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DOMESTIC POWER RESHUFFLES IN 2022 AND U.S.-TAIWAN-CHINA RELATIONS

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Executive summary

Important transitions marking power reshuffles occurred in the United States, Taiwan, and China in 2022. The 20th National Congress of the Chinese Communist Party was held during October 16-22, producing a Politburo and Standing Committee comprised entirely of Xi Jinping's protégés and scrapping the previous pattern of compromise and equilibrium among political factions. After the November 8 midterm elections in the United States, Republicans seized control of the House of Representatives while the Democrats' overall performance was evidently better than expected. The "nine-in-one" local elections in Taiwan on November 26 turned out to be a major setback for the ruling Democratic Progressive Party, which won in only five of the 21 localities where magistrates or mayors were elected and lost in three localities of high political significance for a net loss of two localities. Stemming from the reshuffles are crucial factors related to each of the three political systems that would affect trilateral relations in the near future.

The 20th Party Congress and subsequent events demonstrate: 1) Xi's further consolidated power; 2) Beijing's continually assertive posture in the Taiwan Strait; 3) uncertainties about China's economic outlook; 4) Xi's greater valuation of collective objectives than that of individuals' well-being and a greater likelihood for Xi to accommodate domestic and international demands if he perceives his power is becoming more secure; 5) the possibility that Xi's perception of his increasingly consolidated power made him more amenable to adaptation in domestic and foreign policies; and 6) the increasing potential of future civic defiance to the pathologies of governance in China.

Major developments in the wake of Taiwan's 2022 local elections include: 1) that mainstream public opinion rejects Beijing's unification bid and prefers the status quo, a lingering pattern over the last three decades, but is also saliently wary of the risk of war with China; 2) that potential presidential candidates from the DPP and Kuomintang, Taiwan's two major political parties, have taken turns to lead in public opinion polls since the end of the 2022 local elec-

tions; and 3) that none of the possible contenders for the presidency, including the potential candidate from the Taiwan People's Party, the third-largest party, has declared to embrace unification or Taiwan independence. This is even true of William Lai from the DPP, who was often regarded as actively pro-independence.

After the U.S. midterm elections, we have seen: 1) the Biden administration's intensified sanctions on China and heightened military assistance to Taiwan; 2) the summit between U.S. President Joe Biden and Xi and plans for future meetings between U.S. and Chinese high-ranking officials, despite the incident of a suspected Chinese spy balloon flying over the United States; 3) the meeting between current U.S. House Speaker Kevin McCarthy from the Republican Party and Taiwan's President Tsai Ing-wen in California during Tsai's transit visit to the United States; and 4) the newly established U.S. House Select Committee on the Strategic Competition Between the United States and the Chinese Communist Party, which seeks to dispel China's threats to vital U.S. national interests, and the House Republicans' possible future initiatives which may provoke Beijing due to their sovereignty implications in favor of Taiwan.

The power reshuffles above yield implications for two recent major policy debates in the United States. The first debate is about China's "peaking power" — whether Beijing, as it sees the surge of its overall national power start to slow, cannot wait too long to turn its aggressive intentions into concrete action by grabbing what it desires, including Taiwan, which could result in a military clash with the United States. Central to the debate is the timeline for Beijing to use force against Taiwan, an issue that has grown increasingly prominent in 2022 given warnings from U.S. officials of the impending threat. Some factors emanating from China's internal dynamics display that Beijing's will to unify Taiwan by force may have become stronger.

Yet there are four reasons why Beijing's invasion of Taiwan may not occur as soon as the aforementioned warnings have indicated. First, it seems probable that Xi will remain confident about China's continuing ascent. Second, what may affect Beijing's calculus about the timing of a military showdown is likely to be the assessment of China's internal weaknesses in absolute terms, rather than external strengths in a relative sense. China is increasingly vulnerable to multiple systemic risks that result primarily from economic pathologies and social instability. Given how Beijing has sought, after the Party Congress, to manage the Chinese economy in ways markedly different from what had been done in the past, Beijing is apparently aware of all the vulnerabilities. Third, the factors which reflect Taiwan's internal dynamics exhibit that neither Taiwan's citizens nor elites have adopted a standpoint on cross-strait relations that would prompt Beijing to rush an invasion. Fourth, the dynamics from U.S. domestic politics demonstrate that the Democrats and the Republicans may exert disparate influences on Beijing's intention over the timeline. Whereas this is the case, Tsai's transit visit to the United States during March 30-31 and April 4-6 appears to exhibit possibilities for non-zero-sum competition between the two parties over trilateral relations. Arrangements during Tsai's trip took place in a watered-down fashion from what was previously reported. As the two parties did not compete to bash Beijing as much as what occurred in former House Speaker Nancy Pelosi's Taiwan visit in 2022, China's reaction through military operations was slightly less intrusive than that of last year as well.

The assessment of the first debate is, therefore, that massive cross-strait armed conflict is by no means inevitable soon. Yet it is notable that there are alternative dynamics that shape Beijing's intentions on the timing. For instance, if Xi's perception of security is compromised by any trend that he regards as encouraging Taiwan independence, he will have to deliver tough responses in defense.

The second issue of policy debate is about Beijing's main approach to forcing Taiwan into unification. On the one hand, there are abundant studies and comments that concentrate on China's approach to an all-out invasion. On the other hand, some analyses place heavier emphasis on the threats from Chinese moves short of waging a full militarized conflict. The most common concept of such moves is perhaps China's "gray-zone" operations (CGZO) against Taiwan. Exemplified by the CGZO literature, the distinction between China's coercive moves and its conventional invasion in terms of their nature and intended effects begets the inference about the CGZO's designed immediate goals. A conventional invasion is invariably regarded as directly seeking a full seizure of Taiwan. Yet CGZOs are understood as facilitating China's unification attempt indirectly by creating long-term conditions in various domains that bolster China's relative advantages. Pervasive in the extant literature is the premise that China has diverging timelines between the two modes of aggressive actions for the goal of unification. It is overlooked, however, that some coercive scenarios — not yet totally realized as of now — short of a full invasion may potentially speed up unification in the near term, by forcing Taiwan into negotiations instead of conquering Taiwan. The pressures for coerced negotiations cannot be overestimated if we consider factors from Taiwan's domestic dynamics, and they would result from impacts on Taiwan's morale and internal cohesion. The key point here is that more attention is to be paid to such Chinese acts in which the magnitude of violence falls between CGZOs and kinetic military operations, but the possible upshot may be to expedite unification under China's terms. For Beijing, such acts appear preferable to a full invasion for multiple reasons. The most important one may be that the current U.S. tactics, whether or not strategic ambiguity or strategic clarity is a more accurate characterization of its nature at present, concentrate on preventing massive cross-strait armed conflict. The United States lacks a systematic preventive strategy regarding the type of Chinese coercions in question here.

Introduction

Important transitions marking power reshuffles at different levels occurred in the United States, Taiwan, and China during October-November 2022. The earliest was the 20th National Congress of the Chinese Communist Party during October 16-22, producing a Politburo and Standing Committee comprised entirely of Xi Jinping's protégés and scrapping the previous pattern of compromise and equilibrium among political factions. Then, following the November 8 midterm elections in the United States, Republicans won control of the House of Representatives while the Democrats' overall performance was evidently better than expected. The "nine-in-one" local elections in Taiwan on November 26 turned out to be a major setback for the ruling Democratic Progressive Party, which won in only five of the 21 localities where magistrates or mayors were elected and lost in three localities of high political significance for a net loss of two localities.[1] Considered together with some unexpected ensuing developments, the reshuffles have ramifications for trilateral relations between China, the United States, and Taiwan in the near future.

As expounded later, the 20th Party Congress and subsequent events demonstrate Xi's further consolidated power, Beijing's continually assertive posture in the Taiwan Strait, uncertainties about China's economic outlook, and the growing potential of future civic defiance to the pathologies of governance in China. Taken together, they neither forebode Beijing's expedited attempt to invade Taiwan nor exclude Beijing's use of force short of an invasion aimed at coerced unification.

Intense competition among major Taiwanese political parties to jockey for constituent support has begun since the end of the local elections. Mainstream public opinion in Taiwan rejects Beijing's unification bid, a lingering pattern over the last three decades, but is saliently wary of the risk of war with China.

Meanwhile, indications had initially emerged that Washington and Beijing were seeking revived cooperation over regional and global issues amid continued competition on other issues. Nevertheless, lingering mutual distrust and divergence on strategic interests, exemplified by China's backing of Russia in the latter's war against Ukraine and Xi's visit to Moscow in March 2023, render the quest for a U.S.-China bilateral thaw premature.

In this policy brief, I will first identify the main factors stemming from the power reshuffles that will affect trilateral relations. Then I will derive their implications for two recent policy debates in the United States over trilateral relations. Based on the factors from the power reshuffles, Beijing's timeline for unifying Taiwan through military means is unlikely to be within the next four years or so — a different inference from what the argument about China's peaking power envisages. Those factors also warrant a reappraisal of the relative desirability for China between launching an all-out invasion and resorting to coercions short of invasion, including gray-zone operations. Such coercions may also be launched in ways that directly force Taiwan into unification.

Dynamics from China's domestic politics

The 20th Party Congress in China in October 2022 ended with a sweeping victory for Xi Jinping. He steered the revision of the party charter that codified his leadership and ideological core status and also dominated the personnel reshuffle in the party's Central Committee, Politburo, and Standing Committee. Six developments in the wake of the Party Congress appear notable due to their likely impacts on Beijing's relations with Taiwan. As will be detailed in the subsequent section on policy debates, the first, second, and fourth factors reflect Beijing's increasingly intensified will to unify Taiwan by force. The third, fifth, and sixth factors suggest that Beijing is unlikely to act before 2027.

First, Xi's personal authority has become more deeply entrenched, with all the "yes men" installed in China's decisionmaking organs.[2] Accordingly, differing voices regarding key issues may be increasingly muted and his agendas, including the unification bid, would move forward with little questioning or defiance. It was not so much the case in the past. For instance, after Xi announced in 2015 the goal of eliminating poverty in China by 2020, Chinese Premier Li Keqiang remarked in a press conference in May 2020 that 600 million Chinese were still living under a monthly income of 1,000 yuan (approximately $140).[3] Li's statement apparently did not embolden Xi's initiative and seemed to allude to a higher priority being placed on more effective domestic problem-solving than on other issues on the policy agenda.

Second, whereas Beijing's opposition to Taiwan independence had been official policy for over four decades, the declaration was inserted in the party charter for the first time during the Party Congress. More importantly, some newly promoted members of the party's Central Military Commission, particularly Vice Chairman General He Weidong, have been involved in China's plans to use force against Taiwan, including Chinese military drills after U.S. House Speaker Nancy Pelosi visited Taiwan in August 2022. And despite U.S. President Joe Biden's statement to the media that "I do not think there's any imminent attempt on the part of China to invade Taiwan" following his meeting with Xi in November,[4] triggers of possible military confrontation remain. Frequent crossings of the median line of the Taiwan Strait and intrusions into Taiwan's air defense identification zone by People's Liberation Army (PLA) Air Force aircraft continue as of now, including the largest-ever incursion by the PLA on December 26.[5] Days before the Biden-Xi meeting, massive air force operations by the United States and China took place near Taiwan's east coast. Roughly 100 U.S. and 400 Chinese sorties were launched over the course of about three days, where the U.S. airplanes flew from bases in the West Pacific, as far as Guam.[6]

Third, China's economic outlook, as informed by the Party Congress, is relevant to assessing its timeline for altering the cross-strait status quo. One approach to such an assessment is typified by the argument that China's "peaking power," presumably undergoing a future inversion, will lead Beijing to aggressively grab what it desires — including Taiwan — before the window of opportunity vanishes due to the inversion.[7] While the argument's linear reasoning based on aggregate national power may be somewhat simplistic, major trends in China's economic evolution cannot be dismissed. Despite the turnaround of Xi's zero-COVID policy — widely seen as debilitating the Chinese economy — about a week after widespread protests by Chinese citizens in late

November, the Chinese economy remains plagued by thorny structural problems. Chief among them is the sagging real estate sector.[8] The main solution — having local governments inject funds at Beijing's demand — is unlikely to be sustainable, given the staggering size of cumulative local debts and the lingering, weak confidence of potential buyers.[9]

Will Li Qiang, the new premier approved by the National People's Congress in March 2023, and his economic management team be able to tackle all the ingrained problems effectively? Huge uncertainties hang over Li, given his lack of national experience and Xi's choice of him chiefly based on his political loyalty instead of economic qualifications.[10] Despite that he seems to have worked to promote policies conducive for boosting the economy, such as reassurances to the private sector and revitalizing the housing market, he is viewed as subservient to Xi's will on a myriad of governance issues.[11] In addition, Xi's pursuit of "common prosperity," now delivered mainly through immense "voluntary donation" by domestic private business conglomerates, was added to the party charter in October.[12] Therefore, unlike the reversal of the zero-COVID policy, the "common prosperity," which undercuts the incentive of wealth accumulation, has gained rising momentum. Such pursuit has been among the main factors of growing capital flight in China since 2021.[13] However, China's economic outlook of a limited bounce-back at best will dampen rather than accelerate Beijing's possible use of force to achieve unification, for reasons to be elaborated afterward.

Fourth, another key factor is how Xi and China's leaders weigh the relative importance of grandiose imperatives such as the great rejuvenation of the nation at the collective level and the well-being of ordinary citizens at the individual level. Using force against Taiwan entails a tradeoff between attaining the collective goal on the one hand and incurring the costs from possible heavy casualties and, more importantly, from possible economic headwinds for the general public, on the other. For the United States to forestall a future Chinese invasion, especially through the strategy of deterrence by punishment, Beijing's calculus in this regard would be immensely influential. Previous adherence to the zero-COVID policy displayed that Xi deemed the sharply decaying living conditions of the masses under draconian lockdowns to be acceptable, as far as the pandemic's proliferation was under control, and thus social stability seemed to remain intact. Indeed, if it were not for the extensive mass protests against the zero-COVID policy that erupted in late November, Xi might have kept pushing the policy forward, as he had vowed during the Party Congress.[14]

Ironically, what has happened after reversing the policy abruptly firms up rather than dilutes the inference above. In less than two weeks after the reversal, an outbreak overwhelmed China and the nation's medical system, thereby exposing how Beijing failed to plan and prepare in advance to minimize the impacts on public health.[15] In congruence with the mentality expressed above, during his first field trip outside Beijing after the Party Congress, Xi emphasized, as he often had before, the importance for youngsters to strive for the "new epoch" down the road by stating that "socialism is hard-earned by putting our lives on the line."[16]

Fifth, the outbreak of mass protests and the somewhat unexpected rollback of China's stifling zero-COVID rules and controls have generated implications along China's internal and external fronts. What should we make of Beijing's accommodation of protesters' demands? The foregoing discussion reveals that Xi may have concentrated on curtailing the risk of collective instability more than safeguarding individuals' health. More importantly, as the reversal took place soon after the Party Congress, where Xi accomplished further domination of elite politics, he appears more willing to adapt when he perceives sharply growing threats to his power. Xi's apparent risk aversion is also vividly exhibited in China's moves to repair relations with major foreign powers since November, at least before the turning point in February 2023 when a suspected Chinese spy balloon was tracked flying across the United States. However, the conditions that must be met to make him feel secure appear quite demanding given that, for instance, there was little doubt since at least 2017 he had assumed personal authority only next to Mao Zedong in the history of the People's Republic of China (PRC).[17] Yet China's internal governance and foreign policy turned even tougher after Xi's first term. The two facets above could provide a useful reference for Washington and Taipei to evaluate how Beijing might respond to their future tactics or overtures.

The sixth and last factor is China's state-society relations. The social unrest from the protests may subside due to policy change. Nevertheless, one meaningful development has already unfolded and will be difficult to erase. Individual citizens now know that there is a chance that their resistance will be joined by others, and that there is a point where collective dissatisfaction overwhelms the fear of suppression. The resulting "information cascade" dispels a major barrier to widespread civic disobedience seen by analysts outside of China before.[18] Part of the reason why there have been frequent but isolated collective actions in China since 1989 is precisely because of the uncertainty about such a cascade effect. The widespread protests against the zero-COVID policy last November could not have occurred in the absence of the effect. A more recent example of the effect at work was the new disobedience against the ban on fireworks in many Chinese cities on New Year's Eve 2022. The government's response in some such localities has been to partially lift the ban.[19] Considering the multiple existing sources of state-society tensions in China, such as rising unemployment, especially among youngsters, such social consciousness might again trigger collective action in the future.

Dynamics from Taiwan's domestic politics

In the "nine-in-one" local elections in the Republic of China (ROC), the Democratic Progressive Party (DPP) suffered one of the most severe setbacks in its history. The DPP won only five of the 13 localities while the Kuomintang (KMT) seized the other eight in the elections for magistrates/mayors. The DPP won 41.62% and the KMT won 50.03% of the total ballots, compared with the 2020 Taiwanese presidential election when the two parties respectively won 57.13% and 38.61% of the vote.[20] Following the DPP's previous practice of the top leader shouldering the responsibility of its electoral losses, President Tsai Ing-wen resigned from the party chairpersonship right after the election.

What did the KMT's electoral gains mean for U.S.-Taiwan-China relations in the near future? First, unlike how some international media have framed it, this election had very little to do with Taiwanese voters' preference regarding relations with China or the United States. Instead, the dominant issue was domestic governance. The DPP lost support from many median voters due to, for instance, countless counterproductive actions to combat COVID-19; indications of collusion between organized crime and high-ranking police officers, judges, prosecutors, and anti-corruption officials; the blemished personal integrity and the poor governance of DPP candidates and incumbents; the failure to improve young people's economic well-being; and voters' weariness of the longstanding manipulation of information by a "cyber army" backed by the DPP in cyberspace.[21]

Second, according to the public opinion poll conducted in October 2022 by the Election Study Center of National Chengchi University in Taiwan, an overwhelming majority of Taiwanese rejected Beijing's unification bid (88.6%). 74.4% of those polled also supported Tsai's most recent declaratory policy toward China of adhering to: Taiwan's constitutionally enshrined freedom and democracy; ROC-PRC relations free from legal subordination to each other; ROC's sovereignty against PRC's encroachment; and the principle that Taiwan's future be compliant with the will of all Taiwanese. A slimmer majority of 57.3% further preferred sustaining the status quo to unification or independence.[22]

Third, the same poll also showed that 84.3% of the respondents agreed with Tsai's claim that cross-strait war is unacceptable to Taiwan, and that 88.9% of them are willing to see Taipei work on equal footing with Beijing over mutually acceptable solutions for resolving the differences and maintaining cross-strait peace. This might suggest that at the time of the election, most Taiwanese were aware of the growing risk of war which resulted from Beijing's attempt at unification instead of Taipei's attempt at de jure independence. But they still wished for the possibility of peace in the absence of both unification and independence.

Fourth, did the election outcome foretell that Taiwan's next president, to be elected eight months from now in 2024, will not be from the DPP and therefore reshape cross-strait relations? As of March 2023, public opinion polls on the popularity of potential major contenders reveal a contested political landscape. According to a poll by the Formosa Electronic Newsletter about four weeks after the 2022 local elections, 34.1% of Taiwanese support the DPP's William Lai, 39.9% support the KMT's Hou You-yi, and 12.7% prefer Ko Wen-je of the Taiwan People's Party (TPP).[23] The TVBS Poll Center, another major survey institution in Taiwan, exhibited a snapshot of 25% for Lai, 34% for Hou, and 21% for Ko in January 2023.[24] Apart from the three figures above, Terry Gou, another potential candidate from the KMT and founder of the Foxconn Technology Group, has sharply risen in many polls since the local elections. In the same TVBS poll above, he registered a support rate of 34%, compared with Lai's 25% and Ko's 20%. Yet the DPP regained its momentum by March 2023, as constituent support turned into 38.4% for Lai, 26.2% for Hou, and 20.4% for Ko.[25] It is thus still quite uncertain which party will prevail next January. To be sure, many variables could still come into play to affect public support, including Beijing and Washington's policies as well as concrete moves in relation to Taiwan.

This brings us to the potential major candidates' stances on Taiwan's relations with China and the United States. Hou and Gou, reportedly the two current forerunners in the KMT's internal poll that would influence the nomination of its presidential candidate, exhibit some subtle but perhaps vital differences regarding trilateral relations. This was different from the coherence among major KMT contenders' stances on the issue in the last presidential election. Hou, the reelected KMT magistrate of New Taipei City who is now locked in a tight contest with William Lai in the 2024 race, appears to entertain what can be deemed an alternative version of strategic ambiguity on cross-strait relations. He rejected Taiwan independence explicitly but has refrained from commenting on the 1992 Consensus, an understanding reached by Chinese and Taiwanese representatives that there was one China despite there being different interpretations as to what constituted that one China. This served as a foundation for relative stability, a diplomatic truce, and expanded economic exchanges across the Taiwan Strait during 2008-2016. On January 1, 2023, Hou stressed in public that Taiwan "is by no means the pawn of great power(s)," without naming specific country/countries.[26] If he is elected, Beijing may have reason to feel less anxious about Taiwan drifting further toward independence and a political identity inimical to anything associated with China. However, Beijing is also likely to remain unsure about whether Taipei will accept its "one country, two systems" formula, other things being equal.

Alternatively, Gou indicated in 2019 that he would endorse the 1992 Consensus only if there were no objections from Beijing to its definition accommodating diverging interpretations about whether "One China" referred to the ROC or PRC. Notably, in the aforementioned TVBS poll in 2023, Gou was viewed by 30% of the respondents as the most capable candidate to deal with cross-strait relations, compared with Lai's 17% and Hou's 11%. Ko, the likely candidate from the TPP, is well-known for his iteration of liangan yijiaqin (both sides on the Taiwan Strait are in one family). Any of the three potential candidates, if elected president, will be receptive to some version of the tenet of "One China," but not necessarily to a wholesale unification imposed by Beijing. On the other hand, greater homogeneity between Ko, Hou, and Gou, and their divergence with Lai, means that Ko, if he is running on his own instead of as a partner with the KMT candidate, is likely to divert more constituent support from a KMT than a DPP candidate.

Lai, sworn in as the DPP's new chairperson on January 18, 2023, is widely seen as the party's only hope to win in 2024. Formerly Taiwan's premier, Lai bluntly stated in 2017 that he supported Taiwan independence, making him the first holder of that position to launch such provocative rhetoric.[27]

Seven months later he managed to characterize his approach to Taiwan independence as "pragmatic," based upon, inter alia, safeguarding Taiwan's sovereignty, freedom, democracy, and human rights.[28] Then as the DPP's candidate for vice president in November 2019, he described himself as a "pragmatic worker for Taiwan independence."[29]

Perhaps in an effort to assuage concern or backlash due to his rhetoric on Taiwan independence, Lai delivered a public speech with an unexpectedly moderate tone during the U.S. Independence Day gathering held by the Taipei office of the American Institute in Taiwan in 2022. He emphasized that the DPP will continue with Tsai's cross-strait policy after 2024, that the DPP will not be a troublemaker for regional stability, and that Tsai's "four commitments" policy seeks to safeguard Taiwan's autonomy on the one hand, but does not rule out the possibility of future unification with China under the majority's approval in Taiwan on the other.[30] During his campaign to run for the DPP chair, he developed the slogan of heping baotai (seeking peace in order to protect Taiwan), seemingly a defining phrase of his cross-strait strategy that sounded obviously less hardline than Tsai's kangzhong baotai (resisting China in order to protect Taiwan).[31] Finally, Lai, as the new DPP chairman in 2023, professed at the inauguration that Taiwan is already a sovereign and independent country and hence there is no need to declare its independence.[32] Regardless of all these developments, Beijing has continued slamming Lai's standpoint. For instance, in response to the mildly phrased heping baotai, China's Taiwan Affairs Office commented that Taiwan independence was "incompatible" with peace, and that peace was impossible unless Taiwan independence would be totally discarded, and the 1992 Consensus would be restored.[33]

Dynamics of U.S. domestic politics

The U.S. Democratic Party surprised many in the 2022 midterm elections by staving off the expected "red wave" and keeping control of the Senate. In the aftermath, President Joe Biden met with Xi in person in November, reflecting an attempt to improve bilateral tensions. Whereas the administration has not scaled down high-tech sanctions on China and Biden signed into law a bill that included $2 billion in loans for Taiwan to purchase weapons from the United States,[34] Washington expressed its expectation to resume previously suspended mechanisms for military dialogues with China after U.S. Secretary of Defense Lloyd J. Austin met with Wei Fenghe, then his counterpart in Beijing, following the Biden-Xi summit. Though Secretary of State Antony Blinken's planned visit to China, originally scheduled for February 3, was postponed due to the flyover of a suspected Chinese spy balloon — an incident the White House characterized as "unacceptable"[35] — the possibility of the visit taking place later this year is not completely out of the question. On the economic front, Commerce Secretary Gina M. Raimondo suggested on November 30 that "…we are not seeking the decoupling of our economy from that of China's,"[36] offering an emphatically articulated opinion to an unresolved policy debate.

On the other hand, Republicans in the House are also gearing up for their new policy agenda. Two of their initiatives may have immediate impacts on China-Taiwan-U.S. trilateral relations. First, while Representative Kevin McCarthy, a Republican and the current speaker of the House, met with Tsai in California instead of Taipei, his visit to Taiwan later in 2023 is not completely precluded, according to McCarthy.[37] Considering the military fallout after Pelosi's Taiwan visit, which has not been fully neutralized, all the moves by the PLA presage how it may react to McCarthy's trip.[38] In case there will still be a future visit after the DPP's nomination of its presidential candidate, which will reportedly be completed around the end of May,[39] it would aggravate the situation even further, given Beijing's perception of Lai and the latter's likely campaign rhetoric.

Second, the newly established U.S. House Select Committee on the Strategic Competition Between the United States and the Chinese Communist Party in 2023, with the articulated goal of countering China's various threats against the United States, would bring about additional uncertainties to thawing bilateral relations. An immediate issue is China's suspected spy balloon, which the committee's chairman, Republican Rep. Mike Gallagher of Wisconsin, has suggested could be investigated in collaboration with other House committees.[40] Furthermore, Republican legislators also called on Blinken to make a stopover in Taipei on his previously planned trip to Beijing in February,[41] which could, if fulfilled in the future, trigger a far more vehement reaction from China than if McCarthy visits Taiwan, given their qualitatively different implications for U.S. adherence to its "One China" policy. Likewise, the previously reported initiative to invite Tsai to visit the United States during the first half of 2023,[42] albeit out of the question now given that she made only transits to the United States during March and April, remains an explosive possibility for her or any future Taiwan president if it so happens.

Implications for policy debates on trilateral relations

The power reshuffles above yield implications for two recent major policy debates in the United States. First, Michael Beckley and Hal Brands argue that Beijing, as it sees the growth of its national power begin to slow down, cannot wait too long to turn its aggressive intention into concrete action to grab what it desires, including Taiwan, which could result in a military clash with the United States.[43] In contrast, Oriana Skylar Mastro and Derek Scissors forecast that the peak of China's power has yet to come and, therefore, Beijing can bide its time for expansion and military confrontation.[44] Central to the debate is the timeline for Beijing to use force against Taiwan, an issue that has grown increasingly prominent in 2022 given warnings from U.S. officials of the impending threat. For example, Chief of Naval Operations Admiral Mike Gilday professed on Oct. 18, 2022, that the outbreak of war could be earlier than 2027, somewhat similar to what then-Indo-Pacific Command chief Admiral Phil Davidson testified in March 2021. Gilday even indicated that the window of opportunity for China to attack Taiwan might emerge in 2022 or potentially in 2023.[45] In a slightly more reserved tone, CIA Director William Burns proclaimed in December 2022 during an interview with the Public Broadcasting Service that Xi has "instructed his military leadership to be ready by 2027 to launch a war" against Taiwan.[46] A month later, the prediction in a memo intended for internal circulation written by General Mike Minihan, head of the Air Mobility Command, is that "we will fight in 2025."[47]

To assess the debate, there are indeed indications of Beijing's stronger will to unify Taiwan by force, as informed by the first, second, and fourth factors in China's internal dynamics discussed above. With regard to the timeline of using force, it is vital to examine whether China may have reached the apex of its power and whether such an inference may be recognized by Beijing and thus expedite the timeline. The third factor in China's internal dynamics forebodes a gloomy economic prospect. In addition, despite the lift of its massive lockdown, China's overall economic prospect does not appear to be glowing either in the short or in the long run, much as Beckley and Brands posit. The Organization for Economic Cooperation and Development predicted a growth rate of 4.6% and the IMF predicted 5.2% for 2023, while Statista predicted the rates for 2023-2028 which would range between 3.44%-5.24%. Such figures stand in stark contrast with China's growth rates for 2011-2019, which ranged between 5.95% and 9.55%.[48]

Nonetheless, apart from China's aggregate power at the macro level, other crucial factors shape Beijing's decisionmaking over the timeline at the micro level. First, it seems probable that Xi will remain confident about China's continuing ascent. Xi trumpeted his view of "the East is on the rise, and the West is in decay" (dongsheng xijiang) in 2021, which was recently aggrandized to equate the "East" to the BRICS countries and their followers — of which many maintain closer ties with China than the United States.[49] This rosy vision of China is unlikely to be defied by Xi's protégées at the top after the Party Congress. In addition, Xi's heavily augmented sense of security following his domination of elite politics — part of China's internal dynamics mentioned above

— would also reinforce his belief in it. Both stand in the way of full awareness of China's diminishing dynamics of future growth compared to those in the past. Furthermore, Xi's pompous statement recently has displayed how he believes China's surging international clout rests on its domestic strengths. On his departure from Russia on March 22, 2023, after a three-day visit, Xi told Russian President Vladimir Putin that "change is coming that hasn't happened in 100 years, and we are driving this change together."[50]

Second, what may affect Beijing's calculus about the timing of a military showdown is likely to be the assessment of China's internal weaknesses in absolute terms, rather than external strengths in a relative sense. China is increasingly vulnerable to multiple systemic risks. The ongoing real estate market crisis remains unresolved, with developers facing financial hardships and needing massive credit injection and the interest in purchase heavily slashed.[51] The sluggish housing sector further weakens the already sagging aggregate demand. A shortage of fiscal resources to cover the supply of critical public services is provoking societal disgruntlement.[52] Domestic investments are hampered by decelerated inflows of foreign capital largely owing to U.S.-China strategic competition and economic strife, and by capital flight which seemed to accelerate after the Party Congress.[53] What could generate the strongest consequence for social stability may be the high youth unemployment rate in China since 2022, which ranges between 18-20%. Worse yet, long-term trends seem to turn increasingly against young workers.[54] The bleak prospect for young Chinese has caused widespread pessimism about their future, and thus contributed to China's unusually rapid declines in fertility level and marriage rate since 2014.[55] Considering the six aforementioned dimensions of China's internal dynamics, pervasive youth disenchantment could heighten the chance of contentious collective action, thereby worsening China's internal fragility. These grave risks and chronic crises are no less influential than China's available economic and military resources relative to those of other major powers in shaping Beijing's external behaviors.

There are clear indications that Beijing is quite aware of all these vulnerabilities and has undertaken concrete actions to tackle them. Since the end of the Party Congress, Beijing sought to manage the Chinese economy in ways markedly different from what had been done in the past, and with an eye to addressing systemic risks. The Central Economic Work Conference, concluded on December 16, for instance, underlined, among other things, the revival of the digital (or platform) economy, the encouragement of private enterprise, the fulfillment of real estate firms' demand for credits, and the expansion of domestic aggregate demand.[56] The first two objectives stand diametrically opposite to, respectively, all the strictures imposed on firms like Alibaba and Tencent — including heavy fines and the forced resignation of their founders — since 2020, and to Beijing's state dirigisme, which were among the key factors leading to the relative shrinkage of China's private firms since 2021 — the first time that occurred since Deng Xiaoping's tour to southern China in 1992.[57] The last two objectives demonstrate the less-than-satisfactory efficiency of pre-existing measures intended to contain the risks from the housing market, youth unemployment, underinvestment, capital flight, etc. Given that the internally destabilizing impacts resulting from the systemic risks identified above would be exacerbated if Beijing attacks Taiwan, all the internal vulnerabilities are even more likely to prohibit a hasty invasion.

Related to China's economic risks is the possibility of diverting domestic tensions by waging external conflict, which also jeopardizes cross-strait stability as the peaking power argument envisions, albeit through a different logic. For two reasons, nonetheless, a diversionary war against Taiwan in the near future seems unlikely. First, China's involvement in external military conflict in the reform era is rare, and the motives for using force reflect tremendous caution and strategic logic rooted in cultural continuities and changes in international settings. This was true of China's war with Vietnam in 1979 and the 1995-96 Taiwan Strait Crisis, which had hardly any bearing on the need for maintaining domestic stability.[58] Second, and more importantly, for autocracies to wage diversionary wars, the degree of top leaders' grips on power and the regime's control of the social order are critical factors in their motivations for diversion.[59] In general, non-democracies possess a richer repertoire for containing domestic instability than democracies. In particular, the Chinese state's staggering surveillance capability built on high technology and data fusion, unparalleled by any other authoritarian regime at present, plays a key role in preempting or overwhelming destabilizing forces.[60] Hence it is unlikely that nationwide chaos veering on regime collapse will soon occur, a scenario that prodded Mao to provoke the clash with the Soviet Union over Zhenbao Island in 1969.[61] Diversionary tactics against Taiwan thus may serve as a last resort only.

The third micro-level factor that influences Beijing's decision is that neither Taiwan's citizens nor elites have adopted a standpoint on cross-strait relations that would prompt Beijing to rush an invasion. As shown above, the majority of Taiwanese prefer the status quo to independence, and nonviolent alternatives to war. Among the leading candidates for next year's presidential election, none of them embrace a pro-independence platform, including Lai — despite that there is also a dearth of support or acquiescence for unification currently. Beijing's rhetoric and deep mistrust with Lai aside, there seems little chance for Lai, if elected, to declare independence.

The fourth micro-level factor is that the foregoing scrutiny of U.S. domestic politics demonstrates that the Democrats and Republicans may exert disparate influences on Beijing's intention over the timeline. Whereas this is the case, Tsai's transit visit to the United States during March 30-31 and April 4-6 appears to exhibit possibilities for non-zero-sum competition between the two parties over the trilateral relations. Major activities by Tsai, including her speech in New York arranged by the Hudson Institute, a predominantly Republican think tank, and her meeting with McCarthy as well as 18 other members of Congress from both parties, took place in a watered-down fashion from what was previously reported. In response, China launched the "Joint Swords" military drills near Taiwan from April 8-10, with operations slightly less intrusive than those in the wake of Pelosi's Taiwan visit last year. Unlike what happened a year ago, the deployment this time did not form an encirclement and simulate a blockade of Taiwan, and there were also no missiles fired over or around Taiwan.[62]

Contrary to the arguments about China's peaking power and diversionary motivations, therefore, massive cross-strait armed conflict is by no means inevitable soon, albeit through a different logic from Jude Blanchette and Ryan Hass's recent analysis that offered a similar conclusion in the long run.[63] That said, it is notable that there are alternative dynamics that shape Beijing's intentions on the timing otherwise. As discussed above, whereas the plans for McCarthy's visit to Taiwan and for Tsai state visit to the United States are not underway now, initiatives of this sort remain prone to escalation. Xi may not rush a military offensive against Taiwan. Yet if his hard-earned perception of security is compromised by trends that he regards as encouraging Taiwan independence — such as what he considers to be coming from the international arena reflected in such initiatives — he will at least have to deliver tough responses in defense.

If China is unlikely to rush an invasion, does that mean Taiwan is entirely free from the risk of coerced unification in the near future? This brings us to the second issue of policy debate: Beijing's main approach that produces such a clear and present danger. To be sure, Beijing is more resolute in this regard after the Party Congress, considering China's internal dynamics elaborated above. On the one hand, there are abundant studies and comments, including high-ranking U.S. officials' frequent warnings that concentrate on China's approach to an all-out invasion. On the other hand, some analyses place heavier emphasis on those threats from Chinese moves short of waging a full militarized conflict. The most common concept of such moves is perhaps China's "gray-zone" operations (CGZO) against Taiwan. Various definitions and scopes of CGZOs have been proposed, ranging from the broad notion that encompasses almost all types of China's hostile behaviors toward Taiwan and of policies able to tip the cross-strait balance of comprehensive power to China's favor, to the specific concentration on the use of military force.[64] Most studies explore some particular dimensions among political, economic, societal, military, and cyber/informational tactics in the international, cross-strait, or Taiwan's domestic arenas under the widely conceived scope of CGZOs. Despite their disparate focus on CGZOs, they generally share the consensus that CGZOs have been and will remain a continual and predominant component integral to Beijing's coercion of Taiwan, in contradistinction to the uncertain viability and timeline of an all-out invasion.[65]

Exemplified by the CGZO literature, the distinction between China's coercive moves and its conventional invasion in terms of their nature and intended effects begets the inference about the CGZO's designed and immediate goals. A conventional invasion is invariably regarded as directly seeking a full seizure of Taiwan. Yet CGZOs are understood as facilitating China's unification attempt indirectly by creating long-term conditions in various domains that bolster China's relative advantages in material capability, ideational appeal, political will, etc. vis-à-vis those of Taiwan and its partners. Even if current research shows that CGZOs against Taiwan are not counterbalanced by timely responses, especially from the United States, there will be a much-heightened risk of a major crisis in the future.[66] Such an argument is based on the premise that China has diverging timelines between the two modes of aggressive actions for the goal of unification.

It is overlooked, however, that some coercive scenarios — not yet totally realized as of now — short of a full invasion may potentially speed up unification in the near term by forcing Taiwan into negotiations instead of conquering Taiwan. A Chinese blockade implemented in ways different from what current studies presume is one example. The scale and duration could be deliberately limited to lessen the chance of a military clash that results from the attempt by Taiwan and/or its allies to break the blockade. Such a blockade can thus be repeated at certain frequencies, where the cumulative effect would be to jeopardize Taiwan's overall morale and internal cohesion over time, even if every single round of blockade does not persistently or fatally sabotage the supply of resources to Taiwan. Given that Taiwanese society seeks to avert the adverse impacts of conflict with China that involve the use of force, as shown in Taiwan's public opinion polling, the consolidation of Taiwan's internal morale cannot be over-emphasized. Another act of similar ramification may be an attack on Taiwan's outpost islands such as Taiping and Pratas, which could result in China taking Taiwanese captives. This could happen even if China does not seek to permanently occupy the islands. The release of the captives could then become an issue that Beijing can leverage to coerce official bilateral negotiations, where the bargaining agenda will be at the mercy of Beijing. Taipei could be put on the defensive because of, for instance, domestic pressures that appeal on humanitarian grounds.

Whether or not such scenarios are considered to be part of CGZOs, they involve the use of force at a lower level than an all-out invasion but present a more immediate menace from coerced unification than almost all CGZOs already imposed on Taiwan. To be sure, the key point here is not about whether there will be a future crisis precisely like the hypothesized examples above. Rather, more attention is to be paid to those Chinese acts in which the magnitude of violence falls between CGZOs and kinetic military operations, but the possible upshot may be to expedite unification under China's terms.

As the examples exhibit, such acts appear preferable for Beijing to a full invasion for several reasons. First, they can be carried out often before Taiwan and/or the United States respond with decisive countermoves and can therefore reserve flexibility about continuation or withdrawal in order to avert escalation. Second, they are significantly less costly for China. Third, the first two reasons render them amenable to repeated execution which elevates pressures on Taiwan. Fourth, while Taiwan has developed material and psychological capabilities to withstand some CGZOs that may have otherwise generated vast pressures for negotiation, such as cyber warfare and the PLA Navy and Air Force's intrusions into areas dangerously close to Taiwan, it remains to be seen to what degree Taiwan is able to survive the coercions similar to the examples above. Fifth, and perhaps most importantly, the current U.S. tactics, whether strategic ambiguity or strategic clarity is a more accurate characterization of its nature at present, concentrate on preventing massive cross-strait armed conflict. The United States lacks a systematic preventive strategy regarding the type of Chinese coercions in question here. Nevertheless, considering these five reasons as well as the foregoing anatomy of the timeline for China's decisive operation aimed at seizing Taiwan, such Chinese coercions seem a more pressing concern than an invasion in the near future and warrant increasing deliberation.

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