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14. ABSTRACT Advocates for strategic ambiguity, and its rejoinder "strategic clarity", have long debated the merits of each, and papers on the topic are legion. However, the discourse has centered on an ascendant China. The People's Republic of China is about to enter a period of economic collapse based on demographic imbalance. As the Chinese Communist Party recognizes the dire prospects for China's long-term future, it is more important than ever to maintain a policy of strategic ambiguity towards Taiwan. With a sober understanding that 1) war with China should be avoided unless necessary to preserve the American way of life, 2) the PRC is facing an inevitable economic collapse, and 3) Xi Jinping is more likely to use force to take Taiwan this decade in light of that collapse, the US must pursue substance over symbolism. This approach requires actions that provide meaningful defense capabilities for Taiwan while avoiding overt statements and policies that are needlessly inflammatory. Maintaining strategic ambiguity is the central tenant of that posture.									
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INTRODUCTION

The United States (US) has agreed to defend Taiwan in the event of Chinese aggression. That commitment, captured in the Sino-American Mutual Defense Treaty (SAMDT) of 1955, was terminated in January 1980 in the wake of budding diplomatic relations with China. The Taiwan Relations Act (TRA), which remains in place today, supplanted SAMDT when it expired.¹ The TRA is a compromise to allow for diplomacy with China while also permitting the US to “provide Taiwan with arms of a defensive character.”² Since enacting the TRA, the United States has maintained “strategic ambiguity” towards the defense of Taiwan, neither confirming nor denying US intentions to defend Taiwan in the event of a Chinese attack.

Advocates for strategic ambiguity, and its rejoinder “strategic clarity”, have long debated the merits of each, and papers on the topic are legion. However, the discourse has centered on an ascendant China. The People’s Republic of China (PRC) is about to enter a period of economic collapse based on demographic imbalance. As the Chinese Communist Party recognizes the dire prospects for China’s long-term future, it is more important than ever to maintain a policy of strategic ambiguity towards Taiwan.

SUPPORT FOR ASSUMPTIONS

Three assumptions are the foundation of this thesis. First, open war between China and US would be profoundly deleterious to the United States. Second, China’s demographic problems will lead to irreversible economic decline. Third, the Chinese Communist Party (CCP) leadership will become more aggressive in the face of this decline.

¹ Stephen Yates, *The Taiwan Relations Act After 20 Years: Keys to Past and Future Success*, The Heritage Foundation Backgrounder no. 1272 (Washington DC: The Heritage Foundation, 1999).

² House. *Taiwan Relations Act*. H.R. 2479. 96th Cong., 1979.

The Cost of War

A war between China and the US would have far-reaching impacts on both militaries. The conflict would likely prove ruinous even if the US achieved its objectives. The US can expect the loss of one or more aircraft carriers and significant losses across the rest of the surface fleet.³ Missile expenditures will decimate US stockpiles.⁴ The US will likely lose up to 900 fighter and attack aircraft in the first four weeks of fighting. This number represents about half the Air Force and Navy combined inventory.⁵ A loss of blood and treasure of that magnitude and rate would outpace any conflict in modern conventional warfare.⁶

While military losses would be severe, the scope of economic costs may outpace them. China currently accounts for 15% of US total trade, with 10% of American business coming from other regional partners in East Asia. That trade would be severed or interrupted during a regional war, causing a 5-10% drop in US gross domestic product (GDP) in the first year. While China's economic impact would be worse (25-35% drop in GDP) due to their increased reliance on regional trade, key US allies would suffer a similar fate.⁷

In light of the steep military and economic costs, it is unreasonable to conclude that war with China benefits the United States. Even if America prevailed in the conflict, the impact on other strategic objectives would be severe. The US should only consider war with China based on a credible threat to the American way of life. While China's potential seizure of Taiwan

³ David C. Gompert, Astrid S. Cevallos, and Christina L. Garafola, *War With China: Thinking Through the Unthinkable* (Santa Monica: Rand, 2016), 39.

⁴ Gompert, Cevallos, and Garafola, *War With China*, 39.

⁵ Tony Capaccio, "What-if DC Wargame Maps Huge Toll of a Future US-China War Over Taiwan", *Bloomberg*, 8 Aug 2022, accessed 12 September 2022, <https://www.bloomberg.com/news/articles/2022-08-09/what-if-war-game-for-a-us-china-conflict-sees-a-heavy-toll>.

⁶ Gompert, Cevallos, and Garafola, *War With China*, 34.

⁷ Gompert, Cevallos, and Garafola, *War With China*, 47.

represents such a threat, the US must take all reasonable precautions to avoid or postpone such action.

China's Demographic Crisis

China has pursued policies over the last four decades that have led to irreversible economic decline. From 1978 to 2021, China's median age jumped from 21.5 to 38.4 years old.⁸ Based on China's officially published data, it is the fastest-aging population in human history and holds the unenviable record for the highest sex imbalance.⁹ These facts have severe and irreversible implications for China's economy.

China's one-child policy is the principal deliberate choice that led to this stark reality. This policy, enacted in September of 1980, imposed draconian measures on women to limit births. The policy was based on fears of overpopulation but failed to consider long-term consequences.¹⁰ In an environment where families were allowed only one child, male children were considered more valuable as they could continue the family lineage. This perception led to so many sex-selective abortions that the country now has 30 million more men than women.¹¹ This difference represents approximately 120 men for every 100 women in China.

While the one-child policy had devastating effects on China's demographics, the country's breakneck industrialization committed China to demographic collapse with or without

⁸ Carl Minzner, "China's Doomed Fight Against Demographic Decline: Beijing's Efforts to Boost Fertility are Making the Problem Worse," *Foreign Affairs*, 3 May 2022, accessed 29 August 2022, <https://www.foreignaffairs.com/articles/china/2022-05-03/chinas-doomed-fight-against-demographic-decline>.

⁹ Peter Zeihan, *The End of the World is Just the Beginning: Mapping the Collapse of Globalization* (New York: HarperCollins, 2022), 147.

¹⁰ Debora S. Davis, "Demographic Challenges for a Rising China," *Daedalus, the Journal of the American Academy of Arts and Sciences*, no. 1 (2014), <https://sociology.yale.edu/sites/default/files/files/Daedalus-Demographic-Challenges-for%20a-Rising-China-draft-may-1.docx.pdf>.

¹¹ Helen Lewis, "What it's Like to be a Leftover Woman," *The Atlantic*, 12 Mar 2020, <https://www.theatlantic.com/international/archive/2020/03/leftover-women-china-israel-children-marriage/607768/>.

policy impacts. Before President Nixon's 1972 visit, China was a preindustrial nation.¹² That trip ended 25 years of diplomatic isolation and began the path to normalized relations with China in 1979.¹³ In the four decades since 1979, China has undergone the fastest industrialization of any country. By comparison, that same level of industrialization took the United Kingdom seven generations.¹⁴ While the speed of China's industrialization led to steady economic growth, it also underwrites inevitable decline.

The speed of industrialization has a pronounced influence on birth rates. In preindustrial nations, a focus on agriculture incentivizes families to have more children as a source of low-cost labor. As communities transition to industrial societies, much of that incentive dissipates, and family size decreases over generations.¹⁵ Women's liberation also correlates with industrialization. As women enter the workforce, birth rates fall. At President Nixon's 1972 visit, China had 5.0 births per woman. Throughout the succeeding 25 years, that number plummeted to 1.6.¹⁶ A third aggravating feature of industrialization is greater life expectancy. This development is a welcome change for individuals enjoying more longevity; however, it stresses the economy when a more significant portion of the population is retired. China will see a net loss of 35 million workers in the next five years.¹⁷ By 2050, retirees will likely account for 40% of China's population.¹⁸ If these changes happen over generations, the economic growth

¹² Zeihan, *The End of the World is Just the Beginning*, 148.

¹³ Richard Nixon Presidential Library and Museum, "Nixon's Trip to China," National Archives, accessed 19 September 2022, <https://www.nixonlibrary.gov/nixons-trip-china>.

¹⁴ Zeihan, *The End of the World is Just the Beginning*, 155.

¹⁵ Zeihan, *The End of the World is Just the Beginning*, 155.

¹⁶ The World Bank, "Fertility Rate, total (births per woman)-China." Accessed 13 September 2022. <https://data.worldbank.org/indicator/SP.DYN.TFRT.IN?locations=CN>.

¹⁷ Frank Tang, "China Population: Workforce to Drop by 35 Million Over Next 5 Years as Demographic Pressure Grows," *China Macro Economy*, 1 July 2021, accessed 29 August 2022, <https://www.scmp.com/economy/china-economy/article/3139470/china-population-workforce-drop-35-million-over-next-five>.

¹⁸ Eleanor Albert, Lindsay Maizland, and Beina Xu, "The Chinese Communist Party," *Council on Foreign Relations*, 23 June 2021, accessed 14 September 2022, <https://www.cfr.org/background/chinese-communist-party>.

and corresponding demographic changes span hundreds of years. However, when industrialization develops rapidly, the country will quickly collect the economic benefits at the cost of an unbalanced society.¹⁹

China enjoyed a meteoric rise based on rapid industrialization paired with a large working-age population, but it has now lost the balance necessary for long-term growth. By the end of this decade, China's working-age population will have dropped to a level that cannot continue to maintain the growth they have enjoyed for the last 40 years.²⁰

A Declining China is an Aggressive China

The more than forty years of growth China has enjoyed is ending, which will have dire implications for the CCP. Dramatic economic decline presents a dilemma for CCP leadership, whose legitimacy is founded on sustained economic growth.²¹ Since its establishment in 1949, the party has leveraged control of personnel, propaganda, and the People's Liberation Army.²² In 2012, the CCP abolished term limits, which consolidated the long-term power of the party in one person, Xi Jinping.²³ Controlling a population struggling with economic collapse will prove more difficult than one benefiting from year-on-year growth. As these foundations of President Xi's legitimacy begin to crumble, he will attempt to bolster his authority through the "complete reunification" of the country.²⁴

¹⁹ Zeihan, *The End of the World is Just the Beginning*, 156.

²⁰ Zeihan, *The End of the World is Just the Beginning*, 156.

²¹ Thomas Heberer and Gunter Schubert, *Regime Legitimacy in Contemporary China: Institutional Change and Stability* (New York: Routledge, 2009), 222.

²² Albert, Maizland, and Xu, "The Chinese Communist Party."

²³ Albert, Maizland, and Xu, "The Chinese Communist Party."

²⁴ The State Council Information Office of the People's Republic of China, *China's National Defense in the New Era* (Beijing: Foreign Languages Press Company, July 2019), 7.

Authoritarian leaders have a history of choosing not to “go gentle into that good night.”²⁵ On Christmas Eve, 1979, the Soviet Union invaded Afghanistan under the pretense of supporting communist Afghan leaders. The Soviets promptly struck down dissidents to communist rule citing the Brezhnev Doctrine, which committed Moscow to intervening if any socialist state returned to capitalism.²⁶ However, the preceding years of turmoil shaped that decision. That period, subsequently deemed the “Era of Stagnation” by Mikhail Gorbachev, was characterized by a continued struggle for the communist regime when communism was in direct competition with capitalism across the globe. The Soviet economy peaked in the early 1970s after GDP had climbed only 5% since 1965.²⁷ Incentives were immense for General Secretary Brezhnev to expand communism into Afghanistan and draw attention away from the shortfalls of central planning in the Soviet bureaucracy. US Senator Daniel Moynihan sharply critiqued the Soviet’s belligerent behavior in a floor speech in January 1980. He described their aggressiveness as the behavior of “a wounded bear.”²⁸

A “wounded tiger” (China) will not be any more docile. If Xi Jinping understands the magnitude and certainty of his problem, he must conclude that China’s geopolitical apex is imminent, if not already past. Faced with a hopeless demographic collapse and questions about CCP legitimacy in a long-term economic recession, he may attempt to seize Taiwan while he still has the chance.

²⁵ Dylan Thomas, “Do Not Go Gentle Into That Good Night,” *Academy of American Poets*, 1951, <https://poets.org/poem/do-not-go-gentle-good-night>.

²⁶ Office of the Historian, “The Soviet Invasion of Afghanistan and the US Response, 1978-1980.” Accessed 25 Sep 2022, <https://history.state.gov/milestones/1977-1980/soviet-invasion-afghanistan>.

²⁷ Jennifer Llewellyn and Steve Thompson, “Stagnation in the Soviet Union,” *Alpha History*, 13 September 2020, accessed 20 September 2022, <https://alphahistory.com/coldwar/stagnation-soviet-union/>.

²⁸ George F. Will, “Why China Will Become Ever More Dangerous as its Baby Bust Worstens,” *Washington Post*, 19 August 2022, accessed 25 August 2022, <https://www.washingtonpost.com/opinions/2022/08/19/dangerous-china-demographic-decline/>.

THE CASE FOR STRATEGIC AMBIGUITY

With a sober understanding that 1) war with China should be avoided unless necessary to preserve the American way of life, 2) the PRC is facing an inevitable economic collapse, and 3) Xi Jinping is more likely to use force to take Taiwan this decade in light of that collapse, the US must pursue substance over symbolism. This approach requires actions that provide meaningful defense capabilities for Taiwan while avoiding overt statements and policies that are needlessly inflammatory. Maintaining strategic ambiguity is the central tenant of that posture.

The Psychology of Chinese Aggression

Xi Jinping is willing to accept high-risk propositions because, in his view, Taiwan is not a potential gain for him; it is already Chinese sovereign land.²⁹ The power that the CCP has consolidated in Xi Jinping makes individual psychology, *not* group psychology, the appropriate tool for predicting Chinese actions. It is not purely what is best for China that drives CCP decision-making; it is what is best for Xi.

President Xi has stated his opinions on Taiwan quite clearly. In October 2021, Xi said: “Taiwan independence separatism is the biggest obstacle to achieving the reunification of the motherland, and the most serious hidden danger to national rejuvenation... no one should underestimate the Chinese people’s staunch determination, firm will, and strong ability to defend national sovereignty and territorial integrity.”³⁰ It should be abundantly clear to Xi’s audience that he was not talking about the “sovereignty and territorial integrity” of mainland China. He is

²⁹ The State Council Information Office of the People’s Republic of China, *China’s National Defense in the New Era*, 7.

³⁰ Carlos Garcia and Yew Lun Tian, “China’s Xi Vows ‘reunification’ with Taiwan,” *Reuters*, 9 October 2021, accessed 25 September 2022, <https://www.reuters.com/world/china/chinas-xi-says-reunification-with-taiwan-must-will-be-realised-2021-10-09/>.

referring to Taiwan as sovereign Chinese territory. Considering Taiwan as “something to lose” rather than “something to gain” gives insight into Xi’s decision-making.

The principles of prospect theory, expounded by Nobel laureate Daniel Kahneman in his book *Thinking, Fast and Slow*, predict risk-accepting behavior from Xi Jinping. Prospect theory debunked Daniel Bernoulli’s 1738 “utility function” hypothesis.³¹ Bernoulli believed that human decisions were predictable based on the utility of possible outcomes. As such, he speculated that payoff multiplied by the probability predicted utility. For example, equal chances of having \$100 or \$700 would have the same “utility” as a guaranteed \$400. While Bernoulli accounted for decisions based on diminishing marginal utility for wealth, he failed to account for an individual’s reference point. Two individuals with \$400 will feel quite different if one previously had \$700 and the other \$100.³²

Kahneman incorporates the reference point into his prospect theory. Prospect theory predicts that for an event with high probability, an individual becomes risk averse and is more willing to take an unfavorable settlement with a smaller gain. For example, they might accept a guaranteed \$900 rather than a 95% chance to win \$1,000. However, the same individual becomes risk-averse when applying that probability to a loss. He is more willing to reject a favorable settlement to avoid a definite loss—for instance, accepting a 95% chance of losing \$1,000 over a guaranteed \$900 loss.³³ From these seemingly trivial examples, one can draw meaningful conclusions about Xi Jinping’s tendencies with the looming economic disaster.

If actions by Taiwan or the US lead Xi to perceive a high probability of “losing” Taiwan, he is likely to pursue high-risk behavior. Xi’s struggles with China’s demographic-driven

³¹ Daniel Kahneman, *Thinking, Fast and Slow* (New York: Farrar, Straus, and Giroux, 2011), 272.

³² Kahneman, *Thinking, Fast and Slow*, 275.

³³ Kahneman, *Thinking, Fast and Slow*, 317.

economic collapse will only amplify the feeling of loss. If he sees a military invasion to “reunify” Taiwan as a possible way to avoid the high probability of losing Taiwan or his political legitimacy, he will do it.

The US must maintain strategic ambiguity towards Taiwan to avoid rash decision-making by Xi. Incendiary statements about the US intention to defend Taiwan, or worse, support for Taiwanese independence, only reinforce the sense of loss for Xi while doing little to meaningfully provide for Taiwan’s defense.

The Value of Dual Deterrence

If China was the only actor the US needed to deter, clarity about intentions to defend Taiwan would be more effective than ambiguity. However, the US is simultaneously trying to dissuade Taiwan from provocative actions towards China. Strategic ambiguity provides the US with a “dual deterrence” based on the threat of retaliation against China while simultaneously discouraging any aggravating behavior from Taiwan inspired by the assurance of US support.³⁴ With China facing economic collapse, such behavior from Taiwan is a higher risk.

Taiwan knows that overt declarations of independence will bring a swift and violent response from the PRC. To muster credibility as an independent nation, Taiwan seeks official diplomatic relations. China has leveraged its economic power and made severing ties with Taipei a precondition to business with Beijing.³⁵ This forced choice has resulted in Taiwan having only 14 official allies, collectively accounting for 0.2% of the global GDP.³⁶ Taiwan

³⁴ Nien-Chung Chang-Liao and Chi Fang, “The Case For Maintaining Strategic Ambiguity in the Taiwan Strait,” *Washington Quarterly* 44, no. 2 (June 2021): 47.

³⁵ Bloomberg, “These Are All the Friends Taiwan Has Left in the World,” *Bloomberg Politics*, 10 December 2021, accessed 29 Aug 2022, <https://www.bloomberg.com/news/articles/2021-12-10/taiwan-s-last-diplomatic-friends-make-up-0-2-of-global-gdp-map#xj4y7vzkg>.

³⁶ Bloomberg, “These Are All the Friends Taiwan Has Left in the World.”

seeks diplomatic recognition from more consequential nations, but with the threat of severing lucrative Chinese relations, other countries are reluctant to take the risk. However, if China's enduring economic strength is in question, Taiwan will have more partnership opportunities.

Official diplomatic ties benefit Taiwan long-term but could catalyze war. Diplomacy with Taipei presupposes that Taiwan is sovereign. Such recognition from other nations is anathema to the CCP and will heighten cross-strait tensions. Assurances of US support in a conflict with China would embolden Taiwan to pursue official diplomatic relations more freely. Strategic ambiguity remains necessary to avoid that provocative behavior.

The Utility of Ambiguity for Allies

Strategic ambiguity is the most practical policy for the US to protect regional allies' interests. Two of the United States' closest allies are also some of China's biggest trading partners: Australia and Japan. Australia sends 35-40% of its exports to China, while 20% of Australia's imports come from China. Likewise, Japan recently surpassed the US as China's biggest trading partner.³⁷ Overt statements from Washington about intentions to defend Taiwan may motivate China to curtail these connections. Australia is especially vulnerable to changes in this relationship because 70% of Australia's exported goods have alternative suppliers.³⁸

China's looming demographic crisis makes cultivating these trade relationships even more important for US allies. Consumption patterns change with age. An increase in China's

³⁷ Satyajit Das, "The Sheer Size of the China Trading Relationship is Why Australia Has to Share its Feasts and Famines With Beijing," *The Guardian*, 31 May 2022, accessed 30 September 2022, <https://www.theguardian.com/commentisfree/2022/may/31/the-sheer-size-of-the-china-trading-relationship-is-why-australia-has-to-share-its-feasts-and-famines-with-beijing>.

³⁸ Satyajit Das, "The Sheer Size of the China Trading Relationship is Why Australia Has to Share its Feasts and Famines With Beijing."

average age creates greater dependence on imported goods.³⁹ This demand will open up lucrative trade opportunities for Australia and Japan, further incentivizing a policy of strategic ambiguity. As China undergoes this demographic shift, maintaining ambiguity towards Taiwan is the best way to protect and enhance trade for critical US allies.

IS DEMOGRAPHY DESTINY?

The preceding arguments presuppose Chinese economic decline and support strategic ambiguity on that assumption. However, some are optimistic about China's efforts to forestall its demographic crisis. China is addressing the problem on two fronts, 1) increasing the *quality* of the workforce and 2) increasing the *quantity* in the workforce.

Doing More With Less

China intends to capitalize on a "talent dividend." By improving its educational system, and extensive use of the US educational system, the PRC seeks to balance the decreasing number in the workforce with an increase in Total Factor Productivity (TFP).⁴⁰ TFP accounts for residual growth that is not captured by factors such as labor and capital.⁴¹ China's long-term campaign to flood American institutions with Chinese students supports this goal. More Chinese students attend American schools than those from any other country. As of 2021, that number

³⁹ Richard Chisik, Harun Onder, and Dhimitri Qirjo, "Aging, Trade, and Migration," *World Bank Group*, June 2016, accessed 17 September 2022, <https://openknowledge.worldbank.org/bitstream/handle/10986/24657/Aging00trade00and0migration.pdf?sequence=1&isAllowed=y>.

⁴⁰ Julia Fadanelli, "China's Demographic Trends in the Context of Economic Competition," *Center for Strategic and International Studies*, 18 August 2022, accessed 2 September 2022, <https://www.csis.org/blogs/new-perspectives-asia/chinas-demographic-trends-context-economic-competition-%E2%80%AF>.

⁴¹ Robert Shackleton, *Total Factor Productivity Growth in Historical Perspective*, US Government White Paper. Washington, DC: Congressional Budget Office, March 2013.

exceeded 317,000.⁴² By becoming a premier nation for technical development, a smaller group of elite professionals can generate the same GDP as the larger group they are replacing. Japan and South Korea successfully used this approach to mitigate their low fertility rates.⁴³

Sadly for China, this optimism ignores why capitalizing on talent was successful for Japan and South Korea. Both countries reached a high-income status *before* the effects of low fertility set in.⁴⁴ China finds itself in the “middle-income trap.” China’s economy surged on the back of low-cost labor. As quality of life has increased, wages have increased accordingly. Rising wages reduce China’s competitiveness in the low-cost market while it cannot challenge more advanced economies in the high-value-added market.⁴⁵

Doing More With More

The CCP is pursuing policies to solve the long-term challenge of low fertility. The first step was going to a two-child policy in 2015, followed by a three-child policy in 2021.⁴⁶ The CCP has also identified the need for workplace policies that protect potential mothers. Employers in China have a history of prejudicial policies against women who choose to have children, which further disincentivizes women from starting a family. Parental leave in the

⁴² US Embassy and Consulates in China, “China Remains the Top Sender of International Students to the United States in 2020/2021,” *US Mission China*, 17 November 2021, accessed 24 September 2022, <https://china.usembassy-china.org.cn/china-remains-the-top-sender-of-international-students-to-the-united-states-in-2020-2021/>.

⁴³ Julia Fadanelli, “China’s Demographic Trends in the Context of Economic Competition.”

⁴⁴ Julia Fadanelli, “China’s Demographic Trends in the Context of Economic Competition.”

⁴⁵ Shekhar Aiyar, Romain Duval, Damien Puy, Yiqun Wu, and Longmei Zhang, *Growth Slowdowns and the Middle Income Trap*, IMF Working Paper, March 2013, accessed 2 September 2022, <https://www.imf.org/external/pubs/ft/wp/2013/wp1371.pdf>.

⁴⁶ Mei Fong and Yaqiu Wang, “How to Fix China’s Population Crisis: Say Sorry to Women,” *Human Rights Watch*, 5 July 2022, accessed 4 September 2022, <https://www.hrw.org/news/2022/07/05/how-fix-chinas-population-crisis-say-sorry-women>.

Chinese workplace has traditionally been sparse to nonexistent.⁴⁷ The CCP is taking steps to institute robust parental policies and ensure those who use them do not suffer discrimination.

Unfortunately, China's attempts to address the birth rate problem come decades too late. China knows the maximum number of 16-25 year-olds they will have in 15 years. It is precisely equal to the number of 1-10-year-olds they have today. A rapid surge in births at this point will only exacerbate the problem by adding to the number of supported people (more babies) while failing to increase the numbers providing that support. If China only needed to compensate for a fertility shortfall of a few years, their efforts might be more meaningful. However, the PRC dropped below replacement rates in 1992, and by 2021 their fertility had fallen to 1.15.⁴⁸ Of the 85 countries that have dipped below replacement fertility rates, Tunisia is the only one to recover.⁴⁹ None have ever recovered with fertility as low as China's is now.

IS IT TIME FOR CLARITY?

Russia's invasion of Ukraine sparked questions about the utility of strategic ambiguity. Proponents of the alternative, strategic clarity, suggest that Russia's campaign might inspire China to seize Taiwan. If Russia can ensure that Ukraine will not join NATO or gain land concessions in the Donbas region, it will serve as a call to arms for the PRC.⁵⁰ Washington's unwillingness to provide direct military support to Ukraine may signal China that the US will

⁴⁷ Fong and Wang, "How to Fix China's Population Crisis."

⁴⁸ Xiujian Peng, "China's Population is About to Shrink For the First Time Since the Great Famine Struck 60 Years Ago: Here's What That Means for the World," *World Economic Forum*, 26 July 2022, accessed 29 August 2022, <https://www.weforum.org/agenda/2022/07/china-population-shrink-60-years-world/>.

⁴⁹ David Fickling, "China's Three-child Policy Won't Reverse Population Decline," *Bloomberg*, 1 June 2021, accessed 4 September 2022, <https://www.bloomberg.com/opinion/articles/2021-06-01/china-s-three-child-policy-won-t-reverse-population-decline#xj4y7vzkg>.

⁵⁰ Ted Carpenter, "Does Russia's Ukraine Experience Increase or Reduce the Likelihood that China Will Invade Taiwan," *CATO Institute*, 31 May 2022, accessed 12 October 2022, <https://www.cato.org/commentary/does-russias-ukraine-experience-increase-or-reduce-likelihood-china-will-invade-taiwan>.

only provide indirect aid to Taiwan.⁵¹ It is reasonable to conclude that clarity on US intentions to provide direct military assistance to Taiwan is necessary to ensure continued deterrence. However, this is a non-sequitur.

Ukraine and Taiwan are not analogous. Taiwan is central to not just American but global markets. It is the United States' ninth-largest trading partner and home of the Taiwan Semiconductor Manufacturing Company, a singular strategic foundry. Meanwhile, Ukraine ranks 67th on the list of US trade partners and 135th in GDP per capita.⁵² Taiwan is a liberal democracy with shared American values. In contrast, Ukraine has legendary levels of corruption. Transparency International placed Ukraine among the worst third of the 180 countries reviewed in their Corruption Perception Index.⁵³ America's incentives to defend Taiwan dwarf those for defending Ukraine. The fact that Washington has contributed so much to such an inconsequential partner should speak volumes about the blood and treasure the US is prepared to expend in defense of Taiwan.

Some argue this debate is moot because the US has already abandoned strategic ambiguity. During a recent interview, President Biden was asked if the US would defend Taiwan in the event of a Chinese military attack. He replied, "Yes, if in fact there was an unprecedented attack."⁵⁴ One such off-the-cuff remark could be considered a misspeak; however, Biden made similar comments in May 2022. Clear statements from the President, such as these, can certainly be regarded as policy.

⁵¹ Carpenter, "Does Russia's Ukraine Experience Increase or Reduce the Likelihood that China Will Invade Taiwan."

⁵² Ryan Hass, "Learning the Right Lessons from Ukraine for Taiwan," *Brookings*, 22 February 2022, accessed 12 October 2022, <https://www.brookings.edu/blog/order-from-chaos/2022/02/22/learning-the-right-lessons-from-ukraine-for-taiwan/>.

⁵³ Hass, "Learning the Right Lessons from Ukraine for Taiwan."

⁵⁴ Michael Schuman, "No More Strategic Ambiguity on Taiwan," *Atlantic*, 22 September 2022, accessed 12 October 2022, <https://www.theatlantic.com/international/archive/2022/09/joe-biden-taiwan-china-strategic-ambiguity/671512/>.

While President Biden's remarks were unnecessarily inflammatory, he has *not* committed to any change in policy. The 2022 National Security Strategy, published *after* the comments in question, captures the official policy of the White House. While the ink on the document is hardly dry, it states that the US remains "committed to our one China policy... and we will uphold our commitments under the Taiwan Relations Act to support Taiwan's self-defense and to maintain our capacity to resist any resort to force or coercion against Taiwan."⁵⁵ The strategy remains consistent with strategic ambiguity. If the President intended to make a policy change, this document is where he would express it.

CONCLUSION

In *The Art of War*, Sun Tzu wrote that "supreme excellence consists in breaking the enemy's resistance without fighting."⁵⁶ China's dilemma presents the United States with an opportunity to do precisely that.

To avoid a calamitous war with China, US decision-makers should maintain strategic ambiguity towards Taiwan and favor substance over symbolism. China's irreversible demographic crisis and the corresponding economic collapse make Xi Jinping more aggressive and willing to accept risk. That tendency biases China further toward invading Taiwan before the window of opportunity closes. As Xi Jinping becomes further incentivized to seize Taiwan, The US must avoid needless symbolic actions that increase the probability of war and risk decimating American forces. Strategic ambiguity provides the US the best opportunity to avoid conflict while China falls.

⁵⁵ U.S. President. The National Security Strategy of the United States of America (Washington, DC: White House, 2022).

⁵⁶ Sun Tzu, *The Art of War* (Chichester, England: Capstone Publishing, 2010).

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