

China-Taiwan Relations and the EU: How European Soft Power Could Help Reduce Cross-Strait Tensions

by Nicola Casarini

Russia's war against Ukraine has brought back to the spotlight the question of China's (officially the People's Republic of China, PRC) potential attack on Taiwan (officially the Republic of China, ROC). Beijing claims that the island is one of its provinces, whereas the current Taiwanese government maintains that it is already an independent country. A conflict over Taiwan – or even a Chinese blockade of the island – would have immediate economic and political implications for Europe which will likely impose sanctions on the PRC, the EU's second-largest trading partner.¹ The EU is not a security actor in East Asia, but has some formidable – and unique – soft power assets that could be leveraged to promote dialogue and understanding between China and Taiwan, with the objective of reducing tensions in the area and maintaining the status quo.

¹ Niklas Swanström, Agust Börjesson and Yi-Chieh Chen (eds), "Why Taiwan Matters to Europe", in *ISDP Special Papers*, May 2024, <https://www.isdp.eu/publication/why-taiwan-matters-to-europe>.

In search of a thaw in Cross-Strait relations

Cross-Strait relations – the relations between the PRC and ROC – have worsened in recent years.² Official lines of communication have been interrupted. Travel links between the two countries were frequent before the Covid-19 pandemic era – but no longer. Many Taiwanese are now avoiding the mainland, though they can still enter there by showing their identity card (the Taiwanese passport is not recognised by the PRC), while for many Chinese citizens it is almost impossible to travel to Taiwan for work, study or even tourism. A wall has been erected between the two sides, and each blames the other for this situation.

On 20 May 2024, Lai Ching-te, also known as William Lai, who won the

² Lindsay Maizland, "Why China-Taiwan Relations Are So Tense", in *CFR Backgrounders*, 8 February 2024, <https://www.cfr.org/node/227980>.

Nicola Casarini is Associate Fellow at the Istituto Affari Internazionali (IAI) and Taiwan Fellowship Program Visiting Scholar at the EU Centre, National Taiwan University, Taipei.

presidential election in January, will inaugurate his Presidency. As a member of the Democratic Progressive Party (DPP) and vice-president under Tsai Ing-wen – the first female president of the country in power from 2016 to 2024 – Lai is known for his pro-independence stance. No wonder that his election has been met with uneasiness by Chinese leaders who were betting on the victory of the Kuomintang (KMT – or Guomindang, the Chinese Nationalist Party), a conservative party whose origin goes back to the establishment of the ROC and that traditionally seeks to promote dialogue and reconciliation with the mainland.

In the last parliamentary elections also held in January, the KMT won 52 seats, making it the largest single party in the Legislative Yuan (Taiwan's Parliament). The DPP, having won 51 seats, declined to the second largest party while the Taiwan People's Party (TPP) – a recently created centre-left political force – ranked third with eight seats. In other words, while DPP candidate William Lai won the presidential race, his party failed to obtain the majority in a Parliament now controlled by the opposition. Thus, many analysts have suggested that while the Taiwanese continue to support the DPP pro-independence position, they also want to de-escalate tensions with China – hence the slight majority given to the KMT.³

³ Brian Hart et al., "Taiwan's 2024 Elections: Results and Implications", in *CSIS Critical Questions*, 19 January 2024, <https://www.csis.org/node/108968>.

On the other side of the Strait, the PRC's leadership seems to recognise that it can no longer use economics to bring about unification and that the so-called 'one country, two systems' approach, after its failure in Hong Kong and the clear hostility toward it in Taiwan, no longer works. Although the possibility of an invasion of the island remains, it entails serious risks for the Chinese leadership, as the US and its allies would likely impose harsh sanctions on China. An economic downturn would undermine the legitimacy of the Chinese Communist Party (CCP), particularly among the urban middle classes: having enjoyed rising standards of living in recent decades, the latter have then become the staunchest supporters of the Chinese regime – but they have much to lose from a war. The survival of the party is the top priority in Beijing, thus reunification with Taiwan by force can wait for the moment. In the meantime, President Xi Jinping has allegedly tasked Wang Huning, a member of the powerful CCP Politburo Standing Committee and the CCP's 'chief ideologue' as well as China's most senior official in charge of Taiwan's policy, to come up with a new framework for unification.⁴

A new CCP approach to Taiwan seems to be emerging, one that emphasises "shared roots" – as seen during the meeting between Xi and former Taiwanese President Ma Ying-jeou on 10 April 2024. On that occasion, Xi

⁴ John Dotson, "Wang Huning's First Year Supervising the United Front System: Taiwan Policy and Discourse", in *Global Taiwan Brief*, Vol. 9, No. 1 (January 2024), p. 8-11, <https://globaltaiwan.org/?p=25078>.

declared that “nobody can stop family reunion” with Taiwan, highlighting the importance of common history and culture between the two sides.⁵ A similar tone was used at the end of April, when a delegation of 17 KMT lawmakers went to Beijing to meet Wang Huning in what was called an “ice breaker trip”.⁶ Yet, during the discussions between the two sides, more than 30 People’s Liberation Army military aircraft were detected near Taiwan – one of the highest daily incursions in 2024, signalling that Beijing, while wanting to reset ties with Taiwan, continues however to maintain pressure over the island.

In the current tense situation, it is not only the KMT which seeks dialogue with Beijing. President Lai has also repeatedly expressed his hope to re-establish communication with Beijing, based on equality and mutual respect. During the electoral campaign, Lai even said he hoped to meet with Xi Jinping over beef noodles and bubble tea.⁷

As both China and Taiwan seek a thaw in their bilateral relations, it could be a perfect time for the EU to step up its involvement in Cross-

Strait affairs to see whether dialogue and understanding can be increased, and tensions defused. The EU is not perceived as a threatening force and its image in East Asia is that of, mainly, a civilian and soft power actor. The EU could thus act as a facilitator of dialogue in a way that other major players cannot.

Think trilateral: China-EU-Taiwan

European governments continue to officially abide by the “One China” policy – that is, the acknowledgement of Beijing’s position that there is only one Chinese government. Under this policy, the EU and its member states recognise and have formal ties with the PRC rather than Taiwan. In practice, however, EU institutions and European governments are treating Taiwan as a “de facto” independent state with which they are entitled to entertain economic and political relations.⁸

The European Parliament is leading efforts aimed at upgrading relations with Taiwan. In December 2023, EU lawmakers unanimously passed a resolution on promoting EU-Taiwan trade and investment ties, calling for peace and stability across the Taiwan Strait and oppose any unilateral changes to the status quo by force.⁹ European lawmakers – both at the

⁵ “China’s Xi Says Nobody Can Stop ‘Family Reunion’ with Taiwan”, in *Reuters*, 10 April 2024, <https://www.reuters.com/world/asia-pacific/chinese-president-xi-meets-former-taiwan-president-ma-beijing-2024-04-10>.

⁶ “KMT Lawmakers’ Trip to China Receives Mixed Responses in Taiwan”, in *Focus Taiwan*, 29 April 2024, <https://focustaiwan.tw/politics/202404290022>.

⁷ Courtney Donovan Smith, “Could China Employ an Insidious Boiled Frog Approach to Improve Taiwan Ties?”, in *Taipei Times*, 14 May 2024, <https://www.taipeitimes.com/News/feat/archives/2024/05/14/2003817824>.

⁸ Nicola Casarini, “Brussels-Taipei: Changing the Game?”, in *IAI Commentaries*, No. 22|43 (September 2022), p. 1, <https://www.iai.it/en/node/16049>.

⁹ European Parliament, *Resolution of 13 December 2023 on EU-Taiwan Trade and Investment Relations*, https://www.europarl.europa.eu/doceo/document/TA-9-2023-0472_EN.html.

national and EU levels – continue to travel to the island to show support for Taiwan. Many EU member states regularly send government delegations notwithstanding criticism from Beijing.

The Europeans, however, tend to avoid being confrontational vis-à-vis Beijing when it comes to Taiwan, contrary to the United States which does not shy away from openly provoking China. The EU has little real leverage on both Beijing and Washington regarding Cross-Strait relations. While the maintenance of the status-quo is in the long-term interest of the EU, the defence of the island from an attack – or blockade – from the mainland is left to the care of the US and its Asian allies. What the EU can instead do is to leverage its soft power assets in the region.

The Jean Monnet Centres of Excellence scattered in many countries, including in China and Taiwan, are an asset that Brussels could use to promote dialogue and understanding between the two sides of the Strait. These centres are focal points of competence and knowledge on EU issues.¹⁰ Managed by the European Commission, but with close links with the EU Delegation in the host country, they aim to promote knowledge of the EU, its policies and values, through academic research, partnerships and programmes of public activities. Until last year, Chinese and Taiwanese scholars working at the Jean Monnet Centres of Excellence

¹⁰ For more information see the Erasmus+ website: Jean Monnet Centres of Excellence, <https://erasmus-plus.ec.europa.eu/node/515>.

in their respective countries regularly met to discuss – using the Chinese language – issues related to the EU, its history of reconciliation and the process of European integration. This year, due to heightened tensions, no such meeting is planned. It would be in the strategic interest of the EU to step in and facilitate such a meeting among EU experts located on the two sides of the Taiwan Strait. And should such meeting be impossible to be held in either China or Taiwan for political reasons, the EU should offer to host it in Singapore, where there is a very active EU Centre.

It would not be the first time that the EU Centres would be leveraged by the EU to promote the reasons of dialogue and mutual understanding in the region. For instance, the EU delegation in Seoul has consistently backed the Trilateral Cooperation process, a consultative mechanism which involves China-Japan-South Korea, by supporting, both politically and financially, various workshops and initiatives organised for young students with the aim of promoting mutual understanding and the sense of friendship among future leaders of the three countries. These activities are often supported by – and held at – the Jean Monnet Centres of Excellence located in the three North-East Asian nations.

Recent developments inside China and Taiwan should thus invite the EU to consider doing something similar in the context of Cross-Strait relations. The EU should seriously start thinking ‘trilateral’: China-EU-Taiwan, finding ways to facilitate dialogue between

China-Taiwan Relations and the EU: How European Soft Power Could Help Reduce Cross-Strait Tensions

Chinese and Taiwanese experts of the EU. A concrete step in this direction could be the establishment of a Think Tank Forum on China-EU-Taiwan relations. By keeping it at the level of scholars and by focusing on EU studies (avoiding, at least officially, sensitive issues) it may overcome resistance from various quarters. By doing that, the EU would make strategic use of some of its soft power capabilities. With little investment in terms of time and resources, it may contribute to dialogue and understanding in a region where, should tensions spiral out of control, the result could be very damaging not only for the EU, but for the entire world.

15 May 2024

Istituto Affari Internazionali (IAI)

The Istituto Affari Internazionali (IAI) is a private, independent non-profit think tank, founded in 1965 on the initiative of Altiero Spinelli. IAI seeks to promote awareness of international politics and to contribute to the advancement of European integration and multilateral cooperation. Its focus embraces topics of strategic relevance such as European integration, security and defence, international economics and global governance, energy, climate and Italian foreign policy; as well as the dynamics of cooperation and conflict in key geographical regions such as the Mediterranean and Middle East, Asia, Eurasia, Africa and the Americas. IAI publishes an English-language quarterly (*The International Spectator*), an online webzine (*AffarInternazionali*), two book series (*Trends and Perspectives in International Politics* and *IAI Research Studies*) and some papers' series related to IAI research projects (*Documenti IAI*, *IAI Papers*, etc.).

Via dei Montecatini, 17

I-00186 Rome, Italy

Tel. +39 066976831

iai@iai.it

www.iai.it

Latest IAI COMMENTARIES

Editor: Leo Goretti (l.goretti@iai.it)

- 24 | 21 Nicola Casarini, *China-Taiwan Relations and the EU: How European Soft Power Could Help Reduce Cross-Strait Tensions*
- 24 | 20 Alessio Sangiorgio, *Civil Society and the Energy Transition: Fostering Multi-Stakeholder Dialogue in Germany and Italy*
- 24 | 19 Tommaso Luisari, *The New European Defence Industrial Strategy: A Political Matter*
- 24 | 18 Irene Paviotti, *Public Opinion and Development Policy: Alignment Needed*
- 24 | 17 Giulio Pugliese, *Kishida's Visit to Washington and East Asia's 21st-Century Geopolitical Minilaterals*
- 24 | 16 Riccardo Alcaro, *Iran's Retaliatory Attack on Israel Puts the Middle East on the Brink*
- 24 | 15 Riccardo Alcaro, *Rhetorical Confrontation Is No Substitute for the EU's Iran Policy*
- 24 | 14 Daniela Huber, *Israel/Palestine and the Normative Power of the "Global South"*
- 24 | 13 João Paulo Nicolini Gabriel, *Russian Nuclear Diplomacy in the Global South, and How to Respond to It*
- 24 | 12 Piero Barlucchi, *From Atalanta to Aspides: Old and New Challenges for EU Maritime Operations*