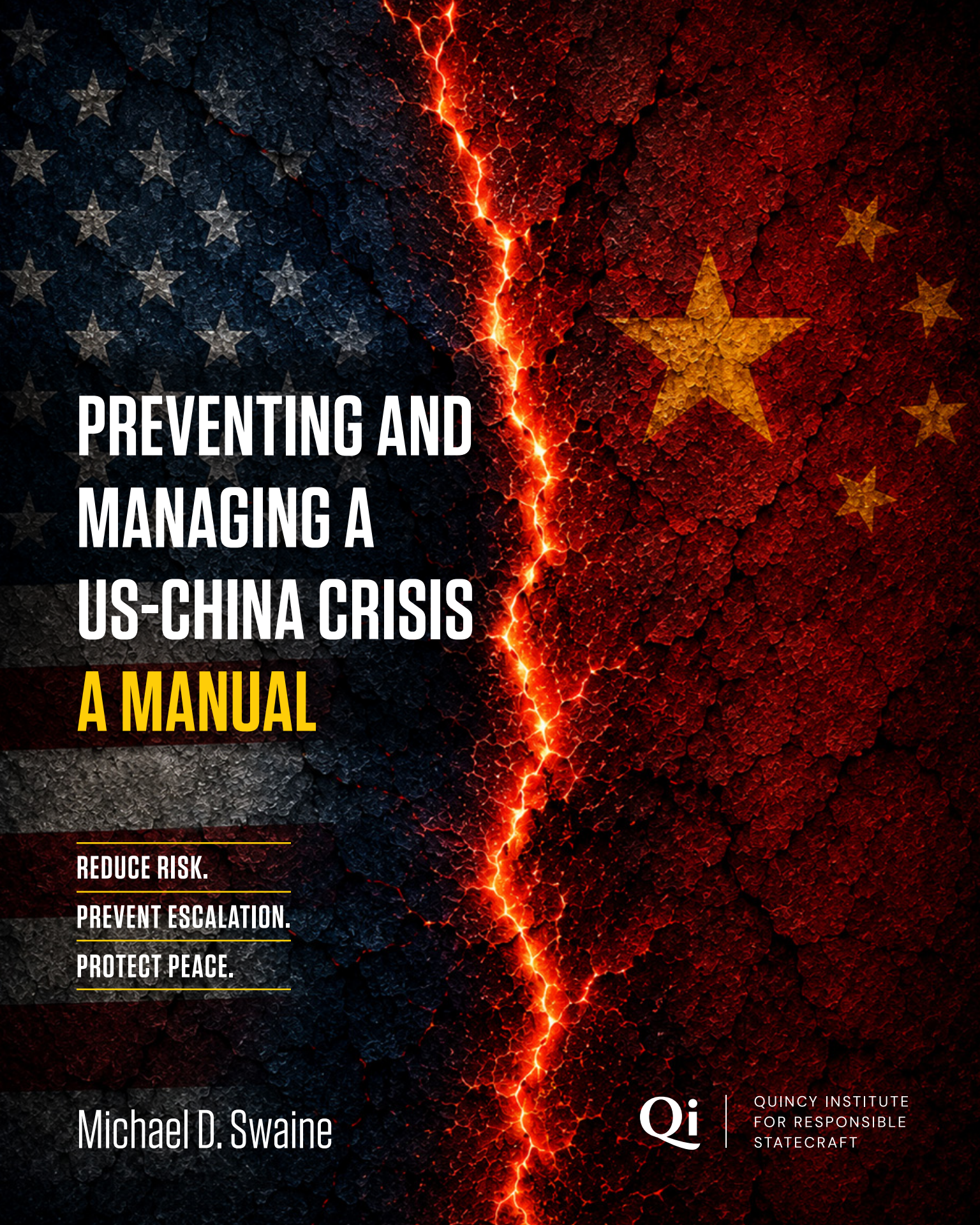




PREVENTING AND MANAGING A US-CHINA CRISIS **A MANUAL**

REDUCE RISK.

PREVENT ESCALATION.

PROTECT PEACE.

Michael D. Swaine



QUINCY INSTITUTE
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STATECRAFT

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REDUCE RISK.

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The primary purpose of this manual is to educate US decision-makers at all levels of government and the military on the likely challenges they will face in a serious political-military crisis with China and to provide them with the tools they need to manage the situation.

Michael D. Swaine

2026



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EXECUTIVE SUMMARY

The United States and China face a growing risk of a severe political–military crisis, most likely involving Taiwan but potentially arising from other disputes in the Western Pacific. Although leaders in both countries generally seek to avoid war, a heavy reliance on coercive capabilities over reassurance, deeply rooted misperceptions, signaling failures, bureaucratic weaknesses, domestic political pressures, and military doctrines favoring initiative and escalation could precipitate a crisis and cause it to spiral into armed conflict, including even the possibility of nuclear war.

The central challenge of crisis management is balancing two competing imperatives: demonstrating resolve in defense of vital interests while avoiding actions that provoke unnecessary escalation and signaling willingness to compromise when appropriate without appearing weak or inviting further pressure. Striking such a balance requires making a series of judgments in a changing situation, based on often subjective but fact-based variables. Successful crisis management is therefore an art rather than a science and requires a sophisticated understanding of one's own assumptions and those of the adversary.

Several common characteristics complicate crisis management on both sides. American and Chinese leaders often view each other through ideological and power-political lenses that encourage distrust and worst-case assumptions. Both sides tend to see themselves as defensive

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and peace-loving while viewing the other as aggressive and risk-taking. Military doctrines in both countries emphasize maintaining the initiative and often assume that escalation can be controlled or managed. In high-stakes disputes involving sovereignty, credibility, or national prestige, these tendencies become particularly dangerous because they increase risk acceptance and reduce willingness to compromise.

Taiwan is the most dangerous potential flash point of a US–China political–military crisis. Beijing's leaders view the island as inseparable from China's national sovereignty and regime legitimacy, while many in Washington view support for Taipei as linked to the credibility of US alliances, Asian–Pacific regional stability, and the overall US strategic position vis-à-vis China. Misunderstandings regarding US and Chinese intentions, military signaling, and each side's willingness to accept risk, as well as the actions of the Taiwanese in these areas, make a Taiwan crisis especially vulnerable to escalation. Nuclear modernization on both sides further increases the danger by creating fears that the other side may threaten strategic deterrent forces during a conflict.

Both systems display certain distinctive weaknesses in effectively avoiding and managing a political–military crisis. On the Chinese side,

highly centralized decision-making under President Xi Jinping, fragmented intelligence channels, reluctance to transmit bad news upward, sensitivity to historical grievances, and a tendency to moralize disputes can impede effective crisis management. On the American side, leaders may misread delays in responding to communications, underestimate the significance of warnings, discount the role of Chinese domestic politics and historical memory, and fall victim to ideological or bureaucratic competition or groupthink.

Guidelines for Managing a US-China Crisis

Drawing on many years of simulations and dialogues with Chinese participants, as well as historical cases, the following principles are offered as general rules of thumb for preventing and managing future US-China crises:

1. Maintain direct channels of communication and send signals that are clear and specific.
2. Focus on limited objectives and employ limited means; avoid extreme pressure, ultimatums, or threats to the other's core values and interests.
3. Preserve military flexibility, escalate slowly, and respond symmetrically (in a tit-for-tat manner) to the degree possible, but do not always respond in a mechanistic manner.
4. Be pragmatic, not ideological; do not limit bargaining options or foreclose options to back down; avoid locked-in positions based on presumed principles that encourage zero-sum approaches to a crisis.
5. Be aware of the dangers of groupthink in making decisions during a crisis.
6. Exercise self-restraint, and do not always respond to provocative moves.
7. Respond in a timely manner to outreach; do not assume that a failure to respond to early efforts at contact in a crisis is a hostile or provocative gesture.
8. Divide large, integrated, hard-to-resolve disputes into smaller, more manageable issues, thereby facilitating the building of trust and trade-offs.
9. Think ahead about the unintended consequences of your actions.
10. Be aware of the dangers of conflicting objectives, such as the need to credibly convey the desire for peace/avoidance of conflict and a strong willingness and ability to escalate if necessary.
11. Be attentive to the impact of historical and domestic political or social events and names on the other side's crisis perceptions.
12. Be aware that the military advantages of rapid, offensive (over defensive) moves increase the desire to take significant risks. For example:
 - For China to take preemptive actions against US forces.
 - For the United States (and Taiwan) to appear to be readying to strike the Chinese mainland.
13. Neither Washington nor Beijing should assume that the other knows where its own limits lie along the escalation ladder or that either side enjoys a superior level of resolve.

Finally, crisis management should be treated as a whole-of-government endeavor rather than a narrow military task. More extensive and coordinated Track 1, Track 1.5, and Track 2 dialogues are recommended as well as jointly endorsed crisis management guidelines, informal

“Crisis management should be treated as a whole-of-government endeavor rather than a narrow military task.”

“non-conversation” channels between trusted interlocutors, crisis management advisory groups, and regularized communication links between operational military units. These measures would likely improve mutual understanding, reduce worst-case thinking, and provide mechanisms for de-escalation before a full-blown crisis emerges and escalates into war.

Expertise and Acknowledgments

The contents of this manual are derived in large part from more than 15 years of in-person crisis simulations and structured dialogues with Chinese and American scholars, former officials, and retired military officers undertaken as part of a US–China project led on the US side by Michael D. Swaine of the Quincy Institute for Responsible Statecraft and Alastair I. Johnston of Harvard University, and funded at times by the Defense Intelligence Agency, or DIA, and US Pacific Command, or PACOM. On the Chinese side, the project has been led by the Beijing-based China Foundation for International and Strategic Studies, or CFISS, which is connected with the People’s Liberation Army, or PLA. The manual also draws on research on historical political-military crises and the scholarly literature on crises and crisis management. The information is current as of August 2026. The author would like to acknowledge and thank Alastair I. Johnston, Carla Freeman, Admiral (retired) Mike Studeman, David Finkelstein, and Chad Sbragia for their comments on earlier drafts.

Purpose

The purpose of this manual is to educate US crisis decision-makers at all levels of government and the military on the likely challenges they will face in a serious political-military crisis with China and to provide them with the tools for more effectively preventing and/or managing such a crisis.

It is critically important in a serious crisis for both American and Chinese officials to know themselves, know their counterparts, and know what signals and actions are most likely to avert or defuse the crisis.

Absent greater fail-safes and defusing mechanisms than currently exist, US or Chinese proclivities and patterns of behavior stand a good chance of leading to unnecessarily escalatory and potentially destructive outcomes in a future crisis.

Format

The manual first provides a summary of the likely major positive and negative mindsets and behaviors characteristic of past US–China crises and crisis simulations/dialogues, followed by a more detailed explanation of each characteristic. This is followed by a set of recommended guidelines for avoiding or managing crises (with brief explanations) and a discussion of several mechanisms or processes that should be considered to improve crisis capabilities.

Definitions and Challenges

The kind of crisis discussed in this manual is primarily a political-military event that is perceived to:

- pose a threat to one or more basic interests or values;
- involve time pressure to respond to the threat; and
- create a heightened probability of military conflict or major political-economic damage to the nation.¹

THE PRIMARY OBJECTIVE FOR CRISIS DECISION-MAKERS is to take actions that prevent any such crisis from emerging or to end the crisis while protecting genuinely vital interests and accepting necessary trade-offs on lesser interests. Although political-military crises can be avoided through basic changes in policy, this manual focuses on those perceptual and decision-making factors that most influence the behavior of political and military leaders prior to or during a political-military crisis.

Crisis prevention and management assumes that neither side is deliberately seeking a large-scale war—a situation that would require very different wartime termination efforts, not crisis prevention or management efforts. That said, many of the characteristics of US and Chinese approaches to crises can also apply in a small-scale kinetic conflict situation in which one side deliberately employs military coercion.²

THE CORE CHALLENGE IN CRISIS AVOIDANCE AND MANAGEMENT is to effectively balance two imperatives while preserving or advancing one's vital interests:

- to convey commitment and resolve in protecting and/or advancing one's interests without provoking unwanted escalation or conflict;
- to signal accommodation or conciliation when necessary without conveying weakness or appeasement that could invite aggression and escalation.

Every action taken in a crisis can radically alter its dynamics, e.g., by increasing or decreasing escalation or closing or opening options for de-escalation. And many factors (both external and domestic) can shape or determine each action taken. *The process is highly dynamic, interactive, and potentially dangerous.*

CRISIS PREVENTION AND MANAGEMENT IS AN ART, NOT A SCIENCE. But one can greatly increase the chances of managing (or gaining from) a crisis by understanding its specific dynamics and adopting a range of prudent measures when taking actions of any kind.

1 These three elements are derived from Jonathan Wilkenfeld, "Concepts and Methods in the Study of International Crisis Management," in *Managing Sino-American Crises: Case Studies and Analysis*, eds. Michael D. Swaine, Zhang Tuosheng, and Danielle F. S. Cohen (Washington DC: Carnegie Endowment for International Peace, 2006), 104.

2 There is an inevitable tension between how militaries should effectively operate in war (e.g., the value of military superiority, resolve, initiative, and offensive operations) and how they should effectively operate in a crisis.

Unfortunately, neither Washington nor Beijing has thus far put adequate crisis avoidance or management measures in place, either unilaterally or through agreement, despite their obvious necessity. This reflects the lack of trust in the US–China relationship, differing views over the purpose and utility of crisis management versus crisis prevention (discussed further below), and a tendency to focus excessively on military-to-military types of crisis management procedures, to the virtual exclusion of civilian interactions outside the two countries’ defense establishments.

All this places a high premium on decision-makers understanding and shaping, as best as possible, the many factors that can influence the overall crisis environment, including those influencing their potential crisis opponent. This obviously requires reliable intelligence and crisis management expertise, knowledge of relevant historical experiences, a deep understanding of the substantive features of previous interactions, and a clear perception of both countries’ own beliefs, assumptions, and biases in preventing or managing a crisis.

“Crisis prevention and management assumes that neither side is deliberately seeking military conflict — a situation that would require very different wartime termination efforts, not crisis prevention or management efforts.”

US-CHINA BEHAVIOR

Common Features

Historically in US–China relations, as well as in past crisis simulations conducted with American and Chinese participants, both leaderships have often (though not always) exhibited a healthy awareness of the extreme dangers of uncontrolled escalation in a US–China political–military crisis, each seeking ways to de–escalate such a crisis while defending their country’s interests.

However, many Chinese and American beliefs and attitudes toward each other and toward political–military crises present a major challenge to preventing and managing a potential US–China crisis. It is important to keep these features in mind when encountering such a crisis. These include the following:

IDEOLOGY AND HARD-POWER VIEWS UNDERMINE CRISIS MANAGEMENT. In past crises and crisis simulations, both countries’ leaderships have tended to view each other through a mix of ideological and hard–power realist lenses. This undermined trust, limited flexibility, and heightened the inclination to view the other as aggressive, duplicitous, risk–accepting, and hence possibly engaged in an attempt to gain a durable advantage from the crisis.

ADDING TO THIS PROBLEM IS A COMMON MILITARY STRESS ON MAINTAINING THE INITIATIVE AND A BELIEF THAT ESCALATION CAN BE CONTROLLED. Although probably not uniform across American and Chinese elites, both sides have military doctrines that stress taking initiative in a crisis or conflict, and each tends to believe it can control escalation in certain types of high–stakes crises (e.g., regarding territorial sovereignty or credibility issues) due to their country’s supposed superior resolve or superior military capabilities. This can produce potentially destabilizing offensive actions at every decision point. Unfortunately, in China, this notion stands in possible contrast to the idea that Beijing will not strike first.

A POSSIBLE TOP LEADER INCLINATION TO REWARD ULTRANATIONALIST BEHAVIOR. The presidents of both countries might resist correcting seemingly patriotic yet provocative behavior by their militaries or other agencies in order to avoid being perceived as making mistakes or looking weak in the face of an aggressive challenger. Although this tendency is arguably more likely in China’s rigid, top–down system, it could also occur under a US president deeply concerned with his or her personal image and legacy.

VIEWS OF ONE’S COUNTRY AS RESTRAINED, BLAMELESS, AND PEACE-LOVING YET RESOLVED. While holding negative views of the other as provocative and risk–accepting, each side also usually views itself in a crisis as supportive of the status quo, blameless, peace–loving, and unprovocative while determined to convey resolve in defending its vital interests. This creates a lack of empathy for the other side while obstructing necessary efforts to recognize how each country’s own actions might contribute to crisis instability.

THE MOST SERIOUS POTENTIAL CRISES INVOLVE HIGH STAKES FOR BOTH. The preceding negative features have often been augmented by a sense of very high stakes in a crisis involving seemingly zero-sum, nonnegotiable principles: territorial sovereignty (for the Chinese) and alliance credibility (for the Americans), e.g., over Taiwan or South China Sea land features.

THE CULTURAL ASYMMETRIES IN APPROACHING CRISIS ISSUES. Simulations and dialogues suggest that Chinese leaders gravitate toward blame-oriented explanations of events (often citing moral or other principles), emphasize historic lessons that might apply to current circumstances, and usually (but not always) exercise extraordinary discipline down the line in prescribing a top-down solution. Their US counterparts tend to view crises ahistorically, in situationally dependent terms, exercise a greater degree of openness in decision-making, and are problem-oriented rather than focused on blame.

THE INFLUENCE OF INTERNAL ELITE AND BUREAUCRATIC COMPETITION AND POLITICS. In some past crises, both US and Chinese decision-makers have made decisions in order to resolve internal divisions or respond to political pressure, not simply to cope with the external crisis situation. For example, it was due to congressional pressure that President Bill Clinton reversed his stance on issuing a visa to Taiwanese President Lee Teng-hui in 1995. This decision helped motivate the subsequent PLA exercises later that year, thereby precipitating a crisis.³ The Chinese handling of crises such as the 2001 EP-3 incident, the 1999 Belgrade embassy bombing, and the 2010 China–Japan fishing boat crisis involving the disputed Senkaku/Diaoyu islands was influenced by differences between, for example, the Chinese foreign ministry and the Chinese military.

These factors can greatly complicate the handling of US–China crises and could make the desire to de-escalate crises highly difficult. Indeed, a potential high-stakes crisis like Taiwan could make both sides more risk-accepting, resistant to compromise, and unable to permit supposed “defeat.” This can make it more difficult to set or sustain limited objectives, exercise self-restraint, and maintain flexibility.

As a result, each side might repeatedly seek to test the other’s resolve by escalating and, in the process, inadvertently create a “commitment trap” in which leaders make threats or demands that they cannot easily undo because of political or reputational costs.

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3 Michael D. Swaine, Zhang Tuosheng, and Danielle F. S. Cohen, eds., *Managing Sino–American Crises: Case Studies and Analysis* (Washington DC: Carnegie Endowment for International Peace, 2006), 276–287.

THE TAIWAN ISSUE IS PARTICULARLY PRONE TO SUCH DANGEROUS BEHAVIOR. High-stakes instability is augmented by several features related to a potential Taiwan crisis, including:

- a Chinese tendency to assume that the United States encourages or accepts what are regarded by Beijing as Taipei's provocative actions;
- confusing, inconsistent messaging by senior US officials regarding the nature of Washington's commitment to Taipei and the meaning of the One China Policy;
- an increasing Chinese reliance on military intimidation via exercises and multi-domain pressure tactics around Taiwan; and
- a Chinese belief that China is more committed to the Taiwan issue than is the United States, due to the connection of the issue with the nationalist legitimacy of the Chinese regime as the defender of territorial sovereignty, which is an issue of high sensitivity within China given its history of humiliation at the hands of foreign powers.

NUCLEAR WEAPONS DANGERS PRODUCE BOTH CAUTION AND POTENTIAL INSTABILITY.

Both Washington and Beijing greatly desire to avoid a nuclear weapons-related crisis, yet both also fear that the other side has incentives to threaten their use in a potential high-stakes

crisis like Taiwan. This could lead to worst-case misperceptions of various types of nonnuclear signaling and a tit-for-tat tendency to escalate to nuclear signaling. Beijing, in particular, would be extremely sensitive to any action from Washington that appears to threaten its strategic deterrent, such as attacks on critical command, control, communications, and intelligence capabilities. Accelerated nuclear modernization efforts on both sides add to these anxieties.

THE AI/CYBER FACTOR CAN BOTH FACILITATE AND COMPLICATE CRISIS DECISION-MAKING.

Both Washington and Beijing are employing artificial intelligence, or AI, and cyber methods to accelerate and coordinate their strategic decision-making loops as part of a desire to achieve information dominance. These tools can both improve and complicate efforts to accurately assess and respond to a crisis situation. On the positive side, AI and cyber methods can improve crisis management by processing more information, identifying patterns, reducing human error, and providing faster warnings. However, there are equally strong reasons to believe that AI could make international crises more dangerous, especially in high-stakes confrontations involving major powers. AI can excessively compress decision times, create a false sense of confidence in

“data-driven” machine assessments, create a bias toward threats over de-escalation, marginalize personal political judgments, and generally create automated patterns of interaction outside human control.

COMMON SIGNALING PROBLEMS ON BOTH SIDES. Compounding all of the above shared negative features are an array of specific potential signaling problems occurring on both sides (as revealed mainly in crisis simulations with the Chinese). These include:

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- uncertainty regarding authoritative channels, including the unclear or inconsistent use of various types of news media;
- the use of unclear terms, due to language and cultural differences;
- incomplete or faulty views of the other side's level of internal coordination in sending signals and taking actions;
- a poor understanding of the other side's historical memory regarding past crises and conflicts when signaling;
- a tendency to outright miss or catastrophize the meaning of signals sent by the other side during significant downturns in the overall US–China relationship;
- a tendency to send more aggressive signals, become more inflexible, and make excessive demands, or, alternatively (though less common), to moderate signaling due to domestic political pressure by both elites and the public;
- a lack of appreciation for decision-making delays in arriving at a consolidated government position sanctioned by each president and subsequent overinterpretation of high-level quiescence;
- some Chinese and American military operational concepts, especially those aimed at degrading the other side's deterrent, may undermine the ability to send clear signals of limited intentions and operational self-restraint in a crisis, including:
 - the argument in China's People's Liberation Army, or PLA, that cultivating uncertainty in Washington serves Beijing's deterrence;
 - the PLA argument that provocative and disproportionate demonstrations of force may be necessary to undermine US deterrence power, as well as preemptive actions in support of an overall defensive strategy; and
 - the US military's preference for the rapid positioning of key assets to execute flexible responses or deterrent options.

Features of Chinese Crisis Behavior

These shared problems obstructing effective crisis avoidance and management have been further complicated by specific features of the Chinese system and the Chinese leadership's views, as suggested by simulations, research, and the historical record. These include:

A POTENTIALLY DANGEROUS, XI-DOMINATED DECISION-MAKING SPHERE. President Xi Jinping's many military and civilian purges, stress on ideological fealty and personal loyalty, and general dominance over the Chinese system can undermine crisis management by reducing the size and diversity of the crisis decision-making team and limiting incentives to challenge his views. Although also likely evident under a collective leadership, Xi's dominance might make subordinates especially unwilling to risk expending their political capital or risking their posts by serving as front men in a crisis negotiation involving perceived concessions that might be seen as compromising Xi's stance, or national or party interests.

FRAGMENTED INTELLIGENCE AND DECISION-MAKING. Stovepiped and fragmented intelligence structures, along with separate government and military decision and control systems, can slow China's reaction time and responses to US efforts at communication, distort the assessment of information by senior leadership, and reduce signal clarity. The need to achieve agreement among the most senior levels of the Chinese leadership, even under Xi, might also slow responses to US efforts at communication.

A TENDENCY TO AVOID CONVEYING BAD NEWS UPWARD. In the Chinese system, lower-level officials or officers tend to avoid or delay sending "bad news" to upper-level actors, for fear of punishment or to conceal errors. This can mask lower-level culpability in instigating events of concern and create a dangerous level of leadership optimism and/or reduce awareness of the possible negative consequences of provocative crisis actions.

A BLURRING OF EXTERNAL AND INTERNAL THREATS IN ASSESSING CRISES. Chinese leaders tend to see opponents in a crisis as more likely to take advantage of Beijing during periods of domestic upheaval. Furthermore, in general, Chinese leaders desire to avoid looking weak in the eyes of their domestic audiences. This can incline them to misinterpret and overreact to signals from the other side and become more aggressive in managing a crisis.

A MORALIZING, BLAME-ASSIGNING PERSPECTIVE. In crises, Chinese leaders tend to inject morality, assume the legal high ground, assign blame to the other side, and establish the moral upper hand in order to seize the initiative, strengthen domestic support, possibly to justify a later use of force, and put the onus on the US to de-escalate. This can also make Chinese decision-makers more risk-accepting and rigid in handling a crisis. Moralizing a crisis is also a political tool to influence domestic, regional, or global public opinion.

A STRONG STRESS ON CRISIS PREVENTION. Chinese interlocutors in official US-China military-to-military crisis management dialogues have resisted simply improving crisis management capabilities without addressing what they regard as the underlying policy factors on the US side that, in their view, cause political-military crises. In other words, Chinese interlocutors have wanted to address crisis prevention as they define it, not just management. In such dialogues, those on the US side have recognized the need to address both issues but want to avoid getting bogged down in discussions of basic policies. This has created an obstacle to improving crisis management through official dialogues, suggesting the need for prior discussions at the unofficial Track 2 level.

TIT-FOR-TAT RESPONSES, WITH EXCEPTIONS. Although symmetrical responses are much preferred over major escalations in a crisis, Chinese leaders have often followed an excessively rigid tendency to engage in symmetrical "tit-for-tat" responses to an adversary's behavior that can obstruct efforts at de-escalation. But there have also been exceptions in Beijing's behavior when, on occasion, Chinese leaders have escalated in a disproportionate manner to convey a higher level of resolve, especially regarding territorial sovereignty issues..

MISREADING OF DEFENSIVE MILITARY MOVES. Chinese leaders have at times tended to regard US defensive military preparations, alerts, and mobilization in crisis situations as escalations that justify a tit-for-tat response or worse.

A FOCUS ON US MILITARY OVER DIPLOMATIC MOVES. Chinese leaders have tended to view the movements of US military forces in a crisis as the most intentional, credible, and escalatory form of signaling, thereby possibly discounting the de-escalatory meaning of direct diplomatic signals.

MISPERCEPTIONS OF US RELATIONSHIPS WITH ALLIES. Chinese leaders have tended 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. Beijing often believes Washington's allies are under its firm control or are trying to manipulate and prod the United States into acting more aggressively in crises.

A VIEW OF THE UNITED STATES AS A DECLINING GLOBAL HEGEMON. Many Chinese seem to believe that the United States is losing its global hegemonic position and yet is determined to sustain its dominance, especially by undermining and containing China's development and overseas capabilities, by possibly lashing out in fits of aggression. This preconception can make Chinese decision-makers more likely to assume worst-case motives and actions for their US counterparts in a serious political-military crisis.

A "USE-IT-OR-LOSE-IT" WINDOWS LOGIC. Some Chinese evince a fear that the United States will close off options before or during a crisis, thereby creating the belief that China "doing nothing" or appearing to "capitulate" will produce worse outcomes than to resist or escalate.

HIGH SENSITIVITY TO HISTORICAL EVENTS AND DATES. A well-known sense of past historical humiliation by stronger powers can distort Chinese views of US actions and intentions. It also increases the sensitivity of Chinese leaders to possible historical analogies in crises, making them more likely to inflexibly push back against perceived threats to status and honor.

MISJUDGING CYBERATTACKS. Crisis simulations have suggested that Chinese leaders might not understand the escalatory effects in a crisis of the use of cyber means to gather intelligence, surveil opponents, or maneuver to preposition cyber tools in friendly networks, especially in US critical infrastructure. Such actions can be taken as offensive rather than defensive.

On the positive side, Chinese leaders have often tended to employ kinetic force in crises only in response to what they regard as a "first use" by the other side. This was the case in the Korean War and the Sino-Indian border clashes of the 1960s, for example. That said, the Chinese

 **Crisis simulations have suggested that Chinese leaders might not understand the escalatory effects in a crisis of the use of cyber means to gather intelligence, surveil opponents, or maneuver to preposition cyber tools in friendly networks, especially in US critical infrastructure.**

definition of what constitutes “first use” might not be accepted by its crisis opponent(s) in a future situation. Such a mismatch could be, for example, a hostile actor placing forces on high alert while deploying them so as to strike China directly or closer to the scene of a crisis.

Also, crisis simulations suggest that Chinese leaders might early on seek to establish an “understanding” with the United States regarding how a crisis is to be handled, revolving around three principles expressed by Chinese players:

- 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 change the situation on the ground over the long term.

These principles might sound to some as self-serving and unrealistic attempts to manipulate the United States but, in theory, they could instill some restraint in a crisis, particularly the last one. Moreover, these principles are consistent with the crisis management guidelines discussed below.

Features of American Crisis Behavior

Simulations, research, and the historical record also suggest that the US side in a potential US–China crisis exhibits specific features that can obstruct or distort effective crisis avoidance and management, especially regarding the reading of and response to China’s signals. American decision-makers need to be aware of these problems.

INTERPRETING A CHINESE FAILURE TO RESPOND QUICKLY. US crisis simulations and dialogues, as well as some evidence from past crises such as the 1999 Belgrade embassy bombing and the 2001 EP-3 incident, suggest that American leaders tend to regard a lack of communication from China while a crisis unfolds as a hostile act or a deliberate effort to obstruct effective crisis management.⁴ However, evidence suggests that Chinese leaders will not respond in a crisis until they have agreed upon its origins, its catalyst, what approach or line to take in managing it, and what their desired post-crisis status quo should look like.

AN EARLY PUSH FOR PRESIDENTIAL DIALOGUE. American crisis managers tend to think that direct discussion between the US and Chinese presidents early on in a crisis can quickly resolve the problem. In fact, such a proposal, especially if taken before the Chinese side has determined the crisis’s origins and how it will respond, can force the Chinese president to take an unnecessarily rigid and accusatory stand in order to defend his nationalist credentials or otherwise employ provocative language that might be difficult to back away from.

INTERPRETING CHINESE SIGNALS OF RESTRAINT AND RESOLVE. In a crisis, US leaders may tend to discount China’s early rhetorical warnings or time-bound ultimatums, absent military moves, as “cheap talk” or bluffing. In reality, such warnings could presage an intention to act militarily or otherwise.

4 Swaine, Tuosheng, and Cohen, *Managing Sino–American Crises*.

FAILURE TO UNDERSTAND THE POSSIBLE DISTINCTION BEIJING MAKES BETWEEN HUMANITARIAN AND SOVEREIGNTY ISSUES.

In simulations, Chinese players have drawn lines between humanitarian efforts and its sovereignty; for example, allowing foreign countries to search for downed personnel but not to recover aircraft or vessels in areas that it regards as its sovereign territory.

REGARDING THE CHINESE DISTINCTION BETWEEN THE USE OF “WHITE HULL” AND “GRAY HULL” ASSETS IN A CRISIS OVER MARITIME TERRITORY.

The Chinese view the use of “white hull” assets (coast guard and maritime militia) as less provocative and convergent with their depiction of maritime territorial issues as domestic in nature, while viewing the use of the “gray hull” (naval) as escalatory in a crisis. Americans have tended to focus on the type of action taken and ignored such a distinction, but now deploy Coast Guard ships in the South China Sea. The resulting ambiguity produces uncertainty regarding Beijing’s response to the deployment of US gray-hull or white-hull ships in a crisis.

LACK OF AWARENESS OF THE IMPORTANCE OF CHINESE DOMESTIC AND HISTORICAL

EVENTS. The Chinese have tended to be more defensive and suspicious of US actions in a crisis if they occur during times of major domestic events such as meetings of the Chinese Communist Party, or if they in some way coincide with sensitive historical events such as the anniversary of a Chinese military defeat.

INADEQUATE SENSITIVITY TO THE IMPORTANCE OF PROXIMITY OF ANY CRISIS INCIDENT

TO CHINESE TERRITORY. The Chinese have tended to be more defensive and suspicious of US actions in a crisis if they occur in or near areas controlled or claimed by Beijing even when there is no apparent connection to such territory.

A TENDENCY TO BE UNFAMILIAR WITH CHINESE HISTORY. US military and political leaders with limited background on China are prone to overlook, devalue, or insufficiently account for the importance of history to Chinese perceptions, including past US–China interactions, events relevant to China’s history of victimization at the hands of other powers, and the proximity of a crisis to major political events in China.

GROUPTHINK AMONG DECISION-MAKERS. Several past crises and conflicts involving the United States—such as the lead-up to the Bay of Pigs invasion, the Cuban Missile Crisis, decisions to escalate the Vietnam War, and the decision to attack Iraq in 2003—have displayed the negative effects of groupthink or an unawareness of its dangers. The chances of groupthink are greatest when a leadership team is small, insular, cohesive, and under strong time pressure.

CHINESE CRISIS DECISION-MAKING PROCESS

The Chinese decision-making process is only dimly understood, involves a mix of formal and informal interactions, and appears to be poorly integrated, both vertically and horizontally, despite some likely improvements under Xi Jinping. If a crisis is serious enough to merit his attention, President Xi alone will probably make all the key decisions—in consultation with his colleagues on the Politburo Standing Committee of the CCP; personal advisors; and senior military officers.⁵ In this process, the PLA likely plays an important advisory and operational role—providing intelligence assessments and strategic advice—but it is not the final decision-maker.

In China's past political-military crises with the United States such as the EP-3 incident in 2001, it is likely that the information received by senior Chinese leaders had been limited and distorted, and the resulting decisions were delayed. This would have been due to a stovepiped and fragmented intelligence system, marked by the absence of close coordination of information between military and civilian agencies, and a reluctance by subordinates to pass bad news upward in a timely fashion, if at all. However, given the much more consolidated nature of the Chinese system under Xi and lessons learned from past crises, it is likely that decision-making has become somewhat quicker and more coordinated, though problems likely remain.

In particular, it remains likely that the PLA can still exert distorting influence in a crisis through its rapid conveyance of intelligence and its preexisting operational plans, which may constrain civilian leaders' options in a crisis. Also, coordination failures, especially between the military and the foreign ministry, are probably still a weakness of the system. This problem is made worse by the apparent fact that PLA attitudes toward crisis management can favor less restrained, more escalatory actions, whereas the Ministry of Foreign Affairs might favor diplomacy and restraint.

Simulation dialogues suggest that the Central Foreign Affairs Commission, or CFAC (formerly the Foreign Affairs Leading Small Group), directed by the Central Foreign Affairs Office, or CFAO, is most likely to initially take charge of a serious crisis. Although Xi officially chairs the CFAC, the senior civilian official most likely to first become involved in a crisis is the head of the CFAO.⁶ This official would likely determine whether Xi is informed of the crisis. The role of the CFAC as a body is to advise, implement directives, and coordinate across agencies. Members include key civilian and military officials, including PLA representatives involved in intelligence.

5 One well-informed Chinese interlocutor has stated that Xi would likely become involved in a crisis only if it involved a loss of life or shots fired. But Chinese have also stated that the head of the Central Foreign Affairs Commission's Central Foreign Affairs Office might determine when a decision goes up to Xi.

6 Beijing established a CCP National Security Commission in 2013, but this body does not function like Washington's National Security Council. Unlike the US body, and the White House Situation Room, China's NSC does not coordinate all major foreign and defense policy agencies as part of an interagency deliberation process, nor does it discuss and provide policy options to the president and other senior CCP leaders. Instead, China's NSC is a Party-led mechanism for integrating and controlling a very broad conception of national security, especially domestic and regime security. It primarily ensures the implementation of key decisions made by Xi and the Politburo Standing Committee. Thus, major foreign policy decisions continue to flow through a highly centralized, leader-dominated political system.

If a crisis is triggered by military actions, the bottom-to-top information and decision flow is likely to move from the frontline forces to one of the PLA's five theater commands (Southern, Eastern, Western, Northern, and Central), and then to the Joint Staff Department (JSD), under the Central Military Commission and Ministry of National Defense. The JSD would then likely report to the CFAC. Knowledgeable insiders have stated that, unlike in the past, China's senior civilian leaders today are likely to have access to real-time video from an incident site. Moreover, in urgent situations, some intelligence can now bypass normal channels and go directly to top leaders, particularly if passed along by senior officials like the foreign minister or institutions like military intelligence.

Although, in a serious crisis, Chinese leaders need to go through several stages of decision-making before contacting counterparts in the United States, there is reportedly a greater stress in the system today on early, multilevel contact and more standardized procedures. Simulations suggest that, as a crisis emerges, deliberation within Chinese leadership starts with basic questions about the context of the events in order to determine the intentions of the other side and draw up a set of principles for managing the crisis. The answers to these questions will affect who is involved in decision-making and how to approach the other side. As noted above, such questions most likely include: Who is to blame? Is the event plausibly an accident? Where and when did the event occur (i.e., how close to Chinese territory or to major political events)? Are the actions by the other side excessive given the apparent stakes? Are they close in time and space with the actions of third parties (e.g., Japan)?

Finally, the Chinese crisis decision-making system is complicated by the risk of unplanned or unauthorized military actions. Such actions can significantly shape political-military crises, sometimes in ways not intended by China's senior leadership. Because local military units are not always tightly controlled, they might take actions that conflict with broader national strategy, potentially triggering or escalating incidents. Past examples include unauthorized or provocative naval and air maneuvers, submarine incursions, and confrontations at sea, all of which illustrate how decentralized behavior can heighten tensions and complicate crisis management.⁷

Beyond direct actions, military personnel can also influence crises indirectly through public commentary in media and online spaces, shaping Chinese domestic opinion. Although the leadership can attempt to censor or guide such views, this influence remains a factor. As a result, China may struggle to clearly convey intentions during crises, increasing the chances of misunderstanding, miscalculation, and escalation.

“In China’s past political-military crises with the United States such as the EP-3 incident in 2001, it is likely that the information received by senior Chinese leaders had been limited and distorted, and the resulting decisions were delayed.”

7 Michael D. Swaine, “China’s Assertive Behavior—Part Four: The Role of the Military in Foreign Crises,” Carnegie Endowment for International Peace, 2012, <https://carnegieendowment.org/posts/2012/04/chinas-assertive-behaviorpart-four-the-role-of-the-military-in-foreign-crises>. For more, see Michael D. Swaine, “The PLA Role in China’s Foreign Policy and Crisis Behavior,” in *PLA Influence on China’s National Security Policymaking*, ed. Phillip C. Saunders and Andrew Scobell (Stanford: Stanford University Press, 2015), 141–165.

GUIDELINES

The above obstacles and features of US–China crisis perceptions and interactions — regarding beliefs and images, signaling, escalation dynamics, decision-making, domestic pressures, etc. — suggest a range of best practices or guidelines. Many, but not all, of these apply to a crisis between any group of nations, while some are more specific to the United States and China.

Crisis management is an art, not a science, so guidelines cannot be regarded as hard and fast directives. But crisis simulations, research, and historical cases suggest that the proposed actions are, in many cases, more likely to reduce the chance of undesired escalation and increase the likelihood of a successful resolution of a political–military crisis. **All decision-makers in potential crises, at all levels of government and in the military, should be aware of these guidelines:**

- 1 Maintain direct channels** of communication, and send signals that are clear and specific.
- 2 Focus on limited objectives** and employ limited means, avoiding extreme pressure, ultimatums, or threats to the adversary's core values.
- 3 Preserve military flexibility**, escalate slowly, and respond symmetrically (in a tit-for-tat manner) to the degree possible, but do not always respond in a mechanistic manner.
- 4 Be pragmatic, not ideological**; do not limit bargaining options or foreclose options to back down; avoid locked-in positions based on presumed principles that encourage zero-sum approaches to a crisis.
- 5 Be aware of the dangers of groupthink** in making decisions during a crisis.

- 6 Exercise self-restraint**, and do not always respond to provocative moves.
- 7 Respond in a timely manner** to outreach; do not assume that a failure to respond to early efforts at contact in a crisis is a hostile or provocative gesture.
- 8 Divide large, integrated, hard-to-resolve disputes** into smaller, more manageable issues, thereby facilitating the building of trust and trade-offs.
- 9 Think ahead** about the unintended consequences of your actions.
- 10 Be aware of the dangers of conflicting objectives**, such as the need to credibly convey the desire for peace/avoidance of conflict and a strong willingness and ability to escalate if necessary.
- 11 Be attentive to the impact** of historical and domestic political or social events and names on the other side's crisis perceptions.
- 12 Be aware that the military advantages** of rapid, offensive (over defensive) moves increase the desire for both sides to take significant risks. For example:
 - For China to take preemptive actions against US forces.
 - For the United States (and Taiwan) to appear to be readying to strike the Chinese mainland.
- 13 Neither Washington nor Beijing should assume that the other knows where its own limits lie along the escalation ladder** or that either side enjoys a superior level of resolve.

Ideally, such proposed guidelines should be discussed and agreed upon with Chinese interlocutors (initially on the Track 2 level), as suggested below.

SUGGESTED PROCESSES

There are many risks and obstacles confronting US–China crisis prevention and crisis management. Addressing these risks requires a broader, more in-depth approach to crisis stability; one that reflects an understanding of the many perceptual, structural, and other obstacles to crisis management noted above, integrates deterrence and reassurance, and treats crisis management as a whole-of-government task rather than a narrow, military technical issue.

To attain such a goal, Washington should move beyond the existing Track 1 military-to-military crisis communication dialogue with Beijing to develop a broader, interactive set of crisis management dialogues and simulations. These would include both Track 1 and Track 2 (or semiofficial Track 1.5) channels, with relevant current and former military personnel, civilian officials, analysts, and possibly select members of Congress or their key foreign policy staffers.

In the area of reassurances (a necessary component of effective deterrence), actions should include, on the US side, concrete efforts to revitalize the One China Policy, and, on the Chinese side, more convincing indications that *peaceful* unification with Taiwan remains a top priority. For example, Washington needs to reaffirm its long-standing stance that it remains open to any outcome for Taiwan, including unification, if attained peacefully, without coercion, and with the consent of people on both sides of the Taiwan Strait. For its part, Beijing should clearly state at the highest level that it has no timeline for unification and remains committed to pursuing it in a peaceful manner.

Two-Tier Dialogue

As suggested above, a key challenge for any dialogue is how to bridge the conceptual divide between crisis prevention and crisis management in the US–China relationship. As noted above, US officials tend to emphasize mechanisms designed to keep crises from escalating once they begin, while their Chinese counterparts often emphasize the need to address the underlying origins of crises in the first place in order to prevent them from occurring.

Although currently obstructive of in-depth crisis dialogues, these two perspectives should be treated as complementary functions rather than competing priorities. Effective crisis stability requires both types of activities.

One way to achieve this would be for the United States and China to create a two-tier civilian–military mediation structure: an upper tier focusing on national-level issues relating to broad strategy and the policy aspects of crisis prevention and management, and a lower one relating primarily to controlling and defusing potential political–military crises once they begin. The latter

would focus mainly on crisis management mechanisms (involving both defense and foreign policy agencies), and the former on policy solutions.

Coordination between the two tiers would take place on a regular basis via some overlapping membership and occasional joint meetings of the leading officials involved. Both would be supported by unofficial, informal Track 2 discussions to probe issues and provide suggestions to the official Track 1 dialogues. Such a two-tier structure could even be created in the United States unilaterally, as a mechanism for discussing the future shape and direction of crisis prevention and management efforts.

Agreed Guidelines and Discussion of Variables

Creating this two-tier structure will prove difficult and take considerable time, especially if it is bilateral. While holding discussions on such a structure (at the very least at the Track 2 level), Washington and Beijing should work on jointly endorsing a version of the above set of crisis prevention and management guidelines. These have already been agreed to in Track 2 discussions, and many have been broached in the US–China Track 1 Crisis Communication Working Group discussions between the Office of the Secretary of Defense and the OIMC. But no final agreement on the guidelines has yet been reached.⁸

In order to reach agreement at the Track 1 level on crisis guidelines, and in the process deal with the differences between the two sides regarding crisis prevention and management, there should be a discussion designed to reach a common understanding regarding three sets of issues:

- the most likely types of crises that could occur between the United States and China (i.e., over what issues, involving what interests);
- factors that would most contribute to causing and escalating a crisis;
- and factors that would most contribute to preventing and defusing a crisis.

Such a discussion could serve as a basis for evaluating and agreeing upon the specific utility of each of the proposed guidelines. This discussion should first take place at the Track 2 level, where such topics can be discussed more freely and flexibly, but understandings should eventually occur at the Track 1 level.

⁸ Personal communications with the author.

“Non-Conversation” Channel

In addition to the Track 1.5 or 2 dialogues, Beijing and Washington should consider establishing a “non-conversation” channel in which one or two key officials (or, ideally, former officials) on each side with close ties to their respective governments work to create a personal relationship of some trust in order to discuss sensitive matters in a frank, uncommitted manner.

Such a channel would be especially useful just prior to or during a crisis, when it could serve as a means of clarifying signals sent and received. This type of channel has in fact existed in the past and improved communication significantly during US–China tensions. In Track 1.5 dialogues, the idea was highly recommended by many former American and Chinese officials involved in past US–China crises, but no such channel exists today.

Crisis Management Advisory Group

To augment such a capability, the United States, ideally in tandem with China, should consider establishing a group of expert “crisis managers” trained in crisis management techniques and available to provide advice to top leaders prior to and during potential future crises. This group should nominally report to the National Security Council senior director for Asia in peacetime, and the national security advisor and/or deputy during a crisis.

“On a more formal basis, regular, institutionalized communication links between military operational units would be useful in crisis prevention and crisis management.”

Such managers could also serve on a continuous basis as the core of the above-mentioned Track 2 dialogues between former officials and experienced policy analysts and scholars on both sides. The main function of such dialogues should be collecting and sharing crisis-related information, conducting consultations on crisis management contingency plans, carrying out crisis scenario discussions and simulations, facilitating the use of the person-to-person channels mentioned above, and, most importantly, providing advice to decision-makers.

Regularized Links Between Military Units

On a more formal basis, regular, institutionalized communication links between military operational units would be useful in crisis prevention and crisis management. Examples of these types of links include a communication network linking relevant operational-level military units (e.g., PACOM and the PLA Joint Staff Department’s Operations Bureau), staffed and operating 24 hours/day. Such measures would not by themselves resolve the underlying political dispute over potential crises regarding, for example, Taiwan, but they could significantly improve both sides’ ability to manage dangerous interactions if a crisis were to emerge.

More Track 1, 1.5, and 2 Interactions

Finally, more sustained official Track 1, semiofficial Track 1.5, and unofficial-but-informed Track 2 forms of engagement are essential. As clearly indicated above, official military-to-military dialogues alone (such as the aforementioned US–China Crisis Communication Working Group meetings and the Military Maritime Consultative Agreement proceedings) are valuable but unlikely to be sufficient—especially under current political conditions—to greatly improve crisis prevention and management capabilities.

Unofficial and semiofficial settings can provide more flexibility for testing ideas, clarifying assumptions, and developing mutual understanding of how crises might unfold without conveying policy commitments. Over time, such discussions could improve the quality of official decision-making, reduce mistrust and catastrophizing, and increase the likelihood that both sides adopt more effective crisis mechanisms.

CONCLUSION

Recognizing the interactive dynamic driving both Washington and Beijing toward a potentially severe political–military crisis over Taiwan (or another issue of contention), and moderating that dynamic through a combination of credible deterrence *and reassurance* measures, are essential.

But those efforts could fail or prove inadequate, especially if the overall US–China relationship continues to deteriorate.

Given the real possibility of such an eventuality, the measures and approaches outlined above are imperative, if we wish to prevent a future crisis from turning into a full-blown US–China war with its attendant risk of nuclear conflict.

It is not enough to say, even if true, that both sides want to avoid war and recognize the importance of implementing measures to defuse future crises and 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 preventing and managing crises and preventing war.

In order to improve crisis prevention and management capabilities, the United States and China should hold extended discussions—initially at the Track 1.5 or Track 2 levels and then officially—to put in place a set of mechanisms that go well beyond the existing and narrow military-to-military, incident-avoiding agreements in place. These should include: a set of agreed-upon guidelines reflecting understandings of the major variables precipitating a serious political–military crisis and those influencing both crisis escalation and de-escalation, a long-term “non-conversation” channel between a few individuals with close ties to their respective governments, a crisis management advisory group, regularized links between operational military units, and, eventually, a two-tier crisis prevention and management dialogue structure.

Even in the absence of US–China agreements regarding these mechanisms, the United States should consider adopting crisis guidelines, creating a crisis management advisory group, and forming its own two-tier crisis dialogue structure to address ways to improve both crisis prevention and management.

Formulating reasonable and arguably overdue constructs to create greater safety margins against the potential for brinkmanship and miscalculation that could result in a direct superpower clash (with nuclear implications) should be treated as a top-tier foreign policy imperative. The risks of major power conflict have risen significantly in the last decade and continue to grow. Efforts described in this manual would be fully in line with the current administration’s efforts to reinject more strategic stability in US–China relations.

About the Author

Michael D. Swaine is a senior research fellow in the Quincy Institute's East Asia program. Before coming to Quincy in 2020 to form the institute's East Asia program, he worked at the Carnegie Endowment for International Peace for nearly 20 years as a senior fellow specializing in Chinese defense and foreign policy, US–China relations, and East Asian international relations. Before that, Swaine served as a senior policy analyst at the RAND Corporation.

He has authored and edited more than a dozen books and monographs, including *Interpreting China's Grand Strategy: Past, Present, and Future* (coauthored with Ashley Tellis, 2000); *Managing Sino–American Crises: Case Studies and Analysis* (coedited with Zhang Tuosheng, 2006); *America's Challenge: Engaging a Rising China in the Twenty-First Century* (2011); and “A Restraint Approach to US–China Relations: Reversing the Slide toward Crisis and Conflict” (with Andrew Bacevich, 2023).

For nearly two decades, Swaine directed, along with Iain Johnston of Harvard University, a multiyear crisis prevention project with Chinese partners.

Swaine received his doctorate in government from Harvard University and his bachelor's degree from The George Washington University. He speaks Mandarin and Japanese.

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