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Rising to the Challenge: Taiwan's Response to a New Era China

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April 2024

Papers from the CAPS-RAND-NDU-USIP PLA Conference Series

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Rising to the Challenge: Taiwan's Response to a New Era China

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Prepared for "The PLA in a New Era"

CAPS-RAND-NDU-USIP PLA Conference

Taipei, Taiwan, November 3-4, 2023

Abstract: The Tsai Ing-wen administration's cross-Strait policy has three core elements. First, it aims to eliminate the Kuomintang's (KMT) political appeal in Taiwan so that the Chinese Communist Party (CCP) is forced to accept the Democratic Progressive Party (DPP) as its only negotiation counterpart and to do so on DPP terms. Second, it aims to shift the priority in external engagement from the People's Republic of China (PRC) to the United States to mitigate the negative impact of a souring cross-Strait relationship on Taiwan's autonomy. Third, it tries not to explicitly challenge the "one China" position as embodied by the Republic of China (ROC) constitution to maintain stability across Taiwan Strait. Tsai's cross-Strait policy can be considered as interactions between these three elements. Taiwan's response to the CCP during the Tsai-Xi era can be divided into four issue-areas: sovereignty contention, diplomatic competition, military muscle-flexing, and people-to-people exchange. The CCP's approach in these areas is centered around weakening Taiwan's sovereign statehood. This fact is essential to understand Taiwan's response. Nonetheless, the Tsai administration also sometimes took initiatives to reinforce Taiwan's sovereignty. Among the four issue areas, Taiwan was relatively proactive in sovereignty contention and people-to-people exchanges, where it had more room for maneuver, and relatively reactive in diplomatic competition and military tension, where it was more constrained.

The dramatic rise in rivalry between the United States and the PRC brought a fundamental shift to the chessboard and helped Taiwan compensate for losses in the diplomatic competition with improvements in relations with the United States. In response, the PRC heightened its military coercion to stop any significant breakthroughs Taiwan makes in U.S.-Taiwan relations from creating snowball effects that might dismantle the "one China" structure worldwide. Any thoughtful explanation of cross-Strait interactions should take a holistic view and not narrow its focus to any single part of the causal chain. The incoming Lai administration has stated its intent to continue the Tsai administration's cross-Strait policies. A major factor will be improvement in U.S.-China relations, which will likely reduce military pressure on Taiwan but will also reduce U.S. ability to help Taiwan retain its diplomatic allies. The Lai administration will have opportunities to improve people-to-people ties, but contention with Mainland China over Taiwan sovereignty is likely to continue unabated.

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In his keynote speech to the 19th Party Congress of the CCP, General Secretary Xi Jinping mentioned the term “New Era” 46 times. Since then, the term has been applied in official statements to refer to all of Xi Jinping’s tenure as general secretary of the CCP.² As far as cross-Strait relations are concerned, Xi’s New Era overlaps with President Ma Ying-jeou’s second term and President Tsai Ing-wen’s entire two terms. However, the CCP’s approach to Taiwan is different between Ma’s tenure and Tsai’s tenure. So is Taiwan’s response. It is fair to say that Xi’s approach to Tsai is more consistent with the general orientation of Xi’s foreign policy. For the sake of simplicity, this paper focuses on Tsai’s tenure to evaluate how Taiwan has responded to the New Era CCP.

The Tsai administration’s cross-Strait policy has three core elements in its strategic thinking. First, it aims to eliminate the appeal of the KMT’s approach (and its entire political basis) in Taiwan so that the CCP would be forced to accept the DPP as its only negotiation counterpart and to do so on the latter’s terms.³ This strategic thinking prompted the Tsai administration to adopt a set of restrained cross-Strait policies broadly similar to the KMT’s to undercut its appeal and demoralize its members. The Tsai administration’s handling of the 1992 consensus between 2016 and 2019 (characterizing it as equivalent to the CCP’s “One Country, Two Systems” proposal) illustrates this thinking. Second, it aims to shift the priority target in external engagement from Mainland China to the United States to mitigate the negative impact a souring cross-Strait relationship may have on Taiwan’s autonomy. Third, it tries not to explicitly challenge the “one China” position as embodied by the ROC constitution to maintain a minimum

² Hugo Jones, “Forging the ‘New Era’: The Temporal Politics of Xi Jinping,” *The Diplomat*, October 01, 2022, <https://thediplomat.com/2022/09/forging-the-new-era-the-temporal-politics-of-xi-jinping/>

³ PRC Taiwan analyst Yun Sun characterized Tsai’s belief that if the DPP can continue to win elections that the CCP will eventually have to deal with the DPP directly as one of the serious misjudgments in her cross-Strait policies. See Taiwan Net, “Yun Sun: What are the misjudgments Tsai administration has made in cross-Strait policy?” [孫雲：蔡當局兩岸政策出現哪些誤判?] Taiwan.cn, June 21, 2018, http://big5.taiwan.cn/plzhx/zhjzhl/zhjllw/201806/t20180621_11967156.htm

level of stability across the Taiwan Strait. Tsai's cross-Strait policy can be considered as interactions between these three elements of strategic thinking.⁴

With that said, Taiwan's response to the CCP during the Tsai-Xi era can be divided into four issue-areas: sovereignty contention, diplomatic competition, military muscle-flexing, and people-to-people exchanges. In these four issue-areas, the CCP's approach is centered around weakening Taiwan's de facto sovereignty and claim to statehood. This fact is essential to understand Taiwan's response. Nonetheless, there are also instances where the Tsai administration took initiatives to reinforce Taiwan's sovereignty. In other words, Taiwan's response to the New Era China contains both reactive and proactive actions taken by the Tsai administration. This paper will discuss these four aspects in the next four sections.

Sovereignty Contention

In the arena of sovereignty contention between the two sides across the Taiwan Strait, the Tsai administration's position has evolved in the past seven years. In her first inauguration speech delivered in 2016, President Tsai said that the new government will conduct cross-Strait affairs in accordance with the ROC constitution, the Act Governing Relations Between the People of Taiwan Area and the Mainland Area, and other relevant legislation. She also touched upon the 1992 consensus without either mentioning it by name or granting outright support for it. Instead, President Tsai said that in 1992 the two institutions representing each side across the Strait arrived at various joint acknowledgements and understandings and she respected that historic fact.⁵ To the Tsai administration, abiding by the ROC constitution and alluding to the

⁴ For the second and third elements, see Richard Bush, translated by Chia-Hsin Chou [周佳欣], *Hard Choices* [艱難的抉擇], 233–238.

⁵ "Inaugural address of ROC 14th-term President Tsai Ing-wen," Office of the Republic of China (Taiwan), May 20, 2016, <https://english.president.gov.tw/NEWS/4893>

1992 consensus without explicitly mentioning “one China” were positive gestures toward the Mainland while retaining flexibility to “let people interpret it freely in their own way.”⁶ They symbolize Tsai’s position of non-acceptance and non-challenge of the “one China” principle and reflect a soft confrontation strategy against Mainland China rooted in her negotiation style to “maintain the bottom line while leaving limited space for compromise.”⁷

On January 2, 2019, in response to President Xi’s speech commemorating the 40th anniversary of the “Message to Compatriots in Taiwan,” President Tsai argued that Xi’s remarks equated the 1992 consensus with “one China” and “One Country, Two Systems” and said that this is the very reason why she had not accepted the 1992 consensus. In turn, Tsai asserted that Taiwan will not accept “One Country, Two Systems” and demanded that all political consultations and negotiations between the two sides of the Taiwan Strait must be authorized and monitored by the people of Taiwan, and conducted on a government-to-government basis by both sides.⁸ A few days later, Tsai requested that all political parties in Taiwan refuse “One Country, Two Systems” and stop talking about the 1992 consensus.⁹ On the surface, this is a reactive move to reiterate the government’s long held position across five administrations. Nonetheless, Tsai took the opportunity to reverse her position from not challenging “one China” to outright negation of the 1992 consensus, which she denounced as equivalent to “One Country, Two Systems.” This constituted a significant shift in her cross-Strait policy.

⁶ Dean P. Chen, *US-China rivalry and Taiwan’s mainland policy: Security, nationalism, and the 1992 consensus* (New York: Springer, 2017), 174 – 175.

⁷ Gang Lin, *Taiwan’s party politics and Cross-Strait Relations in evolution* (2008–2018) (New York: Springer, 2019), 117–119.

⁸ “President Tsai issues statement on China’s President Xi’s “Message to Compatriots in Taiwan,” Office of the President of Republic of China (Taiwan), Jan 2, 2019, <https://english.president.gov.tw/NEWS/5621>

⁹ Su-Ping Yeh [葉素萍], “President Tsai: All political parties should refuse “one country two systems” and stop talking about 1992 consensus” [蔡總統：所有政黨應該拒絕一國兩制、不再講九二共識], Central News Agency, Jan. 5, 2019, <https://www.cna.com.tw/news/firstnews/201901050108.aspx>

In her second inauguration speech delivered in May 2020, President Tsai repeated her pledge to conduct cross-Strait affairs in accordance with the ROC constitution and the Act Governing Relations between the People of Taiwan Area and the Mainland Area. Unlike her speech in 2016, this time President Tsai did not reference the 1992 consensus. Instead, she stressed that we will not accept the Beijing authorities' use of "One Country, Two Systems" to downgrade Taiwan and undermine the cross-Strait status quo. Moreover, in this inauguration speech President Tsai stressed the four phrases of "peace, parity, democracy, and dialogue" which she initially proposed in her January victory speech.¹⁰ Among them, the phrase "parity" relates to Taiwan's sovereignty status and, according to Tsai's speech later that year, requires that both sides should not deny each other's existence.¹¹ In other words, as of August 2020 Tsai's declared position on Taiwan's sovereignty status has not deviated from the KMT's "one China" Framework as her definition of parity is almost identical to President Ma's "mutual non-denial" model.¹²

Nonetheless, in October 2021, President Tsai for the first time held that Taiwan and the PRC should not be subordinate to each other and asserted that this is one of the four commitments that should serve as the bottom line and common denominator for people on Taiwan.¹³ This marked a subtle but significant deviation from Tsai's pledge of abiding by the

¹⁰ "Inauguration of the 15th-term President and Vice President of the Republic of China," Office of the Republic of China (Taiwan), May 20, 2020, <https://english.president.gov.tw/Page/548>

¹¹ "President Tsai addresses Taiwan's diplomatic, security, and economic challenges at videoconference jointly sponsored by US-based think tanks," Office of the Republic of China (Taiwan), August 12, 2020, <https://english.president.gov.tw/NEWS/6027>

¹² During his presidency, Ma Ying-jeou asserted that mutual non-recognition of sovereignty and mutual non-denial of authority to govern is a model that can enable long-term interaction in an interview with *Apple Daily*. See Mainland Affairs Council, "Mainland Policy and Work 2011," June 23, 2011, https://www.mac.gov.tw/en/News_Content.aspx?n=0D58AA484DB9A9B1&sms=35503662D9CE6DD9&s=BE6507390C782DE9

¹³ "President Tsai delivers 2021 National Day Address," Office of the Republic of China (Taiwan), October 10, 2021, <https://english.president.gov.tw/NEWS/6175>

ROC constitution. It should be noted that President Tsai used the vague term “four commitments” instead of directly mentioning “mutual non-subordination of ROC and PRC” in the next year’s National Day after President Ma denounced “non-subordination” as being unconstitutional. This again revealed President Tsai’s extreme caution in moving out of the ROC framework.

Diplomatic Competition

In the arena of diplomatic competition between the two sides across the Taiwan Strait, the PRC’s assertive moves are mainly about blocking Taiwan’s participation in international organizations and cutting off Taiwan’s formal diplomatic ties. While both squeeze Taiwan’s international space, the latter has visible implications for Taiwan’s sovereignty and claim to statehood. Thus, this section is focused on Taiwan’s struggle to preserve its formal diplomatic ties. Since President Tsai took office, the PRC has taken nine diplomatic allies away from Taiwan. Some of these recognition-switching efforts can be understood as Beijing’s reaction to Taipei’s actions while others should be seen as Beijing’s proactive move to push Taipei to accept its demands. In the PRC government-sanctioned narrative, these countries are turning to the PRC because of their calculations of self-interest rather than intentional PRC enticement. This is particularly true in the cases of the four countries, Panama, Dominican, Burkina Faso, and El Salvador, which shifted diplomatic recognition to the PRC between 2017 and 2018.

Taiwan, in response, made efforts to stop the downward spiral in its number of diplomatic allies and its shrinking diplomatic space. In addition to doubling down on development assistance, Taiwan also sought support from the United States. For instance, Taipei worked to elevate the relationship between Taiwan and the United States to compensate for losses in other diplomatic relations. In this regard, the 115th Congress put forward a series of bills

such as the Taiwan Travel Act and the Asia Reassurance Initiative Act, which were signed into law by President Trump in February 2018 and December 2018 respectively. The Taiwan Travel Act allows high-ranking U.S. officials to travel to Taiwan, while the main purpose of the Asia Reassurance Initiative Act is to regularize arms sales to Taiwan in addition to having a clause requiring the executive branch to implement the Taiwan Travel Act.

For Taiwan, another way to counter the PRC's ally-grabbing offensive was to enlist U.S. support to prevent Taiwan's diplomatic allies from switching recognition to the PRC. The Taiwan Allies International Protection and Enhancement Initiative (TAIPEI) Act of 2019 was a critical breakthrough for Taiwan's diplomatic efforts in the United States. The TAIPEI Act requires the Department of State to report to Congress on steps taken by the U.S. government to strengthen Taiwan's diplomatic ties with other partners in the Indo-Pacific region and alter U.S. engagement with nations that undermine the security or prosperity of Taiwan.¹⁴ This legislation is by far the strongest commitment the United States has made to support Taiwan's effort in preserving its own diplomatic space. Under this new legislation, the United States condemned Nicaragua for its switching recognition¹⁵ and temporarily persuaded Honduras not to do the same,¹⁶ though these efforts did not change the end result.

¹⁴ American Institute in Taiwan, "The Taiwan Allies International Protection and Enhancement Initiative," March 27, 2020, <https://www.ait.org.tw/the-taiwan-allies-international-protection-and-enhancement-initiative-taipei-act-of-2019/>

¹⁵ Ned Price, "Nicaragua's Breaking of Diplomatic Relations with Taiwan," Department of State, December 9, 2021, <https://www.state.gov/nicaraguas-breaking-of-diplomatic-relations-with-taiwan/>

¹⁶ "Biden sends envoy to Honduras amid Beijing ties affair," *Taipei Times*, March 18, 2023, https://www.taipeitimes.com/News/front/archives/2023/03/18/2003796301?fbclid=IwAR0Jz5_r7cuG9UVX8BHjTYspH-wW4seh_J2PLHf_H2XQsLWHKbDzA9kCbP0; AFP, "Blinken defends Taiwan after Honduras Snaps Ties," March 17, 2023, <https://www.barrons.com/news/blinker-tells-afp-taiwan-has-a-lot-to-offer-world-after-honduras-snaps-ties-b5086dd2>

Taiwan’s Diplomatic Allies taken by the PRC, 2016 - 2024

Countries	Time	Background
São Tomé and Príncipe	December 2016	<i>Reactive</i> Trump – Tsai Call
Panama	June 2017	<i>Proactive</i>
Dominican, Burkina Faso	May 2018	<i>Proactive</i> William Lai’s Worker for Taiwan Independence Comment (Sep. 2017); Taiwan Travel Act (Feb 2018)
El Salvador	August 2018	<i>Proactive</i> William Lai’s Worker for Taiwan Independence Comment (Sep. 2017); Taiwan Travel Act (Feb 2018)
Solomon Islands, Kiribati	September 2019	<i>Reactive</i> Taipei Act (October 2019)
Nicaragua	December 2021	<i>Reactive</i> Mutual Non-Subordination Speech October 2021; Taiwan’s participation in U.S. organized “Summit for Democracy”
Honduras	March 2023	<i>Reactive</i> Tsai’s U.S. transit trip
Nauru	January 2024	<i>Reactive</i> Lai victory in presidential election

Source: the author

In addition to seeking U.S. support, Taiwan also made endeavors to lift its international standing by establishing a new presence in two countries—Lithuania in July 2021 and Somaliland in August 2020. Taiwan’s representative offices in the two countries use the name Taiwanese Representative Office, which is not used in other countries. The case of Lithuania is noteworthy as it is the only country among Mainland China’s diplomatic allies to accept such a designation for Taiwan’s representative office. In response, Mainland China downgraded

relations with Lithuania to the level of chargé d'affaires and stopped Lithuanian cargo from entering Mainland China. In support for Lithuania, in January 2022 Taiwan launched a 200-million-euro equity investment fund and a one billion euro credit program to fund joint projects between Lithuanian and Taiwan companies in six business categories, including semiconductors.¹⁷ In November 2022, Taiwan announced it will invest 10 million euro toward chip production in Lithuania through a collaboration project between Industry Technology Research Institute and Teltonika.¹⁸

Military Tension

In the military arena, the Chinese People's Liberation Army (PLA) started to fly its aircraft around Taiwan on November 25, 2016, six months after President Tsai took office.¹⁹ From November 2016 through December 2017, there were a reported fifteen PLA circumnavigation operations. Following this period, the frequency of PLA circumnavigation operations declined to five occurrences, and between May 2018 and April 2019 there were no reported circumnavigations by PLA aircraft. Since April 2019, PLA circumnavigation operations have become sporadic. What should be noted is that the PLA published a new outline for military training in January 2018 and the circumnavigation operations launched afterward transformed into the realm of actual combat training [*shizhanhua xunlian* 實戰化訓練].²⁰ Regarding the type of aircraft that flew around Taiwan, the most common type was the Xian H-

¹⁷ Andrius Sytas, "Taiwan announces further \$1 billion investment for Lithuania amid Beijing pressure," EURACTIV and Reuters, Jan. 11, 2022, <https://www.euractiv.com/section/economy-jobs/news/taiwan-to-launch-1-blm-lithuania-credit-fund-amid-beijing-pressure/>

¹⁸ Andrius Sytas, "Taiwan to invest 10 mln euros toward chip production in Lithuania," Reuters, November 10, 2022, <https://www.reuters.com/technology/taiwan-invest-10-mln-euros-towards-chip-production-lithuania-2022-11-07/>

¹⁹ Jason Pan, "Chinese aircraft fly around Taiwan," *Taipei Times*, December 11, 2016, <https://www.taipeitimes.com/News/front/archives/2016/12/11/2003660975>

²⁰ Interview with Chieh Chung, associate research fellow at the National Policy Foundation, October 2, 2023.

6K, a license-built version of the Soviet Tupolev Tu-16 strategic bomber, together with Su-30 fighters and Shaanxi Y-8 airborne warning and control aircraft to provide protection and support for the H-6Ks. While one reason for the circumnavigations could be to pressure the newly elected DPP government for its refusal to accept the 1992 consensus, they could also be to meet the operational requirements of requiring sufficient experience in a forward-deployed anti-access/area-denial action to prevent U.S. intervention in a Taiwan contingency. The launch of civilian flights on the M503 route can also be accounted for by the high frequency of circumnavigations out of such operational requirements. President Tsai's response has been measured. In addition to criticizing PLA military action as a shared threat to all countries in the region in the President's 2017 year-end speech, Taiwan's Ministry of National Defense (MND) stopped publicizing PLA Air Force (PLAAF) exercises unless there is an extraordinary situation.²¹

On March 30, 2019, two PLAAF J-11 fighter jets crossed the median line in the Taiwan Strait, leading to a 10-minute stand-off with Taiwan Air Force interceptors. It is widely believed that the previous time PLA aircraft crossed the median line was in 1999, which was considered a response to President Lee Teng-hui's remark that Mainland China and Taiwan are in a special state-to-state relationship.²² This time around, the incursion was considered a response to a number of moves drawing Taiwan and the United States closer, including a special event commemorating the 40th anniversary of the Taiwan Relations Act, U.S. Navy ships conducting transits of the Taiwan Strait, the introduction of the Taiwan Assurance Act in Congress, and

²¹ Michal Thim, "China's growing military activity around Taiwan triggers alarm," *Taiwan Insight*, January 16, 2018, <https://taiwaninsight.org/2018/01/16/chinas-growing-military-activity-around-taiwan-triggers-alarm/>

²² An American expert argues that since the line was drawn in 1954 in the Sino-US Mutual Defense Treaty, there were three times of incursion until 2019. In addition to 1999 incursion and 2019 incursion, another one occurred when two Sukhoi Su-27 fighters briefly crossed the center line to intercept a U.S. U-2 reconnaissance plane. Raul "Pete" Pedrozo, "China's Threat of Force in the Taiwan Strait," *Lawfare*, September 29, 2020, <https://www.lawfaremedia.org/article/chinas-threat-force-taiwan-strait>

Taiwan's submission of requests for defense articles from the United States such as F-16 V fighter jets and M1 main battle tanks. A *Global Times* article the next day warned that the Mainland's fly-throughs could become routine and the median line could become history if the United States and Taiwan upgraded their provocative action; what happened next seemed to validate their warning.²³ President Tsai's response was firm as she declared that Taiwan would forcefully expel PLA warplanes the next time they cross the median line.²⁴

The March 2019 stand-off was a brief incident but not the last one. In fact, in 2019, there were more than 20 incursions into Taiwan's Air Defense Identification Zone (ADIZ).²⁵ It might be the case that Taiwan's MND did not publicize some of these activities so that they are unknown to general public. However, in September 18, 2020, 18 PLA airplanes crossed the median line and entered Taiwan's Southwest ADIZ during the visit of a U.S. delegation led by then-Undersecretary of State Keith Krach. (These activities were considered to express the Mainland's disapproval of the visit.) These planes included two H-6 bombers, and eight J-16, four J-11, and four J-10 fighters. Taiwan's Ministry of National Defense publicized the activities of these PLA airplanes, issued radio warnings at least 24 times, scrambled fighter jets more than 10 times, and used air defense missile systems to monitor their movements. Since then, the MND started to release daily reports on PLA activities in Taiwan's ADIZ on their website and

²³ J. Michael Cole, "'Deliberate' PLAAF Intrusion Across Median Line Sparks Concerns," *Global Taiwan Brief* 4, No. 8 (April 10, 2019), <https://globaltaiwan.org/2019/04/deliberate-plaaf-intrusion-across-median-line-sparks-concerns/>

²⁴ Lawrence Chung and Liu Zhen, "Taiwan will forcefully expel PLA warplanes next time: Tsai Ing-wen," *South China Morning Post*, April 1, 2019, <https://www.scmp.com/news/china/military/article/3004119/chinese-jets-incursion-across-taiwan-strait-beijings-way>; R. D. Cheng, "The Median Line in the Taiwan Strait: A Dangerous Loophole," *Taiwan Insight*, October 4, 2019, <https://taiwaninsight.org/2019/10/04/the-median-line-in-the-taiwan-strait-a-dangerous-loophole/>

²⁵ Mercedes Trent, *Over the Line: The implications of China's ADIZ intrusions in Northeast Asia*. (Washington, DC: Federation of American Scientists, 2020), 15.

Twitter.²⁶ It should also be noted that PLA warplanes also crossed the median line in August 2020 to protest then-U.S. Health Secretary Alex Azar’s visit to Taipei. However, September 2020 was the first time that the PRC Ministry of Foreign Affairs spokesperson publicly said that there is no so-called median line.²⁷ The September 2020 incident of aircraft incursions crossing the median line is unprecedented not only for its large scale (40 planes in two days) but also for the PRC’s public statement denying the tacit understanding on the median line between the two sides across the Taiwan Strait.²⁸ President Tsai’s response was restrained in that she called on the Taiwan air force to prevent other air forces from flying over Taiwan’s territorial airspace (rather than its ADIZ) while leaving blank what she will do for future similar incursions.²⁹

In the following two years, PLA incursions into Taiwan’s ADIZ continued and became routinized on an almost daily basis. Almost all of the incursions occurred in the southwestern part of the island’s ADIZ near Pratas Island [*dongsha dao* 東沙島] in the South China Sea with only a few in the Taiwan Strait proper. Most of the incursions have involved single-digit numbers of PLA warplanes, but a number of times the numbers jumped to the double-digits and on very rare occasions to the triple digits. Overall, the frequency of incursions with higher numbers of warplanes continued to increase and the pattern of these incursions evolved with increasing frequency (up to two a day) with more advanced J-16 fourth-generation fighters. Most of the larger incursions occurred during or after a major event, usually responding to

²⁶ Su-Wei Wu, “PLA aircraft cross into Taiwan’s ADIZ,” *Taipei Times*, September 19, 2020, <https://www.taipeitimes.com/News/front/archives/2020/09/19/2003743692>

²⁷ Brad Lendon, “Almost 40 Chinese warplanes breach Taiwan Strait median line; Taiwan President calls it a ‘threat of force’,” CNN, September 21, 2020, <https://edition.cnn.com/2020/09/21/asia/taiwan-china-warplanes-median-line-intl-hnk-scli/index.html>

²⁸ Raul “Pete” Pedrozo, “China’s Threat of Force in the Taiwan Strait,” *Lawfare*, September 29, 2020, <https://www.lawfaremedia.org/article/chinas-threat-force-taiwan-strait>

²⁹ Kaixiang You [游凱翔], “Touring Sky Horse Troops President Tsai: We should let others to show off flying over our head” [視導澎湖天駒部隊 總統: 不容別人在領空耀武揚威], Central News Agency, September 22, 2020, <https://www.cna.com.tw/news/firstnews/202009225006.aspx>

developments in U.S.-Taiwan relations or with other regional powers related to Taiwan's international space. Given the fact that these exercises require planning and coordination, some of these exercises may have been pre-planned but held until the right time to appear as a response to or punishment for Taiwan's actions.³⁰

In 2022, the number of PLA aircraft that made unauthorized violations of Taiwan's ADIZ increased by 79 percent from 2021 and the days with incursions in response to major events increased from 8.8% to 20.5% of the total days when violation took place. The most shocking intrusion occurred on August 5, 2022 when 49 aircraft entered Taiwan's ADIZ in response to then-U.S. Speaker of the House Nancy Pelosi's visit to Taiwan. The PLA diversified the type of aircraft in its operations, which included drones, airborne early warning and control (AEW&C) aircraft and Y-20U tanker aircraft. In response, Taiwan's MND began to incorporate information about PLA unmanned aerial vehicles (UAVs) in its release of ADIZ violations on September 5, 2022. Since then, UAVs have made up around 10 percent of the aircraft tracked in Taiwan's ADIZ.³¹

People-to-People Exchanges

In the arena of people-to-people exchanges across the Taiwan Strait, President Tsai's policy has been to keep in check the cross-Strait exchanges that boomed during Ma's era. The cross-Strait exchanges contain several aspects, among which investment and flows of people are the mainstays. In her 2016 inauguration speech, President Tsai proposed enhancing Taiwan's connections with Southeast Asia to reduce the country's overreliance on China. This is the so-

³⁰ Eric Chan, "Assessing One Year of PLA Air Incursions into Taiwan's ADIZ," *Global Taiwan Brief* 6, No. 20 (October 20, 2021), <https://globaltaiwan.org/2021/10/assessing-one-year-of-pla-air-incursions-into-taiwans-adiz/>

³¹ Ben Lewis, "2022 in ADIZ Violations: China Dials Up the Pressure on Taiwan," *China Power*, March 23, 2023, <https://chinapower.csis.org/analysis/2022-adiz-violations-china-dials-up-pressure-on-taiwan/>

called New Southbound Policy, a project that gained huge government support in the early Tsai era. In parallel, upon Tsai's inauguration, Mainland China had steadily reduced the number of Mainland Chinese tourists and students bound for Taiwan. The New Southbound Policy not only encourages Taiwan businesses to direct their investment to Southeast Asia, but also provides tremendous subsidies to attract tourists and students from Southeast Asia to come to Taiwan. In a way, the New Southbound Policy is considered a tool to resist pressure from China and to demonstrate Taiwan's agency.³² With regard to inbound direct investment from Mainland China, the Tsai administration has made it harder for new investment projects to be approved by protracting and complicating the review process.³³

The first time that the two sides colluded on cross Strait exchanges was during the arrest of Houxu Zhou and Ming-che Lee in March 2017. On March 9, 2017, a former Chinese student Hongxu Zhou who had just graduated from a Taipei university was detained on suspicion of recruiting people for a spy ring and trying to coerce government officials into passing on classified materials.³⁴ Ten days later, Ming-che Lee, a Taiwanese activist for human rights, was reported missing while traveling in Guangdong province³⁵ and it was later confirmed by the Mainland authority that he was under detention.³⁶ Hongxu Zhou was sentenced to 14 months but

³² Christina Lai, "Power of the Weak: Taiwan's Strategy in Countering China's Economic Coercion Publication," *China Brief* 21, No. 21 (November 5, 2021), <https://jamestown.org/program/power-of-the-weak-taiwans-strategy-in-countering-chinas-economic-coercion/>

³³ It is believed that in the early Tsai years, it usually takes six months to one year for a project to complete the review process while similar cases usually take three months to do the same during Ma years. In addition, the government agency usually requests wide-ranged supplementary material to be submitted for review. Interview with a retired officer who used to work at the Investment Commission during those years. May 5, 2022.

³⁴ Jason Pan, "Ex-student held for espionage," *Taipei Times*, March 11, 2017, <https://www.taipetimes.com/News/front/archives/2017/03/11/2003666539>

³⁵ Lin Liang-sheng and Su Fang-ho, "Rights advocate missing in China: family, friends" *Taipei Times*, March 23, 2017, <https://www.taipetimes.com/News/front/archives/2017/03/23/2003667298>

³⁶ BBC, "Taiwanese rights advocate Lee Ming-che held in China," BBC, March 29, 2017, <https://www.bbc.com/news/world-asia-china-39428220>

remain restricted from leaving Taiwan beyond 2022 after serving his time in prison³⁷ whereas Ming-Che Lee was sentenced to 5 years and released in 2022.³⁸ While the two cases received very different levels of international attention, the treatment the two people received seem to parallel each other.

The year of 2018 was a turning point. In January 2018, Mainland China launched new northbound commercial aircraft flights on the M503 route as well as the extensions of the W121, W122 and W123 routes that serviced Xiamen, Fuzhou, and Dongshan. Taiwan argued that these routes are too close to its ADIZ and that the Mainland's decision to launch these routes came without prior consultation with Taiwan. In retaliation to the Chinese airlines ignoring Taiwan's demand not to use the M503 route, Taiwan blocked Chinese airlines' applications for additional charter flights during the Lunar New Year, which led to cancellation of 176 charter flights, leaving 50,000 passengers stranded.³⁹

At the end of February 2018, Mainland China launched 31 preference measures to benefit Taiwan (the "31 incentives") to attract more Taiwan people to Mainland China by granting them equal treatment with Mainland citizens. The measures covered a wide range of issues to benefit Taiwan people looking for opportunities to invest and work in Mainland China. In June 2018, during the Strait Forum, the preliminary results of the 31 incentives were put in high-profile display including a ceremony to openly award certificates to 35 Taiwanese young people who

³⁷ Guowen Yang[楊國文], "Five people, Bingzhong Wang included, involved in the spy case were found not guilty in the second instance and Hongxu Zhou was put under exit ban for eight months," [王炳忠等 5 人涉共諜案二審判無罪 周泓旭限制出境 8 個月], *Liberty Times* [自由時報], May 13, 2022, <https://news.ltn.com.tw/news/society/breakingnews/3925166>

³⁸ Erin Hale, "Taiwanese Rights Activist Freed in China," Voice of America, April 15, 2022, <https://www.voanews.com/a/taiwanese-rights-activist-freed-in-china/6530851.html>

³⁹ Bihui Chiu, "Controversy over Flight Route M503," Deutsche Welle (DW), Feb 2, 2018, <https://www.dw.com/en/china-vs-taiwan-controversy-over-flight-route-m503/a-42430594>

work in Xiamen as assistants to local community directors.⁴⁰ Professor Gunter Schubert considered this as an opportunity for Taiwan to embrace determined reform rather than be seen as a threat.⁴¹ However, the DPP administration did not see it this way. In response to the 31 incentives, the government at first barred academics with crucial expertise from working in China.⁴² Later the Executive Yuan announced an eight strategy plan to beef up efforts to keep the best talent in Taiwan.⁴³ To offset Mainland China's attractiveness even further, the Taiwan government fined several Taiwan assistants to community directors in Xiamen while a few others quit their jobs after the government launched an investigation.⁴⁴

Furthermore, the DPP-controlled Legislature Yuan passed five amendments to Taiwan's national security laws. These amendments include clauses to bar retired senior officials from participating in political activities organized by the PRC (Act Governing Relations between the People of the Taiwan Area and the Mainland Area), to expand the scope of the offenses against the external security of the state to include the PRC, Hong Kong, and Macao (Criminal Code), to require retired and resigned personnel to be restricted from leaving Taiwan for up to six years, to lengthen prison sentences for leaking secrets (Classified National Security Information Protection Act), to increase the criminal responsibility for the offenses of developing organizations for foreign adversaries (National Security Law), and to require future political

⁴⁰ With regard to what the nature of the assistantship, please see Zhang Yi and Hu Meidong, "Taiwan residents spread community spirit in Xiamen's refurbished villages," *China Daily*, February 21, 2019, https://www.chinadaily.com.cn/global/2019-02/21/content_37439173.htm

⁴¹ Gunter Schubert, "China's 31 Preference Policies for Taiwan: An opportunity, no threat," *Taiwan Insight* 21 (March 2018), <https://taiwaninsight.org/2018/03/21/chinas-new-31-preference-policies-for-taiwan-an-opportunity-no-threat/>

⁴² Hsiao Yu-hsin, Rachel Lin and Jonathan Chin, "China's 31 Incentives: Some academics to be barred from going to China," *Taipei Times*, March 13, 2018, <https://www.taipetimes.com/News/taiwan/archives/2018/03/13/2003689185>

⁴³ "Executive Yuan responds to Mainland China's incentive policy," Executive Yuan, March 16, 2018, <https://english.ey.gov.tw/Page/61BF20C3E89B856/803a0e83-2ab0-4acd-9d6b-57e4008110bd>

⁴⁴ Matthew Strong, "Taiwan fines Taiwanese for serving as officials in Chinese community" *Taiwan News*, April 6, 2019, <https://www.taiwannews.com.tw/en/news/3674614>

negotiation between the two sides across Taiwan Strait to be reviewed twice by the Legislative Yuan beforehand and approved by national referendum afterwards (Act Governing Relations between the People of the Taiwan Area and the Mainland Area). The drafts of four of the five amendments were completed in 2017 or earlier, but were stuck in the committee stage. They all passed the Legislative Yuan in the first half of 2019. The legislation for the amendment to require special procedure for future political negotiation was especially quick, taking only one month.⁴⁵

While the five amendments were said to serve the purposes of assuring citizen loyalty, protecting national security intelligence, and enhancing U.S.-Taiwan mutual trust,⁴⁶ the whole package of legislation also reflects the Tsai administration's intention to reassert state control over cross-Strait exchanges and to slow down the pace and breadth of these interchanges. This intent is further indicated by the passage of the Anti-infiltration Act in December 2019. This act aims to strengthen insufficient punitive measures against "local collaborators" by prohibiting illegal acts, including donating to a political party, canvassing, lobbying, disrupting rallies and assemblies, undermining social order, and spreading disinformation to interfere with elections at the instruction or commission of or with financial support from hostile external forces. The fact that this legislation took only seven months from deliberation in the Executive Yuan to finish three readings⁴⁷ right before the upcoming presidential election reveals its underlying political

⁴⁵ Weizhen Tseng [曾韋禎], "How can the work of finishing five amendments to the national security laws be labeled stigma" [完成國安五法還要被抹黑], *Taiwan Post* [報臺], November 17, 2019, https://www.taiwanpost.tw/2019/11/by_17.html

⁴⁶ Catherine Kai-ping Lin, "Security Implications of Taiwan's Five Amendments to the National Security Laws," *National Security Weekly* [國防安全週報], Jul. 26, 2019, pp. 44 – 46, 892e65fa-0046-4110-a3d1-a11077381dbc.pdf (indsr.org.tw)

⁴⁷ Mainland Affairs Council, "Legislative Yuan Passes Anti-Infiltration Bill to Strengthen Defense for Democracy and Preserve Stable and Orderly Cross-Strait Exchanges," MAC Press Release No. 101, Dec. 31, 2019, https://www.mac.gov.tw/en/News_Content.aspx?n=2BA0753CBE348412&s=88E5E1EF1343B1B8

purpose (to show deep green supporters that the administration is fighting against the Communist regime and its “collaborators”).

During the pandemic, the Tsai administration imposed several travel restriction measures that almost halted cross-Strait people-to-people exchanges. These measures included an entry ban on inbound Mainland Chinese tourists and dependents of Mainland Chinese spouses from Mainland China, and the return of Mainland Chinese students no matter where they came from. While similar measures were also imposed on inbound foreigners, tourists and students alike, these measures were relaxed or abolished earlier than those targeting Mainland Chinese.⁴⁸ For its part, the Mainland Chinese government banned all outbound group tours⁴⁹ and suspended permission for students at all levels to further their study in Taiwan.⁵⁰ The restrictions on Taiwan-bound students was clearly a response to the Tsai administration’s discrimination against Mainland Chinese students. As of August 2023, the ban on Taiwan-bound tours had not been lifted on both sides and the Mainland Chinese government had not terminated its suspension on students travelling to Taiwan for study.

Conclusion

Among the four issue areas, Taiwan has been relatively proactive in sovereignty contention and people-to-people exchanges, but relatively reactive in diplomatic competition and military tension. Scott Kastner has argued that Taiwan has substantial autonomy in setting the status quo, but in reality it faces significant constraints in doing so.⁵¹ In the former two areas

⁴⁸ Sherry Hsiao, “Groups urge government to allow all Chinese students,” *Taipei Times*, August 14, 2020, <https://www.taipeitimes.com/News/taiwan/archives/2020/08/14/2003741669>

⁴⁹ Reuters Staff, “China says will maintain ban on outbound tours due to virus risk,” Reuters, October 22, 2020, <https://www.reuters.com/article/us-health-coronavirus-china-tourism-idUSKBN27700K>

⁵⁰ Xinhua, “Mainland students suspended from studying in Taiwan,” *China Daily*, April 9, 2020, <https://www.chinadailyasia.com/article/127241>

⁵¹ Scott L. Kastner, *War and Peace in the Taiwan Strait*. (New York: Columbia University Press, 2022), 121.

Taiwan has more room for maneuver, especially in the area of people-to-people exchanges, where it can close its border to stop the flow of people across the Taiwan Strait. Taking different positions in these two areas could weaken Mainland China's moral appeal and social base. However, the key to Mainland China's success in these areas is for cross-Strait relations to remain stable and peaceful, a goal also sought by the Tsai administration. By contrast, in the areas of diplomatic competition and military tension, Taiwan cannot compete with Mainland China's superior resources, not to mention existing international arrangements biased in Mainland China's favor. Nonetheless, the dramatic rise in rivalry between the United States and China has brought a fundamental shift to the chessboard and has helped Taiwan compensate for losses in the diplomatic competition with improvements in relations with the United States. In response, Mainland China heightened its military coercion to stop any significant breakthroughs Taiwan makes in U.S.-Taiwan relations from creating snowball effects that might dismantle the "one China" structure worldwide. Any thoughtful explanation of cross-Strait interactions should take a holistic view and not narrow its focus to any single part of the causal chain.

To predict the upcoming Lai administration's direction in cross-Strait policy, one needs to focus on continuity and variation of key factors in the four areas. First, in terms of diplomatic competition, the desire in both the United States and China to maintain a stable U.S.-China relationship in the first half of 2024 will reduce the degree to which the United States can lend support to Taiwan in resisting China's attempts to grab Taiwan's diplomatic allies. Second, a stable U.S.-China relationship can reduce competition in Taiwan Strait between the two militaries. This should reduce the frequency of provocative military behaviors and dangerous encounters. These two factors suggest that Beijing's heightened efforts to grab Taiwan's diplomatic allies could make it harder for president-elect Lai to express good will across the

Strait, but the lessening of the military pressure facing Taiwan will reduce the urgency for him to formulate a more moderate stance toward Mainland China.

The outgoing Tsai administration can do something in the area of people-to-people exchanges to mitigate the tension during the transition period. One such example is to provide health insurance to Mainland Chinese students in Taiwan, a benefit promised by then-candidate Lai during the campaign which took effect on February 1, 2024. Nevertheless, such gestures will have little weight in the struggle between the two sides over Taiwan's sovereignty. Beijing and Taipei have different views and regard this as a zero-sum game. Lai's administration will likely take the current position of the Tsai administration as the starting point. While Beijing might want a concession, such as returning to Tsai's 2016 statement and freezing the Taiwan independence clause in the party charter, the Lai administration obviously hopes to dilute the role of ROC constitution and leave the party charter alone.⁵² Whether the gap between the two sides is narrowed and where Lai will seek to position Taiwan in terms of assertions of sovereignty assertion will depend on Lai's policy choices and the interplay of shuttle diplomacy by both the United States and Mainland China.

⁵² President-elect Lai made comments during the December 30, 2023, presidential debate that treating the ROC constitution as a "sacred mountain" in cross-Strait relations can bring disaster to Taiwan. "Lai Questions R.O.C. Constitution, Highlighting His Problematic Pro-Independence Stance," Summary Report, *Taiwan Weekly*, January 11, 2024, http://fairwindsfoundation.org/en/event/Taiwan-Weekly/8/Lai-Questions-R.O.C.-Constitution,-Highlighting-His-Problematic-Pro-Independence-Stance/824?utm_source=BenchmarkEmail&utm_campaign=20240111_newsletter&utm_medium=email