 & 2019 “Digital News Report,” *op.cit.*

51 An example of such an effort is the Baltic Center for Media Excellence whose mission is foster professionalism and critical thinking among journalists in the communities of the Baltic States and Eastern Europe. <https://baltic.media/en/home-page>.

52 A similar group of internet activists in the Baltic States—“the elves”—voluntarily track Russian trolls and disinformation activities, and report their findings to social media administrators. Michael Weiss, “The Baltic Elves Taking on Pro-Russian Trolls,” *Daily Beast*, March 20, 2016: <https://www.thedailybeast.com/the-baltic-elves-taking-on-pro-russian-trolls>. On the broader question of the efficacy of fact checking efforts, see Alto Data Analytics, “How Effective are Fact-Checkers?” https://www.alto-analytics.com/en_US/fact-checkers/.

and Taiwan to expand their team could be used to increase the organization's capacities.

Similarly, Taiwan's civic tech community established CoFacts, a non-governmental collaborative platform that allows the 21 million monthly active users⁵³ of the instant messaging app LINE to forward dubious messages to a team of volunteer fact-check editors. Both the reply and the message are stored on an open database so that when another query is made about the same story, the CoFacts bot can send a reply back to the Line user, expediting the response time greatly and within the circle of the Line-using community. As of mid-summer 2019, approximately 100,000 Line users had "friended" the CoFacts bot.⁵⁴

Aunt Meiyu, a bot created by a Taiwanese programmer and which relies on CoFacts for its fact-checking, responds to fake news in real time when added to a private messaging group on Line. With Aunt Meiyu, users need not send queries regarding suspicious news items to a bot for verification; rather Aunt Meiyu chimes in with a correction when it "reads" dubious stories shared by a group member. Users have found Aunt Meiyu particularly useful in family chat groups, where younger members may be hesitant to themselves question stories shared by older relatives.⁵⁵

3. Cooperation with Major Social Media Platforms

As important as these efforts are, given Taiwanese society's massive use of social media, fact-check organizations can only be one part of an overall response to the intentional muddying of the public discourse. Greater cooperation is needed from the major social media

platforms. In this regard, LINE has been perhaps the most forward leaning in cooperating with both fact-checking organizations and the government.⁵⁶ Others, such as Facebook, have signed pledges to do more to address the issue of fake accounts and disinformation.⁵⁷ Facebook, for example, is a partner with FactCheck Center. Facebook has agreed to reduce the prominence of posts that the Center flags as false and link to the Center's fact-checking analysis alongside those posts.⁵⁸ To make sure those pledges are effective in practice, pressure from both the U.S. Government and the Government of Taiwan will probably be necessary.

4. Effective Government Response

In addition, since much of the disinformation is aimed at government actions or policies, it is inevitable that government must have a role to play responding to "fake news" stories. To be effective, however, the government's response must not only be credible but also timely. As Audrey Tang, the Executive Yuan's minister without portfolio charged with public digital innovation, has noted, for society to be "inoculated" against rumors and fake news, response "time is of the upmost importance."⁵⁹ Debunking a story two days after it has first appeared is akin to closing a dam gate after a reservoir has been emptied and the land below flooded. To this end, the Taiwanese government has created digital response teams across the ministries with a goal of debunking misinformation or tamping down ill-founded rumors within an hour.⁶⁰ Such an effort, as impressive and necessary as it is, will still be fighting an uphill battle. Initially, citizens are often reluctant to take a government's "word" as final. Nevertheless, over the longer term, effective responses by the government to

53 "LINE Q2 2019 Earnings," LINE Corporation, July 24, 2019, https://scdn.line-apps.com/stf/linecorp/en/ir/all/FY19Q2_earnings_release_072402EN.pdf.

54 For an overview of the CoFacts effort, see the presentation by Wu Min Hsuan (and accompanying slides), "Cofacts/The Chatbot that combats Misinformation" at <https://tictec.mysociety.org/2018/presentation/cofact-factchecking> and the presentation by the Taiwanese government's digital minister, Audrey Tang, "Industry Code of Practice on Countering Disinformation," June 17, 2019, <https://www.youtube.com/watch?v=49jMOap1qeo>.

55 Chin-fu Hung, "Manufactured Public Opinion Online: The Beijing Factor and Taiwan's Local Elections in 2018, Taiwan Strategists No. 1, p. 46; Joyu Wang and Chuin-Wei Yap, "Know-It-All Robot Shuts Down Dubious Family Texts," Wall Street Journal, February 28, 2019, <https://www.wsj.com/articles/know-it-all-robot-shuts-down-dubious-family-texts-11551370040>.

56 Felician Hsu, "LINE Taiwan Announces Plans to Combat Misleading Information," Meet Startup, April 1, 2019, <https://meet.bnext.com.tw/intl/articles/view/44710>.

57 Lisa Wang, "Social Media Firms Vow to Fight Misinformation," Taipei Times, June 22, 2019, <http://www.taipetimes.com/News/front/archives/2019/06/22/2003717366>.

58 Agreements such as these are complicated by Facebook's recent plan to allow publication of pieces deemed to contain false information by outside fact checkers if the publisher of the material can claim it is an opinion piece or satire. Jeff Horwitz, "Facebook Dials Back Fact Checks," Wall Street Journal, Oct. 1, 2019, <https://www.wsj.com/articles/facebook-to-create-fact-checking-exemptions-for-opinion-and-satire-11569875314?mod=djemwhatsnews>.

59 Tang, "Industry Code," op. cit.

60 Ibid.

high-profile examples can serve an educational function regarding the existence of the “fake news” problem.

5. Enhancing Transparency and Anticipating Disinformation Efforts

The Tsai administration, or any future administration, should strive for as much transparency as reasonably possible. It should also develop internal mechanisms to anticipate disinformation efforts. As significant policy decisions are being readied for public announcement or whenever major actions are being taken internationally that will impact Taiwan’s economic and political interests, agencies in Taiwan responsible for countering disinformation should be ready to respond. Getting out front of the news is critical in a media environment where first reporting dominates the news cycle.

6. Invest More in Technological Solutions

There are also opportunities for government and the private sector to work together. Particularly useful may be government investment in technology solutions to combatting misinformation. The spread of misinformation is so rapid and pervasive that automated detection, mapping, and takedown will be essential to understanding the sources of misinformation: how it spreads; why it resonates; and how it can be countered. Big firms like Google, Twitter, Facebook, and Microsoft are investing in technological solutions that can detect misinformation and cyber security attacks on their platforms. Smaller organizations and universities—from Graphika to the Oxford Internet Institute’s ComProp program—are also critical. Rather than simply countering an item of “fake news,” the big-data driven solutions being rolled out by these organizations can help shed light on how disinformation networks operate and where they originate, with the result that they can flag likely information-operations content on the basis of data rather than the subjective substance of a given story. By analyzing language and how news items are shared and spread, and by comparing reports across various media outlets, AI and associated technologies show much promise in identifying disinformation and misinformation.⁶¹

61 For more on the use of emerging technologies to combat misinforma-

7. Public-Private Partnerships

The government and the platforms on which misinformation spreads also need to work together to share information about what disinformation operations look like in any given circumstance, and the evidence that points to inauthentic behavior, so that both sides can enact well targeted policies that do not have unintended ramifications for free speech or legitimate political discourse. After the Russia-sponsored disinformation operation in the United States, Facebook has enacted a series of policies and procedures designed to detect and remove what the company terms “coordinated inauthentic behavior.” Over the last few months, the government and the platforms have gotten better at sharing the pieces of the data puzzle that each side has. However, this relationship is still at a nascent stage and is not sufficiently extensive to build a body of evidence that proves a disinformation campaign is underway or to shape policies and laws that can prevent illegitimate behavior while protecting free speech.

8. International Cooperation

Taiwan’s government should also consider, in conjunction with the United States and other democracies, the public-private “fusion centers” put forward by Clint Watts, non-resident fellow at the Alliance for Securing Democracy. Watts proposes a global response to what he calls “Advanced Persistent Manipulators” (APMs), which “perpetrate a multi-platform

tion, see Bernard Marr, “Fake News: How Big Data and AI Can Help,” *Forbes*, March 1, 2017, <https://www.forbes.com/sites/bernardmarr/2017/03/01/fake-news-how-big-data-and-ai-can-help/#5a3025ce70d5>; Rob Mathewson, “Peering under the hood of fake-news detectors,” *MIT News*, February 6, 2019, <http://news.mit.edu/2019/opening-machine-learning-black-box-fake-news-0206>; Natasha Lomas, “Fabula AI is using social spread to spot ‘fake news,’” *TechCrunch*, February 6, 2019, <https://techcrunch.com/2019/02/06/fabula-ai-is-using-social-spread-to-spot-fake-news/>; Rohit Akiwatkar, “How Can Artificial Intelligence Combat Fake News?,” *Innovation Enterprise Channels*, May 15, 2019, <https://channels.theinnovationenterprise.com/articles/how-can-artificial-intelligence-combat-fake-news>. In Lithuania, “the website, Demaskuok.lt (debunk.lt in English), uses an automated system to scan around 10,000 new articles on Russian and Lithuanian media across the two countries, flagging articles with specific keywords, and indicating a potential spread of disinformation. Volunteers filter the system, reading material flagged by algorithms, and rate the potential threat. The flagged information reaches journalists together with specific comments.” According to the site’s director, “the best result from identifying fake information to deconstructing it has been two hours.” Benas Gerdziunas, “Lithuania Hits Back at Russian Disinformation,” *DW*, September 27, 2018: <https://www.dw.com/en/lithuania-hits-back-at-russian-disinformation/a-45644080>.

influence campaign, pursue their objectives over an extended period, use technology to advance computational propaganda (commonly referred to as 'bots'), and know how to operate within and between social media platforms without violating their terms of service." Watts suggests the creation of a "global task force and central hubs or fusion centers that would integrate intelligence into a standardized process and decision cycle."⁶²

A counter-APM fusion center would be staffed by government, intelligence, police, and cybersecurity officials working together with social media platform security officers, leaders responsible for incident response, and content managers. Working collaboratively, they would seek "to identify the most prolific offenders on their platforms, the most common and dangerous threat methods, and gaps in their understanding of nefarious-actor behavior and platform vulnerabilities."⁶³ Various teams within the fusion force would be responsible for de-platforming offenders, developing strategies for deterring threats (i.e., by raising the costs of doing so), plugging vulnerabilities, and tracking the activities of actors behind malicious accounts following incident responses.

9. Modifying Media Laws and Regulations

Countering fake news at its origin is important, of course, but so is slowing its dissemination. To that end, Taiwan's Executive Yuan has proposed laws to criminalize the creation and dissemination of "fake news."⁶⁴

62 Clint Watts, "Advanced Persistent Manipulators, Part Two: Intelligence-led Social Media Defense," German Marshall Fund of the United States' Alliance for Securing Democracy, April 24, 2019 <https://securingdemocracy.gmfus.org/advanced-persistent-manipulators-part-two-intelligence-led-social-media-defense/>

63 Ibid.

64 See Press Release, "Cabinet Passes Draft Amendments to Three Laws to Combat Fake News," April 18, 2019, <https://english.ey.gov.tw/Page/61BF20C3E89B856/54da6086-c403-4e5b-a549-8101759993df> and Ralph Jennings, "Taiwan Seeks to Rein in Freewheeling Media with Tougher Anti-Fake News Laws," Voice of America, April 22, 2019, <https://www.voanews.com/east-asia/taiwan-seeks-rein-freewheeling-media-tougher-anti-fake-news-laws>. "In December, Taiwanese lawmakers added a clause to the state's Social Order Maintenance Act that criminalizes the spread of misinformation. Under the law, which was introduced by the ruling Democratic Progressive Party, people who publish misinformation online could be punished by up to three days in jail or a fine of up to 30,000 New Taiwan dollars (US\$1,000). Taiwan's legislature is reviewing proposals to introduce even harsher penalties, by increasing the fine to up to 300,000 New Taiwan dollars and six months in jail." Daniel Funke and Daniela Flamini, "A Guide to Anti-Misinformation Actions around the World: Taiwan," Poynter Institute for Media Studies, <https://www.poynter.org/ifcn/anti-misinformation->

Taiwan is admirably cautious when it comes to limiting speech, but narrow limits are possible without changing the country's character as a bastion of free speech. As it considers such options, the administration should look to the laws under consideration for dealing with misuse of social media by a long-standing liberal democracy, the United Kingdom,⁶⁵ and lessons learned in other small countries dealing with mega-information warfare threats, such as the Baltic States.

New regulations may be necessary to ensure a media environment that can be less easily exploited by foreign actors seeking to bolster malign influence in Taiwan's society. Perhaps most controversially, Taipei should consider regulations on media ownership and transparency. It is a critical question whether individuals and businesses with extensive interests in the PRC should be permitted or not to own media outlets in Taiwan. A free press and free speech require a public square that is not intentionally tampered with or disrupted by actors operating on behalf of non-free states.⁶⁶

10. Enhance Efforts to Combat Illicit Finance

Reporting on the status of the 33 illicit finance investigations into the nine-in-one election campaigns noted previously has been severely limited. While it is normal and correct law-enforcement practice for investigators to say little about on-going cases, government updates on the status and broad character of the issues involved would serve a useful public service. Enhancing awareness among the voting population of illicit election financing, for example, might lead to growing public demands for transparency in election financing and, in parallel, might lead candidates

actions/#taiwan.

65 The UK government is proposing new legislation that would establish an independent regulator to enforce standards on companies hosting internet platforms to make them more responsible for content they host. The regulator would have the power to issue substantial fines to enforce compliance. Among the measures potentially to be included in the new code of practice for the companies are "requirements to minimize the spread of misleading and harmful disinformation with dedicated fact checkers, particularly during election periods." UK Government, "Online Harms White Paper," April 2019: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/793360/Online_Harms_White_Paper.pdf.

66 In a number of democracies emerging from one-party rule in the 1990s, the goal naturally enough was to free the media from state and party control. The result was low levels of regulation but also, at times, a lack of transparency on who owns and funds various media platforms.

to exercise greater caution and conduct more intensive due diligence before accepting political donations.

Taiwan's authorities should also explore ways to enhance their capabilities for combatting illegal political donations. Although Taiwan's authorities have the ability to identify money coming into the country, tracing that money's origins beyond their borders is a difficult task. There should be an opportunity here for cooperation with the US Treasury Department, which has a robust capability to monitor transactions in the international financial system.

11. Address Legal but Problematic Campaign Financing

Creating an “equal time” regulatory scheme would be one way to tackle “in-kind contributions” of media buys as well as imbalanced media coverage of different candidates. Such a scheme would essentially require television and radio broadcasters to provide equal free or purchased air time to opposing political candidates. This is, however, complicated to implement when there are more than two political parties. Moreover, such a regulatory scheme can be seen as restricting freedom of speech—an understandably sensitive matter given Taiwan's political history.⁶⁷

One loophole the Taiwanese government has recently addressed is the lack of transparency on who or what entity is paying for political advertisements in traditional and non-traditional media. For future elections, such advertisements will be treated as political donations and funding sources will have to be reported, as with direct political donations, on a publicly accessible database.⁶⁸

Increased transparency is useful, of course. Yet, short

of shifting to a system in which all campaigns are totally publicly financed (which we are not prescribing), it may not be possible to truly solve these problems—as other countries, such as the United States, have discovered. Diversification of Taiwan's trade and investment relationships away from China may help mitigate it over time, but the Chinese market will remain a crucial one for Taiwan's economy in the years ahead.⁶⁹ The central government might mandate that campaign donors sign pledges indicating that donations are freely given and do not come at the direction of foreign actors. Such a pledge could raise the reputational costs to donors of acting in other ways, but this would likely only have a marginal effect.

⁶⁷ One story that was repeated more than once by those interviewed concerned restaurants and similar establishments being paid to keep their televisions tuned to specific channels all day—channels that leaned heavily toward particular candidates and political parties. According to remarks made by Taiwanese legislator Bi-Khim Hsiao, Taiwan's Fair Trade Commission is investigating this possible practice. See “Chinese Influence Operations Activities: Implications for the US-Taiwan Relationship,” Atlantic Council, April 8, 2019. <https://www.youtube.com/watch?v=PtIgVhvmKJo&feature=youtu.be&t=1744>. The Commission would, it appears, be looking at violations of the Fair Trade Act of 2017, articles 20 and 25. See <https://www.cna.com.tw/news/first-news/201903200142.aspx>.

⁶⁸ Tang, “Industry Code,” op. cit.

⁶⁹ Because Taiwan's economy has become so tied to China's economy, the mainland can influence specific Taiwanese sectors—agriculture, high-tech, etc—to lean towards parties and politicians who favor closer ties and/or a unification agenda by indicating they will receive preferred trade relations or that existing trade will not be curtailed. Chinese government subsidies to the businesses involved can alleviate possible losses on the mainland side for the resulting political and strategic gain. For a short overview of Beijing's efforts to leverage its domestic market for political purposes in Taiwan, see Yimou Lee & James Pomfret, “Pro-China Groups Step Up Offensive to Win over Taiwan,” Reuters, June 25, 2019, <https://www.reuters.com/article/us-taiwan-china-campaign-insight/pro-china-groups-step-up-offensive-to-win-over-taiwan-idUSKCN1TR01H>.

Conclusion

The question of PRC interference in Taiwan's recent elections is a sensitive one. The current Taiwanese government does not want to give the mistaken impression that it believes that voters have been or will be hoodwinked or that the victories of opposing candidates were illegitimate. Moreover, the Tsai administration almost certainly has not made public much of what it has discovered, due to concerns over revealing intelligence sources and methods and over the impropriety of revealing details of ongoing investigations.

Even so, our conversations in Taipei and open source materials reveal a complex, multifaceted Chinese effort to sway voters and undermine the integrity of Taiwan's electoral processes. These efforts may not have affected outcomes last November, but it is not difficult to imagine that they might in a close-run election. Nor do we know if Chinese efforts in the 2018 election season amount to a maximum effort. The PRC may devote even greater resources to the presidential election already underway, and has certainly learned from its successes and mistakes in the last go-round.

There are a number of steps that Taiwan's government and its society can take, as listed in the preceding section, to undermine Chinese efforts to influence next year's election and to make Taiwan a much harder target for Chinese influence operations over the longer term. However, as we have noted, the United States can and should assist Taiwan in doing so where it has particular strengths to bring to bear. As far as can be discerned from publicly available sources, the issue of Chinese influence operations among partners and allies has not been addressed in a systematic and concerted way—either via in-depth public reporting or by programs of assistance—by the relevant departments of the U.S. Government. Understanding and countering such illicit efforts should be a priority for Washington: Taiwan's democracy is strategically important to the American vision of a free and

open Indo-Pacific. China's "sharp power" interference and disinformation campaign in other areas of the region⁷⁰ will undoubtedly be a persistent problem that Washington ignores at its own risk.

⁷⁰ As an example, note China's use of both its sharp power and disinformation efforts in Hong Kong. See Michael Schuman, "Angering China Can Now Get You Fired," *The Atlantic*, August 27, 2019, <https://www.theatlantic.com/international/archive/2019/08/beijing-pressure-hong-kong-companies/596869/> and Marie C. Baca & Tony Romm, "Twitter and Facebook Take First Actions against China for Using Fake Accounts to Sow Discord in Hong Kong," *Washington Post*, August 19, 2019, <https://www.washingtonpost.com/technology/2019/08/19/twitter-suspends-accounts-it-accuses-china-coordinating-against-hong-kong-protesters/>.