



The Fragile Stability of Cross-Taiwan Strait Relations

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Executive Summary

Although policy uncertainty has increased and communication channels are woefully inadequate, cross-Taiwan Strait tensions appear to have eased in recent months. At the NCAFP's most recent session of its longstanding cross-Taiwan Strait Track II senior dialogue with experts from the United States, Mainland China, and Taiwan, there was a broad consensus that domestic politics are increasingly driving cross-Strait dynamics. This has led to a fragile tempering of rhetoric and near-term assessments, although the gravity and intractability of the issue remain, and domestic drivers could quickly shift the trajectory.

Key Takeaways and Recommendations

- The current cross-Taiwan Strait environment is one of heightened ambiguity, uncertainty and diminishing trust rather than imminent military conflict.
 - The situation is stable in the sense that no side seeks imminent conflict, yet stability in the Taiwan Strait remains fragile;
 - Beijing's military pressure on Taiwan continues; air sorties have dropped somewhat, but maritime activity has increased;
 - Polarization of Taiwan's politics continues, albeit with some moderation in attitudes toward Beijing;
 - U.S. policy toward China and Taiwan is unclear and changeable:
 - The U.S. intelligence community revised its assessment of the urgency of Beijing's war preparations;
 - Beijing is cautiously optimistic regarding stability on the Taiwan issue after the Trump-Xi summit but remains uncertain about U.S. intentions;
 - Taiwan faces growing uncertainty regarding U.S. commitments while continuing to invest in deterrence.

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

- Communication is an urgent priority. Official cross-Strait dialogue is absent and even unofficial exchanges on issues in cross-Strait relations are rare.
 - Political weaponization of cross-Strait exchanges predominates amid lack of trust. Both Taipei and Beijing demonstrate intolerance for exchanges with the other side. Beijing has even offered rewards for apprehension of influencers promoting “separatism.”
 - Estrangement produces dangerous distortions in perception. Unofficial cross-Strait contacts with those who hold opposing political views should be facilitated, and ground rules should be respected.
 - Maintaining open communication channels through Track II and Track 1.5 dialogues is essential to avoiding conflict and reducing misperceptions. These should be expanded.

- Parties are over-reliant on military signaling, leading to media and public overreaction.
 - Military exercises should be accompanied by notifications and more transparency;
 - Patrols should have clear rules of engagement and be subject to strict oversight;
 - Parties should pursue opportunities for increased practical law enforcement cooperation;
 - They should work to establish confidence-building measures, maritime incident protocols, and military crisis management mechanisms that reduce escalation risks.

- Domestic politics are shaping regional security. U.S. domestic politics, Taiwan's elections and identity politics, and Beijing's political calculations are making compromise increasingly difficult.
 - Policymakers should prioritize institutional mechanisms that can be resilient across leadership transitions and electoral cycles.
 - Beijing should publicly pledge non-interference in Taiwan elections.

- “Securitization” has drastically altered perceptions of economic interdependence across the Taiwan Strait, leading to increased costs and tensions.
 - Sides should continue implementation of past cross-Strait agreements and acknowledge practical efforts;
 - National security concerns as applied to normal cross-border trade should be narrowly scoped;
 - Restrictions on normal economic flows should be transparently notified and subject to redress.

- Cross-Strait confidence-building measures were deemed “difficult,” but participants mooted several specific proposals:
 - Joint or parallel efforts to highlight the 160th birth anniversary of Sun Yat-sen, the “Father of the Republic of China”
 - Parallel Mainland-Taiwan statements to defend maritime boundary interests in the face of recent Japan-Philippine maritime boundary delimitation talks.

- Increase student exchanges across the Strait and undertake official actions to make such exchanges more attractive to students.
- Leaders should remain consistent in their formulations and should not advance new formulations to describe the other side or make sudden policy changes. This was seen as essential to maintain peace and stability, which is a stated objective of all sides.
- Cross-Strait policy dialogues between Mainland and Taiwan non-officials should be held and must include views representative of all parties. Ground rules regarding security and publicity should be observed.

Discussion: Fragile Stability Across the Taiwan Strait

In assessing changes in the cross-Strait situation over the past year, participants cited perceived changes in U.S. policy as the main factor in mitigating cross-Strait tensions, at least temporarily. President Trump's determination to visit China, even amidst a U.S. conflict in the Middle East, and the ensuing emphasis on stability in U.S.-China relations clearly altered the cross-Strait dynamic. However, U.S. officials were quick to note no change to U.S. Taiwan policy. The anticipation of a visit by Xi Jinping to the U.S. in September, the "delay" in notification of the next Taiwan arms sale to Congress and the public reporting of the U.S. intelligence community's revision to the so-called Davidson Window (the notion that Beijing was preparing to attack Taiwan by 2027) indicated efforts by the Trump administration to "cool things down," as Trump had urged Beijing and Taiwan to do after the summit with Xi.

Taiwan's domestic politics were also cited as a factor giving Beijing increased confidence in a "more patient approach." Although Beijing is not willing to credit any positive moves by DPP authorities, it perceives increased pro-Beijing sentiment on Taiwan. The new KMT chair, Cheng Li-wun, got a boost from her travels to the Mainland, which cheered Beijing. Local elections in November will be one further indicator of sentiment, but results there are determined mainly by local issues; wrangling in 2027 over who will face Lai Ching-te in the 2028 election will be more telling. The KMT will need to show that it can unite behind a viable challenger. Participants suggested that Beijing disavow any intention to interfere in Taiwan's elections.

Beijing views the strategy of the Lai administration as unchanged: pursuit of "one China, one Taiwan," separation of Taiwan's identity from China, decreased interdependence across the Strait, and internationalization of the cross-Strait issue. Reduced cross-Strait trade, prohibitions on local official participation in exchanges with the Mainland, and revision of the Anti-Infiltration Act were cited as some of the signposts of this strategy. Taiwan participants argued that Lai's strategy is a continuation of previous DPP administrations and supports the status quo and the constitutional framework of the Republic of China. Taiwan's increased military budget supports deterrence and the defense of that status quo. Beijing's military pressure on Taiwan is the destabilizing factor; the Taiwan air force recently adopted rules of engagement allowing them to "shoot first" in a case of hostile intent. Participants noted that the number of air sorties by Chinese aircraft around Taiwan has been reduced in recent months, but that Coast Guard activity has increased. Military preparedness must be accompanied by renewed efforts to establish crisis

management mechanisms, as current methods remain insufficient. With cross-Strait political trust at a low ebb and formal channels of communication absent, the risk of miscalculation remains uncomfortably high.

Participants spent significant time exchanging perspectives and considering what would be required to reduce the chance for miscalculation. Military deterrence remains central to preserving stability across the Taiwan Strait, yet participants repeatedly argued that deterrence alone cannot adequately address the growing risks posed by persistent military competition. The cross-Strait issue is fundamentally a political issue and will not be “solved” by military means. Cross-Strait confidence-building is difficult in the current, low-trust environment. Mainland participants thought that U.S.-China interactions are the most important factor for maintaining peace and stability in the Taiwan Strait. The Trump administration has indicated a desire to avoid war over Taiwan more clearly than the previous administration, and China has demonstrated that it can hold its own in competition with the U.S. Polling indicates some improvement in American views of China. Therefore, Beijing is comfortable that it can manage and “eventually solve” the Taiwan issue; language on Taiwan in the 15th five-year plan is unchanged from the previous plan. PRC participants suggested symbolic moves regarding the DPP Party Charter or the 2007 “Normal Country Resolution” could be undertaken to build confidence; Taiwan participants thought these would be difficult in a democracy and indicated that, at minimum, a reciprocal step would be needed. Counterparts indicated that a reciprocal step would be difficult. Participants also held a spirited exchange on the “1992 Consensus,” reviewing whether the original goalposts had been moved and by whom. There was no agreement, but it was a useful exchange as the details of and perspectives on past exchanges are not widely discussed today.

Japan’s positioning on Taiwan was a focus of discussion, given Tokyo’s recent higher profile on Taiwan issues and the resultant rupture in China-Japan ties. Mainland participants objected to Japan’s “overturning” the Japan-China joint communique normalizing ties (referring to Prime Minister Takaichi’s Diet comments on Taiwan) and criticized Taiwan’s silence over Japan-Philippine joint maritime boundary delimitation work, which they viewed as infringing on Taiwan’s maritime rights; Taiwan participants criticized Beijing’s response patrols, calling them an effort to demonstrate jurisdiction over Taiwan. Japan’s Taiwan policy appears likely to play an increasing role in cross-Strait stability.

Insisting on Connections and Exchanges

To maintain peace and stability across the Taiwan Strait and to make today’s fragile stability durable, cross-Strait exchanges and connections need to expand. The NCAFP cross-Strait dialogue has urged efforts to overcome the deficit of cross-Strait exchange and communication every year, especially since the end of the pandemic. All three sides insist that more channels for direct communication must be found. Yet now, amid deep suspicion, structural changes and unpredictability, there are fewer channels to discuss cross-Strait relations than at any time in recent history. Participants discussed practical steps to strengthen communication, including expanding academic exchanges, supporting city-to-city cooperation, facilitating think tank engagement, encouraging humanitarian cooperation, and conducting more dialogues in third-country venues where political sensitivities may be reduced. Although unofficial engagement

cannot fully resolve fundamental political disputes, participants viewed sustained dialogue as one of the few practical tools available to reduce mistrust and lower the risks of accidental escalation.

According to one participant, there were 5.45 million crossings of the Taiwan Strait in 2025, 4.9 million from Taiwan and 560,000 from the Mainland. Among the various visa categories, there were more cultural than academic exchanges in the first category, fewer substantive exchanges than exhibition visits in the business category, and tighter restrictions on local government exchanges by both sides. However, participants disagreed over which side was more responsible. Beijing previously restricted individual tours to Taiwan but has since encouraged residents of Xiamen and Shanghai to visit Taiwan. This is a step in the right direction, but Beijing can do more. A Taiwan participant indicated that Taiwan grants most visas for exchanges, but that preference is to approve non-CCP members; few CCP members are currently approved. Beijing likewise rejects exchanges with DPP members. This produces a growing estrangement among cross-Strait elites that is clearly detrimental to long-term stability.

Cross-Strait trade has dropped precipitously (largely due to U.S.-imposed semiconductor controls), and many Taiwan businesspeople resident in the Mainland are diversifying their businesses to Southeast Asia or other markets due to costs and other factors, including the difficult geopolitical environment. Participants from both sides emphasized that complete economic decoupling remains neither realistic nor desirable. Participants also cautioned that excessive economic fragmentation could itself become a source of instability. Economic interdependence continues to provide incentives for restraint and channels for cooperation that remain valuable even amid strategic competition. Participants understood that these channels are increasingly strained by technological competition and associated geopolitics. Mainland participants indicated that Beijing wants to provide opportunities to Taiwan, but these are made less attractive by security and politicization concerns. If Beijing wants to expand exchanges, it should find ways to convince Taiwan that these are genuine opportunities and not a double-edged propaganda vector. By the same token, authorities in Taiwan should take a hard-headed, risk-based approach to security issues in economic exchange with the Mainland and narrowly scope and clearly define the security nexus for restrictions on a bipartisan basis.

U.S. Role in Cross-Strait Stability

While recent leader-level engagement between Washington and Beijing modestly improved the bilateral atmosphere, participants from all three sides noted continuing ambiguity over long-term U.S. strategy, alliance commitments, and Taiwan policy. Mainland participants indicated Beijing's increased confidence in the ability of the U.S. and Chinese governments to control the cross-Strait situation, even as Beijing's suspicion of DPP authorities remains unchanged. American participants highlighted the underlying strong bipartisan support for Taiwan that is a constant in Congress and elsewhere in the U.S., cautioning against over-interpreting U.S. policy based on statements from a single, changeable U.S. leader. Chinese participants acknowledged this reality, but insisted that regardless of U.S. policy or leaders, Beijing remains "confident and patient" in its approach. Taiwan participants acknowledged the need for Taiwan to provide for its own defense more concertedly, stated that any changes to U.S. Taiwan policy will be destabilizing, and that the policy of both the ruling DPP and the opposition KMT is to maintain the

status quo. Taipei believes that the U.S. and others will continue to oppose a coercive approach by Beijing to cross-Strait relations strongly. For both Beijing and Taipei, however, doubts about U.S. intentions will continue to influence future calculations.

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