Xi Jinping’s Strategy Toward Taiwan: State Strength and the Status Quo

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Abstract: Whether Xi Jinping will pursue reunification with Taiwan presents a serious debate for scholars and policy practitioners alike. A major concern is how reunification will ultimately occur, be it through peaceful negotiations and gradual integration or through the use of military force. But is reunification still an option, or is Xi’s pursuit of a steadfast goal of the Chinese Communist Party (CCP) too little, too late? This paper will utilize a framework of strategic theory – a set of purposive assumptions delineated in the work of Thomas Schelling – to examine how the concepts, resources, and objectives of Chinese strategy toward Taiwan align. A theory of strategy has never explicitly been used by cross-Strait experts in examining the trajectory of relations; the use of this framework will provide additional analytical rigor through an examination of strategic ends, ways, and means and a focus on interdependent decision-making in the cross-Strait relationship. Differing from existing research on strategic culture, this work will discuss Beijing’s four forms of strategic tools toward Taiwan: legal, political, military, and geoeconomic. It will develop an understanding of Beijing’s tradition in employing such tools before looking at examples of how each instrument is used in the Xi era. This paper will argue that the strategic choices made by Xi and his cohort – while continuing to deepen the strategic tradition toward Taiwan – are no longer adequate to ensure eventual reunification given the misalignment between ways, means, and the objective of reunification.

Keywords: cross-Strait relations, strategic theory

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After sixty years of rivalry, leaders of the People’s Republic of China and Taiwan (Republic of China) met on the neutral ground of Singapore in late 2015. The historic tête-à-tête appears to have yielded progress in cross-Strait ties. Chinese President Xi stressed the closely-knit nature of the two sides of the Strait, emphasizing a need to work together to support the well-being of communities “with blood thicker than water” on both sides of the Strait and to push forward with the greater goal of “rejuvenation of the Chinese people.” Outgoing Taiwanese President Ma Ying-jeou appeared to be reading from the same playbook as Xi; he, too, acknowledged a need to cooperate to rejuvenate the Chinese nation and safeguard cross-Strait peace for the benefit of future generations. A few months later, as Taiwan’s new president Tsai Ing-wen took office, she made known her intention to preserve cross-Strait peace while letting the Taiwanese people decide the future of the island.

From these three soundbites emerges one of the most striking features of the cross-Strait relationship. Despite signs of rapprochement and shared interests in prosperity, peace, and stability, neither side can agree on how to reconcile the political divide separating Beijing and Taipei. Moreover, China may commonly (and accurately) be perceived as stronger than Taiwan, yet it has been unable to use its strength to convince successive presidents in Taipei to broach the topic of reunification, let alone to convene high-level discussions on political issues. From the ebb and flow of cross-Strait ties springs the puzzle at the core of this paper: is Xi’s pursuit of a steadfast goal of the Chinese Communist Party (CCP) too little, too late?

To answer this question, this paper will put forth a more comprehensive and nuanced understanding of Chinese strategy toward Taiwan. Different from countless existing assessments of Chinese policy toward Taiwan, a strategic focus involves digging into the interaction between ways, ends, and means developed and pursued by Beijing. To do so, this paper will rely on strategic theory as pioneered in the works of Thomas Schelling and his protégés to develop analytical and empirical rigor—a framework which serves as the basis for tracing elements of a Chinese strategic tradition while accounting for the role of interdependence, commitments and threats, mixed-motive bargaining processes, and the potential for conflict in the Taiwan Strait. In doing so, this paper will advance several propositions: first, an examination of the strategic tradition allows one to see both changes and continuities in Chinese strategy toward Taiwan, including in the Xi years; second, within this tradition a strategic gap has emerged, such that ways and means no longer align with ends; and, third, this gap will be perpetuated so long as Beijing fails to address the element of interdependence in the mixed-motive bargaining game of cross-Strait ties, thereby preventing attainment of the desired objective of reunification.

**Strategic theory: offering the precision of Ockham’s Razor**

Nearly seventy years ago, Bernard Brodie called for a “genuine analytical method” to use in approaching strategic problems. One such method is that of strategic theory, an analytical tool for examining the interaction between ways, means, and ends which “opens the mind to all the possibilities and forces at play,” thereby prompting scholars and practitioners

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4 Here “strength” is used in the Chinese sense of the word, akin to “comprehensive national power” which accounts for all readily available elements of statecraft.

alike “to consider the costs and risks of [their] decisions and weigh the consequences of those of [their] adversaries, allies, and others.”

One of the main assumptions in strategic theory is that war is used deliberately by political actors to achieve political objectives. In Clausewitzian logic, war as a political instrument is strategically (and intentionally) focused on the objective of dealing a single debilitating attack to destroy the enemy. But the reason strategic theory tends to focus on conflict can be seen in the very essence of how the concept of strategy has evolved. British soldier and military theorist B.H. Liddell Hart defined strategy as “the art of distributing and employing military means to fulfil the ends of policy,” what Stone has further repackaged as the “instrumental link between military means and political ends.” Both definitions – among countless others – take a Clausewitzian approach by placing a clear emphasis upon the military responsibility to attain policy objectives. However, as this paper will argue, strategy is a far more complex creature, encompassing all available instruments of policy and statecraft in thinking beyond conflict to the subsequent peace. While strategic theory accepts war as an instrument of policy, it is further formalized by other assumptions shaping how strategists view the role of military power alongside alternative instruments of statecraft.

Building upon Clausewitzian thought but moving beyond pure military strategy, the work of strategic theory seeks to explain and investigate situations wherein actors are “endeavoring to secure their interests…against the interests of other political actors.” The premises of strategic theory, as developed in the consequential and multidisciplinary research of Thomas Schelling, offer a coherent framework for investigating situations where actors are striving to secure their interests and values against those of other actors. Of his work, there are four themes of strategic theory relative to both theoretical development and its subsequent application to the cross-Strait relationship.

First, strategic theory is a theory of interdependent decision-making beset with the unknowns of a particular strategic environment. Each actor somewhat controls what the other wants and serves to benefit from compromise, exchange, and/or collaboration. Strategy requires pursuing the best course of action for each player – as dependent upon others. In analysis of strategy, therefore, an investigation into the structure of incentives, information, communication, available choices, and employable tactics available to all parties is requisite. By limiting the focus of strategic analysis to situations rather than actors, the latter is assumed to be rational and capable of relating “means to ends as efficiently as possible.” The assumption of rationality aids in cultivating strategic theory as it enables the “identification of our own analytical processes with those of hypothetical participants in a conflict.” The result of strategic analysis – and strategy itself – is to be determined through rational expectations about the others’ expectations.

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7 This logic is captured in the oft-cited Clausewitz: “…war is not merely an act of policy but a true political instrument, a continuation of political intercourse, carried on with other means. […] The political object is the goal, war is the means of reaching it, and means can never be considered in isolation from their purpose” (Michael Howard and Peter Paret, trans., *On War* (Princeton: Princeton Univ. Press, 1989), 87).
12 Ibid.
Second, strategic theorists see international politics as an ongoing process of both explicit and tacit bargaining. Actors must be alert to what the other actor is expressing through strategic maneuvers and be able to convey their own intentions and awareness of expectations. Tying interdependence to bargaining processes, Schelling pronounces the emergence of a mixed-motive game in which both conflict and mutual dependence, partnership and competition exist.\(^\text{15}\) Tactics of tacit or explicit bargaining in such a game contribute to a dynamic process of mutual accommodation which retains the safety net of the status quo ante from which the bargaining process began.\(^\text{16}\) While strategic actions can incur costs, deescalate tension, or increase risk, mutual accommodation will ultimately demand a player to concede something wanted less than the other player.

Third, getting an opponent to concede something – even if not a central strategic objective or national interest – necessitates the skilled application of commitments, threats, and promises throughout the mixed-motive bargaining game. The key for each is to calibrate the commitment, threat, or promise in terms of expectations of interdependence and with sufficient resolve. This requires an understanding of the beliefs, values, and interests maintained by the other side, a knowledge “about [one’s] environment and the constraints on what [one] may choose” to match means with ends.\(^\text{17}\)

Fourth, a degree of risk and potential for conflict exists in any mixed-motive bargaining game insofar as actors could misinterpret or underestimate their counterpart. Violence is purposive insofar as it is threatened rather than applied in what Schelling calls a “limited war.”\(^\text{18}\) In a limited war, military and diplomatic maneuvering, with or without military engagement, yield an outcome determined more by manipulation of risk than by action or a contest of force. Conflict is limited from an absolute form by tangible and intangible variables – the availability of resources, geography, and/or objectives. The possibility of limited war acts as a deterrent between actors by increasing levels of uncertainty regarding the true scope of conflict.

The passage of time has supported the increased clarity, coherence, and applicability of the themes of strategic theory highlighted herein.\(^\text{19}\) Yet, despite the analytical utility of strategic theory, its critics still persist. Strategic theory nurtured the methodological foundation – but should not be mistaken for – strategic studies, rational choice theory, and other post-Cold War adaptations of security studies. Nor can strategic theory be equated to a study of strategic culture, which suggests that different cultural and/or historical backgrounds yield unique approaches to the analysis of war and peace.\(^\text{20}\) If Chinese-specific concepts ranging from Confucius, Mencius, Mozi, Sun Tzu and so forth are stripped of their cultural affiliations, it is hard to find anything remotely just Chinese about them.\(^\text{21}\) Culture is inherently difficult to define; instead of contriving correlation between cultural by-products and strategic behavior,

\(^{15}\) Ibid., 87.
\(^{16}\) The alternative to fluid processes of mutual accommodation would be seen in bargaining which entails direct communications culminating in a definitive agreement between actors.
\(^{17}\) This includes an attention to cultural elements, existing behaviors and tactics, historical experience, ideological platforms, and/or an awareness to sources of motivation.
\(^{18}\) Thomas Schelling, *Arms and Influence* (New Haven: Yale Univ. Press, 2008), 166.
\(^{19}\) In addition to the works of M.L.R. Smith, John Stone, and Harry Yarger, also see Thomas Mahnken and Colin Gray.
strategic theory looks instead to use value systems that shape the character of an actor’s choices in relation to the use of resources and the pursuit of overarching strategic objectives.

Cross-Strait relations and the search for strategy

As demonstrated above, what strategic theory offers is a coherent basis for investigating decisions and behavior associated with conflict.22 As a series of purposeful assumptions for examining the logic of Chinese leadership underpinning strategy toward Taiwan, strategic theory looks beyond calculations of interest to understand value-systems and ideologies which determine behavior. Despite such analytical rigors, no scholars have explicitly employed this lens to cross-Strait relations, opting for traditional realist, liberal, or constructivist frameworks instead.23 Entirely absent is scholarship that comprehensively ties the core premises of strategic theory to the contemporary cross-Strait relationship with a focus on strategy and the policy themes it has translated into under Xi – a gap this work hopes to begin to fill.

In linking strategic theory to the cross-Strait relationship, a natural starting point is that of interdependence. Existing examinations of interdependence – particularly socio-economic integration and trade flows – have fueled a debate on whether and how the status quo can either be maintained or altered. Notable scholarship by Kastner and Tian, for instance, falls short of understanding interdependence in terms of strategy as both authors fail to recognize how decisions made by one actor shape expectations and outcomes of the other beyond the realm of economics.24 Another element of strategic theory – the role of values and beliefs in shaping strategy – takes the form of examining the constraining impact of Taiwan’s democracy or the role of divergent national identities and ideologies. Only Wachman comes close to an explicit engagement with the assumptions of strategic theory through his identification of geostrategic rationale for China’s long-standing pursuit of reunification with Taiwan.25 Others come close to elucidating Taiwan’s place in the Chinese psyche – be it as a “strategic target” or as seen through a series of well-developed “conflict frames” – but fail to link traditions of Chinese strategy to the desired objective of reunification.26 Finally, at the nucleus of strategic theory lies the ability to link concepts, resources, and objectives. Existing research has begun to tackle this task, but often in a trifurcated manner or with a singular focus on policy initiatives in the guise of strategy, rather than as a feedback cycle between strategy and policy.27 Some scholars compare how Beijng’s policies toward Taiwan have evolved over time, shifting from “old” to “new”; others analyze the cross-Strait military balance through an intentional focus on

22 M.L.R. Smith and John Stone, “Explaining Strategic Theory.”
27 Strategy and policy, as Hew Strachan notes, are distinct in theory but highly interdependent in practice. Confusing strategy for policy enables governments to “project their daily political concerns back into strategy” (The Direction of War: Contemporary Strategy in Historical Perspective (Cambridge: Cambridge Univ. Press, 2013), 19-21).
understanding the resources China has at its disposal vis-à-vis Taiwan. While both offer important contributions to the study of cross-Strait relations, in terms of strategic theory, a policy-centric analysis founders for lack of attention to the interdependencies and values shaping the tradition of Chinese strategy toward Taiwan.

In short, while there are elements of strategic thinking and analysis that have started to permeate the literature on cross-Strait relations, existing scholarship largely cherry-picks pieces of the theory of strategy – interdependence, values and beliefs, or the nexus of ways, means and ends – to serve intentional depictions of Beijing-Taipei ties. Missing from the field is an explicit and cohesive reliance upon strategic theory in the context of modern Chinese history, a task to which we now turn.

**Instruments of China’s strategic tradition toward Taiwan**

The essence of taking a strategic approach is to trace the lines of thinking in Beijing, to comprehend how it endeavors to achieve its objective of reunification, and to understand the ideology and values that support its formulation of strategy. Strategic theory will enable this research to take empirical evidence on Chinese strategy toward Taiwan and – through analytical rigor – investigate, understand and explain questions arising from Beijing’s use of tactics and tools toward Taipei. The focus in this section is thus to elucidate the instruments and evolution of a strategic tradition unique to Communist China’s history. Each instrument will be described within a historical context and complemented by examples of how the tool has continued to evolve in the Xi Jinping era.

The origins of Chinese strategic thought stretch back thousands of years making it impossible to account for the entire narrative. Instead, the analysis to follow will schematically analyze the evolution of four themes within Communist China’s strategic tradition, each of which works in interaction with the others and should be necessarily understood as shaping the ability to achieve Beijing’s desired strategic objectives. In particular are the principles that have guided Beijing’s views about Taiwanese sovereignty (the legal instrument), the CCP’s mandate as executed by core political leadership (the political instrument), the military strategy that has determined Chinese decisions on how to enforce sovereignty claims (the military instrument), and the strategic economic linkages across the Strait (the geoeconomic instrument).

**Legal instrument: defining the sovereignty of “one China”**

What has been consistent throughout the long history of China’s claims to Taiwan is what the Chinese see as a “prolonged, unremitting struggle against foreign invasion and occupation of Taiwan.” It is this perceived vulnerability to intervention by external, non-Chinese forces that threatens what state-published documents emphasize as Taiwan’s sacred, inalienable place in Chinese territory.

But Taiwan’s status as a part of China was arguably not always so sacred. During the formative years of the People’s Republic of China, as Mao Zedong led the Communist forces in a fight against the Kuomintang Nationalist Party (KMT), the intent was to emerge as the

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30 The focus on a “communist” strategic tradition helpfully narrows the temporal context to post-1949 China.

victor in an ideological battle. Mao was focused upon building a new Chinese society through a democratic revolution and an obligation to overtake the United States; Taiwan was an issue insofar as it could be consumed by the US. As Mao put it, “…the danger of a world war and the threats to China come mainly from the warmongers in the United States. They have occupied our Taiwan and the Taiwan Straits and are contemplating an atomic war.” Ultimately, Mao’s forces were nowhere near capable of fighting a war against the US to reclaim Taiwan (nor were KMT troops ready to retake the mainland) and the Taiwan “problem” was passed down to Mao’s successor, Deng Xiaoping, when it first became codified in law and policy documents, beginning with promulgation of the Constitution and taking shape in later years in the Anti-Secession Law and two State Council white papers. Such codification can be understood in response to actions taking place on Taiwan – namely, the gradual process of democratization – that ran counter to China’s objective of reunification.

Historically, Chinese thought about Taiwan has translated into four concepts within the legal instrument of strategy. First, the Constitution justifies strategy toward Taiwan in terms of the island’s place in the sacred territory of the PRC as well as in terms of the “inviolable duty” of all Chinese people – including those in Taiwan – to succeed in reunification of the motherland. Intentionally vague, the founding text creates ample room to formulate strategic thought on Taiwan in other outlets, including white papers published in 1993 and 2000, both of which echo Mao-era rationale in assigning blame to the involvement of external forces. Within both texts also emerges a second concept, namely the formula of peaceful reunification under one country, two systems. A few years later, a Reunification Law was discussed within the Hu Jintao administration to set a timeline and an agenda for achieving Beijing’s political objective. However, the third concept which ultimately emerged was just the opposite: the Anti-Secession Law of 2005 was formulated in a way that promoted peaceful reunification, preserved the then-status quo, and protected Beijing’s right to use force if Taiwan should take steps toward formal independence rather than setting in motion a finite process to reunify.

More recently, the constitutionally-rooted understanding of one China has started to show particularly acute signs of strategic inflexibility is in the 1992 Consensus. While not legally binding as the aforementioned texts, Beijing treats the 1992 Consensus as law in prefacing its strategy toward Taiwan on the basis of whether a new administration acknowledges the 1992 Consensus, “one China, different interpretations.” Under President Ma Ying-jeou, the KMT readily accepted the formulation as a basis for opening dialogues with

37 Author interview with Douglas Paal, Washington, DC, July 2016; Yijiang Ding, “Beijing’s New Approach and the Rapprochement in the Taiwan Strait.”
China; for President Tsai Ing-wen, the DPP has only gone so far as acknowledging the “historical fact” of a cross-Strait meeting in 1992.39

Behind closed doors, Chinese officials have expressed willingness to find a new alternative to the 1992 Consensus, a possibility that falls flat as soon as it emerges into the realm of public discussion.40 Without a revision to the terms of interaction, however, Beijing has painted itself into a corner. Xi has had to take a firm approach in response to Tsai’s decision to neither accept nor repudiate the 1992 Consensus, ominously noting that absent such a foundation “the earth will move and the mountains will shake” (jichu bulao, didong shanyao).41 What can be seen in this Chinese tactic is a shift from softball to hardball. Ma and his party accepted the 1992 Consensus with no questions asked; if Taipei under Tsai is unwilling to play by the same rules, then Xi and his colleagues have every incentive to pressure, threaten, and/or coerce her administration in hopes that a more pro-China president returns in 2020.42 For Beijing, the only feasible foundation on which to build cross-Strait relations is the 1992 Consensus and its vision of “one China” despite respective interpretations.43 By giving this historical consensus a legally-binding air and holding it as the basis of interactions, Beijing has effectively dictated the pace, terms, and extent of cross-Strait engagement but at the cost of ignoring alternatives.

Several policy themes have emerged from the Chinese codification of Taiwan within the legal instrument of strategy. First is the absolutism of the Chinese interpretation of Taiwan’s sovereignty. Any suggestions that Taiwan may have a narrative different from the mainland is at odds with the Chinese perspective and historical memory. A second, and related, theme is the denial – or conditional acceptance – of Taiwan’s sovereign space.44 Third, while emphasized less under Xi than his predecessors, the continued pursuit of peaceful reunification as one country, two systems persists. While a reunification timeline was once abandoned, during the Xi era reunification has been correlated to upcoming centennial anniversaries, as will be noted below in discussion of the military element of strategy. Finally, from Beijing’s perspective, the Janus-faced approach of the United States continues to exert a negative influence upon the Taiwan issue, thereby requiring Beijing maintain the right to use force vis-à-vis Taiwan to both deter and protect its interests through mechanisms such as the Anti-Secession Law.

**Political instrument: the Party mandate of China’s leadership**

The second element of Chinese strategic tradition toward Taiwan – the political instrument – must be understood in context of the wider debate on how and whether statesmen

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40 Author interview with US scholar, Washington, DC, July 2016.

41 Xi extemporaneously added this comment in a May 2015 meeting with KMT chairman Chu Li-luan (“Xi Jinping Zongshuji Huijian Zhongguo Guomindang Zhuxi Zhu Lilun (General Secretary Xi Jinping meets KMT Chairman Chu Li-luan),” *Xinhua*, May 4, 2015, http://news.xinhuanet.com/tw/2015-05/04/c_1115169416.htm.

42 The author is grateful to Richard Bush for his insight on this topic.

43 Author interview with Yongnian Zheng, Singapore, September 2016.

44 This is seen, most recently, in Taiwan’s 2016 invitation to observe World Health Assembly Meetings as prefaced upon UN resolution 2758 and the underlying “one China” principle.
matter in policymaking. Chinese strategy toward Taiwan – a declared core national interest (hexin liyi) – has traditionally been spearheaded by the highest echelons of political power. The statesman is thus of inherent importance. Yet, the task of discerning the interaction between an individual leader and the political apparatus is made more difficult by the black box operations of Zhongnanhai that characterize Chinese decision-making circles. Fortunately, the task is less to discern how a leader has risen to power, or how he manipulates collective versus centralized leadership, and instead to examine what values and beliefs he holds within the political system that contribute to his ability to design and execute policy in support of Beijing’s strategic objectives vis-à-vis Taiwan.

Given the multiplicity of political actors and the resulting shift toward power-sharing and intra-Party discussions in modern China, the role of the core leader encompasses a wide swath of responsibilities and depends upon others to help plan and implement strategy.46 In the current “period of important strategic opportunities,” China’s core is privileged in their control and operationalization of ideology and political objectives.47 Their role is to provide a vision – often conveniently organized around catchphrases to “exemplify particular moral qualities” and “display a profound and convincing belief in the Party and the Party mission.”48 Beijing’s thinking vis-à-vis the political instrument of strategy toward Taiwan can thus be seen as translated into a singular policy theme: It is the leader’s belief in the political mandate he is handed at the Party’s annual Lianghui meetings and his ability to execute the Party’s mission that determines his ability to implement sound strategy and effective policy.

Work reports (zhengfu gongzuo baogao) issued at the Lianghui represent the highest level of consensus in the Party.49 These reports include a clear mandate for each Chinese leader as the Party’s sole representative: the long-term objective of sustaining China’s one-party system and of proving the Party’s continued influence (and success) must consistently be manifested in economic growth, security, and the reunification and rejuvenation of the Chinese nation. Thus, the Taiwan issue is treated by the Party as but one component of rejuvenating the Chinese nation.

During the Hu Jintao years, work reports reflected a confidence in reunification, an objective that never came to fruition. In the Xi administration, by contrast, a more flexible objective of building a “community of common destiny” appeared as part of the Party’s mandate in the 2012 work report delivered at the 18th Party Congress.50 The task of nurturing similarities across the Strait was discussed at a far higher interval within the mandate for Xi than in any previous work report; the text notably emphasized “common commitment to one China,” “common opposition to Taiwan independence,” building a “common home of the Chinese nation,” and a “common sense of national identity.”51 A deepening of common destiny pulls the two sides of the Strait closer together while contributing to the overarching task for

48 Examples of ideological catchphrases used by Chinese political leaders include: “socialist market economy” (Deng), “scientific outlook on development” (Hu), “harmonious society” (Hu), and “Chinese dream” (Xi). Kerry Brown, CEO, China (London: I.B. Tauris & Co., 2016), 96.
49 Timothy Heath, China’s New Governing Party Paradigm (Burlington: Ashgate, 2014), 129.
51 In total, the 2012 report mentioned “common” with reference to cross-Strait relations over a dozen times.
the Xi era – that of building a “moderately prosperous society and achieving the renewal of the Chinese nation.”

The efficacy of the political instrument of Xi’s Taiwan strategy depends upon his ability to implement the Party mandate. Hu Jintao was comparatively less successful in this regard; he was a technocrat that played by the rules, sought consensus in advance of strategic decisions, and struggled to consolidate political power. Xi, by contrast, is a politician whose loyalties lie with the Party, enabling him to personalize and centralize the existing apparatus in service of the mandate his strategy must achieve. Moreover, Xi also brings a personal touch to the Taiwan issue from his dozen years of government service in Fujian province. His experience dealing with Taiwanese – predominantly the taishang (businessmen) – has made him more attuned to cross-Strait domestic politics, rejecting inaccurate counsel from his advisory circles and willing to more fully understand developments across the Strait.

In terms of the Party’s mandate, and absent a full consolidation of power ahead of the 19th Party Congress in 2017, Xi is forced to craft a hawkish strategic approach toward Taiwan for fear that a pro-Taiwan administration under Tsai will prevent creation of the Party’s desired “community of common destiny.” With the 1992 Consensus as a foundation, Xi has bound the Chinese leadership to a singular way of managing the relationship with Taiwan; the last thing Xi needs, particularly given opposition within Party ranks to his anti-corruption and reform agendas, is to seem strategically weak on a core national interest like Taiwan. Just as Xi cannot back down or ease prerequisites for cross-Strait negotiations, so too must he heed the Party mandate of both fostering commonalities and advancing national rejuvenation.

Military instrument: deterrence, compellence, and political warfare

Mao Zedong famously pronounced that political power grows out of the barrel of a gun; and in China, it is the Communist Party that commands the gun, the third element of Beijing’s strategic tradition toward Taiwan. The military instrument is shaped by strategic concepts, doctrine, and capabilities and the reality that the People’s Liberation Army (PLA) is a loyal servant of the Party and its General Secretary, not the Chinese state nor the Chinese people. As such, the PLA is tasked with preserving and defending China’s core interests; when it comes to the Taiwan issue, the troops have additional vested interests in continued military modernization to support preparation for a future cross-Strait contingency. Yet even despite the PLA’s central role in strategy, there have only been three historical instances of the use of military force in the Taiwan Strait – and only one of which can be considered modern. Thus, instead of a singular examination of the historical precedents of Chinese military might in the Strait as a basis for understanding strategy, one must also examine what the PLA is ordered to do, how it goes about preparing, and what resources support its abilities.

According to the 2015 white paper on Chinese national defense, the armed forces must

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54 According to one source, Xi asked his staff to write a report on the underlying sources of the Sunflower Movement. The first draft of the report – which Xi rejected and returned to his staff for revisions – incorrectly laid the blame wholly upon the DPP (Author interview with US scholar, July 2016).
55 The 1995-96 Third Taiwan Strait crisis is the only modern use of military force by Beijing; the two prior crises (1954-55 and 1958) precede recent PLA modernization efforts and thus do not merit thorough consideration.
“firmly follow the goal of the [Communist Party] to build a strong military…implement the military strategic guideline of active defense…accelerate the modernization of national defense and armed forces, resolutely safeguard China’s sovereignty, security and development interests, and provide a strong guarantee for achieving the national strategic goal of the ‘two Centenaries’ and for realizing the Chinese Dream of achieving the great rejuvenation of the Chinese nation.”

The PLA’s mission set vis-à-vis Taiwan is thus but one piece in support of this overarching strategic vision. The PLA must, in particular, maintain the capacity to safeguard Chinese sovereign claims to Taiwan as well as the ability to employ military might as part of the “great rejuvenation” of China. To do so, the PLA relies upon three primary tactics: deterrence, compellence, and political warfare. As others have noted, the Chinese military apparatus conceptualizes deterrence (weishe) in a manner that effectively combines Thomas Schelling’s oft-referenced definitions of deterrence and compellence. According to the Science of Military Strategy, deterrence includes both dissuasion and persuasion through the public demonstration of a resolve to use force to impel an opponent toward submission. Beijing’s use of the military muscle is tasked with deterring Taiwan from any steps that would alter its sovereign status as a part of China while compelling the island closer to reunification. The other arm of Beijing’s military strategic tradition is aimed at keeping Washington from supporting Taipei through the development of military capabilities in such a way that challenges existing American vulnerabilities and aims to puncture the extended deterrence umbrella Washington holds over Taiwan – thereby increasing the perceived costs of US involvement in a contingency. Taken in combination, deterrence and compellence are not ends but rather strategic means for which Beijing can handle dyadic interactions with both Taipei and Washington.

But the responsibilities of the PLA extend beyond the strategic posturing of troops and platforms into the lesser-known domain of political warfare. Political warfare emerged in the 2003 strategic guidelines issued by the Central Committee of the Communist Party, as a core operation of the Chinese troops. By definition, this form of warfare is the overt or covert, nonviolent ability to signal, deter, and compel an adversary in a manner that targets vulnerabilities framed by interests and values. It is further manifested in the ways of the Three Warfares (sanzhan): public opinion, psychological, and legal warfare. Beijing’s military

58 Three elements are identified as essential to employing deterrence: appropriate military strength, a will to use force, and an ability to persuade opponent to perceive the deterter’s strength. See Peng Guangqian and Yao Youzhi, Science of Military Strategy (Beijing: Academy of Military Science, 2005).
muscle is particularly effective in the former two, insofar as the omnipresent threat of approximately 1100 missiles opposite Taiwan, jingoistic show of new capabilities at parades along Chang’an Avenue, and publicized abilities to seize offshore islands intentionally aim to wear down the Taiwanese psyche and willingness to fight.\(^{63}\)

Deterrence, compellence, and political warfare are the ideas which shape how Beijing employs the military instrument, but each relies upon the PLA’s capabilities for both impact and efficacy. The military balance in the Strait shifted in China’s favor as early as 2005 when the ability of the PLA Navy (PLAN) and Air Force (PLAAF) to control the waters and air around Taiwan became increasingly credible; a decade later, the PLA continues its steady expansion of the force’s operational capacity. Specific to a Taiwan Strait conflict, under Xi the PLA has continued to comprehensively improve its ability to conduct and sustain an operation against Taiwan: the PLA Rocket Force maintains its missile and precision strike systems; the PLAAF has stationed advanced aircraft within unrefueled range of Taiwan and strengthened intelligence, surveillance, and reconnaissance capabilities; the PLAN has continued to strengthen its at-sea nuclear deterrent force and amphibious capabilities; and the PLA Army (PLAA) conduct realistic training exercises in preparation for a future invasion of Taipei.\(^{64}\)

Given that China has not fought a major war since Korea, it should be readily understood that the PLA’s advanced capabilities and updated strategic thought does not guarantee the attainment of strategic objectives.

While the military element of Chinese strategic tradition toward Taiwan is arguably the most robust of Beijing’s toolkit, it has heretofore been the least effective in changing the status quo or securing progress toward reunification. To understand why, it is worth a brief comparison between Taiwan and a second of China’s core interests, the South China Sea.\(^{65}\) While different tactics have been used to defend and protect each set of claims – more aggressive militarization in the South China Sea versus military posturing, cyberattacks, and psychological warfare toward Taiwan – the intentions of signaling resolve, deterring external involvement, and compelling action toward Beijing’s desired outcome are identical. The calculation of risk, however, is different. Whereas the US is legally bound to come to Taiwan’s assistance under the Taiwan Relations Act of 1979, American involvement in the South China Sea is less clear-cut, thereby meriting Beijing’s gray zone tactics of testing US capabilities and resolve.\(^{66}\)

In short, the military instrument as but one component of Beijing’s strategic tradition toward Taiwan has revolved around the ability to deter – in the Chinese sense of the word – both Taiwan and the United States. Beijing has largely been successful in dissuading and persuading Taiwan from further steps toward independence and the US from any actions.

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Beyond reiterating its promises to Taiwan as dictated by domestic law.\textsuperscript{67} Tacit forms of non-violent military power have been adapted by Beijing to shape perceptions of the security environment; and while such endeavors have prevented a deterioration of cross-Strait ties, the military instrument alone has not furthered significant progress toward reunification.

\textit{Geoeconomic instrument: the power of Beijing’s purse strings}

Borrowing from Clausewitz, the fourth instrument of Chinese strategy, geoeconomics, allows Beijing to wage war by other means.\textsuperscript{68} Breakneck economic growth of the last several decades has left China well positioned to turn to its wallet, rather than weaponry, in pursuit of strategic objectives. Geoeconomic tools – the intentional use of economic instruments in pursuit of geopolitical ends – are more than just trade for trade’s sake in Chinese strategy toward Taiwan, enabling Beijing to focus on consolidating its own economic strength as a means of projecting power and influencing (as opposed to coercing) Taiwan toward reunification.

The near-nonexistence of cross-Strait economic interaction prior to 1993 yielded to a Chinese strategy of economic inducement under the tutelage of Premier Li Peng. Incentivizing Taiwanese investment in the mainland economy shifted from a necessary contribution at a time when other countries were regulating ties to a post-Tiananmen China to an intentional strategic calculation. Cross-Strait economic linkages were, at least initially, of mutual benefit with China seeking economic modernization and Taiwan needing to maintain its market competitiveness.\textsuperscript{69} By the early 2000s, and particularly during Chen Shui-bian’s first presidential term, Beijing crystallized its strategic intent of using Taiwanese investors to support reunification efforts. The Taiwanese were distinctly positioned to contribute knowledge in corporate best practices, R&D, and electronics manufacturing – areas requisite to the mainland’s own prosperity.\textsuperscript{70} Unfortunately, by the Ma Ying-jeou years, the strategic value of using Taiwanese business interests as a strategy for progressing toward reunification diminished significantly. The transition to a pro-China KMT administration also signaled a shift toward cross-Strait economic interaction as the norm rather than the exception.

The efficacy of the geoeconomic tool in Chinese strategy is determined by the extent of Taiwanese dependence on China for its own economic prosperity. At the level of strategy, Beijing has institutionalized the use of economic carrots and sticks toward Taipei or its international partners; at the policy level, by contrast, Beijing’s priorities lie in nurturing the asymmetries and dependency of Taiwan on China for economic growth and global market access. It is a strategy that manipulates a resource-poor, trade-oriented Taiwan in service of Beijing’s own political objectives.\textsuperscript{71} Additionally, strategy drives efforts to bind the two sides

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\textsuperscript{67} Under the Taiwan Relations Act (1979), the United States is committed to, for instance, providing Taiwan with arms of a defensive character. Involvement in a cross-Strait contingency is intentionally vague.

\textsuperscript{68} This strategic use of economics is further discussed in Robert Blackwill and Jennifer Harris, \textit{War by Other Means: Geoeconomics and Statecraft} (Cambridge: Belknap Press, 2016) and David Baldwin, \textit{Economic Statecraft} (Princeton: Princeton Univ. Press, 1985).


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closer together socioeconomically through trade agreements, transportation linkages, and the movement of companies and businessmen.

Over the last decade, China has continued to carve out a niche of economic importance for Taiwan. Foreign direct investment (FDI) headed toward China grew from zero in 1990 to a cumulative $144 billion by 2014.\(^72\) Trade flow across the Strait totaled $115 billion in 2015, a year-on-year decrease of 11 percent after several years of growth.\(^73\) Through nearly 900 cross-Strait flights per week, Taiwan has received over 16 million mainland tourists since tourism ties were first opened in 2002 (an average of 1.072 million per year).\(^74\) Adding further to the number of Chinese visitors are businesspeople, cultural and educational exchanges, and medical tourists.\(^75\) Given the depth of such socioeconomic interactions, any geoeconomic pressure applied by Beijing has the potential to impact the livelihood of Taiwanese across a variety of industries. In the case of tourism, for instance, Beijing has reportedly promised to cut tourism numbers to Taiwan by half after Tsai’s election, reducing tourist levels in three stages in 2016 and bringing total Chinese tourist numbers down from 4.1 million in 2015 to around 2 million.\(^76\)

But it is less clear whether China is actually cutting tourism quotas or simply reinforcing existing trends with rhetoric. While anecdotal evidence of Chinese tourist agencies receiving directives from the central government to decrease availability of Taiwan travel permits is persuasive, data from the Taiwanese National Immigration Agency (NIA) and Mainland Affairs Council (MAC) reveals an additional dimension of this strategic tool.\(^77\) In Figure 1, individual tourism continued to steadily grow while group tourists (further classified as categories 1-3) began to decline from 2013.\(^78\) This shift can be attributed to a series of factors, including less favorable renminbi new Taiwan dollar exchange rate, slowed Chinese economic growth, a decline in Chinese tourism, and/or the reality that Chinese tourists increasingly opted to visit the West over culturally-similar Taiwan.\(^79\)

Figure 2 highlights another important sub-trend by comparing the first seven months of 2015 to 2016: even as the number of tourists from mainland China decreased, a corresponding increase in visitors from Hong Kong and Macau is seen. While the precise cause of this inverted correlation is speculative at best, it does suggest the possibility that greater number of tourists are finding their way to Taiwan via Hong Kong and Macau as quotas from the mainland are


\(^{75}\) The Mainland Affairs Council separates tourist numbers from two additional categories of mainland Chinese visitors: economic and trade (which includes specialized and business exchanges) and others (accounting for social exchanges, medical tourists, immigration/residency, and the xiaosantong entry points at Jinmen, Mazu, Penghu).

\(^{76}\) “China ‘cutting number of tourists to Taiwan by half,’” The Straits Times, June 12, 2016, http://www.straitstimes.com/asia/east-asia/china-cutting-number-of-tourists-to-taiwan-by-half.


\(^{78}\) Category 1 of mainland Chinese visitors includes those with full-time employment and students, NTD200,000 or more in savings, proof of residency in mainland and a permit to visit Taiwan; Category 2 were those that arrived in Taiwan from a second location (defunct from 2008 when direct flights opened); Category 3 includes those residing in Taiwan long-term, for studies or professional reasons.

\(^{79}\) The RMB-NTD exchange rate has seen a gradual decline since mid-2015; Chinese tourist numbers to the US, Australia/New Zealand, and Great Britain have continued a steady climb since 2001.
increasingly regulated. Hong Kong and Macau tourists aside, year-on-year data has weakened but not yet fallen, with a marginal 0.4 percent increase to 2.4 million mainland tourists in the first seven months of 2016.\(^8^0\)

The “one dragon” (yitiaolong) structure of Taiwan’s China-oriented tourism sector exposes why the island is particularly vulnerable to geoeconomic pressure in this realm.\(^8^1\) Travel agencies attract Chinese travelers with at-cost or at-loss fees, then attempt to turn a profit by taking tour groups to inexpensive hotels, restaurants, and shops where commission is accrued.\(^8^2\) Oftentimes, these tourist services are owned by investors in China or Hong Kong, resulting in money spent on the island ending up back on the mainland rather than in Taiwan’s tourism sector and thereby nurturing a dependency upon the influx of mainland group tours for

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\(^{81}\) Author interview with former MAC employee, Singapore, September 2016.

economic sustainment.\textsuperscript{83} It is hardly surprising when group tourism numbers drop – as they have since 2013 – that those businesses inherently designed to take advantage of the tremendous growth in Chinese group tours are first to suffer and publicly protest.\textsuperscript{84}

For Beijing, while socioeconomic linkages may appear as a natural effect of rapprochement, the underlying motives which pre-date warmer cross-Strait ties are strategic and political. It is within the geoeconomic instrument that interdependence is particularly prominent; it is the interdependence of cross-Strait geoeconomic linkages that separates strategy from chance or skill.\textsuperscript{85} Opening cross-Strait tourism in 2002 – with individual travel restrictions gradually relaxed from 2011 – assured Beijing could maintain a source of leverage over a portion of Taiwanese society. Despite Chinese tourism only comprising 2.1\% of the island’s US$528 billion gross domestic product in 2015, intentional control of the “one dragon” of the Taiwanese tourism industry nurtures a cohort of Taiwanese dependent upon Chinese tourism for their own longevity.\textsuperscript{86} Thus, within Beijing’s use of the geoeconomic instrument toward Taiwan, one sees an interaction between power and interdependence that pulls Taiwan more closely into China’s orbit.\textsuperscript{87} Whether willing to acknowledge it, Taiwan requires the mainland’s economy; and while strategy nurtures a calculation of interdependencies, it is the dependencies fostered through geoeconomic interaction that have emerged as a significant component of Chinese strategy, extracting maximum benefits at minimum cost to Beijing.

\textbf{Conclusion}

This paper has endeavored to employ a strategic approach to trace Beijing’s line of thinking vis-à-vis Taiwan. Despite the absence of strategic theory in existing scholarship on cross-Strait relations, what this framework allows for is an examination of empirical evidence to elucidate questions arising from Beijing’s use of tactics and tools toward Taipei.

Chinese strategy toward Taiwan takes a nuanced, multi-faceted approach to prevent the island’s independence while seeking progress toward Beijing’s goal of reunification. A focus on the four elements of Beijing’s strategic tradition – legal, political, military, and geoeconomic – highlights the reality that the decisions Chinese leaders make on the Taiwan issue often have a historical precedent. But this should, by no means, suggest that there is a one-size-fits-all approach for Xi to modify and apply to the cross-Strait political separation; history may rhyme, but it does not repeat. Nor should such analysis suggest that, given the absence of reunification, Beijing should embark on a military invasion and occupation to solve the Taiwan problem once and for all. Rather, what is clear from the analysis of each instrument of the Chinese strategic tradition is just how much each instrument depends on the other to shape a cohesive Chinese strategy.

\textsuperscript{84} On September 12, 2016, over 20,000 workers from the Taiwanese tourism industry took to the streets of Taipei to demand more government support for their work. Some speculate that the protests were less about pushing the Tsai administration to accept the 1992 Consensus to ease cross-Strait tensions and instead intended to secure an injection of capital into the struggling tourism sector (Ian Rowen, interview by ICRT Taiwan, \textit{Taiwan This Week}, podcast, July 29, 2016, http://www.icrt.com.tw/podcasts_details.php?pod_id=8&mlevel1=12&mlevel2=31; “Protest in Taipei over fewer tourists,” \textit{The Straits Times}, September 13, 2016, http://www.straitstimes.com/asia/east-asia/protest-in-taipei-over-fewer-tourists.
\textsuperscript{85} Schelling, \textit{The Strategy of Conflict}, 86.
\textsuperscript{86} While some Chinese group tours are turning to individual travel permits, it is unlikely to sustain pre-Tsai levels of mainland tourists to Taiwan (Ian Rowen, interview by ICRT Taiwan; “Travel and Tourism Economic Impact 2015: Taiwan,” World Travel & Tourism Council, 2015, https://www.wttc.org/-/media/files/reports/economic%20impact%20research/countries%202015/taiwan2015.pdf).
Returning to the research question – whether Xi’s Taiwan strategy is too little, too late – one must evaluate how Chinese strategy interacts with the four themes of strategic theory. Cross-Strait relations in the Xi era tick the boxes of risk and potential for conflict, particularly in the cooling down period since Tsai took office. Commitments (notably from the US), threats (to resort to military force), and promises (to negotiate only on the basis of the 1992 Consensus) also persist. Where Chinese strategy falls short is in its ability to adequately address the element of interdependence in the mixed-motive bargaining game of Beijing-Taipei ties. Xi has resolutely conveyed Beijing’s intentions and expectations of the Ma and Tsai governments; but he has not yet displayed a receptivity to Taiwanese reactions and signaling. What appears to be strategy is but a one-way conversation with Beijing setting the terms of discussion. Moreover, there is little to suggest that China, under Xi, is readily positioned to attain its objective of reunification without entirely destroying the values and interests of the Taiwanese society. Beijing’s strategy, in short, lacks the sophisticated integration of ways and means required to significantly alter the status quo in favor of the desired end of reunification.