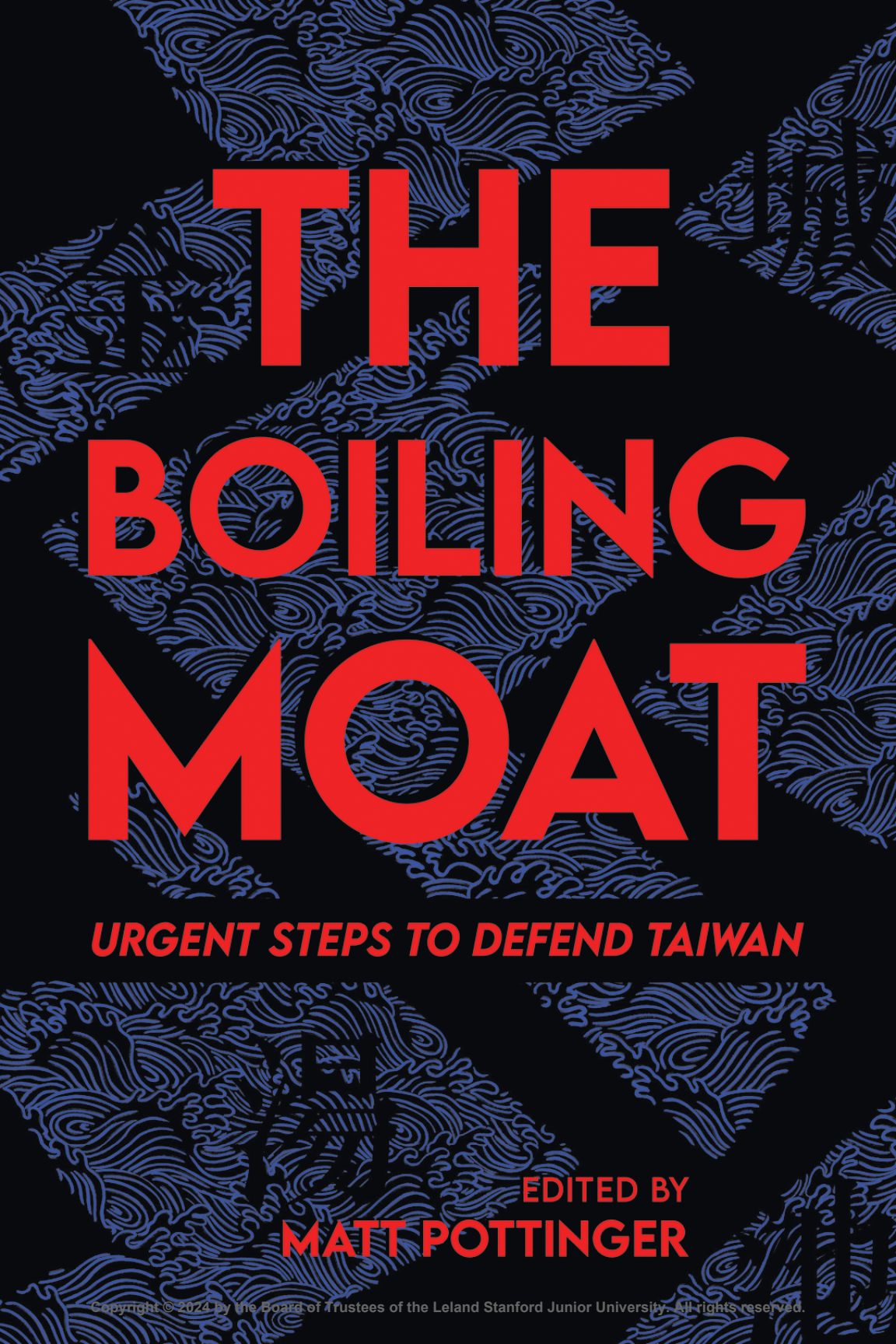




THE BOILING MOAT

URGENT STEPS TO DEFEND TAIWAN

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CHAPTER 6

Countering China's Gray-Zone Activities

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*When a snake wants to eat his victims,
he first covers them with saliva.*

—WINSTON CHURCHILL, 1936

Almost exactly two years after Beijing decided it would draft and enact the national security law that would snuff out the “high degree of autonomy” Beijing had promised Hong Kong, a senior Chinese diplomat penned an op-ed in Hong Kong’s main English-language newspaper. The audience that Qin Gang, a future foreign minister, was addressing in his May 2022 missive in the *South China Morning Post* wasn’t the former British colony: it was Taiwan.

Qin told his readers that while Beijing would do its “utmost for a peaceful reunification,” it was “not renouncing the use of force” to deter “separatists and external interference.”¹

He diluted that shot of vinegar with a spoonful of honey, telling an anecdote about a Taiwanese physical fitness trainer who had made a splash as a social media influencer by attracting tens of millions of followers in China. Digital unification, Qin seemed to be saying, needn’t wait for political union. “The mainland’s social media applications are widely loved and used by the people of Taiwan.”

“Promoting peaceful reunification while not giving up on the use of force are like two sides of the same coin,” Qin wrote. Though Qin was mysteriously purged by supreme leader Xi Jinping in the summer of 2023 and hasn’t been heard from since, Qin’s quote still stands as an apt encapsulation of Beijing’s approach.

While the previous chapter addressed China’s potential use of force, this chapter discusses the other side of Qin’s proverbial coin: China’s non-kinetic options for seducing, intimidating, and subjugating Taiwan. It looks at steps ranging from information warfare and economic inducements to the use of a prolonged air and naval blockade. It also recommends a strategy for countering efforts of the Chinese Communist Party (CCP) along this entire spectrum, one organized around the principles of patience and perspective. Specifically, Taiwan should focus on acquiring the latest tools for blocking cyber intrusions and countering mis- and disinformation; adjusting the way it talks about air and naval intrusions carried out by the People’s Republic of China (PRC); acquiring persistent intelligence, surveillance, and reconnaissance (ISR) capabilities; and improving its ability to communicate and endure in the face of a sustained blockade.

Of course, it is important to note that China’s vigorous efforts in the gray zone have not yet succeeded in persuading the Taiwanese people that they would be better off with a political union with the PRC. This fact should not induce complacency, as Beijing is constantly finding new approaches to “win without fighting.” But it also highlights an unfortunate paradox: Taiwan must continue to resist China’s non-kinetic efforts. Yet the more the CCP loses faith that it can succeed in the gray zone, the more it will be compelled to choose force instead. The steps Taiwan should take urgently to deter or defeat a PRC military invasion were covered in the previous chapter.

Information Operations

The CCP is waging a multifaceted cyber and information campaign against Taiwan. It relies upon a combination of virtual and in-person networks along with witting and unwitting Taiwanese surrogates to

flood Taiwan with disinformation and amplify misinformation.² To be sure, Taiwanese media and netizens have become more discerning, but disturbing narratives still slip through. For example, in July 2023, a major Taiwanese newspaper published a series of stories falsely alleging that the United States had asked the Taiwanese government to help develop biological weapons.³

China also exploits Taiwan's commitment to free speech. Outlets indirectly funded by China—that is, Taiwanese enterprises that receive favorable treatment in China owing to their pro-China positions—continue to have prominent voices across Taiwanese media.⁴ Opposition-leaning (“pan-blue”) media, especially, often amplify content that is critical of the United States or supports Beijing's preferred narratives. In one rare case, Taiwan's broadcast regulatory agency denied pro-China outlet CTi News' application for license renewal in 2020.⁵ Yet this episode was an exception that proved the rule that free speech reigns in Taiwan: the public backlash over the government shuttering a TV channel ultimately helped torpedo a draft bill that would have imposed greater accountability on social media platforms and websites for accuracy of their content.⁶

At the same time, it is important not to overstate the impact of China's information campaigns, which are often diluted by Beijing's self-inflicted setbacks. For example, Xi Jinping's remarks on cross-strait relations in January 2019—during which he insisted that the discredited “one country, two systems” formula must be applied to Taiwan—garnered near-universal disapproval in Taiwan. When Beijing cracked down on peaceful pro-democracy protesters in Hong Kong later that summer, Taiwanese polls regarding unification and independence confirmed sharp increases favoring the latter at the expense of the former.⁷ A generational evolution in attitudes toward Taiwanese national identity compounds the challenge for Beijing.

Indeed, China's propaganda and influence operations have not arrested, much less reversed, this trajectory.⁸ As a result, most Taiwanese don't advocate for formal independence to avoid provoking Beijing, but they increasingly regard Taiwan as a nation separate from China.⁹ Alarmed, Beijing is turning to more sticks and fewer carrots. For

example, in October 2023, PRC provincial tax and land-use authorities audited two of Taiwanese electronics manufacturer Foxconn's mainland facilities in an apparent attempt to drive Foxconn founder Terry Gou to quit Taiwan's crowded presidential race.

Still, Taiwan must remain vigilant against Chinese information warfare. The PRC will likely expand its influence operations in 2024 and beyond. It is also possible that Xi Jinping's ham-fisted overreach may have more to do with the ineffectiveness of China's political warfare efforts than Taiwan's inherent resilience. In any case, CCP-sponsored-and-aligned disinformation is worryingly gaining traction in Taiwan. Taiwan should therefore continue collaborating with other open societies to share threat vectors and best practices to counter CCP political warfare in the ever-changing information environment, especially as artificial intelligence-powered deep fakes and algorithms mature and proliferate (as Taiwan has already seen).¹⁰

To this end, in 2022, Taiwan launched the Ministry of Digital Affairs (MODA) to coordinate government and nongovernmental efforts to combat disinformation. In its first year of operation, MODA engaged with many democratic governments and pro-democracy organizations, including in the United States, the United Kingdom, the European Union, Israel, and several multilateral institutions.¹¹ Taiwan should enact bans on PRC-based cloud infrastructure and social media providers, as it did with Huawei and ZTE telecommunications infrastructure a decade ago. Although not a panacea, such restrictions will provide Taipei with greater trust in the data and algorithms that are generating the content consumed by the Taiwanese people. Taiwan should also work closely with non-PRC private-sector platforms to flag and demote divisive and incendiary false narratives promoted by the CCP.

Cyberattacks

MODA also coordinates Taiwan's resistance and response to cyber intrusions. It has implemented several measures to defend against cyberattacks like the relatively benign ones following then US House

Speaker Nancy Pelosi's August 2022 visit to Taiwan.¹² To further resist China's efforts, Taiwan must invest in maintaining the highest standards of cyber hygiene across all government and critical infrastructure systems. Anything less would be gross negligence.

As the 2022 attacks highlighted, China possesses cyber capabilities that could severely disrupt or damage Taiwan's critical infrastructure and military facilities. But for now, Beijing has demurred from regularly employing its most potent cyber capabilities in the gray zone. After all, high-profile cyberattacks would reveal Chinese capabilities and jeopardize access points for a future contingency. The Taiwanese government would also attribute such attacks to the PRC, increasing domestic and international public opposition to China—as it did after the military demonstrations and cyberattacks following the Pelosi visit.¹³ Beijing is therefore biding its time in the cyber domain by collecting information and positioning itself for future disruptions.

Taiwan should nevertheless actively defend against gray-zone probing operations precisely because China will likely use information gained from these intrusions to support a future assault. To this end, Taiwan's digital ministry should sponsor the establishment of a volunteer group like Ukraine's IT Army, which can assist with critical network defense while identifying a pool of expert volunteers to assist in offensive operations when the need arises.¹⁴ In addition, Taiwan should invite the US Cyber National Mission Force to conduct defensive "Hunt Forward" operations across all of Taiwan's government, critical infrastructure, and industry networks.¹⁵ This type of operation requires Taiwanese government and military officials to trust their US counterparts, effectively handing over keys to the house. The sophistication of China's cyber forces calls for urgent and exceptional measures to improve Taiwan's resilience.

Economic Inducements and Coercion

The PRC complements its information warfare with economic warfare, and the two are often intertwined. China pressures multinational companies not to veer from its preferred political positions, as Marriott,

Delta, and the National Basketball Association have learned in recent years. Taiwanese companies face even more pressure. The CCP threatens and fines China-based subsidiaries of Taiwanese businesses suspected of supporting the incumbent Democratic Progressive Party (DPP) while doling out profits to those that mimic China's party line.¹⁶

PRC representatives also support local Taiwanese officials willing to echo Beijing's talking points by favoring their constituencies for investment and business deals. Conversely, Beijing targets DPP strongholds with selective inspections on products and producers. For example, after learning of Pelosi's Taiwan visit, Beijing suspended the import of more than two thousand Taiwanese food products.

Of course, economic coercion can also prove counterproductive. Despite causing immediate pain, sustained economic punishment incentivizes Taiwanese producers to reduce their dependencies on China. Nor is there evidence that Chinese economic coercion makes Taiwanese voters want to mollify Beijing. Instead, societal trends in the opposite direction continue apace.

A decade ago, the then ruling Nationalist Party, or Kuomintang (KMT), quietly negotiated a services trade agreement with Beijing. The agreement would have opened large sectors of Taiwan's economy to the PRC. The KMT government, knowing the agreement would prove unpopular, attempted to push it through the legislature without public review. This incited the Sunflower Movement, when student protesters occupied the legislative building for twenty-four days, delivering knock-out blows to both the mooted agreement and the KMT's popular support.

Since 2016, Taiwan has pursued a different path. Under the New Southbound Policy (NSP), Taiwan's government has enacted policies to economically diversify away from China by incentivizing Taiwanese investment in South and Southeast Asia while putting curbs on business with the mainland, especially in the prized semiconductor industry. These successful policies were boosted by the pandemic and broader geopolitical trends, resulting in reductions in PRC-Taiwan bilateral trade and investment today.¹⁷

Taipei could reinforce its economic diversification efforts while also better aligning itself with maritime Southeast Asian states, the concept

of a free and open Indo-Pacific, and international law by debunking and refuting maritime claims stemming from China's infamous South China Sea (SCS) "nine-dash line" (now ten dashes). Such claims stem from Republic of China (ROC) maps that predate the founding of the PRC. Taiwan holds these maps in its archives. It could cite them while clarifying its maritime claims to accord with a ruling from the Permanent Court of Arbitration in 2016, which determined that there is no legal basis for China's claims to historic rights and resources within the nine-dash line. Taipei should also publicly accept the ruling that the Taiwan-administered SCS feature Itu Aba does not generate an exclusive economic zone. In doing so, Taiwan would align itself with international law and further weaken China's illegal maritime claims. Finally, Taiwan might even consider renouncing its SCS territorial claims on features occupied by Southeast Asian states.

Air and Naval Provocations

Many of the air and naval activities that the People's Liberation Army (PLA) carries out are best understood as political signaling. Beijing seeks to demonstrate resolve, often in response to US forces operating in the East and South China seas. Such signals are of course also directed at Japan, Taiwan, the Philippines, and other claimants of disputed maritime territories. By executing these operations outside Taiwan's territorial space, which extends 12 nm from its baselines, the PRC is conducting acts of gray-zone political warfare that have little to do with a kinetic attack on Taiwan.

It is therefore important for Taiwan to keep the PLA's air and naval patrols and exercises in their proper context. Such activities are not a physical threat to Taiwan, especially not when compared to Beijing's standoff strike capabilities. Take, for example, the PLA Rocket Force, which maintains thousands of ballistic missiles with precision strike capability that can range anywhere in Taiwan. The PLA Army also has countless low-cost, guided, short-range rocket artillery rounds (i.e., close-range ballistic missiles). Given the short distances involved, Taiwan has no less indication and warning of these land-based weapons than

from deployed PLA ships and aircraft. Moreover, in a surprise attack profile, PLA Air Force bombers and PLA Navy vessels would launch cruise missiles from hundreds of miles away to avoid Taiwan's defenses.

The media's obsession with Chinese intrusions into Taiwan's Air Defense Identification Zone (ADIZ), and over the so-called centerline, is also misleading and unhelpful. Both control measures were designed for a bygone era and never elicited PRC buy-in in any case. Taiwan's Cold War-era ADIZ encompasses roughly four hundred nautical miles of China's coastline, nearly half the distance from the Shandong peninsula to Hainan Island. Moreover, Taiwan still depicts its ADIZ with half of it sitting over PRC territory, underscoring the zone's anachronistic nature. Taipei argues that Beijing should honor Taiwan's ADIZ even as Taipei ignores China's ADIZ, which overlaps Taiwan's.

In September 2019, Taiwan's Ministry of National Defense (MND) began publishing instances of the PLA's so-called air incursions, primarily into the southwest corner of Taiwan's ADIZ. The Taiwanese military likely deemed these operations as threatening to its forces on Pratas Reef, which sits farther to the southwest. Pratas and the southwest corner of the ADIZ are closer to China than Taiwan, making it difficult to argue that these PLA operations are "incursions." Moreover, the area is outside the combat-operating range of Taiwan's fighters, which would have only minutes of loiter time if scrambled to defend Pratas. PLA fighters, on the other hand, operate from closer locations and can refuel in the air.

Taipei's unofficial strait centerline is similarly rooted in the Cold War. It served as a western limit to the operations of US military aircraft, which were not treaty-bound to defend Taiwan's offshore islands. It wasn't until 2004, as the PLA acquired more modern combat aircraft, that Taipei explicitly defined the centerline as a no-go area for the PRC.¹⁸ Taipei's declared centerline includes similar unhelpful distortions: the northeast end sits squarely within the PLA's ADIZ and the southwest end is more than twice the distance from Taiwan as from China.¹⁹ PLA aircraft routinely cross these extreme portions of the centerline, often in response to US and other foreign naval forces operating in the Philippine Sea.

Our Recommended Divestments and Transfers

To avail force structure and resources without sacrificing capabilities needed across the full spectrum of competition and conflict.

1. *Divest amphibious assault.* Taiwan does not have a requirement to attack a beach in any realistic contingency scenario. Taiwan Navy should retire all its older US-made amphibious ships and cancel procurement of additional indigenous Yushan-class LPD vessels, keeping only a single new Yushan LPD.
2. *Divest armor.* Armor is optimized for offense across open terrain. Taiwan Army should retire all old armor, keeping only its 108 new M1A2 tanks. Taiwan Marine Corps should retire all old armor, keeping only its 90 new AAV-P7 vehicles.
3. *Transfer and divest naval surface combatants.* Taiwan Navy should transfer its Lafayette class frigates to the coast guard, replacing them and its recently decommissioned Knox class frigates with additional CDCM units and more 200-ton and 600-ton class missile craft.
4. *Divest manned aircraft.* Taiwan's fighters should be used for point defense of Taiwan. Taiwan Air Force should retire its Mirage 2000 fighters and E-2 early-warning surveillance aircraft to free up force structure for additional uncrewed, mobile anti-air, and tethered aerostat surveillance units.
5. *Divest ASW helicopters.* Taiwan Navy should retire its S-70C naval helicopters in favor of its P-3s and additional MQ-9s for maritime patrol and surveillance.
6. *Divest submarines.* Taiwan Navy should retire its four Guppy and Zwaardvis submarines and cancel all new submarine procurement, keeping only a single new Narwhal class indigenous submarine. Taiwan Navy should instead invest in uncrewed undersea vehicles and expendable sea drones, drawing on lessons from Ukraine.
7. *Transfer transport aircraft.* Taiwan Air Force should transfer ten or more C-130 transports to the National Airborne Service Corps to conduct, among other missions, routine resupply of the coast guard units on Taiwan's two South China Sea features: Itu Aba and Pratas Reef.

The middle portion of the centerline, however, is less than 40 nm from key strategic nodes such as Taipei Port and Taiwan's largest airport. In 2020, China crossed the middle portions of the centerline twice—both timed to coincide with Taipei meetings between high-level US officials and the Taiwanese president—to send unmistakable

political signals. Unfortunately, these infrequent higher-threat center-line crossings are buried among the larger count of nonthreatening activities, like PRC observation balloons floating near China's coast more than a hundred miles from Taiwan.²⁰

Overall, the PRC's military gray-zone strategy is not bearing fruit. Compared with a decade ago, Taiwanese society is arguably further from being enticed or coerced into political union with China.²¹ Accordingly, the key to a more effective response strategy can be summed up in two words: patience and perspective. Specifically, Taipei should focus on deterring through information operations, improving surveillance, and preparing for potential blockade or quarantine scenarios.

Deterring through Information Operations

Taiwan cannot prevail in the gray zone by countering China symmetrically. Claims that Taiwan can deter PLA air and naval "incursions" with ever more fighter intercepts and surface combatant patrols strain credulity and misunderstand the purpose of the PLA provocations. The gross military imbalance is such that the PLA can keep adding sorties and, if challenged, escalate with confidence. Taiwan, on the other hand, will remain disadvantaged and resource constrained. Any direct engagement between Taiwanese and PLA forces on or over open seas will almost certainly end in a PRC "victory" in which Taiwan either backs down or is defeated in a skirmish, having been "taught a lesson" by China. There is no scenario where the military or political leadership in Beijing would accept anything less.

If Taiwan responds with force to PRC bullying at sea, the PLA will simply continue up the escalation ladder. Beijing could even decide to seize Pratas Reef or an offshore island. Such an operation would likely be over in a matter of hours and result in permanent loss of Taiwan's territory. Worse yet, as the PLA continues to modernize, PRC leadership is likely to become more tactically aggressive. Concurrently, Xi may grow increasingly willing to escalate strategically by authorizing a full invasion. No Taiwanese leader can afford to give Xi a pretext for

attacking by taking the first swing, which Beijing would accuse Taipei of doing regardless of the facts.

Trying to symmetrically match Beijing ton-for-ton or qualitatively in the open seas and skies is thus a misuse of Taiwan's limited resources that would also prove counterproductive. Beijing is more than content to hear Taiwan's military leaders call for more fighters and more frigates to "deter" and "defend against" the PLA's gray-zone operations, as this diverts Taiwan's limited resources away from the coming real fight. Keeping things in perspective, Taiwan's defense planners should remember that the PLA's land-based missile threat can visit more death and destruction on Taiwan than all the PLA's fighters, bombers, and surface combatants combined.

Those who argue that Taiwan's population needs to see additional new advanced platforms to feel confident in their military underestimate the intellect and sophistication of the Taiwanese people. Polls consistently show that the people have little confidence in their own military's prospects for going toe-to-toe against the PLA. As the popularity of former Taiwanese chief of General Staff Lee Hsi-min and his pathbreaking ideas on asymmetric warfare indicate, many Taiwanese would instead respond positively to a realistic and cost-effective strategy to defend their homeland.²²

Therefore, instead of confronting the PLA in the global commons, the Taiwanese government should counter gray-zone political warfare with its own version of the same. The military should continue to publish PLA activity, but as mentioned above, not in relation to the ADIZ and centerline. Taiwan has astutely reduced its range criteria for fighter scrambles to conserve resources, but it should also align its messaging to blunt the PLA's political warfare aims. Just as intercepts have failed to deter growing PLA activity around Taiwan, alarmist reports about PLA exercises only enhance the adversary's messaging and support the CCP's narrative that resistance is futile.

Furthermore, challenging China's offshore military activities is neither legally nor normatively justifiable, especially when considering US and allied operations across the global commons. Taipei should not protest the PLA's geographically and militarily nonthreatening

“incursions.”²³ Highlighting these instances only serves to distract audiences and numb them to the true threat. Instead, the Ministry of National Defense (MND) should use Taiwan’s official maritime boundaries map when depicting PLA activity. This map does not depict either the ADIZ or the centerline. It does, however, demarcate Taipei’s territorial baselines and territorial seas. This is the critical, realistic, and legitimate area that Taiwan must defend—it also matches the territories covered by the Taiwan Relations Act. This central area includes the inner islands, such as the Penghu Islands to the west, Pengjia Islet to the north, and Orchid Island to the south, but excludes the outer islands along China’s coast and in the SCS.²⁴ By depicting PLA activity in this context, the MND could provide a more useful public inventory of how and when the PLA is threatening Taiwan’s sovereign territory, including trends over time.

Taipei can also reference policies and messaging from friendly countries, including the United States, Japan, and South Korea. The US military does not notify China or Taiwan when crossing their ADIZs. Nor does the United States require transiting foreign military aircraft to comply with US ADIZ procedures. Japan shows even more restraint than the United States. With the high frequency of PLA flights into Japan’s ADIZ, Japan does not advertise these incursions.²⁵ (It is worth noting that US, Japanese, and other allied military aircraft routinely operate in China’s ADIZ—the PRC does not amplify these “incursions” either.) Instead, Tokyo publicizes select incidents of PRC government transits into the contiguous zone and territorial seas around the Senkaku Islands, which Japan administers.²⁶ And while South Korea has also experienced the steady erosion of its “centerline” with China in recent years, Seoul has chosen not to publicize this normative change, perhaps because it calculates that protesting would appear feckless.

Deterring through Surveillance

PLA exercises and patrols in international waters do not themselves endanger Taiwan’s military, people, territory, or prosperity. However, the presence of Taiwanese forces in proximity to Chinese ships and jets

does increase the chance of inadvertent escalation and the opportunity for intentional escalation. Both risks can be reduced by minimizing intercepts and other symmetric responses while emphasizing early, accurate, and detailed intelligence collection. To this end, Taiwan should transform the preponderance of its “peacetime competition” force from periodic, expensive power-projection platforms to persistent, low-cost surveillance platforms.

The deterrence by detection concept envisions a network of overlapping areas of surveillance responsibility comprising partners persistently operating various platforms and sensors across multiple domains.²⁷ Taiwan should aim to become an integral part of an allied ISR network across the Western Pacific. To do this, Taiwan must acquire and deploy the surveillance capabilities of the future rather than those of a generation ago. Taipei should also consider how it procures these capabilities. When practical, Taiwan should opt for data-as-a-service subscriptions or leased hardware instead of purchasing new platforms. The former options can reduce procurement timelines, personnel training requirements, and upgrade costs while providing flexibility to the user. They could also avail Taiwan of sensitive advanced technology that partners may not be willing to directly transfer due to counterintelligence, intellectual property, or political concerns.

For example, in addition to acquiring a handful of MQ-9 Reapers from the United States, Taiwan should lease additional aerial drones to achieve persistent maritime domain awareness, augmented by Taiwan's P-3 fleet. More platforms with longer endurance will provide greater coverage and earlier warning and thus help enhance deterrence. With appropriate sensor payloads, Reapers can perform both anti-surface and antisubmarine warfare surveillance missions, including dropping sonobuoys.²⁸ Taiwan should also invest in a network of long-endurance (measured in months, not hours) surface drones to provide sanitization and cueing to the airborne platforms.²⁹

In both cases, purchasing data and operational control rather than hardware and training will enable Taiwan to more easily integrate its surveillance mission with the United States and allies. US contractor-owned-and-operated ISR platforms could operate from

Taiwan, Japan, the Philippines, Guam, or some combination thereof. This would inherently provide additional deterrence, as the PRC would have to consider the impacts on third parties before disrupting or attacking these assets.

In the air domain, Taipei's daily ADIZ reports show that Taiwan can readily detect, identify, and track PLA aircraft using its ground-based systems. But Taiwan must also be able to reliably screen for over-the-horizon helicopters and low observable targets, such as cruise missiles and small drones. Taiwan should acquire multiple, advanced, tethered aerostat radar systems to fill this critical surveillance gap. These would be far less expensive and more persistent than airborne early-warning platforms. For persistent space-based ISR coverage, including PLA missile warning and tracking, Taiwan should also retain data-as-a-service satellite operators.

Deterring through Preparations for a Blockade or Quarantine

Thus far, this chapter has focused on the lower end of the gray-zone spectrum. Yet China also has options at the high end of the non-kinetic continuum. A blockade is the most aggressive alternative. Beijing could try to strangle Taiwan in a number of ways. It could order a complete air and naval blockade, replete with crippling cyber and electronic warfare attacks. Or the PRC could launch a partial blockade (i.e., a quarantine) on only certain types of ships or cargo, possibly requiring inspections at sea or even diversion to Chinese ports.

Regardless of which option Beijing chooses, blockades and quarantines are extraterritorial economic sanctions, just as the United Nations has imposed on North Korea and the United States has imposed on Iran. In both cases, the military enforcement tool has never achieved anything close to full compliance.

As with the PLA military gray-zone options discussed above, there is no path for Taiwan to achieve a military "victory" against a PRC blockade or quarantine. Taiwanese attempts to run or break the blockade with naval forces could result in kinetic clashes—providing

the very pretext that China seeks to justify escalation. Again, Beijing enjoys military overmatch and will not back down from a fight with Taiwan. As discussed in the previous chapter, it is unlikely that Beijing would implement a blockade unless it was fully prepared to conduct an invasion.

We also should not underestimate the challenges and trade-offs Beijing will face if it tries to strangle Taiwan. For example, a limited quarantine would bring political and economic costs on Beijing without necessarily pressuring Taiwan into submission. After all, if some civil aircraft or ships are free to move in and out of Taiwan, China will not be able to inspect or otherwise control passengers or cargo. As a result, Taiwan's semiconductor industry would be able to remain relatively solvent as aircraft shuttle between Taiwan and Southwest Japan (in a reprise of the Berlin Airlift).

Conversely, if China launches a full air and naval blockade, it will have to contend with international political backlash as it attempts to imprison and starve 23.5 million free people. Any blockade operation would also challenge the legitimacy of the global trading system, which recognizes Taiwan as a distinct member economy. And Beijing would have to answer for trapping hundreds of thousands of foreign nationals in Taiwan. The longer the restrictions continue, the more international pressure Beijing would face over family separations, medical attention, and other humanitarian concerns.

A full naval and air blockade of Taiwan will also deprive global supply chains of one of their most fundamental inputs: silicon chips. Given the dearth of semiconductor stockpiles worldwide, China would face a rising tide of international opprobrium because of Taiwan's unique criticality to the global economy. Therefore, although Taiwan's world-leading semiconductor manufacturing industry will not deter invasion—a CCP political decision that would already plan for China's rapid economic decoupling from the free world—Taiwan's "silicon shield" does deter a lengthier but less aggressive PLA operation like a blockade or quarantine.

Militarily, enforcing a blockade will tax the PLA and the China Coast Guard (CCG). A naval blockade or quarantine, enforced outside

Taiwan's territorial seas against multiple ports and approaches, would require a large continuous PRC maritime presence. An air blockade would be virtually impossible to enforce since fighters must intercept traffic arriving from the east. The PLA would have to commit scores of aircraft, including tankers, across long distances to maintain an airborne fighter presence around the clock—commanding tremendous resources and rapidly wearing down readiness. Without an airborne presence, allied transport aircraft could easily make the flight from Okinawa to Taipei unmolested. China's aircraft carrier capabilities are also years away from being able to handle this challenge.

Given the increasing difficulty of sustaining a blockade or quarantine politically, economically, and militarily over time, China would enact such a decree only if it were convinced of two things: that Taiwan is unlikely to challenge the blockade and that it is likely to yield in a matter of weeks, if not days. Therefore, to deter a PRC blockade, Taiwan should leave no doubt about its capabilities and intentions to resist and endure.

Responding to a Blockade

Although a blockade is unlikely for the reasons just mentioned, Taiwan must nevertheless prepare for such a contingency. Thankfully, these preparations will also be useful for countering a full invasion, since an all-out attack will include a maximalist blockade. Taiwan's primary objectives under a blockade or quarantine are to survive and communicate. To ensure connectivity, Taiwan should invest in large bands of access within multiple US and allied low earth orbit (LEO) satellite internet systems. To increase survivability, Taiwan must stockpile additional energy stores and prepare to ration food, energy, and internet bandwidth.

The longer Taiwan can resist a blockade, the more such an operation will impact foreign nationals, global supply chains, and the world economy. In the short term, the more resolve Taiwan's people can demonstrate, the more sympathy they will gain from the free world. In the event of a blockade, Taiwan therefore should lobby the

international community to levy political pressure and economic sanctions against China, as Ukraine's president Volodymyr Zelenskyy did following Russia's 2022 invasion. PRC strategists acknowledge China's own vulnerability to blockades, known as the Malacca Dilemma.³⁰ The credible prospect of an allied counterblockade provides an added measure of deterrence and, if implemented, could further stretch the PRC's naval assets.

In the longer term, experts predict that first-order effects of a Taiwan blockade would reduce global production value more than two trillion US dollars per annum, threatening to plunge the world into economic depression.³¹ The world's major economies will quickly see a vital interest in ending the blockade, especially if Taiwanese semiconductor supply chains are severed. Therefore, Taiwan should be prepared to weaponize its semiconductor industry against China in response to the full range of blockade scenarios.

Partial Blockade or Quarantine

The PRC may choose not to restrict air traffic in an effort to reduce international pushback. In this scenario, foreign nationals and Taiwanese citizens would be able to leave Taiwan, potentially reducing international resistance to China's efforts to absorb the island. China's leaders may choose this option because they are convinced that the Taiwanese people would accept a union with the mainland if freed from the influence of foreign agitators and diehard separatists, both of whom might escape under duress. Alternatively, Beijing could declare a partial blockade by sector, whereby China would restrict only certain goods, such as the import of weapons, for example.

In normal circumstances, Taiwan's semiconductor-manufacturing industry operates nearly at capacity, with many customers on back order. Depending on the options that Beijing exercises, Taiwan's chip fabs could find themselves producing below normal capacity because of cyberattacks, sabotage, lack of parts and consumables, energy shortages, workforce departures, and so on. In any case, faced with an elevated national threat, the Taiwanese government should compel its domestic industry to make strategic choices among its customers.

Taiwan cannot accept Beijing's terms for even a limited quarantine, as Taipei will have ceded its sovereignty and would be effectively on its way to "peaceful reunification." Instead, the Taiwanese government should respond in kind to a partial blockade by restricting exports of technology to or for China. A strict export control regime should allow transfer of chips (which travel by air) to approved third countries with reexport restrictions, such that only friendly supply chains and end users would continue to receive Taiwanese inputs. As friendly nations begin condemning and sanctioning China, most likely led by the United States, Taipei should prioritize countries' access to Taiwan's chip supply accordingly. This strategy depends heavily on sustaining a significant portion of Taiwan's semiconductor industry. Thus, in addition to investing heavily in critical infrastructure cyber resilience as noted above, Taiwan should also pursue early adoption of advanced small modular reactor nuclear power generators for its semiconductor fabrication facilities, as a matter of national security.

Full Blockade

Under a more robust or full blockade that restricts air transport in and out of Taiwan, the government should nationalize and assume control of its commercial airline fleet. While this option exists on paper within Taiwan's national mobilization plans, Taipei should routinely rehearse the transfer of control of civil aircraft to enhance readiness and deterrence. Since the PLA likely cannot sustain a continuous combat air patrol east of Taiwan, Taipei could begin airlift operations, exchanging semiconductors for humanitarian and other supplies in places like Luzon (Philippines), the Ryukyus (Japan), or the Marianas (United States). Without fighters, the burden would fall on China to escalate by engaging unarmed civil aircraft with naval surface-to-air missiles. While it is impossible to predict what orders might be handed down, Taiwan should consider that the PLA has not enforced China's East China Sea ADIZ since its declaration more than a decade ago. Taiwan could also ask the US military to participate in the airlift operation, citing the precedent of a C-17 landing there as recently as 2021.



An emergency airlift operation in Taiwan would resemble the 1948–49 Berlin Airlift, which provided supplies to West Berlin, blockaded by the Soviet Union from road and railway access to the West. *Bettmann via Getty Images*

The Taiwanese government should likewise prepare to take operational control of several large container ships and oil tankers. These could be Taiwan owned and operated but should be foreign flagged under friendly nations to present more dilemmas to China. If Taipei decides to challenge the naval blockade to import energy or other necessities, these vessels should do so without military escort. Based on the law of gross tonnage (or Newtonian physics), a CCG cutter or PLA warship would sustain disabling damage in an attempt to block or ram a commercial vessel many times its size. The PRC would have to board or shoot missiles, again placing the burden of escalation on China against unarmed civil vessels operating in international waters. Boarding operations would increase already high resource requirements, adding naval helicopters and special operators, to effectively guard Taiwan's ports around the clock. When practical, Taiwan's

transport vessels should be equipped with satellite transceivers so crews can livestream their encounters.

Finally, Taiwan should prepare to mobilize a volunteer fishing fleet militia. These fishing vessels operate from dozens of fishing harbors dotting Taiwan's coastline. The fishing fleet militia would be primarily tasked with transporting food, fuel, medicine, and other necessities from friendly logistics hubs in nearby islands. The PLA and the CCG, even with the help of China's own maritime militia, would be unable to intercept and board hundreds, if not thousands, of Taiwanese fishing vessels on the high seas. If PRC vessels or aircraft venture into Taiwan's territorial seas, Taiwan must intercept and prosecute, with lethal force if appropriate, as described in chapter 5.

As with commercial aircraft and large merchant ships, the Taiwanese government already has the relevant authorities to mobilize fishing vessels but should rehearse them at the operational level, which would demonstrate both capability and intent and thus enhance deterrence. For all three capabilities, the Ministry of Transportation and Communications should be the lead agency contesting a non-kinetic blockade or quarantine. As mentioned above, a blockade is inherently a form of economic warfare and Taiwan should avoid responding militarily, as that would likely enhance Beijing's narrative, reduce international support, and hand the PLA a pretext to escalate. Taiwan's legislature should review relevant laws and regulations and make changes and clarifications where necessary to ensure that elected civilian leadership retains ultimate authority throughout all levels of national mobilization.

Conclusion

Taiwan already has many tools and initiatives that it will need to deny PRC success in the gray zone. In the information space, in addition to blocking China's access to Taiwan's digital infrastructure, the Taiwanese people must have the latest tools to identify, interpret, and filter mis- and disinformation. In many ways, Taiwan has been a leader in economically and technologically de-risking and diversifying away

from China. Taiwan should expand and accelerate these efforts while firmly aligning itself with partners against China's unlawful maritime claims. Taiwan must also make deep investments in cyber resilience and energy reliance.

To blunt PRC military gray-zone provocations, which are a form of political warfare, Taiwan should adjust its messaging strategy to focus on the PRC's most threatening operations instead of all exercises along China's coastline. To achieve the earliest, most detailed information on PLA activities, Taiwan should subscribe to persistent ISR data-gathering capabilities, including coverage of subsurface and low-altitude platforms and munitions, and land-based rocket launches. Deployed effectively, these tools could deter further gray-zone escalations or worse.

In the unlikely event that Beijing announces a blockade or quarantine, Taipei should view it as a precursor to a kinetic operation, possibly an invasion. Until its territory is violated or attacked, however, Taiwan cannot afford to be portrayed as the provocateur and should avoid employing military assets outside its territorial waters and airspace. Taiwan should prioritize enabling an international response against China, in part by staying connected to the world and sustaining itself through rationing. Taipei could weaponize semiconductor exports against China and nationalize civil transportation assets to frustrate or break the blockade operation.

China is pursuing two parallel tracks to accomplish its goal of absorbing Taiwan. This chapter addressed the CCP's efforts toward "peaceful reunification." As China's policies toward Taiwan turn more coercive, they increasingly rely on a credible threat from the other track of violent, forceful unification. And as the former becomes less viable, Beijing will increasingly favor attempting the latter. Unlike his predecessor, Xi Jinping can claim no progress on the Taiwan issue during his tenure and has ordered his military to be prepared to invade as early as 2027. Unfortunately, the CCP's revanchist instincts will be only reinforced by Taiwan's effective gray-zone defenses, as recommended in this chapter. Therefore, the Taiwanese military's most urgent mission is to better prepare for China's eventual escalation to a full-scale invasion, as recommended in the previous chapter.

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