

INSS



INSTITUTE FOR NATIONAL  
STRATEGIC STUDIES

# WORKING PAPER

## Xi's Cross-Strait Policy in the "New Era"

by Derek Grossman and Cindy Zheng

March 2024

Papers from the CAPS-RAND-NDU-USIP PLA Conference Series

*sponsored by*

Chinese Council of Advanced Policy Studies (CAPS)

RAND Corporation (RAND)

National Defense University (NDU)

U.S. Institute of Peace (USIP)

**CAPS**

CHINESE COUNCIL OF  
ADVANCED  
POLICY  
STUDIES

中華民國高等政策研究絡皆



Center for the Study of Chinese Military Affairs  
Institute for National Strategic Studies  
National Defense University

## Xi's Cross-Strait Policy in the "New Era"

Derek Grossman and Cindy Zheng<sup>1</sup>

Working Paper prepared for "The PLA in a New Era"

CAPS-RAND-NDU-USIP PLA Conference

Taipei, Taiwan, November 3-4, 2023

**Abstract:** Since the transition from Chinese leader Hu Jintao to Xi Jinping in November 2012, the key principle underlying Beijing's policy toward Taiwan—that the island is not independent and is an immutable part of China which must ultimately be "reunified" with the mainland—has remained consistent. However, in the last eight years since the inauguration of President Tsai Ing-wen of the Taiwan-centric Democratic Progressive Party (DPP) in May 2016, Beijing's rhetoric, policies, and actions toward the island have changed and ramped up considerably. Following the election in January 2024 of Tsai's vice president, Lai Ching-te (William Lai) who is also with the DPP, Xi's New Era will likely make the Taiwan Strait an increasingly tense and dangerous environment, with potentially significant consequences for U.S. policy and strategy both there and throughout the Indo-Pacific.

Our paper seeks to accomplish five things. First, we provide a brief history of cross-Strait relations since Tsai's election in January 2016 to explain the present circumstances. Second, we describe and analyze Beijing's evolving cross-Strait policy under Xi during this time by highlighting Chinese policy positions in key authoritative documents. Third, we attempt to predict the trajectory of China's cross-Strait policy in the coming years, with particular emphasis on how Beijing might react to Lai's election. Fourth, we consider the potential implications for Taiwan and its partnership with the United States, and finally, we offer several concluding thoughts and policy recommendations derived from our analysis.

---

<sup>1</sup> Derek Grossman is a Senior Defense Analyst and Cindy Zheng is a Research Assistant at the Rand Corporation. The views expressed are those of the authors and do not reflect the official policy or position of the RAND Corporation, the National Defense University, the Department of Defense, or the U.S. government.

## Introduction

Since the transition from Chinese leader Hu Jintao to Xi Jinping in November 2012, the key principle underlying Beijing’s policy toward Taiwan—that the island is not independent and is an immutable part of China which must ultimately be “reunified” with the mainland—has remained consistent. However, in the last eight years since the inauguration of President Tsai Ing-wen of the Taiwan-centric Democratic Progressive Party (DPP) in May 2016, the People’s Republic of China’s (PRC) rhetoric, policies, and actions toward the island have changed and ramped up considerably. While Beijing has continued to warn Taipei against pursuing independence and to advocate “peaceful reunification,” Xi has also conflated the “1992 Consensus” with “One Country, Two Systems” as the only viable cross-Strait political framework. The 1992 Consensus is an agreement between the Chinese Communist Party (CCP) and Taiwan’s opposition Kuomintang (KMT) on the existence of “One China” that includes Taiwan but with the KMT insisting that the two sides hold “differing interpretations” of what that China is. The CCP’s One Country, Two Systems model calls for Taiwan to retain its own government and social system as part of a unified China. This is the same model Beijing has applied to Hong Kong and Macau and is roundly rejected across the Taiwan political spectrum.<sup>2</sup> Moreover, Xi has resorted to greater military pressure against the island than any of his immediate predecessors. These shifts represent new policies and strategies that are part of Xi’s self-described “New Era,” characterized by a stronger China on the international stage under Xi’s increasingly personalistic rule.<sup>3</sup>

---

<sup>2</sup> “Taiwan Rejects China’s ‘One Country, Two Systems’ Plan for the Island,” Reuters, August 10, 2022, available at: <https://www.reuters.com/world/asia-pacific/taiwan-rejects-chinas-one-country-two-systems-plan-island-2022-08-11/>.

<sup>3</sup> For a comprehensive discussion of China’s “New Era” under Xi, see Susan L. Shirk, “China in Xi’s ‘New Era’: The Return of Personalistic Rule,” *Journal of Democracy*, Vol. 29, No. 2, April 2018, available at: <https://www.journalofdemocracy.org/articles/china-in-xis-new-era-the-return-to-personalistic-rule/>.

Following the election in January 2024 of Tsai’s vice president, Lai Ching-te (William Lai) who is also with the DPP, Xi’s New Era will likely make the Taiwan Strait an increasingly tense and dangerous environment, with potentially significant consequences for U.S. policy and strategy both there and throughout the Indo-Pacific. Given the enormous stakes, our paper seeks to accomplish five things. First, we provide a brief history of cross-Strait relations since Tsai’s election in January 2016 to explain the present circumstances. Second, we describe and analyze Beijing’s evolving cross-Strait policy under Xi during this time by highlighting Chinese policy positions in key authoritative documents. Third, we attempt to predict the trajectory of China’s cross-Strait policy in the coming years, with particular emphasis on how Beijing might react to Lai’s election. Fourth, we consider the potential implications for Taiwan and its partnership with the United States, and finally, we offer several concluding thoughts and policy recommendations derived from our analysis.

### **Brief History of Cross-Strait Relations Since Tsai’s Election**

Beijing has consistently held that peaceful unification with Taiwan—or, in its words, “reunification with the mainland”—is the preferred option for resolving the “Taiwan issue.” However, the urgency with which Chinese leaders have focused on reunification has varied over time. China’s first communist leader, Mao Zedong, for example, sought an accelerated timeline for eradication of the KMT stronghold in Taiwan and ultimate reunification. By contrast, his successors, including Deng Xiaoping, Jiang Zemin, and Hu Jintao, took a more relaxed approach. In the case of Hu, he focused less on the need for reunification and more on preventing Taiwan independence.<sup>4</sup> Xi has tied reunification with Taiwan directly to achieving his “China

---

<sup>4</sup> The mainland has informally agreed that one specific KMT formulation of “one China” is acceptable, but does not accept a general right for Taiwan to define China however it wants. For China’s cross-Strait policy under Jiang, see for example People’s Republic of China, “The One China Principle and the Taiwan Question,” White Paper, 2000,

Dream” of national rejuvenation by 2049.<sup>5</sup> His approach to Taiwan policy has built upon the past in the sense that maintaining the “one China principle” and preventing Taiwan *de jure* independence or “secession,” in Chinese words, remain key priorities. But Xi, unlike Jiang and Hu, has used acceptance of the 1992 Consensus as the litmus test for whether Taipei’s intentions can be trusted in cross-Strait relations.<sup>6</sup>

KMT President Ma Ying-jeou, who was in power from 2008 to 2016, recognized the 1992 Consensus, but insisted on Taiwan’s interpretation of what “one China” meant.<sup>7</sup> However, since Tsai’s election as Taiwan’s president in January 2016, Chinese leaders, including Xi himself, have been greatly dissatisfied by her refusal to re-recognize the 1992 Consensus. She has attempted to mend fences with Beijing but to no avail. Shortly after her election victory, for instance, Tsai gave an interview in which she referred for the first time ever to the “existing political foundation” across the strait. She further stated for the first time that the 1992 Consensus was an “historical fact.”<sup>8</sup> In March 2016, however, Xi stated that Taiwan must recognize “the core connotation of the 1992 Consensus,” i.e. “one China and Taiwan is part of

---

available at: <http://www.china.com.cn/ch-book/taiwan/itaiwan.htm> and Embassy of the People’s Republic of China in the United States of America, “The 8-Point Proposition Made by Jiang Zemin on China’s Reunification,” delivered in 1995 and posted on October 23, 2003, <http://www.china-embassy.org/eng/zt/twwt/t36736.htm>. For Hu’s Taiwan policy, see “Six Proposals Offered for Cross-Strait Relations,” Xinhua, December 31, 2008, [http://www.chinadaily.com.cn/china/2008-12/31/content\\_7357490.htm](http://www.chinadaily.com.cn/china/2008-12/31/content_7357490.htm)

<sup>5</sup> “China’s Xi Seeks Talks to Unify Taiwan with China,” Bloomberg News, January 1, 2019, <https://www.bloomberg.com/news/articles/2019-01-02/china-s-xi-says-taiwan-must-be-unified-with-mainland>.

<sup>6</sup> For an analysis of Xi’s Taiwan policy in the context of past Chinese leadership policies, see Jing Huang, “Xi Jinping’s Taiwan Policy: Boxing Taiwan In with the One-China Framework,” in Lowell Dittmer, *Taiwan and China: Fitful Embrace*, University of California Press, 2017, pp. 239-248, <https://www.jstor.org/stable/pdf/10.1525/j.ctt1w76wpm.16.pdf?refreqid=excelsior%3Afd7890d369bb55b1a67e9d0c46aec8c6>.

<sup>7</sup> For the KMT, “one China” meant a Republic of China that also included the mainland.

<sup>8</sup> Ching-wen Tsou, “Tsai Ing-wen: 1992 Is an Historical Fact, Promoting Cross-Strait Relations,” *Liberty Times*, January 21, 2016, <http://news.ltn.com.tw/news/focus/paper/951154>. She gave the same statement during her inaugural address in May 2016, to which the Chinese said it was “an incomplete test answer.” For the Tsai speech, see “Full Text of President Tsai’s Inaugural Address,” *Focus Taiwan*, May 20, 2016, <http://focustaiwan.tw/news/aip/201605200008.aspx>, and for the Chinese response, see “Mainland Says Tsai’s Speech on Cross-Strait Ties ‘An Incomplete Test Answer,’” *People’s Daily*, May 21, 2016, <http://en.people.cn/n3/2016/0521/c90000-9061066.html>.

it,” implying that only a clear public statement of Taiwan’s commitment to one China would suffice.<sup>9</sup>

In Chinese eyes, Tsai’s affiliation with the DPP automatically makes her motives suspect. Beijing has not forgotten nor forgiven Tsai’s work in the late 1990s on then-Taiwan president Lee Teng-hui’s “special state-to-state relations” formulation, implying two separate and sovereign states on either side of the strait. They have also not forgotten Tsai’s rejection of the 1992 Consensus during her failed campaign to become president in 2012 or her response to Hu’s request that the DPP “change” the pro-independence plank in the party platform. As then-DPP chairwoman, Tsai argued that Hu’s “demand that a political party must first abandon its main principles as a precondition for interaction is not in accord with democratic principles.”<sup>10</sup> In her role as president, Tsai has also been attacked personally, with a senior Chinese military official criticizing her for being “extreme” and “emotional” because she is unmarried. Although his posting was quickly taken down and roundly condemned in China, the fact that the article ever appeared in the first place in the *International Herald Leader*—a newspaper affiliated with the state-run Xinhua news agency—speaks to the depths of vitriol mustered against Tsai.<sup>11</sup> China is

---

<sup>9</sup> Richard C. Bush, “Decoding Xi Jinping’s Latest Remarks on Taiwan,” The Brookings Institution, March 17, 2016, <https://www.brookings.edu/blog/order-from-chaos/2016/03/17/decoding-xi-jinpings-latest-remarks-on-taiwan/>.

<sup>10</sup> Hu’s Six Proposals (or “Points”) included: “1) firm adherence to the ‘one China’ principle; 2) strengthening commercial ties, including negotiating an economic cooperation agreement; 3) promoting personnel exchanges; 4) stressing common cultural links between the two sides; 5) allowing Taiwan’s ‘reasonable’ participation in global organizations and 6) negotiating a peace agreement.” For an analysis of Hu’s Six Proposals, see Russell Hsiao, “Hu Jintao’s ‘Six Points’ Proposition to Taiwan,” *China Brief*, Jamestown Foundation, January 12, 2009, <https://jamestown.org/program/hu-jintaos-six-points-proposition-to-taiwan/>. For the source of Hu’s speech, see “胡锦涛在纪念《告台湾同胞书》发表 30 周年座谈会上的讲话全文 [Hu Jintao’s speech at the symposium to mark the 30th anniversary of the publication of the Taiwan Compatriots],” *Work together to promote the peaceful development of cross-Strait relations and realize the great rejuvenation of the Chinese nation*, December 31, 2008, <http://politics.people.com.cn/GB/1024/8610403.html>. For Tsai’s quote, see “中方促回應胡六點 綠冷淡以對 [China Urges Full Response to Hu’s Six Points],” *Liberty Times*, January 8, 2009, <http://news.ltn.com.tw/news/politics/paper/271714>.

<sup>11</sup> Javier C. Hernandez and Vanessa Piao, “Tsai Ing-wen, Taiwan’s First Female Leader, is Assailed in China as Being Too ‘Emotional,’” *The New York Times*, May 25, 2016, <https://www.nytimes.com/2016/05/26/world/asia/china-taiwan-tsai-unmarried-single.html?mtrref=undefined>.

further suspicious of the DPP's (and implicitly Tsai's) role in Taiwan youth-led protests in 2014 against the cross-Straits Trade-in-Services Agreement, culminating in the Sunflower Movement.<sup>12</sup> Beijing interpreted the protest as being anti-China (even though it mostly pertained to domestic socio-economic issues) and was concerned about activist exchanges between Sunflower and Umbrella Movement members in 2019 who protested the political order in Hong Kong.<sup>13</sup> Beijing also believes that Tsai, through her "New Southbound Policy" of economic engagement with Global South nations throughout Southeast Asia, South Asia, and the Pacific Islands, is attempting to not only reduce the island's economic dependence on the mainland but also to "de-Sinicize" it by allowing immigrants from these regions to work and live in Taiwan. Strengthening U.S.-Taiwan relations in recent years have only made China even more suspicious of Taipei's intentions. Most notably, then-Speaker of the House Nancy Pelosi's visit to Taiwan in August 2022 and meeting with Tsai prompted China to deploy its People's Liberation Army (PLA) to conduct exercises around the island. Beijing has also routinely and vehemently protested other senior-level U.S. government officials' visits to Taiwan, U.S. arms sales to Taiwan, U.S. naval and coast guard transits of the Taiwan Strait, and U.S. legislation that supports Taiwan.

Although Beijing deeply distrusts Tsai and her policies, it may be even more suspicious of her vice president and now president-elect, Lai Ching-te (William Lai). He is the former mayor of Tainan, located in the deep south and considered a DPP stronghold. In late September 2017, during an open session of the legislature, Lai unambiguously advocated Taiwan

---

<sup>12</sup> Lawrence Chung, "Taiwan's President-Elect Tsai Ing-wen Faces Anti-Beijing Challenge from Radical Party," *South China Morning Post*, March 20, 2016, <https://www.scmp.com/news/china/diplomacy-defence/article/1927600/taiwans-president-tsai-ing-wen-faces-anti-beijing>.

<sup>13</sup> Tony Cheung, "The Sunflower and the Umbrella: Hong Kong Activists Travel to Taiwan, Call for Closer Ties, New Policies from Incoming Government," *South China Morning Post*, January 18, 2016, <https://www.scmp.com/news/hong-kong/politics/article/1901985/sunflower-and-umbrella-hong-kong-activists-travel-taiwan>.

independence, stating he was a “political worker for Taiwan independence.”<sup>14</sup> Tsai appropriately distanced herself from Lai’s remarks, but the damage has clearly been done. Lai has consistently upheld the view that Taiwan is already a *de facto* independent nation, separate from China. In August 2023, the Chinese Ministry of Foreign Affairs (MFA) commented that Lai “clings stubbornly to the separatist position for ‘Taiwan independence.’ He is a troublemaker through and through.”<sup>15</sup>

From Beijing’s perspective, Tsai’s obstinance towards the 1992 Consensus and her untrustworthiness, coupled with Lai’s election victory in January, have roiled cross-Strait relations. Thus, Beijing probably will feel the need to continue ramping up its pressure campaign against the island both to deter a move toward independence and ultimately to coerce Taiwan into agreeing to One Country, Two Systems. Beijing has deployed diplomatic, economic, and military means to accomplish these objectives. China, for example, has broken the longstanding diplomatic truce intact under KMT President Ma Ying-jeou and is now actively poaching Taiwan’s remaining official diplomatic partners. Most recently, and following Lai’s election in January 2024, the tiny Pacific Island state of Nauru switched its recognition from Taipei to Beijing, representing the tenth country lost since the start of the Tsai administration. This move brought Taiwan’s diplomatic recognition in the Pacific Islands to just three and worldwide down to 12 partners total.<sup>16</sup> If other key partners, such as the Holy See (the Vatican) and Eswatini,

---

<sup>14</sup> Lai originally said he was a “political worker for Taiwan independence,” but then later edited the transcript to say “pragmatic worker.” For reporting on his edited comments, see “Eyeing the Presidency, Lai Backs View that Taiwan is Not Part of PRC [People’s Republic of China],” *Focus Taiwan*, August 8, 2023, available at: <https://focustaiwan.tw/cross-strait/202308080018> .

<sup>15</sup> “Foreign Ministry Spokesperson’s Remarks on Lai Ching-te’s U.S. ‘Stopover,’” *Ministry of Foreign Affairs of the People’s Republic of China*, August 13, 2023, [https://www.fmprc.gov.cn/mfa\\_eng/xwfw\\_665399/s2510\\_665401/2535\\_665405/202308/t20230813\\_11126188.html](https://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/2535_665405/202308/t20230813_11126188.html)

<sup>16</sup> The full list of countries that Taiwan has lost to China since Tsai came into office in 2016 is: Sao Tome and Principe (2016), Panama (2017), Dominican Republic (2018), El Salvador (2018), Solomon Islands (2019), Kiribati (2019), Nicaragua (2021), Honduras (2023), and Nauru (2024). China recognized The Gambia in 2016, but it had already severed ties with Taiwan in 2013.



were to follow, then it would mean the end of Taiwan’s diplomatic presence on two continents, in Europe and Africa, respectively.<sup>17</sup>

On the economic front, while Beijing has kept in place the 23 agreements signed with President Ma in 2010, known collectively as the Economic Cooperation Framework Agreement (ECFA), Chinese officials have likely slowed the implementation of some agreements and balked at going any further in negotiations until Tsai recognizes the 1992 Consensus.<sup>18</sup> Starting in 2016, Beijing also began limiting the number of Chinese travelers to Taiwan in an attempt to weaponize Chinese tourism—a significant source of income for the island.<sup>19</sup> Beijing also launched an investigation into Taiwan trade barriers in April 2023 and suspended some tariff discounts for Taiwan goods shortly before the January 2024 elections.<sup>20</sup>

Finally, Xi has instructed the PLA to ramp up its threats against Taiwan. Since then-Speaker of the House Nancy Pelosi’s visit to Taiwan in August 2022, Beijing on a near-daily basis has sent its warplanes into Taiwan’s air defense identification zone (ADIZ) and occasionally crossed the median line—the traditional *de facto* border separating each side of the Taiwan Strait.<sup>21</sup> In response to her visit, the PLA encircled the island for four days with

---

<sup>17</sup> On the Vatican, see for example Gary Sands, “What the China-Vatican Deal Means for Taiwan,” *The Diplomat*, September 21, 2018, <https://thediplomat.com/2018/09/what-the-china-vatican-deal-means-for-taiwan/>. For eSwatini, see Charlotte Gao, “Is eSwatini on the Brink of Cutting Ties with Taiwan?,” *The Diplomat*, September 4, 2018, <https://thediplomat.com/2018/09/is-eswatini-on-the-brink-of-cutting-ties-with-taiwan/>.

<sup>18</sup> In good faith, China has apparently retained ECFA and even made adjustments to ECFA-related pacts after Ma’s presidency to the benefit of Taiwan. See for example “China Announces Tariff Adjustment for 2018,” *Xinhua*, December 15, 2017, [http://www.xinhuanet.com/english/2017-12/15/c\\_136829160.htm](http://www.xinhuanet.com/english/2017-12/15/c_136829160.htm) which states that “more products will enjoy zero tariffs” under ECFA. Also see “Existing Cross-Strait Pacts to Continue: Chinese Official,” *Focus Taiwan*, August 18, 2016, <http://focustaiwan.tw/news/acs/201608180007.aspx>. However, without Tsai’s recognition of the 1992 Consensus, Taiwan should not expect progress on ECFA. See “ECFA follow-up consultations to be suspended without 1992 Consensus” (不認 92 共識 ECFA 後續商談 將中斷), *China Times*, May, 16, 2016, <https://www.chinatimes.com/newspapers/20160516000595-260301>.

<sup>19</sup> “China Focus: Taiwan’s Lackluster Mainland Tourist Market,” *Xinhua*, June 26, 2018, [http://www.xinhuanet.com/english/2018-06/26/c\\_137282312.htm](http://www.xinhuanet.com/english/2018-06/26/c_137282312.htm).

<sup>20</sup> Chia-Hsuan Wu, “The Impact of China’s Suspension of the ECFA on Cross-Strait Relations,” *Prospects & Perspectives*, No. 1, January 9, 2024, <https://www.pf.org.tw/en/pfen/33-10509.html>

<sup>21</sup> For example, see Ben Lewis, “2022 in ADIZ Violations: China Dials Up the Pressure on Taiwan,” ChinaPower, Center for Strategic and International Studies (CSIS), March 23, 2023, <https://chinapower.csis.org/analysis/2022-adiz-violations-china-dials-up-pressure-on-taiwan/>.

threatening drills that simulated an attack and, for the first time ever, fired several missiles over Taiwan's sovereign airspace.<sup>22</sup>

China's short-term hope that it could persuade the Taiwanese people not to elect Lai in the presidential election has failed. The new goal, over the short- to medium-term, will likely be to undermine the DPP and prevent it from moving toward independence. Over the longer-term, Beijing seeks to eliminate the DPP entirely and convince the KMT to not only re-recognize the 1992 Consensus but also to agree to One Country, Two Systems and ultimately to full reunification.

### **Key Chinese Policy Positions on Taiwan**

Under Xi, cross-strait relations have become increasingly tense, as seen in authoritative Chinese statements and rhetoric. These statements reflect a stronger emphasis by the CCP on upholding the underlying principles towards Taiwan that have been established in the last 40 years, as well as the introduction of new policies that apply greater pressure to deter any movement toward Taiwan independence and pressure Taiwan to accept unification. During the first few years of Xi's regime, when Taiwan president Ma was in office, the rhetoric in official Chinese statements and speeches was much less confrontational. However, during the last year of the Ma administration, Beijing began to push for political talks in preparation for the uncertain future of Taiwan's political position vis-à-vis China and the looming victory of the DPP. Thus, increased pressure following Tsai's inauguration in 2016 marks a departure in Chinese policy towards Taiwan under Xi.

---

<sup>22</sup> Martin Qin Pollard and Yimou Lee, "China Military 'Completes Tasks' Around Taiwan, Plans Regular Patrols," *Reuters*, August 10, 2022, <https://www.reuters.com/world/asia-pacific/china-extends-military-drills-around-taiwan-after-pelosi-visit-2022-08-10/>.

From 2016 to the present, we examined six authoritative Chinese policy positions on Taiwan, including (1) Xi's 19<sup>th</sup> Party Congress Speech (2017); (2) Xi's Speech Commemorating the 40th Anniversary of the "Message to Compatriots in Taiwan" (2019); (3) Xi's speech marking the centenary anniversary of the CCP (2021); (4) the State Council Taiwan Affairs Office's (TAO) white paper entitled "The Taiwan Question and China's Reunification in the New Era" (August 2022); (5) 20<sup>th</sup> Party Congress Work Report (October 2022); and (6) Beijing's "Cross-Strait Economic Integration Plan" (September 2023). Although not at the same authoritative level as the previous six categories, we also consider Chinese comments since Lai's election in January 2024. While CCP speeches, statements, and comments exhibit continuity in China's underlying principles toward Taiwan compared to his predecessors, Xi has employed more assertive language and policies to deter Taiwan independence and pressure Taiwan to accept reunification and change its stance regarding Taiwan's autonomy. This suggests China, at least with Xi in power, will be less tolerant of maintaining the status quo in the Taiwan Strait.

### *Xi's 19th Party Congress Speech*

In his 19<sup>th</sup> Party Congress speech in October 2017, Xi urged Taiwan to "recognize the historical fact of the 1992 Consensus and that the two sides both belong to one China, *and then* [author's emphasis added] our two sides can conduct dialogue to address through discussion the concerns of the people of both sides, and no political party or group in Taiwan will have any difficulty conducting exchanges with the mainland."<sup>23</sup> This is in stark contrast to Hu's omission of the 1992 Consensus entirely from the 17<sup>th</sup> Party Congress speech in 2007 and mentioning it

---

<sup>23</sup> "Full Text of Xi Jinping's Report at 19<sup>th</sup> CPC National Congress," Xinhua, November 3, 2017, [http://www.xinhuanet.com/english/special/2017-11/03/c\\_136725942.htm](http://www.xinhuanet.com/english/special/2017-11/03/c_136725942.htm).

only in passing and not as a prerequisite for further cross-Strait exchanges in his 2012 18<sup>th</sup> Party Congress speech.<sup>24</sup>

Xi showed considerable continuity with Hu's policy towards Taiwan during this period of his administration. During his 19<sup>th</sup> Party Congress speech, Xi stated "We must uphold the principles of 'peaceful reunification,' work for the peaceful development of cross-Straits relations, and advance the process toward the peaceful reunification of China." He distinguished between the One Country, Two Systems and 1992 Consensus models. His reference to One Country, Two System is used to describe Hong Kong and Macau. When discussing Taiwan, he used the "One China" policy and the 1992 Consensus to define the political status of cross-strait relations. Xi touted the success of One Country, Two Systems in special administrative regions Hong Kong and Macau, suggesting the arrangement would work equally well for Taiwan if only given the opportunity.<sup>25</sup> In terms of specific measures, when Xi did address the Taiwan government and people, he attempted to win their favor by emphasizing incentives such as the cultural, educational, and economic advantages of reunification rather than employing coercive language. The balanced language in his 2017 speech gave few clues that Xi would pursue a tougher policy on Taiwan. However, compared to the 18<sup>th</sup> Party Congress, the language in the 19<sup>th</sup> Party Congress speech conveyed more forceful opposition and warnings against separatist and independence activities by Taiwan. A symbolic turning point in cross-strait relations

---

<sup>24</sup> Hu's 17<sup>th</sup> Party Congress speech can be found at "Hu Jintao's Report at the 17<sup>th</sup> Party Congress: Hold High the Great Banner of Socialism with Chinese Characteristics and Strive for New Victories in Building a Moderately Prosperous Society in All," October 15, 2007, <http://www.china.org.cn/english/congress/229611.htm>. Hu's 18<sup>th</sup> Party Congress speech is softer on the importance of the 1992 Consensus: "The two sides of the Taiwan Straits *should* [author's emphasis added] uphold the common stand of opposing Taiwan independence and of following the 1992 Consensus. Both sides *should* [author's emphasis added] increase their common commitment to upholding the one-China framework and, on this basis, expand common ground and set aside differences." This speech is available at "Full Text of Hu Jintao's Report at 18<sup>th</sup> Party Congress," November 27, 2012, [http://www.china-embassy.org/eng/zt/18th\\_CPC\\_National\\_Congress\\_Eng/t992917.htm](http://www.china-embassy.org/eng/zt/18th_CPC_National_Congress_Eng/t992917.htm).

<sup>25</sup> "Full Text of Xi Jinping's Report at 19<sup>th</sup> CPC National Congress," Xinhua, November 3, 2017, [http://www.xinhuanet.com/english/special/2017-11/03/c\\_136725942.htm](http://www.xinhuanet.com/english/special/2017-11/03/c_136725942.htm).

occurred in 2016 when DPP Presidential candidate Tsai won a landslide victory and rejected the 1992 Consensus in her inaugural address, leading Beijing to ramp up pressure on her administration's refusal to acknowledge the 1992 Consensus.<sup>26</sup> One year later, this 19<sup>th</sup> Party Congress speech reflects the Xi regime's preparation for an era of changing cross-strait relations.

*Xi's Speech Commemorating the 40th Anniversary of the "Message to Compatriots in Taiwan"*

This January 2019 speech marked a significant departure in Xi's policy toward Taiwan compared to his predecessors. In his speech, Xi redefined the 1992 Consensus as an understanding that "both sides of the Taiwan Strait belong to one China and will work together toward national reunification."<sup>27</sup> Xi mentions using "peaceful reunification" but does not renounce force as an option against independence and separatist activities. Xi also ties "reunification" with Taiwan as a requirement for China achieving "national rejuvenation," which is equated with his "China Dream."<sup>28</sup> Xi says, "We should not let this problem be passed down from one generation to the next," which signals his sense of urgency to begin political negotiations with Taiwan under his administration. The speech was also notable because it included the sentence "Our country must be unified, and will surely be unified," underscoring the inevitability of unification. Xi's Taiwan speech differs from past understandings of the 1992 Consensus in that it conflates the "One China" principle with the goal of reunification and

---

<sup>26</sup> "President Tsai issues statement on China's President Xi's "Message to Compatriots in Taiwan." Office of the President Republic of China (Taiwan), January 2, 2019, <https://english.president.gov.tw/News/5621#:~:text=First%2C%20I%20must%20emphasize%20that,today%20has%20confirmed%20our%20misgivings>.

"China Suspends Diplomatic Contact with Taiwan." *New York Times*, June 25, 2016,

<https://www.nytimes.com/2016/06/26/world/asia/china-suspends-diplomatic-contact-with-taiwan.html>.

<sup>27</sup> "Speech at the Meeting Marking the 40<sup>th</sup> Anniversary of the Issuance of the Message to Compatriots in Taiwan," Xinhua via CSIS "Interpet China," January 2, 2019, <https://interpret.csis.org/translations/speech-at-the-meeting-marking-the-40th-anniversary-of-the-issuance-of-the-message-to-compatriots-in-taiwan/>

<sup>28</sup> Hsiao-chuan Liao, "An Interpretation of Xi's Taiwan Policy– and Taiwan's Response," *Journal of Indo-Pacific Affairs*, p. 25-29, March 2021, <https://media.defense.gov/2021/Mar/31/2002611832/-1/-1/1/6-LIAO%20FOR%20PDF.PDF>.

represents a hardening of Beijing's position. The KMT version of the 1992 Consensus is that both sides recognize there is only one China but differ in its definition (with the KMT defining China as the Republic of China (ROC) government on Taiwan). In contrast, Xi's definition of the 1992 Consensus aligns more closely with Beijing's One Country, Two Systems model. Xi also added the phrase "to achieve national reunification" to the 1992 Consensus, which has raised fears that Beijing may continue adding or deleting content from the concept without consultation and in their own favor.<sup>29</sup>

Xi's emphasis on One Country, Two Systems to describe the desired end state of China-Taiwan relations is significant.<sup>30</sup> Paramount leader Deng created the expression in the 1980s to describe the end state of a reunified China, but PRC leaders subsequently applied the slogan to describe relations with Hong Kong and Macau once they came under PRC control in 1997 and 1999 respectively.<sup>31</sup> Xi's emphasis on the One Country, Two Systems model is worrisome as Beijing has increasingly interfered with politics and elections in these ostensibly autonomous regions. Taiwan has watched the implementation of this system in these places, and it has only bolstered the public's belief that One Country, Two Systems would be bad for democracy and the rule of law on the island.<sup>32</sup> In early January 2019, Tsai responded to Xi's speech by rejecting

---

<sup>29</sup> Hsiao-chuan Liao, "An Interpretation of Xi's Taiwan Policy— and Taiwan's Response," *Journal of Indo-Pacific Affairs*, p. 25-29, March 2021, <https://media.defense.gov/2021/Mar/31/2002611832/-1/-1/1/6-LIAO%20FOR%20PDF.PDF>.

<sup>30</sup> Tony Cheung, "Beijing Official Says Xi Jinping Has Given 'One Country, Two Systems' a Status Boost," *South China Morning Post*, October 31, 2017, <https://www.scmp.com/news/hong-kong/politics/article/2117827/beijing-official-says-xi-jinping-has-given-one-country-two>.

<sup>31</sup> Jing Huang and Xiaoting Li, *Inseparable Separation: The Making of China's Taiwan Policy*, Singapore: World Scientific Publishing Company, 2010, p. 310. Also, conversation with senior-level Taiwanese interlocutor, November 26, 2018.

<sup>32</sup> Huileng Tan, "Taiwan Watches as China Closes in on Hong Kong," CNBC, July 19, 2017, <https://www.cnbc.com/2017/07/19/taiwan-watches-as-china-closes-in-on-hong-kong.html>.

One Country, Two Systems and equating it with the 1992 consensus; even the more China-friendly KMT also came out against Beijing's plan.<sup>33</sup>

The PLA's increased investment in preparation for conflict in the Taiwan context and inclusion of the right to use force in Xi's speech indicates a risk that Beijing may attempt to achieve reunification by military force under certain conditions or if it feels that the use of force is its only and last resort.<sup>34</sup>

### *Xi's Speech Marking Centenary of the CCP*

This July 2021 speech stressed broad continuity with China's longstanding principles of cross-Strait principles rather than significant shifts.<sup>35</sup> Xi affirmed that the "one China" principle towards Taiwan focuses on pursuing "peaceful national reunification." The speech states that Beijing still believes in the possibility of achieving "unification" without resorting to military force. Xi also did not move the goalposts by introducing a new timeline on "unification," demanding that political talks begin in the near future, or redefining the terms on offer under One Country, Two Systems. In 2013 and 2019, Xi asserted that the Taiwan issue cannot be passed down to the next generation. He did not repeat this language, suggesting that there is not a near-term target date for reunification. Xi's speech emphasized opposing Taiwan's independence more than pushing for "unification." However, Xi

---

<sup>33</sup> For Tsai's rejection of OCTS, see Stacy Hsu, "Tsai Blasts 'one country, two systems,'" *Taipei Times*, January 3, 2019, <http://www.taipeitimes.com/News/front/archives/2019/01/03/2003707244>. For the KMT's rejection, see "KMT Rejects Xi's Plan for HK-Style Union with Taiwan," *Straits Times*, January 5, 2019, <https://www.straitstimes.com/asia/east-asia/kmt-rejects-xis-plan-for-hk-style-union-with-taiwan>.

<sup>34</sup> Jude Blanchette, Briana Boland, and Lily McElwee, "What is Beijing's Timeline for 'Reunification' with Taiwan?" Center for Strategic and International Studies, May 26, 2023, <https://interpret.csis.org/what-is-beijings-timeline-for-reunification-with-taiwan/>.

<sup>35</sup> "Full Text: Speech by Xi Jinping at a Ceremony Marking the Centenary of the CPC," Xinhua, July 1, 2021, [http://www.xinhuanet.com/english/special/2021-07/01/c\\_1310038244.htm](http://www.xinhuanet.com/english/special/2021-07/01/c_1310038244.htm). For more on the meaning of this speech, see David Sacks, "What Xi Jinping's Major Speech Means for Taiwan," Council on Foreign Relations, July 6, 2021, <https://www.cfr.org/blog/what-xi-jinpings-major-speech-means-taiwan>.

continued to link the Taiwan question with China's "national rejuvenation" and pledged to complete "national rejuvenation" by the one-hundredth anniversary of the PRC in 2049.

In this speech, the official rhetoric on PRC policy towards Taiwan in this speech shows considerable consistency with previous PRC statements compared to Xi's 2019 Speech Commemorating the 40<sup>th</sup> Anniversary of the "Message to Compatriots in Taiwan." The varying language in authoritative texts shows that Chinese policy towards Taiwan is dynamic and needs to be analyzed in the context of factors such as the trilateral relations between the United States, Taiwan, and China, the bilateral interactions between China and Taiwan, and domestic politics in China and Taiwan.<sup>36</sup>

#### *Taiwan Affairs Office (TAO) White Paper*

In the wake of U.S. House Speaker Nancy Pelosi's visit to Taiwan and meeting with Tsai, Beijing released a white paper in August 2022 entitled "The Taiwan Question and China's Reunification in the New Era."<sup>37</sup> Pelosi was "the highest-ranking U.S. official to visit Taiwan in 25 years." Chinese Foreign Ministry Spokesperson Hua Chunying, during a press conference, argued that Pelosi's visit was a violation of China's sovereignty and territorial integrity, stating:

China had historically been a victim of foreign aggression. Today, the US and several of its sidekicks still grossly interfere in our internal affairs and undermine our sovereignty and security from time to time. But China is not the China of 120 years ago, and we refuse to be treated like Iraq, Syria, or Afghanistan. The Chinese people will never allow any foreign force to bully, oppress, or subjugate us. Anyone who would attempt to do so will find themselves on a collision course with a great wall of steel forged by over 1.4 billion Chinese people. The position of the Chinese government and people on the Taiwan question is consistent. To uphold the sovereignty and territorial integrity of China is the firm will of the 1.4

---

<sup>36</sup> Fukuda Madoka, "The Characteristics of Xi Jinping's Policy-making on Taiwan Affairs: The Conflict Between Institutionalization and Centralization," *Journal of Contemporary East Asia Studies*, February 19, 2023. <https://doi.org/10.1080/24761028.2023.2177094>.

<sup>37</sup> "The Taiwan Question and China's Reunification in the New Era," PRC State Council Taiwan Affairs Office, August 10, 2022, <https://interpret.csis.org/translations/the-taiwan-question-and-chinas-reunification-in-the-new-era/>.



billion Chinese people. We hope that the US and its sidekicks who style themselves as democracies will be very clear about that. They need to take seriously and respect the core interests and the firm will of the Chinese people, who account for one fifth of the world's population.<sup>38</sup>

The white paper was likely planned to strengthen Xi's political position amid the 20<sup>th</sup> party congress, but Pelosi's visit led the CCP to speed up the timeline for publication. The white paper was the third of its kind and the first issued under Xi, indicating a rebranding of PRC policy towards Taiwan under his administration. Published by the TAO, the paper reiterated Beijing's preference for "peaceful reunification" and did not include a unification deadline or any new military threats. However, following Pelosi's visit in August 2022, the PLA conducted a week-long series of major military demonstrations, including firing conventional ballistic missiles around the island and regularly flying fighter jets across the centerline of the Taiwan strait—a practice which has persisted since then.<sup>39</sup> In addition, the PRC cancelled multiple high-level military meetings and other dialogues with the United States to express their displeasure with Pelosi's visit.<sup>40</sup> Consistent with established PRC principles, the white paper continued to reemphasize One Country, Two Systems as the model of governance for a post-unification Taiwan, claiming that it has been successful for Hong Kong and Macau. However, the white paper offered fewer details about the "Two Systems" model. The white paper reads:

Peaceful reunification and One Country, Two Systems are our basic principles for resolving the Taiwan question and the best approach to realizing national reunification... One Country is the precondition and foundation of Two Systems; Two Systems is subordinate to and derives from One Country; and the two are integrated under the one-China principle.

---

<sup>38</sup> "Foreign Ministry Spokesperson Hua Chunying's Regular Press Conference on August 5, 2022," Ministry of Foreign Affairs of the People's Republic of China, August 5, 2022, [https://www.mfa.gov.cn/eng/xwfw\\_665399/s2510\\_665401/2511\\_665403/202208/t20220805\\_10735987.html](https://www.mfa.gov.cn/eng/xwfw_665399/s2510_665401/2511_665403/202208/t20220805_10735987.html)

<sup>39</sup> Lily Kuo, Christian Shepherd, and Ellen Nakashima, "China Launches Military Exercises Around Taiwan After Pelosi's Visit," *Washington Post*, August 4, 2022, <https://www.washingtonpost.com/world/2022/08/04/taiwan-china-military-exercises-pelosi/>.

<sup>40</sup> Lee Yimou, and Sarah Wu, "China Halts Military, Climate Dialogue with U.S. Over Pelosi's Taiwan Trip," Reuters, August 5, 2022, <https://www.reuters.com/world/asia-pacific/taiwan-premier-evil-neighbour-next-door-is-showing-off-her-power-our-door-2022-08-05/>.

This omission of details about “Two Systems” signifies a potential shift in PRC policy towards Taiwan, one that could entail a reduction in its existing levels of political and legal autonomy.

Analysts have observed that the 2022 paper removes conciliatory language pledging not to deploy military and administrative personnel to the island, a significant shift compared to the 1993 and 2000 Taiwan white papers.<sup>41</sup> The 2022 version also omits past assurances that Taiwan would have a high degree of autonomy upon becoming a special administrative region of China. This change suggests that the PRC plans to restrict the involvement of pro-independence groups in the post-unification governance of Taiwan, potentially leading to less autonomy than Taiwan currently enjoys. The white paper also continues use of language stressing the urgency of making advances on the Taiwan question during Xi’s administration and as a necessary component for the “Great Rejuvenation of the Chinese Nation.” The white paper also emphasizes the importance of not “leaving the Taiwan question to the next generation.” Despite talk of “peaceful reunification,” the white paper uses more pointed and aggressive language and alludes to additional sticks rather than carrots to deal with Taiwan.

### *Work Report of the 20<sup>th</sup> Party Congress*

In October 2022, Xi gave his 20<sup>th</sup> Party Congress Report speech, where he signaled more consistency than change in China’s overall approach to Taiwan.<sup>42</sup> He avoided language in this speech that suggested a more coercive and forceful policy towards Taiwan; instead, there was a

---

<sup>41</sup> Matthew Fulco, “Xi Jinping and Taiwan: Changes and Continuity with Past CCP Leaders,” *China Brief* 23, No. 9 (May 19, 2023), <https://jamestown.org/program/xi-jinping-and-taiwan-change-and-continuity-with-past-ccp-leaders/>.

<sup>42</sup> Xi Jinping, “Full text of the report to the 20<sup>th</sup> National Congress of the Communist Party of China,” Ministry of Foreign Affairs of the People’s Republic of China, October 25, 2022, [https://www.fmprc.gov.cn/eng/zxxx\\_662805/202210/t20221025\\_10791908.html](https://www.fmprc.gov.cn/eng/zxxx_662805/202210/t20221025_10791908.html).

continuity of emphasis on solving the Taiwan issue using “peaceful” means to persuade Taiwan to unify with the mainland. The work report did not indicate a heightened sense of urgency to “solve” the Taiwan issues using military means in the near term or suggest a new timeline for reunification. However, the 2022 Party Congress speech notably states that “interference by external forces” (外部势力干涉) in Taiwan affairs poses “serious provocations” (严重挑衅) for the CCP.<sup>43</sup> Xi used this phrase three different times in the 2022 report, but not once in the 19th Party Congress work report. While the report does not name specific countries, given the growing tensions in the international realm, Beijing is clearly referring to the United States and its democratic partners. China is growing increasingly suspicious of U.S. support such as expanding arms exports and congressional visits that could embolden Taiwan to intensify efforts towards independence. If Beijing perceives that the United States is actively leveraging Taiwan as a bargaining chip in the U.S.-China competition to impede unification, we may witness escalating military, economic, and diplomatic threats toward the island, the United States, and Taiwan’s partners in the future. Reference to external forces is part of a broader, comprehensive effort under Xi to divide pro-independence forces in Taiwan from those supporting reunification or the status quo.<sup>44</sup> The intention is to persuade the latter group that the United States will never actually support Taiwan independence and is instead using the issue to generate unnecessary tension in cross-strait relations.

---

<sup>43</sup> Lyle Morris, “Listen to Xi Jinping about Taiwan,” *War on the Rocks*, November 18, 2022, <https://warontherocks.com/2022/11/listen-to-xi-jingping-about-taiwan/>.

<sup>44</sup> Peng Weixue, “On the New Pattern of National Unification During Stalemate in the China-US Strategic Game [试论中美博弈战略相持阶段的国家统一新格局],” *Cross-Strait Taiwan Studies* [台海研究], December 30, 2021.

### *China's Cross-Strait Economic Integration Plan*

In September 2023, Beijing's Central Committee and the State Council announced a plan to deepen integration between the coastal province of Fujian and Taiwan. The directive aims to attract Taiwan residents and businesses to settle in the mainland and make Fujian a "demonstration zone for integrated development" with Taiwan.<sup>45</sup> In the directive, Beijing vows to enhance the environment for Taiwan firms to do business in Fujian and foster deeper cooperation in industry and capital. Taiwan companies can invest in and set up radio and television production companies in Fujian in a pilot program. The directive also seeks to persuade Taiwan workers and families to settle in Fujian. It introduces social welfare programs to make it easier for Taiwan people to buy property and promises equal treatment for Taiwan children to enroll in public schools. Lastly, the directive encourages infrastructure projects between the mainland's Xiamen and Kinmen, allowing the transport of goods by connecting the two cities with a bridge. Similar integration measures have been introduced for the cities of Fuzhou and Matsu.

These economic incentives to the Taiwan people suggest that Beijing has not abandoned hope for peaceful unification. The timing was likely intended to be a positive message prior to the Taiwan presidential election. By integrating Kinmen and Matsu economically with the mainland, Beijing is likely trying to create economic dependencies that generate political leverage and bind Taiwan to the mainland.

---

<sup>45</sup> "China to set up cross-Strait integrated development demonstration zone," Xinhua, September 12, 2023, <https://english.news.cn/20230912/859f10c8c38545f791f4e1ad13f62d1d/c.html>.

### *Chinese Comments Since Lai's Election*

On January 13, 2024, DPP candidate William Lai was elected as the next president of Taiwan with 40.1 percent of the vote. KMT candidate Hou Yu-ih took second place with 33.5 percent, and Taiwan People's Party (TPP) candidate Ko Wen-je placed third with 26.5 percent. In the legislative election, the DPP dropped from 61 to 51 seats, losing its majority. The KMT went from 38 to 52 seats, but also failed to secure a majority. The TPP won eight seats and will hold the balance in the legislature. While Lai's victory was anticipated, it heightens Xi's concerns about China's ability to control Taiwan and achieve his aspirations for China's rejuvenation. The TAO published a statement shortly after the Taiwan election stating that cross-strait relations remain the same, referencing the upholding of the One China principle, and emphasizing that reunification is inevitable. The statement also opposed Taiwan independence activities and foreign intervention in China's "internal affairs."<sup>46</sup> Chen Binhua, spokesperson for the TAO, said that the election outcomes indicate that the DPP does not accurately represent the prevailing public sentiment on the island.<sup>47</sup> Although Lai won the presidential election, his party, the DPP, lost ten seats in the legislature while the KMT and the TPP gained 14 and three seats, respectively.

China conducted familiar military and economic coercion tactics in the aftermath of the election. Taiwan's Defense Ministry said on January 15, 2024, that four PLA military vessels were detected near Taiwan and a high-altitude Chinese balloon was floating on the northwest coast near the capital.<sup>48</sup> The next significant event to observe for insights into the PRC's policy

---

<sup>46</sup> "The Results of the Two Elections in Taiwan Cannot Change the Basic Pattern and Development Direction of Cross-Strait Relations," PRC State Council TAO, January 17, 2024, available at: [http://www.gwytb.gov.cn/xwdt/xwfb/wyly/202401/t20240117\\_12594378.htm](http://www.gwytb.gov.cn/xwdt/xwfb/wyly/202401/t20240117_12594378.htm)

<sup>47</sup> "Mainland Spokesperson Comments on Taiwan Election Results," Xinhua, January 13, 2024, available at: <https://english.news.cn/20240113/a669c1402683472ca4e420ca94fcd8df/c.html>

<sup>48</sup> Lily Kuo, "After Attempts to Meddle in Taiwan's Elections, Fail, China Takes Stock," *Washington Post*, January 14, 2024, available at: <https://www.washingtonpost.com/world/2024/01/14/china-taiwan-election-2024/>

toward Taiwan is Lai's inauguration on May 20, 2024. Lai's statements during his inaugural speech will play a pivotal role in setting the tone for his presidency and influencing the dynamics among Taiwan, China, and the United States.

### **Forecasting China's Next Moves**

To deter Lai from making statements crossing boundaries in his inaugural speech, China might maintain military pressure on Taiwan in the lead-up to the inauguration. The PRC may aim to strike a balance between Taiwan and the United States to avoid provoking a negative response from the Taiwan public and antagonizing them further. China may capitalize on Taiwan's vulnerabilities, particularly in the economic realm. For instance, ahead of the election, Beijing revoked preferential tariffs on 12 categories of chemicals imported from Taiwan, and issued warnings of potential further trade threats.<sup>49</sup> Additional trade pressure is likely now that Lai has won the election. However, more optimistically, the Biden-Xi summit in November 2023, along with the decision to resume communication between their respective militaries, provides momentum in U.S.-China relations, hopefully leading to a more restrained approach in the PRC's Taiwan policy.

Nevertheless, China will persist in exerting political and economic pressure on nations that maintain close relations with Taiwan. For instance, the Chinese embassies in Japan and the UK criticized those governments for alleged interference in China's internal affairs after sending congratulations to Lai after his electoral victory.<sup>50</sup> On January 15th, the Republic of Nauru

---

<sup>49</sup> Ben Blanchard and Yimou Lee, "Taiwan Accuses China of Economic Coercion After Tariff Cut Removals," Reuters, December 21, 2023, available at: <https://www.reuters.com/markets/asia/china-keeps-up-pre-election-trade-pressure-taiwan-with-tariff-cut-removals-2023-12-21/>.

<sup>50</sup> "China Condemns Foreign Governments Over Taiwan Post-Election Remarks," Reuters, January 14, 2024, available at: <https://www.voanews.com/a/china-condemns-foreign-governments-over-taiwan-post-election-remarks-/7439253.html>

government declared its commitment to the one-China principle, severing diplomatic ties with Taiwan and establishing diplomatic relations with China. There is potential for other countries to take similar actions.

Beijing is likely to increase pressure on Taiwan, possibly including use of military force, even if Taiwan pursues status quo policies. More concretely, given that Lai won the presidential election in January 2024, China will now very likely closely monitor whether he will recognize the 1992 Consensus *and* agree to One Country, Two Systems. Failing that, China will probably ramp up its diplomatic, economic, and military threats toward the island, to include possibly instructing the PLA to elevate its preparedness for conflict. Just like in the case of Tsai, any partial responses from Taipei, such as acknowledging the 1992 Consensus as a “historical fact,” will simply be insufficient. Of course, it is virtually inconceivable that Lai will oblige, given his past record and statements. China’s 2005 “Anti-Separatism Law” (commonly referred to as the “Anti-Secession Law”) serves as a dire warning to Taiwan that declaring independence would trigger Chinese military intervention.<sup>51</sup> Interestingly, Xi has yet to update the Anti-Secession Law, suggesting that he is satisfied with its authorization to use “non-peaceful means.” This is probably because developments in Taiwan have yet to surpass Beijing’s red lines for the use of force. Xi raised the Anti-Secession Law with Biden in November 2022 during their phone call, demonstrating that deterring Taiwan independence remains a justification for war that he is willing to employ if necessary.<sup>52</sup>

---

<sup>51</sup> The “Anti-Secession Law [反分裂国家法]” was passed in 2005 and may be found at the Taiwan Affairs Office of the State Council website: [http://www.gwytb.gov.cn/gjstfg/xf/201101/t20110123\\_1724057.htm](http://www.gwytb.gov.cn/gjstfg/xf/201101/t20110123_1724057.htm).

<sup>52</sup> “Xi Raises Anti-Secession Law in Talks on Taiwan with Biden—China Foreign Minister,” Reuters, November 14, 2022, <https://www.reuters.com/world/xi-raises-anti-secession-law-talks-taiwan-with-biden-china-foreign-minister-2022-11-15/>.

Over the longer term, and especially if Xi remains in power, China's pressure on Taiwan will likely continue to increase unless it agrees to the One Country, Two Systems formula. Even if Taiwan respects the status quo, Beijing may increase pressure to the point where this becomes untenable. At some point, China's military advantage might become so great that future KMT or even DPP leaders feel compelled to accept the unwelcome One Country, Two Systems formula because it is simply too dangerous to try to maintain the status quo in the face of overwhelming PLA capabilities and threats. Overall, Xi's cross-Strait policy remains consistent and is becoming more assertive. Going forward, it is difficult to see Beijing softening its position on Taiwan under Xi's rule, barring peaceful reunification or a decisive defeat on the battlefield.

### **Implications for Taiwan, the United States, and the U.S.-Taiwan Partnership**

China's increasing pressure on Taiwan has several significant implications for Taipei, Washington, and their security partnership. For Taipei, it will be critical to prepare for a potential war. This means increasing Taiwan's defense spending, bolstering asymmetric defenses such as sea mines, anti-ship cruise missiles (ASCMs), and indigenous submarines, and embracing alternative defense strategies such as the Overall Defense Concept that have a better chance of defeating a PLA amphibious invasion.<sup>53</sup> As Russia's invasion of Ukraine further demonstrates, it will be vital for Taiwan to prepare its citizens to wage a war of resistance. Fortunately, Taiwan is already making progress in most, if not all, of these areas.

Taiwan should also continue to reduce its economic dependence on China—such as by rejecting the Xiamen-Kinman and Fuzhou-Matsu economic connectivity plans— and focus on

---

<sup>53</sup> Rather than defeating PLA forces as they are transiting the Strait, Taiwan's Overall Defense Concept seeks to attack the PLA as they approach Taiwan's littoral and storm the beaches. For more, see Drew Thompson, "Winning the Fight Taiwan Cannot Afford to Lose," *INSS Strategic Forum 310* (November 2021), available at: <https://inss.ndu.edu/Publications/View-Publications/Article/2833326/winning-the-fight-taiwan-cannot-afford-to-lose/>.



deepening and expanding programs like Tsai's New Southbound Policy. Southeast Asian and South Asian countries, in particular, offer considerable economic opportunities that could, in the aggregate, make up for reduced economic engagement with China. India's recent opening of a new trade representative office in Mumbai, for example, will assist Taipei in this regard.<sup>54</sup> Depending on how they turn out, the recent signing of a U.S.-Taiwan Trade Initiative and Taipei's participation in the Biden administration's Indo-Pacific Economic Framework (IPEF) could also support this objective.

Finally, Taiwan will require stronger unofficial partnerships with nations that have the ability and will to support it politically to bolster deterrence, and possibly even to provide military support during a crisis or conflict. Of course, any country that engages in these actions will have to consider the potential downsides of supporting Taiwan against China. Their economic cooperation with China would be in grave jeopardy, and neighboring states that provide military support to Taiwan or base access to U.S. forces might face even more severe repercussions in the form of possible PLA attacks on their territory. Nonetheless, Taiwan already has historically had strong political support from most of its unofficial partners, including Australia, Japan, the Philippines, South Korea, and the United States, and this helps deter China from attacking the island. These countries are far less likely to contribute militarily to Taiwan's defense during a crisis or war, with the United States appearing to be the most willing.

Regarding the U.S. partnership with Taiwan specifically, Washington should tread carefully. While it is important to continue elevating the partnership to ensure adequate preparedness for war, the United States should also avoid intentionally provoking Beijing through actions such as symbolic Congressional visits to the island or endorsing Taiwan moves

---

<sup>54</sup> "Taiwan Expands Footprint in India, Opens Third Trade Office," *The Wire*, July 5, 2023, <https://thewire.in/diplomacy/taiwan-footprint-india-third-trade-office>.

toward independence. To be sure, no matter what Washington does short of endorsing the “One China principle” without any caveats will be interpreted as an affront to Beijing, and spun domestically in China as such. However, it would be unwise to give the region and the international community any reason to believe it is Washington rather than Beijing provoking the situation. Instead, the United States should continue to quietly bolster deterrence in the Taiwan Strait by upgrading its partnership with Taipei in line with the Taiwan Relations Act and Six Assurances.

The outcome of the upcoming U.S. presidential election in November 2024 will have an impact on Washington’s future cross-Strait policy as well. We assume that a second Biden administration would continue its strategy of bolstering deterrence against China and strengthening the partnership with Taiwan. A future Republican administration may not choose to continue Biden-era policies. If former President Donald Trump were to be re-elected, then his prior policies and statements on cross-Strait issues may be informative. In 2016 as President-elect, Trump broke with established precedent and accepted a congratulatory phone call from Tsai in December 2016. He was less explicit about supporting Taiwan, however, throughout the remainder of his administration. In January 2024, Trump, in response to a question on the campaign trail about whether the United States would militarily support Taiwan in a conflict against China, did not provide concrete assurances and noted that Taiwan is a competitor to the United States in the semiconductor industry.<sup>55</sup>

---

<sup>55</sup> Thomas Kika, “Donald Trump’s Taiwan Remarks Spark Fury and Concern,” *Newsweek*, January 22, 2024, <https://www.newsweek.com/donald-trumps-taiwan-remarks-spark-fury-concern-1862602>.

## **Concluding Thoughts**

Under Xi, China is taking a firmer stance on Taiwan. If he remains the Chinese leader for years to come, and there is little reason to believe that he will not stay in power, then Beijing is very likely to continue ramping up diplomatic, economic, and military pressure against the island. This has been borne out by both Chinese actions and statements since Tsai was elected president of Taiwan, and Beijing's response is likely to only intensify with Lai as president for at least the next four years.

Going forward, it will be vital for Taiwan to strengthen deterrence against China and prepare for potential armed conflict. It will be equally important for Taipei to reduce its dependence on China and strengthen both regional and international partnerships to complicate Beijing's attempts to coerce Taiwan into accepting One Country, Two Systems and ultimate reunification. Washington plays a pivotal role in supporting Taiwan's efforts, though the United States must be cautious to avoid unnecessarily provoking China to attack the island or inadvertently creating a narrative that makes Washington, and not Beijing, appear to be the troublemaker in the Taiwan Strait.