

De-Escalating Tension and Restoring Reassurances across the Taiwan Strait

By Juliet Lee and Susan A. Thornton¹
June 2023

Executive Summary

The next nine to eighteen months will be a very sensitive period for cross-Taiwan Strait relations, and it is essential to prevent the already tense relationship across the Strait from getting worse. For the first time in three years, the National Committee on American Foreign Policy's (NCAFP) Forum on Asia-Pacific Security (FAPS) convened an in-person cross-Taiwan Strait Track II dialogue with experts and scholars from Mainland China, Taiwan, and the United States. It was clear from the discussions that all sides believe tensions should be de-escalated, but the question is how to best do so.

Policy Recommendations:

- Beijing, Taipei, and Washington all need to accept and acknowledge that all three sides are contributing to escalating tensions across the Taiwan Strait. All sides should also resist the temptation to assume they understand the perceptions, actions, and intentions of the other(s).
- Neither Washington nor Beijing should try to influence or involve themselves in Taiwan's upcoming elections.
- Regular people-to-people exchanges between Mainland China and Taiwan should be restored. This includes increasing the number of direct flights, resuming negotiations between tourism agencies and trade associations, and delivering reassurances regarding the security of scholars traveling across the Strait for academic exchanges.² It was also noted that recent PRC sanctions on think tanks deemed as promoting Taiwan independence were unproductive to the goal of resuming and improving cross-Strait communication and exchanges.
- Washington should more explicitly encourage improvement in cross-Strait relations and the resumption of cross-Strait exchanges, acknowledging that both Beijing and Taipei should do more. There is a perception that Washington's support for improving cross-Strait relations, a major factor in the maintenance of peace and stability across the Strait, has receded.

¹ This report reflects the notes and observations of the authors alone and is not a consensus document.

² On May 19, the PRC's General Office of the Ministry of Culture and Tourism (MCT) announced that inbound tour groups for Taiwan residents will be resumed. On May 26, Tsai Ing-wen announced that the Transportation Ministry was discussing plans to revive cross-Strait tourism.

- Reassurance is a critically important element to deterrence. Taipei should reassure that it will not seek *de jure* independence (permanent separation); Beijing should reassure that it will stick to its policy of peaceful reunification and thus not resort to the use of force; and Washington needs to restore the credibility of its one-China policy, consistently noting both opposition to the use of force and non-support for Taiwan independence.
- Amid escalating tensions, all sides should refrain from making things worse. Leaders from Beijing, Taipei, and Washington all face many domestic challenges; and all sides should avoid pushing the other leaders into a corner, causing them to lose face with their respective domestic audiences. This includes prioritizing substance over symbolic gestures in U.S.-Taiwan unofficial relations, excessive military displays and refraining from unhelpful public projections of a definite timeline for when the PRC will invade Taiwan.

Major Takeaways:

- There is a real correlation between deteriorating U.S.-China bilateral relations and cross-Strait relations. One dynamic drags the other down and vice versa, creating space for a negative cycle among the three parties and contributing to a growing sense of fatalism.
- Participants from all three sides agreed that not enough is being done to emphasize “peaceful resolution,” with too much focus on military actions and responses to perceived efforts to deter the other side(s). There was angst among scholars, especially from the Mainland participants, over the increasing militarization and internationalization of the Taiwan issue.
- Different interpretations, understandings, and assessments lead to different reactions. Each party quietly feels the current status quo and trend lines are no longer moving in a direction that is favorable to their side, leading to an exaggerated interpretation of the strategic intentions of each other and deterioration in trust and credibility.
- There was much discussion about the public narrative in the U.S. media about an apparent 2027 deadline for a PRC invasion of Taiwan. Participants from all three sides understood that while Xi Jinping has instructed the People’s Liberation Army (PLA) to be ready for a potential invasion by 2027, it does not mean that a military conflict is inevitable. U.S. participants noted that senior U.S. military officials are all using consistent language: “A PRC attack on Taiwan is neither imminent nor inevitable.”

Cross-Taiwan Strait Relations in the Short Term

The reinforcing dynamic between deteriorating U.S.-China relations and escalation of tensions in the Taiwan Strait was a major concern to participants on all three sides. Leaders in all three capitals are facing domestic political pressure and cannot afford to be seen as conciliatory, narrowing the space for maneuver as tensions rise.

Participants identified three periods of heightened sensitivity for cross-Strait relations over the next year-and-a-half: leading up to Taiwan's January 2024 elections, between Taiwan's election day and inauguration day on May 20, and leading up to the November 2024 Presidential election in the U.S. Furthermore, bilateral U.S.-China relations will likely remain tense, making it even more difficult to improve cross-Strait relations. When U.S.-China relations are in a negative place, the U.S. tends to strengthen its military relationship with Taiwan, intensifying Beijing's distrust of both Washington and Taipei.

A Mainland scholar believed the period between Taiwan's election and inauguration in particular would be "highly unstable" depending on the outcome. Mainland participants were adamant that there is no possibility of direct communication between the PRC's Chinese Communist Party (CCP) and Taiwan's Democratic Progressive Party (DPP), absent a one-China understanding. They predicted cross-Strait relations will worsen if DPP candidate Lai Ching-te wins Taiwan's January 2024 elections. Taiwan participants clarified that there is no difference between Lai's and Tsai Ing-wen's cross-Strait policies, noting that Lai has endorsed Tsai's "four commitments" as outlined in her 2021 Double Ten Day speech: that Taiwan's government and its people are "committed to maintaining a free and democratic constitutional system," "the sovereignty of the Republic of China and that of the People's Republic of China are not subordinate to each other, and the future of the ROC Taiwan can only be decided by the 23 million people (of Taiwan)."³

There was also much discussion about the implications of a three-way race between Lai as the DPP candidate; likely KMT candidate Hou You-yi (since the conference, the KMT selected Hou as its candidate); and Ko Wen-je, a third-party candidate under the Taiwan People's Party (TPP). Taiwan participants predicted that the emergence of a third-party candidate would complicate the prospects for a KMT victory in January 2024, as third parties have traditionally taken votes away from the KMT.

The challenge of U.S. domestic politics in cross-Strait relations was also discussed. Mainland participants lamented the provocative actions of Congress in cross-Strait and U.S.-China policies while U.S. participants explained that Congress is taking an increasingly bipartisan approach to China and Taiwan. Participants from all sides were particularly concerned about a potential visit to Taipei by U.S. Speaker Kevin McCarthy, especially during a period of heightened sensitivity in cross-Strait relations. A Mainland participant acknowledged that while Tsai's meeting with McCarthy in the U.S., as opposed to having McCarthy travel to Taipei to meet with Tsai, temporarily defused a bomb in U.S.-China and cross-Strait relations, there is still grave concern about a future McCarthy visit. U.S. participants noted the outsized impact the war in Ukraine continues to have on how members of Congress view Taiwan and ensuring that the island is able to defend itself in the event of a PRC attack.

Understanding Each Side's Priorities

In addition to the need to prevent conflict, another major focus of discussion was trying to understand what each capital's priorities are in cross-Strait relations. The main question for Mainland participants was whether Beijing's priority rests on preventing Taiwan from becoming *de jure* independent, or if the priority has shifted to actively promoting reunification. Mainland participants responded that while there are different points of view in Beijing, most see the priority still being focused on preventing Taiwan independence. According to one Mainland point

³ "No need to declare Taiwan independence: New DPP chair Lai Ching-te," *Focus Taiwan*, January 18, 2023. <https://focustaiwan.tw/politics/202301180018>.

of view, as long as the Taiwan issue remains an issue of political division, then there is no urgency to resolve the issue.

Beijing is increasingly concerned, however, about the internationalization of the Taiwan issue with U.S. allies like Japan, Europe, the Republic of Korea, the Philippines, United Kingdom, and Canada stepping up contact and actions with respect to Taiwan. Mainland participants wondered if the U.S. is using Taiwan to pressure allies into demonstrating their commitment to Washington and noted that recent CCP policy speeches and documents on Taiwan prioritize countering foreign interference on the Taiwan issue over secession concerns. This indicates high-level leader concern about the changing status quo in this area, they said.

Taiwan's security rests on two main pillars: self-governance and economic prosperity. One Taiwan participant noted that preserving a liberal way of life was more important than pursuing independence despite a rising Taiwanese national identity. Others noted that while there is strong opposition to reunification, there is also opposition to conflict and a desire to avoid provocation. Some Taiwan participants also pointed to a growing sense of fatalism that "independence is unrealistic, the U.S. is unreliable, and the PRC is unstoppable."

U.S. participants asked for greater clarity on Taiwan's approach to the Mainland, and Taiwan participants expressed frustration with both Mainland approaches to Taiwan and the lack of societal consensus within Taiwan on this question. There was a suggestion that the next government in Taiwan should establish a mechanism of bipartisan handling of cross-Strait policy.

In Washington, there is a confluence of multiple agendas: a desire to onshore uniquely sophisticated semiconductor technology, a desire to support a vibrant democracy and deter threats of use of force from Beijing, and a political focus on demonstrating "toughness" toward Mainland China. In an attempt to help clarify U.S. policy, some U.S. participants noted that Washington does not frame the cross-Taiwan Strait issue in the context of strategic competition with Beijing, signaling that Taiwan is not a tool of competition or leverage over the PRC. U.S. policy is not to permanently separate Mainland China and Taiwan, and the U.S. will accept any outcome that is agreed to peacefully by both sides. However, Mainland participants argued that this signal of reassurance has failed. They see U.S.-China strategic competition in three main areas: emerging technologies, ideology, and geostrategic influence; and Taiwan belongs in all three categories. A Mainland participant emphasized that due to the deepening trust deficit, Washington's "deterrence to avoid war in the Taiwan Strait is being perceived in Beijing as increasing your support for Taiwan independence." U.S. participants agreed that more needs to be done to make its policy explicitly clear.

Restoring Credible Reassurances

It was noted that Washington and Beijing have both focused almost exclusively on the threat component of deterrence ("warning off the other side"), and have thus badly underinvested in reassurances. Mainland participants argued that it was important for Beijing to maintain credibility of its deterrence against pro-Taiwan independence forces and against foreign external interference into the Taiwan question. However, this dynamic is contributing to the escalation of tensions in the Taiwan Strait. U.S. participants noted it is PRC military pressure on Taiwan that leads the U.S. Congress to pass more legislation to help Taiwan counter this pressure, while Beijing views Congressional legislation as aimed at promoting Taiwan independence and in response it needs to build up capabilities to deter the U.S. from intervening. And the cycle continues.

A U.S. participant argued that it would be useful to identify criteria in which certain moves on the part of Taipei (or Washington) actually indicate moves toward *de jure* independence. It is likely that the three sides have different views on what those criteria are, but it is necessary to interrogate Beijing's assertion that Taiwan is really moving towards independence. One participant suggested a tit-for-tat approach to de-escalation: for example, could the DPP freeze the independence clause of its party charter in exchange for the Mainland suspending military exercises in the Strait? Following discussion of Taiwan polling that showed a majority in Taiwan believing that Speaker Pelosi's visit left Taiwan less secure, U.S. and Taiwan participants argued that any efforts to improve and expand upon unofficial U.S.-Taiwan relations should focus on substance and avoid symbolic or political shows of support.

Some U.S. participants argued for having a senior U.S. official make a statement clarifying the U.S. one-China policy, noting that the loss of confidence in the U.S. one-China policy is driving many of Beijing's actions. Some U.S. participants believed that such a speech, while well-intentioned, would not be advisable in the current political climate and in the run-up to Taiwan elections, and is likely to make things worse. Mainland participants responded to the idea by reiterating that Beijing is unlikely to be reassured, especially when it is not clear what the Biden administration's end goal is concerning competition with China.⁴

Any authoritative restatement of the U.S. one-China policy should include the following elements (not meant to be an exhaustive list):

- The U.S. opposes unilateral changes to the status quo by either side, including both use of force and unilateral steps that it judges to be aimed at promoting Taiwan independence.
- The U.S. will not stand in the way of any efforts to peacefully resolve the issue in accordance with the wishes of the people on both sides of the Strait. The U.S. has a stake in the process but not the outcome of cross-Strait relations.
- The U.S. does not intend to pursue a two-Chinas or one China, one Taiwan policy.
- The U.S. is not pursuing sovereign status for Taiwan by supporting its meaningful participation in international organizations.
- The U.S. encourages both sides to provide credible assurances to the other.
- The U.S. actively encourages the resumption of dialogue and exchanges between the two sides of the Strait, especially restoring the ARATS-SEF channel.

Washington should reiterate that it will accept any outcome between Beijing and Taipei that is consensual and not coerced. The notion that the U.S. needs Taiwan as a strategic military asset and that Washington cannot tolerate the possibility of reunification because of the strategic advantage it would accord directly undercuts this reassurance. Washington's goal is to preserve the status quo, but doing so requires that the prospect of peaceful reunification remain on the table.

⁴ The NCAFP held a bilateral U.S.-China Track II following this cross-Strait dialogue. The summary report from that conference is forthcoming.

**THE NATIONAL COMMITTEE ON AMERICAN FOREIGN POLICY'S
FORUM ON ASIA-PACIFIC SECURITY
PRESENTS**

A CROSS-TAIWAN STRAIT TRACK II CONFERENCE

**PARTICIPANTS
(in alphabetical order)**

Ambassador Raymond BURGHARDT
President
Pacific Century Institute

Ambassador Susan M. ELLIOTT
President & CEO
NCAFP

Dr. Stephen J. DEL ROSSO
*Senior Program Director, International
Peace and Security*
Carnegie Corporation of New York

Ms. Margaret GACH
*Program Assistant, International Peace and
Security Program*
Carnegie Corporation of New York

Ms. Bonnie GLASER
Managing Director, Indo-Pacific Program
The German Marshall Fund of the United
States

Mr. Ryan HASS
*Senior Fellow – Foreign Policy, Center for East
Asia Studies, John L. Thornton China Center*
Brookings Institution

Mr. Jason HSU
*Senior Fellow, Ash Center for Democratic
Governance and Innovation*
Harvard University

Professor JIA Qingguo
Professor of International Studies
Peking University

Ms. Helena KOLENDA
Program Director for Asia
The Henry Luce Foundation

Ms. Susan LAWRENCE
Specialist in Asian Affairs
Congressional Research Service

Ms. Juliet LEE
*Deputy Director, Forum on Asia-Pacific
Security*
NCAFP

Professor LI Peng
*Professor of Political Science & Director,
Graduate Institute for Taiwan Studies*
Xiamen University

Dr. Yuting LI
Program Associate for Asia
The Henry Luce Foundation

Hon. Daniel R. RUSSEL
*Vice President, International Security and
Diplomacy*
Asia Society Policy Institute

Dr. SHAO Yuqun

*Director, Institute for Taiwan, Hong Kong,
and Macau Studies and Senior Fellow, Center
for American Studies*

Shanghai Institutes for International Studies

Dr. Stephen Yao-Nan TAN

Managing Director

International Policy Advisory Group

Dr. Raymond R.K. WU

Associate Professor

Fu-Jen Catholic University

Mr. Wen-Ti SUNG

Sessional Lecturer

Australian National University

Ms. Susan A. THORNTON

Director, Forum on Asia-Pacific Security

NCAFP

Professor XIN Qiang

Deputy Director, Center for American Studies

Fudan University

U.S. State Department Officials

OBSERVERS

Mr. Neal CALDWELL

*Program Manager, Forum on Asia-Pacific
Security*

NCAFP

Ms. Amanda GHANOONI

Program Manager

NCAFP

Mr. Matthew GEISSENDÖRFER

Policy Intern

NCAFP

Ms. Erin O'DONNELL

*Director, Program Development and Special
Projects*

NCAFP

Ms. Nia WILLIAMS

Program Assistant

NCAFP

The NCAFP is grateful to the following organizations for their support of our work:

Carnegie Corporation of New York

Ford Foundation

Henry Luce Foundation

Mutual of America