Rethinking China

by George Friedman - November 17, 2025

A few weeks ago, I cited the dismissal of nine senior generals from the People's Liberation Army by Chinese President Xi Jinping as potential evidence that Xi's health was deteriorating – as had been rumored in Chinese and, in time, global media. I had considered that the emergence of Xi's health issues might have been a justification for removing him from office and that the generals were ousted to block the coup. In a country as opaque as China, things like this can be indicative of major internal crises.

Subsequent developments suggest something very different. The purge of the generals was followed by the unexplained dismissal of senior admirals in the Chinese navy. If they were sacked because of their suspected participation in a coup, that means the conspiracy would be so widespread that it would be impossible to keep secret. This is difficult to imagine, as is the degree of carelessness military leaders would demonstrate in talking too much about a coup. And a military that loses most of its senior commanders in a short time is not going to be effective in the event of war.

My new theory is that the purges relate to changes in China's Taiwan policy. Last week, the U.S. embassy invited Cheng Li-wun, the leader of the opposition Kuomintang political party, to visit Washington. Some consider her to be pro-China, while others see her as merely less hostile than the governing party to China. The United States has supported the Democratic Progressive Party-led government, which is committed to independence rather than accommodation with China, and is generally seen as more U.S.-friendly. Its stance toward Beijing is somewhere between wary and hostile. That makes a visit by the leader of the Kuomintang very interesting – doubly so since Taiwan's president hasn't been to the U.S. since his scheduled meeting in July was scrapped.

The invitation came after a meeting between U.S. President Donald Trump and Xi, from which some other interesting things emerged. Trump has demanded that nations not buy Russian oil on pain of significant tariff increases. Usually, China would have rejected that demand, but this time, it didn't – not exactly. Though Beijing did not publicly say it would comply, two of the country's largest oil companies announced they would stop buying Russian oil. So while there was not a total boycott on Russian oil purchases, there was a significant reduction. Whether the companies honor the pledge is less important than the fact that Beijing has publicly let it be known that it will meet Washington's demands.

There is another fact to consider. Domestic Chinese economic investment declined by 11 percent in October. Economies grow when they generate enough surplus capital for domestic investment. The decline in the availability of capital, which had been decreasing only modestly before October, is an indicator of declining economic growth. Some even say it's a sign of a coming contraction. A decrease in exports to the U.S. has surely had a significant impact on China's economy, and the decision to reduce purchases of Russian oil must be seen as a concession.

Meanwhile, as I have discussed before, there has been a reduction in Chinese naval exercises in recent months and an absence of the kinds of blockade exercises the navy usually carries out around Taiwan. The U.S. cannot afford to be dependent on China for imports of goods, particularly not components necessary for its own industrial production, and especially not if there is a possibility of military engagement. The economic and military aspects of their relationship must align. China has signaled a desire for accommodation, which the decline in investment all but necessitates.

Taiwan is a pivot of U.S.-Chinese military relations. Apart from the fact that China claims Taiwan as its own, the island nation holds a strategic position in the string of islands from Papua New Guinea to Japan that divides China from the Pacific Ocean. This chain creates relatively narrow channels through which the Chinese navy can enter the Pacific. Given the presence of U.S. bases and naval deployments throughout these islands, this is a strategic problem for China because it opens the door to the possibility of a U.S. blockade. This is a highly unlikely event for a number of reasons. But the mere possibility is a threat to China, to say nothing of how it would affect Beijing's wartime footing.

Neither China nor the U.S. has an interest in undertaking military action against the other, especially in the absence of guaranteed success. Given the economic reality that undergirds their relationship, a hostile military engagement is irrational for both sides. Maintaining hostile military relations means that the U.S. must limit its economic dependence on China (i.e., imports). It's become clear how difficult that is in practice. Military accommodation seems imperative for Beijing and of great importance to Washington. An accommodation requires mutual trust based not on honesty but on military and economic necessity. Necessity is what builds trust, and China and the U.S. seem to have acknowledged as much. Accommodation also requires a radical shift in military posture and strategy. For the U.S., China is a real threat but only one aspect of its global interests. For China, the threat posed by the U.S. is the foundation on which its military strategy was built, and thus permeates the thinking of its senior-most military leadership. Commanders who have spent their careers developing capabilities and strategies based on a possible war with the U.S. will struggle to adapt to a new geopolitical reality and will likely oppose it as the recklessness of civilian politicians. This may help to explain the recent purges in the Chinese military.

The impact of a potential accommodation on Russia should also be noted. China has no great interest in Russia. Aside from some arms sales, it hasn't supported Russia's war in Ukraine. Their history is marked not by cooperation but by animosity. An accommodation would put Moscow in a difficult position.

This theory is predicated on the (admittedly thin) evidence of military purges and the visit of a Taiwanese politician to Washington. Yet the geopolitical realities in play make this a plausible explanation. Neither China nor the United States can afford a war with the other, and both need an economic relationship. Flexibility is essential in geopolitics – and in geopolitical analysis.

Author: George Friedman

Read more from this author on geopoliticalfutures.com

