

An Untenable Status Quo: Structural Change and the US-China-Taiwan Relationship



Brendan Flynn

April 2024

About the Global Taiwan Institute

GTI is a 501(c)(3) non-profit policy incubator dedicated to insightful, cutting-edge, and inclusive research on policy issues regarding Taiwan and the world. Our mission is to enhance the relationship between Taiwan and other countries, especially the United States, through policy research and programs that promote better public understanding about Taiwan and its people.

GTI Taiwan Scholarship Program

GTI Taiwan Scholarship program enables outstanding researchers from the United States to perform valuable Taiwan policy research based on field visit to the country.



Brendan Flynn is a PhD candidate at Wayne State University, where he concentrates on international relations with a focus on China and Asian security. From 2015-2016, Brendan studied Chinese in Beijing, before researching Asian maritime disputes as an intern at the Center for Strategic and International Studies (CSIS) in Washington, DC. He recently spent nine months studying Chinese in Taipei as a Boren Fellow.

Acknowledgements

Author's Note: This study was supported by a grant from the Global Taiwan Institute. I wish to extend my thanks to the Taipei-based scholars who generously shared their expertise with me as I conducted research for this report, and Will Kielm for his helpful comments and editorial assistance.

The views expressed in this paper are the author's own and do not necessarily represent the positions of the Global Taiwan Institute.

Cover Photo Source: Shutterstock

Board of Directors

Jennifer Hu
(Chairperson)

Howard Huang
(Vice Chairperson)

Anthony Kang
(Vice Chairperson)

Betty Wang
(Secretary)

Mary Yeh
(Treasurer)

Danny Chiang
(Audit Committee Chair)

John Huang

Patrick Huang

Dr. Hong-tien Lai

Minly Sung

Dr. Thomas Su

Spencer Wu

Advisory Council

Dr. David Tsai

Dr. Chien-ping Chen

Dr. Kuei-Hsien Chen

Dr. Wen Yen Chen

Dr. Peter Chow

Jennifer Hu

Dr. Tun-hou Lee

James Wang

Chieh-Ting Yeh

Charles Pan

Board of Advisors

Joseph Bosco

Former China Country Desk Officer in the Office of the Secretary of Defense

Gordon Chang

Columnist for *The Daily Beast*, author of *The Coming Collapse of China*

Ralph Cossa

Former President of the Pacific Forum

June Teufel Dreyer

Professor,
University of Miami

Dafydd Fell

Director, Centre of Taiwan Studies, School of Oriental and African Studies

Richard Fisher

Senior Fellow, Asian Military Affairs International Assessment and Strategy Center

Wallace Gregson

Former Assistant Secretary of Defense for Asian and Pacific Security Affairs

Thomas Hughes

Consultant, Hughes And Company

Shirley Kan

Independent Specialist in Asian Security Affairs who worked for Congress at CRS

Michael Reilly

Former British Representative to Taiwan

Matt Salmon

Vice President for Government Affairs, Arizona State University; Former Member of Congress from Arizona

Fang-long Shih

Co-director, Taiwan Research Programme, London School of Economics and Political Science

William Stanton

Vice President, National Yang Ming University (Taiwan); Former AIT Director (2009-2012)

Mark Stokes

Executive Director Emeritus,
Project 2049 Institute

John Tkacik

Senior Fellow and Director, Future Asia Project International Assessment and Strategy Center

Gerrit van der Wees

Professor at George Mason University; formerly editor of *Taiwan Communiqué*

Masahiro Wakabayashi

Emeritus Professor of Political Science and Economics, Waseda University in Japan

Arthur Waldron

Lauder Professor of International Relations
Department of History, University of Pennsylvania

Robert Wang

Senior Associate
Center for Strategic and International Studies;
former AIT Deputy Director (2006-2009)

Toshi Yoshihara

Senior Fellow,
Center for Strategic and Budgetary Assessments

Stephen M. Young

Former AIT Director (2006-2009); Former US Consul General to Hong Kong (2010-2013)

Lanhee J. Chen

David and Diane Steffy Fellow in American Public Policy Studies, Hoover Institute, Stanford Uni.

Hsin-Huang Michael Hsiao

Chairman of the Taiwan-Asia Exchange Foundation; Adjunct Research Fellow at Academia Sinica

Shelley Rigger

Brown Professor of East Asian Politics at Davidson College

Vincent P. Chen

Former Commander, United States Navy

Bonnie Glick

Inaugural Director, Krach Institute for Tech Diplomacy at Purdue; former USAID Deputy Administrator (2019-2020)

Kelley Currie

Former US Ambassador-at-Large for Global Women's Issues

Table of Contents

Introduction.....	1
Shifting International Power Balances.....	5
<i>The Rise of China</i>	5
The Shifting International Strategic Environment.....	11
New Dynamics in Chinese, Taiwanese, and US Domestic Politics.....	15
<i>Chinese Domestic Politics</i>	15
<i>Taiwanese Domestic Politics</i>	19
<i>US Domestic Politics</i>	24
Conclusion.....	27

Introduction

The trilateral relationship between China, the United States, and Taiwan is one in which none of the three parties are entirely satisfied. Yet as of March 2024, none have risked altering the relationship in pursuit of their first preference.^{1,2} This is because each party has so far calculated that the potential cost to attempt a change outweighs the potential benefits. Hence China continues to countenance *de facto* if not *de jure* Taiwanese independence; Taiwan continues to refrain from formally declaring independence; and the United States continues to generally abide by its commitments in the Three Joint Communiqués which limit its formal engagement with Taiwan.

The trilateral relationship between China, the United States, and Taiwan is one in which none of the three parties are entirely satisfied.

This mutually unsatisfactory peace across the strait is often referred to as the *status quo* (the basic tenets of which have accrued over the years on the foundation of the normalization of US-China relations in 1979). The reality is that, as Bonnie Glaser put it, “The status quo is dynamic; it’s not static. And it depends on what aspect of the status quo you’re talking about.”³ Moreover, as President Joseph Biden’s National

Security Advisor Jake Sullivan has stated, actual US policy towards Taiwan “is built on a series of internal tensions.”⁴ One might just as well state the same regarding China’s policy towards Taiwan, to say nothing of the internal tensions over Taiwan policy which animate politics in Taipei itself.⁵ The United States’ position of “acknowledg[ing],” but not recognizing, “the Chinese position that there is but one China and Taiwan is part of China,” is indicative of the “world of internal tension” to

de-risk-from-china/.

⁴ The full quote by Sullivan reads as follows: “The entire Taiwan policy of the United States is built on a series of internal tensions. The One China policy if you begin to unpack it you will recognize that it is about dealing with a world of internal tension with the policy, and trying to manage those tensions effectively to ensure peace and stability across the Taiwan Strait.

This is not a model of clarity, the one China policy... That’s been true from the moment of the Shanghai Communiqué.” Fareed Zakaria (@FareedZakaria), “How dangerous are US–China tensions? How is Washington planning to handle them? Part 3 of my exclusive conversation with @JakeSullivan46,” X (formerly known as Twitter), June 4, 2023, 2:14 p.m., <https://twitter.com/FareedZakaria/status/1665421731660693504>.

⁵ Generally speaking, the United States defines the status quo as neither Beijing nor Taipei “unilaterally alter[ing] Taiwan’s status”; China defines the status quo based on its One China Principle; and Taiwan assumes the status quo position of not needing to declare independence because it is already independent. Taiwan also faces constitutional strictures which would require a significant majority of the population to vote for a formal change of status from that outlined in the Republic of China’s constitution (see Jiunn-rong Yeh, *The Constitution of Taiwan: A Contextual Analysis* (Oxford, United Kingdom: Hart Publishing, 2016)). For a helpful commentary which untangles competing status quo definitions and internal inconsistencies from the perspectives of Washington, Beijing, and Taipei, see Cheng-yi Lin, “A Status Quo with Different Interpretations: Taiwan, China, the United States, and Security in the Taiwan Strait,” in *The Future of United States, China, and Taiwan Relations*, ed. Cheng-yi Lin and Denny Roy (New York: Palgrave Macmillan, 2011). James A Kelley, “Testimony at a hearing on Taiwan, House International Relations Committee,” April 21, 2004, <https://2001-2009.state.gov/p/eap/rls/rm/2004/31649.htm>.

¹ China’s first preference would be unification with Taiwan. Taiwan’s first preference would be a fully independent and internationally recognized state. The United States’ official position on the status of Taiwan is that “the United States takes no position on the question of Taiwan’s sovereignty.” For more, see John J. Tkacik Jr., “Taiwan’s status remains ‘unsettled,’” The Heritage Foundation, October 2007, <https://www.heritage.org/defense/commentary/taiwans-status-remains-unsettled>.

² At the same time, American defense officials have made clear the US places a strategic value on Taiwan (see, for example, Assistant Secretary of Defense Ely Ratner’s testimony referring to Taiwan as a “critical node” in the First Island Chain). For more, see Ely Ratner, “Statement Before the 117th Congress Committee on Foreign Relations United States Senate,” Testimony, December 8, 2021, https://www.foreign.senate.gov/imo/media/doc/120821_Ratner_Testimony1.pdf.

³ Tomas Janeliūnas, “Bonnie Glaser: We do need to de-risk from China,” Eastern Europe Studies Centre, June 13 2023, <https://www.eesc.lt/en/publication/bonnie-glaser-we-do-need-to->

which Sullivan refers.^{6 7}

Given these ambiguities and competing definitions, I argue that rather than attempting to define a solitary status quo with an eye to its maintenance, it is more illuminating to parse the overall cross-strait situation through an analysis of the self-limiting behavior of each government. This can be accomplished by assessing the fluid balance between each party's single-issue preference concerning Taiwan and the broader basket of economic, security, and diplomatic preferences that would likely be thwarted if the primary single-issue preference was pursued. Put differently, in response to the question, "Why does China not use military force to obtain its first preference over Taiwan?" The answer is that China more highly values the basket of economic, security, and diplomatic gains which would be jeopardized in the event of an attack.⁸

6 The United States and China now regularly accuse each other of violating the status quo. See John Culver, John Pomfret, and Matt Pottinger, "How to Read Xi Jinping: Is China Really Preparing for War?" *Foreign Affairs*, June 6, 2023, <https://www.foreignaffairs.com/responses/how-read-xi-jinping>. Meanwhile China's erstwhile Foreign Minister Qin Gang states "It is not the Chinese mainland, but the 'Taiwan independence' separatist forces and a handful of countries attempting to take advantage of 'Taiwan independence,' that are disrupting international rules, unilaterally changing the status quo, and undermining stability across the Strait." See Joel Gehrke, "China tells US and allies to stop talking about 'status quo' around Taiwan," *The Washington Examiner*, April 21, 2023, <https://www.washingtonexaminer.com/?p=1801205>.

7 A similar statement might be made about the talks held between China and Taiwan in 1992, with both China and KMT-led Taiwan agreeing on a greater China which includes Taiwan, while disagreeing over the legitimate political authority responsible for that greater "one China." The so-called "1992 Consensus" is explored in greater detail below.

8 A major factor in this regard, of course, is the PRC's assessment of a) US willingness to militarily assist Taiwan in the event of a PRC attack, and b) the PRC's ability to prevail with acceptable losses in the event of an attack met with combined Taiwanese, US, and additional pro-Taiwan coalitional assistance. Another variable explored in more detail below is the possibility of China's continued optimism about its prospects for reunification by a combination of non-military coercive measures and inducements. The presence of this pos-

This report finds this balance is most concerning with respect to China because it is in China where a reversal of valuations, from multi-issue preferences > single-issue preference (Taiwan) to single-issue preference (Taiwan) > multi-issue preferences is underway. While the US and Taiwan continue to value their multi-issue preferences over and above their single-issue preference, repeated remarks by high-ranking former Republican officials advocating official recognition of Taiwan, and/or a policy change to "strategic clarity," indicate that a similar reversal of valuations privileging first preferences for Taiwan is not inconceivable in the United States. Taiwanese dissatisfaction over the current status of Taiwan, to the extent it exists, can be expected to remain largely dormant.⁹

The primary finding of this report, therefore, is that what most accounts for the relative stability across the strait since 1979--and hence "the status quo" insofar as it is defined based on the peaceable maintenance of arrangements then established--is each government suborning its primary Taiwan preference to broader preferences more highly valued. In this sense, each government is assessed as a broadly rational actor correctly weighing a basket of values whose total surpasses the value assigned to their first preference over Taiwan.¹⁰

sibility further reduces Beijing's incentives to use military means to pursue reunification, as it may calculate a less costly, albeit slower, path to unification exists.

9 To give some sense of what these "baskets of preferences" refer to, for China they are broadly continued development and modernization; for the US, stable and mutually beneficial political and economic relations between the world's two most influential countries; for Taiwan, the continuation of *de facto* if not *de jure* independence. All major political parties in Taiwan continue to pledge they have no intention of formally declaring independence. At the same time, the affirmation of several major figures in the Republican party (such as Mike Pompeo and John Bolton) that the US should switch from a policy of strategic ambiguity to one of strategic clarity highlights that there is certainly not *no* possibility of the US elevating a potential primary preference for Taiwan over and above the broader basket of US issue preferences. Likewise, a future Taiwanese move towards independence, while highly unlikely in the near future, cannot be entirely ruled out.

10 For critiques of the assumption of unitary actor rationality in state decision-making, see Graham Allison, "Conceptual

As widely reported, this stability is generally understood to have eroded over the past several years. The primary question this report seeks to answer, then, is what accounts for the erosion of a stable “status quo” that seemed to exist, several crises excepted, for nearly forty years? At the most general level, the answer is that the domestic politics of each country as well as the international political situation have changed enormously since the normalization of relations in 1979. This, however, is too vague. The onset of war is rarely mono-causal.¹¹ One of the best ways, then, to assess the causes of the erosion of stability which *might* one day result in war is to simply imagine the war one hopes to prevent occurs.¹²

Major wars typically have both structural and proximate causes.¹³ And whereas proximate causes can be

Models and the Cuban Missile Crisis,” *American Political Science Review* (1969): 689-718. Kenneth A. Shepsle, *Analyzing Politics: Rationality, Behavior, and Institutions* (New York: W.W. Norton & Company, 2021) also helpfully illustrates how rationality is connected to preferences, which can be subjective and heterogeneous.

11 In his rightly famous analysis of *The Causes of The English Civil War* (1990), for example, Conrad Russell identifies multiple major issue areas which collectively account for the onset of the conflict. See Conrad Russell, *The Causes of the English Civil War* (Oxford: Clarendon Press, 1990).

12 The possibility of war over Taiwan is far from far-fetched, as US officials now regularly state the minimal hope that “war is not inevitable,” even as others share their expectation of war in 2025. John C. Aquilino, “Preserving a Legacy of Liberty and Peace in the Indo-Pacific,” YouTube Video, 1:27:20, May 26, 2023, https://www.youtube.com/watch?v=28uPUx1v_Pi. Courtney Kube and Mosheh Gains, “Air Force General Predicts War with China in 2025, Tells Officers to Get Ready,” NBCNews.com, January 27, 2023, <https://www.nbcnews.com/politics/national-security/us-air-force-general-predicts-war-china-2025-memo-rcna67967>.

13 To provide two famous examples, according to Thucydides the proximate cause of The Peloponnesian War was the Epidamnus Crisis while the most significant (but certainly not only) structural cause was “the rise of Athens and the fear this inspired in Sparta.” The stylized fact about WWI is that while the proximate cause was the assassination of the Archduke Ferdinand, the most significant (but certainly not only) structural cause was the rise of German military (especially naval) power and the threat this posed to England.

guessed at but not known before the conflict, one does not need a war to commence to identify the structural causes which, should war break out, one could readily identify. Contemporary analysts are nearly as well-positioned as future historians in this regard.¹⁴ Moreover, unlike future historians, a contemporary analysis that clearly identifies the major structural causes that would be responsible for a hypothetical war may contribute to the prevention of war. This is because, as deep-seated as structural causes are, sensitivity and consultation between political actors over structural issues can dampen the political field, which otherwise becomes more and more susceptible to conflagration. Whether a spark leads to a massive fire or is quickly contained may depend on prior attention paid by political actors to deeply rooted aspects of their rivalry. Around these key issues, “firebreaks” can be set down.

With this perspective in mind, this report identifies three major issue areas that have undergone considerable change over the past two decades. These are:

1. The shifting international and cross-strait power balance
2. The shifting international strategic environment
3. New dynamics in Chinese, Taiwanese, and US domestic politics

Should a war between the United States and China one day break out over Taiwan, it is fair to assume each of these three changing structural and domestic factors will have contributed, to varying degrees, to the rise of hostilities. We can see this concretely if we understand how changes in structural issues over time cause each party, especially China, to

14 Notwithstanding the fact that contemporaries, of course, are more likely to be biased in their assessments as compared with future historians analyzing a conflict whose political implications have receded. Even so, a greater expectation of bias does not inherently preclude the possibility of a generally objective assessment.

reweight the values within its broad basket of preferences compared with the value of its first preference concerning Taiwan. The illustration of this point is the primary aim of this report.

Following on from this analysis are policy recommendations designed to facilitate focused dialogue among Taipei, Beijing, and Washington. Focused talks that keep the inevitable tensions generated by these structural factors foremost in mind—such that each party can clearly understand how they pose problems for the other parties—should increase the possibility that tension can be sustained, finessed, and gradually adapted to, rather than broken through the commencement of war.

It is not just the cross-strait but the global balance of power that is affected by China's rise. The rise of China shifts the global distribution of power away from unipolarity. It is this fundamental change in structure that demands the attention of all nations. Given China's location and the salience of geography, however, the states most impacted are those around China's periphery and territory claimed but not controlled by China, i.e. Taiwan.

Shifting International Power Balances

The Rise of China

It is not just the cross-strait but the global balance of power that is affected by China's rise. The rise of China shifts the global distribution of power away from unipolarity.¹⁵ It is this fundamental change in structure that demands the attention of all nations. Given China's location and the salience of geography,¹⁶ however, the states most impacted are those around China's periphery and territory claimed but not controlled by China, i.e. Taiwan.

The economic aspect of China's rise is one of the most widely appreciated political phenomena of the past generation. Per data compiled by the World Bank and analyzed by the firm MGM Research, the purchasing power parity (PPP) of China's gross domestic product (GDP) overtook that of the United States in 2014.¹⁷ This analysis looks slightly different if measured using nominal GDP (as opposed to GDP measured in PPP), but the underlying message is unchanged: China's economic growth has propelled it to some meaningful level of economic parity with the United States.

The implications for this structural shift are particularly acute in Asia, because Asia is where the

world's two great powers meet. As Ryan Hass writes, in Asia "The United States is no longer the predominant military, diplomatic, and economic power across the region, as it was for the last half of the 20th century and the first decade of this century."¹⁸ In international relations theory, the variable of power parity or power preponderance has major implications for the likelihood of the onset of a great power war. As A.F.K. Organski put it, "An even distribution of political, economic, and military capabilities between contending groups of states is likely to increase the probability of war."¹⁹ Based on this theoretical perspective that empirical testing has also borne out,²⁰ the fundamental source of the instability of our new multipolar era is captured by the power shift represented in the graph above.

China's rise is consequently *the* most important structural factor for understanding the tensions posed not only to the cross-strait status quo but indeed the *global status quo*, for which Taiwan is the most vulnerable node.²¹ Further, Taiwan serves as a bellwether. Xi Jinping often refers to "the rise of the East, and the decline of the West."²² From the ambitious perspective of Xi and Putin, this new era of multipolarity signals the end of a

15 For the seminal structural realist work on the significance of polarity in world politics, see Kenneth N. Waltz, *Theory of International Politics* (Long Grove, IL: Waveland Press, 2010). There is ongoing debate whether the contemporary era should be considered bipolar or multipolar. Much of this debate turns on how much relative weight to accord major powers such as Russia and emergent powers such as India.

16 See, e.g. the concept of the "loss of strength gradient" in Kenneth Boulding, *Conflict and Defense: A General Theory* (New York: Harper & Row, 1962). For a relatively recent defense of the concept, see Kieran Webb, "The Continued Importance of Geographic Distance and Boulding's Loss of Strength Gradient" *Comparative Strategy* 26, no. 4 (2007): 295-310.

17 See analysis and graphic at: "China vs United States - A GDP Comparison," MGM Research, December 21, 2018, <https://mgmresearch.com/china-vs-united-states-a-gdp-comparison/>.

18 Ryan Hass, "The New Great Game for Leadership in Asia," *The Jerusalem Strategic Tribune*, June, 2023. <https://jstribune.com/hass-the-new-great-game-for-leadership-in-asia/>.

19 A.F.K. Organski, *The War Ledger* (Chicago: University of Chicago Press, 1980), 19.

20 See Daniel S. Geller, "Power Differentials and War in Rival Dyads," *International Studies Quarterly* 37, no. 2 (June 1993): 173.

21 Taiwan is the most vulnerable node simply because of the contending and overlapping interests the two great powers, China and the United States, have over this territory. Ukraine's position at the intersection of US and Russian interests can be viewed in a similar light.

22 Yeh-Cheng Lu of National Chengchi University indicates that as early as the early 1990s Deng Xiaoping highlighted US theories about US decline, which inspired the development of Chinese policies intended to prepare for multipolarity. Yeh-Cheng Lu, interview by Brendan Flynn, April 18, 2023; "Xi urged China militarily in 2020 to brace for war amid West's decline," *Kyodo News*, July 24, 2023, <https://english.kyodonews.net/news/2023/07/01bb652a507f-xi-urged-china-military-in-2020-to-brace-for-war-amid-west-s-decline.html>.

Modelski leadership cycle (see image below).

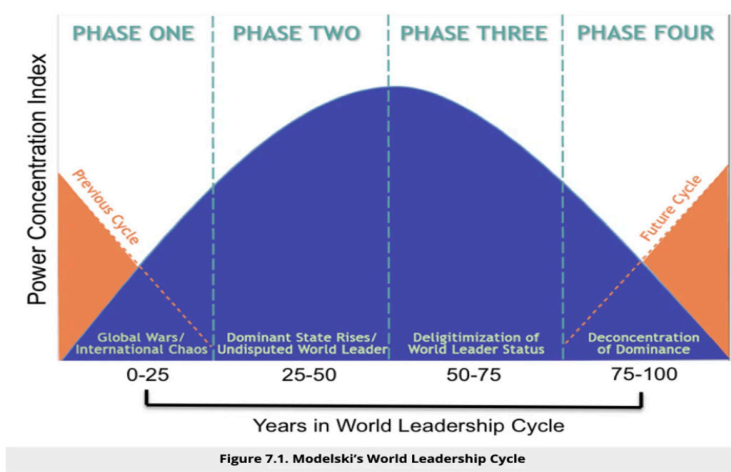


Image source: “Introduction to Modelski’s Model of World Leadership,” Penn State University Department of Geography, undated, <https://www.e-education.psu.edu/geog128/node/646>.

On Xi and Putin’s assumption, the “rules-based order” upheld by the United States is bound to be replaced as surely as the US-led order replaced the UK-led order, or the UK-led order replaced the Dutch-led order.²³ This latter concept is illustrated by the “Index of Relative Naval Power” which posits alternating cycles of international preeminence—as demonstrated by naval power—between Portugal, the Netherlands, Britain, and the United States from 1500 to 1980.²⁴

The United States of course disagrees with the predicted (or, at least, hoped-for) outcome assessed by Xi and Putin, but seems to agree with the size of the stakes. This can be

23 Guy Faulconbridge, “Putin blasts West, Says World Faces Most Dangerous Decade Since WW2,” *Reuters*, October 27, 2022, <https://www.reuters.com/world/putin-says-west-is-playing-dangerous-bloody-dirty-game-2022-10-27/>.

24 To view the graphic displaying the “Index of Relative Naval Power,” see: https://twitter.com/adam_tooze/status/1109605749624311809. The image is identified in Charles P. Kindleberger, *World Economic Primacy 1500-1990* (1996), p. 50, Figure 3.2. Kindleberger identifies the image as a representation of a Modelski “long cycle of global power.” Kindleberger in turn cites the image to Brian J.L. Berry, *Long Wave Rhythms in Economic Development and Political Behavior* (1991), p. 160.

inferred from President Biden’s frequent remarks that “I think we’re at a genuine inflection point in world history. It happens every...6 to 10 generations.”²⁵

The American international relations (IR) academic community also broadly accepts the premise of an imminent inflection point regarding the future of the world order. Graham Allison stylized this historical tendency with an application to present US-China rivalry in his *Destined for War: Can America and China Escape Thucydides’s Trap?*²⁶ Perhaps the world’s two most prominent IR scholars, John Ikenberry and John Mearsheimer, also accept the premise of a global power transition inflection point, with Ikenberry arguing that the liberal international order (LIO) will remain resilient and Mearsheimer arguing that the US-led post-Cold War LIO is “bound to fail.”²⁷

The question of power and the outcome of a possible power transition is an incredibly important one. But power is not the only significant variable. In the case of a possible challenge to world order from a rising power (i.e., in a “Thucydides’s Trap”-type situation), Power Transition Theory (PTT) also suggests it is necessary to consider the variable of *satisfaction*. As Douglas Lemke notes, “In addition to power, power transition theory considers each country’s satisfaction with the workings of the international system, or status quo.”²⁸

25 Joseph Biden, “Remarks by President Biden at a Campaign Reception,” The White House, August 11, 2023, <https://www.whitehouse.gov/briefing-room/speeches-remarks/2023/08/10/remarks-by-president-biden-at-a-campaign-reception-salt-lake-city-ut/>.

26 Graham T. Allison, *Destined for War: Can America and China Escape Thucydides’s Trap?* (London: Scribe, 2016).

27 See John Ikenberry, *Power, Order, and Change in World Politics* (Cambridge: Cambridge University Press, 2014) and John Mearsheimer, “Bound to Fail: The Rise and Fall of the Liberal International Order,” *International Security* 43, no. 4 (April 2019): 7–50.

28 See Douglas Lemke, “The Continuation of History: Power Transition Theory and the End of the Cold War”

Thus PTT, first proposed by A.F.K. Organski in 1958,²⁹ captures an additional key feature of relevance while maintaining theoretical parsimony. It is not solely the fact of a power's rise to parity or possible eclipse that is relevant, but also the question of whether the rising power is *satisfied* or not with existing international terms and conditions—i.e. the existing global status quo, largely defined by the established leading power.³⁰ Thus it is not solely power parity that is dangerous but power parity between a dominant state and a dissatisfied rising great power. The graph to the right illustrates a typical satisfaction curve from dominant to weak states.

The most powerful states are, quite logically, often the most satisfied. This is because the international status quo by-and-large benefits them. Small powers are typically most dissatisfied because they often do not perceive themselves to be beneficiaries of international rules and institutions. Neither satisfied great powers nor unsatisfied small powers present inherent dangers to international order—weak powers are too weak for their dissatisfaction

Journal of Peace Research 34, no. 1 (February 1997): 24. Lemke attempts to demonstrate the empirical robustness of this key variable in PTT in explaining past and present leadership transitions.

29 See A.F.K. Organski, *World Politics* (New York: Knopf, 1958).

30 For an example of how this question of “satisfaction” factors in a very practical way in the thinking of senior American military officials, see US Pacific Commander Admiral Aquilino’s remarks at the Committee on US-China Relations (2023). There, Aquilino highlights the fact that China has benefited substantially from the “rules-based order” in place since 1945, and thus has many reasons to be satisfied with it. See John C. Aquilino, “Preserving a Legacy of Liberty and Peace in the Indo-Pacific,” YouTube Video, 1:27:20, May 26, 2023, https://www.youtube.com/watch?v=28uPUx1v_PI. For an extremely helpful academic survey which attempts to capture all major components of international order with which China is either satisfied or unsatisfied, see Alastair Iain Johnston, “China in a World of Orders: Rethinking Compliance and Challenge in Beijing’s International Relations,” *International Security* 44, no. 2 (October 2019): 9–60.

to matter, while satisfied great powers are content to support the existing system. The danger issues from rising powers who for any number of reasons—often because they were previously weak and not party to the establishment of the status quo resulting from the previous great power war—are not satisfied with the current status quo. In essence, satisfaction matters.

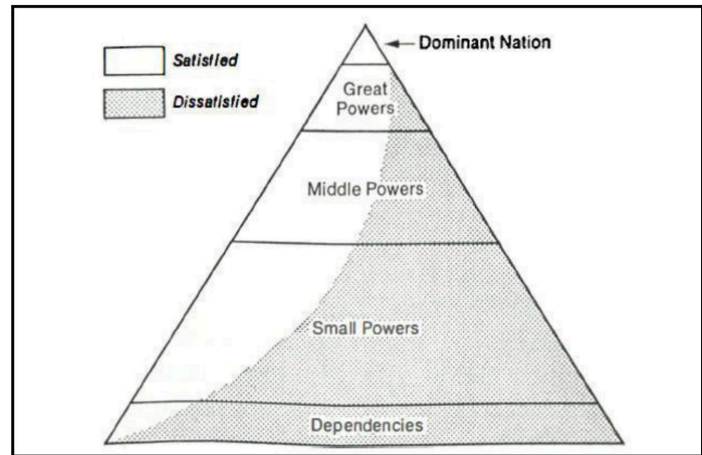


Image source: “Hegemonic Control and System Satisfaction,” ResearchGate, undated, https://www.researchgate.net/figure/Hegemonic-Control-and-System-Satisfaction-Organski-1958-331_fig1_338589351. The original source is: A.F.K. Organski, *World Politics* (New York: Alfred A. Knopf, 1958), p. 331.

Dissatisfaction in a rising power, then, is the most dangerous condition that can potentially lead to a global war. This is why Lemke wrote in 1997 that not only the “the United States and other leading satisfied Great Powers should continue patient cooperation with the Chinese leadership to encourage democratization and liberalization,” but also “assist the Russians, financially as well as rhetorically, in achieving stability and growth under a democratic market-oriented framework.”³¹ Russia was never going to achieve economic power parity with the United States, and yet Lemke still intuitively grasped how dangerous an unsatisfied Russia could become (notwithstanding that this does not meet the strict PTT criteria for a threat of major war).³²

31 Lemke, “The Continuation of History,” 32.

32 Indeed, where power transition theory suffers is ne-

The point about satisfaction is not to say that all dissatisfied states need to be accommodated. It is simply to emphasize an element that the empirical record bears out as incredibly important in accounting for the onset of war. The rise of a dissatisfied challenger simply makes war much more likely than in other conditions. When it comes to discussions regarding China, the United States, Taiwan, and the status quo, it is imperative to keep this front of mind. Returning to a stable “status quo” across the strait will require creative discussions about what kind of arrangement can satisfy Beijing, Taipei, and Washington in light of China’s rise. Simple bromides about what another party *ought* to be satisfied with are unproductive.³³ Good-faith efforts must be made on all sides to understand why the other parties say they need what they need to be satisfied, followed by assessments to see if there is a narrow window all parties find to be mutually satisfactory.³⁴

glecting the role that powerful dissatisfied states who are not dominant state peer competitors can have in fomenting major conflict. This is where, despite Lemke’s recommendations above, he erred in 1997 in predicting that Russia would not only have to take a more authoritarian turn away from its then nascent moves towards liberalization, but also would have to “enjoy [...] a period of sustained growth in which it catches up to the United States” to become a renewed threat. To the contrary, there are complicated international scenarios in which dissatisfied major powers which yet remain far from economic parity—particularly ones bolstered by nuclear weaponry—need not achieve economic parity with the dominant state to present a significant threat. Thus we ought not strictly observe PTT’s idea that only the satisfaction of great power peer competitors is significant with respect to the possibility of great power war—there are exceptions. See Lemke, “The Continuation of History,” 34, fn 25.

33 Again, Admiral Aquilino’s remarks are helpful on this point. Aquilino posited that where certain revisions to the international order need to be made to account for new realities, discussions should take place. The key point, he emphasized, is that such revisions must not be made by force. This is the productive way of approaching this problem. See John C. Aquilino, “Preserving a Legacy of Liberty and Peace in the Indo-Pacific,” YouTube Video, 1:27:20, May 26, 2023, https://www.youtube.com/watch?v=28uPUx1v_PI.

34 Key to this are renewed dialogues between Taipei and Beijing, which the United States could play an active role in facilitating. See the concluding section of this report.

There is ample normative debate, indeed near-consensus, on the question of whether Taiwan *should* be under China’s sovereign control in the international community, with most concluding that it should not (particularly if such control cannot be brought about peacefully and with the consent of the Taiwanese people). Less discussed is that, given the PRC’s history since its founding in 1949, the PRC is essentially bound to claim Taiwan. Just as it would be nonsensical for another country to state that it is illegitimate for the United States to take an interest in the human rights of other countries, given how fundamental that issue is to the American self-conception, it is similarly implausible for countries not to assume the PRC will invariably make strident claims to Taiwan, as it has since its founding (and as the Republic of China has under the KMT, at least since the rule of Chiang Kai-shek). This is the reality of the situation, which the present leadership in China could likely not change even if desired.³⁵

At the same time, the stakes over Taiwan are almost no less significant for the United States. As the former “unipole” and progenitor of the current international order, the transgression of the norm of the non-use of force to resolve territorial disputes, particularly in a region through which approximately 50 percent of the global cargo fleet passes, directly undermines the international order—and by proxy, US leadership.³⁶ American alliances are a function of American power, and American power is a function of American alliances. These facets of American strength are so interconnected that the diminishment of either threatens the diminishment of both. This is what makes Taiwan so important to the United States maintaining its dominant status. Allowing Taiwan to fall to a Chinese military invasion would cut against the United States’ ability to uphold the current international order, as well as its credibility as a defender of allies and partners. This

35 See also “Chinese Domestic Politics,” below.

36 Sara Hsu, “Potential Logistical and Operational Costs of a China-Taiwan Conflict,” *The Diplomat*, August 17, 2022, <https://thediplomat.com/2022/08/potential-logistical-and-operational-costs-of-a-china-taiwan-conflict/>.

is why, as Niall Ferguson writes, “losing—or not even fighting for—Taiwan would be seen all over Asia as the end of American predominance in the region... It would be the American Suez.”³⁷

From the Taiwanese perspective, it can understandably seem unpalatable to focus so heavily on Chinese and American satisfaction concerning Taiwan’s status. This is bound to chafe at the respect the Taiwanese have earned as a society that successfully transitioned from repressive one-party rule to a lively democracy. And yet over the previous decades, Taiwan’s leaders and citizens have come to accept that an independent state of Taiwan is not a practical possibility in the current global environment.

Put simply, there is no getting around the fact that the cardinal structural feature of US-China rivalry is China’s achieving a degree of relative power parity. Analysis has demonstrated a strong empirical record of power parity having a pronounced effect on the likelihood of war in rival dyads.³⁸ Further, there is no avoiding that the PRC is and will remain dissatisfied with the global international order so long as Taiwan remains outside of effective PRC control. While the PRC has always been highly dissatisfied with this state of affairs—recall Mao’s assertion that China would eventually retake Taiwan, even if it had to wait 100 years—it is the conjuncture of China’s longstanding dissatisfaction with its newfound great power status that makes the current situation ripe for conflict.³⁹

37 Niall Ferguson, “A Taiwan Crisis May End the American Empire,” *Bloomberg*, March 21, 2021, <https://www.bloomberg.com/opinion/articles/2021-03-21/niall-ferguson-a-taiwan-crisis-may-end-the-american-empire#x-j4y7vzkg>.

38 Daniel S. Geller, “Power Differentials and War in Rival Dyads,” *International Studies Quarterly* 37, no. 2 (June 1993): 173.

39 Dave Makichuk, “Taiwan Can Wait 100 Years, Mao Told Nixon,” *China Factor*, November 22, 2021, <https://chinafactor.news/2021/11/22/taiwan-can-wait-100-years-mao-told-nixon/>.

When China was weak, it was rational to weigh its broader basket of economic, security, and diplomatic preferences far above its first preference to unite with Taiwan. Throughout the 20th century, a unification attempt would likely have failed while also sabotaging China’s broader goals. While China has yet to achieve the pinnacle of these broad goals—which might be summarized under China’s 2049 centenary goal of “build[ing] a modern socialist economy that is prosperous, strong, democratic, culturally advanced, and harmonious”—it has sufficiently developed for Xi, in 2021, to proclaim success in achieving China’s “first centenary goal” of “building a moderately prosperous society in all respects.”⁴⁰ Intuitively, one can sense how the weight between the single issue of Taiwan and China’s broader basket of preferences shifts from the latter to the former over time. If the latter is viewed as the precondition for the eventual realization of the former, then the more the latter is realized the more pressure there is to translate those gains into the acquisition of Taiwan.

At the same time, the more China develops, the more it has to lose from a failed attempt to seize Taiwan by force. In this regard, there is no avoiding the salience of simple military feasibility calculations, which is why many US officials rightly emphasize military deterrence. As senior US officials such as General Mark Milley have repeatedly emphasized, their goal is “to make sure that every single day, President Xi wakes up and says, ‘Today is not that day’” to take Taiwan.⁴¹

Yet it is precisely here that we observe how these factors connect and interact. Specifically, the stronger China grows economically and militarily, the more Chinese domestic politics will apply increased pressure on the Chi-

40 “Global China 2049 Initiative,” ODI, accessed March 4, 2024, <https://odi.org/en/about/our-work/global-china-2049-initiative/>; “China Focus: Xi Declares China a Moderately Prosperous Society in All Respects,” *Xinhua*, accessed March 4, 2024, http://www.xinhuanet.com/english/special/2021-07/01/c_1310038592.htm.

41 Jeff Seldin, “Chinese Army Invasion of Taiwan Not A Given, US General Says,” *Voice of America*, June 30, 2023, <https://www.voanews.com/a/chinese-army-invasion-of-taiwan-not-a-given-us-general-says-/7162577.html>.

nese leadership to (re)acquire all PRC-claimed territory. Likewise, we witness how international events in other parts of the globe likely impact PRC leader assessments of both a) the US-China balance of power critical to the outcome of a military confrontation over Taiwan, and b) US resolve to intervene against such an attempt. This international strategic factor is examined in the next section.

The Shifting International Strategic Environment

Russia's decision to launch a full-scale invasion of Ukraine in February 2022 should serve as a blinking red light regarding the salience of "satisfaction" in power transition theory.⁴² From Iran to North Korea to Russia, dissatisfied middle and great power states are dangerous. Iran and North Korea refrain from directly initiating a war against the United States to alter the status quo because their power is simply too marginal. Russia, however, borders on great power status. Further, Russia's dissatisfaction levels had, to quote Russian foreign minister Sergei Lavrov, reached a "boiling point" and also likely coincided with a miscalculation about what Russia understood to be declining US power and resolve.⁴³ Between Russia's nascent alliance with China and its observation of events leading to a perception of US weakness (Syria 2012; Crimea 2014; Afghanistan 2021), Russia seems to have (mis)calculated that it could employ military force to redress its dissatisfaction with the US-led international system in its periphery. Unfortunately, misperceptions about antagonists' relative power and resolve are often responsible for war initiation.⁴⁴

42 This is true regardless of the degree of rationality or irrationality analysts attribute to Russia's decision.

43 As frequently reported, a range of American commentators from George Kennan to Bill Burns had previously predicted Russian bellicosity should Ukraine move into the Western orbit. Such predictions offer no apology for Russia's war against Ukraine. They simply assessed likely Russian action in light of Russian perceptions about its security environment. See Thomas L. Friedman, "Foreign Affairs; Now a Word from X," *The New York Times*, May 2 1998, <https://www.nytimes.com/1998/05/02/opinion/foreign-affairs-now-a-word-from-x.html>; Joshua Shiffrin and Stephen Wertheim, "Acting to aggressively on Ukraine may endanger it - and Taiwan," *The Washington Post*, December 23, 2021, <https://www.washingtonpost.com/outlook/2021/12/23/ukraine-taiwan-red-lines/>; It is outside the scope of this report, but it bears acknowledging the cumulation of earlier tepid US responses in Syria and Crimea, as well as the poor optics surrounding US withdrawal from Afghanistan, may have factored into Russian calculations about US resolve.; "John Mearsheimer on why the West is principally responsible for the Ukrainian crisis," *The Economist*, March 19, 2022, <https://www.economist.com/by-invitation/2022/03/11/john-mearsheimer-on-why-the-west-is-principally-responsible-for-the-ukrainian-crisis>.

44 See Geoffrey Blainey, *The Causes of War* (Simon and Schuster, 1988).

Russia's invasion and the ongoing war in Ukraine have had a dramatic effect on Taiwan's security. The war brings renewed global attention to the fragility of peace across the strait, awakening the global imagination that war over Taiwan is a real possibility. An early Russian victory would likely have had serious consequences for Taiwan. A decisive Russian victory would have bolstered Xi's narrative about the decline of US power and the inexorable transition to a post-WWII US-led international order. The established norm of not pursuing territorial claims with force as well as the capability of the international community to uphold this norm would have been badly damaged. In this scenario, China would likely have been emboldened to more urgently pursue its unification goals. Taiwanese society would likely have been further demoralized, sowing greater doubt about its defensive prospects in the face of Ukraine's losing example.

As events in Ukraine have unfolded, the reverse has occurred. Ukraine has put up a staunch defense while Russia's military has vastly underperformed pre-war assessments of its capabilities. This surprising outcome has inspired Europe as well as friends and allies of the United States around the globe. While there has been considerable hedging in the Global South (likely a way for middle and weak power states to express dissatisfaction with the US-led order), NATO has found renewed life and purpose. The ascension of Finland and Sweden to NATO is a historic milestone, and NATO is becoming increasingly engaged in Asia. In a summit at Camp David, the US, Korea, and Japan announced a "new era of cooperation," a historic event that may not have occurred without Russia's invasion of Ukraine and subsequent US response.⁴⁵

45 Jennifer Haberkorn and Jonathan Lemire, "At Camp David, Biden hails 'new era of partnership' between US, South Korea and Japan," *Politico*, August 8, 2023, <https://www.politico.com/news/2023/08/18/at-camp-david-biden-hails-next-era-of-partnership-between-us-south-korea-and-japan-00111901>.

As CSIS' Victor Cha stated, "There is nothing like an actual, real war, even though it's in another part of the world, to completely change the way or affect the way leaders think about their own security."⁴⁶ Taiwan's former *de facto* representative in the United States and current Vice-President Elect Bi-khim Hsiao has said "The defense of Ukraine is also the defense of Taiwan."⁴⁷ ⁴⁸ There is also polling data to indicate that the Taiwanese resolve to defend Taiwan if attacked by China has increased significantly following Russia's invasion.⁴⁹

The war in Ukraine has consequently affected cross-strait deterrence and credibility. If Ukraine had pushed back the Russian onslaught in the early days of the war, only to succumb later in a war of attrition for lack of US support, this would have negatively affected US credibility in the eyes of Asian allies and partners. Existing questions about the US commitment to its global role would have intensified. Consequently, fearing an absence of US support, Asian countries may have become more likely to hedge and seek greater accommodation with China. In IR theory terms, a lack of US support for Ukraine could well have had a cascading effect in which countries in Asia leaned more towards *bandwagoning with* as opposed to *balanc-*

ing against China.⁵⁰

By contrast, US support for Ukraine has been widely heralded by its allies and partners. Successful support enhances reassurance to Asian allies and partners such as Japan, the Philippines, South Korea, and Australia that US commitments to its global role⁵¹ are credible. Whereas during the Trump Administration and before the war in Ukraine there was widespread doubt about whether the US intended to continue shouldering its global commitments, its staunch support of Ukraine has helped reassure Asian partners that America remains resolved to its global role. This bolstering of American credibility therefore plays an important role in backstopping the American alliance network in Asia which is essential to upholding peace across the strait. In future bi- or trilateral dialogues with China aimed at, for example, updating the "1992 Consensus"⁵² or finding some new mutually satisfactory arrangement, China must acknowledge the formidable power balance across the strait resulting from US Indo-Pacific allies and partners—who, as a consequence of increased US credibility, are choosing to balance against rather than band-

46 Peter Baker, "Biden welcomes Japanese and South Korean leaders to Camp David summit," *The New York Times*, August 18, 2023, <https://www.nytimes.com/2023/08/18/us/politics/biden-japan-south-korea-sum.html>.

47 Chia-hung Tsai of National Chengchi University and 2022-2023 Visiting Scholar at Harvard University also shared his view that the conflict in Europe is highly significant for Taiwan. Chua-hung Tsai, interviewed by Brendan Flynn, April 25, 2023.

48 Joel Geherke, "Taiwan's top US envoy: Xi's meeting with Putin suggests 'desire to use force,'" *Washington Examiner*, March 24, 2023, <https://www.washingtonexaminer.com/?p=532506>.

49 Russell Hsiao, "The Ukraine War and Its Impact on Taiwanese Perceptions on Defense Issues," *Global Taiwan Brief*, May 4, 2022, <https://globaltaiwan.org/2022/05/the-ukraine-war-and-its-impact-on-taiwanese-perceptions-on-defense-issues/>.

50 For the classic work on the dynamics at play which lead states to bandwagon or balance, see Stephen M. Walt, *The Origins of Alliances* (Ithaca: Cornell University Press, 1987).

51 Global doubt about US commitments can easily be understood insofar as the Trump Administration pursued an "America First" strategy that resonated with a broad portion of the American electorate and called for a reduced US global presence. Some scholars also worry about what has been termed the "Lippmann Gap," which exists when a nation's foreign policy commitments exceed its power. Scholars who feel the United States currently experiences a Lippmann Gap tend to advocate for a policy of retrenchment or "restraint." For representative thinking along these lines, see Eugene Gholz, Daryl G. Press, and Harvey M. Sapolsky, "Come Home, America: The Strategy of Restraint in the Face of Temptation," *International Security* 21, no. 4 (1997): 5.; Barry R. Posen, *Restraint: A New Foundation for US Grand Strategy* (Ithaca: Cornell University Press, 2014).; and Paul K. Macdonald and Joseph M. Parent, *Twilight of the Titans: Great Power Decline and Retrenchment* (Ithaca: Cornell University Press, 2018).

52 For a discussion of the meaning of this formulation, see: John Dotson, "The CCP Commemorates the 30th Anniversary of the '1992 Consensus'—and Seeks to Change Its Meaning," *Global Taiwan Brief*, September 21, 2022, <https://globaltaiwan.org/2022/09/the-ccp-commemorates-the-30th-anniversary-of-the-1992-consensus-and-seeks-to-change-its-meaning/>.

wagon with China.

In this way, credibility directly connects to the other main implication of the war in Ukraine for cross-strait security, namely deterrence. As CIA Director Bill Burns stated, Xi has likely been “surprised and unsettled” by Russia’s poor military performance in Ukraine.⁵³ Bonnie Glaser further elaborates, “I think Xi Jinping has looked at what is taking place in Ukraine and has been horrified at how poorly the Russian military has performed. And indeed, that has induced caution. Xi was probably cautious before that as he weighed the cost and benefits, but surely his perception of the costs is even greater now.”⁵⁴ Former UK President Boris Johnson holds a similar view, stating “The lesson for China is that the war in Ukraine has massively increased strategic ambiguity about what could happen if they were so foolish as to launch a military takeover of Taiwan.”⁵⁵

The fact that a large, authoritarian country with a seemingly capable, modern military such as Russia failed to overpower an ostensibly much weaker and smaller democratic neighbor holds important lessons for decision-makers in Beijing. For those in Beijing

The fact that a large, authoritarian country with a seemingly capable, modern military such as Russia failed to overpower an ostensibly much weaker and smaller democratic neighbor holds important lessons for decision-makers in Beijing.

who understood themselves to be living in a historical hinge moment in which the post-WWII US-led order was about to be overturned, Russia’s shortcomings in Ukraine provided a rude awakening. Contrary to Russian and Chinese expectations, revanchist claims by powerful states may yet be thwarted by a still-committed and powerful US and international community that rejects such claims and remains capable of turning them back.⁵⁶

While no one can deny China’s power has risen impressively, the United States is striving to uphold the world order through its impressive network of alliances. Indeed, turn-of-the-century power transition theorists posited that American alliances may help “deflect” China’s overtaking of the United States.⁵⁷ As evidenced by initiatives from the Quad to new security partnerships with the Philippines to a resurrected NATO (which is increasing-

ly engaged in Asia), to closer Japan-Korea-US and Japan-Philippines-US trilaterals, the US has been pursuing this strategy with considerable success. If the United States were to face China alone, it is not implausible to imagine a US defeat in a clash over Taiwan. Indeed, various war games have suggested such an outcome.⁵⁸ But with strong alliances and partnerships forged with Japan, Australia, the Philippines,

53 Michael Martina and David Brunnstrom, “CIA chief warns against underestimating Xi’s ambitions toward Taiwan,” *Reuters*, February 2, 2023, <https://www.reuters.com/world/cia-chief-says-chinas-xi-little-sobered-by-ukraine-war-2023-02-02/>.

54 Tomas Janeliūnas, “Bonnie Glaser: We do need to de-risk from China,” Eastern Europe Studies Centre, June 13 2023, <https://www.eesc.lt/en/publication/bonnie-glaser-we-do-need-to-de-risk-from-china/>.

55 Yaroslav Trofimov, “Why the War in Ukraine May Not Deter China?,” *The Wall Street Journal*, June 16, 2023, https://www.wsj.com/articles/why-the-war-in-ukraine-may-not-deter-china-bc8aae89?mod=hp_listc_pos2.

56 In the competing analyses about the future of world order, such a reality would confirm Ikenberry’s and defy Mearsheimer’s predictions.

57 See Ronald L. Tammen, *Power Transitions: Strategies for the 21st Century* (New York: Chatham House Publishers, 2000).

58 Adam Kredo, “United States Fails to Stop Chinese Invasion of Taiwan in Congressional War Simulation,” *The Washington Free Beacon*, April 21, 2023, <https://freebeacon.com/national-security/united-states-fails-to-stop-chinese-invasion-of-taiwan-in-congressional-war-simulation/>

and Europe, the United States is well-positioned to deter and, if necessary, defeat China in a potential war over Taiwan.

The key issue in this critical element, then, is the question of—and the need for clarity on—the balance of power between the two major powers. What must be taken into account is the awkwardness of China’s undertaking such a steep rise and yet perhaps still not surpassing the United States. The more powerful China becomes, after all, the greater will be its dissatisfaction with its inability to bring about unification. Whereas Mao famously stated that China could wait 100 years to resolve the Taiwan issue, Xi Jinping has said “this is not an issue that can be passed down from generation to generation.”⁵⁹ The more China’s economy continues to grow, and the longer time passes without resolution, the more dissatisfied China is likely to become with the current trilateral arrangement.

It is important, therefore, that it be obvious to China’s leaders that however much they understand China’s power to have increased, it remains insufficient to accomplish the goal of unification by force. The outcome of the war in Ukraine plays an important role in this regard. Any reasonable new trilateral agreement must ultimately identify a way for all parties to acknowledge this fact while also appreciating that China is a (near-)peer competitor whose demands for increased influence comparable to its increased power are natural in the historical evolution of international relations. Subsequent increased levels of Chinese dissatisfaction—and the related domestic political dynamics—cannot simply be dismissed. Such domestic dynamics can be an important source of the decision to initiate war in an attempt to gain

control over claimed territory. These dynamics are considered in greater detail in the next section.

⁵⁹ Richard C. Bush, “8 key things to notice from Xi Jinping’s New Year speech on Taiwan,” Brookings Institution, January 7, 2019, <https://www.brookings.edu/articles/8-key-things-to-notice-from-xi-jinpings-new-year-speech-on-taiwan/>.

New Dynamics in Chinese, Taiwanese, and US Domestic Politics

Chinese Domestic Politics

China's domestic politics are intimately connected to China's economic rise. A key premise of modernization theory is that as nations become wealthier, their populations typically demand greater political rights alongside expectations for a higher quality of life.⁶⁰ In the latter sense, China is no exception. As many have pointed out, the “social compact” in China over the last several decades has broadly been that politics belongs to the CCP, provided that the CCP generates a steadily increasing quality of life and job prospects for its burgeoning middle class. This is why issues such as pollution—particularly in tier-1 cities like Beijing—and other environmental and food quality issues have been such priorities for the CCP.

Where China deviates from typical examples of modernization is in the political domain. At least until now, the pattern of rising development and economic opportunity leading to political liberalization has not manifested in China. Rather, the opposite has occurred, in the form of increased political control by the CCP. In this sense the ascension of Xi Jinping to the post of China's penultimate political leader in 2012 marks a key inflection point. It is worth briefly examining this inflection point, as its implications for Chinese domestic politics and the broader behavior of the Chinese state cannot be overstated.

Under the Hu/Wen administration, there was widespread concern that party corruption was reaching unsustainable levels. There was also likely a sense that market liberalization and the rise of Chinese

60 The fact that China's economic growth has not led to democratization undermines a key premise of modernization theory. While it is outside the scope of this report, this mismatch between expectations and reality plays an important role in the evolution of the US-China relationship. For an insightful treatment of this issue, see Yuen Yuen Ang, *How China Escaped the Poverty Trap* (Ithaca: Cornell University Press, 2016).

mega-companies and business tycoons posed a threat to the party. These dual threats led the CCP to feel that the “consensus-based” leadership approach to politics adopted since the Deng Xiaoping era, in which the Politburo Standing Committee (PSC) Chairman or General Secretary is merely first among equals, was insufficient for the difficult task of caging these threats. As a result, the deliberate decision was made to appoint Xi Jinping with the understanding that he would not be subject to such leadership consensus constraints.⁶¹

Subsequently, Xi has proven himself to be an incredibly adept political operator. He utilized his mandate to reign in party corruption—earning him a degree of popularity as the “good emperor” who disciplines predatory officials—and reassert party control over the military and economy.⁶² This proceeded largely in a canny two-step process: first, the anti-corruption campaign, which Xi used not only to garner popular support but to purge opponents and appoint allies; followed in his second term by disciplining the business community, perhaps best symbolized by the 2020 takedown of Jack Ma.⁶³

Before the COVID-19 outbreak, Xi seemed to have broad popular support, according to Harvard's Ash Center for Democratic Governance and Innovation.⁶⁴ However, China's COVID-19 lockdowns appear to have been a wake-up call for a population long accustomed to being largely free to determine their own

61 See, e.g., Nimrod Baranovitch, “A Strong Leader for a Time of Crisis: Xi Jinping's Strongman Politics as a Collective Response to Regime Weakness,” *Journal of Contemporary China* 30, no. 128 (July 13, 2020): 249–65.

62 Mark Beeson, “Xi Jinping: the good emperor?,” *The Conversation*, October 1, 2014, <https://theconversation.com/xi-jinping-the-good-emperor-32395>.

63 Li Yuan, “Why China Turned Against Jack Ma,” *The New York Times*, December 24, 2020, <https://www.nytimes.com/2020/12/24/technology/china-jack-ma-alibaba.html>.

64 Edward Cunningham, Tony Saich, and Jesse Turiel, “Understanding CCP Resilience: Surveying Chinese Public Opinion Through Time.” Harvard Kennedy School Ash Center for Democratic Governance and Innovation, July 2020, https://ash.harvard.edu/files/ash/files/final_policy_brief_7.6.2020.pdf.

business and private lives. Chinese society seemed, for the first time, to consciously register how much more vulnerable it had become to arbitrary authority, in a way previously unknown to post-Tiananmen generations. Indeed, in seeming reaction to this new threat, the so-called “white paper” movement erupted in multiple Chinese cities.⁶⁵ While protests themselves are not uncommon in China, this seemed to mark the first time a protest with a unified political theme emerged simultaneously across many locations since Tiananmen. Xi appeared to register this with some alarm, abruptly reversing course on his lockdown policy. Such an abrupt policy reversal was as unprecedented as the protests to which it responded. While the Chinese leadership always eyes its population warily, we should now understand China’s population increasingly casts a wary eye on its leadership. This novel dynamic will likely continue to linger beneath the surface, lending Chinese domestic politics a new degree of uncertainty.

This new dynamic in Chinese domestic politics is punctuated by the precedent-breaking third term Xi secured in October 2022 at the 20th Party Congress. Beyond securing his third term, Xi also orchestrated the appointment of six loyalists to the elite 7-member Politburo Standing Committee. These developments effectively signaled that Xi’s consolidation of political power was complete. Research on authoritarian regimes indicates that leaders who consolidate this level of power, particularly when it includes control over the internal security services, are rarely displaced.⁶⁶

Nevertheless, it is important to pay close attention to the possible “elite compact” that generated support for an unprecedented third term. Just as there was an elite compact in which Xi would be granted unusual power at the beginning of his leadership to combat cor-

ruption more effectively, there may well have been a no less meaningful compact for Xi’s third term. Some observers, such as Niall Ferguson, have suggested Xi justified his mandate for an unprecedented third term based on his commitment and ability to gain control over Taiwan.⁶⁷

If this is the case, it is conceivable Xi will feel increased pressure to demonstrate progress on unification with Taiwan in the coming years. Indeed, a recent CFR Task Force concludes that “the chance of a conflict [over Taiwan] will rise as Xi Jinping approaches the end of his tenure and the basis of his legitimacy shifts from delivering economic growth to satisfying Chinese nationalism.”⁶⁸ So far, China has played a deft hand in keeping nationalist voices under its control. State propagandists (and censors) have been able to maintain control by turning up and down the volume of nationalist sentiment as it suits their interests. But total control over Chinese nationalism is not something Xi (or any other political leader) can count on.

In the 1990s, when China was still relatively weak, no one could reasonably expect the leadership to secure unification with Taiwan. Three decades later, when China has comfortably claimed its spot as the world’s second-largest economy, polls indicate a majority (55 percent) in China profess support for armed unification.⁶⁹ Xi himself alluded to nationalist pressures when he told President Biden that, about Taiwan, Chinese citizens “cannot be defied.”⁷⁰ Such pressures

65 “China: Free ‘White Paper’ Protesters”, Human Rights Watch, January 26, 2023, <https://www.hrw.org/news/2023/01/26/china-free-white-paper-protesters>.

66 See Barbara Geddes, Erica Frantz, and Joseph Wright, *How Dictatorships Work: Power, Personalization, and Collapse* (Cambridge: Cambridge University Press, 2018).

67 Hoover Institution, “Cold War II: Niall Ferguson on The Emerging Conflict with China | Uncommon Knowledge,” YouTube Video, April 24, 2023, 1:01:54, <https://www.youtube.com/watch?v=KDLTUMIR4jg>.

68 Susan M. Gordon, Michael G. Mullen, and David Sacks, “U.S. Taiwan Relations in a New Era. Responding to a More Assertive China.” (Independent Task Force Report No.81, Council on Foreign Relations, June, 2023), <https://www.cfr.org/task-force-report/us-taiwan-relations-in-a-new-era>.

69 Adam Y. Liu and Xiaojun Li, “Assessing Public Support for (Non)Peaceful Unification with Taiwan: Evidence from a Nationwide Survey in China,” *Journal of Contemporary China* 33, no. 145 (May 14, 2023): 1–13.

70 “When it comes to a war with Taiwan, many Chinese urge caution,” *The Economist*, June 19, 2023, <https://www.econ->

are an issue the Chinese leadership must be sensitive to, even as the same poll indicates only 1 percent favor the pursuit of unification through full-scale war without first attempting less coercive options. Nearly a quarter (22 percent) of Chinese respondents were open to the possibility of “unification not necessarily being the end game.”

China’s Continued Faith in Peaceful Unification?

For some observers, China’s threatening rhetoric and the shifting social and political dynamics within Taiwan (see “*Taiwanese Domestic Politics*,” below) lead to the conclusion that China surely must have abandoned all hope of “peaceful unification.” With a Taiwanese society that increasingly identifies solely as Taiwanese and expresses widespread antipathy to the CCP or the prospect of future unification—particularly after witnessing how “One Country, Two Systems” (1C2S) manifested in Hong Kong—how could the PRC reach any conclusion other than that only the use of force could achieve unification?⁷¹

First, it is worth keeping in mind that the PRC’s strategy involves not just compelling unification but the protracted deterrence of Taiwanese independence.⁷² Second, Taiwanese antipathy to the CCP and 1C2S does not inexorably lead to the conclusion that the Taiwanese would never agree to some type of unification arrangement. Taiwanese society also must continually (re)assess a cost/benefit calculation, and

omist.com/china/2023/06/19/when-it-comes-to-a-war-with-taiwan-many-chinese-urge-caution.

71 Election Study Center, National Chengchi University, “Taiwanese/Chinese Identity (1992/06-2023/12),” February 22, 2024, <https://esc.nccu.edu.tw/PageDoc/Detail?fid=7800&tid=6961>; Shelley Rigger, Lev Nachman, Chit Wai JohnMok, and Nathan Kar Ming Chan, “Why is unification so unpopular in Taiwan? It’s the PRC political system, not just culture,” Brookings Institute, February 7, 2022, <https://www.brookings.edu/articles/why-is-unification-so-unpopular-in-taiwan-its-the-prc-political-system-not-just-culture/>.

72 I thank James Lee of Academia Sinica for highlighting this point in our conversation. James Lee, interviewed by Brendan Flynn, April 14, 2023.

while unification may be far from the first preference of most Taiwanese if the alternatives include: (a) economic stagnation; (b) international isolation; (c) accumulative psychological demoralization; and (d) an overall sense of hopelessness for the prospect of eventual Taiwanese independence, then Beijing may calculate that accommodation with China might ultimately be grudgingly accepted by significant numbers Taiwanese.⁷³

That is why China continues to wage a multi-pronged effort to undermine Taiwanese confidence from within while also extending economic and other incentives for cooperation.⁷⁴ As John Dotson has written, China is also likely in the process of reformulating its 1C2S doctrine, even as it maintains its basic approach.⁷⁵ This consists of “rejecting engagement with Taiwan’s current ‘separatist’ government, building united front social and cultural connections, and offering economic inducements to persons and groups in Taiwan who do not challenge PRC claims of sovereignty over the island and its people.” As Bonnie Glaser states, “China’s strategy is to use various forms of pressure on Taiwan to instill a sense of psychological despair among the people of Taiwan so that they conclude they have no future in being autonomous and therefore they

73 This is not the author’s assessment. The point is merely to illustrate the logic by which Beijing may perceive a viable path to “peaceful unification.”

74 See also John Dotson’s August 2023 report on Chinese Influence Operations Against Taiwan, in which China attempts to undermine Taiwanese confidence in American support (which, of course, is a key condition for Taiwan maintaining its present political status). John Dotson, “Chinese Information Operations against Taiwan: The ‘Abandoned Chess Piece’ and ‘America Skepticism Theory,’” (Global Taiwan Institute, report), https://globaltaiwan.org/wp-content/uploads/2023/08/OR_ASTAW0807FINAL.pdf.

75 John Dotson, “The CCP Convenes Its Annual Taiwan Work Conference for 2023 - and Signals a Possible Ideological Shift in Taiwan Policy,” *Global Taiwan Brief*, May 31, 2023, <https://globaltaiwan.org/2023/05/the-ccp-convenes-its-annual-taiwan-work-conference-for-2023-and-signals-a-possible-ideological-shift-in-taiwan-policy/>.

should strike some deal with China.”⁷⁶

Many Taiwanese experts concur this remains China’s primary strategy.⁷⁷ For example, Kuan-chen Lee at INDSR states that China’s strategy continues to focus on “changing the perceptions of the Taiwanese people.”⁷⁸ Lee goes on to list three key components of China’s strategy: “It attempts to deepen Taiwanese people’s understanding that (1) reunification has advantages; (2) Taiwan independence is a dead end; (3) outsiders cannot be relied on. In other words, the CCP’s priority of pursuing reunification is to sow the seeds of peaceful unification among the people of Taiwan, rather than a full-scale invasion.” There is also the fact that, as recent polling by Timothy S. Rich illustrates, the Taiwanese public continues to be skeptical of US support coming to its defense.⁷⁹ If only 35 percent of the Taiwanese public is confident the US will help defend Taiwan in the event of a Chinese attack, this increases the potential effectiveness of Chinese pressure campaigns.

76 China’s confidence in continually increasing its various forms of military and economic pressure short of war against Taiwan may stem from its belief that its cross-strait power advantage will also only increase over time. I thank Yeh-Chung Lu of National Chengchi University for this insight. Yeh-Chung Lu, interviewed by Brendan Flynn, April 18, 2023.; Tomas Janeliūnas, “Bonnie Glaser: We do need to de-risk from China,” Eastern Europe Studies Centre, June 13 2023, <https://www.eesc.lt/en/publication/bonnie-glaser-we-do-need-to-de-risk-from-china/>.

77 When I raised this point with Taiwanese IR scholars in Taipei, scholars typically but not universally expressed their view that Beijing continued to feel no undue sense of urgency because of Beijing’s confidence that time was on its side.

78 Erin Hale, “China spinning a ‘web’ of influence campaigns to win over Taiwan,” *Al Jazeera*, June 13, 2023, <https://www.aljazeera.com/news/2023/6/13/china-spinning-a-web-of-influence-campaigns-to-win-over-taiwan>.

79 Timothy S. Rich, “Are Taiwanese Confident that Americans Will Defend Them?” *The National Interest*, June 20, 2023, <https://nationalinterest.org/feature/are-taiwanese-confident-americans-will-defend-them-206566>.

Prominent Chinese IR expert Yan Xuetong also holds this perspective. As he writes,

*“[F]rom the Chinese government’s perspective, I believe China has a strong willingness to maintain peace in the Taiwan Strait region. For example, in a recently held meeting on Taiwan-related matters, the Chinese government proposed the establishment of a cross-strait integrated development demonstration zone between Fujian Province and Taiwan, aiming for the integration and development of both sides. This is intended to be a model and demonstration zone for a peaceful reunification policy.”*⁸⁰

While Taiwan is a special case, the use of economic inducements and development incentives is widely understood to be a cornerstone of Chinese foreign policy—“economic statecraft” which, particularly in Southeast Asia, has yielded China meaningful if uneven gains.⁸¹ Moreover, even certain Chinese nationalists, according to some reports, urge patience. In their view, “Taiwan will naturally capitulate when it becomes evident that China’s power has eclipsed America’s.”⁸²

80 Zichen Wang, “Yan Xuetong on Blinken’s China visit, Taiwan, the war in Ukraine, etc,” *Pekingology*, June 20, 2023, <https://www.pekingnology.com/p/yan-xuetong-on-blinkens-china-visit>.

81 For two helpful and succinct treatments of this issue, see Xue Gong, “China’s Economic Statecraft: The Belt and Road in Southeast Asia and the Impact on the Indo-Pacific,” *Security Challenges* 16, no. 3 (2020): 39-46. and Vannarith Chheang, “China’s Economic Statecraft in Southeast Asia,” *Perspective ISEAS Yusof Ishak Institute*, no. 45 (2018): 1-8.

82 Beyond the pronouncements of Chinese leaders themselves, numerous American experts and officials also highlight China’s continued belief that “time is on its side.” As Ryan Hass notes, “...Beijing remains confident in the bet in favor of its long-term ascent. Although China’s leaders refer less often publicly to ‘time and momentum on China’s side,’ China’s strategic community continues to posit that their relative position in Asia will strengthen alongside the country’s continued economic rise.” Ryan Hass, “The New Great Game for Leadership in Asia,” *The Jerusalem Strategic Tribune*, June, 2023. <https://jstribune.com/hass-the-new-great-game-for-leadership-in-asia/>. And as Kurt Campbell put it, “at the beginning of this [Biden] admin-

A closer consideration of Chinese domestic politics helps spotlight the tradeoffs Beijing faces between its preference for Taiwan and its broader basket of security, economic, diplomatic, and indeed survival preferences. These broader preferences inform the focus China has placed on arguably the largest modernization effort in history since Deng Xiaoping commenced “reform and opening up” in 1978. While the emphasis under Xi has shifted somewhat from development to security (see again the CFR report), the Chinese leadership understands that just as the source of its growing power on the international stage is its economic and military power, the source of its domestic legitimacy is the stability and growing wealth enjoyed by its enormous population.⁸³ If compelling unification with Taiwan by force is perceived as having a significant chance of failure, then it makes little sense to pursue such a course when the consequences could be fatal to the CCP’s broader goals. Indeed, the CCP’s ultimate goal is to stay in power, a goal that a failed effort to take Taiwan by force could well jeopardize.

As this section illustrates, among the many factors Beijing must weigh when contemplating its policy towards Taiwan are not only China’s but indeed Taiwan’s domestic politics. The latter is explored in more detail below.

Taiwanese Domestic Politics

One of the biggest changed circumstances since 1979 impacting cross-strait dynamics is the democratic evolution of Taiwanese politics. No other political de-

velopment in Taiwan is so salient for the cross-strait and trilateral relationship than the fact that in 1979 Taiwan was a single-party state under martial law, while since the 1990s robust democratic procedures and popular participation have flourished. This is the most significant change factor in Taiwanese domestic politics for the cross-strait and trilateral relationship for the simple reason that it gives the Taiwanese people themselves a seat at the negotiating table.

Those who follow Taiwanese politics are familiar with its complex identity issues and political affiliations. With a new third party (the Taiwan People’s Party, or TPP) emerging as a significant force in the 2024 election cycle in addition to the two main parties (the Kuomintang or KMT, and the Democratic Progressive Party or DPP), independent candidates and business tycoons (such as Foxconn founder Terry Gou), party factions and sub-factions, and an array of demographic and identity cleavages that do not always easily map onto party affiliation (the *waishengren* vs. *benshengren* cleavage being perhaps the most prominent example), domestic Taiwanese politics can challenge even seasoned Taiwan watchers.

As concerns the cross-strait and trilateral relationship, however, the most salient cleavage continues to be that between the DPP and KMT.⁸⁴ The DPP emerged from the *tangwai* (“outside party”) movement in the 1970s and 80s and secured the presidency in 2000 under Chen Shui-bian in Taiwan’s second democratic presidential election. In simplified terms, the DPP favors a cooler relationship with China and emphasizes Taiwanese nationalism. Despite the DPP moderating its language on Taiwanese independence, the PRC remains deeply distrustful of DPP intentions. After

83 Susan M. Gordon, Michael G. Mullen, and David Sacks, “U.S. Taiwan Relations in a New Era. Responding to a More Assertive China.” (Independent Task Force Report No.81, Council on Foreign Relations, June, 2023), <https://www.cfr.org/task-force-report/us-taiwan-relations-in-a-new-era>.

84 With, as mentioned, due consideration for the emergent TPP third party, insofar as it threatened to play a spoiler role in the 2024 Presidential election. It remains to be seen the amount of influence the TPP may have on the political center of gravity on cross-strait issues.

current Taiwan President Tsai Ying-wen (DPP) declined to explicitly endorse the so-called “1992 Consensus” following her election to president in 2016, the PRC essentially severed official engagement and dialogue with Taiwan’s leadership.

The KMT, on the other hand, continues to favor a more accommodationist approach to the PRC. While there is some irony to this, given the CCP’s status as the KMT’s civil war antagonist and as the party that successfully ejected the KMT from the mainland in 1949, in recent decades the PRC and KMT’s shared commitment to “one China” (albeit vastly different interpretations) has brought the two closer together. During the 2008 - 2016 KMT-led administration under President Ma Ying-jeou, cross-strait relations achieved a new level of stability and the economic relationship accelerated. This culminated in a meeting between Xi and Ma in Singapore in 2015, the first between leaders of both sides of the strait.⁸⁵

Taiwanese society, however, grew wary of what it perceived to be the overly accommodationist policies of the Ma administration. Concerns about loss of sovereignty via growing economic dependence on the mainland abounded. Such concerns manifest most vividly during the 2014 Sunflower demonstrations protesting the Cross-Strait Service Trade Agreement (CSSTA). Fueled by such concerns, the more independent-leaning DPP was returned to office in a relative landslide in 2016 under Tsai Ying-wen.⁸⁶

Since the DPP was first elected to the office of president in 2000, Taiwanese identity has served as a reliable proxy for likely voting behavior. Those who identified as Chinese or Chinese and Taiwanese in Taiwan reliably voted for the KMT, while those who

85 The last meeting between leaders of the PRC and KMT occurred when Mao Zedong and Chiang Kai-shek met in 1945.

86 Tsai won 56 percent of the vote, while KMT candidate (and current KMT Chairperson) Eric Chu garnered only 31 percent of the electorate’s support.

identified as Taiwanese only reliably voted for the DPP.⁸⁷ Recent polling, however, illustrates the identity issue may have been less relevant for voters heading into the 2024 election. While the younger generation continues to heavily identify as Taiwanese, early polling showed DPP candidate Lai Ching-te to be the least popular candidate with young voters.⁸⁸ Whereas the DPP served as the “protest party” against accommodation with China as well as low wages and high cost of living in 2016, a new generation has emerged that has only really known DPP leadership. This generation has seen wages continue to stagnate as costs continue to rise. Indeed, Taiwan has one of the worst housing price-to-income ratios in the world.⁸⁹ Combine these economic grievances with daily reminders of the possibility of PRC military invasion, and it is perhaps not surprising that young voters and other electoral demographics are giving the KMT and/or the emergent TPP a second look.

Such grievances are precisely what informed the KMT’s strategy heading into the 2024 election. Additionally, as Bonnie Glaser has commented, “The KMT is telling the Taiwanese people if they vote for the KMT, it’s a vote for peace; if they vote for the DPP, it’s a vote for war.”⁹⁰

87 Hence the apparent relevance of the *waishengren* / *benshengren* divide, in which *waishengren* more consistently affiliate with the KMT while *benshengren* more consistently affiliate with the DPP. [*Waishengren* roughly translates to “outside province person” or “mainlanders” and refers to mainland Chinese who migrated to Taiwan after 1945 or during the KMT retreat in 1949. *Benshengren* roughly translates to “original province people” and refers to Han Chinese, most often originally from Fujian province, who migrated to Taiwan before 1945, sometimes centuries earlier].

88 Russel Hsiao, “Three Domestic Political Variables to Watch in Taiwan’s 2024 Presidential Election,” *Global Taiwan Brief*, May 31, 2023, <https://globaltaiwan.org/2023/05/three-domestic-political-variables-to-watch-in-taiwans-2024-presidential-election/>.

89 Roy Ngerng, “Taiwan’s Housing Crisis (Part 1): Taiwan’s Housing Prices Are Among the Highest Globally but Wages Are One of the Lowest Among Advanced Countries,” *The News Lens*, March 22, 2023, <https://international.thenewslens.com/article/182910>.

90 Tomas Janeliūnas, “Bonnie Glaser: We do need to de-risk from China,” Eastern Europe Studies Centre, June 13 2023, <https://www.eesc.lt/en/publication/bonnie-glaser-we-do-need-to>

While this strategy ultimately did not secure the presidency, the KMT did add fourteen seats in the Legislative Yuan, garnering a total of 52 ahead of the DPP's 51. And while the success of KMT candidates in the 2022 local elections also surprised some, we should not read too much into local elections in which cross-strait issues are not necessarily on the ballot. At the same time, consistently poor performance in local elections could well eventually influence national electoral outcomes.⁹¹

Taiwanese voters may also be fatigued by parties campaigning as if their orientation to China was the only issue that mattered. As Hung-Jen Wang of National Cheng Kung University explained, in Taiwan's two-party system, divergent attitudes toward China are an important mechanism by which the two parties distinguish themselves.⁹² This is likely what accounts for the rising popularity of the third-party TPP, which secured eight seats in the Legislative Yuan and 26 percent of the Presidential vote in the 2024 election. Popular amongst young voters, the TPP leans slightly to the blue (KMT) side of the political spectrum. Its popularity is likely accounted for by the fact that the TPP positions itself as transcending the China issue as the main dividing line in Taiwanese politics. As they advertise their position, "When we ask every other political party, 'What's your central ideology?' Whether they advocate for unification or independence, they never thought of 'making our people's lives better.'"⁹³ The level of discontent in Taiwan over daily economic issues should not be underestimated as a future driver of Taiwanese electoral politics.

Still, there is no denying the centrality of Taiwan's re-

de-risk-from-china/.

91 I thank Fang-Yu Chen of Soochow University, Taiwan, for raising this issue in our conversation. Fang-Yu Chen, interviewed by Brendan Flynn, March 29, 2023.

92 Hung-Jen Wang, interviewed by Brendan Flynn, April 7, 2023.

93 "Taiwan's People Party (TPP) Core Values," Taiwan's People's Party, accessed March 5, 2024, https://www.tpp.org.tw/en/core_values.php

lationship with China as *the* issue in Taiwan—no other issue holds such dramatic existential significance. Moreover, with over 40 percent of Taiwan's exports destined for China, China is central to bread-and-butter issues for many Taiwanese.⁹⁴ Taiwanese politics as a result remains fluid and complex—generic assumptions about linear trends in Taiwanese politics cannot be assumed. Just as the return to power of a president such as Donald Trump based on American social and economic grievances would have a massive impact on the cross-strait status quo, so too would a future change from a DPP to a KMT, TPP, or KMT/TPP administration.

The main point is that when the foundation for US-China-Taiwan relations was laid in 1979, China's policy in Taiwan was largely restricted to a narrow political elite governing a population constrained by martial law. In January 2024, Taiwan's 23 million people exercised their voice in a way that was simply not possible when the current trilateral arrangement came into effect, as they have done every election cycle since 1996. This reflects yet another area in which, as time passes, the "status quo" political arrangement is fitted to considerably changed circumstances than those for which it was originally designed.

Taiwanese Politics and the "1992 Consensus"

As a precondition for talks, the PRC has insisted Taiwan's leaders recognize the "1992 Consensus," a series of informal meetings between the PRC and KMT held in British Hong Kong. The apparent, but disputed, outcome of these meetings was that both the PRC and Taiwan put forward their respective definitions of "one China." While *neither* side accepted the other's definition—given that the PRC's definition included Taiwan as a "special ad-

94 Evelyn Cheng, "Taiwan's trade with China is far bigger than its trade with the U.S.," *CNBC*, August 4, 2022, <https://www.cnbc.com/2022/08/05/taiwans-trade-with-china-is-far-bigger-than-its-trade-with-the-us.html>.

ministrative region” under PRC leadership, whereas Taiwan’s definition included Taiwan plus mainland China under ROC leadership—the mere fact that both sides articulated a “one China” point-of-view that included Taiwan provided a sufficient basis for increased political interaction and exchange across the strait. It is out of this minimal mutual reference to a greater China that includes Taiwan that the nomenclature of a “consensus” was later derived.

Because the term “consensus” is such a freighted one, it has provoked significant controversy. The position of the DPP has typically been to deny such a consensus ever existed. While it is fair to dispute whether a “consensus” was achieved, such denials perhaps overlook the more pragmatic aspect of the meetings, which was to find some minimal basis acceptable to both parties for further dialogue and improvement of relations. The 1992 talks did form the foundation on which representatives from China and Taiwan met in Singapore in 1993 and agreed to increase cross-strait trade and people-to-people exchanges.

This was also the American perspective. For example, following a 2008 call between Chinese President Hu Jintao and US President George W. Bush, Bush’s National Security Advisor Stephen Hadley held a press briefing. Hadley reported that “[President Hu Jintao] said that it is China’s consistent stand that the Chinese mainland and Taiwan should restore consultation and talks based on the 1992 consensus, which sees both sides recognize there is only one China, but agree to differ on its definitions.”⁹⁵ Hadley continued, “The interesting thing is whether this is an indication or a signal of a willingness to *open dialogue on a basis that in previous years had been*

accepted by both parties” [emphasis added].⁹⁶

Following his election to President in 2008, Ma Ying-jeou (KMT) leaned heavily into the “1992 Consensus” as a basis for dialogue and improved relations between the two sides. As Ma put it in his inaugural address, “I want to reiterate that, based on the ‘1992 Consensus,’ negotiations should resume at the earliest time possible.”⁹⁷ As discussed above, cross-strait relations subsequently reached their zenith under Ma, including a 2015 meeting with Xi Jinping.

Because the DPP is much more taciturn about making *any* claim to the mainland—and, hence, any formulation of a “one China” position—it takes a much more critical view of the so-called “1992 Consensus,” at times denying its existence. And yet, even Tsai Ying-wen, during her 2016 inaugural Presidential address, stated the following:

“We will also work to maintain the existing mechanisms for dialogue and communication across the Taiwan Strait. In 1992, the two institutions representing each side across the Strait (SEF & ARATS), through communication and negotiations, arrived at various joint acknowledgments and understandings. It was done in a spirit of mutual understanding and a political attitude of seeking common ground while setting aside differences. I respect this historical fact. Since 1992, over twenty years of interactions and negotiations across the Strait have enabled and accumulated outcomes which both sides must collectively cherish and sustain; and it is based on such existing realities and political foundations that the stable and peaceful development of the cross-Strait relationship must be continuously promoted...

95 “Corrected: Press Briefing by National Security Advisor Stephen Hadley on the President’s Trip to the NATO Summit,” *Business Wire*, March 27, 2008, <http://www.businesswire.com/news/home/20080327005800/en/CORRECTED-Press-Briefing-National-Security-Advisor-Stephen#.Vgv0GezP32d>.

96 Ibid.

97 “Ma Ying-Jeou, ‘Inaugural Address,’ May 20, 2008,” USC US-China Institute, May 20, 2008, <https://china.usc.edu/ma-ying-jeou-%E2%80%9CInaugural-address%E2%80%9D-may-20-2008>.

By existing political foundations, I refer to a number of key elements. The first element is the fact of the 1992 talks between the two institutions representing each side across the Strait (SEF & AR-ATS), when there was joint acknowledgment of setting aside differences to seek common ground. This is a historical fact.”⁹⁸

Tsai’s inaugural address therefore went some distance towards underscoring the significance of the discussions that took place in 1992. What likely surprised Tsai is that, despite her willingness to “respect this historical fact,” the PRC found her gesture insufficient. It is quite possible that Beijing was determined to set an impossibly high bar for the DPP leadership as a pretext for not engaging. Engagement with the DPP—a party that Beijing frequently refers to as “separatists”—would have lent the DPP greater legitimacy.⁹⁹ By 2019 (in response to a speech made by Xi Jinping calling for adherence to the 1992 Consensus), Tsai stated the following: “I must emphasize that we have never accepted the ‘1992 Consensus.’¹⁰⁰ The fundamental reason is because the Beijing authorities’ definition of the ‘1992 Consensus’ is ‘one China’ and ‘one country, two systems.’”¹⁰¹

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

99 “Embassy spokesperson’s remarks on the DPP authorities’ provocative actions for ‘Taiwan independence’ and the external forces’ moves of playing the ‘Taiwan Card,’” Embassy of the People’s Republic of China in the United Kingdom of Great Britain and Northern Ireland, accessed March 5, 2024, http://gb.china-embassy.gov.cn/eng/PressandMedia/Spokepersons/202209/t20220902_10759332.htm.

100 “President Tsai issues statement on China’s President Xi’s ‘Message to Compatriots in Taiwan,’” Office of the President Republic of China (Taiwan), accessed March 5, 2024, <https://english.president.gov.tw/News/5621>.

101 During an August 2023 English-language interview on Taiwan Talks, advisors to the three main 2024 candidates appeared unanimous in expressing their candidates’ willingness to update and replace the 1992 Consensus in terms more relevant to 2023. *Taiwan Talks*, “How a New President Could Change Taiwan’s Foreign Policy,” August 4, 2023, YouTube Video, 47:46,

Therefore, there has been no meaningful engagement between the Taiwanese DPP-led government and the PRC since the 2016 election. Indeed, tensions across the strait have arguably been at their highest in decades. China regularly conducts military exercises around Taiwan’s periphery, and after Nancy Pelosi’s visit in 2022 began regularly dispatching fighter aircraft across the strait’s median-line. At no other time, even during the 1996 cross-strait crisis, has the possibility of war breaking out has been so widely speculated upon amongst politicians, military leaders, and media commentators. This backdrop serves to illustrate why the January 2024 presidential elections in Taiwan were anticipated with such suspense.

Whatever the DPP’s position on the so-called “1992 Consensus,” it remains to be seen whether Beijing is willing to engage with the DPP on any terms. As illustrated by Beijing’s stonewalling of the DPP even after Tsai’s relatively accommodating 2016 speech above, Beijing has generally viewed engagement with the DPP as a non-starter. Indeed, in advance of DPP President-elect and then-Presidential candidate Lai’s August 2023 transit through the United States, Chinese foreign ministry spokeswoman Mao Ning stated “China firmly opposes any form of official US-Taiwan interactions, firmly opposes Taiwan independence separatists visiting the US under any name or reason...”¹⁰² As outlined in the Conclusion, the lack of engagement between the PRC and DPP is a key obstacle to the foundation of a new and more sustainable political arrangement.

The ways in which alternating eight-year terms be-

<https://www.youtube.com/watch?v=yckau2AaXmY>.

102 Orange Wang, “Taiwanese presidential contender William Lai’s planned visit to US leads Beijing to lodge formal protest,” *South China Morning Post*, July 17, 2023, https://www.scmp.com/news/china/diplomacy/article/3228025/chinese-foreign-ministry-lodges-formal-protest-us-over-planned-visit-taiwanese-presidential?module=perpetual_scroll_0&pgtype=article&campaign=3228025.

tween the DPP and KMT dating back to 2000 correspond to significant escalation and de-escalation in tensions indicate how significant Taiwanese domestic politics are for the cross-strait and trilateral relationship. Fundamental to this significance are changes in Taiwanese society. Given that the DPP has bucked the trend and secured a third consecutive term under President-elect William Lai, the United States will need to play an important role in finding a way for the DPP and PRC to begin constructive talks. Lack of official contact across the strait is not a sustainable state of affairs.

Indeed, this represents one of the most significant changes across the strait since the current foundation for interaction was established in 1979. This change is undoubtedly one of the major factors that could contribute to a war over Taiwan. For this reason, it is critical to find a way of adapting this changed condition into an updated foundation for trilateral relations. The fact that all three Taiwanese presidential candidates appear to express a willingness to think creatively about updating formerly key tenets of cross-strait stability—such as the 1992 Consensus—bodes well.

The United States should play a proactive role in fostering the conditions for such adaptation. Yet, as explored below, changed US domestic politics also introduced a new factor to the trilateral relationship that was wholly absent in 1979.

US Domestic Politics

The United States' position is that its "One China" policy remains unchanged since 1979. Moreover, the United States continues to be sensitive to Chinese perceptions of its formal engagement with Taiwan's leaders.¹⁰³ However, it is important to remember the strategic rationale that first brought the US "One Chi-

103 To give two commonly cited examples, the United States and Taiwan maintain "institutes" or "economic and cultural representative offices" rather than embassies in each other's capitals, and Taiwanese leaders typically only "transit" through the United States while generally avoiding Washington.

na" policy into being: namely, intense strategic competition with the U.S.S.R. This competition led the Nixon, and subsequently Ford and Carter, administrations to place a premium on taking advantage of a "split" between the Soviet Union and the PRC. The result was the normalization of US-China relations in 1979, which of course involved the decision to derecognize Taiwan, a treaty ally of the United States since 1955 (signed in 1954). At the time there was widespread support amongst the American public for this rapprochement. This original context surrounding the US "One China" policy is important to highlight to appreciate how dramatically circumstances have changed.

That is not to say that US interests have changed so fundamentally in the intervening decades as to cause Washington to reweight its policies towards Taiwan above its broader basket of preferences, particularly its preference for the absence of kinetic conflict with China over Taiwan's status. Nevertheless, when a recent American Secretary of State, Mike Pompeo, travels to Taipei and calls for the United States to recognize Taiwan as a sovereign state, and former Republican officials such as John Bolton and presidential candidates call for the United States to replace its policy of strategic ambiguity, it is clear how much changed circumstances are applying stress on existing US policy.¹⁰⁴ US President Joseph Biden has also made four separate assertions that give at least the appearance of changing US Taiwan policy, even if White House officials assert American policy is unchanged.¹⁰⁵

104 Ben Blanchard, "U.S. should recognise Taiwan, former top diplomat Pompeo says," *Reuters*, March 4, 2022, <https://www.reuters.com/world/asia-pacific/us-should-recognise-taiwan-former-top-diplomat-pompeo-says-2022-03-04/>; Nick Baker and Tom Switzer, "John Bolton urges the US and others to 'consider Taiwan an independent country,'" *ABC News (Australian Broadcasting Corporation)*, August 27, 2022, <https://www.abc.net.au/news/2022-08-28/john-bolton-on-taiwan-china-donald-trump/101377348>.

105 Zack Cooper, "The Fourth Taiwan Strait Slip-Up," American Enterprise Institute (AEI), September 19, 2022, <https://www.aei.org/foreign-and-defense-policy/the-fourth->

This has led some American experts to assert the US has moved too far in terms of its commitment to Taiwan. As Paul Heer wrote in *The National Interest* in March 2022, “The US-Taiwan relationship has been moving gradually towards one of strategic alignment at Beijing’s expense.”¹⁰⁶ As evidence, Heer cites Ely Ratner, a senior Biden administration official, who in Congressional testimony “characterized Taiwan as a strategic asset that was ‘critical to the defense of vital US interests in the Indo-Pacific.’” The result, Heer argues, is that “Washington and Taipei have essentially changed the status quo on the Taiwan Strait—with Taipei’s retreat from the ‘One China’ framework and Washington’s implicit support for that retreat.” Niall Ferguson has also commented that Washington has taken a “significant shift...in [its] specific attitude toward Taiwan.”¹⁰⁷

While such characterizations are subject to vigorous debate, the fact that they are disseminated by expert American commentators should provide some sense of how US statements and actions are likely perceived in Beijing. If respected American experts opine that the US and Taiwan are moving towards “strategic alignment,” how much more readily must this view be adopted in China?

It is not difficult to understand why there are political and geostrategic incentives for American leaders to make statements or actions that probe the parameters of US policy since 1979. Whereas China was once solicited to help bolster the US in its primary rivalry against the Soviet Union, China now assumes the role of the US’ “pacing challenge,” at least according to the

taiwan-strait-slip-up/.

¹⁰⁶ Paul Heer, “The Real Lesson for Taiwan From Ukraine,” *The National Interest*, March 1, 2022, <https://nationalinterest.org/feature/real-lesson-taiwan-ukraine-200897>.

¹⁰⁷ Comments made in conversation with Peter Robinson, *Uncommon Knowledge*, April 24, 2023. Hoover Institution, “Cold War II: Niall Ferguson on The Emerging Conflict with China | Uncommon Knowledge,” YouTube Video, April 24, 2023, 1:01:54, <https://www.youtube.com/watch?v=KDLTUMIR-4jg>.

US Department of Defense.¹⁰⁸ The changed geopolitical power balances highlighted at the beginning of this report place serious strain on a US policy originally designed for US-China cooperation rather than competition. At the same time, US officials continue to emphasize the need to cooperate with China. And while it is not inconceivable that a Republican president would be tempted to formally abandon the “One China policy”—as recommended by former Secretary Pompeo—the broad basket of American security, economic, and diplomatic preferences continue to outweigh and mitigate against such a change.¹⁰⁹

The fact that Trump’s former Secretary of State could call for unambiguous recognition of Taiwan, on the one hand, even as it is not inconceivable that former President Trump could prioritize a “deal” with China that would prejudice US policy towards Taiwan (particularly as outlined in the *Taiwan Relations Act*) on the other, give a good indication of the powerful crosscurrents currently assailing American politics. The US is notoriously riven with substantial cultural and economic cleavages. These cleavages have given rise to a desire amongst a substantial portion of the American public to retrench from global affairs and concentrate on domestic renewal. Trump captured and inspired this point of view with his “America First” slogan. Such sentiments are sufficiently strong that Democrats also pay them heed, as indicated by both Hillary Clinton and Joseph Biden’s withdrawal of support for the Trans-Pacific Partnership (TPP).

On the other hand, such “isolationist” views are tem-

¹⁰⁸ Jim Garamone, “Defense Official Says Indo-Pacific Is the Priority Theater; China is DOD’s Pacing Challenge,” *Department of Defense News*, March 9, 2022, <https://www.defense.gov/News/News-Stories/Article/Article/2961183/defense-official-says-indo-pacific-is-the-priority-theater-china-is-dods-pacing/>.

¹⁰⁹ To provide merely one example, US-China bilateral trade recorded its highest level on record in 2022. Monica Miller, “US-China trade hits record high despite rising tensions,” *BBC News*, February 8, 2023, <https://www.bbc.com/news/business-64563855>.

pered by Americans' longstanding perception of themselves as a force for good and stability in the world. Such enduring perceptions continue to resonate. They can be seen manifest in Chicago Council opinion polls regarding US support for Ukraine, which until recently a majority of Americans supported.¹¹⁰ Similar polls indicate the majority of Americans would prefer to see the US military intervene in a hypothetical Chinese invasion of Taiwan.¹¹¹

Ultimately, the changing global dynamics that have moved China into the role of America's primary competitor (or "pacing challenge," as US officials frequently state) are placing strain on an American policy originally designed to help secure China's cooperation. This strain comes not only from the changed geopolitical situation but also from how that changed situation resonates with an American public sensitive to the impact China's rise has had on the American economy. US geopolitical considerations and domestic politics therefore exist in a reciprocal relationship with the changing global circumstances that are pressurizing a US-China-Taiwan arrangement designed for a different era.

US policy-makers, therefore, cannot hope to simply "defer" these tensions in the hope that new windows for resolution will later present themselves.¹¹² Rather, tensions in US politics over

110 Jennifer Agiesta, "CNN Poll: Majority of Americans oppose more US aid for Ukraine in war with Russia," *CNN*, August 4, 2023, <https://www.cnn.com/2023/08/04/politics/cnn-poll-ukraine/index.html>.

111 Liu Tzu-hsuan and Lu Yi-hsuan, "US majority support defending Taiwan," *Taipei Times*, April 17, 2023, <https://www.taipeitimes.com/News/front/archives/2023/04/17/2003798073>.

112 This is the recommendation of noted experts Ryan Hass, Bonnie Glaser, and Richard Bush. While deferral rightly deserves some place in American strategy, it is not sufficient. The United States needs to proactively respond to global trends which make the long-term deferral of the tension-filled US-China-Taiwan trilateral

the US-China-Taiwan arrangement are likely to get worse rather than better over time, increasing the risk of a proximate trigger sparking a war. On this and the structural factors discussed above, US policymakers must take an active approach to mitigation and adaptation along with their counterparts in Beijing and Taipei. The concluding section summarizes the discussion above and includes recommendations for how policymakers might proceed.

ultimately unsustainable. As Hass, Glaser, and Bush themselves state, "many elements of the status quo since US-China diplomatic recognition have been eroding and will likely continue to do so in the future" (2023). Ryan Hass, Bonnie Glaser and Richard Bush, *US-Taiwan Relations: Will China's Challenge Lead to a Crisis?* (Brookings Institution Press, 2023).

Conclusion

In the decades since the US-China *entente* was formalized in 1979, the global power balance, as well as domestic politics in China, Taiwan, and the United States, have altered dramatically. Additionally, a major war with global implications has erupted in Europe. The result is that a compromise agreement whose original purpose was always to defer rather than resolve key issues regarding Taiwan has largely been outgrown. As Philip Shetler-Jones put it in a review essay, “By 2023 the situation that birthed this policy of ambiguity over Taiwan has turned completely upside down.”¹¹³ This report has aimed to illustrate the key structural and domestic factors—global power balances; a shifting international strategic environment; and Chinese, US, and Taiwanese domestic politics—whose dramatic evolution has made the 1979 *entente* increasingly untenable. “The central point,” as Ryan Hass, Bonnie Glaser, and Richard Bush put it, “is that the broader context of the cross-Strait situation is evolving.”¹¹⁴ All major wars have structural and proximate causes, and the structural and domestic changes outlined in this report make the situation across the strait ripe for conflict.

It is worth emphasizing that this situation is not historically unique or even unusual. The history of state interactions is rife with examples of how a political *entente* developed to suit one set of circumstances unsurprisingly fails to suit another. Over time, the socio-political landscape invariably shifts, making awkward and often impractical agreements made decades prior. The breakdown of political arrangements due to structural change appears starkly in such famous

113 Phillip Shetler-Jones, “Strategic Communications and Ambiguity, and Taiwan. A Review Essay by Philip Shetler-Jones,” review of *The Strategy of Denial: American Defense in an Age of Great Power Conflict*, by Elbridge A. Colby, and *Pacific Power Paradox: American Statecraft and the Fate of the Asian Peace*, by Van Jackson, *Defence Strategic Communications*, Volume 12, Spring 2023, https://stratcomcoe.org/pdfs/?file=/publications/download/DSC_NATO_journal_V12_04_Jones.pdf?zoom=page-fit.

114 Ryan Hass, Bonnie Glaser and Richard Bush, *US-Taiwan Relations: Will China’s Challenge Lead to a Crisis?* (Brookings Institution Press, 2023).

examples as the Peloponnesian War and World War I. While both of these examples has an infamous proximate cause,¹¹⁵ it was structural shifts evolving over decades that laid the seeds for eventual conflagration.

Unfortunately, the case of contemporary China, the United States, and Taiwan is potentially even more acute than these famous examples. Neither of the above cases involved a territorial dispute of the size and significance of Taiwan. Research has consistently demonstrated that disputes over territory are among the most likely to lead to war. As one author of a systematic review put it, “As both a cause and a stake of war among nations, territory has probably mattered more than any other single factor.”¹¹⁶ Worse, when territorial disputes are combined with rivalry, arms races, and the building up of alliances, the likelihood of war is further increased. Then, “eventually a crisis comes along that escalates to war.”¹¹⁷ The aim of outlining and adapting to these structural changes is to help prevent such escalation.

An alteration in any major structural component results in a degree of misalignment. The fact multiple structural features have rotated significantly since the Three Joint Communiqués normalized relations between the United States and China four decades ago suggests the employment of *that* “status quo,” however the three parties define it, as a mechanism for keeping the peace is increasingly unfeasible. While this report agrees with Hass, Glaser, and Bush that the changing cross-strait context is key, the conclusion differs from their view that “America’s role is not to solve these problems, it is to keep open a path for these problems to be solved” —

115 The Affair of Epidamnus and the assassination of the Archduke Ferdinand, respectively.

116 Stephen A. Kocs, “Territorial Disputes and Interstate War, 1945-1987,” *The Journal of Politics* 57, no. 1 (1995): 159-75.

117 Paul D. Senese and John A. Vasquez, *The steps to war: An empirical study* (Princeton: Princeton University Press, 2008).

which could “take years, decades, or longer.” Rather, changed structural conditions demand active American engagement to, if not find, then facilitate new solutions. This is precisely America’s responsibility. Just as the United States has played an essential part in securing new, durable political arrangements since at least the termination of the Russo-Japanese War in 1905, and as the United States is now doing in forging elements of what will undoubtedly become a new status quo in Eastern Europe, the United States must take an active role in facilitating the conditions for a new and more sustainable trilateral relationship.¹¹⁸

This is especially true so long as the DPP remains in power in Taiwan. The United States must talk with its interlocutors in Taipei as well as Beijing to encourage Beijing and a KMT, TPP, or DPP-led Taiwan to commence dialogue. This is the first major obstacle to designing a more sustainable status quo. DPP President-elect Lai is not wrong when he states that “In recent years, China has cut off exchanges in line with its insistence on the ‘1992 Consensus’ and the ‘one China’ framework...”¹¹⁹ It is true that Beijing’s unwillingness to engage Taipei under the DPP since outgoing President Tsai’s election in 2016 has contributed greatly to the increase

118 Some experts, such as Elbridge Colby, argue the best chance for the preservation of peace primarily involves building up an overpowering US military presence across the First Island Chain (see Elbridge Colby, *The Strategy of Denial: American Defense in an Age of Great Power Conflict* (New Haven: Yale University Press, 2021)). Ultimately a deterrence by denial defense is a necessary, but far from a sufficient, condition for advancing America’s interests in a peaceful situation across the strait. Engagement is just as significant a piece of the puzzle, and the United States is the key party responsible for bringing Chinese and Taiwanese leaders into the same fora for dialogue; “The Treaty of Portsmouth and the Russo-Japanese War, 1904–1905,” U.S. Department of State, accessed March 5, 2024, <https://history.state.gov/milestones/1899-1913/portsmouth-treaty>.

119 Lai Ching-te, “My Plan to Preserve Peace in the Taiwan Strait,” *The Wall Street Journal*, July 4, 2023, <https://www.wsj.com/articles/my-plan-to-preserve-peace-between-china-and-taiwan-candidate-election-race-war-7046ee00>.

in tensions and sense of precarity across the strait.

The DPP remains open, as President-elect Lai states, to “never rule out the possibility of dialogue without preconditions, based on the principles of reciprocity and dignity.” Now that the outcome of Taiwan’s January 2024 election is clear, the United States should leverage its unique influence to help bring the two parties together for their first meaningful dialogue in at least eight years. The United States should help find a way for Beijing to emphasize and truly implement its commitment to, as researched by John Dotson, “engage with ‘Taiwan’s various parties, groups, and people’ to ‘extensively exchange views, seek common understanding, [and] advance political talks to address ‘cross-strait political problems...’”¹²⁰

The question that the United States is positioned to put to Beijing is what would enable it to consider the DPP a party with which it can engage, since any claim to engage with “Taiwan’s various parties” that does not include the DPP—the party that has won a plurality of Taiwanese support in the past three presidential elections—is disingenuous. Given the DPP’s reliable continued prominence in Taiwanese politics, DPP-PRC engagement is a key circle that must be squared en route to a more sustainable trilateral relationship whose contours are shaped by dialogue rather than war. A DPP administration in Taipei and the PRC leadership holding at least track 2.0 dialogues would have the potential to generate a new framework for common understanding. It was, after all (as even President Tsai has acknowledged) dialogue that in 1992 resulted in a new common understanding which, crises excepted, stabilized the cross-strait environment until 2016.

Leaders from all three of Taiwan’s major political parties, including the KMT, have expressed willingness

120 John Dotson, “What Is the CCP’s ‘Comprehensive Plan for Resolving the Taiwan Problem?’” *Global Taiwan Brief*, January 9, 2022, <https://globaltaiwan.org/2022/02/what-is-the-ccps-comprehensive-plan-for-resolving-the-taiwan-problem/>.

to amend the 1992 framework in line with new realities.¹²¹ And while Beijing undoubtedly prefers to rigidly adhere to the “1992 Consensus,” there are indications that Beijing also recognizes aspects of its Taiwan policy are increasingly untenable, such as its possible abandonment of the “one country, two systems” formula.¹²² Beneath the surface, then, there is perhaps more flexibility on both sides of the strait than there initially appears. The United States should proactively assume the responsibility of spotlighting potential common flexibility and encourage the PRC and Taiwan’s leaders—irrespective of which party is in power—to constructively explore where it may lead. This is also in the US interest of maintaining peace across the strait.

Greater attention to what makes the structural circumstances of the trilateral relationship so fraught can help point the way to a new arrangement—a new “status quo”—that might yet prevent recourse to war as a mechanism for change.

When the parties are gathered, discussions should be open-ended while also addressing the structural issues outlined above. This is because these are the most important aspects of the political environment that have been reconfigured since the current trilateral arrangement first emerged. Any sustainable new arrangement must account for these changed structural elements, with space

121 See again this discussion conducted in English by advisors to the three main 2024 Taiwanese presidential candidates. *Taiwan Talks*, “How a New President Could Change Taiwan’s Foreign Policy,” August 4, 2023, YouTube Video, 47:46, <https://www.youtube.com/watch?v=yckau2AaXmY>.

122 John Dotson, “The CCP Convenes Its Annual Taiwan Work Conference for 2023 - and Signals a Possible Ideological Shift in Taiwan Policy,” *Global Taiwan Brief*, May 31, 2023, <https://globaltaiwan.org/2023/05/the-ccp-convenes-its-annual-taiwan-work-conference-for-2023-and-signals-a-possible-ideological-shift-in-taiwan-policy/>.

to accommodate relevant trendlines. Candid consideration of these elements by the two parties and, when relevant, the United States, can point towards an arrangement that will be mutually satisfactory. While the shape a new sustainable arrangement will take cannot be determined *a priori*, the structural conditions outlined in this report are intended to highlight the key pressure points that must be accounted for.

No one knows if there will be a war involving Taiwan, the United States, and China. But we do know that all the structural conditions are in place such that if a war occurs, future political scientists and historians will have little trouble identifying them. As Nancy Bernkopf Tucker concluded her book *Strait Talk*, “The Taiwan Strait...remains the most dangerous place on earth today.”¹²³ That was in 2009 when conditions were not nearly so dire. Will a crisis over Taiwan serve as the proximate cause that one day plunges the United States, China, and Taiwan (and perhaps several other nations) into war’s abyss? Unfortunately, that is all too easy to imagine. Greater attention to what makes the structural circumstances of the trilateral relationship so fraught can help point the way to a new arrangement—a new “status quo”—that might yet prevent recourse to war as a mechanism for change.

imate cause that one day plunges the United States, China, and Taiwan (and perhaps several other nations) into war’s abyss? Unfortunately, that is all too easy to imagine. Greater attention to what makes the structural circumstances of the trilateral relationship so fraught can help point the way to a new arrangement—a new “status quo”—that might yet prevent recourse to war as a mechanism for change.

123 Nancy Bernkopf Tucker, *Strait Talk: United States-Taiwan Relations and the Crisis with China* (Cambridge: Harvard University Press, 2009).