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# Old Hat, New Rhetoric: The EU's Policy toward Taiwan after the Fifth Enlargement\*

**Günter Schucher** 

On May 1, 2004, the European Union (EU) experienced the largest expansion in its history, a process that has lent new weight to the idea of expanded EU involvement in East Asia. This article examines whether there has been a change in the EU's foreign policy with respect to Taiwan since its fifth enlargement. Evidence for this is sought in the EU's policy statements on Asia and China. The political behavior of the EU has not changed, although there has been a modification in rhetoric. The EU, notwithstanding its claim to be a global actor, continues to keep out of one of the biggest conflicts in East Asia. The new members' interests in the East Asia region are too weak to alter the EU's agenda, and their economic priorities are linked to the programs of the EU.

KEYWORDS: EU; enlargement; Central and Eastern European countries; foreign policy; China; Taiwan.

**DR. GÜNTER SCHUCHER** is senior research fellow of the GIGA Institute of Asian Studies (IAS) in Hamburg. As a member of the GIGA research group on "Transformation in Globalization," his research focuses on social issues in the PRC, especially the Chinese labor market, and cross-Strait relations. Dr. Schucher is the treasurer of the German Association of Asian Studies and editor of the refereed journal *Asien*. He can be reached at <schucher@giga-hamburg.de>.

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<sup>&</sup>lt;sup>©</sup>Institute of International Relations, National Chengchi University, Taipei, Taiwan (ROC).

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On May 1, 2004, the European Union (EU) experienced the fifth and largest round of enlargement in its history. To the EU-15 were added ten new member states, most of them being Central

and Eastern European countries (CEECs), including the Baltic states.<sup>1</sup> It would seem to be a matter of common sense that the EU-25 will play a larger role in global politics than the EU-15—not in small part due to its increased weight in international trade and business relations. This corresponds well with the EU's own ambition to enhance its global influence and is also supported by the new member states themselves. Consequently, the EU enlargement process has inspired several studies concerned with changes in the nature of the EU's foreign policy.<sup>2</sup>

Enlargement and the related announcements about the EU's ambition to be a global player<sup>3</sup> also lent new weight to the idea of expanded EU involvement in East Asia and its eventual development into a significant partner in that region's security architecture.<sup>4</sup> Time and again academics

<sup>&</sup>lt;sup>1</sup>Ten countries have joined: Poland, Hungary, the Czech Republic, and Slovakia from the socalled Visegrad "bloc" (V4); Estonia, Latvia, and Lithuania from the Baltic region; Slovenia from the former Yugoslavia; and Malta and Cyprus from the Mediterranean. Unless otherwise specified, this article will only concern the CEECs. On January 1, 2007, two more CEE countries joined the EU: Romania and Bulgaria.

<sup>&</sup>lt;sup>2</sup>See, e.g., Walter Carlsnaes, Helene Sjursen, and Brian White, eds., *Contemporary European Foreign Policy* (London: Sage, 2004); Geoffrey Edwards, "The New Member States and the Making of EU Foreign Policy," *European Foreign Affairs Review* 11, no. 2 (2006): 143-62; David Král, *Enlarging EU Foreign Policy: The Role of New EU Member States and Candidate Countries* (Prague: Europeum Institute for European Policy, 2005), http://www.europeum.org/doc/arch\_eur/Enlarging\_EU\_foreign\_security\_policy.pdf (accessed December 29, 2006); Steve Marsh and Hans Mackenstein, *The International Relations of the European Union* (Harlow: Pearson, 2005); Antonio Missiroli, *Bigger EU, Wider CFSP, Stronger ESDP? The View from Central Europe*, Occasional Papers #34 (Paris: EU Institute for Security Studies, 2002); Frank Schimmelfennig and Ulrich Sedelmeier, eds., *The Politics of European Union Enlargement: Theoretical Approaches* (London and New York: Routledge, 2005); and Ulrich Sedelmeier, *EU Enlargement, Identity, and the Analysis of European Foreign Policy: Identity Formation Through Policy Practice*, European Forum Series, RSC No. 2003/13 (San Domenico/Italy: European University Institute, Robert Schuman Centre for Advanced Studies, 2003).

<sup>&</sup>lt;sup>3</sup>"As a union of 25 states ... the European Union is inevitably a global player." See *A Secure Europe in a Better World: The European Security Strategy* (Approved by the European Council, Brussels, December 12, 2003).

<sup>&</sup>lt;sup>4</sup>See, e.g., Benita Ferrero-Waldner, "Security in the Far East" (European Parliament Stras-

in Taiwan as well as in Europe have called upon the EU to contribute to a political solution to the cross-Strait tangle.<sup>5</sup> Fully aware of the EU's political stance on the Taiwan issue and having yet to question the EU's "one China" policy, this author nevertheless recognizes that there is room for the EU to extend its role in Asia, an objective for which Brussels is also striving.

In accordance with its "one China" policy, the EU does not recognize Taiwan as a sovereign state, but as an economic and commercial entity. The EU is Taiwan's fourth most important trading partner, while Taiwan is the fourth largest trading partner for the EU in East Asia.<sup>6</sup> In addition to solid relations in the economic arena, contacts occur in other nonpolitical fields such as science, research, education, and culture. Beyond these, Taiwan plays only a marginal role in EU Asia policy—for example, *The European Security Strategy* advocates a strategic partnership with China, but avoids any mention of the Taiwan question.<sup>7</sup>

This article will examine whether there has been a change, or at the very least, a slight modification, of the EU's Taiwan policy since the fifth enlargement. By doing this it may make a small contribution to the broader issue of whether enlargement has changed the very nature of EU foreign policy. The analysis is structured by the following questions: (1) Has

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bourg, July 6, 2005, Speech/05/421), http://ec.europa.eu/comm/external\_relations/news/ ferrero/2005/sp05\_421.htm (accessed July 6, 2006); Benita Ferrero-Waldner, "Common Experiences, Common Hopes, and Engagement in Our Common Interest," *Asia Europe Journal* 5, no. 1 (March 2007): 9-11; Camilla T. N. Soerensen, "The EU's Approach toward Relations with Tokyo and Beijing," *China Brief* 7, no. 9 (May 2, 2007): 9-11; and Frans Paul van der Putten, "The EU Arms Embargo, Taiwan, and Security Interdependence between China, Europe, and the United States," in Joseph Tse-Hei Lee, ed., *China and the World*, special edition of *The Indian Journal of Asian Affairs* (July 2007), http://www.clingendael .nl/publications/2007/20070700\_cscp\_art\_putten.pdf (accessed May 8, 2007).

<sup>&</sup>lt;sup>5</sup>Günter Schubert, "Becoming Engaged? The European Union and Cross-Strait Relations," *Asien*, no. 89 (October 2003): 5-25, Jean-Pierre Cabestan, "Cross-Strait Relations: What Role for the European Union?" *ECAN Policy Brief* #4 (May 2006); and Yuchun Lan, "The European Parliament and the China-Taiwan Issue: An Empirical Approach," *European Foreign Affairs Review* 9, no. 1 (2004): 115-40.

<sup>&</sup>lt;sup>6</sup>European Economic and Trade Office (EETO), *EU-Taiwan: Trade and Investment Factfile* 2006 (Taipei: EETO, 2006), 39.

<sup>&</sup>lt;sup>7</sup>See note 3 above.

enlargement per se allowed the EU to play a bigger role in security issues in East Asia including the cross-Strait conflict? (2) Have the new members developed any specific economic or political interests in the EU's relations with Taiwan that might induce them to take Taiwan's side in EU policymaking? (3) Are the EU's relations with Taiwan (and China) significantly influenced by the foreign policy priorities of the new entrants?

To begin, I will make some brief comments on the EU's foreign policymaking in order to frame the question concerning the possible impact of enlargement. Then I will present five arguments that might speak for a change in policy as well as five opposing arguments. The common Taiwan policy of the EU can be deduced from the policies of its institutions, i.e., debates, statements, and strategies of the European Parliament and especially the European Council. In what follows, this paper first takes a brief look at the European Parliament's debates on Taiwan before it turns to an analysis of the EU's policy statements on Asia and China presented by the Commission and the Council. The largest common denominator of the EU member states' foreign policy is the Common Foreign and Security Policy (CFSP), as contained in treaties, declarations, and strategy papers. The debate surrounding the lifting of the Chinese arms embargo is taken as a paradigmatic case to show the limitations of the CFSP in Asia. The next section provides a glimpse of the new members' economic relations with Taiwan. Finally, I will outline the new member states' Taiwan/China policy.

Wrapping up all the different aspects, I come to the conclusion that the EU, notwithstanding its claim to be a global actor, continues to keep itself out of one of the biggest conflicts in East Asia. Some indicators, however, point to it having a more distinct perception of the tangle.

Compared to the EU's relations with China, its Taiwan policy could be seen as merely of minor relevance. Cross-Strait relations, however, could very easily change for the worse, producing dramatic effects on the world's security. The EU cannot afford to be wittingly negligent in this area while simultaneously aspiring to be a global actor. Thus the results of this analysis will also help us to improve our understanding of foreign policymaking in the EU.

# The Impact of Enlargement on Foreign Policy

Most of the studies on EU enlargement focus on the politics of the applicants, the member states, or the EU and the impact that enlargement or the pre-accession process has had or will have on the EU as a whole and specifically on the older and the more recent members. These studies cover areas such as "identity, interests, and behavior."<sup>8</sup> This article, how-ever, deals with the impact of enlargement on the EU's policy toward Taiwan, which calls for some remarks on the EU's foreign policy and on the CFSP—not only because the present focus lies on political relations with Taiwan and China respectively, but also because of the peculiar nature of European foreign policy.<sup>9</sup>

Policy toward Taiwan refers to the specifically political dimension of foreign policy and has to be distinguished from the more general notion of "external relations." The latter includes foreign economic policy as well. The activities of the EU are divided into different "pillars," the CFSP being part of the second pillar. Policymaking is thus not accomplished by a supranational "Community method" of decision-making (first pillar), but rather an intergovernmental process controlled by the member states. This implies that it should be more than the sum of the foreign policies of the individual member states themselves.

The CFSP was introduced as recently as 1992 when the European Policy Coordination was upgraded to the CFSP under the Treaty of Maastricht. It is a framework within which most of the EU's foreign and security issues are handled, consensus being the central prerequisite. One of the declared objectives of the CFSP was to develop and consolidate democracy and the rule of law, as well as to cultivate respect for human rights and

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<sup>&</sup>lt;sup>8</sup>E.g., Schimmelfennig and Sedelmeier, *The Politics of European Union Enlargement*.

<sup>&</sup>lt;sup>9</sup>In foreign policy analysis there is a difference between "European foreign policy" and the more restrictive "EU foreign policy." See Brian White, "Foreign Policy Analysis and the New Europe," in Carlsnaes, Sjursen, and White, *Contemporary European Foreign Policy*, 11-31. In this article we discuss the EU's foreign policy and use both terms interchangeably.

fundamental freedoms.<sup>10</sup> The creation of the post of high representative for the CFSP gave the EU a "face" in the arena of international relations. Nevertheless, the second pillar includes different actors, which limits the EU's ability to react to international events.<sup>11</sup>

Foreign policy is generally conceived by scholars as being actions taken by governments directed at the environment external to their state. The EU, however, is not a state with clear boundaries. To view it as an actor and a unitary entity in foreign policy terms is thus a limited perspective. Nor is European foreign policy constituted by the respective foreign policies of member states. It must instead be seen as a two-way relationship between national foreign policies and EU policy.<sup>12</sup> Marsh and Mackenstein recognize that the EU has a substantial international presence. They see its economic strength as its most obvious asset, but its collective diplomatic, political, military, and normative presence reaches beyond the economic. Because of the division of the EU's activity into two pillars, it is difficult to translate this presence into effective action. Competence is divided and there are different actors in each of the pillars.<sup>13</sup> In the Asia-Europe Meeting (ASEM), for example, the EU member states and the Commission sit side by side. With Japan and China the EU has developed bilateral relations that since 2003 have been termed "strategic."

Another challenge is the development of a *common* foreign policy. As White puts it very clearly, "the key analytical questions here are to what extent is European foreign policy shaped by national policies and to what extent have national foreign policies themselves been transformed or 'Europeanized' by operating over many years within an EC/EU institutional context?"<sup>14</sup> For White the concept of "Europeanization" connects the different levels of analysis (European vs. state levels), since it takes into

<sup>&</sup>lt;sup>10</sup>Marsh and Mackenstein, *The International Relations of the European Union*.
<sup>11</sup>Ibid.

<sup>&</sup>lt;sup>12</sup>See Knud Erik Jørgensen, "European Foreign Policy: Conceptualising the Domain," in Carlsnaes, Sjursen, and White, *Contemporary European Foreign Policy*, 32-56.

<sup>&</sup>lt;sup>13</sup>Marsh and Mackenstein, *The International Relations of the European Union*.

<sup>&</sup>lt;sup>14</sup>White, "Foreign Policy Analysis and the New Europe," 16.

account the influence of member states on European policymaking as well as the impact of EU processes on national systems.<sup>15</sup> He characterizes Europeanization as the process by which the CFSP on the one side and the interests and policies of the individual states on the other move closer to a common set of EU norms, i.e., as a "reciprocal relationship."<sup>16</sup> In Sjursen's words, "the clear distinction between the 'national' and the 'European' might gradually be blurred."<sup>17</sup>

In part of the literature, however, Europeanization is seen rather onedimensionally—either as a top-down process, that is, as the impact of the EU on domestic structures and institutions ("Brusselization"), or as an elevation of certain aspects of national foreign policies to EU policymaking.<sup>18</sup> For example, Wong argues that there is a strong trend toward convergence in the China policy of the member states. His conclusion supports the concept of Europeanization, that the *acquis* of the CFSP increasingly shows a discernible impact on the foreign policies of EU states. Notwithstanding certain incoherence in its CFSP, the EU's impact on individual national policies has been more significant than commonly imagined. Wong's argument is given weight by the EU's own testimony that China is the centerpiece of its policy in Asia. Over time, he expects even more coordination reflexes to develop.<sup>19</sup>

In this paper, EU foreign policymaking is understood as an interacting system of action at both national and European levels. This analysis, however, will focus on the EU actor. As a new instrument of EU external relations, the Amsterdam Treaty (October 1997) has introduced common strategies, which are laid down by the European Council. They are sup-

<sup>&</sup>lt;sup>15</sup>Ibid., 20f.

<sup>&</sup>lt;sup>16</sup>Ibid., 28.

<sup>&</sup>lt;sup>17</sup>Helene Sjursen, Enlargement and the Common Foreign and Security Policy: Transforming the EU's External Policy? ARENA Working Papers, WP 98/18 (Oslo: ARENA, University of Oslo, 1998), http://www.arena.uio.no/publications/working-papers1998/papers/wp98\_ 18.htm (accessed January 8, 2007).

<sup>&</sup>lt;sup>18</sup>See note 12 above.

<sup>&</sup>lt;sup>19</sup>Reuben Wong, "Towards a Common European Policy on China? Economic, Diplomatic, and Human Rights Trends since 1985," http://web.uvic.ca/europe/ipsa-rc3/rwong.pdf (accessed January 2, 2005).

posed to provide objectives and guidelines. Far longer in practice are the nonbinding declaratory diplomacy and common statements and declarations. A real punitive weapon is the threat of economic sanctions, such as those imposed on China in response to the June 4, 1989 suppression of the pro-democracy movement. The Amsterdam Treaty also introduced the post of high representative for EU foreign policy.

Enlargement has inevitably increased the number of national foreign policies and bilateral relationships between EU member states and Asian countries. However, the question raised here is whether enlargement has changed the very nature of the EU's common foreign policy. The new members have introduced new foreign policy perspectives and interests into the EU and their own individual foreign policies have undergone changes as well. Have these processes led to any changes in foreign policy or have they reinforced existing trends? Has the EU's foreign policy become more cohesive or more diverse?

Here I am looking for changes in the EU's foreign policy with respect to Taiwan. However, how can we know whether such changes have taken place? Following the EU's own logic, "to have a more coherent, effective, and visible impact on world affairs" means "to play a bigger *political role*" in Asian security issues.<sup>20</sup> Therefore a change in the CFSP related to Asia, as a first step, could imply a more clearly defined security strategy for the region, naming all trouble spots including the Taiwan Strait. This strategy should be reflected in documents on EU-Asia or EU-China relations. To go beyond rhetoric, the EU could be bringing up the Taiwan issue more firmly in its periodic meetings and summits with China. Proceeding even further, the EU could be developing ideas and taking initiatives to solve the cross-Strait tangle.

Before I take a look at debates in the European Parliament and EU statements in order to analyze whether new issues in relation to Taiwan and China are addressed or if new answers to known issues have been formulated, I will present some more arguments that speak for or against

<sup>&</sup>lt;sup>20</sup>Ferrero-Waldner, "Common Experiences, Common Hopes, and Engagement in Our Common Interest."

enlargement having an impact on the EU-25's policy toward Taiwan. The arguments presented are related to different dimensions and levels of EU foreign policy, the national as well as the European. They draw on various political, economic, trade, and humanitarian issues that might prompt the new member states to endorse an upgrading of the EU's relations with Taiwan or might induce the EU to translate its claimed global responsibilities into purposive action.

# Five Arguments for a Possible Modification in the EU-25's Policy toward Taiwan

# 1. The EU's New Global Ambitions and Security in East Asia

The fifth enlargement increased the global weight of the EU. Already in the course of accession negotiations, the EU had expressed its ambition to gain more potential power in global affairs. In assessing the EU's external relations, it can be established that relations with Asia have risen to an unparalleled level in recent years. Communications from the EU Commission published in 1994 and 2001 emphasized the rapid economic changes that had taken place in the region. According to the 2001 Communication, the EU is seeking to strengthen its political and economic presence in Asia and to raise this "to a level commensurate with the growing global weight of an enlarged EU."<sup>21</sup> Accordingly, the EU's policy in Asia is a sort of litmus test for its global ambitions. In the same 2001 Communication, the EU commits itself to promoting stability and security in East Asia. Without a doubt, the dispute across the Taiwan Strait is one of the major threats to this peace and stability, as was acknowledged once again only recently by the incumbent commissioner for external relations.<sup>22</sup> As a global civilian power, the EU can play a bigger role in conflict resolution,

<sup>&</sup>lt;sup>21</sup>Commission of the European Communities, Communication from the Commission to the Council and the European Parliament. EU Strategy towards China: Implementation of the 1998 Communication and Future Steps for a More Effective EU Policy (Brussels, May 15, 2001; COM [2001] 265 final).

<sup>&</sup>lt;sup>22</sup>Ferrero-Waldner, "Security in the Far East" (cited in note 4 above).

and it can present its own proposals for de-escalating the tensions across the Taiwan Strait.

# 2. The EU as a Promoter of Democracy

Enlargement has strengthened the EU's identity as a promoter of human rights and democracy. The first of the "Copenhagen Criteria" of 1993 is the requirement for stable institutions that guarantee democracy, the rule of law, and human rights. Therefore, the enlargement policy has been a great success with respect to the promotion of European democracy in and of itself and has specified the EU's role in the protection of human rights and democracy.<sup>23</sup> In addition to long-term trade prospects, extending the values of democracy, the rule of law, and human rights, as well as geopolitical stabilization, were additional motivating factors behind the EU's enlargement strategy.<sup>24</sup>

The spread of democracy has a particularly nice ring for the new member states, which suffered from the effects of non-democratic rule for decades. This becomes obvious in the member states' differing views on the EU's relations with Russia.<sup>25</sup> The strengthened democratic identity might have some implications for the EU's position regarding the authoritarian regime of the PRC on the one hand, and the democratic regime of Taiwan on the other. Pressure on China to adopt political reforms that will ultimately lead to the establishment of a democratic society might increase.<sup>26</sup>

<sup>&</sup>lt;sup>23</sup>Sedelmeier, EU Enlargement, Identity, and the Analysis of European Foreign Policy.

<sup>&</sup>lt;sup>24</sup>Janne Haaland Matlary, "Human Rights," in Carlsnaes, Sjursen, and White, *Contemporary European Foreign Policy*, 141-54; and Andrew Moravcsik and Milada Anna Vachudova, "Preferences, Power, and Equilibrium: The Causes and Consequences of EU Enlargement," in Schimmelfennig and Sedelmeier, *The Politics of European Union Enlargement*, 198-211.

<sup>&</sup>lt;sup>25</sup>Edwards, "The New Member States and the Making of EU Foreign Policy."

<sup>&</sup>lt;sup>26</sup>Some Chinese authors seem to adhere to this belief as well. See Susanne Weigelin-Schwiedrzik and Nele Noesselt, "Strategische Partnerschaft zwischen Gleichberechtigung und Asymmetrie: Die Beziehungen zwischen der EU und der VR China im Lichte der jüngst veröffentlichten Strategiepapiere," in Chinas Eintritt in die Weltpolitik. Ausenpolitisches Handeln am Beispiel Europas, Koreas und des Nahen Ostens, ed. Angela Schottenhammer (Hamburg: Institut für Asienkunde, 2006), 46-76.

### 3. EU Integration as a Role Model

The EU's integration process in itself is seen by Asian countries and also by China and Taiwan as a role model for Asian integration. Some regard it as a role model with respect to China-Taiwan integration as well.<sup>27</sup> That would suggest that the EU could strengthen its position in Asia by exporting its model of regional cooperation. The same holds true for the principles of regionalism and multilateralism advocated by the EU.<sup>28</sup> Bersick emphasizes the value of interregional cooperation within the overall framework of the ASEM process as a way for the EU to project European soft power to East Asia, to take part in the molding of an evolving East Asian regionalism (by co-defining norms, rules, and principles), and to balance Chinese soft power. That approach is mainly characterized by institution-building, in which Taiwan is ascribed a participant role.<sup>29</sup>

# 4. The Pro-Atlanticism of the New Member States

The United States has been at the center of the China-Taiwan dispute ever since it began. The EU's new member states are admittedly more Atlanticist-oriented than the old ones and many of them accord a high priority to close ties with the United States and the maintenance of strong

<sup>&</sup>lt;sup>27</sup>Cal Clark, "Does European Integration Provide a Model for Moderating Cross-Strait Relations?" Asian Affairs 29, no. 4 (Winter 2003): 195-215; and Günter Schucher and Margot Schüller, Perspectives on Cross-Strait Relations: Views from Europe (Hamburg: Institut für Asienkunde, 2005).

<sup>&</sup>lt;sup>28</sup>Michael Reiterer, "Japan and the European Union: Shared Foreign Policy Interests," Asia Europe Journal 4, no. 3 (October 2006): 333-49.

<sup>&</sup>lt;sup>29</sup>Sebastian Bersick, "The Enlargement and EU-China Relations" (Paper presented at the conference "The EU Enlargement and Global Political Economy," Centre for European Studies, Renmin University of China, Beijing/Centre for Applied Policy Research at the University of Munich, Germany, 2006); Sebastian Bersick, "The EU's Approach to East Asia: Strategic and Systemic Implications for the New EU Member States" (Paper presented at the conference "Asian Economic Development and the European Union: Viewpoint of the New EU Member Countries," Constitutional Hall, Seimas of the Republic of Lithuania, Vilnius, 2006), http://www.eias.org/research/2006/Vil\_final.pdf (accessed November 30, 2006); Sebastian Bersick, "Making Euro-Asian Soft Power in the 21st Century: Concepts, Constraints, and Consequences" (Asia-Europe Foundation, 2006), http://www.civildialogue.asef.org/documents/FinalPaper\_001.pdf (accessed December 28, 2006); and Julie Gilson, "New Interregionalism? The EU and East Asia," *European Integration* 27, no. 3 (September 2005): 307-26.

transatlantic bonds.<sup>30</sup> As their views filter into the EU's CFSP, there will possibly be more room for Washington's arguments. Washington opposes unilateral changes that would threaten peace and stability in the Strait. Its interest in ensuring that Taiwan has the capability to safeguard its future not only translates into military backup, but also into unequivocal calls on Beijing to cease its military buildup directed at Taiwan.<sup>31</sup>

# 5. Taiwan as an Attractive Economic Partner

At least some of the new member states have an economic interest in East Asia. Compared to the predicted commercial gains from trade with the PRC, trade with Taiwan seems to be negligible. Growth rates in the CEECs' trade with the island, however, exceed those of their trade with the mainland. Moreover, the new member states have a different production pattern from that of the old members. Their production structures are similar to rather than complementary with those of China, which means that the more developed provinces of the PRC are strong competitors in terms of low-cost labor (and thus foreign direct investment [FDI] from the EU countries). Therefore the new entrants might well be interested in expanding business relations with Taiwan, especially when it comes to attracting FDI.

To back up these arguments, it is interesting to note that Chinese authors who have studied the enlargement and development of the EU's institutions, including the CFSP mechanism, are not unreservedly optimistic about the China-EU relationship. Zhang argues that enlargement will complicate China-EU relations, although it will not slow down the move toward a strategic partnership for either side.<sup>32</sup> According to Yang, enlarge-

<sup>&</sup>lt;sup>30</sup>Adam Jelonek, "Trimming between the Superpowers: In Search of the Polish Foreign Policy" (Paper presented at the 23rd Taiwan-European Conference on the Emerging Global Role and Tasks of the European Union, Taipei, December 19-20, 2006); and Edwards, "The New Member States and the Making of EU Foreign Policy."

<sup>&</sup>lt;sup>31</sup>See, e.g., Clifford A. Hart, Jr., "U.S. Policy Toward Taiwan" (Remarks to U.S.-Taiwan Business Council Defense Industry Conference, Denver, Colorado, September 12, 2006), http://www.state.gov/p/eap/rls/rm/72100.htm (accessed February 1, 2007).

<sup>&</sup>lt;sup>32</sup>Enyu Zhang, "EU-25 and the PRC: Moving toward a Strategic Partnership" (Paper presented at the 47th Annual Convention of the International Studies Association, San Diego,

ment will not only change the power structure of the EU and influence its pattern of decision-making. He recognizes that the new member states tend to prefer closer ties with the United States, and that their being economic competitors of China will lead to more disputes on trade than ever before.<sup>33</sup>

## Five Arguments against Any Modification

#### 1. Incoherent Foreign Policy

The EU's CFSP is not coherent and its foreign-policy machinery lacks coordination. With the democratization of its institutions, decision-making has become even more complex and the EU is finding it even more difficult to find a cohesive voice. That does not mean that decision-making has become less efficient. Nevertheless, due to greater uncertainty regarding the positions being adopted in national capitals, the members' behavior in the Council and the Commission has become more unpredictable.<sup>34</sup> Moravcsik and Vachudova argue that during the pre-accession process the new applicants were in a weaker bargaining position because they were likely to receive greater benefits from enlargement. Although their power may have improved since they joined and the diversity of interests has increased, these developments, far from causing any major alteration in the EU's politics, are more likely to have reinforced existing trends.<sup>35</sup>

#### 2. Economic Interests in China Dominate

Relations with Taiwan are governed by the scope of EU-China relations. The development and stability of China is a major concern of the EU. Relations with China are dominated principally by economic aims and less

California, March 22-25, 2006), http://www.missouri.edu/~polswww/papers/Zhangs\_ISA 2006.pdf (accessed October 31, 2006).

<sup>&</sup>lt;sup>33</sup>Xiao-Yan Yang, "China-EU Relationship in the Perspective of the New Development of the EU" (Paper presented at the Conference "CFSP," Macao, 2006), http://www.ieem.org.mo/ nesca/documents/papers/may2006/Xiao-Yan\_Yang.doc (accessed October 30, 2006).

<sup>&</sup>lt;sup>34</sup>Edwards, "The New Member States and the Making of EU Foreign Policy."

<sup>&</sup>lt;sup>35</sup>Moravcsik and Vachudova, "Preferences, Power, and Equilibrium."

by security or humanitarian concerns. The EU treats China as a strategic partner and China sees Taiwan as an internal issue. Therefore, the EU is very careful how it touches on the Taiwan issue for fear of jeopardizing its engagement policy with China. That attitude is underpinned by China's EU policy paper of 2003, which makes it clear that a proper treatment of the Taiwan question is essential for the steady growth of China-EU relations. In view of the new members' small share in EU trade, Brussels is not going to change its China policy on their account. This is reinforced by the EU's preference for marking its presence in the international system through its external economic relations rather than the CFSP.

#### 3. Constrained Means for Intervention

Even if the EU is willing to promote security in the Taiwan Strait, it has limited means for intervention. Whereas the EU could use the accession process to steer the CEECs' transformation (e.g., by granting aid on condition of concessions in human rights and democracy), there are no comparable mechanisms which would allow a similar exercise of political leverage in the case of China. Analyzing the strategy papers of the respective parties, Weigelin-Schwiedrzik and Noesselt go as far as to compare the obvious asymmetry in the official partnership between the EU and China with a relatively simple form of barter: in exchange for its farreaching demands for political reform in China, the EU refrains from interfering in China's Taiwan policy.<sup>36</sup> As for the EU's ability to project its soft power in the Far East, serious doubts are also expressed by Laursen and Möller.<sup>37</sup> According to Möller, "Internal and external conditions presently do not favor the emergence of a Eurasian world order centered on soft power."<sup>38</sup>

<sup>&</sup>lt;sup>36</sup>See note 26 above.

<sup>&</sup>lt;sup>37</sup>Finn Laursen, "The Politics and Economics of EU-China/Taiwan Relations: A European Perspective," and Kay Möller, "Mechanism-Building between Asia and Europe" (Both papers were presented at the 23rd Taiwan-European Conference on the Emerging Global Role and Tasks of the European Union, Taipei, December 19-20, 2006).

<sup>&</sup>lt;sup>38</sup>Möller, "Mechanism-Building between Asia and Europe," 15.

## 4. Limited Interest in East Asia

The China-Taiwan dispute has never triggered any public debate in Europe and the European countries have never been involved in the settlement of the Taiwan issue. This will not change when the new entrants bring their own interests into the EU's external policies. Due to past experience and their own geographical situation, the CEECs have a stronger interest in the "Eastern dimension" of the EU's external policies<sup>39</sup> than in other dimensions. Most of the entrants are not engaged in any bilateral contacts with China that go beyond economic cooperation. The only issues that stirred up some controversy during the particularly long pre-accession process were those involving relations with fellow applicants and/or neighbors. Even the pro-Americanism of the new members is often directly proportional to their anti-Russian sentiments. None of the entrants have pro-nounced overseas interests.<sup>40</sup>

As Král shows, the new member states have not automatically sided with the United States on foreign policy issues. Neither have they acted as a homogenous bloc in shaping the CFSP. There is no united "New Europe," but a region divided by certain lines. On the one hand, the three Baltic republics and Poland strongly emphasize a CFSP that is compatible with U.S. policies and prioritize the EU's external action in the East, namely toward Russia and the Ukraine. For the Czech Republic, Slovakia, Hungary, and Slovenia, the issue of developing a coherent policy toward Russia is far less important, and their Atlanticist commitment is not equally intense. Citing the idealism in the new member states' foreign policies and the expectation that they will give greater emphasis to human rights, democracy,

<sup>&</sup>lt;sup>39</sup>This concept is to a large extent invented by Poland. It means the development of new relations with the EU's Eastern neighbors like Russia, Ukraine, Belarus, and Moldova. See Iryna Solonenko, "'Eastern Dimension' of the European Union: Invented Policy with No Clear Prospect," in *Eastern Views on the European Enlargement: An Axiological Perspective*, ed. Abel Szyszlo, Peter Taylor, and Bryan Polese (Odessa, Ukraine: Astroprint, 2006), http://www.boell.de/downloads\_uk/SolonenkoJEAS05.pdf (accessed July 10, 2007).

<sup>&</sup>lt;sup>40</sup>Missiroli, *Bigger EU, Wider CFSP, Stronger ESDP*?; and Antonio Missiroli, "CFSP and ESDP after Enlargement" (Report presented at the conference organized jointly by the EU Institute for Security Studies and the Institute of International Relations, Prague, May 14-15, 2004), http://www.iss-eu.org/activ/content/rep04-07.pdf (accessed November 28, 2006).

and the rule of law in dealing with other countries, Král predicts that this phenomenon is not likely to endure and will probably give way to a pragmatic approach.<sup>41</sup>

# 5. The Negligible Economic Weight of the New Entrants

With the exception of Poland, all of the new entrants are relatively small countries and their share in EU trade is proportionately rather small. Although their bilateral trade with Taiwan is experiencing the most impressive annual growth rates in the EU, this is hardly transformed into political outcomes, particularly since their trade with China is much greater. Economic relations with China are growing, although all the new entrants have quite large trade deficits and their trade and investment within Europe dominates.<sup>42</sup>

# The European Parliament as a Proponent of a New Policy toward Taiwan

The European Parliament has voiced its concern regarding China-Taiwan relations with clear messages that China should promote human rights and democracy. Through the adoption of resolutions as well as by oral or written questions, it has supported the internal political transformation of Taiwan and requested the EU's member states to recognize the island's democratization; backed Taiwan's periodic requests for proper representation in international organizations; taken Taiwan's side on cross-Strait issues; and promoted closer ties between the EU and Taiwan. Since democracy has gained momentum in Taiwan, the European Parliament's actions have accelerated.<sup>43</sup> One concrete issue the Parliament focused on

<sup>&</sup>lt;sup>41</sup>Král, Enlarging EU Foreign Policy.

<sup>&</sup>lt;sup>42</sup>E.g., in the Baltic states some 60-80 percent of all FDI originates from another Baltic country and capital flows in from the West. See Kari Liuhto, "The China Phenomena in the Baltic Sea Region," *Baltic Rim Economies*, no. 6 (2005): 9.

<sup>&</sup>lt;sup>43</sup>Lan, "The European Parliament and the China-Taiwan Issue"; and Flavia Zanon, "The

after 1996 was the opening of an EU representative office in Taipei. This was finally established in March 2003.

Enlargement increased the number of seats in the European Parliament from 626 to 732 and the number of political parties to over 150, which has dramatically increased the Parliament's heterogeneity. With regard to human rights issues and the promotion of democratic values, however, the Parliament still appears united. The same holds true for the Taiwan issue and rejection of the use of force in cross-Strait relations.<sup>44</sup> For example:

- In several resolutions the Parliament showed its approval of the development of democracy in Taiwan and requested that the EU recognize its importance for other Asian countries
- It has repeatedly shown interest in improved representation for Taiwan in international organizations (the World Trade Organization, the World Health Organization, and the World Health Assembly) and proposed that Taipei participate in ASEM
- It took Taiwan's side in the Taiwan Strait crisis of 1996 and urged China to withdraw its missiles. Moreover, it raised objections to Beijing's Anti-Secession Law and strongly recommended that the Council and the member states maintain the embargo on arms sales to China "until greater progress is made on human rights issues in China and on cross-Strait relations"<sup>45</sup>
- It demanded that the Council extend its relations with Taiwan to political fields

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European Parliament: An Autonomous Foreign Policy Identity?" in *The Role of Parliaments in European Foreign Policy: Debating on Accountability and Legitimacy*, ed. Esther Barbé and Anna Herranz (Barcelona: Office of the European Parliament in Barcelona, 2005), http://selene.uab.es/\_cs\_iuee/catala/obs/working\_occasionals\_archivos/Parlament/ Chapter6%20\_sense%20pagines\_.pdf (accessed Oct. 10, 2006). Full documentation is available on the EP's website at http://www.europarl.europa.eu.

<sup>&</sup>lt;sup>44</sup>See, for instance, the recent debates on July 6, 2005 and May 18, 2006, the Parliament's resolutions *On Relations between the EU, China, and Taiwan and Security in the Far East* (P6\_TA [2005] 0297) and *On Taiwan* (P6\_TA [2006] 0228), as well as the respective joint motions for a resolution as of July 5, 2005 and May 17, 2006.

<sup>&</sup>lt;sup>45</sup>EP Resolution (P6\_TA [2005] 0297).

Having analyzed the Parliament's resolutions, we can agree with Zanon that it is "less concerned with the utility of foreign policy for the Member States and more attentive to promoting the values specific to the European Union."<sup>46</sup> Being mainly a consultative organ, the Parliament is, however, only a marginal player in the EU system.

The European Parliament is still largely excluded from CFSP decision-making, the only exception being its budgetary power. Foreign policy is structurally different from other dimensions of the EU's activities. It is not primarily about law-making, but about political positioning, and it requires the identification of strategic goals. Therefore it needs confidentiality and flexibility that both speak against a high degree of parliamentary involvement.<sup>47</sup> That, however, does not rule out any influence by the Parliament. The incumbent commissioner for external relations, Benita Ferrero-Waldner, has promised to pay careful attention to the Parliament's recommendations.<sup>48</sup>

In the context of "parliamentary diplomacy," the members of the European Parliament (MEPs) feel free to voice their opinions without any constraints, the Taiwan debates and resolutions being a good example in this respect. The declarations of the Parliament hold a symbolic importance since its members are directly elected. It can adopt resolutions under a consultation procedure for international agreements or in response to the Commission's reports. MEPs can express their views by means of resolutions tabled on their own initiative and they can demand public explanations from the Council and the Commission with regard to their policies by posing questions in written or oral form. However, the autonomous foreign policy line of the European Parliament has not had an effect on the EU's policy so far. Its merely symbolic power in the CFSP is reflected in mild condemnations and the lack of further action by China.

<sup>&</sup>lt;sup>46</sup>Zanon, "The European Parliament."

<sup>&</sup>lt;sup>47</sup>Daniel Thym, "Beyond Parliament's Reach? The Role of the European Parliament in the CFSP," *European Foreign Affairs Review* 11, no. 1 (2006): 109-27.

<sup>&</sup>lt;sup>48</sup>Benita Ferrero-Waldner, "European Parliament Hearings. Answers to Questionnaire for Commissioner Designate" (n.d.), http://www.europarl.europa.eu/meetdocs/2004\_2009/ documents/dv/ferrerowaldner\_qs\_ferrerowaldner\_qs\_en.pdf (accessed July 10, 2007).

### The EU's Policy Statements: Nothing New but Rhetoric?

There is a consensus among EU policymakers that democratic and human rights norms should be given priority over competing concerns in foreign policy. Corresponding behavioral obligations, however, are rather diffuse. The question is how the EU's self-defined entitlement to play a larger role in global politics and its enhanced identity (in relation to the promotion of democracy) can be transformed into policy practice. To show this, we will examine relevant declarations and documents produced by the Council and the Commission. They are the result of compromises by the member states and they also reflect their neglect of certain issues. In other words, they "can be interpreted as explicit expressions of collective commitments or shared understandings."<sup>49</sup>

### The "One-China" Principle and the Plea for a Constructive Dialogue

In its 2001 Communication on Europe-Asia relations, the EU Commission declared that in order to meet its objective of strengthening its presence in Asia, Europe seeks to contribute "to peace and security in the region and globally, through a broadening of our engagement with the region" as well as contributing "to the spreading of democracy, good governance, and the rule of law."<sup>50</sup> One prominent source of tension or conflict, the Communication continued, is the unresolved problem "across the Taiwan Strait." Moreover, it said, Taiwan "is the EU's [then] third-largest bilateral trading partner in Asia." Nevertheless, while establishing a dialogue with China on other sensitive topics like human rights, the Communication said, the EU sticks to a hands-off approach concerning Taiwan

<sup>&</sup>lt;sup>49</sup>Sedelmeier, EU Enlargement, Identity, and the Analysis of European Foreign Policy, 15.

<sup>&</sup>lt;sup>50</sup>Commission of the European Communities, Communication from the Commission. Europe and Asia: A Strategic Framework for Enhanced Partnership (Brussels, September 4, 2001; COM [2001] 469 final). In 1994, the EU published its first strategy paper on Asia. By addressing the whole continent, the EU upgraded its earlier policies toward single countries within Asia. The EU-Asian relationship, however, continued to be primarily about economics. See Marsh and Mackenstein, The International Relations of the European Union.

and leaves the solution to "a constructive dialogue" between China and Taiwan.  $^{\rm 51}$ 

This approach is all the more striking as, firstly, the way the conflict will be resolved or even the way this stalemate will be handled in the future will be decisive in determining China's future role in global affairs, and secondly, the EU will not remain unaffected by any change in the status quo in the Taiwan Strait. This implies that the EU should adopt a clear stance vis-à-vis a conflict with possible global repercussions if it wishes to be taken seriously as a dialogue partner as well as an aspiring actor in global security affairs.<sup>52</sup>

There is no doubt that the EU adheres to the "one China" principle and that none of its member states recognize Taiwan. At the same time, economic ties with Taiwan are cultivated and approved by the EU and private dialogues are conducted. Brussels and the member states are very cautious about developing relations with Taiwan. Official documents on foreign policy issues ignore the Taiwan issue, which leads us to the conclusion that it is neither a matter of any serious concern to the EU nor a topic in the extensive dialogue with Beijing.

The official stance of the EU has obviously not changed since enlargement, as we can judge by the recent Communication on China and the

<sup>&</sup>lt;sup>51</sup>Commission of the European Communities, *Communication from the Commission. Europe and Asia: A Strategic Framework for Enhanced Partnership* (2001). This type of behavior, which may be described as a double standard, can also be found in the latest EU press releases. During the foreign ministers' meeting at the EU Troika with China in Vienna, the Austrian foreign minister Ursula Plassnik declared that the "partnership is supported by common interests, but also by openness, mutual understanding, and respect. This is also the case for topics on which our opinions differ." However, while the ministers dealt with the human rights issue at some length and in some detail, regarding Taiwan only the Taiwanese president was criticized. See press release, February 3, 2006, http://www.eu2006.at/de/News/Press\_ Releases/February/0302TroikaChina.html (accessed December 27, 2006). The same holds true for State Secretary Hans Winkler at the EU-China strategic dialogue in Beijing on June 6, 2006. Winkler praised the open, constructive atmosphere in the discussion of human rights issues as "a sign of the high quality of relations between the EU and China," but mentioned Taiwan only briefly. http://www.eu2006.at/de/News/Press\_ Releases/February.2006. Unit provide the open and the fully of relations between the EU and China," but mentioned Taiwan only briefly. http://www.eu2006.at/de/News/Press\_ Releases/June/0606WinklerChina.html (accessed December 27, 2006).

<sup>&</sup>lt;sup>52</sup>Adam Ward, "The Taiwan Issue and the Role of the European Union," in *China's Rise: Diverging U.S.-EU Perceptions and Approaches*, ed. Bates Gill and Gudrun Wacker (Berlin: SWP Stiftung Wissenschaft und Politik, 2005), 43-47.

joint statements of the Europe-China summits. On October 24, 2006, the European Commission adopted an updated strategy for its dealings with the PRC, the fundamental approach of which is engagement and partnership. In its aim to support China's transition to a more open and plural society, parts of the Communication are openly critical of China's domestic policy. The paper also encourages full respect for fundamental rights and freedoms in China. In economic relations, the EU even intends to "urge" and "press" China to open up its market and create a level playing-field. On the Taiwan issue, the paper remains indifferent, despite the fact that the EU claims to have a significant interest in the strategic security situation in East Asia.

The Communication points to the EU's "significant stake in the maintenance of cross-Strait peace and stability," saying it will "continue to take an active interest, and to make its views known to both sides." It states that policy should take account of the EU's (1) opposition to any measure which would amount to a unilateral change of the status quo; (2) strong opposition to the use of force; (3) encouragement for pragmatic solutions and confidence-building measures; (4) support for dialogue between all parties; and (5) continuing strong economic and trade links with Taiwan.<sup>53</sup>

The first two points can be read as an unequivocal reflection of the situation that has emerged since 2003, when President Chen Shui-bian (陳水扁) of Taiwan presented his plans to hold a referendum on independence as an answer to China's deployment of missiles aimed at the island. The last point expresses the EU's fundamental interest in sound economic relations with Taiwan. Considering these points, the 2006 Communication could be regarded as progress.<sup>54</sup> In 1998, for example, the EU was quite hopeful about an improvement in cross-Strait relations and did not make

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<sup>&</sup>lt;sup>53</sup>Commission of the European Communities, Communication from the Commission to the Council and the European Parliament. EU-China: Closer Partners, Growing Responsibilities (Brussels, 24.10.2006; COM [2006] 631).

<sup>&</sup>lt;sup>54</sup>Shaocheng Tang, "Die Taiwanpolitik der EU—Beschränkungen und Chancen," Aus Politik und Zeitgeschichte, no. 49 (December 4, 2006): 35-38; and Sebastian Bersick, "The Role of Taiwan in the EU's East Asia Strategy" (Paper presented at the conference "EU Relations with Taiwan and China," Institute of European and American Studies, Academia Sinica, Taipei, 2006).

any demands at all. It confined itself to encouragement and the welcoming of any steps which could be taken to further the progress of peaceful reconciliation.

Nevertheless, the 2006 Communication has no clear-cut message and no direct addressee. This becomes even more obvious when one looks at the EU's bilateral talks with the PRC, one of the two possible addressees. The Joint Statement of the Ninth EU-China Summit issued in Helsinki on September 9, 2006, for instance, only contains one sentence on Taiwan: "The EU side reaffirmed its continued adherence to 'one China' policy and expressed its hope for a peaceful resolution of the Taiwan question through constructive dialogue." This is exactly the same wording as that of the previous statements of 2005 and 2004 and virtually the same as that of the declaration of 2003. Thus, it can be concluded that the treatment of the Taiwan issue during the summits represents no more than a ritualized routine. This judgment is reinforced when one compares it with other aspects of international security that are dealt with in specific phrases (Iran's nuclear program, hostilities between Israel and Hezbollah, stability on the Korean Peninsula, or the situation in Darfur).

The same holds true for the preceding policy papers of the Commission. The purpose of the Communication of 2003 was to make EU policy toward China more effective. The EU claimed that relations with China had expanded to cover a multitude of sectors including a robust and regular political dialogue showing a "new maturity." However, we have just seen that the political dialogue on Taiwan conducted at annual summits with China is confined to set phrases—and the paper itself reflects the tone: "The EU has also regularly reiterated its strong interest in, and insistence on, a peaceful resolution of the Taiwan issue through dialogue across the Taiwan Straits." Consequently, the Commission does not consider the Taiwan issue to be a "new action point" for "raising the efficiency of the political dialogue."<sup>55</sup> The Communication contains no detailed demands,

<sup>&</sup>lt;sup>55</sup>Commission of the European Communities, Commission Policy Paper for Transmission to the Council and the European Parliament. A Maturing Partnership—Shared Interests and Challenges in EU-China Relations (Brussels, 10/09/03; COM [2003] 533 fin).

e.g., a reduction of missiles deployed along the Chinese coast or the initiation of a dialogue between the two sides. There is not even any sign of (serious) concern about the deterioration of the situation in the Taiwan Strait.

The neglect of the Taiwan issue in written public statements does not rule out its treatment in behind-the-scenes dialogue. Quiet communication does take place, but that does not alter the fact that the EU has no audible position on this important issue for global security. Moreover, quiet communication does not necessarily imply "pro-Taiwan" messages.<sup>56</sup> The heads of almost all the EU member states as well as the EU high representative for the CFSP have visited Beijing in recent years and are known to have made efforts to establish good personal relations with the Chinese leadership.<sup>57</sup>

According to Ward, there is no coherent strategy behind this kind of quiet policy, but policy priorities are shaped by perceptions. China has primarily been regarded by the EU from an economic perspective rather than a strategic one. (The same holds true for Taiwan, incidentally.) Secondly, there is a tendency on the part of the EU "to acquiesce too much to Beijing's view." And lastly, the EU seems to be inclined to treat the conflict as the U.S.'s business.<sup>58</sup>

From the official documents we can conclude that there is no change or even modification in the *principles* of the EU's China policy. It sticks to the "one China" principle, hopes for a peaceful resolution of the Taiwan conflict, and wants this to be done through constructive dialogue. The *reiteration of this hope* has constituted one essential part of its statements on

<sup>&</sup>lt;sup>56</sup>In a press release dated February 3, 2006, issued after the meeting of the EU Troika (Austrian foreign minister Ursula Plassnik, CFSP high representative Javier Solana, and commissioner for external relations Benita Ferrero-Waldner) with the PRC's foreign minister Li Zhaoxing (李肇星), Plassnik is cited as follows: "The latest remarks of the Taiwanese leader Chen Shui-bian send the wrong signals for progress in mutual relations" (February 3, 2006), http://www.eu2006.at/de/News/Press\_Releases/February/0302TroikaChina.html (accessed December 27, 2006).

<sup>&</sup>lt;sup>57</sup>Linda Jakobson, *Taiwan's Unresolved Status: Visions for the Future and Implications for EU Foreign Policy*, FIIA Report 2004, no. 8 (Helsinki: Finnish Institute of International Affairs, 2004).

<sup>&</sup>lt;sup>58</sup>See note 52 above.

the Taiwan issue for a long time. Thus, the EU shifts the entire responsibility for resolving the conflict on to China and Taiwan. This becomes clear when we compare the wording of messages with statements on human rights. In her speech on "Security in the Far East," Ferrero-Waldner explained that the EU "*made clear* to China that we need improvements in the human rights situation in China to create an environment conducive to a lifting" of the arms embargo. Regarding the Taiwan issue and the Anti-Secession Law, the EU clearly *expressed its concern, reiterated the principles* guiding its policy, and showed it was *hopeful* about recent developments.<sup>59</sup>

The latest and most authoritative statement of EU policy, made by the Council at its meeting of December 11-12, 2006, confirms this argument:

The Council remains committed to its One China policy. The Council is convinced that stability across the Taiwan Strait is integral to the stability and prosperity of East Asia and the wider international community. The Council welcomes initiatives by both sides aimed at promoting dialogue, practical cooperation, and increased confidence-building, including agreement on direct cross-Strait flights and reductions in barriers to trade, investment, and people-to-people contacts. The Council encourages both sides to continue with such steps, to avoid provocation, and to take all possible measures to resolve differences peacefully through negotiations between all stakeholders concerned. The Council *encourages both sides* to jointly pursue pragmatic solutions related to expert participation in technical work in specialized multilateral fora.<sup>60</sup>

We must, however, concede a slight change in the *comments* on the state of cross-Strait relations that always have constituted an integral second part of related EU statements. These comments are a function of the quality of the EU's relations with China and a reflection of the situation in the Strait.

#### Slight Changes in Rhetoric

As mentioned above, the latest Communication of 2006 is seen by some researchers as a step forward. In Bersick's view, "it is indicative for

<sup>&</sup>lt;sup>59</sup>Ferrero-Waldner, "Security in the Far East." Emphasis added.

<sup>&</sup>lt;sup>60</sup>Council of the European Union, "Press Release: 2771st Council Meeting. General Affairs and External Relations. External Relations," Brussels, December 11-12, 2006 (16291/06 [Presse 353]). Emphasis added.

a *change* on the European side by spelling out the EC's priorities in its relations with China and Taiwan."<sup>61</sup> From his analysis of the evolving wording on the official EU website since 2003, Shaocheng Tang (湯紹成) concludes the development of a greater friendliness toward Taiwan and an interest by the EU in a more active involvement.<sup>62</sup>

In fact, no substantial change can be identified; but, nevertheless, compared to pre-2005, Taiwan is more present in such statements. This is the consequence of an upgrading of the Council secretariat's strategic thought on East Asia, as Laursen has put it.<sup>63</sup> East Asia is becoming increasingly important for the EU and it has clarified its strategic interests regarding the region, especially during the UK presidency in 2005. In 2005 and 2006, the EU issued declarations on the following subjects: (1) direct cross-Strait charter flights (February 3, 2005, January 20, 2006, and June 15, 2006);<sup>64</sup> (2) the adoption of the Anti-Secession Law by the Chinese National People's Congress (March 14, 2005);<sup>65</sup> and (3) the abolishment of the National Unification Council (國家統一委員會) by President Chen Shui-bian of Taiwan (March 1, 2006).<sup>66</sup>

In the course of issuing these statements, the EU has become more specific and detailed. The Declaration on the Anti-Secession Law issued by the Luxembourg presidency may serve as an example.

The European Union asks all parties to avoid any unilateral action which might rekindle tensions. It would be concerned if this adoption of legislation referring to the use of non-peaceful means were to invalidate the recent signs of recon-

<sup>&</sup>lt;sup>61</sup>Bersick, "The Role of Taiwan in the EU's East Asia Strategy." Emphasis added.

<sup>&</sup>lt;sup>62</sup>Tang, "Die Taiwanpolitik der EU—Beschränkungen und Chancen"; and Shaocheng Tang, "The EU's Policy towards China and the Arms Embargo," *Asia Europe Journal* 3, no. 3 (November 2005): 313-21.

<sup>63</sup> Laursen, "The Politics and Economics of EU-China/Taiwan Relations."

<sup>&</sup>lt;sup>64</sup>http://www.eu2005.lu/en/actualites/pesc/2005/02/03taiwan/index.html; http://www.eu2006 .at/en/News/CFSP\_Statements/January/2001TaiwanChina.html; and http://www.eu2006 .at/en/News/CFSP\_Statements/June/1506TaiwanStraits.html (all accessed December 27, 2006).

<sup>&</sup>lt;sup>65</sup>http://www.eu2005.lu/en/actualites/pesc/2005/03/14taiwan/index.html (accessed December 27, 2006).

<sup>&</sup>lt;sup>66</sup>http://www.eu2006.at/en/News/CFSP\_Statements/March/0101TaiwanStraits.html (accessed December 27, 2006).

ciliation between the two shores. The European Union encourages them to develop initiatives which contribute to dialogue and to mutual understanding in the spirit of the agreement on the direct air links established at the time of the Chinese New Year.

The European Union considers that relations between the two shores must be based on constructive dialogue and the pursuit of concrete progress, and reiterates its conviction that this is the only approach likely to benefit both parties and to lead to a peaceful resolution of the Taiwan question.<sup>67</sup>

The EU itself does, however, still refrain from proposing initiatives. Moreover, its apparently neutral stance becomes doubtful when we compare the critique of China with that of the Taiwanese president for taking unilateral action. The Chinese leadership was only indirectly criticized for the passing of the Anti-Secession Law:

The European Union has taken note of the adoption of an "anti-secession law" by the National People's Congress of the People's Republic of China.

In this context, the European Union wishes to recall the constant principles guiding its policy, i.e., its attachment to "one China" and to the peaceful resolution of disputes, which is the only means of maintaining stability in the Taiwan Straits, and its opposition to any use of force.<sup>68</sup>

However, President Chen was directly criticized for abolishing the National Unification Council:

The EU attaches great importance to peace and stability in the Taiwan Strait. This is important to the region and beyond and the EU has on previous occasions urged both sides to refrain from actions which could increase tensions.

The EU therefore takes note with concern of the announcement by the Taiwanese leader Chen Shui-bian that the National Unification Council would cease to

<sup>&</sup>lt;sup>67</sup>http://www.eu2005.lu/en/actualites/pesc/2005/03/14taiwan/index.html (accessed December 27, 2006).

<sup>&</sup>lt;sup>68</sup>That the EU does not directly address the Chinese leadership is also obvious from the following remarks of the EU high representative for the CFSP Javier Solana after a meeting with the Chinese foreign minister Li Zhaoxing: "We also discussed Taiwan. You know what is the position of the European Union. I have repeated our well-known considerations on this issue. I have also expressed our concern about some elements of the anti-secession law. This law has positive elements, as you know, calling for cross-Strait dialogue and cooperation—which we strongly support—but also has references to potential resolution of the issue by nonpeaceful means. The position of the EU is clear: first, full support to "one China" policy; second, the resolution of this conflict has to be delivered through dialogue and peaceful means" (March 17, 2005). http://www.europarl.europa.eu/meetdocs/2004\_2009/documents/fd/dcn2005042604/dcn2005042604en.pdf (accessed December 27, 2006).

#### The EU's Policy toward Taiwan

function and its guidelines would no longer be applied. This decision is not helpful to maintain stability and peaceful development in the Taiwan Strait.<sup>69</sup>

New elements in the statements of the EU include references to the "status quo" in the Taiwan Strait and the support voiced for a "dialogue between all parties." Both phrases, however, admittedly leave room for interpretation.

More improvement can be seen in nonpolitical relations, particularly economic relations. The EU expanded academic exchange with Taiwan (e.g., in the Erasmus program and the 7th Framework Program) and made Taiwan eligible for its Asia-Invest II Program—an initiative by the European Commission to promote and support business cooperation between the EU and Asia.<sup>70</sup>

#### The Paradigmatic Debate about the Arms Embargo

The EU's debate over the lifting of the arms embargo on China is paradigmatic for the EU's policy toward China, or rather Taiwan, and the limited impact of enlargement. The embargo was imposed by the EU in 1989 in the wake of the brutal repression of the Tiananmen Square (天安 門廣場) demonstrations, albeit without any legal precision. It is based on a political declaration from June 1989 that simply states that EU member states will place an embargo on the "trade in arms" with China.<sup>71</sup> To repeal it, however, the EU member states must vote unanimously on the matter.

During separate visits to China in the autumn of 2003, President Jacques Chirac of France and Chancellor Gerhard Schroder of Germany pronounced themselves in favor of lifting the embargo. Their stance pro-

<sup>&</sup>lt;sup>69</sup>http://www.eu2005.lu/en/actualites/pesc/2005/03/14taiwan/index.html (accessed December 27, 2006).

<sup>&</sup>lt;sup>70</sup>See http://ec.europa.eu/europeaid/projects/asia-invest/html2002/main.htm (accessed December 27, 2006).

<sup>&</sup>lt;sup>71</sup>European Council, "Declaration on China" (Madrid, June 27, 1989), *European Union: Fact-sheet*, Annex I, http://ue.eu.int/uedocs/cmsUpload/FACTSHEET\_ON\_THE\_EU\_AND\_CHINA.pdf (accessed July 4, 2007).

voked strong opposition from the United States.<sup>72</sup> In the end, despite efforts by strong advocates within the EU, including Javier Solana, the high representative for the CSFP, and tremendous pressure from Beijing, the embargo was not lifted. What does this issue reveal about the EU?

First, the EU makes clear that security issues play only a minor role in EU-China relations as these are characterized by the predominance of economic exchanges. Moreover, until 2005 the issue of the arms embargo, in European eyes, was totally disconnected from tensions in the Taiwan Strait, despite the opposing views of American officials and defense experts in this context.<sup>73</sup>

Second, the analytical and policy-related vacuum concerning China and Taiwan allows countries like France or Germany to step in and set the agenda for the EU without engaging in prior consultations with the other EU member countries. "Once discussions did get under way, there was no consensus on the issues at hand," as Ward remarked.<sup>74</sup>

Third, European debates were dominated by the implications for the bilateral relations with China of individual member states and not by the impact of the lifting of the embargo on transatlantic relations. The United States perceived this as a strong signal that Europeans were no longer willing to support its policy in the Taiwan Strait. Nevertheless, the new members were more cautious about a decision that would affect the U.S.-EU relationship.

Fourth, the interest in the Chinese market was overwhelming. Taiwan did not play a central role in the European discussions until the passing of the Anti-Secession Law. Nor did the EU seize the opportunity to connect the lifting of the embargo with demands such as the ratification of the UN Convention on Human Rights. Both Taiwan and China came to the conclusion that the EU did not harbor any serious worries about Taiwan and only changed its mind under pressure from Washington. In the course

<sup>&</sup>lt;sup>72</sup>Robin Niblett, "The United States, the European Union, and Lifting the Arms Embargo on China," *Euro-Focus* 10, no. 3 (2004): 1-6.

 <sup>&</sup>lt;sup>73</sup>See van der Putten, "The EU Arms Embargo" (cited in note 4 above).
 <sup>74</sup>See note 52 above.

of the discussions about lifting the embargo, it was decided at the meeting of the EU foreign ministers held in January 2004 that three research reports would be commissioned, none of which included the impact that the removal of the embargo might have on Taiwan's situation, however.<sup>75</sup> In fact, the EU's line of reasoning was exactly the opposite: in its 2006 Communication, the EU Commission pointed out that the improvement in cross-Strait relations could help create the atmosphere for lifting economic sanctions.<sup>76</sup>

Nevertheless, the coming of enlargement did have some impact; as it drew near, Germany and France were confronted with a greater pressure to act before it took effect. They expected it would be more difficult to lift the embargo in the post-enlargement situation, as many of the new EU member states are regarded as pro-Atlanticists, thus making them more susceptible to U.S. pressure.<sup>77</sup>

Opposition to lifting, however, mainly came from some of the older members, notably the Netherlands, Sweden, and Denmark, who raised concerns about human rights abuses in China. Some new member states including Latvia, Poland, and the Czech Republic also expressed their reservations, but it seems very doubtful whether they were led by the same motives. Moreover, there is no indication that the United States exerted pressure on the new member states and that the Balts and the Poles were opposed to the lifting because of strong opposition from Washington.<sup>78</sup>

Since enlargement, the EU consists of a greater number of smaller states that tend to see the embargo as the only leverage the EU has at its disposal in its dealings with China. The haste with which the larger countries had acted was deemed to have weakened the EU's position at the negotiating table. Their attention, however, is directed at relations with China; Taiwan's interests do not play a significant role.<sup>79</sup>

<sup>&</sup>lt;sup>75</sup>See note 57 above.

<sup>&</sup>lt;sup>76</sup>See note 53 above.

<sup>&</sup>lt;sup>77</sup>Ibid.

<sup>&</sup>lt;sup>78</sup>Král, Enlarging EU Foreign Policy.

<sup>&</sup>lt;sup>79</sup>That contrasts with the case of lifting diplomatic sanctions against Cuba in 2004, when

There is also no security framework on the European side to address the Taiwan issue or other conflicts in Asia. China seems not to be considered as a security threat to a Europe that has to a large extent outsourced its security policy to Washington.<sup>80</sup> Nevertheless, in 2005 the EU implicitly developed a second goal for the embargo—to ease tensions between China and Taiwan. By doing this and by linking the improvement in cross-Strait relations with the atmosphere for lifting sanctions, the EU reversed the analogical Chinese request formulated in its EU policy paper and shifted the responsibility on to China itself.

#### **Do Economic Relations with Taiwan Have Any Impact?**

In their annual consultations, the EU Commission and Taiwan limit their talks to economic, commercial, cultural, and scientific topics. Political issues are strictly excluded. In the following, I shall discuss two questions: (1) What are the possible implications of enlargement for the EU's trade with China and Taiwan? (2) Will economic relations stimulate the EU to play a bigger role in cross-Strait relations?

# Enlargement and China-EU Trade

In discussing trade-creation and trade-diversion effects proceeding from EU enlargement, Zhang indicates that existing exports from a third country to the old members might be replaced by exports from the new member states and vice versa.<sup>81</sup> In reality, the issue is more complex, as all of the trading partners interact with each other (i.e., the old and new members as well as third countries), making the situation much more dynamic. Bilateral trade disputes with China, for example, have grown in number

there was very strong opposition from a handful of member states, headed by the Czech Republic, who explicitly supported the Cuban democratic movement. Ibid.

<sup>&</sup>lt;sup>80</sup>Jonathan Holslag, "The European Union and China: The Great Disillusion," *European Foreign Affairs Review* 11, no. 4 (2006): 555-80.

<sup>&</sup>lt;sup>81</sup>See note 32 above.

and size as both trade and investment have expanded.

Hungary, the Czech Republic, and Poland are among the most important trading partners that China has in Central and Eastern Europe. These countries were China's seventh, fifteenth, and eighteenth largest export partners, respectively.<sup>82</sup> Moreover, a vast number of investment opportunities exist for Chinese businesses in the CEECs, although China's commercial ties with the old members are far more important. In 2006 (January-November) the EU-15 accounted for 94.2 percent of China's total trade with the EU. The growth rate of imports and exports in trade with the new members was, however, twice as high (47 percent) as that with the EU-15 countries (23.9 percent)—compared to the same period in 2005.<sup>83</sup>

The expansion of the Common Market has provided new opportunities for Chinese businesses in areas such as trade and investment. CEECbased Chinese businesses enjoy the advantages offered by the Common Market as well as the removal of tariffs and quotas. EU regulations and laws simplify market access. On the other hand, due to the relatively low labor costs in the new member states, their exports to the old members may come to substitute Chinese exports and intra-EU trade may increase. Furthermore, China may have begun to lose out when protective trade measures against non-EU members became effective for trade with the new members. Several WTO members have criticized this, including China and Taiwan.<sup>84</sup>

# Enlargement and Taiwan-EU Trade<sup>85</sup>

Up until the beginning of the 1980s, Europe remained a secondary economic partner for Taiwan. In the following decade Taiwan emerged

<sup>82</sup>Ibid.

<sup>&</sup>lt;sup>83</sup>PRC Ministry of Commerce, http://English.mofcom.gov.cn/aarticle/statistic/hkmacaotaiwan/200612/20061204159660.html (accessed December 27, 2006).

<sup>&</sup>lt;sup>84</sup>Bernadette Andreosso-O'Callaghan and Francoise Nicolas, "Complementarity and Rivalry in EU-China Economic Relations in the Twenty-First Century," *European Foreign Affairs Review* 12, no. 1 (2007): 13-38.

<sup>&</sup>lt;sup>85</sup>All figures are taken from EETO, *EU-Taiwan. Trade and Investment Factfile 2006*, unless cited otherwise.

as a major producer of electronics, mainland China adopted its open-door policy, and the Asian share of Taiwan's exports and imports increased dramatically. This was reflected in a decline in the share of trade with North America, but not in that with Europe. There, the EU and its member states have dominated trade and investment relations with the island. In 1993, exports to the EU-15 accounted for 93.5 percent of Taiwan's total exports to Europe, and they shipped 81.8 percent of Taiwan's imports from Europe. Until 2000, there was no alteration in these shares; the respective figures were virtually identical: 93.5 percent and 81.4 percent.<sup>86</sup>

In 2005, Taiwan was the EU's fifth-largest trading partner in Asia after China, Japan, South Korea, and India, without taking into account the share of Taiwanese companies that invested in China and also export to the EU.<sup>87</sup> Trade peaked in 2000 and declined until 2002 by 22 percent due to international factors and Taiwan's own economic crisis. Since 2004, it has been recovering from the downturn (see table 1). Overall, the EU's share in Taiwan's external trade is diminishing because of the rapid expansion of cross-Strait trade and trade with other Asian countries.

According to Taiwanese customs statistics, the overall trade in goods between the EU and Taiwan has experienced a strong growth since 2003. In 2006 (January to September) trade with the EU amounted to 9.7 percent of total Taiwanese trade—10.6 percent of Taiwanese exports and 8.7 percent of imports. It grew by 6.9 percent (10.7 percent for exports and 2.1 percent for imports) relative to 2005.<sup>88</sup>

The end of the Cold War, however, did not have a significant impact on the trade pattern with Europe. Taiwan responded quite modestly to the new trade and investment opportunities. Since 2004, however, the most impressive annual growth rates in bilateral trade with Taiwan have been exhibited by the new members of the EU. In 2004, trade between Taiwan

<sup>&</sup>lt;sup>86</sup>Robert Ash, "Economic Relations between Taiwan and Europe," *The China Quarterly*, no. 169 (March 2002): 154-80.

<sup>&</sup>lt;sup>87</sup>Exports from Taiwanese-owned companies from China to the EU could amount to the same volume as goods exported directly from Taiwan. See EETO, *EU-Taiwan. Trade and Investment Factfile 2006*, 18.

<sup>&</sup>lt;sup>88</sup>http://ekm92.trade.gov.tw/BOFT/OpenFileService (accessed December 7, 2006).

						In billion E	ECU/euros
	1999	2000	2001	2002	2003	2004	2005
Imports							
Extra-EU-25	746.62	995.98	983.81	942.52	940.76	1,032.17	1,175.95
China (excluding Hong Kong)	52.41	74.37	81.62	89.61	105.39	127.44	158.04
– % of extra-EU-25	0.07	0.07	0.08	0.10	0.11	0.12	0.13
– Growth rate (%)		41.90	9.75	9.79	17.61	20.92	24.01
Taiwan	21.26	28.28	25.97	23.23	22.37	23.60	23.82
– % of extra-EU-25	0.03	0.03	0.03	0.02	0.02	0.02	0.02
– Growth rate (%)		33.02	-8.17	-10.55	-3.70	5.50	0.93
Exports							
Extra-EU-25	689.43	857.78	895.85	903.60	882.88	969.28	1,069.86
China (excluding Hong Kong)	19.62	25.76	30.55	34.87	41.17	48.19	51.75
– % of extra-EU-25	0.03	0.03	0.03	0.04	0.05	0.05	0.05
– Growth rate (%)		31.29	18.60	14.14	18.07	17.05	7.39
Taiwan	11.99	15.11	13.44	11.89	10.98	12.85	12.82
– % of extra-EU-25	0.02	0.02	0.02	0.01	0.01	0.01	0.01
– Growth rate (%)		26.02	-11.05	-11.53	-7.65	17.03	-0.23

# Table 1Extra-EU-25 Trade, 1999-2005

Sources: http://epp.eurostat.ec.europa.eu; and author's own calculations.

and the EU-15 increased by 18.6 percent, while trade with the ten new members increased by 20.4 percent. In 2005, Slovakia more than doubled its bilateral trade with Taiwan, and Hungary and Poland experienced an almost 50 percent increase. In 2006, the Czech Republic, Estonia, Latvia, Poland, and Slovakia attained growth rates of more than 50 percent (see table 2).<sup>89</sup>

As for foreign direct investment (FDI), Taiwan is the sixteenth-largest investor in the EU. The island's investments got going in the 1980s, but they have become more important since the 1990s. Taiwan's stock of 2.2 billion euros at the end of 2002 represented only 0.2 percent of the total stock of FDI in the EU. In the Czech Republic and certain other coun-

<sup>&</sup>lt;sup>89</sup>EETO, EU-Taiwan. Trade and Investment Factfile 2006; and Taipei Representative Office in Belgium (TROB), "Taiwan and the European Union: A Partnership into 2005" (2005), http://ekm92.trade.gov.tw/BOFT/OpenFileService (accessed November 27, 2006).

# Table 2 Trade between Taiwan/China and New Member States

Amount in US\$ million (Jan.-Aug. 2006) and Growth rates in % (Jan.-Aug. 2006 vs. Jan.-Aug. 2005)

Country	Taiwan					China		
	Total Trade		Exports		Imports		Total Trade	
	2006	2006/05	2006	2006/05	2006	2006/05	2006	2006/05
	(US\$	(%)	(US\$	(%)	(US\$	(%)	(US\$	(%)
	million)		million)		million)		million)	
Czech Republic	287.1	74.4	225.4	103.8	61.7	14.2	1,641.1	27.2
Estonia	101.8	65.6	93.5	60.5	8.3	157.9	444.3	112.4
Hungary	374.8	29.9	326.3	54.5	48.5	-37.3	2,389.8	33.4
Lithuania	75.4	27.0	67.1	18.2	8.3	218.7	359.1	62.0
Latvia	51.8	82.8	50.9	84.3	0.9	26.5	273.6	58.2
Malta	62.5	124.8	52.4	150.5	10.1	46.8	563.0	77.9
Poland	421.5	66.6	361.8	70.5	59.7	46.2	2,838.3	40.8
Slovenia	44.7	-4.0	33.7	-5.0	10.9	-0.6	323.3	54.1
Slovakia	262.4	113.2	240.5	129.1	21.9	20.9	437.6	58.3
New members							9,270.0	38.5
EU-25*	30,600	4.5	17,500	8.1	13,200	0.1	168,962.1	22.5

For Taiwan's trade: January-September 2006.

**Sources:** Taiwan Board of Foreign Trade statistics, http://ekm92.trade.gov.tw/BOFT/Open-FileService; and PRC Ministry of Commerce, http://English.mofcom.gov.cn/aarticle/statistic/hkmacaotaiwan/200611/20061103594132.html.

tries, Taiwanese FDI is quite significant (see table 3). Although the Czech statistics record investments which are only half the amount (around US\$400 million) of those recorded by the Taiwanese, the island became the second-largest investor in that country by mid-2005.<sup>90</sup> From the Taiwanese perspective, FDI in the EU comes to 1.5 percent of its total FDI. The evolution is difficult to trace due to the relatively small investment amounts; investments are, however, likely to have grown since 2004.

Compared to the growing trade with China, Taiwan is losing ground in the EU. The EU's exports to Taiwan amount to about a quarter of its

<sup>&</sup>lt;sup>90</sup>Czesław Tubilewicz, "The Scrooge Effect: Taiwan's Economic Diplomacy Toward Central Europe, 1988-2005," *Issues & Studies* 41, no. 4 (December 2005): 209-49.

Country	Taiwan FDI stoc (in US\$ million)		
Czech Republic	870		
United Kingdom	483		
Italy	300		
Netherlands	196		
Germany	130		
Hungary	90		

# Table 3The Main EU Recipients of Taiwanese FDI, 2004

Source: EETO, EU-Taiwan: Trade and Investment Factfile 2006, 28.

exports to China and its imports from Taiwan amount to only 15 percent of those from the mainland. Growth rates of imports from and exports to China are consistently higher than those from and to Taiwan. As for the new members, growth rates of trade with China are also quite impressive, but with four exceptions (Estonia, Hungary, Lithuania, and Slovenia) consistently lower than growth rates in trade with Taiwan. For example, in the period January-September 2006 (see table 2), total trade with China increased for the Czech Republic by 27.2 percent (compared to 74.4 percent with Taiwan), Latvia by 58.2 percent (82.8 percent), Poland 40.8 percent (66.6 percent), and Slovakia 58.3 percent (113.2 percent).<sup>91</sup>

The EU enlargement and the establishment of the eurozone are seen by Ferng as factors that "encouraged Taiwan to accord greater priority to economic and trade relations with the EU and European countries."<sup>92</sup> Notwithstanding the impressive growth rates, the share of the ten new member states in EU-Taiwan trade has remained rather small and was, compared

<sup>&</sup>lt;sup>91</sup>Absolute numbers cannot be compared directly due to their different sources (the Chinese Ministry of Commerce and the Taiwanese Board of Foreign Trade).

<sup>&</sup>lt;sup>92</sup> Li-Kung Ferng (馮立功), "Economic and Trade Perspectives for the EU and Taiwan under the WTO" (Unpublished manuscript, April 2001), cited in Ash, "Economic Relations between Taiwan and Europe."

with Taiwan's total foreign trade as well as with its trade with the EU, hardly significant. It jumped to 5 percent in 2005 and to more than 7 percent of Taiwan's exports to the EU.<sup>93</sup>

Therefore, the relative importance of Taiwan's economy for the CEECs is unlikely to be transformed into significant political outcomes regarding the Council and the Commission. Even the close trade and investment relationship Taiwan maintains with the Czech Republic<sup>94</sup> remains "completely divorced from politics, on a strictly nongovernmental level," as Michal Král, the former Czech representative in Taipei, explains.<sup>95</sup> In May 2007, for example, the Czech Republic opposed Taiwan's bid for WHO membership.<sup>96</sup>

# The CEECs' Relations with Taiwan

The CEECs were among the first countries to establish diplomatic relations with China in 1949. Later, both sides went on to establish extensive diplomatic and commercial relations. Although the Sino-Soviet schism in 1960 led to a freezing of bilateral contacts, it did not enable Taiwan to gain any diplomatic ground. After the end of the Cold War, the CEECs reestablished formal and informal working relations with China and followed the paths of other European nations in continuing to extend these relations. Although their primary focus was on Western Europe as well as countries in their own geographical vicinity, China has become an important political and economic partner outside Europe. After a period of ambivalence in the 1990s, the post-communist states in Central and Eastern Europe re-

<sup>&</sup>lt;sup>93</sup>EETO, EU-Taiwan. Trade and Investment Factfile 2006.

<sup>&</sup>lt;sup>94</sup>For commercial and cultural relations, see Kelly Her, "An Island and the Heart of Europe," *Taiwan Review*, December 29, 2006, http://taiwanreview.nat.gov.tw/fp.asp? xItem=23579& CtNode=119 (accessed July 11, 2007).

<sup>&</sup>lt;sup>95</sup>Adam Daniel Mezel, "Michal Král: A Delicate Balance," *The Prague Post Online*, November 8, 2006, http://www.praguepost.com/articles/2006/11/08/michal-kral-a-delicate-balance/print (accessed July 11, 2007).

<sup>96</sup>Xinhua, May 14, 2007.

affirmed their strict adherence to the "one China" principle. In order to further economic exchange with China, the CEECs—like the old member states—avoid sensitive areas, as the Taiwan issue continues to loom in the political background.

The end of the Cold War and the establishment of post-communist reform governments in the CEECs, along with the negative turn in China's image in the wake of the June 4 suppression, created a unique opportunity for Taiwan to gain diplomatic ground through offers of financial support. The introduction of a market economy in Central and Eastern Europe made those countries willing to accept economic and financial aid from anywhere. However, Taipei's hopes of attaining a higher political status or even diplomatic recognition through offers of economic assistance were soon to be thwarted. The new governments continued to back the "one China" principle, even though some of them were ready to subject it to a "creative" reinterpretation. By the late 1990s, Taiwan's achievement seemed remarkable. All the Central European countries had established representative offices (see table 4), supported Taiwan's accession to the WTO, concluded economic and cultural agreements, and provided Taiwanese politicians with a stage for a diplomatic entrance.<sup>97</sup> However, when the Taiwanese failed adequately to fulfill their financial promises, Taipei began to pursue a policy of quid pro quo in lieu of "cash diplomacy," and when the cost of alienating China was judged higher than the assumed benefits to be derived from supporting Taiwan, the Central European countries "abandoned their maverick policies on Taiwan in favor of strictly unofficial relations with the Republic of China (ROC)."98

Poland is the largest of the new EU members. After the Cold War, its foreign policy orientation changed fundamentally and Poland claimed that it was going to "return to Europe." It simultaneously began to support

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<sup>&</sup>lt;sup>97</sup>Compare the optimistic conclusions of Czesław Tubilewicz, "Promising Eldorado: Taiwan's Diplomacy Offensive in East Central Europe, 1988-1999," *East Asia: An International Quarterly* 18, no. 1 (2000): 34-60, with those of Tubilewicz, "The Scrooge Effect" (cited in note 90 above).

<sup>&</sup>lt;sup>98</sup>Tubilewicz (see note 90 above) describes this process in detail and works out the failures of Taiwan's policy very clearly.

# Table 4 Representative Offices of Taiwan and CEECs

	of CEECs in Taiwan	of Taiwan in CEECs
Hungary	Hungarian Trade Office, July 1998	Taipei Trade Office, October 1990
Czech Republic	Czech Economic and Cultural Office, November 1993	Taipei Economic and Cultural Office, December 1991
Poland	Warsaw Trade Office, November 1995	Taipei Economic and Cultural Office, Decmeber 1992 Taiwan Trade Center, September 1998
Slovak Republic	Slovak Economic and Cultural Office, September 2000	Taipei Representative Office, August 2003
Latvia		Taipei Mission

**Sources:** Czesław Tubilewicz, "Promising Eldorado: Taiwan's Diplomacy Offensive in East Central Europe, 1988-1999," *East Asia: An International Quarterly* 18, no. 1 (2000): 34-60; http://www.Slovak.org.tw; and http://www.moga.gov.tw.

the policies of the United States as the "guardian of human rights." China was accused of human rights abuses, which led to strong reactions by the Chinese government. Although Poland was Taiwan's largest trading partner in Central and Eastern Europe by the mid-1990s, Warsaw was ultimately unwilling to provoke Beijing. Adhering as it did to the "one China" principle, Poland had little room for a specific policy on cross-Strait relations. Only by the late 1990s did the then Polish president, Aleksander Kwasniewski, make some decisions in favor of Taiwan (e.g., assigning consular functions to the Warsaw Trade Office in Taipei by mid-1998), among other reasons due to Poland's huge and rising trade deficit with the PRC. Three years later, however, the new Social Democratic government discarded Taiwan, playing the old card of the "vast Chinese market." While the Taiwan tangle is not given any priority in the Polish foreign policy agenda, Taiwan's low-profile aid diplomacy succeeded at least in building up a "pro-Taiwan" lobby. Parliamentarians from Poland and Taiwan began to communicate with one another and many Polish parliamentarians took a pro-Taiwanese stand.<sup>99</sup> Economic cooperation with Taiwan increased also and Poland expressed hopes of attracting more investment from Taiwan.<sup>100</sup>

Czechoslovakia expressed a very early interest in the establishment of reciprocal trade offices, without wanting to upgrade its unofficial relations with Taiwan. While remaining true to the "one China" principle, President Vaclav Havel nevertheless became Central Europe's chief critic of China's human rights record and was even an advocate of Taiwan's membership of the United Nations. After the break-up of Czechoslovakia in January 1993, Havel continued his Taiwan-friendly policy. By late 1998, however, he was pressured by Czech business and political leaders to abandon his antagonistic China policy. Dissatisfaction stemmed to no small degree from promises of greater economic cooperation not being met by Taipei. Regardless of these factors, the Czech Republic remained the main recipient of Taiwanese investment in Europe, since Taiwan's private businesses maintained and extended their economic partnership with the Czechs.<sup>101</sup>

The Slovak Republic chose a different path after becoming independent in January 1993. Prime Minister Vladimir Meciar refused the opposition's demands that contacts be established with Taipei and banked on relations with China. Only after his departure from the premiership in 1998 did Slovakia and Taiwan open trade offices.<sup>102</sup>

After attaining independence in 1991, Latvia made membership of the EU and NATO the priorities of its foreign policy. As the accession process turned out to be successful, the country's priorities were reshuffled and cooperation with Asian countries emerged as one of a number of new

<sup>&</sup>lt;sup>99</sup>See note 90 above; and Karin Tomala, "Poland and Cross-Strait Relations since the End of the Cold War," in Schucher and Schüller, *Perspectives on Cross-Strait Relations*, 145-60.

<sup>&</sup>lt;sup>100</sup>China Post (Taipei), November 15, 2006.

<sup>&</sup>lt;sup>101</sup>See note 90 above. "While the former Czech President Vaclav Havel was a strong advocate of human rights abroad and refused to travel to countries like China, his successor Vaclav Klaus as well as the current Prime Minister Jiri Paroubek take a far more pragmatic approach, preferring to stress economic relations." Radio Prague, June 27, 2005, http://www.radio.cz/en/article/67990.

<sup>&</sup>lt;sup>102</sup>Ibid.

goals. Diplomatic relations with the PRC, however, had already been established in early September 1991 in appreciation of China's early recognition of Latvia's renewed independence.<sup>103</sup> Moreover, China was regarded as a counterweight to the still dominant neighbor Russia. In November of the same year, Latvia also signed intergovernmental agreements with Taiwan on economic cooperation and trade representation, a move that aroused strong protests from Beijing. From February 1992 to July 1994, a Taiwanese consulate operated in Riga. Only in March 2004 did the Latvian Parliament revoke the agreement with Taiwan.<sup>104</sup> To secure China's support, Latvia agreed to maintain only unofficial connections with Taiwan and confirmed, as did the other Baltic states, its adherence to the "one China" policy. The Latvian government expected that Latvia's relations with the Asian countries would benefit from its participation in the EU.<sup>105</sup>

These few and only briefly outlined examples show us that all of the new entrants had their relations with Taiwan or China respectively settled by the time they entered the EU. Rather than altering the EU's China or Taiwan policy, they wanted to become part of the EU's relations and benefit from its cooperation programs. Moreover, in the preceding years, relations with Taiwan depended very much on the persons or parties in charge—be they idealists (and anti-communists) like Havel (or Lech Walesa in Poland) or pragmatists—and their appreciation of or disappointment with Taiwan's financial contributions, as well as the expectations held by business and political leaders concerning the future development of the Chinese market. By the beginning of the twenty-first century, all of the idealists had made way for pragmatists and the double-digit development of the Chinese economy had begun to justify hopes of a vast Chinese market.

<sup>&</sup>lt;sup>103</sup>The same holds true for all of the three Baltic states. See the websites of the respective foreign ministries: http://www.vm.ee; http://www.am.gov.lv; and http://www.urm.lt (accessed January 5, 2007).

<sup>&</sup>lt;sup>104</sup>http://www.am.gov.lv/en/policy/bilateral-relations/4542/China (accessed January 5, 2007).

<sup>&</sup>lt;sup>105</sup>Artis Birzins, "Bilateral Diplomatic and Economic Relations between East Asia and the New EU Members: The Case of Latvia," *Asia Europe Journal* 2, no. 2 (May 2004): 221-35.

# Conclusion: Still Just Talking Business...

Globalization and close cooperation in the areas of trade, investment, and finance can transform conflicts in East Asian hot spots (including the Taiwan Strait) into European problems within a very short period of time. Nevertheless, Brussels has taken a hands-off approach to the questions of stability and security in the Taiwan Strait up until the present and is still just talking business. Economic relations are the driving force for the EU's development of relations with Taiwan. In that respect, enlargement has not brought about any visible modification in the EU's Taiwan policy. Judging the developments in EU-Taiwan relations in the aftermath of the 2004 enlargement, it has to be concluded that the counterarguments, which are presented in the third section, carry more weight than the arguments in favor of modified relations. Only the transatlantic bonds have become reconfirmed (the fourth argument in section two), but more so in the context of the debate over the lifting of the arms embargo and less as a result of the new entrants' advocacy.

The new members' interests in the East Asia region are too weak to alter the EU's agenda, and their economic priorities are linked to the programs of the EU rather than vice versa. As a result of membership, the entrants' perceptions of their "national" interests have undergone changes. Although their trade with Taiwan is currently more dynamic than trade with China, the latter has outdone the former by a long way. Thus, the entrants have adopted the EU's position on the cross-Strait issue and they avoid raising the Taiwan issue in order to promote their relations with Beijing. This could be read as evidence of "Europeanization." In relation to Asia, enlargement neither changed the EU's foreign policy perceptions and interests nor did it render the CFSP ineffective.

The new members' share in the EU's trade with Taiwan as well as China is rather small and provides—even if they desired it—no leverage. Idealism in their foreign policies has been limited and has actually decreased, especially since the post-transformation anti-communists like Havel and Walesa stepped aside. This also holds true for the EU as a

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whole, as Marsh and Mackenstein conclude: "Ideational issues go to the core of the EU as an international actor," but it has "considerably more difficulties in dealing with actors that do not share its norms."<sup>106</sup> Panebianco argues that the EU is not able (or willing) to exert its "normative power" as a promoter of human rights and democracy to Russia and China—partners that are not willing to accept EU norms with unilateral adaptation.<sup>107</sup> In relations with China, economic interests prevail over the defense of human rights and democracy which is reduced to "declaratory measures." The limits of the "exportability" of the EU model are thus substantiated in the case of Taiwan. Following Sjursen's ideal-types of the emerging European order, the EU's relations with Taiwan give weight to the characterization of the EU as an interest-based "problem-solving entity."<sup>108</sup> The EU Commission and Council have both repeatedly stated that they support a peaceful solution to the Taiwan question and prefer the method of a "constructive dialogue."

Does this mean that there has been no modification at all in the EU's dealings with the Taiwan question? No. As a matter of fact, the Taiwan issue has received increased treatment in policy statements, in which the issue is dealt with in greater detail and with greater specificity. That suggests that even in the absence of any change in strategy the perception of the problem has evolved. Moreover, the easing of tension in the Taiwan Strait has been linked with the lifting of the arms embargo against China.

Yet because of the EU's adherence to the "one China" principle, Brussels refrains from discussing possible ways to resolve the cross-Strait tangle, at least publicly. Taiwan is not a priority issue in official state-

<sup>&</sup>lt;sup>106</sup>Marsh and Mackenstein, *The International Relations of the European Union*, 257f.; and Helene Sjursen, *Towards a Post-National Foreign and Security Policy?* ARENA Working Paper, WP 04/12 (Oslo: ARENA, Centre for European Studies, University of Oslo, 2004), http://www.arena.uio.no (accessed January 8, 2007).

<sup>&</sup>lt;sup>107</sup>Stefania Panebianco, "Promoting Human Rights and Democracy in European Union Relations with Russia and China," in *Values and Principles in European Union Foreign Policy*, ed. Sonia Lucarelli and Ian Manners (London and New York: Routledge, 2006), 130-46.

<sup>&</sup>lt;sup>108</sup>Sjursen, Towards a Post-National Foreign and Security Policy?, 6ff.

ments.<sup>109</sup> And owing to a lack of democratic control of the foreign policy process, the activities of the European Parliament, that stands out as being the EU institution most critical of China, have a very limited role in policy-making. The EU representatives only discuss "nonpolitical" matters with their counterparts in Taipei—mainly business issues. During discussions with their counterparts in Beijing, they restrict themselves to using set phrases about the EU's "hope for a peaceful resolution." Thus the EU is limiting its own role in East Asia by reducing its options vis-à-vis China to pure dialogue, even in matters where both sides do not share the same values.

Defense and security in East Asia and the rest of the world is the weakest or most underdeveloped link in China-EU relations. However, although the EU's capacity to contribute to finding a way out of the Taiwan Strait tangle seems to be rather limited, Brussels could still join forces with other countries that share its foreign policy interests—like the United States or Japan—in order to make China a responsible part of the globalized world and to find a peaceful solution to this conflict (a domestic answer with international repercussions).<sup>110</sup> The EU does not have much expertise in Asia, but its lack of involvement in security issues so far—especially in Taiwan's security—can actually turn out to be an advantage since "the EU can be perceived by Beijing as a more independent and even-handed actor in any settlement of the Taiwan issue."<sup>111</sup>

So far the EU's behavior in cross-Strait issues reflects its general problem of being torn between its growing political ambitions and its efforts to avoid being engaged in a conflict. Iraq, however, has destroyed the illusion that it is possible to avoid the consequences of a conflict by not being involved in it.

<sup>&</sup>lt;sup>109</sup>The "latest news" entry on the EU-Taiwan website is from March 10, 2003: http://ec .europa.eu/comm/external\_relations/taiwan/intro/index.htm (accessed November 6, 2006; July 11, 2007).

<sup>&</sup>lt;sup>110</sup>Reiterer, "Japan and the European Union," 343.

<sup>&</sup>lt;sup>111</sup>Cabestan, "Cross Strait Relations," 13.

# ... and in the Future?

The EU, represented by the Council and the Commission, is extremely cautious about taking positions that might provoke a hostile response from Beijing. They fear both Beijing's retaliation and a worsening of economic relations. Nevertheless, there is room for maneuver. In its dialogue with China, the EU is not afraid of raising other internal issues such as the promotion of a plural society.<sup>112</sup> The EU's support of a civil society in China, its demand for political reforms, and its promotion of a market economy can even be judged as an open call for systemic change.<sup>113</sup>

Through the years, China's representatives have developed a certain routine in discussing delicate issues with their foreign counterparts and do not necessarily feel offended when these issues are brought up. Beijing is even sensitive to outside pressure on foreign policy.<sup>114</sup> As long as China wants to be respected as a "peaceful rising" major global power, its range of action on the Taiwan issue is restricted to a certain degree. Moreover, China is not free from its own commercial interests. It is therefore not completely clear what will happen to EU-China relations if the EU takes a more pronounced position. Unlike Denmark,<sup>115</sup> Sweden's exports have not suffered at all from the Swedish government's decision to adopt a more stringent policy toward China. And in the case of the pro-Taiwan policy of President Havel in the mid-1990s, China had to learn that punitive measures only served to push Prague further into Taiwan's arms. Therefore, Beijing was forced to include some "carrots" in its policy.<sup>116</sup>

<sup>&</sup>lt;sup>112</sup>After the latest "partnership talks" in January 2007, "Ferrero-Waldner was asked about the controversial topic of human rights in China. She stressed the subject was brought up at every meeting. "Whenever we meet, human rights are on our agenda'... She added the EU and China were 'open partners' and that their relationship was mature enough to discuss issues where opinions differed." See "China and EU Launch Partnership Talks," Agence France Press, January 18, 2007, http://www.taiwansecurity.org/AFP/2007/AFP-180107-1 .htm (accessed January 24, 2007).

<sup>&</sup>lt;sup>113</sup>See note 26 above.

<sup>&</sup>lt;sup>114</sup>See note 57 above.

<sup>&</sup>lt;sup>115</sup>For the Danish case, see Eberhard Sandschneider, "China's Diplomatic Relations with the States of Europe," *The China Quarterly*, no. 169 (March 2002): 33-44.

<sup>&</sup>lt;sup>116</sup>See note 90 above.

Bersick contends that the intensification of economic relations is one way the EU can project its soft power into Asia.<sup>117</sup> Since the Chinese veto prevented Taiwan from participating in the ASEM process, the EU could make use of the linkage between state actors and non-state actors in Taiwan and could offer the Taiwanese private sector an opportunity to take part in the Asia-Europe Business Forum. Mengin has shown that in order to take full advantage of Taiwan's economic potential, the EU and the European countries have already extended their ties to political issues (representative offices, government-to-government dialogues), although nonofficially.<sup>118</sup>

Such a policy could be the first step to implementing the aims of the EU's latest Communication on China. To further respond to the increasing responsibilities the EU faces in East Asia, a more constructive approach could be taken. In this case, what are some of the possible options for promoting peace and stability in East Asia?<sup>119</sup>

First, the EU should strive to find a common position on the Taiwan Strait, as it should find a common line on China in general; individual initiatives in conflict resolution would be futile at best and would allow China, and also Taiwan, to adopt a "divide and rule" approach.

Second, the EU should actively encourage or even press for the resumption of the cross-Strait dialogue. In doing so, it could offer an "institutional toolbox" in which both sides have repeatedly shown interest. Or it could even act as a mediator.

Third, in any case, the EU should coordinate its initiatives with the United States and Japan. It should deepen its strategic dialogue with the United States on East Asia and should make the Taiwan issue an immanent topic of that dialogue. The European China strategy should also be communicated to East Asian stakeholders like Japan that share the EU's foreign

<sup>&</sup>lt;sup>117</sup>Bersick, "The Role of Taiwan in the EU's East Asia Strategy," 11.

<sup>&</sup>lt;sup>118</sup>Francoise Mengin, "A Functional Relationship: Political Extensions to Europe-Taiwan Economic Ties," *The China Quarterly*, no. 169 (March 2002): 136-53.

<sup>&</sup>lt;sup>119</sup>See also Cabestan, "Cross-Strait Relations."

policy interests in finding a peaceful solution to this conflict.<sup>120</sup>

Fourth, the EU should make the Taiwan issue an explicit focus of bilateral security dialogue with China. And it should talk politics and security with Taiwan, too.

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<sup>&</sup>lt;sup>120</sup>In a speech at Keio University, the EU's high representative Javier Solana pointed to the need "that we all ... pay close attention in cross-Straits relations." See Javier Solana, "The EU's Strategic Partnership with Japan" (Speech at Keio University, Tokyo, April 24, 2006). Online: http://www.consilium.europa.eu/solana (accessed July 5, 2007).

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