



CSDS POLICY BRIEF • 17/2023

Narratives and Interests: the EU's Position on Taiwan Before and After the War on Ukraine

Giulia Tercovich | 8 June 2023

Key Issues

- Before the war on Ukraine, the European Union's interests on Taiwan were framed in terms of economic and value-based interests. The current economic-focused narrative, paired with a de-risking strategy, might create unexpected consequences.
- Even if there are undeniable parallels between Ukraine and Taiwan, it is not always clear what is expected of Europeans during any potential crisis in the Taiwan Strait. European disagreement at this stage can paradoxically help the EU to better align the priorities of its member states before a crisis potentially emerges.
- Even if Europe might play a role in a Taiwan contingency, its main focus should be on preventing a crisis by clearly signalling to China that it would respond in some form.

The European Union's (EU) unprecedented response to Russia's invasion of Ukraine has triggered [debates](#) about how the Union and its close partners such as Australia, Japan and South Korea could respond to any possible Taiwan contingency. Although there are parallels and differences between Ukraine and Taiwan, it is interesting to observe how Europe's perception of and discourse on Taiwan has undergone an evolution since 2018. Deteriorating EU-China relations and the ripple effects from the war on Ukraine have played their part. Since February 2022, the Union has adopted a narrative of greater political support for Taiwan's security and a growing public recognition of its strategic importance. This Policy Brief provides an overview of this shift, teases out possible inconsistencies and discusses its potential implications for any

EU role in a Taiwan contingency.

Before the war: the European narrative on Taiwan

Much of how the European narrative on Taiwan evolved before Russia's invasion of Ukraine can be explained by a deterioration in EU-China relations. Although overall [trade between China and the EU grew by 428% between 2002 and 2019](#), the EU has adapted its [strategic outlook on China](#) by simultaneously defining China as a partner for cooperation and negotiation, an economic competitor and a systemic rival. While this definition reflects internal tensions among EU member states on China, EU governments have nevertheless taken concrete initiatives to safeguard against China's growing aggressive behaviour (e.g. the 5G toolbox, sanctions or even the anti-

coercion instrument). China's instrumentalisation of medical supplies during the Covid-19 pandemic, its repression of Hong Kong and the Uyghurs and its "wolf warrior" diplomacy, among other troubling actions, have led to a shift in the way the EU views Beijing.

Even though EU-China relations have suffered in recent years, the Union has maintained a cautious approach to China. For example, the EU wanted to push ahead with a 'Comprehensive Agreement on Investment' (CAI) in December 2020 before the European Parliament grounded its legislative passage because of China's sanctions on several deputies. Furthermore, despite China's worrying behaviour towards Europe and in the Indo-Pacific, the EU has nevertheless maintained its stance on the "One China" policy. Much like its partners, the EU recognises the government of the People's Republic of China (PRC) as the sole legal government of China. Due to this, and because [China remains the third largest partner for EU exports of goods and the largest partner for EU imports of goods](#), European governments have been prudent in their approach to the Taiwan issue.

Nevertheless, even before the war on Ukraine the EU saw Taiwan in terms of economic and value-based interests. Taiwan's values speak well to the EU's own values. It is a consolidated democracy that recognises human rights and is very advanced in respecting fundamental freedoms. Taiwan has emerged as a champion for values and the rules-based order in a region that is struggling on these fronts. In economic terms, in 2021 Taiwanese Foreign Direct Investment (FDI) in the EU reached a new record of [€4.5 billion](#), whereas Europe is [Taiwan's largest source of FDI](#). Additionally, Taiwan is leading in critical markets (e.g. the Taiwan Semiconductor Manufacturing Company (TSMC) alone accounts for [over 50%](#) of global production of semiconductors). This dual narrative of referring to both economic interests and values has been effective in building a positive image of Taiwan in Europe.

Such a vision has had important policy implications. For instance, the EU's 2021 "Strategy for Cooperation in the Indo-Pacific" marked a shift in the way Europe approached the region. It did so by looking beyond

its partnership with China to give more prominence to like-minded partners such as Australia, Japan and South Korea, as well as specifically referencing Taiwan for the first time. Supported by all EU member states, the Strategy marked a bold move in clarifying the Union's position on the Taiwan issue *vis-à-vis* China. It stated that ['the display of force and increasing tensions in regional hotspots such as \[...\] in the Taiwan Strait may have a direct impact on European security and prosperity'](#). Incidentally, Taiwan was mentioned four more times across the Strategy as a partner for cooperation in strategic sectors such as semiconductors, sustainable fisheries, data protection and on trade and investment.

However, the EU's changing stance on Taiwan can also be seen in the way prominent [European parliamentarians and experts](#) have called for the EU to rethink its stance on the "One China" policy because of Beijing's increasingly assertive attitude towards Taiwan and its periphery. In August 2020, a delegation of [89 officials](#) from the Czech Republic visited Taiwan in the face of China's objections and threats of retaliation. In February 2021, Bulgaria, Estonia, Latvia, Lithuania, Romania and Slovenia skipped the "17+1" meeting between China and Central and Eastern European (CEE) countries, which was chaired by President Xi Jinping, as a sign that they had lost patience with Beijing. In fact, in November 2021 Lithuania invited [Taipei to establish a de-facto embassy in Vilnius](#) and other CEE states sought to improve their relations with Taiwan.

In terms of EU policy, the European Parliament adopted a non-binding resolution in October 2021 calling for a ['comprehensive enhanced partnership with Taiwan'](#). The EU's High Representative for Foreign and Security Policy and Vice-President of the European Commission (HR/VP), Josep Borrell, endorsed a new course with Taiwan in a [speech](#) addressing a plenary session of the European Parliament. He stated that while there remains a commitment to the EU's "One China" policy, the Union is interested in ['continuing to develop its relationship with Taiwan'](#). Finally, in the current German government's [coalition agreement](#), it foresees a revision of Germany's China policy due to concerns about the situation in the South China Sea, Xinjiang, Hong Kong and Taiwan. The agreement

even voiced selective support for Taiwan's participation in international organisations.

The narrative after the war: what can Europe do for Taiwan?

The EU's response to Russia's war on Ukraine has only raised expectations about how the Union could act in case of any Taiwan contingency – whatever form any crisis ultimately takes. The EU has imposed comprehensive sanctions on Russia and it has provided lethal equipment and military training to Ukraine, as well as having provided support for the Ukrainian economy and refugees. The similarities between Ukraine and Taiwan has not been lost on the Indo-Pacific region, as epitomised by Japanese Prime Minister Fumio Kishida's observation that [‘Ukraine today might be East Asia tomorrow’](#). Even if there are arguably some parallels between Ukraine and Taiwan, it is not always clear what is expected of Europe during any potential crisis involving Taiwan. Arguably, the EU would presumably have

President von der Leyen gave a speech on EU-China relations where she referenced [‘the importance of peace and stability in the Taiwan Strait’](#). However, President Macron gave a press interview where he argued that Europeans should avoid getting [‘caught up in crises that are not ours’](#). This led to a series of reactions from senior politicians stating that any [‘unilateral change in the status quo in the Taiwan Strait, and especially a military escalation, would be unacceptable’](#), as well as suggesting that European navies could patrol the Taiwan Strait as it is [‘clearly part of \[the EU's\] geostrategic perimeter to guarantee peace’](#).

This episode lent weight to impressions that Europe is divided on its position on Taiwan, but the positive dimension of the disagreement is that it can help the EU to better align the priorities of its member states before a crisis potentially emerges. Paradoxically, the one area where EU member states appear to have a high degree of unity is on lowering the Union's dependencies on China and Taiwan. Specifically,

“

Europe should not be tempted by an exclusive focus on its economic interests.

”

to be prepared for three [possible scenarios](#): a full invasion, a blockade and/or grey actions. Yet, it remains to be seen how Europe would respond in these cases: comprehensive sanctions against China and/or weapons shipments to Taiwan? We simply do not know at this stage.

Today, it is therefore perhaps better to think about the ways in which the EU can help prevent a crisis from occurring in Taiwan in the first place. Europe should not be tempted by an exclusive focus on its economic interests, but instead uphold its support for core values on democracy and human rights. However, Europe is still limiting its message on what the consequences for China would be in the case of an attack over Taiwan. The joint visit to China by French President, Emmanuel Macron, and European Commission President, Ursula von der Leyen, only fuelled confusion about the EU's position on the issue. Before heading to Beijing,

the EU has taken concrete steps to reduce supply chain and technology dependencies in areas such as advanced semiconductors. For example, with the EU Chips Act European Commissioner Thierry Breton has made clear that [‘in a geopolitical context of de-risking, Europe is taking its destiny into its own hands \[...\] Europe aims to become an industrial powerhouse in the markets of the future’](#). This initiative should be seen in combination with the announcement in 2022 that the Taiwanese semiconductor firm TSMC wanted to open its first manufacturing plant in Europe.

This paradox, of intensifying political signalling on Taiwan while de-risking the economic relationship in the region, causes obvious dilemmas. The more Europe moves away from Taiwan on an economic basis, the more difficult it will be to maintain the EU's credibility on Taiwan. For example, in the case of a crisis Europe would need to gain the support of its

citizens to bear the costs of any agreed economic or military actions in favour of Taiwan. Russia's war on Ukraine shows that public support for Ukraine, and the willingness of EU citizens to make sacrifices in the name of the country, is a vital foundation for providing support. Yet, if Europeans cast their relationship with Taiwan in largely economic terms, whereby dependencies with Taiwan are lowered, it may be harder to maintain the public support needed in Europe to provide political, financial and military support to Taiwan.

The importance of a realistic assessment of EU capabilities

Based on what we have learned about the European response to the war on Ukraine, three courses of action by the EU could be taken in case China invades Taiwan: economic sanctions, military support to the region and/or humanitarian assistance. While economic sanctions and military support may seem like the obvious EU responses, we should not overlook other measures such as the mobilisation and coordination of emergency assistance. The European Commission has the means to address immediate humanitarian needs through its humanitarian partners on the ground, but it might also intervene directly, using its European Humanitarian Response Capacity. Moreover, the EU could use its Civil Protection Mechanism to coordinate the assistance of its 27 member states and its partners. So far, this option is not that evident in EU discourses on Taiwan as it does not resonate well with the aim of dissuading the possibility of an invasion.

Until very recently, the possibility of European direct military support to Taiwan in case of an invasion was regarded as a very unlikely scenario. Interestingly, European support to Taiwan's defence capabilities has not changed much after Russia's war. The support provided by some EU member states such as France, Germany and Italy to Taiwan over the past 20 years was not substantial. EU leaders do not really refer to a scenario of militarily

supporting Taiwan, knowing that at this stage this may disgruntle China and risk being badly perceived among European populations. It remains hard to predict what member states would do were the United States (US) to militarily intervene in the crisis, even more so in a possible scenario where the US asks Europe for assistance.

The possibility of Europe imposing sanctions on China is regarded as the most realistic and impactful option, however. Yet, the feasibility of this option is often taken for granted. China represents the third largest destination of exported goods, from [which Europe imports 19 out of 30 critical raw materials](#). In this sense, the EU's de-risking approach might help. Still, EU sanctions are agreed upon unanimously by the 27 EU member states, and some of them might not be willing to embark on further sanctions while still absorbing the consequences of those imposed on Russia. Additionally, the impact of any sanctions on China might look different to the ones imposed on Russia, not least because China is highly integrated into the world market and Beijing will learn from Russia's experience.

To conclude, even if Europe might play a role in a Taiwan contingency, its main focus should be on preventing a crisis by clearly signalling to China that it would respond in some form, which would then have to be factored into Beijing's own cost-benefit analysis. Coordinating its signalling and possible response with like-minded partners would have an even larger influence on China's calculations. In any case, the EU can already enhance its strategic signalling by reinforcing the message that maintaining the status quo in the Taiwan Strait is both in the economic and value-based interests of the EU.

This publication is supported by the Australian Government through a grant by the Australian Department of Defence. The views expressed herein are those of the experts and are not necessarily those of the Australian Government or the Australian Department of Defence.



ABOUT THE AUTHOR

Giulia Tercovich

Giulia Tercovich is the Assistant Director of the Centre for Security, Diplomacy and Strategy (CSDS), Brussels School of Governance at the Vrije Universiteit Brussel. Giulia is also an Assistant Professor in International Affairs at the Brussels School of Governance.

giulia.tercovich@vub.be

 [@Giu_Ter](#)

The **Centre for Security, Diplomacy and Strategy (CSDS)** seeks to contribute to a better understanding of the key contemporary security and diplomatic challenges of the 21st century – and their impact on Europe – while reaching out to the policy community that will ultimately need to handle such challenges. Our expertise in security studies will seek to establish comprehensive theoretical and policy coverage of strategic competition and its impact on Europe, whilst paying particular attention to the Transatlantic relationship and the wider Indo-Pacific region. Diplomacy as a field of study will be treated broadly and comparatively to encompass traditional statecraft and foreign policy analysis, as well as public, economic and cultural diplomacy.

The **CSDS Policy Brief** offers a peer-reviewed, interdisciplinary platform for critical analysis, information and interaction. In providing concise and to the point information, it serves as a reference point for policy makers in discussing geo-political, geo-economic and security issues of relevance for Europe. [Subscribe here](#). In each CSDS Policy Brief, authors express their own views and the content does not reflect the views of CSDS. For more information, contact the editor Dr. Daniel Fiott: daniel.fiott@vub.be. (Print ISSN: 2983-4651 / Online ISSN: 2983-466X)

Follow us at:

Twitter [@CSDS_Brussels](#)

LinkedIn [CSDS Brussels](#)

Youtube [CSDS](#)

<https://csds.vub.be>



BRUSSELS
SCHOOL OF
GOVERNANCE

Visitor's address:

Pleinlaan 5, 1050 Brussels, Belgium

Mailing address:

Pleinlaan 2, 1050 Brussels, Belgium

The Brussels School of Governance is an alliance between the Institute for European Studies (Vrije Universiteit Brussel) and Vesalius College.

info_bsog@vub.be

www.brussels-school.be