



Taiwan in the next decade: no war, but much tension

By Charles Parton OBE

Recently *The Economist* dubbed Taiwan ‘the most dangerous place on earth’.¹ Many, including Australian military commanders, mused about the possibility of war and of Xi Jinping, General Secretary of the Chinese Communist Party (CCP), having in mind a deadline for ‘unification’ of Taiwan with the People’s Republic of China (PRC), something Xi has not stated beyond saying that it is a problem which cannot be handed down from generation to generation.

A more logical conclusion for *The Economist* would have been that the CCP is the most dangerous government on Earth. Even so, war or forceful unification will not happen in the foreseeable future.

Forceful unification is too great a risk

Among the ways by which the CCP legitimises its monopoly of power with the Chinese people, in addition to the expectation of ever-increasing prosperity, are

¹ ‘The most dangerous place on Earth’, *The Economist*, 01/05/2021, <https://econ.st/33BMASb> (found: 11/05/2021).



the claims that it has restored China's global power and is recovering China's rightful territory (no matter that the communist government has never in practice controlled Taiwan or enjoyed sovereignty recognised by international law).² A failed invasion would bankrupt these claims and jeopardise the CCP's domestic legitimacy.

There are at least six reasons why forceful unification is too risky:

- 1. The People's Liberation Army (PLA) may not have the capability.** Despite receiving large numbers of modern ships, planes and armaments in recent years, the PLA is far from a modernised force. This is recognised by CCP leaders, who talk of achieving military modernisation by 2035 and building a world-class army by 2050.³ Seaborne and airborne invasions are difficult operations requiring a high level of coordination between different services, an area where the PLA lacks experience.
- 2. Militarily, the chances of failure are too high.** The Taiwan Strait, approximately 180 kilometres wide, are not easy waters. Taiwan has perhaps thirteen beaches where an invasion force might land.⁴ The island's mountainous topography lends itself to guerrilla resistance. And although Taiwan can no longer match the PLA in conventional weaponry, it has, belatedly, turned increasingly to 'porcupine' defence, relying more on armaments such as sea mines, drones, portable air-defence and anti-armour systems, fast attack craft armed with missiles; in sum, weapons which can survive initial bombardment and prevent landings on beaches or by helicopter.⁵ However, to be confident of this requires a swifter move to such a form of defence, as well as the training and commitment of reserves in a fashion more akin to the Israeli system.
- 3. The prospect of intervention by the United States (US).** Preparing an invasion will not escape electronic and other surveillance. A US defence of Taiwan is not guaranteed, but it may be very difficult for an American

² For Chinese views of Taiwan until 1945 see: Bill Hayton, 'China and the Fate of Taiwan', *Yale University Press Blog*, 26/01/2021, <https://bit.ly/3eKVCCR> (found: 11/05/2021). Japan formally ceded sovereignty over Taiwan at the 1951-1952 San Francisco Peace Treaty, which did not decide to whom sovereignty should go. The forces of Chiang Kai Shek were of course in control of Taiwan.

³ Xi Jinping, Speech: 'Secure a decisive victory in building a moderately prosperous society in all respects and strive for the great success of socialism with Chinese characteristics for a new era', *Xinhua*, 18/10/2017, <https://bit.ly/2RPqSHr> (found: 11/05/2021).

⁴ Gideon Rachman, 'A new cold war: Trump, Xi and the escalating US-China confrontation', *Financial Times*, 04/10/2021, <https://on.ft.com/33C0K5H> (found: 11/05/2021).

⁵ Lee Hsi-min and Eric Lee, 'Taiwan's Overall Defense Concept, Explained', *The Diplomat*, 03/11/2020, <https://bit.ly/3bhKjzG> (found: 11/05/2021).



president not to interpose US power. Geopolitically, Taiwan is the key to the South China Sea. A CCP-controlled Taiwan would potentially pave the way for further expansionist thrusts into the Western Pacific and Southeast Asia. The US' self-asserted reputation as a defender of allies would disappear, a reputation recently given fresh animation by President Biden's renewed focus on a new multilateralism. The domestic political cost of 'losing' Taiwan for Beijing would be severe for any sitting US president.

4. **Even were an invasion to succeed, in Taiwan the CCP would take over a shell.** It might encounter considerable armed and passive resistance from Taiwanese nationalists. Taiwan would not be a going concern. The propaganda line of a welcome return to the Chinese motherland would not wash with the mainland public.
5. **A Chinese hangover on the day after.** Taiwan's economy would be destroyed, its investments and companies on the mainland (there are around one million Taiwanese working in the PRC) would collapse. Almost certainly liberal democracies and other countries would apply sanctions. Even without them, investment and trade with the PRC would be cratered. This would result in considerable unemployment and the social security systems will not be in place to allay the pain. As usual, protest and unrest would be aimed at the CCP. Given the likely scale, the Party may see this as an existential threat.
6. **Semiconductors.** The Taiwan Semiconductor Manufacturing Company controls half of the global market, and nearly 90% in the most advanced 10 – 5 nanometre chips.⁶ The PRC is unable to manufacture advanced semiconductors. It imported chips worth \$350 billion in 2020 (by contrast, expenditure on oil was around \$200 billion) and is unlikely to be able to manufacture advanced semiconductors for the foreseeable future.⁷ Some suggest it may always remain a laggard.⁸ Invasion of Taiwan would disrupt production, or possibly destroy it (certainly, once in CCP hands TSMC would no longer have access to its machinery suppliers and many expert workers might leave). This would have an enormous and deleterious effect

⁶ 'TSMC: how a Taiwanese chipmaker became a linchpin of the global economy', *Financial Times*, 24/03/2021, <https://on.ft.com/33JgbZH> (found: 11/05/2021).

⁷ Paul Triolo, 'The Future of China's Semiconductor Industry', *American Affairs*, 5:1, 2021, <https://bit.ly/3xZ2ofA> (found: 11/05/2021).

⁸ Jordan Schneider, 'China's Chip Industry: Running Faster But Still Falling Behind', Rhodium Group, 22/04/2021, <https://bit.ly/3vUeHYK> (found: 11/05/2021).



on the global economy and on the PRC's economy, both because semiconductors are essential for manufacturing advanced goods, but also because its global markets would be in severe recession. Again, the result would be unemployment, unrest and a threat to the CCP's hold on power – a calculation it is perfectly able to make. (Although TSMC is diversifying manufacturing from Taiwan – it is to open a plant in Arizona – the time scale is long and TSMC cannot completely leave Taiwan. Therefore this factor remains valid.)

Why has military activity around Taiwan increased?

The CCP's overall strategy is to break the will of the Taiwanese people by convincing them that unification is both inevitable and irresistible. Shows of military might by aircraft carriers, incursions by warplanes, and training for invasion are designed to reinforce this belief, to wear down Taiwan's military defences (reacting to each incursion is exhausting) and to erode the will to resist. Other aims are related to propaganda for the CCP's domestic audience, in order to underline the (undoubted) progress and modernisation which the PRC and the PLA have made; and to contribute to further improvement in military training and capability.

Meanwhile, Western analysts and commentators' uncritical repetition of CCP rhetoric and propaganda about the possibility of forceful unification only magnifies their effect and potentially weakens Taiwan's ability to resist.

How the CCP pushes its agenda

As in its dealings with other countries, the CCP playbook consists of carrot and stick, and the United Front Work Department's (UFWD) tactics – or 'grey zone' methods. Taiwan and particularly its erstwhile Guomindang (KMT) rulers have been a major preoccupation of the UFWD since the inception of that organisation:

- **The carrots:** Over the years – recently in 2013, 2018 and 2019 – Beijing has announced packages of measures, which it claims put Taiwanese businesses and individuals in the mainland on an almost equal footing with



their mainland ‘compatriots’.⁹ Some measures target youth, a tactic in line with the CCP’s emphasis on ensuring that its own young are moulded to its designs.

- **The sticks:** As well as increasing military tension, the CCP virulently attacks the DPP and Tsai Ying-wen, the President of Taiwan (and DPP leader), with whom it refuses to deal. It puts pressure on businesses, both Taiwanese and foreign (a minor means is forcing them to comply with demands to refer to Taiwan in a way which implies that it is not a separate country).¹⁰ To increase economic pressure it has restricted tourist group visits to Taiwan and restricted agricultural imports, the most recent being a sudden ban on pineapples.¹¹ Taiwan has become one of the CCP’s top targets for cyber attacks.
- **Grey zone operations:** The CCP employs its full armoury from influence to interference activities. The KMT has traditionally been sympathetic to the concept of ‘One China’, while the Democratic Progressive Party (DPP) has all along been insistent upon the right of the Taiwanese to determine their own future, to continue as an independent country, even if Taiwan is recognised as a state by only a handful of other countries. In politics, particularly local politics, the CCP does what it can to support candidates sympathetic to Beijing’s agenda, for example by putting pressure on Taiwanese businesses and their employees with interests on the mainland to vote for those who support unification. It aims to sway Taiwanese media content. It spreads disinformation via social media. It finances those who oppose the DPP, often via temple and religious foundations which are less subject to oversight.¹²

Since the DPP returned to power in 2016 the CCP, using economic incentives, has persuaded six countries to switch diplomatic recognition from Taipei to Beijing; fifteen still maintain relations. The CCP has tried to insist that those countries with representative offices in Taiwan cut back on relations. For example, the December 2018 ‘Policy Paper on the European Union’ contained harsher language than before, insisting among other things that there be ‘no

⁹ See: ‘China Announces 31 Measures to Boost Cross-Strait Exchanges’, *China Briefing*, 18/06/2013, <https://bit.ly/3eFTLPt> (found: 11/05/2021) and Li Zhao, ‘Beijing extends olive branch to Taiwan ahead of the island’s election’, *CGTN*, 12/11/2019, <https://bit.ly/3bLcXo> (found: 11/05/2021).

¹⁰ Cindy Sui, ‘China warns Western firms over Taiwan’, *BBC News*, 29/06/2018, <https://bbc.in/3tG4624> (found: 11/05/2021).

¹¹ Tim McDonald, ‘China and Taiwan face off in pineapple war’, *BBC News*, 19/03/2021, <https://bbc.in/3hkU9Vt> (found: 11/05/2021).

¹² Discussions between the author and Taiwan government officials and think tanks in August 2019.



official contact or exchanges in any form' and that 'No institutions of an official nature should be established.'¹³

A problem for the CCP: its tactics are not working

Despite CCP hostility to Tsai Ying-wen and a preference for the KMT, the latter was routed by the DPP in the January 2020 presidential election and the August mayoral election in Kaohsiung. Although the Taiwanese had already thoroughly discounted the idea of 'one country two systems' – originally proposed by Deng Xiaoping for Taiwan – the CCP's leaning on Hong Kong was a big factor in the DDP leader's re-election. Polls conducted by the National Chengchi University (NCU) since 1992 show a steady increase from 17.6% to 64.3% in Dec 2020 in those who consider themselves Taiwanese, and a fall from 25.5% to 2.6% in those declaring a Chinese identity decline, and from 46.4% to 29.9% for those who feel both Taiwanese and Chinese.¹⁴ The US-based Pew Research Centre's 2020 poll matched the NCU 2020 figures closely.¹⁵ Moreover support for independence far outweighs the desire for unification, under varying conditions of peace or hostility.¹⁶

To add to CCP worries, the figures were even less in their favour when it came to the young and to DPP supporters (KMT popularity may well be on a long-term downward trend, since more young people tend to vote DPP).

A spectrum of hostile acts short of outright invasion

The CCP is not one for accepting the will of the people; too much of its legitimacy is staked on the 'recovery' of Taiwan. But if forceful unification is not likely,

¹³ 'Full text of China's Policy Paper on the European Union', *Xinhua*, 18/12/2018, <https://bit.ly/2SOLFf7> (found: 11/05/2021).

¹⁴ 'Taiwanese / Chinese Identity (1992/06-2020/12)', Election Study Centre, National Chengchi University, 21/01/2021, <https://bit.ly/3faGD41> (found: 11/05/2021).

¹⁵ Kat Devlin and Christine Huang, 'In Taiwan, Views of Mainland China Mostly Negative', Pew Research Centre, 12/05/2020, <https://pewrsr.ch/2RNfc3c> (found: 11/05/2021).

¹⁶ Timothy Rich and Andi Dahmer, 'Taiwan Opinion Polling on Unification with China', *China Brief*, 20:18, 19/10/2020, <https://bit.ly/2QcBYWN> (found: 11/05/2021).



nevertheless there is a spectrum of acts short of outright invasion which the CCP may take over coming years:¹⁷

- 1. Put pressure on Taiwan's fifteen remaining diplomatic friends to switch recognition to the PRC.** The Vatican would be the big prize (and biggest betrayal of values).
- 2. Increase the pressure on foreign businesses operating in or trading with Taiwan, possibly to cease their activities or choose between the PRC and Taiwan.** Threats have already been made to companies, such as Boeing, which have sold items of military use. What the CCP has done to HSBC and Cathay Pacific in the Hong Kong context could be extended to Taiwan.
- 3. Demand that free and open countries further limit the roles of their representative offices on Taiwan and scale back interaction with its government.** This process has already started.
- 4. Try to persuade other countries not to accept Taiwanese documents as valid passports for travel.** This would be a visible sign of Taiwan's lack of sovereignty.
- 5. Update the 2005 Anti-Secession Law into a version of Hong Kong's national security law (NSL).** In particular a clause giving it extra-territorial effect (as in article 38 of the HK NSL) would put pressure to conform to the CCP line on Taiwanese businesses or citizens living in or travelling to the PRC, or indeed in theory on any person in any country. The Rule of Law in China Construction Plan (2020-2025) published in January 2021, Article 24 on Taiwan may hint at this: 'Use the rule of law to defend the one-China principle, resolutely oppose "Taiwan Independence", and resolutely safeguard national sovereignty, security, and development interests.'¹⁸
- 6. 'Persuade' Jinmen and Mazu, two islands belonging to Taiwan just off the coast of the PRC, to 'request' unification.** Switching off water supplies or implementing a blockade would be a convincing argument.

¹⁷ Many of these suggestions arose during conversations with Taiwanese officials and think tanks during a visit by the author to Taiwan in August 2019.

¹⁸ 'The Central Committee of the Communist Party of China issued the "Plan for the Construction of Rule of Law in China (2020-2025)"', Central Government of the People's Republic of China, 10/01/2021, <https://bit.ly/2SM4f7u> (found: 11/05/2021).



7. **Take control of two sets of islands in the South China Sea currently controlled by Taiwan, the Pratas/Dongsha Islands**, around 450 kilometres to the south west, and Itu Aba/Taiping Island, around 1,600 kilometres distant in the Spratly Islands. Both have airfields. Both would be relatively easy for the PLA to take over, while maintaining military surprise.
8. **Seize the Penghu Islands.** These are just around 50 kilometres west of Taiwan and have a population of 100,000.
9. **Institute a general blockade of Taiwan.** This could be by sea and air.

The risks to the CCP would increase should it work through the spectrum. Seizing outlying islands or taking over Jinmen and Mazu is conceivable, but it might provoke the US into a closer political and military relationship with Taiwan. A blockade would not only disrupt Taiwanese business and investment in the PRC, but it would affect global semiconductor supplies and could lead to North American or European counter action. That would threaten unemployment and unrest in the PRC. The complexity of an operation against the Penghu islands would be high and the reward largely symbolic. PLA forces would be vulnerable to attack, unless they had first neutralised Taiwanese air and naval forces, which would risk a US intervention. This is little short of a full invasion and would be seen as a prelude to an attack on Taiwan itself.

How will other countries react to the spectrum?

Most free and open countries will not take significant action unless the CCP progresses as far up the spectrum as an attack on the Pratas Islands. But equally, most of them are unlikely to rein in the activities of their offices in Taiwan or refrain from continuing with at least current levels of contact with Taiwanese officials. Global considerations mean that they will continue to call for greater participation of Taiwan in international bodies such as the World Health Organisation (WHO) or International Civil Aviation Organisation (ICAO). There will be instances of disunity and obeisance to Beijing from the perennially inclined, such as Hungary and New Zealand, but the geopolitical climate has shifted as a result of Xi's assertive stance.

Taiwan is important. In terms of values, allowing nearly 24 million people to be taken into a totalitarian system against their will is simply wrong. If the CCP gets away with that, it raises the question of where next might it seek to impose



its will, not necessarily in terms of grabbing territory – although India, Bhutan and Japan have worries there – but in imposing a different international order (or disorder, given its disregard of international law). And geopolitically, the annexation of Taiwan would change the balance of power in the Indo-Pacific region.

To dissuade the PRC from initiating a strategic folly, free and open countries – amongst whom the United Kingdom (UK) is a leader – ought to consider the following:

- **Leave the CCP in no doubt that in the event of forceful unification in whatever form, against the will of the Taiwanese people, there will be sanctions and embargoes.** Diplomatic relations, trade and investment will be cut, to the severe detriment of all. This warning should be given quietly, but with conviction, and in the near future.
- **Understand clearly the spurious nature of the CCP's claims to Taiwan.** Its history is bunk. Taiwan has never been ruled by China, except in the loosest sense. Ming and Qing dynasty control was minimal – if that.¹⁹ After the period of Japanese colonialism, the KMT took control of Taiwan, but it was not granted sovereignty. In 1949, around 15% of Taiwan's population came from the mainland. The rest were either non-Chinese indigenous people (2%) or Chinese who had come centuries before. For the CCP to seek 'reunification with Taiwan' is similar to the UK requesting the return of the US.
- **Accept that history is bunk in another sense:** what matters are the wishes of people, the freedom to live their lives under the system of their choice. Ironically, in almost every speech of Xi Jinping one can find the claim that the CCP is 'people centred'. It should be held to that.
- **Continue diplomatic efforts to persuade countries to vote for Taiwan's membership of international bodies** such as the WHO and ICAO.
- **Very gradually build up official relations with Taiwan.** This is the opposite of the CCP's 'salami slicing' tactics in the South China Sea. Free and open countries should adopt small steps to strengthen relations with Taiwan, none in itself big enough to warrant serious action from Beijing, but adding to the 'salami' over time.

¹⁹ Gerrit van der Wees, 'Has Taiwan always been part of China?', *The Diplomat*, 01/12/2020/, <https://bit.ly/3eIcslM> (found: 11/05/2021).



- **Study carefully the measures used by the UFWD to interfere in Taiwan.** The methods used are relevant to other free and open countries. There is much to learn from Taiwan. Governments should also hold discussions with relevant bodies in Taiwan on CCP forms of grey zone warfare.
- **Build up other links, such as those between parliamentarians, cultural and people to people links, in order to support Taiwan's achievement of a transition to a vibrant democracy.**

Conclusion: Might the CCP nevertheless carry out an unthinkable invasion?

Historically, there are several examples where leaders have taken illogical decisions which have led to war and their own demise. Hubris is not the sole preserve of Greek tragedy.

But Xi is not Kim Jong-un. Nor is he Mao, able at times to use the CCP as an instrument of his will, unchecked. In the next decade or so the CCP is more likely to use all means short of war than to invade. Were the PRC to become so economically strong and militarily preeminent that it could be confident of an invasion succeeding whatever the American reaction, it might be time to think again. But there are good reasons to believe that the CCP 'socialism with Chinese characteristics' will not be able surmount the four problems likely to prevent the PRC from becoming the primary superpower: namely debt, demographics, water scarcity and a lack of a sufficiently educated population to join the ranks of the wealthy and developed countries (no country with less than 60% of people who have finished secondary education has managed it; the percentage for the PRC is 30%).²⁰

With increasing sabre-rattling, events may quickly escalate, leading swords to accidentally clash – as happened in 2001 with US and PRC aircraft.²¹ But CCP and Taiwanese leaders would surely move to calm things down, depending on Beijing's assessment of US reactions. If its calculation remains that

²⁰ For a detailed discussion of this issue, see: Charles Parton, 'Foresight 2020: The Challenges Facing China', *RUSI Journal*, 165:2, 11/02/2020, <https://bit.ly/3hIV2NA> (found: 11/05/2021). On the effects of inadequate education see: Natalie Hell and Scott Rozelle, *Invisible China: How the Urban-Rural Divide Threatens China's Rise* (Chicago, Illinois: University of Chicago Press, 2020).

²¹ For a good explanation, see: Shirley A. Kan, 'China-US Aircraft Collision Incident of April 2001: Assessments and Policy Implications', Congressional Research Service, 10/10/2001, <https://bit.ly/3uN7IAY> (found: 11/05/2021).



in the event of an attempt at forceful unification the US would come to the aid of Taiwan, it would surely back off. Those who speak glibly of the possibility of war between the PRC and the US seem to forget that they are both nuclear powers. Has nuclear deterrence really dissipated?

Upholding the democratic wishes and freedom of nearly 24 million people has an importance beyond Taiwan. In the absence of clear policy and expressed intention, the CCP will try to break the will of the Taiwanese people. This will be a major, if not the major, factor in relations between the PRC and free and open countries over the next decade. If governments have not decided upon their policy in this area, they had better do so soon. Ultimately, bolstering the ability and will of Taiwan's people to defend themselves bolsters free and open countries everywhere.



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