

# AT A DEAD END: CHINA'S TAIWAN POLICY AND AMERICA'S RESPONSE

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Today, the United States and the People’s Republic of China (PRC) are caught in a security dilemma over Taiwan. An increasing number of observers in the United States now interpret Beijing’s recent actions and statements as preparing the ground for an invasion of the island within the next decade, and this fear is driving a fundamental shift across the American foreign policy establishment in favor of more robust support for Taiwan—support that could potentially include an unambiguous pledge to defend it against PRC military action. But if the United States makes additional changes to its relationship with Taiwan, it will probably provoke further actions by Beijing to signal its own objections to more robust U.S.-Taiwan ties, which may well send the trilateral relationship further into a downward spiral toward military conflict.

If this spiral is to be reversed, a better understanding of each side’s motivations is essential. My own view is that the origins of this downward spiral are located in the PRC’s response to the election of Democratic Progressive Party (DPP) candidate Tsai Ing-wen in the 2016 presidential election. As Tsai prepared to take office in May 2016, Beijing made a fundamental break with its strategy during the previous DPP administration of Chen Shui-bian (2000-2008). The PRC’s primary objective during the Chen era was to deter moves toward independence, and Beijing came to rely heavily on Washington at critical moments to block or limit President Chen’s maneuvering. By contrast, in crafting a strategy for the Tsai Ing-wen era, Beijing has had more ambitious goals. It has not been content merely to deter Tsai and the DPP from taking symbolic steps to assert Taiwan’s independence; it has also sought to go further and compel her to accept at least as strong a version of the One-China Principle (OCP) as her predecessor Ma Ying-jeou did. This demand, which was made repeatedly and clearly in the months leading up to Tsai’s inauguration, was politically impossible for her to meet—it would have immediately alienated much of her own party on her first day in office. As a consequence, Tsai’s initial conciliatory remarks to Beijing were not reciprocated, and the PRC instead responded with a carefully calibrated and multi-faceted pressure campaign to undercut domestic support for her and the DPP, further diplomatically isolate her government, and accentuate the military might that could be brought to bear against Taiwan if she did not accept the OCP.

Five years later, it is now clear this pressure campaign has not achieved its main objectives. Tsai Ing-wen was reelected in the 2020 elections with an even larger share of the vote than she won in 2016, and the DPP maintained its majority in the Legislative Yuan. Taiwan’s formal diplomatic allies have fallen from 22 to 15, but international sympathy for its plight has

risen significantly, and several key regional powers, including Japan and Australia, have bucked Beijing to express public concerns about “peace and stability” in the cross-strait relationship signal Taiwan’s importance to their own national interests.

Most importantly, the United States has reacted to Beijing’s pressure campaign with significant changes of its own. The Trump administration reinstated a regular arms sales process for Taiwan, eventually approving the sale of more than \$15 billion over four years including a large contract for 66 new F-16 C/Ds announced in August 2020. The administration also responded to the defection of several of Taiwan’s diplomatic allies to the PRC by recalling diplomats from El Salvador, the Dominican Republic, and Panama, and American officials publicly and repeatedly warned other countries in the Pacific that still maintained formal diplomatic relations with Taiwan not to make the same switch (although two, Solomon Islands and Kiribati, subsequently did anyway.) The Trump administration also sent a cabinet official, Alex Azar, and an Under Secretary of State, Keith Krach, to Taiwan in 2020—the highest-level public visits by administration officials in more than two decades—and in January 2021, just before the new Biden administration took office, Secretary of State Mike Pompeo announced the elimination of many of the remaining contact restrictions between U.S. government officials and their Taiwanese counterparts. This shift has continued in the Biden administration. In an important early signal, Biden’s team extended an invitation to the Taiwanese representative to Washington, Hsiao Bi-khim, to attend the presidential inauguration on January 20. Congress, too, has gotten more involved, passing several pieces of legislation, including the Taiwan Travel Act and the TAIPEI Act, intended to signal increased U.S. support for Taiwan. Although these Congressional actions have involved more symbolism than substance, they also reflect hardening attitudes across party lines and throughout Washington D.C. against Beijing and rising concern about the threats the PRC poses to Taiwan.

Analysts in the PRC have been quick to place blame for these shifts in Washington either on Tsai Ing-wen or on the Trump administration and its deep-seated hostility to China.<sup>1</sup> However, the surprising continuity between the Trump and Biden administration’s support for Taiwan should by now be raising questions in Beijing about this understanding of events. From an American perspective, what is most odd about the PRC’s Taiwan strategy is that it appears

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<sup>1</sup> For one among many examples, see “U.S. Clarity on Taiwan Question Positive Sign,” *China Daily* editorial, July 8, 2021, at: <https://www.chinadaily.com.cn/a/202107/08/WS60e6e223a310efa1bd660a6d.html>

not to have anticipated its pressure campaign would provoke a reaction from the United States—and indeed, seems to have assumed such a campaign could unfold while Beijing still enjoyed a cooperative relationship with Washington on Taiwan issues. And, rather than recognizing these changes in U.S. Taiwan policy as *reactions* to Beijing’s unilateral changes to the cross-Strait status quo, they are instead being interpreted by many PRC analysts as “playing the Taiwan card”—using Taiwan as a tool to hurt China’s interests—and as further proof of deep U.S. hostility toward China writ large.

The path out of this downward spiral, then, needs to begin with frank conversations between Washington and Beijing about why two very different presidential administrations have both felt compelled to respond to the PRC’s pressure campaign with more overt signals of support for Taiwan.

### **1. Tsai Embraces the Status Quo, and Beijing Brings the Pressure**

The 2016 general elections ushered in a historic power shift in Taiwan. Tsai Ing-wen carried over 56 percent of the vote, a record high for a DPP presidential candidate. In the election for the Legislative Yuan, Taiwan’s unicameral parliament, the DPP won a majority for the first time, capturing 68 of 113 seats (60.2 percent). The results gave the DPP an unprecedented opportunity to advance its core policy priorities, and left the incumbent KMT defeated, divided, and demoralized.

As with previous opposition party victories in 2000 and 2008, the 2016 transition also created new uncertainty in the cross-Strait relationship with the People’s Republic of China (PRC). During the previous eight years of the Ma Ying-jeou presidency, governments in Taipei and Beijing institutionalized many aspects of cross-Strait interactions. The two sides signed 23 agreements<sup>2</sup> that led to the introduction of direct cross-Strait commercial flights, a surge in mainland Chinese tourists, and improved cooperation and information-sharing on many technical issues between the two governments. The PRC was willing, even eager, during this period to work with the Ma administration, as the KMT-led government in Taipei was itself keenly interested in pursuing greater economic integration with the Chinese mainland and therefore willing to make many of the diplomatic and rhetorical concessions that Beijing demanded.

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<sup>2</sup> One of these “agreements” was actually the signed minutes of talks on cross-Strait charter flights. In addition, the two sides issued three other memorandums of understanding and two statements of consensus.

By contrast, Beijing has been far less interested in cooperating with Tsai and the DPP. In part this is because PRC leaders are inherently suspicious of that party’s commitment to de jure Taiwan independence—a position inserted into the DPP charter in 1991 and never repealed, though partially superseded by subsequent statements. But they have also long been wary of Tsai Ing-wen herself. Whether accurate or not, they saw her as playing an important role in the development of then-president Lee Teng-hui’s 1999 statement that cross-Strait relations were a “special state-to-state relationship”—an expression that quickly joined the long list of phrases unacceptable for a Taiwan leader to say to Beijing. Tsai also worked under former president Chen Shui-bian as the head of the Mainland Affairs Council (MAC), and then as a deputy premier in Chen’s second term, which only deepened paranoia in the PRC about her intentions: if the clearly pro-independence Chen trusted her that much, then she herself must be a closet Taiwan independence supporter too.

As a consequence, as Tsai prepared to take office, Beijing laid out a daunting set of preconditions for maintaining positive working relations with the new DPP government. It signaled that accepting the cross-Strait “status quo” was not enough, and that Tsai needed go at least as far in her inauguration as her predecessor Ma had to oppose Taiwan independence and accept the “1992 Consensus” and its core connotation, the One China Principle (OCP)—the position that both Taiwan and mainland China are part of the same country, and de jure independence for Taiwan is not an option for its future.<sup>3</sup> From the other direction, Tsai was also under pressure from her own supporters not to use Ma’s 1992 Consensus formula to describe cross-Strait relations, which much of the DPP vehemently opposed.<sup>4</sup>

Tsai’s 2016 inauguration speech should be read as trying to balance these two contradictory objectives. In it, she made several rhetorical moves that could be interpreted as

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<sup>3</sup> The 1992 Consensus refers to an ambiguous understanding between Beijing and Taipei about the One China Principle, reached in an initial November 1992 meeting, that allowed representatives of the two sides to interact with one another. In effect, the KMT and CCP left the OCP undefined, and each side has subsequently reinterpreted it to match its own preferred position. When Ma Ying-jeou took office in 2008, his acceptance of the 1992 Consensus, and Beijing’s acquiescence to it as a satisfactory endorsement of its version of the OCP, opened the door to cross-Strait talks.

<sup>4</sup> DPP members have had two primary objections to the use of this term to describe the state of cross-Strait relations. First, the 1992 talks were held before the transition to democracy had been completed: neither Taiwan’s president nor legislature had yet been directly elected, so the ROC delegation at this meeting represented only the KMT and lacked legitimacy to speak for the people of Taiwan. Second, the DPP has asserted that the KMT’s post-hoc characterization of the meeting, years after the fact, as having established a “consensus” in support of a shared One-China Principle that neither side has endorsed in writing, and the PRC has subsequently defined very differently, render it nonsensical.

concessions to the PRC, and that collectively went further than any other DPP leader had gone before to express support for the cross-Strait status quo. She noted that she was “elected President in accordance with the Constitution of the Republic of China,” and that it was therefore her “responsibility to safeguard the territory and sovereignty of the Republic of China.” She pledged to maintain the “existing mechanisms for dialogue and communication across the Taiwan Strait,” mechanisms that had “enabled and accumulated outcomes which both sides must collectively cherish and sustain.” She also observed that the 1992 meeting from which the 1992 Consensus formula was subsequently derived resulted in “various joint acknowledgements and understandings,” and that she would “respect this historical fact,” repeating language that Xi Jinping himself had used the previous February. She acknowledged that the “existing realities and political foundations” of the cross-Strait relationship had enabled its “stable and peaceful development,” and that they “must be continuously promoted.” And she asserted that the “two governing parties across the Strait must set aside the baggage of history, and engage in positive dialogue, for the benefit of the people on both sides,” hinting at the possibility of some kind of concession from her own DPP membership, if they could be assured of reciprocation from the CCP.<sup>5</sup>

Nevertheless, Tsai’s embrace of the status quo and the other conciliatory words in her inauguration did not meet the impossibly high political bar that Beijing had set for her. Within hours of her inauguration, the Taiwan Affairs Office (TAO) of the PRC released a statement asserting that “the new leader of the Taiwan authorities” was “ambiguous about the fundamental issue, the nature of cross-Straits [sic] relations...She did not explicitly recognize the 1992 Consensus and its core implications, and made no concrete proposal for ensuring the peaceful and stable growth of cross-Straits [sic] relations. Hence, this is an incomplete test answer.” Tsai faced “a choice between upholding the common political foundation that embodies the one China principle and pursuing separatist propositions,” and she “must give [an] explicit answer with concrete actions” to this question. To ensure “continued and institutionalized exchanges between the two sides,” the statement concluded, “only affirmation of the political foundation

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<sup>5</sup> The full text of Tsai Ing-wen’s inauguration address is available at: <http://focustaiwan.tw/news/aip/201605200008.aspx>

that embodies the one China principle” would be acceptable. And Tsai had not, in Beijing’s determination, met this requirement.<sup>6</sup>

## 2. The PRC’s Dual-Track Strategy for Taiwan

With this response, the direction of cross-Strait relations for the rest of Tsai’s presidency was effectively set. After a brief “wait and see” period following her first inauguration, Beijing returned to a modified version of the strategy it pursued during the latter part of the Chen Shui-bian era—what the PRC Taiwan analyst Qiang Xin has termed a “dual track” Taiwan policy.<sup>7</sup> On the first, “hard” track, focused on the diplomatic, political, and security domains, Beijing has introduced a steady succession of policy changes and actions that appear intended to keep up political pressure on the Tsai administration for as long as she refuses to move toward its preferred One China position, and possibly for as long as she remains in power.

These steps have included:

- Suspending the cross-Strait hotline and all other formal, high-level mechanisms of communication established during the Ma era between Taiwan’s semi-official Straits Exchange Foundation (SEF) and the PRC’s corresponding body, the Association for Relations across the Taiwan Strait (ARATS).
- Blocking the participation of Taiwanese representatives in international bodies to which they had previously been admitted as observers, such as the World Health Assembly (WHA) and International Civil Aviation Organization (ICAO).
- Encouraging a change in recognition from the remaining 22 formal diplomatic allies of the ROC—seven have since made the switch to the PRC (Sao Tome and Principe, Panama, Dominican Republic, Burkina Faso, El Salvador, Solomon Islands, and Kiribati).
- Reducing by more than half the number of Chinese tourist groups permitted to visit Taiwan, and then suspending the individual traveler program.

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<sup>6</sup> Taiwan Affairs Office statement, May 20, 2016, available at: [http://www.chinadaily.com.cn/china/2016-05/20/content\\_25396215.htm](http://www.chinadaily.com.cn/china/2016-05/20/content_25396215.htm)

<sup>7</sup> Qiang Xin (2019), “Selective Engagement: Mainland China’s Dual-Track Taiwan Policy,” *Journal of Contemporary China*, 29(134): 535-552.

- Extraditing Taiwanese nationals accused of telecom fraud from several countries, including Malaysia, Kenya, Vietnam, Cambodia, Indonesia, and Spain, directly to the PRC for prosecution over objections from Taiwan’s representatives.
- Introducing a new northbound civilian flight route (M-503) near the midpoint of the Taiwan Strait, without warning or prior consultation with Taiwan’s aviation authorities.
- Ordering foreign companies, including American air carriers and hotel chains, to list destinations in Taiwan as Chinese territory on their websites or face regulatory punishment.
- Pressuring the members of the East Asian Olympic Committee to rescind the rights of Taichung to host the 2019 East Asian Youth Games, which were originally awarded to the city in 2014 when it was still led by a KMT mayor.
- Detaining and imprisoning several Taiwanese nationals, including the DPP activist Lee Ming-che, without prompt notification to Taiwan authorities, for the vague charge of “engaging in activity that endangers national security.”<sup>8</sup>
- Blocking the participation of the mainland Chinese movie industry in the Golden Horse Awards, the Mandarin-language equivalent of the Oscars held annually in Taipei.
- Imposing sudden bans on Taiwanese fruit imports, including pineapples (in March 2021) and cherimoya and wax apples (September 2021), under the guise of “food safety.”
- Blocking the Taiwan government’s purchase of the Pfizer COVID-19 vaccine via Bio-N-Tech, and continuing to block Taiwanese participation in the World Health Organization and World Health Assembly throughout the global COVID -19 pandemic.
- Increasing military patrols and exercises in or near Taiwanese territorial air and sea space, including several circumnavigations of the main island and an apparently deliberate incursion of fighter jets across the midline of the Taiwan Strait in March 2019—the first in two decades. These have been expanded since Tsai’s reelection to include larger and larger numbers of planes, culminating in an exercise in October 2021 in which at least 56 PLA planes entered Taiwan’s southwest Air Defense Identification Zone (ADIZ) in a single day.

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<sup>8</sup> “China Confirms Detention of Three Taiwanese,” *Focus Taiwan*, November 13, 2019, at: <http://focustaiwan.tw/news/acs/201911130019.aspx>



The PRC’s policies for civil and cultural exchanges have also shifted from broad accommodation to more “selective engagement,” blacklisting or freezing out groups and individuals that are suspected of “pro-independence” leanings. Prior to 2016, for instance, prominent DPP members were able to travel to the mainland with some regularity: then-Kaohsiung Mayor Chen Chu (in 2009) and former premier Frank Hsieh (in 2012) both visited Beijing, Tainan Mayor William Lai attended a forum in Shanghai in 2014, and Taoyuan Mayor Cheng Wen-tsang paid a visit to Hong Kong in 2015. But after inauguration day, Beijing imposed much tighter conditions on these meetings. No mainland cities responded to Chen Chu’s invitation to join the Global Harbor Cities forum in Kaohsiung in September 2016. The Taoyuan-Hong Kong city exchange, which provided the rationale for Mayor Cheng’s previous visit, was suspended. And the Asian Youth Games, which were awarded to Taichung in 2014, were revoked in 2018 due to Chinese pressure (at that point, Taichung, too, was led by a DPP mayor, Lin Chia-lung).

In addition, there is evidence that the CCP stepped up its influence operations in Taiwan after Tsai Ing-wen took office, quietly and covertly increasing the resources going to cultivate or bribe potential allies, discredit opponents, corrupt or undermine Taiwan’s democratic institutions, and shift public opinion in a pro-unification direction. Some of these activities became public knowledge in the run-up to the 2020 elections, including the detention of an alleged high-level CCP operative at the Taoyuan airport as he attempted to leave Taiwan, the arrest of a former KMT county-level official for helping CCP officials come to Taiwan while evading security checks, and the suspension by Facebook of numerous pro-Han Kuo-yu fan pages for “inauthentic behavior.” These operations could plausibly have contributed to the Tsai administration’s first-term troubles, and to the KMT’s surprise victories in 2018. But their exposure during the 2020 election campaign only added to a growing backlash in public opinion against the PRC that helped carry the DPP to re-election.

Beijing has attempted to balance this “hard” track with a “soft” one, rolling out additional policies aimed at increasing economic opportunities for Taiwanese firms and individuals—though in practice, even most of these policies have some coercive elements, and are probably better characterized as reflecting the use of “sharp” rather than “soft” power. Most notably, the PRC has not suspended or voided any of the 23 Ma-era cross-Strait agreements, although it has refused to entertain discussion of new ones with the Tsai administration and has implemented

some of them unevenly. In the summer of 2020, PRC news sources hinted that Beijing might withdraw from the foundational Economic Cooperation and Framework Agreement (ECFA) at the 10-year anniversary of its entry into force, but it ultimately did not take this step.<sup>9</sup> In addition, PRC authorities have announced a number of other changes intended on the face of it to benefit Taiwanese firms and workers, especially those already operating on the mainland:

- In February 2018, the TAO announced the introduction of “31 preferential policies” that would relax or eliminate restrictions on investment from Taiwanese firms and give them the same treatment and opportunities as domestic firms in a wider array of industries, including energy, entertainment, finance, and infrastructure; the measures also lifted work restrictions on high-skilled workers from Taiwan in 134 professions.
- From September 2018, Taiwan residents who have lived in mainland China for at least 6 months with a stable job and accommodation can apply for a residence permit, which will give access to social insurance, unemployment benefits, education, and medical care.
- On January 2, 2019, in his speech to “Taiwan compatriots,” Xi Jinping pledged to “treat Taiwan compatriots equally” to PRC nationals. Local governments followed this cue by announcing their own initiatives to benefit Taiwanese living in their jurisdictions.
- In March 2019, Premier Li Keqiang announced that Beijing would introduce additional preferential policies towards Taiwanese on the mainland. One of the first manifestations of this push came from the Supreme People’s Court, which later in March released a package of 36 new measures intended to provide judicial services to and ensure litigation rights of Taiwanese, and to enhance cross-Strait judicial mechanisms.
- In November 2019, the TAO announced an additional 26 measures, including consular services and protection abroad for Taiwanese nationals residing on the mainland, and access to employment and contracts in additional restricted industries such as civil aviation and 5G networks.

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<sup>9</sup> Ralph Jennings, “Taiwan Preps for Possible End to Landmark Trade Deal with China,” *Voice of America*, July 11, 2020, [https://www.voanews.com/a/east-asia-pacific\\_taiwan-preps-possible-end-landmark-trade-deal-china/6192604.html](https://www.voanews.com/a/east-asia-pacific_taiwan-preps-possible-end-landmark-trade-deal-china/6192604.html)

Beijing has also continued to allow low-level political and cultural exchanges with groups that do not support the DPP or the Tsai government. Most notably, then-KMT party chair Hung Hsiu-chu visited Beijing in November 2016 and was granted an audience with Xi Jinping. Prior to that, in September 2016, representatives from eight KMT-run localities were treated cordially on a trip to Beijing, and in November they received a reciprocal visit to Taiwan from an agricultural purchasing mission from the mainland. More recently, in September 2021 the newly-elected chairman of the KMT, Eric Chu, received a congratulatory letter from Xi Jinping in his capacity as CCP chairman, reviving a tradition that was suspended when the party’s interim chair Johnny Chiang was selected in early 2020.

In March 2019 Han Kuo-yu, then the newly-elected mayor of Kaohsiung, traveled to Hong Kong and met with the PRC’s chief liaison officer there, Wang Zhiming, as well as HKSAR Chief Executive Carrie Lam, before crossing the border to Shenzhen for a meeting with TAO head Liu Jieyi. The PRC has even engaged with Taipei Mayor Ko Wen-je, after he described cross-strait relations as “one family sharing a common destiny”—a phrase consistent with Xi Jinping’s rhetoric about unification being both “inevitable” and part of the “great rejuvenation of the Chinese nation.” Beijing subsequently decided not to boycott the Taipei Universiade sports event in 2017 and sent 200 athletes to participate, and in July 2019 Mayor Ko was permitted to attend the Taipei-Shanghai forum in Shanghai.

Over Tsai’s time in office, then, the cross-strait relationship has settled into a pattern somewhat similar to the late Chen Shui-bian era, though moving to greater extremes on the “hard” track. Beijing has tried to keep up pressure on the Tsai administration through a multifaceted and relentless elimination of Taiwan’s remaining international space, more frequent military and security activities, and a stepped-up covert political influence campaign on the island, and it has become more selective about whom it engages with from Taiwan. At the same time, it has continued its “soft” efforts to make living, working, and doing business on the mainland more attractive to Taiwanese, and to cultivate political relationships in Taiwan beyond the KMT—but also to try to accentuate existing weaknesses in Taiwan’s economy, shift public opinion in favor of greater economic integration, and erode support for the Tsai administration’s domestic policies

### 3. Beijing’s Taiwan Policy Is at a Dead End

The problems with this approach have now become apparent. First, the PRC expended much of its “sharp power” arsenal early in Tsai’s first term, gambling that it could fatally damage her popularity. For a time, this roll of the dice looked like it might actually pay off: Tsai and the DPP were badly defeated in the 2018 local elections, and a China-friendly KMT candidate, Han Kuo-yu, surged into the lead in polls for the presidency with a populist-tinged campaign.<sup>10</sup> But Tsai clawed back popular support, thanks in large part to Beijing’s heavy-handed tactics in Hong Kong and its covert campaign to undermine the integrity of Taiwan’s democratic institutions. When Tsai won re-election by an even larger margin in 2020 than she had in 2016, it was clear this anti-DPP strategy had backfired.

Second, Beijing has all but lost the Taiwanese public. By rolling out many policy changes early on in the Tsai era, Beijing’s “hard” coercion overwhelmed whatever “soft” cultural and economic appeal that might have swayed public opinion in a pro-China direction. Particularly destructive has been Beijing’s crackdown in Hong Kong, ostensibly still politically autonomous under the “One Country Two Systems” formula that Beijing has offered as a model for Taiwan’s unification with the mainland. The harsh implementation of the National Security Law there has destroyed most remaining support for political unification in the Taiwanese electorate for at least a generation. Looking more broadly, Tsai has now twice been elected by large margins, despite Beijing’s threats. Exclusive Taiwanese identity has shot up over the last two years, as has support for independence. Voter identification with the KMT, Beijing’s long-preferred cross-strait partner, is near a record low, raising serious questions about its prospects in 2024. And there is no guarantee the next DPP leader will be as willing to stand up to the DPP’s pro-independence elements as Tsai has been.<sup>11</sup>

Third, Beijing’s coercive diplomacy has brought it into increasing conflict with the United States. During the era of the previous DPP president, Chen Shui-bian, Beijing and Washington developed a common interest in reining in the mercurial Chen’s increasingly open

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<sup>10</sup> See Kharis Templeman, “2018 Taiwan Local Elections: What Happened?” *Global Taiwan Brief* 3(23) [November 28, 2018], at: <https://globaltaiwan.org/2018/11/vol-3-issue-23/#KharisTempleman11282018>

<sup>11</sup> See especially “Trends in Core Political Attitudes,” Election Study Center, National Chengchi University, at: <https://esc.nccu.edu.tw/PageDoc/Detail?fid=7800&id=6961>

appeals to a pro-independence agenda.<sup>12</sup> Beijing seems to have assumed that it could rely once again on the US to restrain a DPP government, leaving it free to pursue a pressure campaign against Taiwan’s democratically-elected leadership. But in an era of intensifying U.S.-PRC confrontation, depending on the United States to constrain moves toward Taiwan independence has not worked: the Trump administration pursued the most Taiwan-friendly policy of any American administration in decades, one that the Biden administration has so far also followed. And Tsai Ing-wen has wisely steered a course that aligns her own language on cross-Strait relations as closely as possible with the position of the United States.<sup>13</sup>

Fourth and most alarming, the PRC’s recent saber-rattling in the Taiwan Strait is being interpreted in Washington in the broader context of many other concerning developments in recent years as the potential prelude to a military invasion. Xi Jinping’s rise to general party secretary in 2012 was greeted with some optimism that he might be a liberal reformer; but those hopes were quickly dashed. At home, Xi’s tenure has involved a never-ending series of political campaigns aimed at tightening his own grip over the CCP, and the CCP’s grip over every other actor with political relevance in China, from the commercial media to academic institutions to private enterprises. The traditional cycles of political “loosening and tightening” (*fang-shou*) that characterized much of the post-1978 period have trended only in one direction since 2012, toward greater tightness and centralization of power in Xi’s hands. The surprise elimination of the two-term limit for president, first announced in 2017, suggested to many observers in the United States that Xi was trying to end the CCP’s post-Deng model of collective leadership and determined to ensconce himself in power for life; that, in turn, increased speculations that Xi might feel compelled to “resolve” the Taiwan issue under his watch and would accelerate the CCP’s hazy timeline for achieving unification. In its foreign policy, China under Xi has turned out to be more ambitious and assertive than expected, and it has become more rigid, didactic, and punitive in many of its bilateral relationships; prominent examples include its imposition of an economic embargo on Australia for raising questions about Beijing’s COVID-19 response, the harsh and arbitrary detention of two Canadian citizens in response to the arrest of Huawei’s CFO

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<sup>12</sup> For instance, see “Bush Warns Taiwan to Keep Status Quo; China Welcomes U.S. Stance,” *International Herald Tribune*, December 10, 2003, at: <https://www.nytimes.com/2003/12/10/news/bush-warns-taiwan-to-keep-status-quo-china-welcomes-us-stance.html>

<sup>13</sup> See Jeremy Huai-Che Chiang, “Tsai’s Cross-Strait Policies: One China, Evolving Strategies,” *Taiwan Insight*, January 9, 2020, at: <https://taiwaninsight.org/2020/01/09/tsais-cross-strait-policy-one-china-evolving-strategies/>

Meng Wanzhou, and ongoing “grey zone” skirmishes in the South China Sea with civilian and coast guard vessels from Vietnam, the Philippines, and Indonesia.

American fears about the threat to Taiwan are being driven foremost by the rapid change in the regional balance of power, and especially hard power, in the PRC’s favor. Large increases in PRC military spending over the last 25 years have been used to support the accelerated modernization of the People’s Liberation Army (PLA) and the development of new anti-access/area denial (A2AD) capabilities intended to greatly complicate, if not prevent, possible U.S. military intervention in the Taiwan Strait. The PRC’s rapidly growing military capabilities have come during a period when the United States was focused on fighting asymmetric conflicts as part of the Global War on Terror (GWOt) rather than preparing for a conflict with a near-peer competitor, and have left the U.S. military playing catch-up in some areas. PLA modernization has also occurred while other regional powers, as well as Taiwan, have invested relatively little in their own defense. As a consequence, many analysts in the United States today assert that deterrence in the Taiwan Strait is eroding because America’s own current capabilities, even if deployed in concert with those of its allies and partners, might no longer be sufficient to prevent a PLA invasion of Taiwan. At the extreme, some critics argue that Taiwan matters so much to Xi Jinping that he is willing to pay a very high price to end its de facto autonomy—and the only thing holding him back from ordering an invasion tomorrow is uncertainty about success of a military operation.<sup>14</sup>

15 years ago, most mainstream American foreign policy analysts agreed about Beijing’s goals towards Taiwan: on the one hand, to shift public opinion in Taiwan to encourage greater support for unification in the future, and on the other to deter moves toward de jure independence through a credible threat of military action. The return to power of the more China-friendly KMT in 2008, and the subsequent cross-Strait rapprochement pursued by the Ma Ying-jeou administration, added to the sense that politics in Taiwan was trending in Beijing’s favor, that the Chinese Communist Party (CCP) leadership saw peaceful unification as a realistic end point for the “Taiwan issue,” and that the threat of a full-scale military invasion of the island (as opposed to the threat of military strikes to punish pro-independence actions) would remain

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<sup>14</sup> See especially Oriana Mastro, “The Taiwan Temptation: Why Beijing Might Resort to Use of Force,” *Foreign Affairs* July/August 2021, at: <https://www.foreignaffairs.com/articles/china/2021-06-03/china-taiwan-war-temptation>

very low well into the future. But those days now appear long gone. The military piece of Beijing’s pressure campaign, most visibly manifested in the increasing frequency and volume of deliberate intrusions of military aircraft across the midline of the Taiwan Strait and into other parts of Taiwan’s Air Defense Identification Zones (ADIZ), has raised alarm bells in Washington and led to spiraling suspicion and mistrust of Beijing’s near-term intentions in the Taiwan Strait.<sup>15</sup>

What is less apparent to American observers is that Beijing now finds itself pursuing a losing strategy toward Taiwan, and might well welcome a way out of the current security dilemma, if the United States offered one. The PRC has used up most of its non-military leverage trying to compel Tsai Ing-wen to do something she could not do: endorse Beijing’s version of the OCP. It also has frittered away most of the influence it had over Washington on Taiwan issues, leaving it entirely up to US discretion to maintain the self-imposed restrictions in its own one China policy. And the PRC’s relentless hostility toward Tsai—who is the most moderate DPP president that Taiwan is ever likely to elect—has raised support in Congress and the Trump and Biden administrations for rolling back some of the long-standing restrictions on high-level visits, and made Beijing’s objections to new US arms sales ring hollow. In short, the PRC is now in a much worse position on Taiwan than it was in five years ago.

One should not dismiss the possibility of an armed conflict erupting over Taiwan, especially one triggered by an accidental mishap, now that PRC and Taiwan military aircraft (as well as American ones) are routinely coming within close proximity to one another in the skies around the Taiwan Strait. But, despite many assertions to the contrary, it makes little sense for Xi Jinping to start one.<sup>16</sup> A conflict over Taiwan would undermine all of the PRC’s other regional goals, at a time when it is also facing foreign policy setbacks on multiple fronts and deep structural economic challenges at home. Beijing would have to assume US involvement—and by extension, Japan, and possibly Australia and the UK—in any conflict over Taiwan that it initiated. It is also still uncertain that the PLA has the ability to pull off a full-scale invasion

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<sup>15</sup> For a careful consideration of what these incursions are intended to accomplish, see Adrian Ang U-Jin and Olli Pekka Suorsa, “Explaining the PLA’s Record-Setting Air Incursions into Taiwan’s ADIZ,” *The Diplomat*, October 14, 2021, at: <https://thediplomat.com/2021/10/explaining-the-plas-record-setting-air-incursions-into-taiwans-adiz/>

<sup>16</sup> For competing views on this question, see the recent debate in “Strait of Emergency?: Debating Beijing’s Threat to Taiwan,” *Foreign Affairs*, September/October 2021, at: <https://www.foreignaffairs.com/articles/china/2021-08-09/strait-emergency>

across the Taiwan Strait, even if Chinese leaders wanted to try. In sum, it would be a hugely risky action with a significant likelihood of failure and enormous potential costs.

So, despite current trends, it still makes some sense for Xi Jinping to wait out Tsai, hope for a non-DPP candidate to win the presidency in Taiwan in 2024, and seek a reset with the new leader. That is not impossible: there are already two mayors, Ko Wen-je of Taipei and Hou You-yi of New Taipei, who Beijing would likely look more favorably on than Tsai—at least initially. But the opposite is also possible: Tsai could be succeeded by another member of her party, and given trends in public opinion it seems a stretch to expect any other DPP leader will be as cautious, pragmatic, and accommodating as Tsai has been on cross-Strait issues.

#### **4. Where Should Beijing and Washington Go from Here?**

In my view, the most likely path out of the current security dilemma the PRC and the United States are in over Taiwan begins in Washington. Given the broader context described above, it is not surprising that Beijing’s ongoing pressure campaign against the Tsai Ing-wen administration has been widely (mis)interpreted in Washington as signaling Xi’s determination to “resolve” the Taiwan issue sooner rather than later, whether through intimidation or outright military action. I have suggested above, however, that the PRC’s increasingly bellicose language and frequent military exercises are a sign of weakness, rather than strength. They represent the logical end state of its own flawed approach to Taiwan. Having thrown away most of its non-military leverage in a fruitless effort to compel Tsai Ing-wen to endorse its preferred version of the One China Principle, Beijing has now been reduced to counter-productive saber-rattling to express its discontent at US arms sales and high-level diplomatic visits. Meanwhile Taiwan works to strengthen its own defenses, reorient its economy away from overdependence on mainland China, and deepen cooperation with other regional powers.

In short, Xi Jinping’s approach to the “Taiwan issue” has turned into a strategic fiasco for the PRC, and he might well welcome the opportunity for a reset under the right conditions. Both Americans and Taiwanese should think more carefully about how to help reverse current trends and make this reset happen.