Taiwan’s Assessment of the PRC Military Threat: The 2022 Chinese Communist Military Power Report

By: John Dotson

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On November 29, the US Department of Defense (DoD) released the 2022 edition of Military and Security Developments Involving the People’s Republic of China (more commonly known as the “China Military Power Report”), an annual report intended to provide an unclassified overview of the significant developmental trends and capabilities of the People’s Liberation Army (PLA). This year’s report drew particular press attention for sketching out four general scenarios of primary concern for People’s Republic of China (PRC) military action against Taiwan: an “air and maritime blockade,” “limited force or coercive options,” an “air and missile campaign,” or an amphibious “invasion of Taiwan.”

The DoD’s “China Military Power Report” provides an impressively comprehensive view of the PLA’s growing capabilities (within bounds of publicly releasable information), and is widely cited by journalists and defense commentators. However, there are other such documents that receive far less attention—including the 2022 Chinese Communist Military Power Report (111年中共軍力報告書) produced by the Republic of China’s (Taiwan, ROC) own Ministry of National Defense (MND, 中華民國國防部). This document is much lower-profile: this year’s edition was published by the MND on September 1, but is neither posted on the MND’s public webpage nor translated into English, as is the case with many other MND policy documents. [1] The author has obtained a copy, however, and presents a summary of some of the more significant content in this article. Taiwan’s own version of the “Chinese Military Power Report” is well worth examining for what it reveals about the perspectives of MND officials as they contemplate the increasing threats posed to the island and its people by the rapidly growing capabilities of the PLA—and for what it further suggests about some of the gaps in perception that exist between defense planners in Washington and Taipei.

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The CCP View of Security and the Priorities of the PLA

The MND’s report opens with two brief chapters detailing the Chinese Communist Party’s (CCP, hereafter “the party”) control over the PLA, the party’s comprehensive view of security, and the role of the PLA. In particular, it cites the CCP’s National Security Strategy (2021-2025) and its “Comprehensive Security Concept” that ties together a broad range of factors of concern to the CCP regime—including domestic security, economics, political and social control, technology, and the international environment. Within this construct, a number of key goals are to be pursued in relation to two key dates: that of the party’s 100th founding anniversary in 2027, and the PRC’s founding anniversary in 2049. [2]

The report notes that the PLA plays a large role in this overall process, within the linked “China Dream” (中國夢) and “Strong Army Dream” (強軍夢). Accordingly, the PRC’s military budget has steadily increased, with the goal both to develop the necessary “capabilities to defeat the strong enemy” (對抗強敵(打勝仗)能力)—understood to be the United States—as well as to surpass the military capabilities of all other countries in the Indo-Pacific region. To this end, the PLA may be expected to continue strengthening its capacity for joint operations, to further pursue “military-civil fusion” (軍民融合), to seek out additional overseas bases, and to project presence with “longer-range patrols beyond the island chain and joint strategic patrols”—with the latter intended to ultimately push foreign military presence out of the region. [3]

The MND report cites both CCP official documents and leadership statements to further delineate the PLA’s long-term goals: for example, it cites the CCP’s July 2019 White Paper on China’s National Defense in the New Era (新時代的中國國防白皮書) to describe the PLA’s overarching posture of “active defense” (積極防禦) (an exceedingly broad term allowing for offensive operations under a wide variety of circumstances). From this document, it also cites three milestone goals for the PLA:

- First, by 2020 to successfully achieve mechanization, to make fundamental advances in achieving “informationization” (信息化), and increasing “strategic capability” (戰略能力);
- Second, by 2035 to fundamentally achieve “national defense and army modernization” (國防和軍隊現代化);
- And third, by 2050 to become a first-class military power. [4]

Image: The cover of this year’s edition of the ROC MND’s 2022 Chinese Communist Military Power Report. (Image source: Author’s photo)

The Major Types of PLA Operations Directed Against Taiwan

In all of these matters pertaining to PLA modernization, Taiwan stands front and center as the PLA’s priority concern. The MND report cites June 2022 comments made at the Shangri-La Security Dialogue in Singapore by PRC Defense Minister Wei Fenghe (魏鳳和), who declared that “resolving the Taiwan problem and realizing reunification is the historical mission of the party” (解決臺灣問題, 實現統一是黨的歷史任務). [5]

The MND report also provides overview assessments of the PLA’s five branch services (the PLA Ground Force, the PLA Navy, the PLA Air Force, the PLA Rocket Force, and the PLA Strategic Support Force), but it includes only limited comments (without specific numbers) on the PLA’s growing order of battle. [6] In terms of either ongoing or potential future PLA actions against Taiwan, the report identifies offensive actions under eight scenarios (as compared to the four basic scenarios of the DoD report):

1. Cognitive warfare (認知作戰)
2. “Gray zone” operations (灰色地帶)
3. Joint military intimidation (聯合軍事威懾)
4. Joint sea and air blockade (聯合海, 空封鎖)
5. Seizing outlying islands (奪占外, 離島)
6. Decapitation warfare (斬首作戰)
7. Joint firepower strikes (聯合火力打擊)

8. All-out invasion (全面進犯) [7]

One of the most illuminating aspects of the report is its discussion of the PLA’s more aggressive posture towards Taiwan in 2022. This posture was most clearly displayed during the August 2022 PLA operations that followed the visit to Taiwan by US House Speaker Nancy Pelosi (see here and here), but has also been demonstrated in a much broader pattern of steadily growing “gray zone” encroachments over the past three years (see here and here). The MND report characterizes these acts as being part of a campaign of “military intimidation” (as noted in the list of scenarios above) directed against Taiwan. The report also describes these operations throughout 2022 in terms of “three normalizations” (三個常態): conducting patrols of fighter aircraft around Taiwan (落實環台戰機巡航); using multiple types of military assets to approach Taiwan and cause warning alerts (多種兵種抵近臺灣警訊); and conducting joint military exercises around Taiwan’s periphery (在台周邊進行聯合演訓). The use of military assets in this way is part of a larger psychological warfare campaign of “civil attack, military intimidation” (文攻武嚇) intended to target the mindset and morale of Taiwan’s population. [8]

According to the report, the major categories of PLA operations targeting Taiwan in 2022 included:

- **Reconnaissance and intelligence collection**: In addition to patrols by reconnaissance aircraft and unmanned aerial vehicles (UAVs) flying close to Taiwan’s outlying islands, PLA assets collected data on Taiwan military exercises and weapons test launches.

- **Joint amphibious exercises**: Between June and September, the PLA Eastern and Southern Theater Districts conducted training and exercises intended to build capabilities for a potential Taiwan invasion.

- **Crossing the Taiwan Strait centerline**: On multiple occasions throughout the year, PLA aircraft crossed the Taiwan Strait centerline, often as a means of signaling Beijing’s political displeasure. (Author’s note: This activity has continued late into 2022, as exemplified by the 10 PLA aircraft that crossed the centerline on December 3-4.)

- **Declaring maritime closure areas**: The PRC declared maritime navigation closure areas around Taiwan during the August exercises, which were connected to missile launches and naval exercise activity.

- **Confronting foreign ships and aircraft**: The PRC operates under a principle of “ships must be followed and planes must be checked” (連艦必跟, 連機必查), under which foreign military assets are challenged—and US vessels within the First Island Chain may be subject to simulated attack.

- **Longer-range sea navigation exercises**: With its aircraft, the PLA stepped up flights around Taiwan through the Miyako Strait (east-northeast of Taiwan, between the Miyako Islands and Okinawa) and the Bashi Channel (south of Taiwan, between Taiwan and the Philippines), employing longer-range aircraft such as H-6 bombers and Y-8 reconnaissance aircraft. The PLAN conducted air and sea exercises past the First and Second Island Chains, which are part of a PLA effort to effect “strategic encirclement [of Taiwan] and seize regional military superiority” (戰略包圍及掌控區域軍事優勢).

- **Joint military combat operations exercises**: The PLA conducted multiple forms of military exercises around Taiwan in 2022: the report particularly notes the “simulated blockade of Taiwan’s international communications and navigation channels” (模擬封鎖臺灣對外交通航道) as a point of concern. [9]

Notably, the report explicitly links many of these actions with psychological warfare. For example, it states that the PRC’s declared closure areas “were also featured in state media, and promoted on the internet, implementing military intimidation towards us, and generating panic among the people” (同時秀過官媒 網路渲染 對我進行軍事威懾 造成民心恐慌); and it describes the August missile launches as intended to “create social tensions in our society” (試射飛彈製造我社會不安). [10]

**Conclusions**

As both were released in the autumn timeframe, and focus upon the same subject, it is tempting to compare the US DoD report and the one produced by Taiwan’s MND. In truth, the two are very different: the US report is much longer (174 vice 31 pages) and far more detailed, taking a comprehensive view of major developments affecting PLA capabilities and doctrine (as well as secondary subjects such as the PRC’s military diplomacy). The MND report is much narrower in scope, and is understandably focused on developments directly affecting Taiwan and its regional environment.

Comparing the two reports, however, can be illuminating in some fundamental respects. One of the most prominent of these differences may be found in the relative focus on the
threats to Taiwan. The US DoD report identifies multiple threat scenarios for Taiwan, including considerable attention given to the prospect of the worst-case scenario: a cross-Strait invasion. (The word “invasion,” for example, appears in the DoD report 16 times in relation to Taiwan.) By contrast, this threat receives little space or attention in the MND report, which is overwhelmingly focused on the employment of the PLA as a tool for intimidation and psychological warfare. [11] Insofar as there is discussion of more directly threatening courses of action, it is largely focused on scenarios below the threshold of an invasion, such as a threatened blockade.

While too much could easily be made of textual differences in such official documents, this may be another illustrative example of a gap in perceptions that explains—at least in part—the serious differences that exist between defense officials and commentators in Washington and Taipei. US-based commentators, concerned with the most dangerous scenario of a cross-Strait invasion, have tended to forcefully advocate a fundamental reform of Taiwan’s defense posture, in the direction of asymmetric capabilities intended to make an amphibious invasion a daunting prospect for the CCP leadership and the PLA high command. Taiwan’s MND, for its part, has taken limited steps in this direction (see here and here), but still maintains a traditionally oriented defense establishment with a conventional force structure.

Such a force structure is, arguably, far better suited for peacetime responses to “gray zone” territorial encroachments (and perhaps, for making demonstrative efforts intended to bolster public morale) than it is for making an actual invasion as bloody and protracted, and as daunting a prospect, as possible. With such a significant gap in the relative weight given to assessments of the PLA’s threat to Taiwan, frictions between US analysts and Taiwan defense planners are likely to continue.

The main point: This year’s Chinese Communist Military Power Report, produced by Taiwan’s Ministry of National Defense in early September, presents a summary overview and analysis of the PLA’s developmental trends and significant operations in 2022. The report places a heavy emphasis on the PLA’s employment by the CCP as a tool for “military intimidation” and psychological warfare directed against Taiwan’s citizens.


[6] The Taiwan MND report provides commentary on general trends in PLA order-of-battle (OOB) in its third chapter on PLA budget and force structure trends (pp. 10-14), but few specifics. The US DoD China military power report provides vague OOB on the cross-Strait military balance in “Appendix 1: PRC and Taiwan Forces Data” (pp. 165-167).


[9] Ibid., p. 20-22.


[11] It should be noted that the DoD report also gives attention to these concerns: for example, the term “psychological warfare” appears 18 times in the text.

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Hastening Taiwanese CBDC Development: Why a Clear “Go-to-Market” Approach is Strategically Critical for Taiwan

By: Hugh Harsono

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Taiwan’s robust manufacturing industry, combined with its strength in semiconductor development, has made it crucial to hardware supply chains around the world. Despite the island’s relatively small size, it has become recognized as one of the most (if not the most) prevalent manufacturers of semiconductors in the world. However, while Taiwan’s strength in semiconductor and hardware manufacturing is well-known, the fact remains that Taiwan’s public and private enterprises remain heavily reliant on foreign-developed software. This dependency on software developed internationally has highlighted a clear vulnerability for Taiwan, particularly in the realm of digital infrastructure sovereignty. This issue has become particularly prevalent due to the need to ensure continuous software development for Taiwan in order to keep pace with the ever-growing “Web3” movement—with Web3 focusing on the
growth of decentralized software, systems, and protocols to ensure increased access to digital resources for individuals located around the globe. [1]

Central bank digital currencies (CBDCs), digital versions of existing fiat currencies, offer an opportunity for Taiwan to bridge the gap between Web2 and Web3 technologies. In this context, the widespread implementation of a Taiwanese CBDC could kickstart a national-level effort by domestic Taiwanese public and private enterprises to develop a new financial services ecosystem—one capable of transitioning effectively into the Web3 universe, enabling better financial inclusion, interoperability, and digital asset accessibility. While the Central Bank of the Republic of China (CBC, 中央銀行) did recently complete two pilot trials of a CBDC, the bank must hasten its rollout of a Taiwanese digital currency to maintain its digital infrastructure sovereignty.

**Defining Digital Infrastructure Sovereignty and CBDCs**

Digital infrastructure sovereignty is defined as a country achieving domestic autonomy in the creation, support, and use of its critical digital infrastructure systems. This contrasts with digital sovereignty and data sovereignty: with the former focusing on digital autonomy across entire end-to-end ecosystems and infrastructure, and the latter being the legal control and authority of data within a nation’s borders. For Taiwan, digital infrastructure sovereignty is particularly critical due to the People’s Republic of China’s (PRC) robust development of key digital infrastructure like the Blockchain Service Network (BSN) and the digital yuan (e-CNY)—with the potential cross-border usage of these critical infrastructure tools being a significant threat to Taiwanese physical and digital sovereignty as a whole.

Global interest in CBDCs has boomed in recent years, with 105 countries—comprising over 95 percent of global GDP—being involved in some sort of CBDC project as of September 2022. Taiwan has taken steps to test its own CBDC, with an initial pilot launched in 2020 and another pilot concluding in mid-2022. However, Taiwan’s slow pace of research and development into launching a CBDC is something that must be changed, particularly if Taiwan seeks to ensure its own digital infrastructure sovereignty in the payments space. CBC Governor Yang Chin-long (楊金龍) highlighted in June 2022 that Taiwan needs at least two years, if not more, to implement a CBDC. This is especially concerning due to the ever-growing usage of the e-CNY in China, with over $100 billion in digital yuan spent as of late August 2022, building on the already robust digital payment rails offered by apps like WeChat and AliPay.

Additionally, Taiwan’s CBDC design has not even been finalized, with Governor Yang talking about exploring a no-interest design for a CBDC as of June 2022. Additionally, Taiwan’s CBDC pilot that occurred in the last two years has been plagued not only by design issues, but by implementation challenges as well. The blockchain technology underlying the CBDC pilot in Taiwan was identified as not being capable of handling high frequency and volume consumer transactions. Additionally, the CBDC pilot had functionality challenges due to power outages, further compounding potential implementation challenges to a full-scale rollout.

In short, Taiwan must hasten its development of a CBDC and provide more transparency in its product roadmap to ensure protection of its critical digital infrastructure in the payments realm. Failure to do so will result in foreign actors’ ability to violate digital infrastructure sovereignty in Taiwan, a problematic concern given the digitally exclusive nature of the Web3 future.

**Digital Payments Infrastructure in Taiwan**

Taiwan is unique in its payments infrastructure. Unlike in many other countries around the world, credit cards have achieved significant penetration in Taiwan, with this form of payment being Taiwan’s most used in-store payment method. However, the definition of “in-store” predominantly revolves around institutions like department stores, with small-and-medium businesses (SMBs) and Taiwanese citizens more broadly still preferring cash for transactions. Additionally, Taiwan tends to rely heavily on domestic credit cards, with a sub-organization of Taiwan’s National Development Council (NDC, 國家發展委員會) even stating in October 2022 that foreign credit cards are not universally accepted in Taiwan. This emphasis on prioritizing domestic credit cards has resulted in interoperability challenges for Taiwanese payments as a whole, with limited usage of domestic credit cards for everyday transactions while simultaneously sidelining international cards for usage within Taiwan.

Correspondingly, while adopted by many in the Taiwanese population, cashless payment applications are not as widespread in Taiwan compared to other parts of Asia. Popular services like WeChat Pay and AliPay are used by over 90 percent of those living in large Chinese cities, but have not gained as much traction in Taiwan, owing to these apps catering specifically to mainland Chinese users, data privacy concerns, and other factors. According to a survey conducted in September 2022, Taiwan’s top five mobile payment applications include LINE Pay (used by 57.9 percent of respondents), Apple Pay (31.6 percent), JKOPay (17.5 percent), Google Pay (9.4 percent), and TaiwanPay (9.1 percent).
This has resulted in a very crowded and **unprofitable market** for these payment applications—particularly as apps continue to use promotions, discounts, and special rates for tying credit card and bank usage to their applications. Most notably, LINE Pay, Apple Pay, and Google Pay’s international nature highlight the lack of domestic digital payment infrastructure in Taiwan. In light of these concerns, a Taiwanese CBDC could potentially enable a more robust digital payments economy in Taiwan by establishing a domestic payments rail for developers and institutions to build upon.

More alarming is the lack of innovation within Taiwan’s traditional banking industry, upon which the majority of digital payment applications have developed. Many Taiwanese banking services still need to be carried out in-person, even as banking services in other nations around the world have become almost entirely digital in nature. This outdated approach to banking infrastructure is one that is particularly concerning given the extremely fast saturation of payment applications like WeChat Pay and AliPay—with WeChat Pay’s parent app WeChat boasting over 1.2 billion users globally in **early-2022**, and AliPay claiming over 1.3 billion users in **mid-2022**.

Therefore, the Taiwanese government must focus on facilitating innovation within its digital payments industry while also incentivizing modernization of its traditional banking infrastructure. The unveiling of a Taiwanese CBDC—or at the very least, a clear “go-to-market” strategy for a Taiwanese CBDC—would accomplish both of these goals. Specifically, this could help ensure better protection of digital infrastructure sovereignty, through domestically developed applications and banking infrastructure for domestic and international participants within Taiwan’s financial ecosystem.

**Establishing Digital Infrastructure Sovereignty**

Taiwan’s unveiling of its Ministry of Digital Affairs (MODA) in **August 2022**, and the MODA’s use of Web3 decentralized file sharing tools like the InterPlanetary File System (IPFS), is a positive step forward for ensuring digital infrastructure sovereignty. However, more steps need to be taken to establish a robust domestic program to incentivize homegrown digital development, including incentivizing the improvement of digital financial services in Taiwan. A Taiwanese CBDC would help to establish digital infrastructure sovereignty, with CBDCs potentially providing significant opportunities to increase everyday usage of domestically developed technologies.

A parallel example can be seen in the Indian government’s establishment of the Unified Payments Interface (UPI) by the National Payments Corporation of India. The UPI is an instant, real-time payment system that forms the payment rail for India, including supporting many of India’s current fintech applications. Apps like BharatPe (which offers cross-app QR code functionality, small loans, and more) are built on top of the UPI. Interestingly enough, India recently removed China-based Xiaomi from its approved list of UPI-based apps in **October 2022**, highlighting the increasing concern that India is taking to ensuring digital infrastructure sovereignty in the payments space.

Additionally, a Taiwanese CBDC could also help to establish digital infrastructure sovereignty by counteracting the influence of the digital yuan. The e-CNY was rolled out for retail customers **en masse** during **January 2022**, timed to coincide with the Winter Olympics in China that began in **February 2022**. Additionally, a cross-border wholesale pilot involving the e-CNY occurred in **September 2022** as part of the Bank of International Settlement’s m-Bridge project, a pilot study in cross-border digital currency transfers between the central banks of China, Hong Kong, Thailand, and the United Arab Emirates. This is particularly worrisome given the existing use of the physical yuan by non-state and state actors external to China’s borders: one example of this can be found in the **Wa State** in Myanmar, where the yuan is used as a daily transaction currency. The spread of the digital yuan would result in further usage of the e-CNY beyond Chinese borders, potentially contributing to the erosion of Taiwan’s digital infrastructure sovereignty. In turn, this could drastically affect an already fragmented and stagnant financial services industry in Taiwan.

**Conclusion**

Hastening the development of a Taiwanese CBDC would entail more than just developing a digital version of the New Taiwan Dollar. Instead, a Taiwanese CBDC could help to ensure digital infrastructure sovereignty and encourage growth in Taiwan’s slow-paced financial services industry by forcing competition and innovation within the realm of digital payments. Both of these salient points will remain critical as Taiwan and the rest of the world increasingly move towards full implementation of Web3, with digital assets and services replacing traditional ones in the near-future.

**The main point:** Taiwan must hasten its development of its own digital currency, with a domestic CBDC providing a clear signal to other countries that Taiwan can compete at the global level, while also protecting its digital infrastructure sovereignty.

[1] “Web3”—also called “Web 3.0”—is a rubric term for the concept of a new developmental stage of the internet, which

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Recent NATO Debate Highlights the Growing Transatlantic Dialogue on Taiwan

By: Marshall Reid

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2022 has been a momentous year for the North Atlantic Treaty Organization (NATO). After years of relative stagnation and a perceived decline in usefulness, the venerable alliance has been revitalized in the wake of Russia’s February 24 invasion of Ukraine. Now, with a common enemy at its doorstep, NATO has once again become an indispensable feature of transatlantic security. Reflecting this renewed vigor, the alliance has begun to look beyond the confines of Europe and the North Atlantic, increasingly directing its attention toward other potential sources of geopolitical tension. As my colleague Russell Hsiao noted in a recent article, NATO has taken on a notably global character in 2022, even inviting the leaders of several Indo-Pacific nations (Japan, South Korea, Australia, and New Zealand) to attend its 2022 Summit, which was held in Madrid from June 28-30.

While much of NATO’s focus remains fixed on Eastern Europe, the alliance has become increasingly vocal on issues related to the Taiwan Strait in recent months. This tilt toward Asia has only grown more pronounced in the aftermath of the People’s Republic of China’s (PRC) August military exercises around Taiwan, which served to clarify the rising threat posed by China. In the month following the drills, NATO members engaged frequently on the issue, culminating in the alliance’s first-ever dedicated debate on Taiwan issues in September. Though NATO’s exact role in a Taiwan Strait contingency remains unclear, the fact that the alliance conducted a formal discussion on this issue suggests that a new phase of NATO engagement in the Indo-Pacific could be on the horizon. For the United States, which has long sought greater transatlantic cooperation on cross-Strait issues, such a shift in focus toward the region could be a welcome development.

NATO and the PRC: Distant Rivals

While NATO was originally conceived as a means of countering the influence of the Soviet Union in Europe, it has grown increasingly globalized in recent years. This outward turn has been fueled by a variety of factors, ranging from the need to safeguard global supply chains to a recognition of the threat posed by transnational criminal enterprises. However, these issues appear to be secondary to the alliance’s growing concern over the rise of China. Though NATO is still a relative newcomer to the China conversation, it has shown unprecedented interest in the issue over the past several years.

As Michael Trinkwalder noted recently, NATO’s growing outspokenness regarding the PRC would have been unthinkable a mere three years ago. In a joint declaration from 2019, the alliance mentioned China only once, briefly and dryly stating that the PRC’s “growing influence and international policies present both opportunities and challenges that we need to address together as an Alliance.” While frustratingly vague and noncommittal, such language was hardly uncommon at the time. For many NATO members—particularly those in Europe—China was simply too far away to be viewed as a legitimate threat. This indifference was a consistent source of exasperation for the United States, which repeatedly sought to convince the alliance of the danger posed by the PRC, both to Taiwan and to the international order more broadly.

Beginning in 2020, however, this dynamic began to change. In November of that year, the alliance released a report entitled “NATO 2030: United for a New Era.” In a departure from past NATO documents, the report focuses heavily on the PRC, even dedicating an entire section to it and describing it as a “systemic challenge.” Specifically, it states that:

“NATO must devote much more time, political resources, and action to the security challenges posed by China—based on an assessment of its national capabilities, economic heft, and the stated ideological goals of its leaders. It needs to develop a political strategy for approaching a world in which China will be of growing importance through to 2030.”

This mounting interest in understanding and contending with the PRC continued the following month, when the alliance held its first-ever Foreign Minister’s meeting with four Indo-Pacific partner countries (the aforementioned Japan, South Korea, Australia, and New Zealand). [1] According to NATO officials, the meeting focused extensively on the rise of China and its implications for the global balance of power. For an alliance that was
once so indifferent to the PRC, this represented a notable shift in both rhetoric and behavior.

While these developments were noteworthy in their own right, they pale in comparison to the events of 2022. For NATO’s European member states, Russia’s invasion of Ukraine was a seismic shift. For the first time in decades, war had returned to the continent, upending long-held assumptions about the rules-based international order. This, combined with China’s overly aggressive response to US House Speaker Nancy Pelosi’s visit to Taiwan in August (see here and here), seems to have shattered any illusions NATO states may have held about the threats posed by authoritarian powers.

Growing NATO Interest in Taiwan

In the wake of the Russian invasion, many commentators were quick to draw parallels between the conflict and a potential Taiwan Strait contingency. While the two scenarios differ widely in many key aspects, there are undeniable similarities. Like Ukraine, Taiwan is a relatively new—albeit far more stable—democracy, forced to operate in the shadow of a far larger, far more powerful rival. And like Russia, China is a vast, irredentist autocracy, determined to reclaim a territory it regards as its own sovereign soil. Though such comparisons are certainly simplistic, they are powerful nevertheless. For many NATO member states, the parallels between the war in Ukraine and a future war in the Taiwan Strait seem to be difficult to ignore.

For its part, the PRC has not done itself any favors. While China is not directly involved in the Ukraine conflict, its behavior in the months before and after the invasion has led many European states to draw an association between the two. As Trinkwalder notes, Beijing’s declaration of a “no limits” partnership with Moscow and subsequent echoing of Russian rhetoric on NATO “aggression” have eroded European opinion toward China. Relations have been further strained by the PRC’s continued refusal to disavow Russian attacks, including those targeting civilians and noncombatants. For many in Europe, China’s actions—or lack thereof—during the conflict have confirmed that Beijing is not to be trusted. These concerns were reflected in the alliance’s 2022 NATO Strategic Concept, released in June 2022, which stated that the “deepening strategic partnership between the People’s Republic of China and the Russian Federation and their mutually reinforcing attempts to undercut the rules-based international order run counter to our values and interests.”

Where China’s behavior during the Ukraine conflict sparked widespread discontent in Europe, its conduct following Nancy Pelosi’s visit to Taiwan provided a far more tangible example of its belligerent tendencies. Speaking in the days after the visit, NATO Secretary-General Jens Stoltenberg stated that the “visit of Nancy Pelosi is no reason for China to overreact or threaten Taiwan or to use threatening rhetoric.” While Stoltenberg’s statement was far from a call to arms, it nevertheless signaled that the alliance was concerned about the stability of the Taiwan Strait.

Evolving Debates on Taiwan

Given these events, NATO’s decision to hold its first-ever dedicated debate on Taiwan issues is perhaps not surprising. It is a remarkable development nonetheless. For an alliance that was long reluctant to even mention China, the debate represents the culmination of a multi-year evolution in rhetoric toward the PRC. As reported by the Financial Times, the discussions occurred during a September meeting of the North Atlantic Council (NAC), the alliance’s “main political decision-making body.” According to US Navy Admiral (ret.) James Stavridis, the former NATO supreme allied commander, topics of discussion included “the status of Taiwan, its democratic government, and its critical role in the manufacture of microchips globally.” While participants cautioned that there was no formal discussion of the alliance’s role in a potential Taiwan Strait contingency, they nevertheless noted that the implications of such an attack were extensively debated. In a further demonstration of Taiwan’s growing salience among European alliance members, one participant stated that “if there is an issue that we are discussing inside out and upside down, it’s Taiwan and possible scenarios and essentially a sense of what would happen.”

Already, the alliance seems to be building on its Taiwan debate. During another leaders’ meeting held in Bucharest, Romania from November 29-30, NATO officials “engaged in their most concerted effort yet to grapple with the China challenge.” Notably, the meeting included discussions of substantive steps that the alliance could take to reduce its vulnerabilities to Chinese influence, including developing shared export control standards. While it is unclear whether the members directly discussed Taiwan, the meeting nevertheless demonstrated growing transatlantic alignment vis-à-vis China.

For the United States, this was likely a welcome development. For years, Washington has sought to bring European states into greater alignment when it comes to China. While this had seemed to be a futile endeavor in the past, the events of 2022 seem to have made European states more receptive to the US position. Now more than ever, a more unified, transatlantic approach to China and Taiwan could strengthen the United States’
hand in its dealings with the PRC. NATO may only be taking its first steps into the Taiwan Strait regional security discussion, but it is progress nonetheless. If the alliance is able to capitalize on its renewed relevance and develop a coherent, actionable plan for confronting China, it could greatly improve its strategic position moving forward.

**The main point:** In the wake of several geopolitical crises, a reinvigorated NATO has begun to discuss security issues surrounding the Taiwan Strait region. If its member states continue this trend, it could greatly strengthen their collective position vis-à-vis China.

[1] While this was the first direct meeting with the four Indo-Pacific states, NATO had maintained various degrees of relationships with them since 2004. For more information, see https://globaltaiwan.org/wp-content/uploads/2022/10/QuarterlyConnections_Q32022.pdf.

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**Ripple or Wave?: Assessing the Impact of China’s Mass Protests on Cross-Strait Relations**

By: John S. Van Oudenaren

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In the last week of November, mass protests erupted in cities across the People’s Republic of China (PRC). The immediate trigger of this unprecedented public outburst was the deaths of as many as 40 people in an apartment fire in Urumqi (Xinjiang), where stringent zero-COVID lockdown measures reportedly impeded rescue efforts. Subsequent protests occurred in Nanjing, Shanghai, Lanzhou, Chengdu, and other large cities—including Beijing, where students demonstrated at elite schools such as Tsinghua University, which were hotbeds of activism during the 1989 student protest movement.

Although the initial impetus for people taking to the streets was frustration with the official “dynamic clearance” (動態清零) zero-COVID policy, the protests quickly morphed into a broader pushback against Chinese Communist Party (CCP) General Secretary Xi Jinping’s (習近平) leadership and ideology, as well as China’s lack of genuine democracy, rule of law and individual rights. As a result, the short-lived but impactful “white paper revolution” (白紙革命) movement was undoubtedly deeply threatening to the CCP leadership. For the first time, disparate groups—students, unemployed youth, disaffected factory laborers, migrant workers, ethnic minorities, women, and LGBT people—seized on a shared symbol (the iconic sheet of blank paper) to express mutual or overlapping grievances.

As the outcome of the PRC’s epidemic prevention efforts—and the future public responses they might engender—remains in flux, gauging the impact of recent protests on cross-Strait relations is an uncertain endeavor. This article examines the potential externalities of the protests for cross-Strait relations in three areas: 1) the prospects for an even-further increased PRC focus on security; 2) the possibilities for diminished enthusiasm among Chinese youth for Xi’s leadership; and 3) the likelihood of increased support in Taiwan for indefinite separation from China.
Concept” (總體國家安全觀), which takes an extremely expansive approach to security. [2]

Notably, Chen’s emphasis on achieving “holistic security” came in a context in which he called on political-legal organs to “resolutely crack down on infiltration and sabotage activities by hostile forces in accordance with the law, resolutely crush illegal and criminal acts that disrupt social order, and effectively maintain overall social stability.” This, along with the massive public security presence that has been deployed around the country in the wake of the protests, suggests that the PRC is likely to allocate an even higher share of its resources to domestic security and “stability maintenance” in the face of growing opposition from civil society—which for the CCP, represents subversion and dangerous instability.

Despite this inward turn, Taipei and Washington should resist from wishful thinking that the PRC will be forced to make tradeoffs between external and internal security spending. As the “holistic national security” concept underscores, the CCP does not conceive of its internal and external security as separate. Consequently, Beijing is likely to respond to the protests by placing an increased emphasis on security across the board. As a result, bolstering internal security and stability maintenance is not likely to come at the expense of sustaining the currently rapid pace of People’s Liberation Army (PLA) modernization, which Xi has indicated will be a key priority in his third term. Furthermore, as the PLA is a party force and not a national military, its foremost mission has always been to safeguard and sustain party control, to include supporting internal stability. This has particularly been the case since the 2015-2016 military reform and reorganization, which transferred the People’s Armed Police (PAP, 人民武裝警察) from shared civilian and military command to the sole control of the Central Military Commission (CMC, 中央軍事委員會).

**Are China’s Youth on Board?**

Over the past three decades, the CCP has fueled a nationalistic shift in public opinion through the systematic cultivation of “patriotic” sentiment among Chinese youth. Xi has capitalized on this nationalistic turn by establishing the “great rejuvenation of the Chinese nation” (中華民族偉大復興) as a central objective. As official sources—including Xi himself—often stress, achieving China’s “complete reunification” is the CCP’s historic mission, and one that is “indispensable for the realization of China’s rejuvenation.” This also aligns with public opinion in the PRC, where the great majority of citizens believe that Taiwan is a part of China. However, the recent protests have cast into full relief an unspoken but threatening truth for the party: that the ultimate loyalty of most Chinese people, including many elites (as the recent protests at top-tier universities demonstrated), is to the Chinese nation and civilization, not the CCP. As Willy Wo-Lap Lam notes, while the sheets of blank paper represent censorship and a lack of freedom, their whiteness or lack of color also indicates that the movement is grassroots rather than a so-called “color revolution” (颜色革命) instigated by foreign forces, as the CCP falsely claims.

The protesters’ rejection of the CCP’s chosen narrative that foreign forces are responsible for China’s domestic woes suggests that for Xi, pursuing a conflict with Taiwan (and by extension, likely the United States as well) would not necessarily have a “rally around the flag” effect on domestic public opinion. As Russia’s recent experience in Ukraine has demonstrated, the high potential costs of such a conflict (economic privations, unpopular military service requirements, the risk of a wider war, etc.) would not likely engender widespread enthusiasm among Chinese youth. Should Xi opt to invade Taiwan in the near-term, as some US observers posit, he would be calling on China’s youth, who are now enduring a de facto recession on the heels of three years of life under zero-COVID restrictions, to make even greater sacrifices. About one in five Chinese youth between the ages of 16 and 24 are currently unemployed. Furthermore, even those young people who are employed have grown increasingly disillusioned with a culture of grueling yet chronically undercompensated work.

**How Will the Protests Impact Taiwanese Views of China’s Future?**

A key externality of the protests is their potential to impact Taiwanese public opinion on the PRC’s political trajectory—which in turn, could influence public perspectives on cross-Strait policy. In the short term, this could create potential opportunities for the opposition Kuomintang (KMT, 國民黨) and difficulties for the governing Democratic Progressive Party (DPP, 民進黨), which struggled during the 2022 local elections after running on a platform of strict epidemic prevention policies. Under current party Chairman Eric Chu (朱立倫) and his immediate predecessor Johnny Chiang (江啟臣), the KMT has made significant adjustments since its 2020 electoral losses, emphasizing its commitment to both the status quo in the Taiwan Strait and close unofficial ties with the United States.

Nevertheless, if the CCP’s reaction to the protests is to scale up its already enormous internal security apparatus, which appears
likely with public security organs already busily mining digital surveillance data to track down protest participants, this will likely result in an increasing majority of Taiwanese rejecting any possibility of a shared future with the PRC. Such a shift would render the KMT’s continued adherence to the so-called “1992 Consensus” (九二共識) even more detrimental to its political standing among the general electorate in Taiwan.

**Conclusion**

Although the November protests may have initially generated faint glimmers of hope about the possibility of China embarking on an alternate political path, their subsequent suppression is likely to deepen, rather than narrow, the cross-strait chasm between the PRC and Taiwan. The “holistic security” concept will likely assume an even more central role in conditioning Beijing to view its external and internal environment, including Taiwan and the Taiwan Strait, through a securitized framework. From a Taiwanese security perspective, if the frustrations with the CCP’s policies that engendered the protests persist, this could further sap youth enthusiasm for Xi Jinping’s drive to achieve the “great rejuvenation of the Chinese nation.” Finally, the protests and their subsequent repression could also further the deterioration of the PRC’s image in Taiwanese public opinion, leading growing numbers of the island’s citizens to conclude that the political futures of China and Taiwan are fundamentally incompatible.

**The main point:** The ramifications of the recently suppressed “white paper revolution” protests for cross-strait relations appear mixed. On the one hand, Beijing will likely focus even more heavily on internal and external security, which will likely further sour Taiwanese public opinion on the idea of closer relations with China; however, the movement reveals deep youth disillusionment with Xi’s vision for China’s future, which suggests there would be minimal popular enthusiasm for using military means to achieve “reunification” with Taiwan.

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[1] The CPLC is the top body in the political-legal apparatus (政法系统) overseeing the courts, procuratorates and police force. For an examination of Xi’s purge of the political-legal apparatus, see Willy Wo-Lap Lam, “Factional Strife Intensifies as Xi Strives to Consolidate Power,” *China Brief*, October 14 2021; and “Xi Facing Opposition on Different Fronts in Run-Up to Key Party Plenum,” *China Brief*, September 23, 2021.


[3] In his January 2019 remarks to commemorate the 40th anniversary of the *Message to Taiwan Compatriots*, Xi defined the 1992 Consensus as an understanding that “both sides of the Taiwan Straits belong to one China and will work together toward national reunification,” which he said will be achieved through “the well-conceived concept of ‘One Country, Two Systems.’”

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**Bringing Taiwan to an International Audience: An Overview of Taipei’s Cultural Policy**

By: Adrienne Wu

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As noted in a previous article for the Global Taiwan Brief, censorship imposed by the Chinese Communist Party (CCP) has the potential to affect Taiwan’s creative space by limiting the opportunities for Taiwan to gain funding opportunities from, collaborate with, and distribute to global markets. In order to grow Taiwan’s creative industries and develop a creative infrastructure that has the talent, money, and equipment needed to produce high-quality creative works that can appeal to international audiences, it is important to find ways to ensure that Taiwan does not depend solely on the Chinese market. After assessing ways in which the CCP has restricted Taiwan’s creative space, the natural next question would be: what is Taipei doing about this?

**Taipei’s Cultural Policy: From Cultural Control to Cultural Industries**

Despite Taipei’s current interest in international appeal, Taiwan’s cultural policy initially had a more domestic focus. When the Kuomintang (KMT, 中國國民黨) took control of Taiwan in 1946, they found themselves governing over a people who had become “Japanized” due their time living under Japanese control. To counter this, the KMT enforced upon Taiwanese people a new identity emphasizing traditional Chinese culture, in order to legitimize their rule and create unity between the newly arrived Chinese and ethnically Chinese Taiwanese. The KMT’s cultural policy from the 1940s through the 1960s was both born out of hopes to transform Taiwanese into citizens of the Republic of China, and a reaction to Mao Zedong’s (毛澤東) com-
munist Cultural Revolution. In 1967, the KMT established the Promotion Council for the Chinese Cultural Renaissance Movement (PCCCRM, 中華文化復興運動推行委員會) with Chiang Kai-shek (蒋介石) as its chairman. During this time, cultural policy in Taiwan was a centralized movement directly controlled by Chiang’s—and by extension the KMT’s—political convictions and ideological beliefs.

Taiwanese cultural policy remained focused on Chinese cultural identity into the 1980s. The government founded the Council of Cultural Affairs (CCA, 文化建設委員會) in 1981, which marked the first time that cultural affairs were controlled at the ministerial level in the Executive Yuan. It was not until after the election of the first Democratic Progressive Party (DPP, 民主進步黨) president in 2000 that the government began to redefine Taiwanese culture to emphasize the “characteristics and uniqueness of local culture.”

The pivot to emphasizing local Taiwanese culture was also accompanied by a greater interest in the economic benefits of developing creative industries. In 2002, Taipei initiated the Challenge 2008: National Development Plan (挑戰2008：國家發展重點計畫), which included developing cultural creative industries as one of its main investment plans, and CCA Chair Chen Yu-hsiu (陳郁秀) proposed the Cultural and Creative Industry Development Plan (發展文化創意產業計畫) at the National Culture Congress of 2002. The development of creative industries operated on three levels: regionally by creating industrial clusters and creative parks, nationally by establishing nationwide regulations, and internationally by integrating Taiwanese talent into cultural and industrial sectors in China and expanding Taiwan’s presence in international markets.

This culminated with the Legislative Yuan passing the Development of the Cultural and Creative Industries Act (文化創意產業發展法) in 2010. Under this new act, the government offered support for creative industries in the form of funding, subsidies, and tax incentives to attract investments. In the same year, the National Development Fund (NDF, 國家發展基金) approved the Implementation Project to Strengthen Investment in Cultural and Creative Industries (加強投資文化創意產業實施方案), and set aside NTD $10 billion (USD $350,892,100) to be invested in cultural and creative industries over the course of the next ten years. Some companies that have received funding are Mandarin Vision—the film production company responsible for the Academy Awards-shortlisted film A Sun (2019), and Golden Horse winner My Missing Valentine (2020)—as well as B’IN Live Co., an event-planning company that has planned concerts and tours for well-known Taiwanese artists such as Mayday, Crowd Lu, and JJ Lin.

Overall, Taiwanese cultural and creative industries have experienced substantial growth over the past decade. In 2020 alone, Taiwan’s cultural and creative industries saw a gross revenue of NTD $15.7 billion (roughly USD $550 million) and 3,081 new jobs were created.

Currently, Taiwan’s Ministry of Culture (MOC, 文化部), the successor to the CCA, focuses on developing creative and cultural industries through three key initiatives: 1) promoting mentorships, diverse investment, and funding services; 2) supporting the cluster effect [1] and the development of local specializations, and; 3) coordinating the cross-industry fashion integration flagship project. These initiatives are accompanied by two platforms for global exchange: “Fresh Taiwan” Pavilion (文化創意產業國際拓展計畫) and Creative Expo Taiwan (臺灣文博會).

These two platforms serve complementary functions. “Fresh Taiwan” gathers representative Taiwanese design brands to be a “standard-bearer for Taiwanese cultural soft power” by participating in design shows worldwide, whereas Creative Expo Taiwan showcases Taiwanese creators locally in Taiwan and invites international buyers to come visit. Both initiatives have shown modest success, and are evidence of the Taiwanese government making a conscious effort to curate brands to represent Taiwan to the international market and build up Taiwan’s national brand.

TAICCA’s Role

In 2019, the MOC established the cultural intermediary the Taiwan Creative Content Agency (TAICCA, 文化內容策進院) to act as a link between the government and private industries. Unlike
government organizations, TAICCA’s staff consists of industry professionals and works toward goals that are oriented towards public appeal and commercial viability. Through programs such as TAICCA’s Creative Content Development Program (CCDP, 內容開發專案計畫) and Taiwan’s International Co-funding Program (TICP, 國際合作投資專案計畫), TAICCA supports the development of local creators and provides incentives for prospective international investors.

Close collaboration with Netflix—through creative workshops and a memorandum of understanding—has been another way that TAICCA is broadening Taiwan’s access to global markets. However, entering the global market also comes with increased competition. Since Netflix has begun making its streaming data available, only 12 of the 66 Taiwanese productions hosted on Netflix have made it into the Netflix Top 10. Additionally, all the countries where Taiwanese productions have made it into the top 10—Hong Kong, Singapore, Indonesia, Malaysia, and Vietnam—are countries with close geographical and cultural proximity to Taiwan, lending credence to the oft-stated idea that Taiwanese products are most popular within the Chinese-language market.

The one outlier has been Incantation (2022). Making it into the top 10 in 29 countries and staying there for 72 cumulative weeks (i.e., the total number of weeks in the top 10, across all countries surveyed), the horror film far exceeds the reach of the second-most popular Taiwanese production on Netflix, Light the Night (2021), which was in the top 10 in five countries and stayed there for 58 weeks. Yet, Taiwan’s overall success still pales in comparison to that of South Korea: Squid Game (2021) was in the top 10 for 1,203 cumulative weeks; and a less widely known Korean film, 20th Century Girl (2022), was in the top 10 for 114 weeks.

### Conclusions
Taipei’s cultural policy has evolved considerably over the years. From a domestic-oriented policy promoting culture that was considered Chinese in origin, Taipei has since shifted to a focus on international appeal that highlights local Taiwanese culture. While the cultural policy of the past was created with the goal of encouraging national unity, the current policy is born out of Taiwan’s economic and geopolitical interests to develop a robust creative infrastructure that is capable of establishing a localized national brand on the international stage. Over the past decade, Taipei has provided funding for cultural creative industries and sought to define Taiwan’s cultural image through the “Fresh Taiwan” Pavilion and Creative Taiwan Expo.

The establishment of TAICCA and the rise of streaming platforms has further aided Taipei’s mission. Through the traditional distribution method of movie theaters, only five Taiwanese productions made it into UNESCO’s 2005-2017 list of Top 10 Movies Viewed by Country, and these films were only watched in 10 different countries. [3] By partnering with Netflix, Taipei has managed to increase access to Taiwanese productions on a platform where Taiwan does not have to directly compete with China. Overall, Taipei’s current success has been modest. However, the upward trend of gross revenue for cultural creative industries and the global reach that Netflix provides are positive signs of improvement.

### The main point:
While Taiwanese cultural and creative industries still face many challenges, Taipei’s approach to cultural policy has already exhibited impressive potential. In particular, the
establishment of TAICCA and its cooperation with Netflix has been crucial for giving Taiwanese cultural products access to the international audience. Since many of these agreements are still in the fledgling stage, it will be important to see if this growth continues into the future.

[1] Creative clusters refers to the urban development practice of having a community of creators centralized in a given location, with the aim of stimulating innovation and creativity. Further reading: [https://www.taiwan-panorama.com.tw/Articles/Details?Guid=9bbee537-359e-4efc-87b0-5d00c5c308ec&langId=3&CatId=10](https://www.taiwan-panorama.com.tw/Articles/Details?Guid=9bbee537-359e-4efc-87b0-5d00c5c308ec&langId=3&CatId=10)

[2] In 2021, “Fresh Taiwan” consisted of two online exhibitions paired with multiple physical locations.