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Two Systems – China and Taiwan in 2024

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Abstract:

While Russian President Putin believes that Ukraine is part of Russia and that Ukrainians are ‘misled Russians’ and in need of (re-)integration into the ‘Russian World’, the Chinese Communist Party (CCP) government under President Xi has voiced similar integration/‘re-integration’ desires for the Republic of China government on Taiwan. The present centrist Democratic Progressive Party minority government on Taiwan steers an assertive Taiwanese identity course jealously watched and counteracted by the PRC government which wants to see – and has convinced most UN member states to see – Taiwan as a renegade province in need of legitimate (re-)integration. An uneasy status quo including Taiwanese self-administration is maintained. It is, however, increasingly questioned by the PRC government which seeks integration of Taiwan by 2027. A military takeover attempt may be out of the question for the time being, but ‘hybrid’ technologies for non-military coercion have been applied for some time now. Taiwan’s democratic partners seem to remain relatively unaware of the hybrid erosion of the status quo and beholden to a by now antiquated binary peace/war view.²

Key words: China-Taiwan Relations, San Zhong Zhanfa, Hybrid War, Hybrid War with Chinese Characteristics, Taiwan Re-Integration, ‘Three Warfares’, The World According to China, Taiwan Takeover by Coercion

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² Views and opinions of the authors of this paper do not necessarily correspond to views of the Euro-Atlantic Council of Slovenia.



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While China under President Xi has increasingly been throwing its weight around – occasionally but increasingly in violation of International Law – globally, but especially in the South China Sea, and less closely observed in the Himalayas, the present centrist Democratic Progressive Party (DPP) minority government on Taiwan steers an assertive Taiwanese identity course jealously watched and counteracted by the PRC CCP government which wants to see – and has convinced most UN member states to see – Taiwan as a renegade province in need of legitimate (re-)integration.

The preferred technology for the promotion of PRC foreign and security objectives worldwide has been alliance building at both bi- and multilateral levels while renewing and strengthening China's power projection potential in substantiation and of its role as one of the two world leading nations. But while China has been celebrating Mr. Xi's wisdom, things are not really going that well: the Belt-and-Road initiative is less than a resounding success, the war in Ukraine (of which China owns a substantive part) initiated by junior partner Mr. Putin is an at least temporary embarrassment (though offering economic and temporary geopolitical opportunities), and with the slowing of the economy and a more robust defense of Western markets the success of massive poverty reduction in the PRC is now under a question mark. China has modernized its Armed Forces (last tested in 1979 in the Vietnam invasion kicked off by China), by now at least quadrupled its nuclear arsenal, and created means of power projection such as aircraft carriers. And the world's first drone carrier.

Taiwan (Re-)Integration – What is There to (Re-)Integrate?

Taiwan, officially known as the Republic of China (ROC), has a complex relationship with the People's Republic of China.

Taiwan sees itself as *distinct* from the Chinese mainland. It has its own democratically elected government, constitution, and political system. Historically it has never been part of the People's Republic of China under CCP leadership as the island had been ceded to Japan in 1895 in the Peace Treaty of Shimonoseki (leading to 20 years of guerilla warfare against the occupation force) and remained a Japanese colony until 1945 when it was handed back to the then ruling Government of the Republic of China (ROC) which withdrew to Taiwan at the end of the Chinese Civil War. The operation was not entirely peaceful and led to various grave Human Rights violations committed by the incoming KMT (GMD – Guomindang) government against the Taiwanese population, and a Martial Law regime until 1987 when democratization and a normalization of ties with China set in. The Republic of China, having been a founding member of the UN in 1945 lost its seat in the UN Security Council as a consequence of the normalization of US-PRC ties the 1970s. The island has a unique cultural heritage, language, and history that set it apart from mainland China. The promotion of a separate West-leaning Taiwanese Pacific cultural identity has been both the background of the DPP party's political success and been fostered against the China-focused KMT (the 'Republican' – 'Nationalist' Party of the first Chinese Revolution in 1911 and long-term rival of the CCP).



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Since 1949, Taiwan has been governed independently of the PRC government on mainland China which is why from a Taiwanese perspective there is nothing to be re-unified. The Republican/Nationalist KMT Party government fled to Taiwan during the Chinese Civil War and established its seat of government and a one-party system there. In the meantime, the KMT had to share power with post-Martial Law parties, notably the DPP, which is currently in government for the third consecutive time, though holding only a strong minority of seats in the parliament (the so-called ‘Legislative Yuan’)³.

The Southbound Policy

While economic and trade ties between the PRC and Taiwan remain relatively solid,⁴ the DPP government’s Southbound policy clearly reflects an intent to widen ties, and reposition Taiwan internationally through economic diversification, regional integration, cultural and talent exchange with the focus areas of *Trade and Investment, Infrastructure Development, Education Projects, and Scholarships*.

The Southbound Policy primarily targets countries in South and Southeast Asia, including ASEAN member states (Indonesia, Thailand, Malaysia, Philippines, Singapore, Vietnam, Myanmar, Cambodia, Laos, and Brunei) and South Asian countries India, Sri Lanka, Bangladesh, Nepal, Bhutan, and Pakistan.

The Southbound Policy seeks to overcome challenges like language barriers, cultural differences, and competition from other major players in the region through extensive outreach programs and a bi-lingual (Chinese-English) policy at home, hoping to profit from opportunities such as access to growing markets, talent exchange, and increased regional cooperation.

In summary, Taiwan’s Southbound Policy aims to strengthen ties with neighboring countries in Asia, promote economic diversification, and enhance cultural exchange. It reflects Taiwan’s ‘commitment to regional cooperation and engagement beyond its immediate vicinity’ (government website on *Southbound Policy*).

³ The January 13, 2024 presidential election and legislative elections led to the election of Lai Qing-de who won with 40.1% of the votes. His opponents, Hou You-yi of the KMT received 33.5% of the votes, and Ke Wen-zhe of the Taiwan People’s Party 26.5%. The DPP is the first party to win three consecutive presidential terms since direct elections were introduced in 1996. The DPP did, however, lose its majority in the Legislative Yuan.

⁴ Taiwan is one of the biggest investors in China. Between 1991 and the end of December 2022, approved investment in China comprised 45,195 cases totaling US\$203.33 billion. In 2022, the value of cross-strait trade was US\$205.11 billion (Taiwan government source). However, the U.S. displaced mainland China as the top destination for Taiwan’s exports in the first quarter of 2024 for the first time since the start of 2016, when comparable data became available. The island exported \$24.6 billion worth of goods to the U.S. in the first three months, compared with \$22.4 billion to mainland China, according to Taiwan’s official data. Meanwhile, the island’s investments in mainland China have fallen to the lowest level in more than 20 years, dropping nearly 40% to \$3 billion last year from a year earlier, according to Taiwan’s Ministry of Economic Affairs. Taiwan’s investments in the U.S. increased ninefold to \$9.6 billion in 2023.



Cross-Strait Tensions

Cross-Strait relations have never been completely relaxed, with several attempts made by the PRC's CCP government to conquer the island in the 1950s. The normalization of political relations in the 1980s and mutually beneficial Taiwanese investments in the PRC facilitated under KMT governments led to a notable *détente* in the 1990s. In 1992 the then Taiwan KMT and the PRC governments agreed on the so-called *1992 Consensus*, conveniently not based on referenda in either entity, in whose wake KMT exponents found a common language and personal friendship with CCP government exponents.

Cross-strait tensions have again increased since the election of Taiwanese President *Cai Ying-wen* of the DPP in 2016 (re-elected in 2020). Cai's refusal to accept a formula for increased cross-strait ties endorsed by her predecessor, Ma Ying-jiu, ended the Halcyon days. China's rhetoric and posturing have become increasingly insistent, with Mr. Xi indicating 2027 as the deadline for solving the Taiwan Question.

Because of by now former president Cai's refusal to further discuss (re-)unification Beijing has taken increasingly aggressive actions, including flying fighter jets near and over the island, and rejecting the formerly respected 'median' line in the Taiwan Strait. It has (unsuccessfully) tried to use vaccine diplomacy against the Cai government and won over several former diplomatic supporter states of Taiwan/ROC. PRC President Xi has also stepped up the rhetoric. In recent public speeches the epithet 'peaceful' for 'reunification' has been dropped – some China-watchers have been holding their breath since.

One China Principle

Beijing asserts the *One China Principle*, viewing Taiwan as a breakaway province that must eventually reunify with the mainland.⁵

The PRC claims that Taiwan is bound by the above-mentioned understanding known as the *1992 Consensus*, reached between representatives of the Chinese Communist Party (CCP) and the Kuomintang (KMT) party which then ruled Taiwan. However, the two sides do not agree on the content of this consensus, and it was never intended to address Taiwan's legal status.

For the PRC, the 1992 Consensus reflects an agreement that "the two sides of the strait belong to one China and would work together to seek national reunification".

⁵ See also Lindsay Maizland, 'Why China-Taiwan Relations Are So Tense', in: *Foreign Affairs/Backgrounder*, last updated February 8, 2024



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The KMT interprets it as “one China, different interpretations”, with the ROC standing as the “one China.”

The DPP questions the political relevance of sharing a language with the PRC on an island that was originally settled by Pacific islanders, gradually settled by colonists from China’s Southern provinces, ceded to Japan as a colony, invaded by KMT government and armed forces at the end of the Chinese Civil War, and which is now developing its own democratic identity.⁶

Is the PRC Planning a Military Take-Over?

In the wake of Russian President Putin’s Beijing visit and violent 2022 attack on Ukraine (preceded by hybrid ‘historical’ musings, and obviously the ‘humanitarian’ annexations of 2014) international commentators have not missed opportunities to refer to a possible Putin-style PRC attempt at a military take-over of Taiwan by the PRC⁷. So - is the PRC going to try forced re-integration? And when?

The slightly breathless Western view neglects the palette of influence-taking instruments the PRC has at its disposal. As increasingly isolated⁸ Mr. Putin’s ‘Special Military Operation’ shows you cannot trust your military and other *uniformed influencers* when it comes to assessing your strengths. Also: a military (and possibly unsuccessful) military intervention would seriously jeopardise the carefully curated image and role of the benign leader of first the developing nations and now the world the PRC has been investing so much effort and so many resources in. True: the PRC has beefed up its defense budget and invested massively into both the PLA and the PLA Navy. It has also stepped-up intimidation missions in and around Taiwan’s waters and airspace. At an almost daily pace the media shows us evidence of new weapon systems, of special forces

⁶ In clarification of her government’s position, former President Cai’s ‘four commitments’ regarding cross-straits relations stipulate: the commitment to a free and democratic constitutional system; - the commitment that the ROC (Taiwan) and the PRC should not be subordinate to each other; the commitment to resist annexation or encroachment upon our sovereignty, the commitment that the future of the ROC (Taiwan) must be decided in accordance with the will of the Taiwanese people.

⁷ While Mr. Xi promised Mr. Putin ‘limitless’ support though not equal standing as a world leader, PRC military-political commentators seem to be preparing a longer-term withdrawal plan. Mainstream Russian media opted to ignore an article from Feng Yujun, a professor at prestigious Fudan University, who presented an argument for Russia’s inevitable defeat in Ukraine (EurAsia Daily, April 16). His opinion may deviate from official discourse, but it ‘carries the weight of insightful expertise and a more objective take on the war’ (Baev 2024, p.3). Meanwhile, Mr. Putin’s recent Beijing trip did not make him a happy man. Mr. Xi did not meet him upon arrival, and only found limited time for a formal meeting, during which Putin yet again did not receive a full approval of two pipeline projects through Mongolia and Kazakhstan. Beijing reportedly is reluctant to share construction costs.

⁸ See Pavel K. Baev in: ‘Russia’s Growing Isolation Changes Balance of War’, in: *Eurasia Daily Monitor EDM/Jamestown Foundation*, April 22, 2024.



training, of aircraft carriers – but none of this training, new weapons and equipment have been tested in actual conflict⁹.

In parallel, a palette of instruments for non-violent intervention is already in use.

Intervention – non-violent

A peaceful transition is not only cost and blood efficient, but it also underlines the cultural superiority of the parties involved while creating the impression of a ‘win-win’ solution.

In what follows we will for practical purposes adhere to the term ‘hybrid warfare’, understood to have Chinese characteristics. ‘Hybrid warfare’, then is viewed by CCP theorists as ‘how countries deploy all aspects of physical and non-physical state power, including civil society, to confront an adversary indirectly’. As such it can also become ‘a means of confronting great powers within an interconnected and globalized world’ (Peterson 2023, p.1). The underlying worldview is one of systems confrontation – in terms of fighting for Taiwan integration it would mean:

‘nesting it within a hybrid war against the United States...(which)...also targets American regional allies, such as Japan and the Philippines, to degrade the image of the American-led security architecture as providing regional stability’ (*ibidem*, p.1).

Systemic rivalry is a continuum that requires and sanctions positively the use of all available means, including the manipulation of facts and creation of ‘alternative’ facts true to Lenin’s dictum that ‘the truth is what benefits the party’ (i.e.: what benefits the party is the ‘truth’) - in the words of Gao Wei 2020: ‘a unified and coordinated act of war that is conducted at the strategic level, employing political (public opinion, diplomacy, law, etc.), economic (trade war, energy war, etc.), military (intelligence warfare, electronic warfare, special operations), and other such means (quoted after *ibidem*, p.2). Gao refers to Russia’s claimed ‘legal’ intervention in Ukraine in 2024, followed up and further supported by ‘referenda’.

In a similar vein Han Aiyong (researcher at the Central Party School International Strategy Research Institute) defines the goal of hybrid warfare as ‘destabilizing great powers along their peripheries without directly targeting the great powers...win populace, slowly degrade the surrounding security environment of the targeted great power’.

According to Xu Sanfei (Liberation Army News) it is globalization that opened the path for indirect confrontation between major powers while making direct confrontation less likely. The PLA website confirms that the traditional military force forms the backbone of hybrid warfare, but large-scale kinetic battles are not

⁹ The last major military conflict the PLA engaged in was its 1979 invasion of Vietnam. It was not a success. More recently and in the present, though on a lower scale, the PLA engaged in border conflicts with India in the Himalayas.



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the main avenue of competition. Alternatively, the CCP ‘three warfares’ (*san zhong shanfa* - public opinion, psychological, legal warfare) come into play, ‘blurring the line between war and peace’ (Challaney, 2024).

For the PRC’s interaction with Taiwan, and ultimately also the US, and its other supporters this means to:

- infiltrate Taiwanese society through political, economic, military means;
- act in concert with ROC organisations to give an impression of legitimacy and popular support. Meet e.g. religious platforms like the Taiwan Mazu Friendship Association;
- buy up Taiwanese media outlets, or have them bought up by ‘friendly’ business people, have journalists
- ‘investigate’ leading Taiwanese politicians;
- violate Taiwan’s airspace daily, disregarding ‘median line’, organize incursions by fishing boats, coast guards, high-altitude balloons, sand digging barges etc.
- document governmental helplessness and create a ‘new normal’;
- tout such actions as ‘defensive’, fighting ‘illegitimate sovereignty of Taiwan, Province of China’ (similar to Russia vs. Ukraine);
- target regional US allies Philippines and Japan, sanction and selectively ‘reward’ Australia;
- intervene globally whenever the PRC CCP narrative of one China and a unified Chinese history leading ‘logically’ to the present CCP led PRC is questioned;
- continue to woo ‘elder statesmen’ - perceived to wield ‘moral’ rather than democratically legitimated authority - like former KMT Taiwan president Ma (and in the case of the US - Henry Kissinger) who give marketable ‘legitimacy’ to the PRC government’s reunification views and pronounce on peace and friendship;
- question the sincerity of Taiwan’s supporters, e.g., decry Japan’s release of radioactive wastewater from Fukushima as ‘irresponsible’ (while releasing untreated wastewater, radioactive and other into the surrounding seas daily) – thus ‘documenting’ how the US led security architecture produces insecurity while downplaying authority of the IAEA which deemed Japan’s discharge as not harmful¹⁰;
- harass the Philippines re Second Thomas Shoal (claimed by Philippines, occupied since 1999) by PRC coast guard, maritime militia, etc.;
- redraw and publicize maps, tacitly claiming parts of the South China Sea and the Himalayas, giving Mandarin names to ‘new’ entities;
- generally, use ‘lawfare’ (along the lines of Russian Duma endorsement of occupied territories in Ukraine as ‘new provinces’) (see Chellaney 2024).

¹⁰ Such desperation is clearly tactical - according to Chad de Gusman. In: 8 September 2023 *Time Magazine*, the latest China Nuclear Energy Yearbook by the nonprofit non-governmental organization *China Nuclear Energy Association* shows that plants there have discharged water with much higher radioactivity levels in 2021, the last year for which data are available. Not all of the numbers are said to be decipherable, but at least ten nuclear plants in China in just a year discharged liquid effluents containing more than 4.5 quadrillion becquerels of tritium—more than two hundred times the self-imposed annual limit for Fukushima’s wastewater release’ (<https://time.com/6311984/china-japan-nuclear-wastewater-science-politics>).



Scenarios for the Future – *Shades of Grey*

Military intervention, especially of the prolonged ‘Russian’ type, would look bad for China’s self-styled ‘benign superpower’ image. It would also likely provoke a US response. If China has not attacked Taiwan militarily then it is because deterrence, both of Taiwan and its strategic ally, the US, has been working – so far.

An opportunistic increase of hybrid encroachment on Taiwan’s self-administration can be expected to be maintained¹¹. A new chapter of China relations could be opened by President Lai (from May 20, 2024), who in the past, however, was not known to be a China dove¹².

The Taiwanese government is taking the threat of a possible military intervention seriously and actively modernizes its defense posture with the assistance of the US. In December 2022, the government of the Republic of China announced a reinstatement of the mandatory one-year active duty military service from January 2024. Nevertheless, the military advantage of the PRC over Taiwan has been assessed as growing.

A full-fledged invasion of Taiwan would necessitate a military build-up in relevant parts of Southern and Southeastern China observable by satellites and HUMINT. Recent Taiwanese military exercises have been looking into scenarios in which PRC PLA and Navy use the pretext of military and naval exercises in the Taiwan Strait to transition to intervention mode. Should the PRC government choose to use military force it may find the Taiwanese government prepared.

It is therefore to be expected that the multifaceted systematic effort to erode democratic institutions and individual survival instincts will continue to finally present the harmonious image of Taiwan voluntarily reuniting with the mainland¹³. After all, there are Chinese speakers on both sides of the Taiwan Strait – family?

¹¹ As discussed, China has more and different possibilities from the insecure military options for a Taiwan take-over – options which may not have been acknowledged sufficiently by Taiwan’s partners. In ‘From Coercion to Capitulation – How China Can Take Taiwan Without War’, Blumenthal *et al.* argue that PRC coercion capabilities have been receiving too little attention. A rapid response by Taiwan, the US, and a global coalition, could, however, defeat such attempts.

¹² In his inauguration speech on May 20, 2024 (*see CNN, Meanwhile in China, May 20, 2024*) President Lai called for China to cease its political and military intimidation campaign and to work together with Taiwan on the basis of the status quo towards peace and stability in the Taiwan Strait and the larger region He praised Taiwan’s role in a global chain of democracies while insisting that Taiwan’s future is for the 23 million Taiwanese people to decide. Beijing countered by stating that independence was a ‘dead end’ – ‘No matter what pretext or banner one uses, promoting Taiwan independence and secession is doomed to fail’ according to Chinese Foreign Ministry spokesperson Wang Wenbin. In a similar vein, China’s Taiwan Affairs Office accused ‘the leader of the Taiwan region’ of ‘sending dangerous signals of seeking independence, provocations and undermining peace and stability across the Taiwan Strait.’

¹³ ‘Supreme excellence consists in breaking the enemy’s resistance without fighting – to fight and conquer in all your battles is not supreme excellence’, says Sun Tzu in *The Art of War*.



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