

A SPECIAL REPORT

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US-China Signaling, Action- Reaction Dynamics, and Taiwan: A Preliminary Examination

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The writing of this report was completed well before the visit to Taiwan of US Speaker of the House Nancy Pelosi. Hence the report does not incorporate discussion or analysis of this event. Nevertheless, the authors believe that events of late July and early August 2022 highlight the importance of the findings of the report.

ABOUT THE REPORT

This report presents the findings of a joint research project conducted by experts at the United States Institute of Peace (USIP) and the Shanghai Institutes for International Studies (SIIS). The project examined signaling and action-reaction dynamics between the United States and China, with a focus on Taiwan, during the first ten weeks of the Biden administration. The findings, analyses, and insights are based on not-for-attribution interviews with policymakers and analysts in the United States and China. The first section, “Introduction,” was written jointly by all six authors; subsequent sections were written separately by the USIP or SIIS author teams, as indicated in the title of each section.

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Introduction

In recent years, the United States and the People's Republic of China (PRC) have found it particularly challenging to interpret one another's foreign policy signals. Misinterpretation of the other's signaling may contribute to a bilateral action-reaction dynamic and can intensify into an action-reaction cycle and escalation spiral. China, for example, may take a particular action, and the United States might view that action as being provocative, rather than interpreting it as it was intended to be seen—as a reaction by China to the United States' own behavior. While recognizing that such misinterpretation is but one of many factors that can lead to rising tensions, and that bilateral action-reaction dynamics on a specific policy issue can be comprehended only within the overall context of bilateral relations, this interpretation challenge can inadvertently elevate bilateral tensions and escalate into a crisis or even war.

Taiwan continues to be the most contentious issue in US-China relations. Moreover, the Taiwan Strait is routinely identified as the most plausible location of a military confrontation between the United States and China. Thus, it is important that each side accurately interpret the signals of the other regarding Taiwan in order to avoid unintended escalation and unwanted conflict. This consideration helped inspire the project that this report summarizes. Conducted in late 2021, the project examined US-China signaling and action-reaction dynamics related to Taiwan during the first ten weeks of the Joe Biden administration, from January 20 to March 31, 2021. This time period was selected to explore how the two sides interpret signaling and to examine the impact of action-reaction dynamics in bilateral relations when a new national leader takes office.

The project was designed jointly by experts at the United States Institute of Peace (USIP) and the Shanghai Institutes for International Studies (SIIS) and the research was conducted in parallel efforts by USIP and SIIS.

Two central research questions drove the project:

- How accurately do US and Chinese policymakers interpret each other's signaling?
- Do these interpretations impact bilateral action-reaction dynamics and, if so, how?

To answer these questions, researchers at USIP and SIIS prepared to conduct a series of not-for-attribution interviews with policymakers and analysts in their respective countries. The first task was to develop a timeline of key bilateral actions.¹ This timeline (which is reproduced in the appendix to this report) was generated by the SIIS research team and revised and expanded with input from the USIP research team. The research effort was conducted by the two teams in parallel, with the USIP team interviewing more than a dozen individuals in the United States

1. The format and pagination of the timeline has been altered for this report, and small changes to the text have been made (such as spelling out acronyms) to increase readability. In all substantive senses, the timeline is the same as that reviewed by the interviewees.



US and Chinese delegations led by US Secretary of State Antony Blinken, second from right, and Yang Jiechi, director of the Central Foreign Affairs Commission Office, second from left, met for talks in Anchorage, Alaska, on March 18, 2021. (Pool photo by Frederic J. Brown/Reuters)

and the SIIS team interviewing a similar number in China. Researchers began each interview by providing a brief background on the project and then shared a copy of the ten-week timeline and asked interviewees to study the five-page document thoroughly at the outset of each interview.² Interviewees were asked to identify any events or episodes on the timeline they deemed to be particularly important and to justify their selections. Each interviewee was also asked to identify any attempts at signaling by one side or the other and to offer an opinion as to whether this signaling had been successful. In addition, each interviewee was asked to identify any action-reaction dynamics. Interviewees were also invited to offer additional comments or raise questions. Subsequently, the interview data were collated and analyzed separately by the USIP and SIIS research teams. Then, the two teams shared the data each had aggregated from its interviews and its overall findings. The project's findings should be considered preliminary, given that this is an initial exploratory research project based on a small number of US and Chinese interviews. Nevertheless, the results of the research are generally consistent with those of other studies.

This report distills the project's major findings into three sections: "Perspectives," "Analyses," and "Policy Implications." The subsections were written either by the USIP team or by the SIIS team, as indicated in the subsections' titles. The report concludes with a call by the USIP team for further research into the interpretation, and more particularly the misinterpretation, of signaling between the United States and China in order to inform efforts to create a more stable bilateral relationship.

2. US interviewees viewed the English-language version in the appendix; Chinese interviewees viewed the Chinese-language version contained in the appendix of the SIIS version of this report.

Perspectives

This section presents first the perspectives of the US interviewees (as summarized by USIP authors) and then the perspectives of the Chinese interviewees (as summarized by authors from SIFS).

US Perspectives: Major Findings by USIP Experts

American interviewees' analyses of the timeline displayed a high degree of consensus, although there were also some points of disagreement. Areas of agreement fall into five main categories: (1) the timeline depicts a series of events, not an action-reaction cycle; (2) the significance of some actions or statements on the timeline are unclear; (3) China may misinterpret US actions or statements; (4) US policies toward Taiwan do not hinge on US-China relations; and (5) significant events or actions seen as impacting the US-China relationship are not included on the timeline.

First, most interviewees agreed that they saw little evidence of an action-reaction cycle in the timeline. US interviewees viewed US actions as reflecting policy decisions consistent with long-term US policies and saw China taking actions to step up pressure on Taiwan, requiring a US response. At the same time, although interviewees observed that some US actions may be intended as signals to demonstrate resolve, they noted that not all are reactions to recent actions or statements by China. Interviewees also generally perceived China as being “more reactive” than the US side. In addition, US interviewees observed that in several instances where the timeline might appear to show an interactive dynamic, a more accurate description of the interaction would be “dueling statements”; although both sides respond to each other in press statements, this does not mean they change their behavior.

Second, the relevance of some actions on the timeline to US-China relations was unclear to interviewees. If some actions were intended by Beijing to be seen as signals, US interviewees reported that they were not understood as such by the US side. For example, US interviewees did not understand why the People's Liberation Army's announcement that military exercises would be performed in the Bohai Strait from February 7 to 21 was included on the timeline, viewing Yellow Sea missions as unrelated to Taiwan. Likewise, interviewees asked why the US-Japan Security Consultative Committee meeting (better known as the “US-Japan 2+2 meeting”) on March 16 was listed, but similar events—such as meetings between the United States and South Korea and between the United States and the G7—were not. In addition, several Chinese actions were perceived as possible instances of messaging; the messages, however, were unclear to interviewees. For example, at a January 28 press conference, China's Ministry of Defense spokesperson used the phrase “playing with fire” in comments on Taiwan independence. US interviewees recognized this as a stock phrase used by Chinese officials—a phrase they would have paid serious attention to in the past. Now, however, interviewees questioned the importance of such precise wording and were unclear about what signal it was meant to send when used on that occasion. Similarly, US interviewees stated that the coordinated statements made by China's Ministry of Foreign Affairs and the Taiwan Affairs Office



US National Security Advisor Jake Sullivan, right, speaks as Secretary of State Antony Blinken looks on at the opening session of US-China talks in Anchorage, Alaska, on March 18, 2021. (Pool photo by Frederic J. Brown/Reuters)

on February 4 about the opening of a Taiwan representative office in Guyana seemed to be sending a message, but, again, they were unclear what the intended message might have been.

Third, along with acknowledging potential missed signals by the United States, interviewees commented that China may be misinterpreting US activities, connecting dots or seeing signals that are not there. Interviewees commented that the timeline suggests that China may have misinterpreted the flurry of activity at the start of the Biden administration. Interviewees observed that there is no clean break from one US administration to the next; it takes time for new appointees to take office in various bureaucracies, and the high degree of activity reflects this transition. US military actions may be also misinterpreted by China, with interviewees noting that events such as the January 23 Roosevelt Carrier Strike Group mission are scheduled well in advance. In response to the inclusion of congressional actions in the timeline, interviewees remarked that the US executive branch does not coordinate with Congress or initiate most of the actions it takes, which should be seen principally as a reflection of domestic politics and sentiments. In addition, the US government does not control its press and therefore some comments by officials may be unscripted responses to journalists' questions.

Fourth, related to the question of whether to characterize the timeline as revealing an action-reaction cycle, interviewees stated that although action-reaction dynamics with China may apply to other issue areas, an action-reaction cycle “is not an accurate representation of how the United States thinks about Taiwan.” The United States has its own relationship with Taipei that is separate and apart from its relationship with Beijing. Consequently, not everything the United States does vis-à-vis Taiwan is concerned with sending signals to China or reacting to Chinese behavior. For example, one interviewee expressed concern that China fails to understand that the United States does not see itself as having reached the limits of what it can do in its relationship with Taiwan.³ Instead, China views US actions as undermining cross-strait relations and thinks that the United States is not putting enough pressure on Taiwan to be pragmatic about reconciliation. Moreover, interviewees remarked that Taiwan acts independently of the United States and that the United States is not the sole driving force in the US-Taiwan relationship.

Fifth, there was general agreement that the timeline left out events that were important context for the actions and statements depicted on the timeline. Interviewees remarked that some events or actions they saw as significantly impacting the US-China relationship did not appear on the timeline. They observed that understanding signaling and reactions in the US-China relationship requires looking beyond one specific issue area, because actions in one area (or toward another country) affect the way the two countries view each other in other policy areas as well. The broader context of the relationship informs each country’s actions and perceptions and thus needs to be taken into account. (An action in one area may be interpreted as sending a signal in a given issue area, but that action may in fact be a response to something different.) How the United States approaches China, including assessing China’s actions vis-à-vis Taiwan, is also impacted by broader actions such as China’s actions affecting Hong Kong or toward Europe. Related to this, interviewees commented that China does not seem to be reflective about its own behavior and how its actions both toward Taiwan and in other issue areas affect US perceptions and actions.

Outside of these general areas of agreement, US interviewees had different interpretations of specific events on the timeline. For example, one interviewee described Admiral Philip Davidson’s March 9 statement before the Senate Armed Services Committee as a “routine briefing.” In contrast, another interviewee asserted that Davidson’s statement was a “big deal” for both the United States and China, because it was the first time a commander of the United States Indo-Pacific Command provided an estimate for a specific time period within which a Chinese invasion of Taiwan could happen. Similarly, one interviewee questioned why the March 25 memorandum of understanding between Taiwan and the United States to establish a coast guard working group was viewed as a signal by China. However, another

3. China thinks that the United States has repeatedly broken the limits of developing its unofficial relationship with Taiwan. For its part, the United States views the umbrella for US-Taiwan engagement as broad and thinks there is room for Washington to do more in its relationship with Taipei.

participant stated that while this event was not necessarily escalatory, it did send a signal to China that the United States cares about the ways in which the US and Taiwan governments can cooperate.

Chinese Perspectives: Major Findings by SIIS Experts

First, the majority of those interviewed indicated that their views on the Biden administration's Taiwan Strait policy shifted within the ten-week period. As of January 20, 2021, interviewees had been cautiously optimistic about the policy trend of the new administration, expecting that the supposed predictability of Biden's approaches would by and large mitigate risks across the Taiwan Strait, based on the following two assumptions: one, that President Biden is a veteran diplomat with rich experience and unlike his predecessor is not perceived as being "unreliable" (不靠谱); and two, that although the US strategy toward China has adjusted to one of competition, with Taiwan Strait challenges on the rise in the long run, the Biden administration's policy is unlikely to go to the extremes witnessed during Trump's term, thereby reducing the danger of direct China-US conflict. However, by the end of March 2021, most interviewees had modified their views, perceiving the Biden administration's policy as more negative than expected, with risks surrounding the Taiwan Strait rising, in view of the following three observations: one, that the administration's stance on the Taiwan question has been inflexible and there are significant differences with the stance of China; two, that the United States' continual enhancement of official relations with the island under the guise of developing "unofficial" relations demonstrate de facto US support for the Taiwan authorities' policy of "gradual Taiwan independence" (渐进台独); and three, that the United States has been incessantly advancing military and security collaborations with Taiwan.

Second, the interviewees attached great importance to the official speeches delivered by high-level diplomats on behalf of their respective governments, as well as to the press releases issued by authorized departments on both sides, deeming these documents to be key policy signals exchanged between the governments of China and the United States.

These statements include the March 18 speech by Yang Jiechi, director of the Office of the Foreign Affairs Commission of the Communist Party of China's Central Committee during the US-China high-level meeting in Alaska; the February 22 speech by Chinese state councilor and foreign minister Wang Yi at the Lanting Forum on "Promoting Dialogue and Cooperation and Managing Differences: Bringing China-US Relations Back to the Right Track"; and the US Department of State's press release on January 23, 2021. Some interviewees went further and emphasized that the January 23 statement by the US Department of State on the Taiwan question, which was published well before the administration declared its official stances on various diplomatic issues, even before the Mainland-Taiwan hotspot issues and verbal sparring surfaced in the Strait, reflects the high priority accorded to the Taiwan question within the Biden administration's China policy. Plus, the January 23 statement touched on almost all major points in the US policy toward Taiwan, such as values, the US security commitment, and the "meaningful" dialogue between Beijing and Taipei to resolve cross-Strait issues.



Yang Jiechi, center, director of the Central Foreign Affairs Commission Office, and State Councilor and Foreign Minister Wang Yi led the Chinese delegation at the US-China talks held at the Captain Cook Hotel in Anchorage, Alaska, on March 18, 2021. (Pool photo by Frederic J. Brown/Reuters)

Third, the majority of interviewees said that they pay close attention to the first time an expression is used in policy statements by US administrations, as well as the first time something happens in US-Taiwan interactions, taking them as important policy signals.

For instance, the interviewees drew attention to the expression “rock solid,” which appeared for the first time in the Department of State’s January 23 press release, strongly emphasizing the United States’ defense commitment to Taiwan.⁴ Thereafter, the phrase was repeatedly used when discussing Taiwan by different levels of officials in the Biden administration, such as at the signing of the first memorandum of understanding on US-Taiwan Maritime Patrol Cooperation and during the first visit to Taiwan by the US ambassador to Palau. One interviewee underlined that the memorandum is a quasi-military cooperation agreement, which is “extremely malicious” in content and demonstrates a “real step” by the United States to “play the Taiwan card”—a step “not only directed at the Strait, but also at the South China Sea.”

Fourth, interviewees noted that they closely follow Taiwan-related bills in Congress. They are especially attentive to newly introduced bills and closely follow both the procedural steps in the

4. Editor’s note: this term was in fact used previously, notably on January 20.

House and the Senate as well as the probability of the bill being passed. Once a bill is passed, they pay close attention to the legally binding effect it will have on the executive branch.

Fifth, the interviewees said that they believe that other aspects of the Biden administration's China policy—whether human rights, Hong Kong, or the stance on the Belt and Road Initiative—not only exacerbate bilateral distrust, but also are connected and complementary to the administration's Taiwan Strait policy and are an intrinsic part of Biden's entire “containment policy” (遏制政策) toward China. These policies further confirm the perception that the Biden administration's real policy objective is to “contain China with Taiwan” (以台遏华).

Sixth, most interviewees thought that although both sides had taken actions that seem closely connected according to the timeline, one side's actions have not necessarily been taken in direct response to the behavior of the other side. Some actions are routine policy implementations that should not be overinterpreted.

Seventh, the interviewees took China's military actions in the Taiwan Strait as a clear policy message to contain “Taiwan independence,” indicating that China is increasingly thinking about military responses to the Taiwan question and strengthening its “bottom-line thinking” (底线思维).⁵

As to whether the Biden administration accurately gets the message, the interviewees had varying opinions. Some believed that the administration, US strategists, and policy circles in Washington, DC, fully comprehend the message, but are still looking for ways to excuse the “independence policies” of the Taiwan authorities. Other interviewees held that US strategic and policy circles have misinterpreted China's military actions, and their opinions have had some impact on the assessment of the situation by the Biden administration and Congress. Yet other interviewees argued that, due to differences in the modes of thinking between the two countries, China usually makes long-term, systematic observations of US policies, whereas the United States tends to act on a “case-by-case” basis, which hinders the full comprehension by US officials of the policy signals from China.

Eighth, the interviewees paid close attention to the United States discussing the Taiwan question in concert with a “third party,” which they saw as intensifying the “internationalization” (国际化) of the issue. Some interviewees commented that the US-Japan 2+2 statement issued on March 16 was the first US-Japan statement referring to Taiwan. An extremely serious gesture, the statement—issued after a meeting attended by newly appointed Secretary of State Antony Blinken and Secretary of Defense Lloyd Austin—indicates that the United States and Japan would take concerted action on the Taiwan question. Other interviewees perceived the United States' support for establishing a “Taiwan representative office” in Guyana as malicious, not only because that support is part of the United States' “diplomatic assistance to Taiwan,” but also due to Guyana's existing diplomatic relations with China.

5. This is a political concept that Xi Jinping has stressed in multiple venues. The general idea behind it is to prepare for the worst-case scenario and strive for the best outcome.

Ninth, the interviewees believed that the aforementioned policy signals sent by China and the United States are not confined to the issue of managing the Taiwan question, but are also strategic tests by both sides. By reading the Biden administration's signals related to the Taiwan question, China is attempting to understand the administration's overall strategy toward China. Some interviewees held that, in view of its actions from January 20 to the end of March 2021, the Biden administration had not yet finalized a clear vision on its strategy toward China.

Tenth, the interviewees said that they believe that it is of paramount importance for the top leaders of China and the United States to communicate either by phone or video so as to avoid strategic miscalculations and to help maintain stability across the Taiwan Strait. The history of the development of China-US relations clearly tells us that meetings between heads of state have always played a decisive role during important and special moments in history. The leaders of the two countries are the most important policymakers; by communicating their views and explaining their positions, they make an important contribution to preventing the two countries from misreading and misjudging each other's policy signals.

Analyses

This section of the report presents, in turn, the analysis of USIP's experts and SIIS's experts of *both* sets of interviews.

USIP Experts' Analysis

The USIP team analyzed the findings from both USIP's and SIIS's research to find answers to the two questions animating the report: How accurately do US and Chinese policymakers interpret each other's signaling? Do these interpretations impact bilateral action-reaction dynamics and, if so, how?

Interpreting Signals

Comparing the findings by the SIIS and USIP teams, USIP researchers identified two principal points of agreement. First, interviewees on both sides cautioned about overinterpretation, sharing the view that actions on the timeline are not all part of an action-reaction dynamic. Second, both USIP and SIIS interviewees expressed an understanding that some actions or statements by Beijing or Washington on the timeline relate to overall strategic tensions between the two powers, rather than to the issue of Taiwan or specific bilateral interactions.

However, the interviews conducted by the USIP and SIIS teams reveal a wide gap between each side's interviewees in terms of their perceptions and interpretations of events on the timeline as reflections of strategic and policy intent by the other side. Where Chinese

interviewees see a shift in US policy under President Biden toward enhancing “official” relations with the island and supporting a “gradual Taiwan independence” policy, American interviewees perceived US policy toward Taiwan as one of continuity. For example, the administration’s expression “rock solid,” which attracted significant attention from the Chinese interviewees, was a signal of sustained US support for Taiwan’s self-defense capability in the context of the United States’ “one China” policy, not a sign of a change in US policy. One US interviewee described National Security Council Spokesperson Emily Horne’s January 20 remarks using this phrase as an “articulation of US policy” rather than a response to Chinese actions. US interviewees made clear that they viewed actions by the Biden administration, which Chinese interviewees saw as indicating strengthened US support of Taiwan, as being consistent with the long-standing US approach to the island or were acts of reassurance aimed at Taipei and were responses to threatening behavior on the part of Beijing toward Taiwan or to efforts by Beijing to narrow Taiwan’s international space. Actions such as expressions of support for the opening of a Taiwan representative office in Guyana by US officials in Taipei and Georgetown fall into this category. US interviewees also saw US discussions with American allies about a Taiwan contingency, such as the US-Japan 2+2 statement regarding Taiwan, as a response to Beijing’s pressure on Taipei and consistent with responsible alliance behavior.

In contrast to the conclusion drawn by the Chinese interviewees that “the declaration indicates that the United States and Japan would take concerted actions on the Taiwan question,” American interviewees saw these discussions as at an early stage. US interviewees observed that these gaps in perception may stem from fundamentally different understandings of policies, such as different interpretations of “one China,” as well as disagreements on what international bodies have said on Taiwan and what that means for its status.

In addition, there is a wide gap in perception between how the two sides view Hong Kong’s role in connection to Taiwan. US interviewees see Beijing’s policy toward Hong Kong as linked to Taiwan because, in their view, it suggests that Beijing has abandoned its One Country, Two Systems policy and is firmly committed to eradicating Hong Kong’s distinct characteristics. Where Chinese interviewees view US expressions and actions concerned with recent developments in Hong Kong as an example of Washington playing “the Taiwan card” aimed at containing China with Taiwan, US interviewees see the situation very differently. From their perspective, official US scrutiny of China’s actions in Hong Kong is consistent with US legislative requirements and the US commitment to support for advancing democracy and human rights.

Another point of divergence is how US and Chinese interviewees viewed Chinese military activities. According to the SIIS findings, Chinese interviewees differed in their understanding of how the United States perceives these activities. Some contended that members of the US policy community fully understand these signals, whereas others stated that misinterpretations of Chinese military actions by US strategic and policy circles may impact the Biden

administration's assessment of these activities. In contrast, there was general agreement among US interviewees regarding Chinese military activities around Taiwan. American interviewees described Chinese incursions into Taiwan's Air Defense Identification Zone (ADIZ) as part of China's increasingly provocative behavior toward Taiwan and contended that they are contributing to a perception that China is trying to coerce Taiwan militarily. US interviewees commented on the vague language used in the timeline, noting that specifics such as number of aircraft and their location in Taiwan's ADIZ do have an impact on how the United States interprets these activities. Additionally, when such incursions are reported in the US media, Washington may feel compelled to respond to China in some fashion. That said, US interviewees stressed the cumulative impact of these military actions, stating that the United States is responding to a general pattern in PRC activities.

Impact on Bilateral Dynamics

The findings of both research teams indicate that significant differences in understanding and perceptions of the other side's behavior impact each side's behavior, even if specific actions are not driven by tit-for-tat cycles. Although US interviewees stated that China's assertiveness requires a US response, SIIS's findings illustrate a Chinese perspective that Washington is moving away from a one China policy and that Beijing needs to signal that China perceives this US policy shift as threatening behavior to which it must respond. US interviewees for their part viewed China's actions on Taiwan as resulting from Beijing's willingness to flex its growing capabilities to pressure Taiwan. As SIIS reports, Chinese interlocutors viewed US actions on Taiwan as a dimension of an overall US strategy to compete strategically with China, including by using Taiwan to contain China. Consequently, as some US interviewees commented, both sides see the other as changing the status quo and, in response, each side is trying to reestablish the status quo.

Diverging interpretations of the underlying drivers behind the other side's actions risk escalating tensions and increase the chance of crises developing. US interviewees commented that the situation resembles a "chicken or egg" scenario, where it can be hard to determine whose actions are driving the other's, with tensions escalating because of an unclear understanding of what initiated the action-reaction dynamic. As a result, US efforts intended to deter China may instead be causing it to lash out.

Misperceptions and misunderstandings of what has caused the other side's actions can also hinder effective communication. It is clear that the two sides are not interpreting the other side's behavior in ways that contribute to stability; in the words of one US interviewee, the two sides seem to be "talking past each other." Some intended signals go unrecognized; other actions by each side are read as signals but are not in fact intended signals; and yet other actions are seen as possible signals, but in the absence of clarity about whether they are or not, the result is an exacerbation of insecurity and even a sense of threat.

SIIS Experts' Comparative Analysis of Major Findings from Chinese and US Interviews

First, interviewees on both sides believe that many of the events on the timeline should not be entirely understood as action-reaction dynamics. At the same time, a lot of confusion exists on both sides regarding the other side's policy signals. Among interviewees on both sides, there were different understandings and diverging opinions regarding a particular action aimed at the other side. For example, US interviewees had different understandings of Admiral Davidson's testimony to Congress. The same is true for Chinese respondents, some of whom thought Davidson's statement was an important policy signal and represented the concrete views of the US military regarding the Chinese mainland's military actions toward Taiwan, while others believed that it was not important and was more representative of Davidson's personal opinion.

Second, there were significant differences in how the two sides viewed joint actions between the United States and third parties. The most notable example of this is the US-Japan 2+2 statement on March 16 that touched on Taiwan. US interviewees questioned why the Chinese side paid special attention to this event but did not mention US interactions with South Korea and the G7. From China's perspective, first, the US-South Korea 2+2 statement on March 18 did not mention Taiwan. Second, the Biden administration and the G7 did not issue a joint statement on the Taiwan question during the ten-week period the project studied. Third, China believes that the United States lacks sensitivity and sufficient understanding of the important and complicated impact of the Taiwan question on China-Japan relations. US interviewees think that the US-Japan joint statement indicates that bilateral interactions are still in their initial stages and have not yet reached the point of coordinating specific actions. These diverging views of the US-Japan statement also show that the United States and China have different interpretations of each other's policies. As mentioned above (in the "Perspectives" section), China makes long-term, systematic observations of US policies, whereas the United States tends to proceed on a case-by-case basis.

Third, it seems inevitable that there will be confusion over foreign policy signals during the initial period after a new US administration takes office. US interviewees stated that there is no clear line between the new and previous administration's policies and that it takes time for officials in many of the new administration's departments to take office. Therefore, some US policies and actions identified in the timeline reflect the characteristics of this transitional period. For this reason, the Chinese side believes that it is inevitable that there is confusion over foreign policy signals after a new US administration assumes office. First, the length of time for the transition of power is not fixed. Some key positions remain vacant for a long time, but China should not take this to mean that the new administration is not implementing its own policies. Second, in fact, the new administration announced some of its policies immediately after taking office. For example, according to one US interviewee's analysis, National Security Council spokesperson Emily Horne's January 20 statement was an "articulation of US policy." This gives China the impression that the new administration does not need all officials to be in position to roll out its own policies.

SIIS Experts' Overall Analysis of US Policy Inconsistencies and Rising Risks

First, the Trump administration's Taiwan Strait policy, particularly its policy changes toward the end of the administration, has had a significant impact on China's understanding and assessment of the Biden administration's actions and policy signals on Taiwan. Some in the United States think that the policies introduced at the end of the Trump administration—such as the State Department's sudden announcement on January 9, 2021, ending restrictions on contacts between US officials and their Taiwan counterparts—will have little real impact. But from the Chinese perspective, these are drastic changes that demonstrate the further hollowing out of the one China policy that the United States has adhered to since the Nixon administration. These changes immensely damage the political foundation of China-US relations and intensify the already serious lack of strategic mutual trust. China must therefore plan for the worst with respect to the Taiwan question. In this context, when the Biden administration took office and continued to enhance official US-Taiwan relations in the name of developing “unofficial” relations and to further promote US-Taiwan military and security cooperation, China's understanding and assessment of the Biden administration's actions and policy signals was that its Taiwan Strait policy was the same as that of the previous administration. Although no extreme policies have emerged yet, current US policy signals demonstrate that the Biden administration is still pursuing the “parallel development” (平行发展) of US-Taiwan relations and US-China relations and that the trend of hollowing out its one China policy will not change.

Second, the Biden administration's efforts to unite allies and partners to address the China challenge have increased negative Chinese perceptions of the administration's Taiwan Strait policy. Jointly addressing the challenge posed by China with allies and partners is a key feature of the Biden administration's China strategy. Not long after taking office, and before holding high-level meetings with China, Secretary of State Antony Blinken and Secretary of Defense Lloyd Austin visited Japan and held 2+2 talks with Japan, with the joint statement from the talks touching on Taiwan. From China's perspective, these moves illustrate at least two significant issues. First, the Biden administration wants Japan to play a larger role in the Taiwan question. Given the history of China-Japan relations and Japanese colonial rule of Taiwan, the Chinese side is extremely sensitive to the prospect of a more prominent Japanese role in the United States' Taiwan Strait policy. Thus, Beijing views the Biden administration's move to have Japan play a greater role in Taiwan-related issues as a reflection of either the absence of “real China hands” (真正的中国通) on the Biden team, resulting in a lack of understanding about the sensitivity and importance of the Taiwan question in China-US relations, or a lack of desire to bring China-US relations back on a stable track. Second, the Biden administration stresses that Taiwan is a “leading democracy,” which the United States must support. At the same time, the administration emphasizes strengthening cooperation with regional partners including Vietnam, which is not a “democratic country” in the eyes of the United States. This inconsistency further strengthens China's perception that the United States is using Taiwan to “contain China's geostrategic influence” and that US references to Taiwan's “democratic values” are just hypocritical rhetoric.

Third, there are significant differences in how the two sides interpret policy signals. Policy signals can be both strong and weak, and interpreting such signals is highly subjective, which inevitably complicates the process of sending and receiving policy signals between the two countries. Domestic political tensions in the United States and the widespread use of new media add to this complexity. First, the influence of the US Congress on foreign and security policy has risen. Especially in recent years, Congress's China policy has been more consistently uncompromising than it was a decade ago and its increased support for Taiwan has been unprecedented. Congress has continuously broken through restrictions imposed by the administration on US policy toward Taiwan and has strengthened relations with Taiwan. The growing risk that Congress will undermine the limited consensus reached by China and the United States has already evoked high levels of unease in Beijing. Moreover, the current political polarization in the United States, the Biden administration's strong need for congressional help on key items on its domestic agenda, and the distrust created by the Trump administration in the president's use of diplomatic and security powers will give Congress greater power to intervene in US diplomatic and security affairs. Additionally, Congress's approach to decision-making is clearly different from that of the executive branch. Policy signals sent by Congress have always been diverse, vague, and more radical, which is not good news for an issue as sensitive and dangerous as the Taiwan question. Second, the widespread use of new media further complicates the process of sending and receiving policy signals between the two countries. New media has several characteristics that differ from old media, such as faster transmission speeds, a greater ability to penetrate national boundaries, the active participation of younger groups, and a larger role in influencing public opinion in both countries. Clearly, new media is having an impact on policymaking—such as on the decision-making environment and process—but exactly what this impact is requires focused research and evaluation.

Policy Implications

Based on the preceding assessments and analyses of US and Chinese perspectives, this section presents recommendations by USIP and SIIIS experts designed to help the United States and China cope with the challenges to clear communication and unambiguous signaling in an environment of heightened tensions, inflammatory rhetoric, confrontational behavior, and deep distrust in bilateral ties.

USIP Experts' Perspectives

Maintain multiple lines of communication and dialogue. Where bilateral communication between the United States and China is concerned, there is almost no such thing as redundancy. Multiple and even overlapping channels of communication and dialogue help ensure that one side's messages and concerns are heard by the other side. Ongoing formal and informal discussions between diplomats and military professionals are important, as are track II

and track 1.5 dialogues (but the latter are never an adequate substitute for the former). When US-China relations deteriorate, inevitably some of these channels are constricted or even completely closed off. If multiple channels exist, the chances that at least some will continue to function increase.

Designate specific figures and outlets for authoritative signaling and communicate this clearly to the other side. Washington should consider communicating to Beijing which officials and which outlets are the most authoritative sources of US pronouncements. Special attention should also be given to formulating the language of statements and to anticipating how phrases are likely to be translated. The interviews conducted for this project suggest that Chinese officials and analysts find it difficult to discern which statements and remarks coming out of Washington should be considered authoritative. Moreover, important signals should be delivered by multiple actors and via multiple outlets to ensure that those signals are not missed.

SIIS Experts' Perspectives

Restart mechanisms for in-depth dialogue, which is extremely important to maintain a stable and predictable relationship between the two great powers. Just because one or more dialogues do not achieve one party's desired result does not mean that they are not needed. Dialogue mechanisms are difficult to establish but easy to abandon. Currently, the suspension of dozens of dialogue mechanisms between the two governments is not only a waste of resources but also detrimental to the overall stable development of bilateral relations. Relevant dialogue mechanisms should be restarted as soon as possible.

To reduce the risk of conflict between China and the United States in the Taiwan Strait, the two sides should conduct regular in-depth dialogues on the Taiwan question at all levels.

Summits between the two heads of state have strategic significance, not just in terms of addressing the Taiwan question, but also in terms of preventing miscalculations on both sides. In addition, the two sides should begin strategic dialogues on regional security and working-level dialogues on the Taiwan question as soon as possible. Furthermore, the two sides should overcome the obstacles created by the COVID-19 pandemic and increase track 1.5 and track II dialogues with think tank experts on Taiwan.

Both sides should pay close attention to the influence of both public opinion and new media on their own and the other side's decision-making environment. The diversification of information sources and the “echo chamber” (信息茧房) phenomenon can have a simultaneous and significant impact on public opinion. Policymakers need to pay close attention to the issue of how to handle fake news and information warfare while accurately evaluating public opinion.

Concluding Comments by USIP Experts

This report constitutes an initial examination of US-China signaling and action-reaction dynamics. While the report contains noteworthy analyses and key insights with significant implications, the research project on which the report is based was limited in scope and its findings should be considered tentative. This project highlights the pressing need for further research to help ensure that signaling is not misinterpreted. In the words of one US interviewee, “If we don’t tell them [China] what we [the United States] are doing and why we are doing it, then they’ll draw their own conclusions—and we would do the same.” It is especially important to ensure that US signals on Taiwan policy are communicated in a clear and consistent manner in order to minimize the chances that China misinterprets them and to avoid triggering action-reaction dynamics. Once unleashed, such dynamics can spiral dangerously upward, escalating into crisis and even war.

Fruitful areas of follow-on research include clarifying what constitutes an authoritative Chinese and US signal and determining how Washington and Beijing might better interpret each other’s official signals when they are transmitted via new media.

Note: The writing of this report was completed well before the visit to Taiwan of US Speaker of the House Nancy Pelosi. Hence the report does not incorporate discussion or analysis of this event. Nevertheless, the authors believe that events of late July and early August 2022 highlight the importance of the findings of the report.

Appendix

Timeline of Chinese and US Actions

The First Ten Weeks of the Biden Administration, January 20–March 31, 2021

CHINESE ACTIONS

Jan. 20

(Posted 17:19 GMT) Ministry of Foreign Affairs (MFA) announced sanctions on 28 officials of the Trump administration.

Jan 21

(Posted 02:27 GMT) The Taiwan Affairs Office (TAO) spokesperson expressed firm support for sanctions against US personnel who behaved badly on the Taiwan question.

(Posted 13:56 GMT) The TAO spokesperson responded to reporters' questions about Bi-khim Hsiao's participation in Biden's inauguration, expressing firm opposition to any form of official exchanges between the US and Taiwan.

Jan 22

People's Liberation Army (PLA) aircraft entered Taiwan's so-called ADIZ.

Jan 23–24

Multiple PLA military aircraft cruised around Taiwan.

Jan 28

(01:00 GMT) Cui Tiankai, the Chinese ambassador to the US, said in a dialogue "42 Years of US-China Engagement: Past Achievements & Future Adjustments" that he hoped the United States would respect China's core interests and not challenge China's red line.

PLA military aircraft flew around Taiwan.

(Posted 09:04 GMT) Ministry of Defense (MOD) spokesperson Wu Qian stated at a regular press conference: "If you play with fire, you will set yourself on fire, and 'Taiwan independence' means war."

US ACTIONS

Jan 20

Bi-khim Hsiao, representative of the Taipei Economic and Cultural Representative Office (TECRO) in the United States, was invited to attend the inauguration of President Biden and Vice President Harris.

Emily Horne, spokeswoman for the White House National Security Council, said the US commitment to Taiwan was "rock solid."

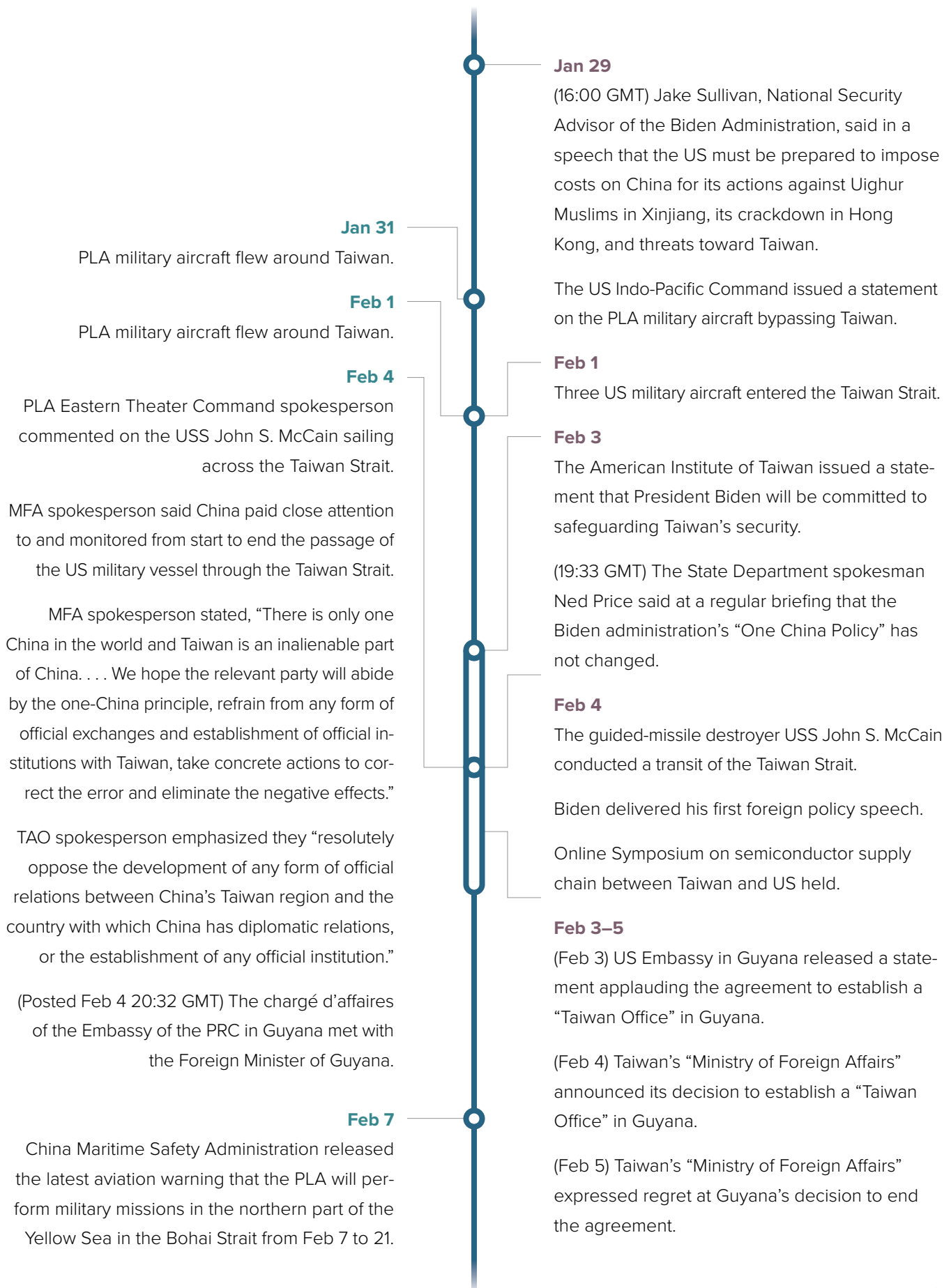
Jan 23

The State Department issued a press release urging Beijing to stop military pressure on Taiwan.

The Roosevelt aircraft carrier strike group entered the South China Sea to perform "routine missions."

Jan 28

(19:30 GMT) US Department of Defense spokesman John F. Kirby said that the mainland MOD's earlier comments that "Taiwan independence means war" was "unfortunate."



Feb 11
(Posted 02:33 GMT) Xi and Biden's first phone call; the Taiwan question was discussed

Feb 10

(Posted 21:16 GMT) Sung Kim, Acting Assistant Secretary of the Bureau of East Asian and Pacific Affairs met with Bi-khim Hsiao, representative of TECRO, at the State Department.

Feb 11

(Posted 02:33 GMT) Xi and Biden's first phone call; the Taiwan question was discussed.

Feb 18

US Senator Rick Scott (R-FL) along with Congressman Guy Reschenthaler (R-PA) reintroduced the Taiwan Invasion Prevention Act to "protect Taiwan from communist China's growing aggression."

Feb 22

State Councilor and Foreign Minister Wang Yi talked about the Taiwan question when attending the forum on “Promoting Dialogue and Cooperation and Managing Differences: Bringing China-US Relations Back to the Right Track.”

Feb 22

US Secretary of State Antony Blinken mentioned Taiwan in a statement when congratulating Saint Lucia on its 42nd Independence Day.

Feb 24

The US military guided-missile destroyer Curtis Wilbur transited the Taiwan Strait.

Feb 25

(Posted 02:47 GMT) The Spokesperson of the PLA Eastern Theater Command commented on the USS Curtis Wilbur transiting the Taiwan Strait.

Mar 3

The Biden administration issued Interim National Security Strategic Guidance saying, “We will support Taiwan, a leading democracy and a critical economic and security partner, in line with longstanding American commitments.”

Joseph Young, chargé d'affaires of the US Embassy in Japan, invited TECRO representative Frank Hsieh to his official residence for exchanges.

Mar 4

MFA spokesperson emphasized there was but one China in the world and the People's Republic of China was the sole legal government representing the whole of China.

Mar 7

State Councilor and Foreign Minister Wang Yi urged the Biden administration to abide by the "One China" principle and the three Sino-US joint communiqués.

Wu Qian, spokesman for the delegation of the PLA and the Armed Police Force, was interviewed by the "two sessions" media and emphasized that Taiwan was an inalienable part of China.

Mar 10

PLA military aircraft flew around Taiwan.

MFA spokesperson reiterated China's position on the Taiwan question at a regular press conference in response to Admiral Davidson's comment.

Mar 8

White House spokesperson Jen Psaki talked about the Biden administration's position on the Taiwan question at a regular White House press conference.

Mar 9

Admiral Philip Davidson, commander of the US Indo-Pacific Command, testified before members of the Senate Armed Services Committee and said, "Taiwan is clearly one of their ambitions...I think the threat is manifest during this decade, in fact, in the next six years."

Mar 10

The Arleigh Burke-class guided-missile destroyer USS John Finn performed a routine mission across the Taiwan Strait.

Secretary of State Antony Blinken talked about Taiwan when attending a Congressional hearing.

