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By: John Dotson

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In June of this year, [Wang Huning](#) (王滬寧), the Chinese Communist Party (CCP, 中國共產黨) Politburo Standing Committee member responsible for the CCP's united front policy portfolio, [announced](#) at the CCP-hosted Fifteenth Straits Forum (十五海峽論壇) that the party would soon unveil a new plan intended to promote closer economic and social linkages between Taiwan and China's southeastern coastal province of Fujian. In mid-September, the government of the People's Republic of China (PRC) [unveiled this new plan](#) for the "integrated [or 'fused'] development" (融合發展) of Taiwan with the PRC. The plan focuses on measures to make Fujian—China's closest province to Taiwan across the Taiwan Strait, and a region that shares heritage and linguistic ties with much of Taiwan's native, Hokkien-speaking population—into a model region for attracting Taiwanese businesspeople and youthful immigrants.

PRC state commentary noted that "Fujian has a distinct position and role in comprehensive Taiwan work," and further proclaimed that the new plan would "deepen cross-Strait integrated development in a variety of areas, advance the course of the peaceful unification of the motherland, [and] engage in sustaining support for the new road of explorations in cross-Strait integrated development [by] building cross-Strait integrated development model zones" to bring people from both sides of the strait together. For its part, Taiwan's current Democratic Progressive Party (DPP, 民主進步黨)-led government has rejected the plan and its proposals out of hand, with the Mainland Affairs Council (MAC, 大陸委員會) [dismissing the plan](#) as yet another united front initiative from the CCP intended to drive wedges into Taiwan society.

This latest initiative follows on the heels of other recent significant CCP policy messaging related to annexing Taiwan. These include CCP General Secretary Xi Jinping's (習近平) [January 2019](#) speech to "compatriots" (同胞) in Taiwan, as well as the "Party's Comprehensive Plan for Resolving the Taiwan Problem in the New Era" (新時代黨解決台灣問題總體方略), which was first unveiled in late 2021. (See detailed discussion of this "Comprehensive Plan" in an [earlier article](#) of the *Global Taiwan Brief*.) In light of the

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publicity given to the new Fujian-Taiwan integration plan, both positive and negative, it is worth asking the questions: What is actually contained in this plan? And, is it any different from the CCP's many ongoing united front initiatives to recruit and coopt Taiwan's citizens in support of unification?



Image: Officials from the CCP Taiwan Office and the PRC National Development and Reform Commission (國家發展和改革委員會) convene a meeting with Fujian provincial officials to promote the CCP's new plan for Fujian-Taiwan integration (September 27, 2023). (Image source: [Zhongguo Taiwan Wang](#))

The Contents of the Fujian-Taiwan Integration Plan

On September 12, the PRC government officially promulgated the policy document [Communist Party Central Committee and State Council Opinions Concerning the New Path of Supporting Fujian Explorations in Cross-Strait Integration and Development and Building Cross-Strait Integration and Development Model Zones](#) (中共中央國務院關於支持福建探索海峽兩岸融合發展新路建設兩岸融合發展示範區的意見). The plan's preambles states its purpose as follows:

“[We must] establish a cross-strait integration and development model base, [and let] Fujian become the effective and abundant number one home for Taiwan compatriots and Taiwan enterprises to embark. [We must] further perfect the policy system for integrated development, give greater strength to the societal feeling that “both sides of the strait are one family, Fujian and Taiwan are one family” [... make] contacts between Fujian and Taiwan personnel more convenient, [make] trade and investment smoother, [open] exchange and cooperation into broader realms, deepen the expansion of adminis-

trative levels [and] let the integrated development model for Xiamen and Kinmen, Fuzhou and Matsu be ever-more revealed.”

The plan lays out broad guidelines for the goals of the program, as well as promises—most of them vague and noncommittal—for the benefits that will be offered to Taiwan residents who participate. Following longstanding themes in the CCP's united front work, the provisions of the plan are aimed primarily at businesspeople and young adults, while ignoring Taiwan's government (see [here](#) and [here](#)). Some of the major areas addressed by the plan are briefly summarized below.

Infrastructure and the Closer Connection of Kinmen and Matsu with China

A major emphasis of the plan is the need to build further transportation infrastructure to connect Taiwan—and in particular, the islands of Kinmen and Matsu—with regions in Fujian Province. The plan declares that:

“[We must] promote the full connection of infrastructure in Fujian and Taiwan, build a three-dimensional, comprehensive model for connecting with Taiwan, [and make] unimpeded thoroughfares to connect Taiwan with Fujian and other regions of the mainland. [We must] strengthen key logistics hubs and other such major logistics infrastructure building, perfecting regional logistics distributions systems [... and] further optimize and strengthen passenger and freight transportation routes along the coast of Fujian and the main island of Taiwan, as well as with Kinmen and Matsu.”

The text of the plan particularly emphasizes closer infrastructure connections in order to establish “accelerated integrated development” (加快融合發展) between Kinmen and the city of Xiamen, and “deepened integrated development” (深化融合發展) between Matsu and the city of Fuzhou.

The plan promises equal treatment for Taiwan people in terms of accessing public services in both Xiamen and Fuzhou. For the island of Kinmen, it predicts the sharing of common infrastructure, vowing to “accelerate and advance common electricity and gas [utility usage], bridge connections, and support Kinmen in sharing use Xiamen's new airport.” For Matsu, it similarly promises the sharing of common water, electricity, and gas utilities, and the construction of shared-used bridges. It also notes intent to attract to Fuzhou “Taiwan compatriot enterprises” (with referenced interest in “digital economy development”), and makes vague promises for “new cooperation in maritime

fisheries and other domains.” In the cases of both Xiamen-Kinmen and Fuzhou-Matsu, a central goal will be to form “common city social circles” (同城生活圈) that will bind people from the paired regions together.

Promised Benefits for Taiwan Businesspeople

Another core theme of the plan lies in its promises to set forth Fujian as a promising region in which Taiwan companies can conduct operations and make investments. The plan states in one section that Fujian will:

“[...] optimize the business environment for Taiwan enterprises [...] and] lead Taiwan compatriots and Taiwan enterprises to mutually share in building marketization [and] a business environment that is more convenient and governed by law.” It further states in another section that government policy will “support Fujian enterprises and Taiwanese enterprises in Fujian to jointly build enterprise cooperation alliances [...] support the construction of multi-level cross-Strait financial markets, innovate cross-Strait social capital cooperation methods, [and] promote the establishment of cross-Strait industrial integration development funds.”

Although the language of the plan is vague, it does mention a few economic sectors as priority areas for attention. It promises land usage and financing for Taiwan farmers and fishermen, with a goal of establishing “national rural development model counties” (国家乡村振兴示范县) and “cooperation bases” (合作基地) for agriculture. It also mentions attracting Taiwan businesses with an eye toward technology sharing, stating that Fujian will “encourage Fujian-Taiwan enterprises and scientific research institutions to jointly build technology research platforms, advancing digital, online, and smart transformations [in the economy].” Somewhat incongruously, it also promises support for “fashion and creative industries” in order to “mutually cultivate brands with national characteristics.”

Of note, but without further explanation, the plan mentions two specific enterprises for development (presumably, with assistance from Taiwan entrepreneurs) as “industrial bases”: Gulei Petrochemical Industrial Base (古雷石化產業基地), and Ningde Power Battery Group (寧德動力電池集群). Why these enterprises are singled out in this manner is not entirely clear.

In the case of Fuzhou-Matsu economic integration, the plan plays up the particular importance of the “Pingtan Comprehensive Experimental Zone” (平潭綜合實驗區), a grouped collection of industrial parks on the island of Pingtan (located just off

the coast of Fujian, to the southeast of Fuzhou). The plan touts its value as an investment and production site for Taiwan enterprises, and as a showcase for economic integration between the two sides. This zone, as described in [Fujian provincial government publicity material](#) dating back to 2013, is a “pioneering model zone oriented towards exploring cross-Strait exchange cooperation [and a] [Taiwan] Strait west coast economic zone [and] scientific development pioneering zone.”



Image: A map of the “Pingtan Comprehensive Experimental Zone” on the island of Pingtan, near the city of Fuzhou. The island is promoted as a centerpiece of the new CCP plan for Fujian-Taiwan economic integration. The map shows the island divided into five main zones: the “Science, Technology, and Culture Zone” in the north; the “Central Business District” in the center; the “Travel and Recreation Zone” in the south; and two “Port Trade Zones” in the southwest and southeast. (Image source: [Fujian Government Taiwan Office](#))

Conclusions

Beijing’s new plan for the economic integration of Taiwan, while much ballyhooed in PRC state sources, appears to offer little in the way of quantifiable inducements to Taiwan entrepreneurs—and little to turn around a larger [trend of Taiwan enterprises leaving China](#) to set up manufacturing and other operations elsewhere. The provisions of the plan are vague, and tend to take the form of non-specific promises and exhortations rather than firm commitments. Furthermore, the plan also contains read-between-the-lines subtext that strongly hints

that one of its central goals is to leverage the technology and managerial knowledge of Taiwan businesspeople, rather than to open up promising new avenues for them to pursue profits. Against a backdrop of China's overall [economic downturn](#) and an atmosphere of intensifying political pressure in the PRC (the plan itself contains language vowing to “maintain the Party center’s unified leadership over [...] all aspects of the process”), there appears to be little new here that would really inspire a significant new wave of investment in Fujian by Taiwan-based enterprises. Instead, the plan appears to be a case of old wine in new wineskins: repackaging traditional united front cooptation themes related to the golden opportunities available for Taiwanese who will relocate to the PRC for study or business. As with autumn 2021’s “Comprehensive Plan” for unification, the plan for Fujian-Taiwan economic integration appears to be largely a propaganda exercise, with little substance to back up its promises.

The main point: In September, the Chinese government released a new plan pertaining to efforts to make Fujian Province a model region for economic and social integration with Taiwan. The actual plan, although hyped up for propaganda purposes, appears to offer little in the ways of substantive inducements for Taiwan businesspeople.

Evolving, Not Evading: The Philippines’ National Security Policy and Its Strategic Calculus in Taiwan

By: Joshua Bernard Espeña

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For decades, the Philippines has recognized Taiwan’s geographical proximity, while simultaneously holding the island country at a geopolitical distance. Yet in the past months, Manila, under the leadership of President Ferdinand Marcos Jr., has been making headlines. Specifically, as the Philippines tries to make sense of its regional environment, it is increasingly treating Taiwan as a vital puzzle piece for a peaceful and stable regional environment amid the rivalry between the United States and the People’s Republic of China (PRC).

This article argues that, contrary to claims that the Philippines is—or should be—ignoring Taiwan, the Southeast Asian state

is instead reassessing its strategic calculus based on shifting power dynamics in the region. Compared to previous incarnations, Manila’s latest [National Security Policy \(NSP\) 2023-2028](#), released this August, provides a clear-eyed approach to the regional environment and what to do about it. The policy document states that while the West Philippine Sea remains the country’s primary concern, cross-strait relations are a “major concern.” A potential Taiwan Strait contingency could have dire consequences—both in terms of broader economic stability, as well as for the welfare of the significant overseas Filipino population in Taiwan. It could also result in an influx of refugees due to Taiwan’s geographic proximity to the Philippines.

The Taiwan-Philippines Relationship Thus Far

At the height of the Cold War, the Philippines and the Republic of China (ROC) were *de facto* allies in the US-led global anti-communist campaign. But, following the adoption of a new “One-China Policy” under Ferdinand Marcos Sr.’s presidency, Manila switched its diplomatic relations from the ROC to the PRC in 1975. Since then, both countries have had unofficial relations through the Manila Economic and Cultural Office (MECO) based in Taipei, and the Taipei Economic and Cultural Office (TECO) based in Manila.

Despite the “One-China Policy,” it makes sense for the Philippines to be proactive *vis-à-vis* Taiwan due to the geo-economic potential that the relationship might have. Through their unofficial ties, the Philippines and Taiwan reap mutual benefits. According to Dr. Kristy Hsu (徐遵慈), overseas Filipino workers are considered a [major source of manpower](#) for Taiwan’s electronics industry. In turn, these workers are a major source of remittances for the Philippines. As of May 2023, there are about [160,000 overseas Filipinos](#) in Taiwan, with up to 28,000 more expected by the end of 2023. As of this year, Taiwan is the Philippines’ [ninth-largest trading partner](#), amounting to USD \$2.96 billion in total exports.

In terms of soft power, Filipinos loved the 2004 Taiwanese TV drama *Meteor Garden* (流星花園), creating the so-called “meteor fever” fandom in Manila. Even today, many Filipino millennials are still [nostalgic](#) about it. As [splendidly](#) put by Yi-Yu Lai, “the image of Taiwan in the Philippines has shifted from romantic fiction, the medium of Chinese cultures, to a neighboring country that exists.” The Philippines also has extensive people-to-people ties with Taiwan, thanks largely to Taiwan’s New Southbound Policy (NSP, 新南向政策). These include [sister city agreements](#), [university exchanges and alliances](#), and [religious-humanitarian ties](#), which present [deeper collaboration and exchange](#). In terms

of tourism, Filipino tourists have already [exceeded pre-pandemic levels](#), with about 60,723 arrivals during the first quarter of 2023, which is 50 percent higher compared to the first quarter of 2019.

Of course, there are also gaps. Despite Taiwan's NSP, launched in 2016, Taipei has noted that Taiwanese investment in the Philippines remains [relatively low compared to other Southeast Asian countries](#). In May 2023, the Philippine government [pitched](#) to Taiwanese companies—particularly from the electronic vehicle, agro-processing, medical technology, and pharmaceutical sectors—the perks of investing in the country, especially its “highly trainable and skilled workforce.” MECO Chief Silvestre Bello III [argued](#) that securing a memorandum of understanding (MOU) to ease the tax burden on Taiwanese companies would encourage more investments in the Philippines.



Image: The “10 Dash Line” map issued by the PRC in summer 2023, which asserts PRC sovereignty over Taiwan and virtually the entire South China Sea. (Image source: [Manila Standard](#))

Now We're Here

There is no doubt that the Philippines has geoeconomic interests in Taiwan. If anything, the strong ties between the two nations suggest that the Philippines is not entirely evading its regional neighbor at all. Geopolitically, Manila is evolving its strategic calculus, working to adapt to the shifting regional power balance.

While cross-strait crises are [nothing new](#), the so-called [Fourth Strait Crisis](#), kicked off by former US House Speaker Nancy Pelosi's [visit](#) to Taiwan last year, was an [impetus](#) for the Philippines to become more proactive on the regional scene. The Philippine Department of Foreign Affairs called for [restraint](#) following Pelosi's visit. According to a Filipino analyst, it is in the Philippines' interest to [maintain](#) the status quo in the Taiwan Strait so that Manila can keep Beijing limited to a “strategic buffer” in the First Island Chain (FIC). While ideal, this option seems more unwork-

able by the day. The “1992 Consensus” (九二共識), which has shaped cross-strait relations for decades, is [no longer working](#) due to the PRC's relentless drive for maritime domination and Taiwan's [growing domestic distaste](#) for strong PRC ties.

The 2022 crisis also played a significant role in the expansion of the 2014 US-Philippines Enhanced Defense Cooperation Agreement (EDCA). According to Marcos Jr., the expanded EDCA would [reinforce](#) the Armed Forces of the Philippines' (AFP) capability for humanitarian assistance and disaster response.

The EDCA expansion was met with [opposition](#) from figures including former President Rodrigo Duterte, Senator Imee Marcos, and Cagayan Governor Manuel Mamba, among others. Reasons for their opposition largely fell along two lines: that the Philippines should not be dragged into a war for Taiwan as a US proxy; and that the Philippines should drop maritime grievances in exchange for better economic ties with China.

During the Senate inquiry, Imee Marcos [questioned](#) her brother's decision over the expanded EDCA. Specifically, she drew attention to the fact that three of the bases included in the expansion are located in northern Luzon—one in Isabela province and two in Cagayan. All three are in close proximity to Taiwan, suggesting that they were chosen in anticipation of a potential Taiwan Strait contingency. At the same time, Chinese Ambassador to Manila Huang Xilian (黄溪连) went as far as to [accuse the Philippines](#) of interfering in what it considers an internal matter, and threatened the government that it should not do so if it cared for its overseas Filipinos residing in Taiwan. Marcos Jr. [brushed](#) all concerns aside, with his Defense Secretary Gilberto Teodoro Jr. [emphasizing](#) that the Philippines has the right to modernize the AFP and intensify its alliances without influence from other nations.

Not-So-Post-Script: The PRC's Ten-Dash Line

Some scholars are somewhat concerned about the Taiwan factor in the EDCA expansion. For instance, one [argued](#) that the EDCA should only focus on the South China Sea struggle with the PRC, while another [argued](#) for the Philippines to leave Taiwan matters alone as a symbol of its “strategic autonomy” from “great power rivalry.”

However, these views are unlikely to stand the test of time. Beijing [shocked](#) the international community on August 28 this year when its Ministry of Natural Resources released the country's “new standard map,” which delineates a “10-Dash Line” encompassing the entire South China Sea, including the island of Taiwan and its western seaboard. Countries such as India, Ne-

pal, Malaysia, Taiwan, and the Philippines were quick to issue a diplomatic protest against this latest development.

The PRC's 10-Dash Line is doing the Philippines a big favor [by helping to align it with regional allies and partners](#). It also easily justifies the EDCA expansion. In May 2023, the Philippines [hosted](#) the largest Balikatan joint training exercises yet. Notably, the drills focused on a potential Taiwan scenario. This was further cemented by a [report](#) that the US military is in talks to develop a civilian port in the Batanes islands, less than 200 kilometers from Taiwan. Should the PRC take Taiwan successfully, Beijing may likely stage its intimation and invasion of the Philippines much easier, as the Japanese Imperial Military [did](#) in the past.

Convergences?

Marcos Jr. [indicated in a recent interview](#) that his government will promptly respond to the 10-Dash Line. Ultimately, the PRC map provides a rationale for the Philippines to establish more operational, albeit still unofficial, ties with Taiwan, particularly on the maritime and economic fronts.

In an [exclusive interview](#) with *The Philippine Star* this year, Taiwanese Foreign Minister Joseph Wu (吳釗燮) acknowledged that the Philippines' is his country's closest neighbor, and expressed the ROC government's support for Manila and Washington's decision to expand EDCA. In Wu's words, "as long as there's a desire on the part of the Philippines, Taiwan will be there to work together with the Philippines" on security issues, particularly coast guard cooperation.

For that to happen, the Democratic Progressive Party (DPP, 民主進步黨)—should it win in the [2024 election](#)—must clarify Taipei's position on the Philippines' [hard-won 2016 Arbitral Ruling](#) to nullify PRC's excessive claims, since it is arguably now part of customary international law. Back in 2016, Taipei, under Kuomintang (KMT, 中國國民黨) rule, [rejected](#) the said ruling over issues regarding the status of Taiwan-occupied Itu Aba island in the South China Sea.

Wu [said](#) in the interview that Taiwan's policy on the ruling remained unchanged, and that Taiwan will continue to adhere to the status quo. However, the status quo is now changing due to the PRC's repudiation of international norms. Manila and Taipei, therefore, must engage in serious, yet unofficial, contacts to talk about this. The South China Sea and the Taiwan Strait cannot be treated as separate cases any longer, as both are part of the PRC's relentless drive for regional dominance in the FIC.

Another critical goal should be to strengthen the resiliency of both Taiwan and the Philippines against China's economic coer-

cion. The United States has a critical role in this. Notably, Washington's weakness in regional outreach lies in [economics](#). While military assistance is its niche, the United States must intensify its efforts to [fill](#) the gaps in the Indo-Pacific Economic Framework (IPEF). Therefore, Taipei and Manila must also engage in serious diplomacy to make this happen.

At the end of the day, the Philippines is concerned with Taiwan geopolitically because of its geoeconomic concerns, as the recent NSP highlighted. Taiwan and the United States would do well to recalculate their economic statecraft, not only to build resiliency against the PRC, but also to develop a stronger, more mutually beneficial relationship and build an inclusive, rules-based international order.

The main point: For decades, the Philippines has affirmed Taiwan's geographical proximity, while remaining geopolitically distant. However, Manila's latest National Security Policy demonstrates that its strategic calculus toward Taipei is evolving, potentially providing an opportunity for expanded Philippines-Taiwan ties.

The KMT's High-Stakes Gamble: Reaching the Pinnacle or Navigating a Precipice?

By: Enescan Lorci

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The 2014 Sunflower Movement set off a seismic shift in Taiwan's political landscape. Triggering a surge in public awareness about sovereignty and Taiwanese identity, the movement propelled the protection of democracy to the forefront of the popular consciousness. This backdrop set the stage for the Democratic Progressive Party's (DPP, 民主進步黨) ascent to power in 2016, propelled by its strong commitment to safeguarding Taiwanese identity, democracy, and sovereignty. In the 2016 general election, Tsai Ing-wen (蔡英文) secured the presidency with a resounding 56.12 percent of the vote, defeating Eric Chu (朱立倫) of the long-ruling Kuomintang (KMT, 中國國民黨), who received only 31.04 percent. Tsai's second presidential bid faced challenges, accentuated by the DPP's significant setback in the [2018 local elections](#). Going head-to-head against charismatic KMT figure Han Kuo-Yu (韓國瑜)—dubbed "Taiwan's Trump"—further complicated her prospects. Han's [populist and nationalistic campaign](#) initially positioned him as a formidable contender. [Early polls](#) appeared to bolster his chances. Yet, the

2020 presidential election defied predictions. Despite the odds, Tsai [clinched victory](#) with the highest number of votes ever garnered by her party, marking a stunning turn of events.

As the January 2024 presidential election in Taiwan draws nearer, political parties have officially announced their candidates. Notably, the KMT's candidate, [Hou Yu-Ih](#) (侯友宜), has garnered substantial academic and media attention since the outset of his campaign. This heightened scrutiny is attributable to both his background, as well as internal criticism emanating from his own party. The prevailing skepticism surrounding Hou's nomination has prompted speculation within the KMT ranks regarding the possibility of replacing him as the party's candidate.

However, in July 2023, Eric Chu, the chairman of the KMT, definitively put an end to these discussions by [reaffirming](#) the party's unwavering support for Hou. This episode raises a central question for analysis: Despite the perceived drawbacks associated with Hou's candidacy, why does the KMT persist in supporting him?

Why Hou?

The rationale behind the KMT's endorsement of Hou's candidacy may ostensibly appear straightforward, potentially leading to an oversimplification of the intricacies inherent in Taiwan's political landscape. However, a more nuanced examination reveals that Hou's nomination represents a calculated strategic gamble by the KMT. Rather than adhering to electoral strategies aimed at securing a second-place position (as was the case in the past two presidential elections), the KMT is embarking on a daring path, with the ultimate goal of attaining the ruling position. Historically, many of the KMT's previous presidential candidates were descendants of families who accompanied the party to Taiwan following the Chinese Civil War. These candidates often embodied the "deep blue" stance within the KMT, advocating for expanded ties with the People's Republic of China (PRC). However, this strategy has left the KMT largely unable to keep pace with the rapid evolution of Taiwanese identity, which has only accelerated since the Sunflower Movement. In contrast, the current KMT candidate, Hou, symbolizes the Taiwanese identity through his family's [enduring presence on the island](#), affording him the status of a "native Taiwanese" (*benshengren*, 本省人).

Consequently, some have posited that Hou aligns more closely with the more moderate "light blue" stance within the KMT. Despite facing substantial criticism from within the KMT's ranks, the selection of Hou conveys a clear and deliberate message to Taiwanese voters: "Here stands one of your own."



Image: KMT presidential candidate Hou Yu-ih (center) appears alongside other prominent KMT figures—including Taipei Mayor Chiang Wan-an (蔣萬安) (left) and party Chairman Eric Chu (second from left)—at a meeting of the KMT Central Committee (May 17, 2023). (Image Source: [CNA](#))

KMT: Deep Blue Versus Light Blue

In the complex landscape of Taiwanese politics, the DPP is commonly associated with the "Pan-Green" camp, while the KMT is considered the standard bearer for the "Pan-Blue" camp. However, a further distinction exists within both the green and blue camps, often referred to as "[deep](#)" and "[light](#)." Within the KMT, the "light blue" faction traditionally advocates for maintaining the status quo in Taiwan's relationship with China. They adopt a pragmatic approach, prioritizing economic cooperation and the peaceful resolution of disputes over ideological considerations. Furthermore, "light blue" KMT members tend to place significant emphasis on safeguarding Taiwan's democratic institutions and values, viewing the preservation of Taiwan's autonomy and democracy as paramount.

Conversely, the "deep blue" faction within the KMT espouses a different set of principles and orientations. Members of this faction tend to embrace pro-China and unification-friendly views. They may advocate for forging closer economic, cultural, and political ties with mainland China, and may even support the concept of eventual reunification with the PRC. Ideologically, "deep blue" KMT members often uphold traditional conservative values, including opposition to social liberal policies such as same-sex marriage. Additionally, some members of the "deep blue" faction may have significant familial or historical ties to the Chinese mainland, further influencing their pro-China stance.

Since the 2000 presidential election, the majority of the KMT's candidates have predominantly aligned themselves with the "deep blue" ideological stance. A case in point is Lien Chan (連戰), who served as the KMT's candidate in both the 2000 and 2004 general elections. Notably, Lien was born in China, and conducted a highly publicized [visit to China](#) as chairman of the KMT in April 2005, where he met with General Secretary of the Chinese Communist Party Hu Jintao (胡锦涛). This was an historically significant moment, representing the first meeting between leaders of the two parties since 1949. These actions solidified Lien's "deep blue" credentials. Likewise, Ma Ying-jeou (馬英九), who served as the KMT's candidate and Taiwan's president from 2008 to 2012, exemplified another representative of the "deep blue" faction. Prior to his presidency—which included the [Sunflower Movement](#), and a [meeting with Xi Jinping](#) (習近平) in November 2015—Ma explicitly [articulated](#) that his goal was to lead Taiwan toward "eventual unification." These instances collectively affirmed his "deep blue" ideological disposition.

Conversely, [Eric Chu](#), the KMT's candidate in the 2016 presidential election, assumed a relatively moderate and pragmatic approach to cross-Strait relations and other policy matters. While this positioning may be perceived as leaning towards a "light blue" stance, the electorate's opposition to KMT policies that were implemented during the Ma Administration hindered Chu's electoral prospects against Tsai. In the most recent presidential election, [Han Kuo-yu](#) aligned himself firmly with the "deep blue" camp, expressing more pro-China and unification-friendly views. His platform promoted closer economic, cultural, and political ties with mainland China.

By contrast, Hou's candidacy diverges significantly even from that of Chu. While Chu's policy stances leaned closer to the "light blue" end of the spectrum, his candidacy was distinguished by familial ties to influential figures in Taiwan politics and the attainment of a PhD from a prestigious institution in the United States. In comparison, Hou hails from far humbler [circumstances](#). His father earned a modest livelihood selling pork, and Hou himself dedicated several years to serving as a police officer. Additionally, Hou's campaign thus far has underscored his apparent deficiency in [foreign policy exposure](#), limited history of international travel, and notable inability to communicate proficiently in English. These factors have collectively undermined his recognition and presence on the international stage, particularly within the United States.

Can Hou Address Taiwan's Most Significant Issue?

Taiwan's most pressing challenge continues to be its relationship with China, a matter that has grown increasingly complex during the eight-year tenure of the President Tsai. Among the three presidential contenders, current DPP Vice President William Lai (賴清德) seems to have emerged as the candidate least likely to foster stability in cross-Strait interactions. His alignment with President Tsai's approach, coupled with China's portrayal of him as a "[troublemaker](#)" during his visit to the United States, has prompted concerns about his ability to strike a diplomatic equilibrium. In contrast, Hou, despite [publicly opposing](#) both Taiwan's independence and Beijing's "One Country, Two Systems" (一國兩制) model, offers an alternative perspective. He [posits](#) that the "1992 Consensus," which ostensibly acknowledges a singular China, is open to interpretation. Hou nevertheless maintains that this consensus has been a pragmatic agreement that bolsters stability for Taiwan. His public statements underscore his profound respect for Taiwan's democracy, with an emphasis on the paramount importance of peace in safeguarding it. Hou has pledged to steer the country away from conflict, signaling an intent to preserve the status quo rather than pursue independence or unification. Against the backdrop of the Ukrainian conflict, peace and stability hold significant resonance amongst the Taiwanese populace.

While these positions seem largely in line with Taiwanese public sentiment, recent polling data has revealed that the KMT has thus far struggled to garner support for Hou's candidacy. According to a survey conducted from July 10 to 12 by the Association of Chinese Elite Leadership, William Lai of the DPP leads the race with 32.4 percent of voter support, followed by Ko Wen-je (柯文哲) from the Taiwan People's Party (TPP, 台灣民眾黨) (25.9 percent). Of greatest concern for the KMT, Hou currently occupies the third position among these contenders, amassing a meager 17.6 percent support rating. While the odds appear daunting for Hou at present, the political landscape remains dynamic, and the potential ramifications of the KMT's strategic gamble are yet to fully manifest.

The polling outcomes arguably reflect the KMT's challenge in effectively conveying its message to the Taiwanese electorate through Hou's candidacy. These difficulties have only been exacerbated by the candidacy of [Ko Wen-je](#), who has proven highly capable at using social media to cultivate a favorable image among younger voters—who could exert considerable influence in the upcoming election. While social media and youth engagement do not guarantee victory, they could position Ko as a formidable second-tier candidate, particularly if the KMT faces difficulties in effectively communicating its agenda. Fur-

thermore, the independent candidacy of [Terry Gou](#) (郭台銘), the founder of Foxconn and a previous contender for the KMT nomination in the 2024 presidential race, introduces another layer of risk for the KMT. While the potential for Gou to attract votes from DPP supporters may be debatable given his background in the business sector and extensive interests in China, it is plausible that some KMT voters may opt for him over Hou.

Although the KMT retains an opportunity leading up to the January 2024 elections to explain the rationale behind Hou Yu-ih's candidacy and persuade Taiwanese voters of his potential to effectively address the complex issue of cross-Strait relations, the current political landscape presents an increasingly grim outlook for the party. This emerging pessimism is compounded by the potential impact of Terry Gou's independent candidacy, which carries the risk of splitting the KMT's voter base. The candidacy of Ko Wen-je could also present a significant obstacle for the party. In such a scenario, where the KMT's electorate is potentially divided and the TPP secures second place, the party's strategic gamble to reclaim its former prominence may inadvertently result in a descent to third place in the upcoming elections.

The main point: While Hou Yu-ih might appear to be a more moderate, electable candidate for the KMT, his lack of international recognition and failure to gain youth support could greatly undermine his chances in the 2024 election.

Beijing's Aggressive Moves in the South China Sea and the Potential for a Taiwan Crisis

By: Michael Mazza

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Commenting on a recent spate of Chinese military drills, Taiwanese Defense Minister Chiu Kuo-cheng (邱國正) [described](#) the "recent enemy situation" as "quite abnormal," [warning](#) that events risk "getting out of hand." Vice President Lai Ching-te (賴清德), the Democratic Progressive Party (DPP, 民主進步黨) candidate for president in next year's election, stated that "China's attempts to annex Taiwan have not changed." But while tensions are certainly running high in the Taiwan Strait, it is developments in the South China Sea that may spark a dangerous crisis in the coming weeks and months.

Beijing has been on the offensive in the region's disputed waters this year. In the spring, Vietnamese and Chinese vessels had a dangerously close [encounter](#) after the China Coast Guard (CCG, 中國人民武裝警察部隊海警總隊) began regular patrols of oil and gas wells in the Nam Con Son basin, an area from which Vietnam secures [13.5 percent](#) of its power generation needs. While Vietnamese and Chinese ships have regularly shadowed each other in the area, opposing ships may have closed to as near as 10 meters on March 25—far too close for comfort.

Construction at a Malaysian gas development project in the South China Sea likewise [drew](#) Chinese attention in March. Available evidence does not suggest a close encounter as in the Nam Con Son case, but after a CCG ship had parked itself near the gas project for about a month, Kuala Lumpur responded by dispatching a small naval vessel to the area. According to the Asia Maritime Transparency Initiative (AMTI), there is mounting evidence to support the [contention](#) that "oil and gas development could reemerge as a flashpoint in the South China Sea this year."

But Beijing has set its sights squarely on the Philippines, the only US treaty ally with maritime claims in the South China Sea. In May, the two countries engaged in a round of competitive buoy placement. Manila moved first, installing five navigational buoys at five Spratly Island features, three of which the Philippines occupies and two of which—Irving Reef and Whitsun Reef—are unoccupied. Beijing proceeded to install five buoys of its own, including at Irving Reef and Whitsun Reef.

Tensions have been running particularly high near the Philippine-occupied Second Thomas Shoal. Second Thomas Shoal plays host to the *Sierra Madre*, a former US naval vessel that the Philippines intentionally grounded on the feature in 1999 and that serves as an outpost for Philippine Marines. In February, during a naval resupply mission to Second Thomas Shoal, a China Coast Guard ship reportedly [directed](#) a "military-grade laser" at a Philippine coast guard vessel, "temporarily blinding its crew on the bridge."

Tensions picked up again in the summer, when CCG vessels again [interfered](#) in a naval operation near Second Thomas Shoal in July. According to a Philippine coast guard spokesperson, Philippine coast guard vessels were "constantly followed, harassed, and obstructed by the significantly larger Chinese coast guard vessels." One month later, the CCG was at it again, this time disrupting a resupply mission not just with aggressive maneuvering, but with [water cannons](#). Chinese naval vessels hovered nearby.

Things may now be coming to a head. In late September, the CCG and the Chinese Maritime Militia (中國海上民兵) [installed](#) a barrier at Scarborough Shoal aimed at keeping Philippine fishing boats out of the area. A few days later, a Philippine Coast Guard diver [severed](#) the ropes anchoring the barrier. His shipmates then pulled the barrier from the sea.



Image: A Philippine Coast Guard diver cuts an underwater rope barrier placed by Chinese personnel around Scarborough Shoal (image taken on or about September 25). (Image source: [Philippine Coast Guard/US Naval Institute](#)).

China's focus on the Philippines may be related to its frustration with Philippine President Ferdinand Marcos Jr., and to displeasure with American moves in the region. Marcos has proven himself a more stalwart defender of Philippine interests in the South China Sea than his openly anti-American predecessor, Rodrigo Duterte. After his election in May 2022, Marcos [pledged](#) to use the 2016 Permanent Court of Arbitration [ruling](#) "to continue to assert our territorial rights," consigning Duterte's approach to the policy trash heap. Marcos's decision to embrace the arbitral ruling, notably in the wake of Russia's invasion of Ukraine, paved the way for a growth in international support for the legal finding. American diplomacy no doubt played some role as well. "Since November 2022," [according](#) to the AMTI, "16 governments have shifted from positively acknowledging the ruling to fully supporting it by issuing statements endorsing the ruling as legally binding." With the exception of India, those countries are all in Europe. AMTI notes that "only two governments [...] had shifted in this way during the previous six years."

In other words, the South China Sea has become a live, international issue in a way that it has not been since Rodrigo Duterte was elected president in 2016. This development has coincided with enhancements to America's defense posture in the region. Earlier this year, Washington and Manila [announced](#) an

expansion of the bilateral Enhanced Defense Cooperation Arrangement (EDCA) to include four new military facilities in the Philippines. Notably, those sites include naval and air installations in the north of the country—across the South China Sea from Taiwan—and a facility on Balabac island near the disputed Spratlys.

In May, the United States and Papua New Guinea signed a new [Defense Cooperation Agreement](#) (DCA). According to the State Department, the agreement "will form the foundational framework around which our two countries will enhance security cooperation, further strengthen our bilateral relationship, improve the capacity of the PNG Defence Force, and increase stability and security in the region." *ABC News* [reported](#) that "the deal could lead to a rotational military presence," per unnamed US officials.

Four months later, the United States and Vietnam [upgraded](#) their relationship to a comprehensive strategic partnership, a shift that Hanoi had refused to make only two years ago. And while the new partnership does not pave the way for US military presence in Vietnam, it will lead to closer security and defense relations, which Beijing likely views with disfavor.

In focusing the bulk of its ire on the Philippines, China is not only trying to intimidate Manila, but also signaling to Washington that efforts to enhance America's deterrence posture are unlikely to be effective. Unfortunately for Beijing, this effort is backfiring. On May 1, in a [joint statement](#) with Marcos, President Biden reaffirmed "the United States' ironclad alliance commitments to the Philippines, underscoring that an armed attack on Philippine armed forces, public vessels, or aircraft in the Pacific, including in the South China Sea, would invoke US mutual defense commitments under Article IV of the 1951 U.S.-Philippines Mutual Defense Treaty." A State Department spokesperson [reiterated](#) that commitment after the August contretemps by Second Thomas Shoal, even specifying that mutual defense commitments apply in the case of attacks on the Philippines Coast Guard in the South China Sea.

Of course, the Chinese effort to intimidate Marcos (and Biden) is backfiring in one particularly important way: the Philippines is pushing back. Suddenly, Beijing risks the appearance of strategic impotence in the face of a far weaker rival.

Implications for Taiwan

By installing a barrier at Scarborough Shoal, China may have pushed past some red line that neither Beijing, nor Manila, nor Washington recognized ahead of time; it was a seemingly mi-

nor escalation that was too much for the Philippines to bear. China has long been confident that it can control escalation, in large part because it believed it could count on the restraint of its rivals and adversaries. That confidence may have been misplaced.

Dangers in the South China Sea necessarily pose risks for Taiwan. Beijing has yet to respond substantively to the Philippine gambit at Scarborough Shoal, but Taipei should consider the possibility that, even as all eyes have been on the Taiwan Strait, regional conflict could begin in the South China Sea. If China-Philippine tensions do continue to escalate, Taiwan will find itself in an uncomfortable situation. Although Taipei might prefer to remain an innocent bystander in such circumstances, its own presence in the South China Sea may deny it that status. The Pratas Islands—upon which Taiwan maintains a Coast Guard presence and to which it has at times deployed marines—sit squarely between Guangdong Province and Luzon, the main Philippine island. Taiwan's sole possession in the Spratly Islands, Itu Aba (or Taiping Island), is just 80 miles northwest of the China-occupied Mischief Reef, which itself is less than 30 miles northwest of Second Thomas Shoal. If hostilities break out, will Chinese forces be willing to leave potential enemy strongpoints in their rear, especially if the Philippines' treaty ally—which just happens to be Taiwan's main security partner—gets involved?

Even if cooler heads prevail in the coming weeks and months, the latest Scarborough Shoal affair provides a potent warning. It is perhaps not the known red lines that mark the divide between peace and war, but rather the lines that only become apparent once they are crossed. It is hard to say how many lines remain concealed in the Taiwan Strait. But with the People's Liberation Army (PLA) frequently [sending aircraft](#) across the median line, [lobbing missiles](#) over Taiwan, and maintaining an intense exercise schedule, China is no longer "crossing the river by feeling the stones" in the Taiwan Strait. As China was constantly pushing the Philippines in the South China Sea, Manila probably did not know how far was too far until the latest barrier was erected at Scarborough Shoal. Does Taipei?

The main point: While tensions are running high in the Taiwan Strait, it is developments in the South China Sea that may spark a dangerous crisis in the coming weeks and months, with grave implications for Taiwan.