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# The Worsening Taiwan Embroglio: An Urgent Need for Effective Crisis Management

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**Michael D. Swaine**

East Asia Director

Quincy Institute for Responsible Statecraft

# Executive Summary

A severe diplomatic or military crisis over Taiwan is the issue that poses the greatest risk of war between the United States and China. Worryingly, the risk has increased in recent years with the deepening Sino-American rivalry amid intensifying conflicts of interest vis-à-vis Taiwan. Washington and Beijing must recognize the cycle of confrontational deterrence that drives it and take urgent measures to stop it.

If the United States and China fail to take measures of mutual reassurance, the two countries will continue on the path to confrontation over Taiwan. This is particularly likely if their overall bilateral relationship continues to deteriorate. While acknowledging the likelihood of such a dangerous scenario, this brief affirms the need to improve crisis management on the Taiwan issue, outlines the major problems and limits of existing crisis management efforts, and offers concrete recommendations for improving the ability of both Washington and Beijing to more effectively manage future crises over Taiwan, as well as Sino-American crises in general.<sup>1</sup>

In order to improve crisis management on the Taiwan issue, Washington and Beijing should adopt the following policies:

- Establish clear, reliable crisis communication channels between high-level U.S. and Chinese civilian officials.
- Establish and regularize an unofficial, private, bilateral “non-conversation” communication channel involving trustworthy retired high-level American and Chinese officials for supplemental communication in a crisis.
- Reach mutual understanding regarding the purpose of crisis communication and each side’s intentions and goals in a crisis, to reduce mutual suspicion.

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<sup>1</sup> The author is deeply indebted to James Park, Alastair Iain Johnston, Sarang Shidore, Samuel Gardner-Bird, and Lisa Goldman for their assistance and comments.

- Through regularized communications, agree on initial guidelines for actions and responses in a crisis situation to prevent an assumption-based, reactive tit-for-tat escalation.
- Avoid issuing ultimatums or clear threats to the other's core interests and refrain from employing ideological or principled "lock-in" positions that encourage zero-sum behavior. Explore options for mutually reassuring trade-offs or declaratory policies.
- Hold regular crisis management briefings for senior civilian leaders on both sides and, if possible, establish procedures for bringing crisis management experts into high-level leadership discussions of crisis management.

## Introduction: Drivers of crisis escalation

As shown in the recent Quincy Institute brief "Ending the Destructive Sino-American Interaction Over Taiwan: A Call for Mutual Reassurance," Washington and Beijing are engaged in a dangerous, interactive pattern of coercive deterrence-centered behavior regarding Taiwan (and their larger bilateral relationship) that is increasing the chance of severe crises and even military conflict in the coming years.<sup>2</sup> And yet neither side recognizes this interactive dynamic, opting instead to blame one another for provoking the problem while admitting no fault of their own. Both countries must take responsibility for the worsening situation by combining credible deterrence with equally credible reassurance signals.<sup>3</sup> The latter should consist of concrete efforts to revitalize the U.S. One China policy on one side and the Chinese commitment to peaceful unification as a top priority on the other.

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<sup>2</sup> Swaine, Michael D. "Ending the Destructive Sino-American Interaction Over Taiwan: A Call for Mutual Reassurance." Quincy Institute for Responsible Statecraft, October 2022. <https://quincyinst.org/report/ending-the-destructive-sino-u-s-interaction-over-taiwan-a-call-for-mutual-reassurance/>.

<sup>3</sup> Technically, effective deterrence should contain both credible threats and credible assurances. Schelling, Thomas C. *The Strategy of Conflict* (Spain: Harvard University Press, 1980); Schelling, Thomas C. *Arms and Influence*. United Kingdom, Yale University Press, 2020. But the term is now taken by most observers to mean the former alone, and it is used here in that sense – i.e., to encompass punitive or threat-based policies.

Without such credible reassurance and restraint measures, ever greater levels of military deterrence will reinforce each party's worst-case assumptions. This will increase the risk of more crises and conflict. A deterrence-dominated competition could shape an environment vulnerable to escalation, especially when both countries will almost certainly possess the capabilities and will to sustain an open-ended arms race. This is particularly the case because there is no evidence to suggest that any one side will acquire a breakthrough military technology capable of sustaining a near-permanent advantage in such a competition.<sup>4</sup>

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However, even if attainable, no amount of superior U.S. (and Taiwanese) military capability will prove sufficient to deter Beijing from using force in the absence of accompanying, credible reassurances regarding Washington's continued fidelity to its long-standing One China policy. As indicated in the previous Quincy Institute Brief "Ending the Destructive Sino-U.S. Interaction Over Taiwan: A Call for Mutual Reassurance," Washington is already well on the way to hollowing out its One China policy. Beijing's response is to signal resolve by relying increasingly on its own forms of military deterrence, which in turn forces Washington to draw Taiwan ever closer.<sup>5</sup> In this vicious downward spiral, growing U.S. deterrent capabilities coupled with closer ties to Taiwan will simply reinforce the Chinese perception that Washington will ultimately

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<sup>4</sup> Allison, Graham, and Eric Schmidt. "Is China Beating the U.S. to AI Supremacy?" Harvard Belfer Center, August 2020.  
[https://www.belfercenter.org/publication/china-beating-us-ai-supremacy?\\_gl=1\\*hua20c\\*\\_ga\\*MT0wMDEwOTk4OS4xNjY1NDA4NjY5\\*\\_ga\\_72NC9RC7VN\\*MTY2NT0xNzcwOC4zLjAuMTY2NT0xNzcwOC4wLjAuMA.#toc-5-0-0](https://www.belfercenter.org/publication/china-beating-us-ai-supremacy?_gl=1*hua20c*_ga*MT0wMDEwOTk4OS4xNjY1NDA4NjY5*_ga_72NC9RC7VN*MTY2NT0xNzcwOC4zLjAuMTY2NT0xNzcwOC4wLjAuMA.#toc-5-0-0); Li, Cheng. "Pelosi's Visit to Taiwan: Provoking the First AI War in History?" China-US Focus, August 26, 2022.  
<https://www.chinausfocus.com/foreign-policy/pelosis-visit-to-taiwan-provoking-the-first-ai-war-in-history>.

<sup>5</sup> Swaine. "Ending the Destructive Sino-U.S. Interaction Over Taiwan: A Call for Mutual Reassurance."

discard its One China policy entirely and move to keep Taiwan permanently separate from mainland China.<sup>6</sup>

Such a policy would be intolerable to Beijing and would trigger direct military or other pressures intended to either reverse U.S. policy or resolve the issue outright, regardless of how much military power Washington might employ to deter Beijing. For China's leaders, the existential regime costs and national humiliation of accepting permanent separation from Taiwan by force would outweigh the risks of going to war. Even if it lost the war, Beijing would almost certainly continue to challenge the U.S. position to achieve its ends. This would result in a sustained high level of crisis, and probably even ongoing conflict.

China contributes to the escalating tension over Taiwan by doubling down on military exercises near Taiwan, while failing to demonstrate convincingly that it is committed to peaceful unification as a priority. This, along with statements suggesting some sort of possible timeline for unification, has deepened the U.S. suspicion that Beijing will inevitably use force against Taiwan. This perception is perhaps buoyed by the apparent Chinese belief that Beijing's resolve in a Taiwan conflict is superior to that of Washington's.

However, for many U.S. leaders, maintaining resolve in defending the credibility of the U.S. position in Asia (and with allies in particular) demands a level of commitment at least equal to any Beijing might possess. For them, a failure to defend Taiwan would have large, intolerable strategic and political repercussions, signaling a loss of American resolve and support for allies and partners. This, they believe, would usher in an era of U.S. decline and global instability. China's statements of continued support for peaceful unification ring hollow for many Americans when placed alongside steady increases in Beijing's military pressure on Taiwan and hinted-at timelines for unification, and stimulate ever more energetic signals of U.S. resolve.<sup>7</sup>

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<sup>6</sup> As shown in "Ending the Destructive Sino-U.S. Interaction Over Taiwan: A Call for Mutual Reassurance," arguments in support of such a radical break with existing U.S. policy are already appearing both within and outside of the U.S. government.

<sup>7</sup> Swaine. "Ending the Destructive Sino-U.S. Interaction Over Taiwan: A Call for Mutual Reassurance."

These observations suggest that despite their likely effectiveness in stemming the existing downward spiral, the kinds of mutual U.S.–China reassurances recommended in “Ending the Destructive Sino-U.S. Interaction Over Taiwan: A Call for Mutual Reassurance” might not occur or might not prove sufficient to stabilize the Taiwan situation even if they occur, especially if the broader U.S.–China relationship remains fundamentally adversarial. In the absence of effective reassurances, crisis management, while difficult to achieve in an environment of deep suspicion, becomes absolutely imperative to avert severe crises or conflicts.

## **Deficiencies in current Sino–American crisis management efforts**

The primary purpose of crisis management in the Sino–American relationship is to prevent inadvertent escalation in a serious political–military crisis (in this case, over Taiwan) that could lead to conflict and to defuse the crisis in a way that does not increase the chance of a new crisis. Crisis management thus assumes that neither side is deliberately seeking military conflict, a situation that would require very different war termination, not crisis management efforts. The latter involves types of crisis signaling that convey resolve without unduly provoking the other side while also creating incentives for accommodation or an off-ramp without looking weak. This is a delicate balance, requiring unambiguous communication channels, clear signaling (especially regarding limits on escalation), and a strong understanding of the likely ways in which the other side will interpret one’s signals.

If such requirements are not met, crisis management can easily fail, thus producing a military conflict. Also, crisis management will almost certainly fail if one (or both) side has deliberately provoked the crisis and is/are committed to winning it at all costs by compelling the other side to give in. To be effective, both sides must have a strong interest in limiting and resolving any crisis that emerges by cooperating to create workable crisis management mechanisms and attitudes, despite high levels of distrust.

Unfortunately, neither Washington nor Beijing has put adequate crisis management measures in place, either individually or through agreement, despite their obvious necessity. This reflects the lack of trust in the relationship, differing views over the purpose and utility of crisis management, and a tendency to focus excessively on military-to-military types of crisis management procedures, to the virtual exclusion of civilian interactions. To be sure, senior leaders in both governments have endorsed the need for crisis management measures, established some crisis management procedures between the two militaries, and held Track One military-to-military crisis communication dialogues.<sup>8</sup>

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As noted in the Quincy Institute report “Active Denial: A Roadmap to a More Effective, Stabilizing, and Sustainable U.S. Defense Strategy in Asia,” U.S. interactions with China to maintain military stability and avoid conflict have covered four areas to date<sup>9</sup>: 1)

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<sup>8</sup> For a rather oblique reference to the need for such measures, see, most recently, U.S. Department of Defense. “2022 National Defense Strategy of the United States of America.” October 2022. 2, 9, 13. <https://media.defense.gov/2022/Oct/27/2003103845/-1/-1/1/2022-NATIONAL-DEFENSE-STRATEGY-NP-R-MDR.PDF>; The White House, “National Security Strategy.” October 2022, <https://www.whitehouse.gov/wp-content/uploads/2022/10/Biden-Harris-Administrations-National-Security-Strategy-10.2022.pdf>; “Memorandum of Understanding Between the Department of Defense of the United States of America and the Ministry of National Defense of the People’s Republic of China Regarding the Rules of Behavior for Safety of Air and Maritime Encounters.” <https://digital.library.unt.edu/ark:/67531/metadc949788/>; “Chinese President Xi Jinping Speaks with U.S. President Joseph Biden on the Phone.” Foreign Ministry of the People’s Republic of China, September 10, 2021. [https://www.fmprc.gov.cn/mfa\\_eng/wjb\\_663304/zzjg\\_663340/bmdyzs\\_664814/xwlb\\_664816/202109/t20210910\\_10409675.html](https://www.fmprc.gov.cn/mfa_eng/wjb_663304/zzjg_663340/bmdyzs_664814/xwlb_664816/202109/t20210910_10409675.html); CICIR China-US Relations Research Group. “Xiandai yuan baogao: xianghu zunzhong, pingdeng huli, heping gongchu – zai fuzaxing zhong tansuo zhongmei guanxi xin kuangjia 现代院报告：《相互尊重、平等互利、和平共处—在复杂性中探索中美关系新框架》” [CICIR Report: Mutual Respect, Equality and Mutual Benefit, and Peaceful Coexistence—Exploring a New Framework for Sino-US Relations in Complexity]. Zhongguo xiandai guojiguanxi yanjiusuo 中国现代国际关系研究所, November 5, 2021. <http://www.cicir.ac.cn/NEW/opinion.html?id=87fd9211-4b89-41f7-9443-054d97718f37>.

<sup>9</sup> Quincy Institute, “A Roadmap to a More Effective, Stabilizing, and Sustainable U.S. Defense Strategy in Asia.” Quincy Institute for Responsible Statecraft, June 2022.

formal military-to-military agreements and rules of engagement to avoid accidents and unwanted escalation and increase the predictability of interactions between local operators at sea and in the air<sup>10</sup>; 2) formal efforts to improve overall military-to-military understanding and predictability via high-level dialogues and lower-level functional discussions<sup>11</sup>; 3) transparency agreements, including mutual notification and observation of major military exercises<sup>12</sup>; 4) limited efforts to improve crisis communication in particular through the establishment of a hotline between civilian and military leaders, and the initiation of a military-to-military crisis communication dialogue.<sup>13</sup>

However, these measures fall far short of providing the mechanisms and perspectives necessary for reducing the likelihood of a severe U.S.–China political–military crisis emerging over Taiwan or some other issue. Nor will those measures reliably prevent an existing crisis from escalating to a catastrophic level. Various shortcomings in the implementation of these existing agreements exist. Among such notable shortcomings include the frequent suspension of military-to-military dialogues and interactions due to obstacles encountered in the overall Sino–American relationship; absent or inadequate use of the hotline in past crises; and the occasional neglect of established agreements regarding operator-to-operator interactions or notifications of exercises and explanations of certain U.S. intelligence, surveillance, and reconnaissance

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<https://quincyinst.org/report/active-denial-a-roadmap-to-a-more-effective-stabilizing-and-sustainable-u-s-defense-strategy-in-asia/>.

<sup>10</sup> “Memorandum of Understanding Between the Department of Defense of the United States of America and the Ministry of National Defense of the People’s Republic of China Regarding the Rules of Behavior for Safety of Air and Maritime Encounters.”

<sup>11</sup> U.S. Department of Defense. “Military and Security Developments Involving the People’s Republic of China, 2020: Annual Report to Congress.” Office of the Secretary of Defense, September 1, 2020. <https://media.defense.gov/2020/Sep/01/2002488689/-1/-1/1/2020-DOD-CHINA-MILITARY-POWER-REPORT-FINAL.PDF>.

<sup>12</sup> The United States Department of Defense and the People’s Republic of China Ministry of National Defense. “Memorandum of Understanding on Notification of Major Military Exercises Confidence Building Measures Mechanisms.” [https://dod.defense.gov/Portals/1/Documents/pubs/141112\\_MemorandumOfUnderstandingOnNotification.pdf](https://dod.defense.gov/Portals/1/Documents/pubs/141112_MemorandumOfUnderstandingOnNotification.pdf).

<sup>13</sup> “U.S., China agree to establish military hotlines, rules for air-to-air encounters.” *Taipei Times*. September 17, 2015. <http://www.taipeitimes.com/News/front/archives/2015/09/27/2003628681>; “Chinese, U.S. military chiefs hold crisis communication, says China defense ministry.” Reuters. October 29, 2020. <https://www.reuters.com/article/us-china-usa-military/chinese-u-s-military-chiefs-hold-crisis-communication-says-china-defence-ministry-idUSKBN27E1XJ>.



activities.<sup>14</sup> Even more importantly, other more serious and deeply-rooted structural and conceptual obstacles to effective crisis management also exist. Drawn from past Sino-American crises and crisis simulations and dialogues held over many years,<sup>15</sup> the obstacles include:

- A tendency to view crisis management as primarily within the purview of the U.S. and Chinese militaries and to focus inordinately on hotlines.
- An apparent disconnect between how Beijing and Washington look at the purpose and value of crisis communication.
- Differing views of what constitutes authoritative channels in a crisis.
- Unclear or inconsistent use of various types of news media.
- A tendency (especially on the Chinese side) to limit flexibility in crisis discussions by defining crises as involving basic principles or moral issues.
- A Chinese tendency to misunderstand the level and type of influence the United States exerts over its allies or partners, and hence to misinterpret signals sent among them.
- Faulty assumptions about the other side's level of coordination and intention behind crisis signaling.
- Differing interpretations of specific phrases and terms used in a crisis, due to language and cultural barriers.

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<sup>14</sup> Quincy Institute, "A Roadmap to a More Effective, Stabilizing, and Sustainable U.S. Defense Strategy in Asia"; Zhang, Tuosheng. "Strengthening crisis management, the most urgent task in current China-US and China-Japan security relations." *China International Strategy Review* 3 (April 2021): 34-55. <https://doi.org/10.1007/s42533-021-00067-x>.

<sup>15</sup> Swaine, Michael D., Tuosheng Zhang, and Danielle Cohen. *Managing Sino-American Crises: Case Studies and Analysis*. Washington, Carnegie Endowment for International Peace, 2006. <https://carnegieendowment.org/2006/12/04/managing-sino-american-crises-case-studies-and-analysis-pub-18899>.

- Asymmetrical military and foreign policy structures that complicate identifying appropriate interlocutors in a crisis

The Taiwan issue exemplifies virtually all of these difficulties, including: a Chinese tendency to assume that the United States encourages or accepts Taipei's provocative actions; confusing, inconsistent messaging by senior U.S. officials regarding the nature of Washington's commitment to Taiwan and the meaning of the One China policy; differing views of the original understandings reached between the United States and China regarding Taiwan and the supposed departures from those understandings that have occurred since then; a common tendency to misread or downplay warnings sent by the other side (very evident in past Taiwan crises and crisis simulations);<sup>16</sup> and the invocation of absolute, seemingly non-negotiable zero-sum principles. For China, the principle of national sovereignty is such a principle; and for the United States, the credibility of its security assurances.

## What is urgently needed

The numerous deficiencies in U.S.–China crisis management efforts suggest that Washington and Beijing could undertake more extensive crisis management understandings, procedures, and approaches to decision-making in managing the Taiwan crisis – and crisis communication dialogues in general.

Both nations must recognize, and build into their dialogues, that the core decision-makers in any serious U.S.-China crisis over Taiwan (or other political-military issues) are civilian, rather than military figures such as the head of the Indo-Pacific Command or the admiral in charge of the U.S. Seventh Fleet. Unfortunately, crisis management has traditionally been centered on preventing militaries from taking dangerous, counter-productive actions that could lead to inadvertent or unnecessary conflict at the local level. This has led to agreements such as the Sino-U.S. Code for

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<sup>16</sup> Swaine, Zhang, and Cohen. *Managing Sino-American Crises: Case Studies and Analysis*; Scobell, et al. "US–China Signaling, Action- Reaction Dynamics, and Taiwan: A Preliminary Examination."

Unplanned Encounters at Sea (CUES).<sup>17</sup> In the civilian sphere, crisis management has usually focused on the establishment of “hotline” communication links between both military and civilian officials.<sup>18</sup>

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While mechanisms such as CUES are certainly valuable, if properly implemented, they fail to address the need to reduce miscalculations in signaling and decision-making arising from the perceptions and actions of senior civilian leaders. Given the high stakes involved, any serious crisis over Taiwan would rapidly extend beyond the purely military level to the level of the senior director of the U.S. National Security Council, the secretary of state, or the president (and their Chinese counterparts) and thus involve the threat perceptions, assumptions, and beliefs about crisis signaling of those leaders and their immediate advisors.

Therefore, beyond holding discussions of how each military should behave to avert escalation in a potential crisis, there is an urgent need for both governments to engage more widely and deeply, on Track One, 1.5 and Track Two levels, to clarify and correct (where necessary) underlying assumptions and beliefs that influence crisis signaling at the highest civilian levels. Each actor must make their decision-making process in crisis situations as transparent and predictable as possible. While such discussions

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<sup>17</sup> USNI News. “Document: Code for Unplanned Encounters at Sea.” USNI News, June 17, 2014. <https://news.usni.org/2014/06/17/document-conduct-unplanned-encounters-sea>.

<sup>18</sup> International Crisis Group. “Risky Competition: Strengthening U.S.-China Crisis Management.” International Crisis Group, May 2022. <https://www.crisisgroup.org/asia/north-east-asia/china-united-states/risky-competition-strengthening-us-china-crisis-management>; Wuthnow, Joel. “Improving US-China Crisis Communications—Thinking Beyond the Air and Sea.” Pacific Forum, May 21, 2021. <https://pacforum.org/publication/pacnet-24-improving-us-china-crisis-communications-thinking-beyond-the-air-and-sea>; Scobell et al. “US-China Signaling, Action- Reaction Dynamics, and Taiwan: A Preliminary Examination.”

have been held over many years with former U.S. and Chinese civilian officials at a Track 1.5 or Track Two level, they have never been held at a Track One level; nor have senior civilian officials been briefed on the results of those lower-level discussions.

Beijing and Washington should not assume that their existing hotlines (available to both civilian and military officials) can adequately facilitate necessary communications for crisis management. In fact, real limits exist on the usage of hotlines. For example, Chinese military officers are not empowered to speak with foreign militaries on issues involving national policies and stances, especially during crises.<sup>19</sup> At the same time, kicking the level of contact via hotlines up to the most senior civilian levels at the start of a crisis can actually worsen the situation. The top leader can feel compelled to defend his or her position and avoid any sign of weakness, while anything he or she says, regardless of veracity, would be regarded as authoritative. This danger would become particularly likely if such high-level contact is initiated before each side has clearly determined its position on the crisis.

Chinese leaders usually do not contact their foreign counterparts until they have had an opportunity to determine what caused a crisis, what continues to drive it, and how to manage it.<sup>20</sup> Even in Xi Jinping's China, the need to obtain buy-in from his senior colleagues in the Politburo Standing Committee or, at the very least, the senior members of the foreign affairs decision-making bodies responsible for these issues (such as the Foreign Affairs Leading Small Group under Xi) likely remains.

Also, the Chinese side might resist using the hotline early in a crisis because it does not want to convey the impression that Beijing is more interested in managing the escalating situation than in conveying its anger if Washington is suspected or judged to have caused the crisis. This probably happened during the confrontation over Pelosi's recent visit to Taiwan. While Xi Jinping reportedly told Biden, in a phone conversation that took place before the July 28 visit, that Beijing had no intention of going to war with the United States, once Pelosi had gone ahead with the trip, and during the assertive Chinese response, initial U.S. efforts to contact the Chinese side were

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<sup>19</sup> Author's conversations with Chinese officials and scholars.

<sup>20</sup> Author's conversations with Chinese officials and scholars.

reportedly unsuccessful.<sup>21</sup> Since the Chinese leadership had by that time decided who caused the crisis and how to respond, their failure to pick up the hotline likely reflected a desire to convey anger and resolve.

Washington and Beijing should establish a reliable, transparent and unvarying channel of official and authoritative communication between two designated civilian officials in a crisis. Such a channel could not only strengthen the use of the hotline and, if necessary, correct any misunderstandings it might generate, but also end the confusion that sometimes results from a lack of certainty as to whether the other side is signaling via media outlets (such as, in the Chinese case, the *Global Times*), former senior officials, or other public voices. Even more important, a designated set of interlocutors is needed to reduce the overall level of mutual distrust and habitual worst-casing of motives that now exist in the relationship – particularly over the Taiwan issue.

***Washington and Beijing should establish a reliable, transparent and unvarying channel of official and authoritative communication between two designated civilian officials in a crisis.***

To achieve this goal, the two sides should identify two civilian leaders. In a Track Two U.S.–China crisis management discussion, the two individuals most frequently recommended were the director of the General Office of the Central Foreign Affairs Commission, a position recently held by Yang Jiechi, and the U.S. national security adviser, currently Jake Sullivan. Such a clearly recognized channel would remove ambiguity regarding the authority and reliability of a message and ensure that the highest civilian authorities receive the messages.

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<sup>21</sup> Wei, Lingling, “Xi Sought to Send Message to Biden on Taiwan: Now Is No Time for a Crisis.” *The Wall Street Journal*, August 11, 2022. <https://www.wsj.com/articles/xi-sought-to-send-message-to-biden-on-taiwan-now-is-no-time-for-a-crisis-11660240698>; Seligman, Lara, and Alexander Ward. “Pentagon chiefs’ calls to China go unanswered amid Taiwan crisis.” *Politico*, August 5, 2022. <https://www.politico.com/news/2022/08/05/pentagon-china-calls-taiwan-00050175>.

Beyond identifying an official, predictable crisis management channel, the two governments should also, if possible, establish an unofficial, personal channel for supplemental communication in a crisis. Such a channel has existed at various times in the past, consisting of personal contacts between two individuals who were to some extent trusted by the other side, such as then State Councilor Dai Bingguo and then U.S. Treasury Secretary Henry Paulson.<sup>22</sup> Unfortunately, these types of individuals are no longer present within either government today, although they conceivably could be brought back, without any official title, to open such a channel. Alternatively, trusted civilians close to the government or the top intelligence officials on both sides could conceivably perform this function. In the latter case, their lower profile, expert knowledge of decision-making and each other's capabilities, and possible relationship with each other as intelligence professionals and with their respective top leadership could make such a channel possible and useful.

Such individuals could constitute a "non-conversation," whereby interlocutors are allowed to contact one another outside of formal communication channels to engage in an authoritative, but unofficial, exchange of views. This could allow decision-makers and officials to clarify in a low-profile way the intentions, reasoning, and official statements of the other side, reduce misperceptions about certain actions, and become more sensitive to the other side's interests and concerns, all while avoiding any binding commitments. The U.S. State Department and the Chinese Foreign Ministry would likely resist such a channel, viewing it as an infringement on their responsibility for state-to-state dialogue. But the level of formality, adherence to protocol, and diplomatic caution inherent in those institutions, along with the mutual distrust and misperception that now exists in the U.S.-China relationship, strongly suggests that such a "non-conversation" channel is needed.

Both sides should discuss internally and then bilaterally what kinds of trade-offs might be possible to lower tensions and avert the worst-casing of one another's motives and

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<sup>22</sup> Rozen, Laura. "U.S.-China dialogue gets underway." *Foreign Policy*, July 27, 2009. <https://foreignpolicy.com/2009/07/27/u-s-china-dialogue-gets-underway/>. ; "Backgrounder: China-US Strategic and Economic Dialogue." *China Daily*, May 9, 2011. [http://www.chinadaily.com.cn/bizchina/////////2011-05/09/content\\_12473364.htm](http://www.chinadaily.com.cn/bizchina/////////2011-05/09/content_12473364.htm).

actions regarding Taiwan. This is difficult when distrust is very high, and neither side wants to be seen as showing weakness in response to perceived challenges to a presumed core interest. Moreover, apparent signs of weakness can have serious negative domestic political consequences. Thus, any trade-offs should start at a relatively modest level and serve to test each side's credibility.

## *Washington and Beijing should avoid issuing ultimatums or clear threats to the other's core interests.*

One example aimed at limiting escalation might involve the United States offering assurances that it has no intention of placing on alert, or deploying additional major military forces, in the vicinity of Taiwan – as long as China refrains from escalating its current level of military actions there. Another might be a U.S. presidential restatement of Washington's commitment to any peaceful, uncoerced resolution of the Taiwan issue, whether involving independence or unification, in return for a possible statement from the Chinese president that Beijing has no timeline for achieving unification. But even these actions would likely prove difficult. Hence, probing for the utility and specific content of these or other similar mutual assurance messages might require the prior creation of the “non-conversation” channel described above.

Washington and Beijing should avoid issuing ultimatums or clear threats to the other's core interests. As numerous crisis management analysts have said, countries in a crisis should also refrain from employing ideological or principled “lock-in” positions that encourage zero-sum behavior and create commitment traps.<sup>23</sup> This is difficult in the case of the Taiwan situation because, for the Chinese, it involves a bedrock principle – territorial sovereignty – that is critical to the legitimacy of the regime. The United States, for its part, also views the credibility of security assurances as a bedrock principle,

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<sup>23</sup> Swaine, Zhang, and Cohen. *Managing Sino-American Crises: Case Studies and Analysis*. A commitment trap consists of a publicly stated pledge or ultimatum that a leadership would find difficult to relax or undo without losing public support or conveying an image of weakness or indecisiveness to the opponent.

critical to its self-image as a reliable and predictable great power. This rhetoric should at least be minimized, if it cannot be eliminated.

While some might believe that invoking such core principles or morals to defend one's position can reinforce messages of resolve, such actions can easily lead to commitment traps, close off options for de-escalation, and provoke the other side. Each civilian leadership needs to move away from rigid mindsets and recognize, even if it cannot say so publicly, that its past actions have contributed to the worsening of the situation. This requires a clear understanding of how each side's statements and actions cause the other side to undertake provocative actions that it might otherwise avoid. It also requires serious efforts by both Washington and Beijing to determine what is necessary to convey a credible reassurance that neither actor intends to threaten the other's core interests.

Some observers might advocate U.S.–China discussions to establish clearer, genuine red lines that, if crossed, would generate a major, likely escalatory response. However, setting red lines is very hard to do in a high-stakes environment of extreme distrust: each side is more inclined to believe that the other is bluffing in order to get the other to back down or alter its behavior. In addition, a clear statement of red lines could leave excessive room for the other side to “push the envelope” just short of any such line, in ways that still provoke a dangerous response. And some military and/or civilian participants on both sides might think cultivating uncertainty in an opponent is good for deterrence and resist setting red lines.<sup>24</sup> Nonetheless, “ultimate” red lines that, if crossed, might trigger a strong military response could be discussed as part of the above-mentioned “non-conversation.” The overall takeaway is that the drawing of red lines might pose more problems than they resolve and should be approached with strong caution.

Washington and Beijing should avoid both a rigid, never-ending “tit-for-tat” approach to escalation and a non-proportional escalation in response to a perceived provocation. Each is acting on the assumption that they can force the other to de-escalate, or comply

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<sup>24</sup> Schelling. *The Strategy of Conflict*; Schelling. *Arms and Influence*.



with certain demands. But since neither China nor the United States is likely to acquire clear escalation dominance in a rapidly escalating Taiwan crisis or conflict, the possibility of an endless cycle of such tit-for-tat or non-proportional escalations is high. Even a seemingly temperate, proportional tit-for-tat approach can lock each side into uncompromising actions that simply feed escalation without producing caution or any willingness to back down or accommodate the other side. The high stakes and low trust increase the difficulty of conveying reassuring limits on one's behavior regarding the Taiwan issue, which makes these actions even more dangerous. This places a very high priority on exercising self-restraint and not always responding to the other side's actions in a negative manner. It also implies the need to turn negative tit-for-tat escalations into positive ones, by taking positive, incremental actions and expecting something similar in return. Again, these can be probed in a "non-conversation."

*Washington and Beijing should avoid both a rigid, never-ending "tit-for-tat" approach to escalation and a non-proportional escalation in response to a perceived provocation.*

In support of such positive behavior, Beijing and Washington should consider working early on in a crisis to achieve agreement on three points, mentioned in past Track Two crisis management discussions with the Chinese, relevant to an escalating Taiwan crisis:

- Neither side should seek to benefit at the expense of the other side.
- Full information and notification must be provided before any action is taken.
- Nothing should be done to adversely change the basic situation on the ground over the long term.<sup>25</sup>

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<sup>25</sup> Unfortunately, this point has been repeatedly violated in past Sino-U.S. crises, most recently with House Speaker Nancy Pelosi's supposedly "official" trip to Taiwan in August. This resulted in a new status

These points will not be possible if one or both sides are committed to “winning” the crisis or, worse yet, starting a war. But they should be seriously considered if such conditions do not seem to be present in the crisis. At the very least, they can be considered as ways of testing the good will and intentions of the other side.

Senior leaders in both Washington and Beijing need to recognize that each side likely holds different attitudes and assumptions regarding the function and goals of crisis management and exert greater efforts to overcome those differences. While Washington seems most focused on using crisis communication to avert conflict and defuse the crisis, Beijing seeks both to avoid conflict and use any serious political–military crisis to convey resolve and compel Washington to end what it perceives as those provocative U.S. behavior and policies that precipitated the crisis in the first place.<sup>26</sup> Hence, Chinese officials often view Washington’s crisis management efforts as a way to deflect attention from such U.S. actions. The resulting Chinese reticence toward engaging in deep crisis communication dialogues has caused the U.S. side to blame Beijing for the little progress made thus far and to suggest that China is being irresponsible.

This view of China’s attitude toward crisis management has even led some former Department of Defense officials involved in past Track One mil–mil crisis communication dialogues with the People’s Liberation Army (PLA) to argue that the United States should adopt what they claim is China’s approach to crisis communication— i.e., use it as a means of signaling “...US resolve in the face of PRC pressure or manipulation”<sup>27</sup> rather than to improve understanding. Such a

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quo involving both a higher level of PLA activities around the island and the apparent decision by incoming House Speaker Kevin McCarthy to repeat Pelosi’s provocative action.

<sup>26</sup> The need for crisis communication is most recently reflected in the 2022 U.S. National Defense Strategy: “Our goals in discussions on strategic stability include improving transparency and mutual understanding of threat perceptions, policies, doctrine, and capabilities, as well as establishing or enhancing crisis management processes that can help avoid or limit conflict escalation. The United States has substantial experience in strategic dialogue and crisis management with Russia, but has made little progress with the PRC despite consistent U.S. efforts. The world expects nuclear powers to act responsibly, including on risk reduction and crisis communications, and the United States will continue to pursue these efforts with China.” U.S. Department of State. “2022 National Defense Strategy of the United States of America.” 13.

<sup>27</sup> Morris, Lyle J., and Kyle Marcrum. “Another ‘hotline’ with China isn’t the answer.” RAND Corporation, July 27, 2022. <https://www.rand.org/blog/2022/07/another-hotline-with-china-isnt-the-answer.htm>.

deterrence-based, tit-for-tat approach would effectively short-circuit any effort to avoid mistakes in signaling or other miscalculations based on faulty assumptions about motives and objectives.

Both sides should go far beyond the recently suspended Track One mil-mil crisis communication dialogue (and a supporting Track 1.5 crisis management project suspended in 2019) to develop a broader Track One and Track Two set of crisis management dialogues and simulations, including relevant military and civilian officials, both former and current. These activities should address both the guidelines for and obstacles to successful crisis management and the likely origins of different types of Sino-American crises. These dual dialogues and simulations are possible if both sides recognize that avoiding inadvertent escalation in a crisis is in the interest of both countries regardless of which side might be at fault. Neither leadership will ever admit openly that it is to blame in causing a crisis and then take the necessary steps to defuse that crisis, while the other side looks on. But both sides can agree that discussions should take place regarding possible changes in policies that might reduce the chance of crises. Yet those discussions, and even most plausible policy changes that could conceivably result from them, will not eliminate the need to improve both side's crisis management capabilities.

Finally, in a Taiwan crisis, neither Washington nor Beijing should assume that the other knows where its own limits lie along the escalation ladder or that one's own side enjoys a superior level of resolve. In the past, Beijing might have believed Washington understood that China's relative weakness placed a natural limit on how high it would escalate. This, paradoxically, could have led Beijing to take greater risks at lower levels of escalation. However, the United States no longer regards China as the militarily weaker party in a Taiwan crisis or conflict; it also recognizes the general assumption in Beijing that China would enjoy superior resolve and determination in an escalating crisis over Taiwan. These factors could bias Washington toward overreacting to Chinese actions in an effort to show its continued prowess and resolve.

It is essential for senior civilian leaders on both sides to be very aware of the dangers arising from such prior assumptions and guard against them. This suggests the need for regular crisis management briefings to senior civilian leaders on both sides and, if possible, procedures for bringing crisis management experts into high-level discussions of crisis management. Ideally, senior leaders should also participate in crisis management simulations.

## Conclusion

Increased levels of coercive military deterrence, sharper signals of resolve, and one-sided finger-pointing alone stand no chance of stabilizing the current Taiwan imbroglio. To the contrary, this course, advocated by many on both sides, will increase hostility, suspicion, and arms racing, and hence the likelihood of eventual conflict. As noted in “Ending the Destructive Sino-U.S. Interaction Over Taiwan: A Call for Mutual Reassurance,” recognizing the interactive dynamic driving both Washington and Beijing toward a future severe Sino-American confrontation over Taiwan and moderating that dynamic through credible assurances are essential. But those efforts could fail or prove inadequate, especially if the overall U.S.-China relationship continues to deteriorate.

*Increased levels of coercive military deterrence, sharper signals of resolve, and one-sided finger-pointing alone stand no chance of stabilizing the current Taiwan imbroglio.*

Given the real possibility of such an eventuality, the crisis management measures and approaches outlined above are imperative if we wish to prevent a future crisis from turning into a full-blown U.S.-China war over Taiwan. It is not enough to say, even if true, that both sides want to avoid war and recognize the importance of implementing measures to prevent unnecessary conflict. Such sentiments will mean little if the two sides cannot recognize and correct those deep-seated misperceptions and faulty

decision-making processes that will inhibit even the best-intended efforts at avoiding war and managing crises.

These obstacles, along with the general level of distrust and worst-casing of motives now dominant in the U.S.–China relationship, reinforce the growing perception that a war over Taiwan is virtually inevitable. That false perception, in turn, feeds a sense of futility regarding the value of any assurances or crisis management mechanisms, creating a vicious downward spiral. Leaders in both Washington and Beijing need to push back against such fatalism and acknowledge that there is, in fact, no viable alternative to dialogues, understandings, and actions designed to balance deterrence with assurance, and crisis preparation with crisis management, if a dangerous armed conflict is to be avoided.

## About the Author

**Michael D. Swaine**, director of QI's East Asia program, is one of the most prominent American scholars of Chinese security studies. He comes to QI from Carnegie Endowment for International Peace, where he worked for nearly twenty years as a senior fellow specializing in Chinese defense and foreign policy, U.S.-China relations, and East Asian international relations. Swaine served as a senior policy analyst at the RAND Corporation.

Swaine has authored and edited more than a dozen books and monographs, including *Remaining Aligned on the Challenges Facing Taiwan* (with Ryo Sahashi; 2019), *Conflict and Cooperation in the Asia-Pacific Region: A Strategic Net Assessment* (with Nicholas Eberstadt et al; 2015) and many journal articles and book chapters.

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CONTACT: Jessica Rosenblum  
Director of Communications  
Email: [rosenblum@quincyinst.org](mailto:rosenblum@quincyinst.org)  
Tel: 202 800 4662