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Discussion Paper
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A European Role in Cross-Strait Relations?¹

by

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The Main Features of Europe's China and Taiwan Policy

Before contemplating a possible role for the European Union to play in relations across the Taiwan Strait, it is necessary to keep in mind the following:

1. The EU: An Atypical Political Animal

- The EU is a political entity under construction, at best a confederation of nation-states. Its common foreign and security policy (CFSP) is also in a process of development and will remain non-comprehensive since member-states, and in particular the major ones, such as France, Germany or the United Kingdom, will keep important powers in this realm.

- The EU is far from being united on foreign, security and defence issues. Noticeable differences can be perceived among member-states. Support or opposition to the US-led war in Iraq was the most blatant recent illustration of these differences. However, conflicting interests have emerged on other international questions. As far as China is concerned, the decision to lift the arms embargo imposed after Tiananmen in 1989 has been a divisive issue since late 2003; opposing on the one hand a group of countries led by France and Germany pushing for such a lifting to another one, larger, in which concerns about security and relations with the United States (UK) competed and concurred with preoccupations about persistent and grave human rights infringements in China (The Netherlands, Denmark, Sweden, etc.).

- This means that in order to be efficient and credible, any EU diplomatic initiative has to be first discussed and supported by its key members-states, at least France, Germany and the UK, and probably also Italy, Spain and Poland. This working principle also applies to any initiative on the Taiwan Strait.

2. China: A Priority for the EU's Common Foreign and Security Policy

- Since 1998, not less than three long policy documents (1998, 2001 and 2003) have been published by the European Commission, defining the EU's main political and economic agenda vis-à-vis China (and five since 1995).

- In 1998, the EU Commission decided to build a "comprehensive partnership" with China, acceding in so doing to Beijing's wish since the mid-1990s to establish "partnerships", or privileged, economically cooperative and politically non-confrontational relations, with key nations. This partnership includes a multi-faceted programme of economic, scientific and technological, educational and legal cooperation. In particular, this programme is aimed at strengthening bilateral political contacts and trade relations as well as better controlling pollution, alleviating poverty and favouring the establishment of a modern government system ruled by law in China. In 2003, the EU commission went even further and stated that "the EU and China have an ever-greater interest to work together as *strategic partners* to safeguard and promote sustainable

development, peace and stability”². This policy has received support from the Beijing authorities who themselves made public in October 2003 an unprecedented official policy document regarding their relationship with the EU.

- While trade relations between the EU and China are booming, they have become more dramatically unbalanced. China is today the EU’s second trade partner and the EU is China’s first trade partner mainly because of the rapid increase of Chinese exports. In other words, the EU is enduring a widening trade deficit with China – probably over 100 billion Euros or US\$120 billion in 2005 – that tends to put the former in a similar position as the US (nearly a US\$200 billion deficit) vis-à-vis the latter.

- For over twenty years, the EU has provided China with increasing development aid. Amounting to US\$400 million for the period 1983-2000, this aid has probably reached US\$2.5 billion for 2001-2005. A substantial part of this aid is invested in legal reforms and experiments in local democracy in spite of the fact that Jiang Zemin and then Hu Jintao’s regime has repeatedly made clear that democracy was a “dead-end” for China.

- The EU does not shoulder any responsibility in the preservation of the security and stability in the Asia-Pacific region. Having said this, by selling weapons or sensitive technologies to China or Taiwan, the EU can exert some influence on the military balance in this part of the world. In the late 80s and early 90s, France supplied Taiwan with some weapons but this came to an end in 1994. Although some EU countries have sold some non-lethal armaments to China in the last few years, these transfers, which were not covered by the embargo, have so far remained limited.

3. The EU’s China policy and Relations across the Taiwan Strait

There are many similarities between US and EU policies regarding the Taiwan Strait. Though some member-states, such as France, have been tempted to depart from the EU’s CFSP on this issue, they have not been able to change it. The opposition expressed by some other member-states (UK, Denmark, the Czech Republic, Poland) as well as the EU Parliament or even the European public opinion have probably contributed to stabilising the EU’s Taiwan policy.

As the US, the EU has only diplomatic relations with China and has established non-official governmental links with Taiwan. In similar fashion to the US, in the last decade or so, the EU has upgraded its relations with Taiwan. In 2003 the EU opened a full (non-official) representation in Taipei, following in so-doing a new attitude towards Taiwan adopted by most EU member-states since the early 90s, including France.

Though it has maintained “a one China policy”, the EU has constantly advocated a “peaceful resolution” of the differences between Beijing and Taipei, and does not support Beijing’s *peaceful unification* policy as such. In other words, as the US,

² All italics are ours.

the EU would not welcome a solution that would not be acceptable to the Taiwanese.

It is true that sometimes the French and German authorities have expressed publicly that Taiwan's only option in the future would be to accept a unification solution very similar to Deng Xiaoping's "one country-two systems" formula³. It is also clear that major EU states — such as France, Germany and even to some extent the United Kingdom — have been pro-active in preventing Taiwanese leaders from visiting the EU, while Washington has repeatedly allowed president Chen Shui-bian to transit through the United States since his election in 2000.

However, these differences should not be exaggerated. Public statements can vary in particular, on a country as remote as China and/or when they are made by ill-briefed or contract-hungry European national leaders who are moreover easily fascinated and convinced by their Chinese counterparts. The core EU consensus on the Taiwan Strait is: 1) one China policy (and not principle) and 2) peaceful resolution: 3) status quo in the Strait (whatever that implies).

For these latter reasons, the EU cannot ignore the growing arms race and military tension in the Taiwan Strait⁴. China's threat to use force against Taiwan has not diminished, as the anti-secession law passed in March 2005 has underlined. The promulgation of this law has had a direct impact on freezing and postponing *sine die* any lifting of the EU arms embargo towards China. And Beijing remains opposed to opening any talks without preconditions with the Chen Shui-bian government. The EU acknowledges that this attitude is not helpful and that negotiations should be in one way or another initiated in order to alleviate tension and possibly establish confidence-building or, to be more accurate, security reassurance measures across the Strait. The EU also favours the rapid opening of direct air and sea links between both sides.

Besides, while the EU Commission or Council of Ministers have always distanced themselves from the resolutions adopted by the European Parliament denouncing China's military intimidation of Taiwan and supporting the consolidation of the island's democracy and its international status, they cannot totally ignore them.

Finally, EU public opinion and opinion leaders have remained (or become) deeply concerned about China's highly authoritarian regime, growing

³ For instance, when visiting China in December 2003, German Chancellor Gerhard Schroeder not only reasserted that his country would continue not to sell any "sensitive materials" (weapons) to Taiwan but also compared China's division to Germany's before 1990 as if Taiwan had much in common with the now-defunct German Democratic Republic. When visiting China in April 2005, French Premier Jean-Pierre Raffarin declared that the "anti-secession law" that the Chinese Parliament had adopted a month earlier was "compatible with France 'one China' policy" and recognized that the "one country, two systems" formula was the most appropriate for solving the Taiwan issue, making public a view unfortunately shared by most French diplomats posted in Peking.

⁴ Peking has added 70 to 100 new missiles targeted against Taiwan every year (around 700 in 2005) and has rapidly modernized its military power to project forces across the Strait.

environmental hazards, increasing social unrest, rapid modernisation and the opacity of its armed forces as well as its concentration of forces against Taiwan⁵. The EU media's reaction to the adoption by a rubber-stamp Parliament, without any public and democratic political debate, of the anti-secession law legalising in article 8 the use of force – or in other words, the possible killing of many Taiwanese (and Chinese) to achieve a national goal – has been, on the whole, very negative adding pressure on EU member-states and authorities.

This means that any use of force by China in the Taiwan Strait, whatever the reasons are, would be perceived very negatively by the EU and would probably compel the EU to ostracise China again, but probably longer and more seriously than in 1989.

In other words, the tension in the Taiwan Strait casts a lingering shadow not only on the lifting of the arms embargo but also on EU-China relations as a whole.

Clearly, the EU has opted for “quiet diplomacy” vis-à-vis China, be it on human rights, the democratisation of the political system or on Taiwan. Its main objective has been to set up high level dialogue with this country, as crucial as the one it has entertained with the US or Russia for many years. To some extent, the EU's China policy appears as the smaller common denominator in its member-states' own China policy. Nevertheless, this common denominator is not negligible, less so than on closer and more sensitive issues such as Turkey or the Balkans for instance. The EU has developed a common policy on China in many areas, such as trade, economic cooperation and culture. It has negotiated as a single market entity China's accession to the World Trade Organization (WTO) and although it must often balance conflicting interests within the Union (such as on textile and clothes) it has remained its member-states' main trade negotiator with China. At a political level, all EU members have felt the necessity to set up a direct and institutionalized dialogue channel with Asia (the ASEM) and China (the EU-China annual summits). In spite of some disagreements, on the arms embargo issue as on the Taiwan Strait, the EU has managed to adopt a policy that integrates its close strategic connection with the US and hence takes into account this country's interests in the Asia-Pacific region. In other words, the EU has developed a relationship with China that is both specific and strategically connected to the US's own China policy.

In such circumstances, what role can the EU play in the relations across the Taiwan Strait?

What Role Can the EU Play in Cross-Strait Relations?

- Because it is an atypical political animal, the EU can first of all offer both Beijing and Taipei an institutional toolbox that may help them overcome their

⁵ One can speculate that the EU public opinion's main concern regarding China is becoming its widening trade surplus and the direct impact of this country's economic take off on the job situation in Europe. But this new perception does not contradict the concerns listed above.

profound and unsolvable sovereignty dispute. Both capitals have demonstrated a growing interest in the EU construction and are contemplating applying some of its mechanisms to the region and cross-Strait relations⁶.

- But can the EU be more than a “passive mediator” and play a more active role in solving the Taiwan dispute?

Objections to a more active role on the part of the EU abound. Taiwan is considered by China as part of its domestic affairs and Beijing suspects any outside intervention as being inspired by “neo-colonialist” or “imperialist” motivations. The EU does not have much expertise in the Far East since it is far down the list of EU priorities despite growing trade. Its claim to have a say in Asian affairs therefore remains far from being accepted (cf. North Korea).

However, both sides of the Taiwan Strait have shown a willingness to look for a new and specific political solution that, on the mainland, would mean gradually moving away from Deng Xiaoping’s “one country, two systems” formula and, in Taiwan, would amount to accepting some sort of long-term “political integration” with China.

Being uninvolved in Taiwan’s security, the EU can be perceived by Beijing as a more independent and even-handed actor in any settlement of the Taiwan issue. As an indication of this, since 2002, China has been interested in opening a “second track” dialogue not only with the US and Japan but also with Europe’s experts on Taiwan. Similarly, buying around 16% of its exports, the EU is a key economic partner for Taiwan. The EU has also acquired genuine political capital on the island that could help it to play a more active role.

Of course, the EU has to remain both cautious and conscious of China’s intentions: wooing the EU on its side, in order to weaken the US (and Japan) influence as well as to isolate Taiwan in any future settlement of the Cross-Strait issue. However, if EU initiatives are coordinated with the US, the US may be interested in letting the EU become more active on this issue (this is not the case now, a true obstacle to the present exercise).

Moreover, the EU has to remain aware that none of its member-states can individually play a significant role in the China-Taiwan equation. If a member-state takes an initiative separately that touches upon any issue affecting cross-

⁶ Proposals made by Taiwanese scholar Chang Ya-chung or European scholars such as Gunter Schubert or Steve Tsang have developed this idea of supranational union, or what Chang calls *Zhengge Zhongguo* (the whole China) or *yiZhong liangguo* (one China, two states) that have partly inspired the following development. Cf. Chang Ya -chung, *Liang'an tonghe lun* (About Integration Across the Taiwan Strait), Taipei, Shengzhi wenhua, 2000. Gunter Schubert, “How to Intervene as a Third Party? The European Union and Cross-Strait Relations”, Paper presented at the 19th Sino-European Conference, Taipei, 22-23 October 2002; Steve Tsang, “Finding a Sustainable Basis for Peace in the Taiwan Strait”, a conference on China-Europe Relations and the Taiwan Issue, Shanghai, 31 October –1 November 2002, later published in *American Asian Review*, Vol. 40, No. 2, Winter 2002, pp. 65-82.

Strait relations (arms sales, ban of Taiwanese ministers' visits, statements that do not correspond to the EU core policy), its position will be weakened on one side of the Strait and immediately exploited on the other side. Conversely, the combined weight of all member-states is far from being negligible, provided that EU initiatives are pushed forward in coordination with every national government and sustained.

Finally, the EU must remain conscious that outside parties can only indirectly "accompany" the peace process. In this respect, the US role is ambiguous: it has remained the major factor preventing war by its de facto commitment to Taiwan's security. However, the US's multiple and heavy regional responsibilities, its strategic competition with China, its close links with Taiwan as well as the greater importance of the China-Taiwan issue in its domestic political debate, all these factors narrow the US's room for manoeuvre. For instance, the six assurances given to Taipei in July 1982 could prevent Washington from being more than a "fireman" and playing a genuinely active role, even as "facilitator", in building peace in the Strait.

This is to say that in any case, the EU's contribution to peace in the Taiwan Strait will be a modest and indirect one, and should be mainly aimed at increasing mutual confidence between Beijing and Taipei.

- The EU's contribution, once again, should not be launched in opposition to the US's interests and responsibilities in the Asia-Pacific region. It should, on the contrary be based on the idea that the US's strategic presence there is a stabilising one.

- The EU should convince both sides to show creativity and move beyond the past and contending frameworks (one country, two systems, on one side; a fully independent nation-state without specific relation with China on the other). Creativity and flexibility should be the basic principles of any political construction across the Taiwan Strait, using the European Community or Union only as a reference.

- In other words, the EU must accept an educational responsibility: convincing both Beijing and Taipei to "confront peace". For Taiwan this means, better comprehend China's unification quest and for China, better assimilate Taiwan's vision of its own history and identity. Both sides should move from a zero-sum bargaining approach to an approach that, aware of plying on un-chartered waters, they can embrace creativity and invent a new institutional framework.

- There is a lot of symbolism in this task but symbolism (national flag, emblem and anthem, etc.) and politics have been closely linked to each other since the very beginning of the cross-Strait dispute. What both parties should eventually accept is that the very process of dialogue across the Strait, which they hopefully one day will open, is conducive to changing their respective perception of the other party as well as their past, their identity and future.

- Building peace in other words, is a task that includes much labour on the structural, relational and cultural features that determine the nature of a given conflict⁷. In the China-Taiwan case, this work concentrates on the institutions that can be built as well as the respective representations of collective memory and psycho-social apprehensions of “national sovereignty”.

Recommendations

- The “one China policy” should be maintained. At the same time, the EU and its members-states should become more aware, on the one hand, of the diplomatic fiction on which this policy is based, and on the other hand, of the changing interpretation of “one China” that have been given by Beijing and Taipei in the last decade or so. It should also encourage both parties to move towards a more EU-like definition of “one China”, a supra-national umbrella. In its bilateral talks, Beijing no longer asks Taipei to acknowledge that Taiwan is part of the People’s Republic of China as such and conversely the Taiwanese authorities do not plan to move Taiwan outside of the Republic of China.

- The EU should express its opposition more firmly to any resort to force in the Strait, irrespective of the circumstances. Any use of force by one side should be presented as questioning the very foundations of the EU’s “one China policy” and stable economic and trade relations with China and Taiwan.

- The EU should encourage Taiwan leaders to avoid hostile statements, to favour the development of people-to-people relations across the Strait and cultivate the Chinese elites that are the most open to a creative solution of the dispute. In other words, the Taiwanese government should communicate better with China. This would help the EU to grant Taiwan a better symbolic treatment.

- The EU should be aware that this conflict opposes very uneven powers, namely militarily, economically and diplomatically. The EU should probably find discreet or non-official ways to balance this inequality because the formal equal footing of both Beijing and Taipei’s status in any future negotiation is a key factor to any success in this negotiation.

- The equality principle in the talks has already been approved by both Beijing and Taipei. The EU should support this principle more openly and encourage both sides to continue to abide by it once a (interim) compromise is reached as well as accepting its international (and diplomatic) implications. In other words, at one stage, China should be encouraged to revise its *neiwai fenbie* principle (separate domestic and international features of the Taiwan issue).

- This equality principle is crucial because it encompasses the idea that no solution unacceptable to the majority of the Taiwanese society can be imposed

⁷ Cf. for example: J. Galtung, *Peace by Peaceful Means*, London, Sarge, 1996; Hugh Miali, Oliver Ramsbotham, & Tom Woodhouse, *Contemporary Conflict Resolution*, Cambridge, Polity Press, 1999.

upon the island, no matter how strong the political consensus on the mainland must be.

- In consequence, even if, for diplomatic reasons, the arms embargo towards China is lifted, the EU should refrain from selling weapons and dual technologies to this country which would enhance its military capability and in particular its ability to project forces across the Taiwan Strait. This means that the code of conduct that is being put into place should not only be restricted to lethal weapons (such is the case of the current embargo) but also include non-lethal weapons and sensitive dual-technologies.

- The EU should not only monitor the modernisation effort of the People's Liberation Army more closely and it should do so independently. It should set up its own task force to this goal and become less dependent upon US or Taiwanese sources of information on this matter. At the same time, it should put more pressure on China to gradually dismantle its increasing number of missiles pointed at Taiwan and demilitarise the areas around the Taiwan Strait, a demilitarisation that was initiated in the 1980s but interrupted after Tiananmen and the beginning of Taiwan's democratisation.

- In order to achieve this goal, the EU should encourage both China and Taiwan to exchange "security reassurances": no-use of force on the one hand, in exchange for no-declaration of independence, on the other⁸.

- At the same time, the EU must be more attentive to collective perceptions of national identity both in China and in Taiwan. Chinese nationalism will remain a constant constraint on any settlement of the cross-Strait issue. The EU should both recognise and respect it, in giving China the status it deserves in international affairs. But it should also be more vigilant in condemning its intolerant, undemocratic and racist dimensions whenever they appear (as in the anti-Japanese demonstrations of the spring 2005). Conversely, Taiwan identity and national-building process cannot be ignored either. But the EU should also distance itself from and more publicly object to any Taiwanese nationalism that discriminates against one particular group of the society (in particular against the so-called Mainlanders and their Taiwan-born children).

- The EU can play a part in bringing together both China and Taiwan social scientists and later opinion leaders to discuss the differing understanding of nationalism. In spite of their differences, both China and Taiwan nationalisms should be de-isolated and they should learn to exist together, side by side.

- In other words, being the cradle of modern nationalism and nationalist wars, the EU can help both China and Taiwan to recognise and comprehend the existence of one another.

⁸ This proposal is similar to the one made by a number of US experts, including David Lampton & Kenneth Lieberthal, "Heading Off the Next War", *The Washington Post*, 12 April 2004, p. A19.

- The EU should continue to convince Beijing to accept an ad hoc representation of Taipei in international organisation, such as the World Health Organisation. Similarly, it should adopt a more flexible policy regarding the visit of Taiwanese government officials to Europe, and bring this policy in line with the one implemented by the US or Japan.

- In order to carry out these recommendations, EU member-states should hold more regular and institutionalise consultations on China and cross-Strait relations. Simultaneously, the EU commission and council of ministers should better coordinate their policy with the EU Parliament. The former does not have to agree with the latter on every issue related to the Taiwan Strait, but further consultations would allow more agreement on the core issues, which in turn would strengthen the future EU role in any settlement of this issue.

- The EU should favour the establishment of a second-track tripartite dialogue among EU, China and Taiwan experts, which would gradually move towards a one-and-a-half-track dialogue, facilitating in so-doing, multi-facet political dialogue across the Strait.

- Finally, the EU's coordination on this issue with the US and Japan will remain vital. In fact, it is in better understanding China and Taiwan's regional strategic and economic environment that the EU can play a more efficient and more credible role in the Taiwan Strait. Second track and government consultations among the EU, the US and Japan on this issue should be stimulated, and at some stage include participation from both China and Taiwan.

Conclusion

Who can pretend that negotiated peace can be easily achieved in the Taiwan Strait? The basic causes of this conflict more than half-a-century old, will continue to constrain any agreement, be it a provisional or a definitive one. However, constant efforts and pressure from various parts, including from the EU, in favour of the resumption of talks across the Strait can contribute to preventing a future crisis from erupting. Conversely, if the EU shows weakness and divisions on this dispute, it will feed both sides' temptation to destabilise the situation and increase the risks of crisis, and perhaps war. In consequence, if the EU wants to flesh out its CFSP and boost its international responsibilities, the Taiwan Strait offers an important and useful terrain.