

## EU-Taiwan Cooperation to Counter China's Infiltration into Europe

Marzia Borsoi-Kelly

## Brexit And Taiwan—New Opportunities?

Michael Reilly

## The Netherlands' Relations with Taiwan

Gerrit van der Wees

## The Importance of Transatlantic Cooperation on Taiwan

Jamie Fly

*As the European Parliamentary election is about to take place from May 23 to May 26, this special issue of the Global Taiwan Brief will look at the relationship between Europe and Taiwan.*

## EU-Taiwan Cooperation to Counter China's Infiltration into Europe

By: Marzia Borsoi-Kelly

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China is making deep inroads into Europe, and Beijing's economic influence in the EU might translate into political leverage. Even though data shows that the general European population does not necessarily see China favorably, the governments of EU members have been increasing their cooperation with Beijing, especially when it comes to trade, business, and investments. While the EU is only recently waking up to the threats of China's infiltration and what that might translate into politically, it still needs to do more. The EU and its member states should partner with Taiwan and the United States to learn more on how to balance China's influence and infiltration, and ensure that democracy and national security are not sacrificed at the expense of economic deals.

Data from the [Pew Research Center](https://www.pewresearch.org) show that in 2018 the European perception of China was "an average favorability of 43 percent across 11 countries—a 1 percent decline from 2017." Of the countries in Europe, the UK, with 49 percent of respondents viewing China positively, is the one that has the highest opinion of China in Europe. This perhaps explains why the two countries increased their economic ties and there is talk about future trade deals after Brexit. Greece is also among the countries in Europe who has less negative views of China, with 43 percent of its respondents giving favorable views. After barely surviving the eurozone debt crisis, Greece developed closer relations with China. In August 2016, China's COSCO Shipping, which owns the world's fourth-largest container fleet and is a state-owned shipping company, bought [51 percent of the port of Piraeus](https://www.reuters.com/article/us/cosco-shipping/greece-largest-port-bought-by-china-idUSKBN131001), Greece's largest port, now part of China's "One Belt, One Road" initiative (OBOR, also known as Belt and Road Initiative). Moreover, in April of this year, [Greece](https://www.reuters.com/article/us/greece/eu-parliament-votes-to-reject-china-idUSKBN131001) also expressed interest in joining the "16+1," [1] which is a bloc consisting of 16 Eastern Euro-

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pean countries (of which 11 are members of the EU) seeking closer ties with China. Diplomats in Brussels, especially those representing the larger EU member states, such as France and Germany, have voiced concerns that the “16+1,” soon “17+1” can be exploited by China to seek further inroads within the EU.

The 2018 data from the Pew Research Center also show that even when countries in the EU polled low in the favorability rates towards China, their engagement with Beijing is nevertheless substantial. This is true in the case of Italy, which only has [29 percent](#) of favorability towards China, yet just joined the OBOR.

### ***The case of Italy***

On March 22 and 23, Chinese President Xi Jinping visited Rome. During the visit, the first in Italy by a Chinese president in 10 years, China and Italy signed a memorandum of understanding (MOU). While many point to the fact that the signing of the MOU between Italy and China is not binding, as the agreement is not a contract, the symbolism is important. Going against warnings from the United States and the EU, Italy became the first of the G7 (Group of 7, the seven top economic powers in the world) to join China’s OBOR, signing [29 different agreements](#) that span from ports, electricity, media, research, health, science, food, and of course trade, for a total of [\\$2.8 billion](#) worth of projects, which the Italian government hopes will help the Italian economy which has entered a recession since last year. Regardless of its economic downturns, Italy is the [third largest economy in the eurozone](#) and one of its founding members, as well as a NATO member and a close US ally, making its signing into the OBOR a major [concern](#) that “Beijing is seeking to divide the EU.” However, it is also important to note that even though major European countries were enraged at Italy’s signing of the MOU with China, around [12 other EU members](#) already signed similar agreements with Beijing.

The signing of the MOU with China was controversial even within Italy and it created division among Italy’s coalition government. Deputy Prime Minister and Interior Minister Matteo Salvini of the far-right League Party did not join his coalition partner, Deputy Prime Minister and Minister of Economic Development and leader of the anti-establishment Five Star Movement Luigi Di Maio, and Prime Minister Giuseppe Conte at the signing ceremony. Salvini, Italy’s most powerful politician, has remained skeptical of the MOU saying that he favors the deal if it allows Italian investments abroad, but he warned that Italy will not fall into China’s debt diplomacy and it will not become its “colony.” On the issue of telecommunications and data, [Salvini’s party](#) “successfully pushed for a water-down version that

limits Chinese involvement in telecommunications and other sensitive data.”

### ***Can Europe stand up to China?***

After Italy, President Xi also visited France, where the Chinese president was welcomed less enthusiastically by French president Emmanuel Macron, as well as German Chancellor Angela Merkel, and the President of the European Commission Jean-Claude Juncker. The joint [welcome](#) with the German Chancellor and the President of the European Commission was to show “a united front against what they [France, Germany, and the EU] consider China’s aggressive, and troubling, economic expansion into Europe.”

Just on March 12, the EU took a tougher stance against China’s actions in Europe, and for the first time, the [European Commission](#) stated the following about Beijing: “China is simultaneously a cooperation partner with whom the EU has closely aligned objectives, a negotiating partner, with whom the EU needs to find a balance of interests, an economic competitor in pursuit of technological leadership, and a systemic rival promoting alternative models of governance.” Moreover, on April 10 a new [EU framework for the screening of foreign direct investment](#) entered into force, which European Commission President Jean-Claude Juncker defined as a “framework [that] will help Europe defend its strategic interests.”

As French President [Macron](#) stated that finally Europe is waking up to the challenges that China’s infiltration means for the EU, it is also important that the EU creates a more united front in dealing with China. One that allows the EU to remain open for business without compromising its values and democracy. While some action have been taken by the European Commission to ensure that democracy and European values are not compromised when dealing with China, what has been done so far is not enough.

Even though the recent Italian deals with China rattled Europe about China’s inroads into the EU, Italy is not the only EU member that has been engaging more with China. As Italy’s undersecretary for economic development [Michele Geraci](#) pointed out, many other EU members “do billions of dollars more business every year with China.” While Chinese investment in Italy totaled USD \$25 billion, Britain’s is around USD \$89 billion. Moreover, Italian [exports](#) into China is “13 billion euros [around USD \$14 billions] compared with 20 billion euros [around USD \$22 billions] for France and 87 billion euros [around USD \$97 billions] for Germany.” As of 2019, “[Chinese state-owned](#) or state-controlled firms now control 10 percent of European port

volume, raising long-term concerns about maritime security and control of key waterways.” This has raised concerns that China’s increasing control of ports and railways across Europe could hinder European and US military operations in the continent, and disrupt [military mobility](#) of NATO forces. Some smaller countries in Europe (especially in the Balkans and Eastern Europe) can become vulnerable to Chinese debt-trap diplomacy, and some already saw how increased economic ties with China, have translated into political influence in Europe, as is the case of [Greece](#) blocking a EU human rights statement on China in 2017.

***What are the implications for the relationship between the EU and Taiwan?***

Even as China continues to try to divide Europe internally and to put political pressure on Europe, the EU and its member states have continued relations with Taiwan on a number of issues. On October 11, 2018, the EU and Taiwan held their first-ever labor affairs consultation meeting in Brussels, which [Taiwan Deputy Labor Minister Lin San-quei](#) defined as a “milestone in bilateral cooperation [between the EU and Taiwan.]” Moreover, the EU has expressed interest in a deal with Taiwan over green energy, and last year Taiwan and the EU engaged in [\\$62 billion in trade](#). Both the EU and Taiwan are aware that China will continue to create obstacles between Taipei, the EU, and its member states; nevertheless, this has not stopped Europe from voicing its support in favor of Taiwan. In January of this year, the EU commissioner in charge of humanitarian aid and crisis management, [Christos Stylianides](#) stated at a plenary session of the European Parliament that the EU is “interested in developing closer relations with Taiwan,” and also highlighted how Brussels and Taipei share the same belief in a system of governance based on freedom, democracy, and human rights. Again in March, during a seminar titled “[Why Taiwan Matters](#),” members of the European Parliament expressed the importance of the increased partnership between Europe and Taiwan, as well as Europe’s support of Taiwan’s democracy and values. Europe is also concerned with China’s increasing aggression against Taiwan, and on February 21, a total of [155 European parliamentarians](#) called for China to stop engaging in additional military maneuvers in the Taiwan Strait. The preservation of peace and stability in the Taiwan Strait and the Indo-Pacific is of great importance not only for the US but also for the EU. In fact, in April [France](#) also sent a warship to pass through the Taiwan Strait in an act to assert freedom of navigation in international waters, as the US has been doing more often recently.

The question is, will the EU and its member states continue to

speak up for Taiwan also in the future, or will China’s economic influence in the EU translate into political leverage which will hinder Europe’s relations with Taipei? As many experts and scholars suggested, including experts that testified before the US House of Representatives in a hearing on “[China’s Expanding Influence in Europe and Eurasia](#)” on May 9, there is a general lack of information in Europe about Chinese investments, especially related to ports and airports, and how the investments are connected to the Chinese Communist Party. European governments need to invest in developing objective and independent expertise and better understanding of China and how it operates, and the EU can learn so much on this from Taiwan. Taiwan is a democratic model and a responsible citizen in the world that contributes to democracy, human rights, global health, and many of the same values shared by the EU and the US. As such, the EU should partner with the US and Taiwan to ensure that the rule-based order that the transatlantic democracies created after World War Two is not threatened by a rising China, and other authoritarian regimes. More cooperation with European countries, who share the values of democracy and freedom with Taiwan, cannot be anything than beneficial for both the EU and Taiwan to pursue.

**The main point:** China’s economic influence in the EU might translate into political leverage. The EU should partner with Taiwan and the US to learn more on how to balance China’s trade and infiltration, and ensure that democracy and national security are not sacrificed in favor of economic deals. Moreover, the US and the EU need to provide alternatives to China’s investments in European countries and they can do so by partnering with Taiwan.

[1] The “[16+1](#)” is composed of the following countries: 11 EU members (Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, and Slovenia) and five European countries that are not members of the EU (Albania, Bosnia and Herzegovina, Macedonia, Montenegro, Serbia).

## Brexit And Taiwan—New Opportunities?

By: Michael Reilly

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On May 23, Britons will go to the polls, together with the citizens of the other 27 member states of the European Union (EU), to elect their new representatives to the European Parliament. That this is happening at all is due to the extraordinary domestic politics that have surrounded the entire Brexit debate in the United Kingdom (UK) since the referendum in June 2016, in which the electorate voted by a narrow majority in favor of leaving the EU. After Prime Minister Theresa May duly invoked [Article 50 of the Lisbon Treaty](#) in March 2017, the country was due to have withdrawn from the EU by the end of March of this year. Although Mrs. May's officials agreed on the terms of a withdrawal agreement with the EU, this has now been rejected three times by the UK Parliament, including members of her own governing party. Until and unless the Parliament approves the agreement, the nature of the country's future relationship with the EU—and by extension with the rest of the world—remains far from clear.

If policy was decided by rhetoric alone, then the UK would already have seen its relationship with its EU neighbors overshadowed by burgeoning ties with the rest of the world, East Asia included. In a [speech](#) to the World Economic Forum in Davos in January 2018, Mrs. May said that outside the EU, the UK would "continue to be a global advocate of free trade [...] developing new bilateral deals with countries across the world," while last November, the Minister of State in the Foreign Office Mark Field [announced](#) that "as the UK leaves the European Union, we are determined to [...] forge a new, dynamic, and ambitious partnership with ASEAN."

Taiwan's hope that such statements might at least mean more favorable bilateral trading arrangements with the UK, if not stronger political links, took a knock in January this year, when its representative at the World Trade Organization (WTO) in Geneva raised objections to the UK's proposed new services schedule within the WTO. At present, as a member of the EU, all UK's trade negotiations are handled on its behalf by the European Commission. If it leaves the EU, the UK will have to negotiate its

own new arrangements, or schedules, with other WTO members. The proposal was part of a plan to do just that, initially by simply replicating current EU schedules on a national basis: a purely "technical exercise" [in the words](#) of UK Trade Secretary Liam Fox. [Taiwan disagreed](#), claiming that in the areas of financial services and aircraft leasing and rental, the new schedule would reduce Taiwan's current levels of market access.

While the disagreement may appear trivial, it is nonetheless indicative of the wider issues surrounding Brexit, in which the British government appears consistently unable to distinguish between its own rhetoric and political reality as it seeks to negotiate a new future for the country outside the EU.

This is especially so in the case of countries in East Asia, whose governments for the most part appear to have reached altogether less rosy views about the impact of Brexit on bilateral relations than the almost hubristic optimism displayed by members of the British government. China, for example, has never hidden its views about the importance of the UK remaining in the EU for Beijing. Two days after the referendum in 2016, a scathing editorial in the Chinese Communist Party-owned *Global Times*, under the heading [Britain steps backward as EU faces decline](#), described the outcome as a "lose-lose" situation for the UK and the EU. More recently, [China's ambassador to the EU warned](#) in April last year that "If there is not a Brexit deal, there won't be things to talk about after that [in UK-China relations]."

Despite this frustration, the negative impact of Brexit on China would be small and certainly less damaging than that of other countries in East Asia. Unlike Korea and Japan, China does not have a free trade agreement (FTA) with the EU, so its trade with the UK should not be directly affected by Brexit, whatever final deal may or may not be reached between the EU and UK. And while Chinese investment into the UK has been growing rapidly in recent years, with €23 billion (around \$25 billion USD) of inward investment in 2016 alone, it has been primarily into infrastructures such as the Hinkley Point nuclear power station and Heathrow airport, or into real estate—areas which will be among those least affected by Brexit.

A better indicator for Taiwan of the likely impact of Brexit therefore might be in its impact on the UK's relations with Japan which, by contrast with China, is likely to lose the most from Brexit within East Asia, especially if a favorable new trading arrangement between the UK and EU is not reached. Japanese companies have been major investors in the UK's manufacturing sector, especially its auto and more recently its railway industries. They will face difficult choices about whether to re-



main in the UK, especially if their European supply chains are disrupted. Another remarkable aspect of the entire Brexit debate in the UK is that the importance of foreign investment into the UK, especially from Japan, which has created hundreds of thousands of jobs in the manufacturing sector, barely featured. Yet, it has been primarily a consequence of the UK's membership in the EU single market. Outside the EU, UK-based companies would no longer have automatic unrestricted access to the single market: a seemingly obvious position, but one which Japanese prime minister Shinzo Abe felt compelled to point out in a [letter to Mrs. May](#) not long after the referendum.

Since then, Abe has arguably done more than any other head of government worldwide both to support the UK in its post-Brexit global trade vision and also to persuade London of the importance of an orderly Brexit. In August 2017, after Japan and the EU had reached an agreement in principle on a new FTA, Abe agreed with Mrs. May that this could be replicated in a [bilateral "cut and paste" agreement](#) with the UK after Brexit, an important boost for her policy. Abe has also publicly supported the unusual [proposal advanced by the UK](#) that the UK could seek to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) trade agreement.

Abe's position is driven by his desire to try to maintain a stable business environment for Japanese companies based in the UK, something which should also be a priority for the British government. But the UK's negotiations with the Japanese government appear to have demonstrated a remarkable [lack of understanding and ability](#) to ensure stability, leaving Japanese officials frustrated and irritated. While this might seem relatively trivial, it highlights the real problem the UK faces as it seeks to negotiate new agreements with the rest of the world after Brexit. The uncomfortable reality that the UK must face is that despite being one of the world's largest economies, it is also one of the least experienced in trade negotiations. For the last forty years or more, all of UK's trade negotiations have been handled on its behalf by the European Commission and the UK lacks not only its own skilled negotiators but also experience with the nuances and cultural factors that can be so important in such negotiations.

This is the reality that Taiwanese policymakers, like their Japanese counterparts, must consider. Although some Taiwanese hope that outside the EU, the UK might prove to be a strong ally, they appear to be basing their hopes largely on the willingness of British politicians to voice their support for the country, especially [in the European Parliament](#). Their hopes may also be based on the previously mentioned strong negative reaction

from China and the assumption that Taiwan therefore stands to gain if China were to lose. But with bigger trading partners than Taiwan to consider, the UK will have to prioritize ruthlessly in its post-Brexit trade negotiations. Its lack of progress to date in reaching any significant agreements suggests that it may struggle to do so.

This does not mean that Taiwan should ignore the UK after Brexit, since London will remain a major trading partner even outside the EU. But lacking both the experience and weight of the European Commission, not to mention the much smaller size of its market compared to that of the rest of the EU, the UK will lack the leverage the EU commands in negotiations. This will create opportunities for Taiwan, not in broad-ranging agreements to which the UK will be unwilling to devote the resources needed, but in specific areas. Taiwan should therefore identify the areas of most importance to it in its trade with the UK and use its own leverage to focus on negotiating sectoral agreements. These may be in financial services or aircraft leasing, for example, or perhaps in product labeling, agricultural standards, and other areas. Approaching this on a step by step basis, over time Taiwan may be able to build broader agreements to its own benefit.

**The main point:** The UK needs to determine its priorities and objectives in its post-Brexit trade with the rest of the world, and focus on them ruthlessly if it is to achieve them. This means that Brexit may offer only limited opportunities for Taiwan.

## The Netherlands' Relations with Taiwan

By: Gerrit van der Wees

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The Netherlands' ties with Taiwan are probably older than those of any other European country. Although back in 1544, it was Portuguese mariners on their way to Japan who gave Formosa its name (Ilha Formosa—Beautiful Island), there are no records of Portuguese landings or settlements. It was the Dutch, who in 1624 first landed on a sandy bank called "Tayouan" near present-day Tainan, established a lively trading post under the Dutch East India Company, and named it Fort Zeelandia. The settlement prospered, trading deer hides collected by the aborigines all the way to Japan, and making the coastal plains around

Tainan safe for agricultural migrants from China's coastal Fukien Province, who started to cultivate rice and sugar.

In the 1640s and 1650s, the settlement grew into one of the largest and most profitable trading posts in all of East Asia, trading silk with China, rice and deer hides to Japan, and sugar as far as Persia. The Dutch imported water buffaloes from the Dutch East Indies (present-day Indonesia), which greatly advanced and modernized agriculture in the Tainan plains. During this time, the Dutch also established a rudimentary educational and medical care system, sent missionaries who converted the aborigine population to Christianity, and set up a more centralized governmental system with the aboriginal villages in the region, holding an annual "Landdag" (meeting of representatives) with aboriginal village chiefs and elders in attendance.

All of this came to an abrupt end in 1661-62 when Ming Dynasty pirate chief Cheng Cheng-kung (known as "Koxinga" in the West), who was on the run ahead of the advancing Qing Dynasty, crossed the Taiwan Strait with 400 junks and some 25,000 men, laying siege to the Dutch fortress. After nine months, the Dutch had to surrender, the survivors returned to Batavia (today's Jakarta), and Koxinga established himself as the local ruler on the Southwest coast of the island. In the process, he made sure he erased almost all remnants of the 38 years of Dutch rule in Taiwan.

For the next 300 years, there was little interaction between the two countries: each went through its own history into the 20th century. This changed in the 1960s, when—with the start of globalization—Taiwan became an important node in the international technology supply chain: Philips, the Dutch electronics giant, set up TV-screen manufacturing plants in Hsinchu. By the early 1980s, the Philips factories represented the largest foreign investment in Taiwan. One of its spin-offs was a joint venture between Philips and the Taiwan government, which resulted in the establishment of [TSMC](#) (Taiwan Semiconductor Manufacturing Company) in 1987, now the world's largest foundry producer of semiconductors.

During the next three decades, economic ties and mutual investments spread to other sectors of the economy. Giant Bicycles established its European headquarters in the Netherlands, while recently Taiwan cement Corporation decided to set up its European headquarters in Amsterdam. During the 1980s, Taiwan was also in the headlines in the Netherlands for another reason: in 1981, the Dutch government under the leadership of Prime Minister Andries van Agt had approved an export license for two submarines, to be built by Wilton Feyenoord Shipyards

in Schiedam. The Zwaardvis-class submarines were built in the early half of the 1980s and delivered to Taiwan in 1986 and 1987. As expected, the People's Republic of China (PRC) raised major objections, downgrading relations with the Netherlands. This pressure by China prompted the Dutch government to reject a 1992 Taiwanese request for assistance in the building of four additional submarines.

In spite of the submarine episode, Dutch economic relations with Taiwan blossomed in the 1990s. Overall, several hundred Taiwanese companies now operate in the Netherlands, many of them located in Eindhoven, the headquarters of Dutch electronics giant Philips, as well as ASML, the world leader in microchip manufacturing technology. Also, many Dutch companies work in Taiwan in areas such as water management (flood containment, drainage, and reservoir dredging), renewable energy (building windmill parks offshore), smart cities, and healthy living. In a recent speech on April 25, 2019 on the occasion of Dutch King Willem-Alexander's birthday, the Dutch representative in Taipei, Mr. Guy Wittich, lauded the relations with Taiwan as being "... in full blossom, robust, and expanding in many areas." (Source: direct email communication between the author and Dutch representative Guy Wittich).

Mr. Wittich mentioned that in 2018, bilateral trade with Taiwan grew to nearly USD \$10 billion, and that the Netherlands has again become Taiwan's second largest trading partner in the EU (after Germany). He also noted that last year, the Netherlands was the largest foreign investor in Taiwan with USD \$3.5 billion in Foreign Direct Investment. Mr. Wittich also mentioned the lively city-to-city exchanges between the two countries, and specifically referred to the visits by the mayors of Almere, Eindhoven, and Utrecht to Taiwan, and the warm welcome they received from the city governments of Tainan, Taichung, Hsinchu, Taoyuan, New Taipei, and Taipei.

While economic ties are in full bloom, political ties keep on lagging: like in most other European countries, the Dutch government still adheres to a "One-China" policy that came into being in the 1970s. The Netherlands maintain formal diplomatic ties with Beijing—established on May 18, 1972—and informal ties with Taiwan. And like the United States, which "acknowledged" (but didn't "recognize") the PRC's claim to Taiwan, the Netherlands, and most other EU countries "took note of" China's claim, yet did not recognize that claim.

Over the years, a number of Dutch politicians, especially in the European Parliament, spoke out in favor of human rights and democracy in Taiwan. Mr. Hans van Baalen of the Dutch VVD

party (Volkspartij voor Vrijheid en Democratie, Party for Freedom and Democracy, the current Dutch ruling party), who served for many years as President of Liberal International and of the European Parliament's Alliance of Liberal and Democrats for Europe (ALDE) Party, and Mr. Bastiaan Belder, who is a prominent member of the Foreign Affairs Committee in the EU Parliament, developed close ties with Taiwan, and particularly with President Tsai Ing-wen of the Democratic Progressive Party (DPP, the current governing party in Taiwan).

Yet, in spite of the efforts of people like Mr. Van Baalen and Mr. Belder, Dutch policy towards Taiwan has not yet caught up with the basic fact that Taiwan is now a vibrant democracy, and very different from the repressive Kuomintang-ruled "Republic of China" in the 1970s. The Netherlands' and other countries' break of relations with Taiwan in the 1970s was prompted by the fact that the Kuomintang still claimed to be the rightful government of all of China, which is obviously not the case anymore.

Taiwan has moved into the 21st century as a full-fledged democracy, and its government and parliament are elected by the people on the island in free and fair elections. It is a peaceful country that wants to play its rightful role in the international family of nations. It is thus essential that the international community, and particularly liberal democracies like the Netherlands, start to look at Taiwan *in its own light and its own right*.

The Netherlands, together with other EU members, need to bring Taiwan in from the cold of international political isolation, and move towards more normal bilateral relations. They also need to be more forceful in the application of the principle of universality as embedded in the Charter of the United Nations, and support Taiwan's participation in international organizations as a full and equal member. That is the only way to safeguard peace and stability in the region.

**The main point:** Perhaps unknown to many, the Netherlands has a long history of relations with Taiwan, going back to the time Formosa was under Dutch East India company rule for 38 years in the 17th century. However, from 1662 until the 1960s, there was very little interaction between Taiwan and the Netherlands. This changed in 1968 with the establishment of the Philips company in Taiwan, which grew into a fruitful bilateral economic relationship. However, Dutch policy towards Taiwan has not kept up with the fact that Taiwan is now a vibrant democracy.

## The Importance of Transatlantic Cooperation on Taiwan

By: Jamie Fly

*Jamie Fly is a senior fellow and the director of the Asia Program at the German Marshall Fund of the United States.*

In recent years, European perceptions of China have increasingly hardened as many European businesses, like their American counterparts, have suffered from China's unfair economic practices. In April, the European Commission deemed China a "[systemic rival](#)." As a result of converging transatlantic views, US-European engagement on the China challenge has increased as well, despite the overarching irritations in the transatlantic relationship.

Yet, this transatlantic engagement has not extended to a key aspect of the China challenge: Beijing's increasing efforts to isolate and pressure Taiwan. Under Xi Jinping, China has increased its threatening rhetoric toward Taiwan and stepped up efforts to increase Taiwan's diplomatic isolation, luring Taiwan's allies to cease diplomatic relations and blocking Taiwan from even observer status at international organizations like the World Health Organization.

While US policy toward Taiwan, enshrined in the 1979 Taiwan Relations Act, receives significant global attention and often incendiary reactions from Beijing, many European Union member states have their own deep relationships with Taiwan. These ties are likely to receive increased attention as Beijing attempts to assert control over Taipei and are deserving of a more prominent role in transatlantic conversations about the China challenge.

While, except for Vatican City (which is a European state but not a member of the EU), European states do not have political relations with Taiwan, economic ties are deep. The EU is Taiwan's [fourth-largest trade partner](#) and Taiwan is the EU's [seventh-largest trading partner in Asia](#). Some European states also treat engagement with Taiwanese officials less sensitively than the United States has in recent administrations, allowing senior Taiwanese officials to visit their capitals and meet with their European counterparts. Like in the United States, Taiwan enjoys significant support in national legislatures and the European Parliament in Brussels.

Yet, much more can be done to deepen Europe's relations with Taiwan and to bring Taiwan more squarely into the deepening transatlantic conversation over the rise of China and its implica-

tions for the global order.

First, far too often, Americans and Europeans view Taiwan as a victim rather than the vibrant free-market democracy it is. Commentary across the transatlantic space about Taiwan often focuses on China's efforts to pressure Taiwan rather than treating the island as an independent actor with global impact. With a population just shy of 24 million people and an economy near the top twenty in the world, Taiwan has much to offer. Deepening Taiwanese engagement in international organizations or deepening Taiwan's economic ties to Western capitals is not a favor to Taiwanese nationalist ambitions but should be viewed for what it is—involving a significant Asian population and advanced economy into global standards-setting which will reap benefits across the globe.

Second, both Europe and the United States want to deepen their respective trade relationships with the island. The European Union has held talks with Taiwan about a potential investment agreement. The [European Commission](#) is currently considering opening formal negotiations, likely in tandem with progress on a similar agreement with mainland China. Meanwhile, with the US withdrawal from the Trans-Pacific Partnership, the United States has an opportunity to prioritize a Free Trade Agreement with Taiwan. Both Brussels and Washington have long-standing concerns about some of Taipei's protectionist policies, particularly related to agriculture, and could coordinate more regarding their asks of Taiwan's government. Europe and the United States are beginning a conversation about the merits or possibility of increased decoupling from the Chinese economy in certain key sectors. It will be essential to include Taiwan in these conversations, for without significant deeper integration into other markets, Taiwan might be caught in an impossible position given its integration into the mainland's economy.

Third, over the last year, Brussels and Washington have begun to deepen coordination as they, and other democracies, debate the best way to respond to Beijing's "One Belt, One Road" initiative (OBOR, also known as Belt and Road Initiative) by responding to the connectivity needs of states in East, Central, and South Asia. Taiwan has emphasized similar opportunities through President Tsai's New Southbound Policy, yet Taiwan is often left out of the Western conversations about this vitally important region. US and European officials should engage Taiwan more frequently as they also consult with colleagues in Japan, India, and Australia. The European Union should explore opportunities to expand its engagement with Taiwan in Southeast Asia through a program like the US Global Cooperation and Training Framework.

Fourth, much of China's recent pressure campaign towards Taiwan has focused on limiting Taipei's access to international organizations. The Trump administration has consulted with other like-minded countries in these fora including the Europeans, Japanese, Australians, South Koreans, among others. Yet, the United States and the European Union should work more closely to develop a united front as part of broader efforts to counteract Chinese efforts to use international institutions to advance Chinese strategic goals. China must realize that if it continues to undermine the effectiveness of key international standards-setting bodies related to global health, civil aviation, and law enforcement cooperation, its ability to serve in leadership positions in these organizations might be threatened. Washington and Brussels should also cooperate more to examine how Beijing has used its personnel in key UN and other organizations to advance its national interests, and Communist Party linked individuals have engaged in corrupt practices at the UN and other institutions. Preventing these abuses at international organizations is one area where, despite the Trump administration's skepticism regarding the United Nations, Washington and Brussels can agree.

Finally, another key element of Beijing's pressure campaign against Taiwan has been the use of authoritarian tools of democratic interference. In Taiwan's [midterm elections](#) late last year, authorities documented cases of information operations including social media manipulation, as well as strategic economic coercion supporting pro-Beijing opposition candidates. Many European states have been experiencing similar tactics from Russia for decades. As the European Union continues to grapple with the growing potency of interference across its members, officials should engage in technical discussions and exchanges with Taiwanese experts who are on the frontlines of a challenge from Beijing that may be directed toward Europe and the United States in the years to come.

**The main point:** The preeminent challenge of the coming decades increasingly appears to be the authoritarian threat to advanced democracies. Despite the lack of official ties between Taipei, Brussels, and Washington, Taiwan is central to this unfolding battle. As Washington and Brussels expand their dialogue regarding China and Asia more broadly, Taiwan should play a key role in that discussion.