



Conflict Prevention in the Taiwan Strait: Restraint, Discipline and Dialogue

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Executive Summary

In June 2025, the National Committee on American Foreign Policy (NCAFP) convened its annual Cross-Taiwan Strait Track II Dialogue in New York City, bringing together a select group of authoritative participants from all sides. This closed-door discussion focused on the increasingly tense dynamics shaping cross-Strait relations, with particular attention to the growing drivers of the security dilemma, diverging threat perceptions, and the erosion of mutual trust. Participants explored both short- and medium-term outlooks for peace and stability, assessed the effectiveness of deterrence strategies, and offered recommendations to reduce the risk of conflict in the absence of formal communication channels between Beijing and Taipei, as well as truncated communication between Beijing and Washington.

Despite the relative stability in the Asia-Pacific region, the cross-Strait environment is increasingly at risk of crisis-level conflict. While deterrence has held, it is under growing strain from escalating military posturing, political rigidity, and lack of restraint on all sides. Participants agreed that the absence of communication increases the risk of near-term miscalculation or accidental escalation. Dialogue participants, therefore, identified potential paths for de-escalation, mutually improved signaling, and confidence-building measures aimed at preserving the status quo and preventing conflict.

Key Takeaways and Recommendations:

- Today's cross-Strait reality is that each side is currently meeting their bottom-line needs on their own terms: Mainland residents feel that they can "keep Taiwan" without fighting a war; Taiwan residents believe that they can "keep their current autonomy and system of government;" the United States government assesses that it can "maintain its credibility as a security ally in the region." The status quo satisfies all three sides' bottom lines and should thus be preserved in the name of peace and stability in the Taiwan Strait. This status quo is being challenged, however, from all sides.
- Dialogue participants agreed that, to reach the common goals of preventing conflict and preserving the status quo, each side has a responsibility to take corrective action:

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

- Taipei and Beijing should each remove obstacles to cross-Strait people-to-people exchanges. Potential costs of such exchanges are outweighed by their obvious benefits to stability, and all sides should be more confident and transparent in their dealings with each other. At this point, obstacles on the Taiwan side are more onerous.
- Reducing implied threats would help de-escalate tensions and lay the groundwork for more productive engagement. Beijing should reduce its military exercises and threatening pressure around the island; in return, Taipei could demonstrate goodwill, for example regarding de-Sinification efforts, reduced rhetorical “othering”, and/or removal of the ruling party’s independence platform from its charter.
- To make the above possible, Beijing should renew contact with the Taipei authorities, quietly and unofficially. Increased global instability and complexity leave great scope for misunderstanding without direct contact. Participants believed that a way could be found to facilitate useful discussion between the two sides without ceding principles. Participants hoped that a low-profile cross-Strait channel of communication is already in use; they urged the immediate establishment of a reliable backchannel, if not.
- Washington should not contribute to cross-Strait instability and mistrust through undisciplined policy messaging. Clear public restatements of U.S. policy are essential for maintaining the guardrails on this crucial issue. While the status quo has moved on all three sides over the last 45 years, historical precedent demonstrates that stability depends on the consistency of U.S. policy. Considering the current confusion over U.S. policy toward Taiwan, an authoritative statement from President Trump restating that U.S. policy toward Taiwan has not and will not change would support peace and stability. (See the comprehensive official statement of U.S. policy from January 2024 below)
- Washington should stop viewing the Taiwan Strait as an exclusively military problem and refrain from publicly attaching increasingly early timetables for a possible invasion. The current reality must be preserved for as long as needed to avoid conflict, and public officials’ rhetoric and actions should be calibrated accordingly.
- Washington should establish a high-level U.S.-China communication channel to ensure that signals on cross-Strait issues are not misinterpreted. This constitutes minimum essential diplomacy to prevent catastrophic conflict between these two nuclear-armed superpowers.

- Washington should play a more active role in encouraging and facilitating communication between the two sides of the Strait, even if it is at the unofficial level.

The last comprehensive and still publicly accessible [statement](#) of the United States' ONE CHINA POLICY, as stated at a press briefing for the record on January 11, 2024:

--U.S. policy toward Taiwan has not and will not change.

--We are committed to our longstanding One China policy guided by the [Taiwan Relations Act](#), the [Three Joint Communiqués](#), and the [Six Assurances](#).

--We oppose any unilateral changes to the status quo from either side.

--We do not support Taiwan independence.

--We support cross-Strait dialogue, and we expect cross-Strait differences to be resolved by peaceful means, free from coercion, in a manner that is acceptable to the people on both sides of the Strait.

--We do not take a position on the ultimate resolution of cross-Strait differences, provided they are resolved peacefully.

Domestic Considerations in Cross-Strait Policies

Beijing's Perspective: China's domestic policies are shaped overwhelmingly by U.S. actions. Beijing is prioritizing investing in growth and economic strength by pursuing a "unified national market," setting out resilience priorities in the 14th Five-Year Plan, and focusing on the 2021 "dual circulation strategy." It also seeks to improve relations with neighboring countries and the Global South while honing its ability to compete with the developed West in the face of sanctions, increasing protectionism, and efforts at containment. China's recent National Security White Paper reaffirms that development remains the core priority and that "a higher level of security is not required to support higher-quality development." A lack of development is China's greatest insecurity, and the White Paper aims to square the circle for secure development. Despite mounting economic headwinds, Chinese leadership remains confident that growth has not plateaued. Beijing believes its challenges can be managed and assesses that the trendline in the international system continues to align with China's long-term rise.

There is indeed frustration in Beijing regarding its approach to Taiwan because of Lai Ching-te's actions, but the leadership has a long-term view and strategic confidence; according to the 20th Party Congress report, "time and momentum are always on the side of reunification." Former TAO head Liu Jieyi stated in his "Ten Insists" regarding Taiwan, the insistence that reunification will

“be based on the development progress of the motherland,” i.e., reunification remains tied to the development and modernization of the Mainland and is a long-term goal.

Washington’s Perspective: While the Trump administration maintains that U.S. policy toward Taiwan has not changed, and Taiwan continues to enjoy bipartisan support in Congress, polarization and populism in U.S. politics, along with Trump’s signature unpredictability, have produced mixed messaging on the Taiwan issue. Early in the Trump administration, the State Department Fact Sheet on Taiwan was altered to omit a key statement of U.S. Taiwan policy that “We do not support Taiwan independence.” While no official explanation has been given for this change, one authoritative source indicated the language was dropped to focus attention on changes in the status quo by Beijing that were inhibiting U.S. flexibility on the issue, particularly increased PLA military exercises around Taiwan. The altered Fact Sheet was subsequently removed altogether from the State Department website; however, this was due to the archiving of all such Fact Sheets during the State Department website’s “modernization.” Splits in the Republican Party have emerged over Taiwan, with Trump administration officials citing “realism” as their guide to foreign policy interventionism and demands for very high levels of defense spending for Taiwan, while traditional supporters laud Taiwan’s increased defense commitments. Defense Secretary Hegseth cites denial of a Chinese invasion of Taiwan as the Defense Department’s “sole pacing scenario.”

There is also bipartisan concern on Capitol Hill about President Trump’s commitment to the U.S.’s longstanding Taiwan policy, with the resulting effort to craft legislation that would make it difficult for him to unilaterally change policy. This shows that despite mixed messaging and policy confusion, there is a solid core of understanding and support behind the existing One China Policy of the United States. (see text box)

Taipei’s Perspective: Taiwan’s politics are currently in a difficult moment, with deep partisanship and divided government affecting executive functionality and the ability to manage cross-Strait relations effectively. The current legislative recall campaign is likely to unseat at least 10 KMT opposition legislators in the July 26 recall vote, provided turnout is high enough. The leader of the TPP Party, Ko Wen-je, remains in pre-trial detention on corruption charges for almost 11 months. As a minority leader, Lai Ching-te has not been successful in finding an effective way to deal with an opposition-held Legislative Yuan, something his predecessor did not have to confront. Taiwan’s opposition parties seek an institutional channel to Lai and his administration but considering the current recall effort and Ko’s continuing incarceration, it does not appear that there will be any inter-party rapprochement soon. The possibility of the recall vote resulting in a change in control of the legislature exists but is low.

Lai Ching-te has taken a confrontational approach to the issue of cross-Strait relations with the slogan “kang zhong, bao tai” (oppose China, protect Taiwan) and his March announcement of 17 Anti-China Measures. He has alternated in his rhetoric between anti-China comments and more mild statements, the latter regarded by some in Taiwan as “olive branches,” but seen in Beijing as “insincere.” Given continuing domestic upheaval and that Beijing has not responded to any positive overtures, Lai is unlikely to change his confrontational stance toward Beijing or devote political capital to improving cross-Strait relations. This means continued opposition to cross-Strait

exchanges and political pressure on those in Taiwan perceived to be close to the Mainland or advocating unification.

In addition to domestic political upheaval, trade tensions with the U.S., changing policies on semiconductor investments and controls, perceptions of U.S. unreliability in the face of marked political swings, and the sharp deterioration in U.S.-China ties have all damaged Taipei's confidence and ability to manage cross-Strait ties. Polling shows a sharp partisan gap on questions of U.S. reliability in the case of cross-Strait confrontation with China, as well as on major defense spending increases by Taiwan. Comments from U.S. officials regarding timeline projections for a war over Taiwan are not helpful in this regard.

Discussion:

Asked about the basis for Beijing's long-term confidence in its approach to Taiwan, participants asserted that it stems from the overall balance of power dynamics in cross-Strait, U.S.-China, and global trends. They believed that decision-making on cross-Strait issues in Beijing would be driven by professional assessments and top leaders' views, and would not be driven by popular attitudes, although Beijing would strive to keep such attitudes from becoming too extreme. More positively, over 4.4 million cross-Strait exchanges have taken place via Taiwan's designated office channels, and economic and cooperative interactions between China and Taiwan have continued to deepen, both of which remain priorities for Beijing. However, with the DPP remaining in power, Beijing believes the prospects for peace are diminishing, as public opinion in both societies becomes more hardened and hostile, making reconciliation increasingly difficult.

Several participants asked about prospects for Lai to moderate his cross-Strait approach in light of domestic politics in Taiwan. Respondents thought it would depend on practical results: if a more aggressive cross-Strait approach increases the turnout of DPP's base and brings electoral results, it will continue; if, on the other hand, an aggressive approach turns off voters, as the March speech reportedly did, he may moderate.

Several participants urged Beijing to make more attractive proposals to Taiwan, for example, following Lai's early May discussion of a "Merger & Acquisition proposal." Given that Beijing perceives that Lai is aggressively contradicting its interests, Chinese commentators doubted whether Beijing would be motivated at this point to "help" Lai.

All participants believed that the Trump administration's global trade war would have negative spillover effects on cross-Strait relations, both through the deterioration and diminishing leverage in U.S.-China relations, and in the propensity for increased strains in U.S.-Taiwan ties.

Maintain Stability Through Bottom-Line Thinking

Despite increasing PLA military pressure on Taiwan, American participants believed that the current U.S. policy has proven effective in maintaining deterrence and regional stability. Beijing's growing aggression, including the open development of invasion and blockade options, could reflect a shift from a policy of preventing Taiwan's independence to a more proactive pursuit of unification. Yet these moves have undercut the credibility of Beijing's assurances and alienated

much of Taiwan's public. Beijing's pressure moves naturally produce a rally-round-the-flag effect and run counter to Beijing's long-term goals.

Chinese participants took issue with this characterization; although the U.S. believes that it is military deterrence that has kept the peace, the bigger contributor has been China's determination for peaceful reunification. Thus, the hope for peaceful unification must be kept alive, and the importance of U.S. deterrence should not be overestimated.

Domestically, Washington has weathered pressures from both political parties on Taiwan policy, maintaining a careful posture despite rising voices in Congress calling for more support of Taiwan. American participants acknowledged that there remains a firm, bipartisan consensus on deepening Taiwan's defense capacity. Mainland participants expressed serious concern over U.S. weapons sales and American troops now stationed in Taiwan in clear violation of the Shanghai and normalization communiques, as well as the '82 communique. American experts noted that these were short-term training missions and not "deployed troops." They enhance military training, crisis scenario preparation, and improve Taiwan's asymmetric capabilities, which is necessary to send a clear signal to Beijing that any military action taken toward Taiwan will come at a high cost. One Mainland Chinese participant noted Beijing's concern at Washington's silence regarding Lai Ching-te's perceived provocative narratives, which imply support for Taiwan's independence. American participants noted the political impossibility of rebuking Taiwan's leader while PLA vessels were waging a campaign of military intimidation. Moreover, they warned of the high propensity for misreading military signaling in the current environment and that Washington, in political transition, might tend to overreact. This led participants to reiterate the need for high-level communication channels to clarify signaling and intent.

Participants from all three sides acknowledged the key point that the current reality is holding for now, and all three sides should regard the results of the last 45 years as a major success. Beijing is aware of the risk of the use of military force to achieve unification. "Strategic ambiguity" on the part of the U.S. has worked for decades by raising the costs of miscalculation by either side while giving Washington the flexibility to adapt. American participants underscored how changing such a framework would be dangerous and unnecessary, a view shared by other participants. Despite the rising complexity, the efficacy of current policy should be advertised as such and continued.

Communication is Key

Cross-Strait exchanges remain difficult in the post-pandemic era. The current state of exchanges is largely ad hoc and politically constrained, highlighting the need to formalize and institutionalize dialogue through mechanisms such as the previously utilized "xiaolianghui," as well as platforms like the Taiwan Strait Tourism Association (TSTS) and the Association for Tourism Exchange Across the Taiwan Strait (ATETS). Participants from all three sides agreed that Beijing should quietly renew official or semi-official contacts with authorities in Taipei to rebuild pathways for risk management.

Nevertheless, security and political concerns persist. According to one participant, over 100 Taiwanese have reportedly been detained in China, many under vague accusations linked to

national security offenses. They added that new legal measures from Beijing, such as the June 2024 “22 guidelines” aiming vaguely at punishing “Taiwan independence activists,” have further created an atmosphere of distrust and caused Taipei to raise its travel warning for the Mainland to orange. Media and cultural exchanges have also been adversely affected. Moreover, fewer Mainland students seek education in Taiwan due to perceived academic limitations and reputational disadvantages back home, as well as parental concerns about conflict and safety. Mainland authorities have also increased focus on potential espionage, reflecting deep-seated mistrust that inevitably hinders future educational and professional mobility across the Strait.

While political conditions currently make official cross-Strait contacts unlikely, reestablishing quiet lines of communication, covertly, if necessary, would demonstrate goodwill and help create buffers against crisis escalation. All sides should have more confidence in establishing communication channels. Participants from all sides supported expanding student exchanges, academic programs, and think tank dialogues, particularly in the United States, as a realistic starting point for rebuilding trust. Easing policy restrictions on student mobility could serve as a low-risk entry point for broader engagement. Encouraging cross-Strait education, academic, and think tank exchanges would lay the groundwork for long-term understanding and reduce zero-sum perceptions of identity and sovereignty.

Participants concurred that their governments should be open to removing obstacles to engagement across the Strait and that both sides labeling such interactions as “national security risks” has only heightened tensions and increased the securitization of civilian engagement. The situation will only escalate further without communication and cooperation. The politicization of communication channels and stagnation in people-to-people exchange are core obstacles to progress that will only exacerbate tensions and increase the risk of conflict if not addressed in the near term.

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