

TAIWAN AND EUROPE AFTER BREXIT – GROWING CLOSER OR DRIFTING APART?

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Draft, not for citation

Abstract

This paper considers the prospects for relations between Taiwan and the EU and the UK after Brexit. It does so by first considering briefly the history of relations between the two sides in recent decades and suggests that these were affected by a degree of mutual mistrust that may have acted to inhibit closer relations. It argues that what Taiwan values most in its international relations is a strong trading relationship and security guarantees, but geo-political factors will make both the EU and UK reluctant to sign trade agreements or offer anything firmer by way of security commitments. It therefore recommends that Taiwan should make accession to the Comprehensive and Progressive Trans-Pacific Partnership its over-riding trade objective as wider developments in trade policy may lead to this being aligned with the EU. Neither the EU nor the UK are likely to have the capacity or will to consider any major changes in their relations with Taiwan given other priorities and preoccupations for both. Outside the EU, the UK will lack both leverage and resources to develop its policy towards Taiwan. But there are many smaller steps that the EU, UK and Taiwan can all take to develop relations. Ultimately, whether these are taken will depend on political will.

Acknowledgements.

I am grateful to the Ministry of Foreign Affairs of the Republic of China (Taiwan) for the grant of a Taiwan Fellowship which enabled me to undertake the research necessary for this paper. I am also grateful for the advice and support of colleagues in the Institute of European and American Studies at Academia Sinica, especially Chien-Yi Lu. Former colleagues or successors in many national offices in Taipei were generous with their advice. Special thanks are due to Brent Christensen of AIT and Guy Wittich of the Netherlands Trade and Investment Office, both for their generous hospitality and for their stimulating thoughts and ideas which proved invaluable in helping me develop my own thinking.

Introduction

This paper examines the prospects for relations between Taiwan and Europe – in this case meaning the European Union (EU) and United Kingdom (UK) – following the Brexit referendum in the UK in June 2016, in which the country voted by a narrow majority in favour of leaving the EU. The UK was originally due to have left the EU at the end of March 2019 but two general elections since the referendum have failed to produce a political consensus on the way forward. Even if a third, taking place in December 2019, finally produces a government able to command majority support, detailed negotiations with the EU over the future relationship between the two have yet to start. The final details of this therefore remain far from clear. But while the British political system has remained in a state of paralysis, other countries have reacted and started to plan

accordingly, not least to maximise the opportunity to shape developments to their advantage.

In the immediate aftermath of the result there was optimism in Taiwan that the UK's departure from the EU might create new opportunities, especially in its relations with the UK. Chinese media reports and commentary, on the other hand, suggested that China feared a loss of influence in the EU following the UK's departure from it.

Chinese reactions were consistent with what many British diplomats or others familiar with East Asia were also thinking. In the words of one British diplomat, private reactions in East Asia to the aftermath of the 2016 referendum ranged *from mild bemusement about Brexit to really quite serious and deep incredulity on the other end of the spectrum*, while another has compared it to *the complacency and arrogance of colonial leadership*, his hosts seeing *The nation they admired for stability, common sense, tolerance and realism ... beset by division, obsessed with ideology, careless of the truth, its leaders apparently determined to keep on digging.*ⁱⁱ

This is damaging, not just for the UK but for the EU's relations with East Asia too. Apart from France, the UK has had a deeper historic relationship with the region than have other European countries and EU policy towards the region has been heavily influenced by the UK. Under the terms of the 1997 Sino-British Joint Declaration on Hong Kong, for example, it shares with China an obligation in respect of the future development of the territory, a matter of which it has publicly reminded China since the outbreak of unrest there; it was seen by many other member states as the main driver of the EU's hard line policy towards the Myanmar junta prior to 2012; it drafted the original EU guidelines on policy towards East Asia in 2005; and it was the first European country to lift the visa requirement for Taiwanese passport holders, doing so in 2009. This level of influence will almost certainly decline, irrespective of the final outcome of the prolonged debate over Brexit which already appears to have damaged British credibility and influence in East Asia, possibly for some time to come.

Even with the UK as a member, the EU's relations with North East Asia are dominated by its perceptions of China as a growing world power, not just a regional one, and as a source of trade, investment and tourism. China is also perceived to react forcefully to anything it deems contrary to its interests. These perceptions are a powerful but negative influence on policy considerations and debates within EU states and an obstacle to the development of the EU's relations with Taiwan. Furthermore, the consensual way in which most policy is decided within the EU makes it very hard to reach agreement on anything that might be deemed sensitive. EU states are very unlikely to take or support any action in respect of Taiwan that they feel may damage their relations with China.

Brexit did not take place in isolation. Half a year after the British referendum the countries of Asia had to start adjusting to the policies of Donald Trump as US president, including his conviction that 'trade wars are good, and easy to win.'ⁱⁱⁱ While China has borne the brunt of the impact of his views as the two countries have engaged in a series of skirmishes involving tariffs and counter-tariffs, the immediate consequences affected Japan most directly, one of President Trump's first acts after inauguration being to

withdraw the USA from the fledgling Trans-Pacific Partnership (TPP) trade agreement. Arguably too, of all the East Asian countries Japan stands to lose the most from Brexit, not least because of the considerable commitment made by many of its companies to investing in the UK to take advantage of the European Single Market.

But more than the impact on trade and investment, the very global order on which Japan and Taiwan have built their post 2nd World War policies, security relationships and diplomacy now appears to be under threat. So, while British politicians continue to wrangle over the future of their country's relationship with the EU, East Asian countries are being forced to adapt to the new realities emanating from Washington. An increasingly nationalistic and assertive China under Xi Jinping only adds to this uncertainty.

Taiwanese leaders must therefore manage their reactions to the impact of Brexit not just in the context of their relations with Europe but also those with their neighbours and with the USA, the country's principal security guarantor. This paper analyses the prospects for them being able to do so, first from the perspective of economic and trade relations and then from a broader political and security viewpoint. It argues that the consequences of Brexit for Taiwan are more likely to be negative than positive and that it will struggle to gain attention from either the EU or the UK after Brexit. As a result, the impact of Brexit is likely to reinforce other developments and cause Taiwan to look more closely to its neighbours and the USA and less to Europe.

This is despite it being very much in both the EU's and UK's interests to support Taiwan as part of wider efforts to support the liberal international order, especially free trade. A major challenge for them in doing so is their interest in promoting regional security while being unable or unwilling to provide hard security commitments, the absence of which will force Taiwan to look to others. Nevertheless, there are steps that both sides can and should take to prevent the relationship drifting apart and the paper makes some suggestions in this respect.

Historical relations

Any consideration of current relations between Taiwan and Europe needs to take account of their history. In the absence of the formal legal structures that characterise most state-to-state relationships this has been often complex and frequently vague, open to misunderstandings and misinterpretation.

The UK was the first major western country to recognize the People's Republic of China, doing so in January 1950. Its main motivation was a desire to protect its significant commercial interests in the country following the communist takeover. From that perspective it was a failure, as almost all such interests were expropriated by the new government and Mao Zedong refused to establish diplomatic relations. This led to the highly unusual situation in which British diplomats were based in Beijing but lacking any formal status, even while the armed forces of the two countries were fighting one another on the Korean peninsula. ^{iv}

Just as unusual was that Chiang Kai-shek in Taipei tolerated this and, uniquely, allowed the UK to maintain a consulate in Tamsui, north of Taipei, even while it no longer

recognized the state (the Republic of China) of which he was head. This situation continued even after the PRC and UK finally established diplomatic relations in 1956, ending only in 1972, after China had joined the United Nations the year before. Britain thereupon closed its Tamsui consulate and relations between the two countries were upgraded to ambassadorial level.

Although the UK no longer recognized the Republic of China (RoC) as a state after 1950, nor did it recognize the PRC's claim to Taiwan. Its formal legal position was that the Republic of China government was the *de facto* government of the territories over which it exercised control but that the *de jure* sovereignty over Taiwan remained undetermined, a position the British government continues to hold to this day, although in deference to Chinese sensitivities it is never publicly stated. British officials instead describe their country as following 'a one China policy' as opposed to 'the one China policy' of the PRC. ^v

While the UK supported the American objective of regional stability and avoiding conflict, it offered no security commitment of its own towards Taiwan, however nominal, and a major driver in its relations or rather the lack of them, was to try to ensure they did not further damage or upset its relations with the PRC. An ultra-cautious approach to almost anything to do with China became something of a default position in British foreign policy.

In the 1950s and 1960s this did not matter greatly from a commercial perspective as British trade with Taiwan was minimal. In 1955, British bilateral trade with Taiwan was just 0.04% of its total worldwide trade. ^{vi} But by 1972 when the Tamsui consulate closed, the switch in Taiwan from being a primarily agricultural economy to an industrial one was well under way and economic growth was taking off. Barely had the consulate closed therefore, than officials in London were trying to find a way of helping British exporters win business on the ground despite the absence of any official presence.

Almost before the UK joined the European Community in January 1973, its officials were asking missions in European capitals for details of Taiwanese presence in their countries. Although by this time all nine of the EC members, bar Ireland, had diplomatic relations with the PRC, so the question of recognition of Taiwan did not arise, for most of them the move had been recent and the RoC government was seeking to establish alternative forms of representation in many European countries. ^{vii}

Their formal positions on the status of Taiwan varied. West Germany, as the Federal Republic of Germany then was, had never recognized the RoC and therefore presumably accepted the PRC's claim to Taiwan by default, France had never been a party to the debates over Taiwan's status and had taken no formal position, not even when it switched its recognition from Taipei to Beijing in 1964. Denmark, together with the UK, had been one of the very first countries to recognise the PRC in 1950 and had presumably accepted the latter's claim to Taiwan at the time. While all shared the same objective of keeping any contacts with RoC officials discreet and low profile, national positions on the legal status of Taiwan therefore varied and the position in respect of Taiwanese trade offices in the different states was not surprisingly mixed. Although

none of them included the word 'Taiwan' in their official titles, let alone 'Republic of China,' in Milan there was an office staffed by Taiwanese government officials and similar offices but staffed in a private capacity in Germany and in Rotterdam. ^{viii}

Possibly more significant, however, and something that was to become of increasing importance as trade between Taiwan and Europe grew in the years ahead, was the attitude of the European Commission. Taiwan had signed a textile agreement with the then European Economic Community (EEC) in 1970 but this was not renewed when it expired in 1973. Its bid to join the EEC's Generalised System of Preferences (GSP), which would allow some of its exports preferential access to European markets and which would be of major benefit to its fellow 'Asian tiger' economy of Korea, was rebuffed although the Commission appeared keen to continue discussions over what it saw as dumping by Taiwanese exporters.

Perhaps because of this apparently unforthcoming if not openly hostile attitude of the Commission, Taiwan closed its office in Brussels and moved it to Rotterdam. Then in 1975, the European Commission established diplomatic relations with the PRC. By this time all but one of the member states had already done so, but whereas in their cases no explicit mention of the 'one-China policy' was included in the agreement (for example France and Germany), or tortuous negotiations led to a form of words acceptable to both sides but open to different interpretations (as with the UK), the Commission appears from the outset to have agreed to abide by the 'one-China policy.'^{ix}

At the time this was probably seen as of little consequence – following China's accession to the United Nations and US president Nixon's visit to Beijing in 1972, the international tide was flowing firmly in favour of the PRC. But while European trade with the PRC was to grow rapidly that with Taiwan grew even faster, and whereas already in 1995 two-way trade with China showed a big surplus in China's favour, with Taiwan the surplus was to Europe's advantage.

To European politicians this was an important difference, not least because of the opportunities Taiwan's expansion presented for their companies. The 1990s were to see Taiwan embark on ambitious plans to upgrade the country's infrastructure with nuclear power stations, metro lines, new highways and a new high-speed railway all under consideration and all of them attractive prizes for large European companies. And Taiwanese ones were beginning to invest in Europe, to take advantage of the new single market. Politicians were keen to lure them to their own country, frequently offering generous incentives to persuade them to do so.

Had diplomatic relations existed between the countries concerned, this would have been straightforward. Embassies would have supported lobbying campaigns by companies, as would visiting ministers. Trade policy was set by the European Commission, which negotiated preferential tariff agreements, import quotas, voluntary restraint agreements and other trade measures. But, presumably influenced by its attitude in respect of China, the Commission was to be very cautious in its dealings with Taiwan. It would be the 21st century before it finally opened an office in Taipei.^x Thus, not only were there no formal diplomatic relations between Taiwan and EC member

states but the institutional framework in which trade relations and overall principles with other countries was agreed and obstacles addressed was also lacking.

In the absence of any framework, something of a free-for-all developed in European countries' dealings with Taiwan as they vied with one another for a bigger share of its market. The UK was as guilty of this as its partners. Françoise Mengin has shown that the main winner of this free-for-all was Taiwan. Because this competitive nationalism drove national policies, which in the absence of any coherent approach or framework often led to 'over-bidding' in the desire to win big contracts, Taiwan was able successfully to leverage this into increased and more formal political contacts with European countries. Companies themselves rarely did as well as they or their political backers in Europe hoped or expected, often because they were too dependent on political lobbying for their success and failed sufficiently to build the local contacts and networks essential for long-term success in the market. ^{xi}

The problems that this lack of framework for relations created would become all too apparent in the early years of the new millennium. Initially, as this dawned there was much to be optimistic about in relations between Taiwan and the EU. In 2001 Taiwan was the EU's third largest bilateral trading partner in Asia, two-way trade surpassed in value only by that between the EU and Japan and China.^{xii} In March 2000, presidential elections in Taiwan saw a peaceful transfer of power from the Kuomintang (Chinese Nationalist Party, or KMT) who had governed the island since the Japanese surrender in 1945, to the opposition Democratic Progressive Party, or DPP. This consolidation of democracy in the country could only be welcome to the EU.

Reflecting the apparently healthy state of links, all the larger EU member states had by now opened *quasi*-embassies, usually described as 'trade offices' or 'institutes' but staffed by career diplomats, notionally on secondment. Increasing numbers of ministers from European governments were visiting Taipei, where they were frequently received at a senior level, in their efforts to win contracts. Philips of the Netherlands was the largest foreign invested company in Taiwan, with seven plants employing over 12,000 staff and ranking second overall among Taiwan's manufacturing industries.^{xiii} At the time, Taiwan was also the Netherlands' largest trading partner in Asia and in 2001 it became the first European country to sign a double taxation agreement with Taiwan.

One year later, the United Kingdom followed suit. In its case, the agreement required prior debate and approval by parliament, making it a high profile move and therefore impossible to hide from China. But it was a step the government was willing to take, given the pressure to do so from British business. Although, like the Netherlands before it, the British government avoided the use of 'treaty language' within the agreement (or 'arrangement' as it preferred to call it) and it was signed by representatives of the trade offices in respective capitals rather than government officials, this was, nonetheless, a further step towards the *de-facto* recognition of Taiwan as an independent state. Meanwhile, on 1 January 2002, Taiwan had become the 144th member of the World Trade Organisation (WTO), a move which finally prompted the European Commission to open an office in Taipei the following year.

But much of the rest of the decade would see the relationship embroiled in a series of controversies, a sense of mutual mistrust replacing the spirit of co-operation that had hitherto seemed to be prevalent. The first signs came before the millennium. In 1997 France lost out to General Electric (GE) of the USA in its bid to win the contract to build a fourth nuclear power station on the island. It was probably scant consolation that the plant was mired in controversy from the outset and is unlikely ever to be operational due to growing opposition within Taiwan to nuclear power. Three other decisions would prove to be far more controversial from a European perspective.

The first was the loss in 2000 by a Franco-German-British consortium of Alstom-Siemens to secure the contract to supply trains for the high speed railway under construction, even though it had been selected as the preferred bidder; the government deciding that the contract should go to Japanese manufacturers instead. This was almost certainly a case of political considerations and influence outweighing technical and financial ones, the new DPP administration valuing its relationship with Japan far more than that with the EU.

Similar controversy surrounded a decision on new aircraft orders by the national flag-carrier, China Airlines. Initially it appeared that almost the entire order would go to Airbus, with many of the planes to be powered by Rolls-Royce engines, only for the government once again to intervene. Airbus would still receive some orders but so too would Boeing, while Rolls-Royce lost out altogether, the engine contracts, like the power station beforehand, going to GE.^{xiv} As with Japan and the high-speed trains, technical considerations or an attractive price were no match for political considerations and American influence.

Subsequently, from 2004 Philips was involved in a long-drawn out legal battle over attempts to force it to accept lower royalty payments from Taiwanese companies through compulsory licensing arrangements, eventually in 2007 enlisting the help of the European Commission in taking the case to the WTO, whose Trade Barriers Regulations Committee ruled in the company's favour in 2008.^{xv} Although Philips was ultimately successful in fighting its case, the dispute did little to encourage European companies to consider investing in Taiwan.

For the EU, such decisions helped fuel negative perceptions of the seemingly untrustworthy nature of Taiwan and its companies in business matters. This was often reinforced by lesser disputes at national level. In the case of Britain, for example, the British Council was forced to close its profitable and popular English teaching service in 2000 after protests by local language schools (which pointed out, not unreasonably, that unlike them the Council was not paying tax on its operations, which thereby gave it a considerable advantage). The dispute was eventually resolved through the conclusion of another bilateral agreement covering cultural matters, but the Council's teaching operations were closed for over two years in the meantime.

For the UK, the successful handover of Hong Kong to China in 1997 had removed one thorn from the bilateral relationship with China but Chinese sensitivities over Taiwan remained as strong as ever. And with a DPP government in power in Taipei, China stepped up both its rhetoric and its pressure to try to isolate Taiwan internationally. In 2000 Lee Deng-hui, the country's first directly elected president but by then no longer

in office, paid a private visit to the UK, in the course of which he went to the Houses of Parliament to meet the former prime minister Margaret Thatcher. In addition to the inevitable protest from the Chinese embassy in London, a visit to Beijing by a junior Treasury minister was cancelled, something of a symbolic gesture but enough to prompt a tetchy exchange between the Treasury and Foreign Office.^{xvi} As trade and engagement with China continued to grow, so countries were less willing to risk their relationship with Beijing at the expense of that with Taipei, especially when the government there seemed indifferent to European interests.

Matters might have been different had bilateral trade continued to grow at the same rate as in the 1990s. But from 2000 to 2010, the EU's bilateral trade with Taiwan grew just 28%, while that with China grew more than fourfold. By 2011 Taiwan had dropped to the EU's 7th largest Asian partner, accounting for a smaller share of total EU trade than both Hong Kong and Singapore despite its much larger size.^{xvii} Ironically, much of the growth in trade with China was directly due to Taiwanese companies. After China joined the WTO in 2001, Taiwanese electronics companies especially were quick to move production to China, to take advantage of the seemingly limitless supply of low-cost labour there, much of it in coastal provinces within easy reach of Taiwan. By 2015, the top three and no fewer than eight of the top eleven exporters from China were Taiwanese owned companies.^{xviii} The largest, Honhai Precision (Foxconn), is also China's largest private sector employer with more than 800,000 employees, equivalent to over 7% of the entire Taiwanese labour force (at one point it was reported to be more than one million). Taiwanese companies were exporting more than ever before to the EU, just that with most of the final assembly now taking place in China, it showed in trade statistics as Chinese exports, not Taiwanese.

With direct trade no longer growing, however, and decisions on major contracts seemingly going against Europe on political grounds, there was little incentive for European politicians to risk incurring Beijing's wrath by engaging with Taiwan. The caution was reinforced by distrust of the motives of the DPP administration amidst fears, assiduously stoked by China, that it would take radical steps towards formal independence. Heavy pressure on the Taiwanese government from the Bush administration in the USA helped persuade it not to, albeit not without friction and controversy in the relationship.^{xix}

The arms embargo crisis

This background helps explain in part how the EU blundered its way into what would have been the biggest crisis in its relations with Taiwan, the proposal to lift the arms embargo on China. This had been imposed after the suppression of the Tiananmen Square protests in 1989 and from the outset was intended as a political signal of European protest at the suppression. It was not included in formal legal documents of the European Union and considerable leeway was left to individual member states over its interpretation. In the UK's case, for example, the embargo did not apply to 'non-lethal' weapons and in 1996 it sold a radar system to China. Despite the embargo, arms sales to China from the EU were growing, albeit from a low base, reaching an estimated

€400 million in 2003. In the same year, China and the EU signed a strategic partnership and Chinese pressure on the EU to lift the embargo increased.^{xx}

Advocates of lifting the embargo argued that it was an unnecessary irritant in the burgeoning relationship with China and that lifting it would be of symbolic importance only as exports would continue to be circumscribed by existing export license regulations. They suggested replacing it by a strengthened EU code of conduct providing greater clarity over what arms sales could be permitted. This was not a view shared by all defence manufacturers, however, at least some of whom saw opportunities arising if the embargo were lifted.^{xxi}

The driving force behind the proposal was French president Jacques Chirac, enthusiastically supported by German chancellor Gerhard Schröder. While the prospect of increased arms sales to China was very probably a factor in Chirac's thinking (somewhat ironically, given France's sale of Mirage aircraft and Lafayette frigates to Taiwan a little over a decade earlier), it has been argued that he was advocating the lift to help shift the balance of power in East Asia in China's favour, with a view to France subsequently benefiting, presumably.^{xxii} Early discussions of the proposal at working level among European officials revealed divided views. Initially both Germany and the UK were reluctant to agree, the former being the most strongly opposed despite Schröder's enthusiasm, but once Chirac persuaded Tony Blair in the UK to his way of thinking, any remaining opposition at official level became largely irrelevant.

With hindsight, what was so striking about discussion of the proposal was the near total failure on the part of European foreign ministries generally to consider the likely reaction in other countries. No serious consideration was ever given to possible Taiwanese concerns, even though it was a democratic country facing a clear threat from its neighbour, and very little to Japanese concerns. It was only the very strong adverse reaction by the US Congress and the accompanying risk of real damage to trans-Atlantic relations that persuaded the EU to back down.

Ratification by China's National People's Congress of the Anti-Secession Law, under which China explicitly reserves the right to use 'non-peaceful means' to prevent any attempt by Taiwan at formal independence, provided the EU with a face-saving excuse not to lift the embargo. In the circumstances this was slightly ironic as very shortly after the law's ratification, Chirac's prime minister Jean-Pierre Raffarin had spoken out in support of it on a visit to Beijing.^{xxiii} But the real reason for dropping the proposal was the strong American pressure, reinforced by growing Japanese opposition. (Swedish research shows that even so, in 2006, France exported €130 million of arms to China.^{xxiv})

That matters reached this stage was widely seen as a reflection of the EU's lack of strategic interest in or understanding of North East Asia, its member states seeing the region only in terms of commercial opportunities, notwithstanding the argument of some scholars that the EU has sought, albeit unsuccessfully, to pursue a more values-based diplomacy, at least in its relations with China.^{xxv} Only after this near debacle and to try to avoid any repeat did the EU attempt to bring greater coherence to its East Asian strategy. In the second half of 2005, the UK, which was then holding the rotating six-

month EU presidency, first proposed then secured the agreement of all member states to common guidelines 'designed to provide a broad orientation for the EU's approach to East Asia, across the full range of its activities.'

Little thought was given to Taiwanese sensitivities in the drafting, which focused squarely on the importance of the trans-Atlantic relationship. Arguably the UK was more sensitive not only to views within East Asia but also, crucially, within Washington and pushed for the guidelines as an attempt to reassure the USA at least as much as East Asian countries, about EU behaviour and actions in the region. Last updated in 2012, the guidelines explicitly recognise the role of the USA in providing security commitments to the region and state that 'it is important that the EU remain sensitive to this.'^{xxvi}

Whether or not another EU member state would have shown similar leadership in the same situation is something of a moot point. Arguably, the crisis arose primarily because of the personalities involved in advocating lifting the embargo, principally Chirac and Schröder. It is certainly hard to conceive of Germany under the cautious Angela Merkel allowing matters to get as far as they did. And in the years since, European foreign policy making has improved with the creation of the External Action Service, making a co-ordinated position easier to achieve, while attitudes in respect of China have hardened, making it less likely that a senior European figure would again advocate lifting the embargo in the absence of any improvement in the human rights situation there.

The UK was also as culpable as other EU states in failing to spot the initial dangers, or in at least insisting that China agree to certain conditions in respect of its human rights obligations as a *quid pro quo* for lifting the embargo. But faced with a brewing crisis, UK officials took the initiative and were able to negotiate an outcome that was an essential first step towards rebuilding trans-Atlantic relations, although the original handling of the issue left a residue of mistrust in Washington about European behaviour in North East Asia that has been slow to disappear.

Given the lack of sensitivity in some European capitals to American concerns, it is hardly surprising that so little attention was paid to Taiwanese fears. The mood in Europe generally at the time was in favour of increasing engagement with China, against which Taiwanese concerns were seen as little more than an irritant. Not only was bilateral trade no longer growing, recent political decisions on big contracts had soured the atmosphere while exporters were growing increasingly frustrated over problems in the Taiwanese market. Complaints about the lack of intellectual property-right protection, notably the sale of counterfeit whisky and other goods, compulsory licensing and non-tariff barriers such as arcane local testing or labelling requirements, which would take on such prominence in complaints about trading with China a decade later, were growing in frequency. With optimism about trade opportunities on the wane, especially as Taiwanese manufacturers themselves were rushing to invest in China, and China's propaganda machine energetically trying to persuade western foreign ministries that Taiwanese president Chen Shui-bian was nothing but a trouble-maker, support for Taiwan's position was not easy to find, while in Taiwan the issue did

nothing to endear the EU to an already suspicious administration, whose reaction was to seek to move still closer to Japan and the USA.

Had there been a better mechanism between the EU and Taiwan for discussing the growing frustrations over trade, this might have also provided a means of raising broader concerns, or for messages to be disseminated more effectively. But the European Commission's presence in Taiwan at the time was both new and modest, and possibly influenced by the new strategic partnership with China, Commission officials in Brussels appeared reluctant to engage more actively with their Taiwanese counterparts. For its part, the Taiwanese bureaucracy was highly compartmentalized (and remains so today), with little co-operation between the Ministries of Foreign Affairs and Economic Affairs, the latter being responsible for foreign trade policy. If a more established framework in which to raise issues of concern had existed, at least some of the mutual distrust that clouded the relationship might have been reduced.

EU-Taiwan relations after Brexit

With the UK's departure from the EU now looking more likely than not, the EU needs to assess its strategy for its future relations with East Asia, to ensure it remains a credible, effective and valued partner for the countries of the region and that the loss of any potential British influence is minimised. It does have an agreed approach to the region, its *Guidelines on Foreign and Security Policy in East Asia* but these have not been updated since 2012.^{xxvii} While they provide an overall framework, it is also one that now looks somewhat dated given developments since, not least China's continued militarisation of the South China Sea. And while it purports to provide a comprehensive approach, the guidelines barely mention Taiwan, despite the common values it shares with the EU. At the very least, a stock-take of progress against some of the objectives set out in the guidelines would surely be appropriate.

For the EU, the driving force in its relationship with East Asia has been and will remain trade. Although Taiwan, Japan and Korea would undoubtedly welcome a relationship with it more akin to the hard power security relationship they enjoy with the USA, for them too, trade is a driver of wider diplomatic engagement, as shown by the free trade agreements that both Korea and Japan have signed with the EU in recent years.

The EU shares with Taiwan, as well as with Japan and Korea, an attachment to universal values which for these three is a common feature that distinguishes them from China. But it is not difficult to conclude that this attachment is a second order priority for all concerned, regularly subordinated to other priorities when it suits them. The failure of 'values-based diplomacy' in the EU's dealings with China has been widely noted but it is not confined to China.^{xxviii} Despite European Parliament resolutions raising concerns about the absence of human rights in Vietnam and a Lisbon Treaty obligation to carry out a human rights assessment before entering into bilateral trade negotiations for example, the European Commission was more than willing to negotiate an FTA with Vietnam and even Myanmar, while refusing to do so with Taiwan.

One author has argued that in respect of Vietnam this was part of a wider strategy of containing China, a strategy that also made Vietnam the biggest recipient of Japanese

aid in the 21st century and in which three of the top four recipients of bilateral Japanese development assistance in the decade from 2004 – 2015 were countries in territorial disputes with China.^{xxix} A frank assessment of the EU's commitment to universal values and its support for others who share that commitment should therefore be an important aspect of any review of strategy.

In contrast to the EU's enthusiasm for signing trade agreements with the likes of Vietnam, although the then EC Trade Commissioner, Cecilia Malmström, said in October 2015 that the Commission would 'explore launching negotiations on investment with ... Taiwan,' progress to date has been minimal.^{xxx} Ostensibly this is because of the lack of progress in negotiations between the EU and China over a similar comprehensive agreement on investment (CAI). The two sides opened bilateral talks on this in November 2013 and had held 23 rounds of meetings by September 2019 without much progress, despite a mutual political commitment to reach agreement by the end of 2020.

Commission officials cite this as a reason for lack of movement on a similar agreement with Taiwan, arguing that under WTO procedures an agreement with China must precede one with Taiwan. But this is an overly restrictive interpretation of the basis under which Taiwan joined the WTO, and almost certainly owes more to aggressive Chinese lobbying in Brussels, bureaucratic inertia or a combination of the two, than to any WTO rules.^{xxxi} It is also consistent with the very cautious attitude to Taiwan that Commission officials have followed since the mid-1970s, even if it is at odds with the EU's own increasingly 'values-based' diplomacy.

Arguably, opening negotiations with Taiwan would give the Commission useful leverage in their ongoing talks with China but given both the lack of progress and higher trade policy priorities, not least ongoing transatlantic trade friction, only sustained pressure from the European Parliament or member states is likely to persuade the Commission to stop dragging its feet.

But a more attractive alternative for Taiwan exists anyway in the form of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). Originally the Trans-Pacific Partnership (TPP) trade agreement, a signature policy of the previous Obama administration, one of President Trump's first acts on taking office in 2017 was to withdraw the USA from it. With tacit encouragement from US officials, however, Japan's Prime Minister Abe successfully resurrected the agreement, re-branding it as the CPTPP—a TPP minus both the USA and the provisions that would have been of most benefit to American companies and in this form it entered into force in December 2018.

Shorn of the US, the CPTPP may appear a somewhat disparate group. Only two of its eleven signatories – Canada and Japan – are in the G7 and two more – Mexico and Australia – in the G20. It is geographically as well as economically diverse. But together its members represent 13.4% of world Gross Domestic Product (GDP), making it the third largest global trade agreement after the EU-Japan and USA-Canada-Mexico Agreements.^{xxxii} It also includes Taiwan's third largest trading partner (Japan – with whom it does more trade than with the whole of the EU), countries with which Taiwan already has bilateral free trade agreements (Singapore and New Zealand), and others such as Vietnam and Malaysia that are central to the country's *New Southbound Policy* and its objective of reducing Taiwan's trading dependence on the PRC, while the majority of members are also, like Taiwan, democracies. Even without the USA, CPTPP

members led by Japan will still account for over 25% of Taiwan's total trade, making membership highly desirable and a stated priority for Tsai Ing-wen's government.^{xxxiii}

The CPTPP may appear to be of little relevance to trade with Europe but in February 2019, the free trade agreement (Economic Partnership Agreement, or EPA) between the EU and Japan came into effect. Japanese Prime Minister Abe subsequently suggested that this could also be aligned with the CPTPP. As the EU already has, or is negotiating, Free Trade Agreements with nine of the eleven CPTPP members, this is far from being a fanciful proposition. Aligning these with CPTPP provisions should be relatively straightforward. If this goes ahead, accession to the CPTPP would be of even greater benefit to Taiwan.

The government in Taipei is acutely sensitive to the risks posed by excessive reliance on the Chinese economy, which it has been seeking to reduce through its *New Southbound Policy*, aimed at reducing dependence on the Chinese market and which has been given added impetus since late 2018 by the trade dispute between the USA and China. Joining the TPP in its original format was a priority for Taiwan and even without US membership, being in the group would bring important trade benefits. From the EU's perspective, Taiwanese membership of the CPTPP would also deal with the 'China problem.' Commission officials have always been unwilling to negotiate a bilateral FTA with Taiwan prior to doing so with China. With the prospects of an EU-China FTA as remote as ever, Taiwanese membership of the CPTPP would sidestep the matter.

Progress is unlikely to be straightforward. It is reasonable to assume that even if Chinese diplomats do not lobby aggressively against any Taiwanese membership, some of the CPTPP members will be cautious about agreeing to it for fear of possible Chinese reactions. That all current CPTPP members are, like Taiwan, also members of APEC should help. Even so, it will not happen without thorough preparation and groundwork. It will also require a degree of domestic regulatory and economic reform to comply with CPTPP agreements and a carefully prepared, well targeted and co-ordinated diplomatic lobbying campaign among CPTPP members. That in turn will require close co-operation between Taiwan's Ministry of Foreign Affairs, Office of Trade Negotiations and Bureau of Foreign Trade.

Whether the EU will share Abe's apparent enthusiasm for aligning the EPA with the CPTPP remains to be seen although it has shown itself ready to work more closely with Japan in other areas, for example at the G20 summit meeting in Osaka in June 2019, where the two collaborated effectively to overcome US opposition to strong language in the communiqué on the need for action over climate change and the environment (a separate dissenting paragraph on the US' position only served to highlight its isolation).^{xxxiv}

Both climate change and the environment are also issues on which the EU could co-operate more with Taiwan. At present, such co-operation is largely on an *ad hoc* basis, described by the European Office in Taipei as 'regular liaison' *in order to clearly convey the EU's position on climate change and to promote domestic action in these areas.*^{xxxv} While welcome, this engagement falls a long way short of that between the EU and the Republic of Korea, for example, which includes a comprehensive Free Trade Agreement and an accompanying political co-operation or Framework Agreement. This provides for co-operation on major political and global issues such as human rights, non-

proliferation of weapons of mass destruction, counter-terrorism, climate change and energy security.^{xxxvi}

A framework for relations with Taiwan does exist, or at least a 'structured dialogue,' as it is described by the European Commission, to discuss issues of 'mutual concern.' But this is largely limited to exchanges on trade policy issues, such as World Trade Organisation (WTO) obligations or market access concerns, including intellectual property rights, technical barriers to trade, pharmaceutical and sanitary and phyto-sanitary rules.^{xxxvii}

There is no reason why this framework could not be expanded to cover other issues as the EU does with Korea. If the EU fears that doing so might be interpreted as conferring formal recognition on Taiwan in some way, a 'Track 2' structure, under which the formal contacts would take place between non-government bodies, but in which government officials could also participate, would surely be a way forward.

At present, reflecting the individual circumstances in which their respective offices were opened, the national missions of the EU member states that are represented in Taiwan go under a variety of names, from 'Chamber of Commerce' through 'Office' to 'Institute.' A uniform title would be an important if modest signal of a less *ad hoc* attitude on the part of member states to their relations with Taiwan.

On the same basis, there is no reason why the European Commission should insist on following member states in only having a quasi-diplomatic office in Taipei. Taiwan is a full member of the WTO, as is the EU, together with individual member states. As the EU's dealings with Taiwan are overwhelmingly on trade matters, there is no reason why it should not have a formal official presence in Taiwan, as a fellow member of the WTO. Several EU member states, and indeed Taiwan itself, accord limited diplomatic privileges to Hong Kong Trade Offices in their countries on this basis.

The area in which Taiwan would most value greater support, like its neighbours in Japan and Korea, is in providing hard security guarantees, as with the USA. All three face real threats, arguably none more so than Taiwan, notwithstanding the very real concerns over North Korea's nuclear programme and growing long range missile capability. The EU will not be in a position to provide this in the foreseeable future. But it could do more to help more to support Taiwan in its existential struggle against China, if only through more frequent and robust statements of support in response to Chinese incursions or threats.

In their current form, the *Guidelines* strike a carefully neutral stance on Taiwan-China relations, reflecting both the EU's formal 'One China' policy and its commercial relationship with China. As China continues to follow a more robustly assertive and nationalistic policy, EU leaders should be asking themselves whether this remains appropriate, or whether they should be doing more to stand up for Taiwan and the values it shares with the EU.

It seems reasonable to assume that China will continue to grow more assertive in its attitude to other countries generally but towards its neighbours especially. Ever since the crushing of the Tiananmen protests in 1989, China's leaders have promoted a more strongly nationalistic agenda as part of their strategy for maintaining Communist party

control. Since the coming to power of Xi Jinping in 2012 this assertiveness has increased still further. How much this is directly due to Xi Jinping's own ambitions and agenda and how much to a desire to distract domestic attention from a faltering economy through recourse to nationalism and displays of power remains unknown. But so long as Xi Jinping remains in power and the economy weak, there is little likelihood of a change in policy.

Barring miscalculations, this assertiveness is unlikely to expand into a conventional war. China has instead discovered the economic muscle it can wield through boycotts, be they ostensibly 'spontaneous' by consumers or government decreed as in the case of restrictions on tourist visits to specific countries; its ability to influence opinion through ownership or control of parts of the media, and the attractions (for it) of cyber warfare, through the dissemination of propaganda, false information or more.^{xxxviii}

Taiwan is far from alone in being subject to this, arguably it has been less affected by boycotts than some of its neighbours, perhaps because China's leaders are well aware of their own dependence on Taiwanese investment to sustain their economic growth. (The Chinese government appears careful to follow the letter of WTO law in such disputes, not least to make it harder for injured parties to take countervailing action. By dressing up the boycotts as the action of outraged nationals, as in the case of those that forced Korean retail group Lotte out of China in protest at it making land available for the deployment of the THAAD missile defence system, or in threats to airlines unless they refer to Taiwan as a province of China on their websites, China makes it difficult to take formal retaliatory action).

But this is of little consolation to Taiwan, faced as it is with increasing efforts by China to squeeze still further its diminishing international space. Few people in Europe, diplomats included, fully appreciate the full extent of the risk this creates even though China has pointedly refused to rule out the use of force to claim Taiwan if need be. This stems in part from a conviction that China would be most unlikely to use force against Taiwan for fear of the damage it would inflict upon itself in doing so but it overlooks both the steady coercive measures that China deploys against the island and long-established Chinese behaviour.

EU officials would argue that they already do support Taiwan. Despite the absence of high-level bilateral agreements, the general European position, be it in the European Council or European Parliament, is broadly supportive. In a statement on its China strategy in July 2016, the European Council stated that *the EU confirms its commitment to continuing to develop its relations with Taiwan and to supporting the shared values underpinning its system of governance.*^{xxxix} There is no reason to believe that any of this will change after Brexit but more frequent, and more strongly worded, messages would provide welcome reassurance to Taiwan.

Taiwan and the UK after Brexit

Unlike the EU, there is no legal or wider political constraint from preventing the UK from offering firmer security guarantees. In recent years it has also sought to increase its defence visibility in East Asia, signing in 2017 a 3- year defence co-operation

agreement with Japan under which troops of the two countries would train together in Japan for the first time. In early 2019, it took part in joint exercises in the South China Sea with the US Navy; in August in a joint statement with France and Germany it expressed concern that the situation in the South China Sea *could lead to insecurity and tension in the region* and it then announced that it would send its new aircraft carrier on a trip through the disputed area. But the scale of these commitments is modest: two Royal Navy frigates visited Japan in 2018 and 45 army personnel visited for joint training.^{xi} It also seems unlikely that the UK will undertake anything more than occasional Freedom of Navigation naval passages through the South China Sea.

Once outside the EU, the UK will have to take stock of its global relationships and allocate its limited resources where they are judged to matter most or be most effective. Of eight current or former British foreign secretaries asked about the country's foreign policy priorities after Brexit, no fewer than six stressed the importance of defence, both in and outside NATO, half of them explicitly advocating an increase in defence spending. Strikingly, all but one of them argued that more resources would be needed, either for 'sensible' increases in defence spending or on expanding the overseas network of diplomatic missions, or both, to counter the impact of Brexit. It is a remarkable reversal of the policy of retrenchment pursued in fits and starts for the better part of the last forty years, and far from clear that it is what the British electorate envisaged the 'post-Brexit dividend' to be when voting in the 2016 referendum.^{xii}

It is less obvious that the UK will have either the will or the resources to make any new security commitments in East Asia, even if it is able to find the resources for a 'sensible' increase in its defence budget.^{xiii} But the signals from both Japanese and Korean negotiators in trade discussions are that the UK will have but a fraction of the leverage and influence that EU negotiators command and if it is to maintain its influence in East Asia it will therefore have to find other ways of doing so. Prime Minister Abe has made clear his determination to maintain and even increase security co-operation with the USA, despite difficulties over trade policy and would almost certainly welcome similar co-operation, albeit on a much smaller scale, with the UK. Would the UK be willing and able to match his expectations? While an increased security profile may be superficially attractive especially to the politicians, not only would this require a significant commitment of resources far from home and contradict over four decades of British defence policy in which it has steadily withdrawn from distant overseas security commitments, it would also require a careful balancing act given the tensions and disputes within the region.

Taiwan's leaders almost certainly recognise this. But based on remarks by some 'pro-Leave' politicians in the UK, they may have been hoping to negotiate a free trade agreement with the UK once it leaves the EU. As with an increased security commitment, however, in practice the possibility of this is also remote. However much Brexiteers may dream of a 'second Elizabethan Golden Age' and the country becoming a 'super-connected trading hub' following Brexit, the reality for the UK, as for Taiwan and almost all other countries, is that its trade will continue to be influenced primarily by geography.^{xliii}

Assuming Brexit goes ahead, the UK's overwhelming trade priority must be a comprehensive new agreement with its former partners in the EU. Quite apart from the wider importance of this for current trade, this is essential to protect as much as possible of existing supply chains, which is in turn the best way of trying to ensure that foreign invested facilities, especially those from Japan, remain in the UK and do not relocate elsewhere in Europe. In view of the importance the Japanese government attached to supporting these investments, this in turn would help the UK in its efforts to negotiate a new bilateral FTA with Japan.

Thereafter its priorities will be dictated by current trading patterns which will see fellow G7 members such as the USA and Japan and other major trading partners including China and Korea take priority. While a deal between Taiwan and the UK could probably be agreed quickly and be of mutual benefit, the UK is unlikely to wish to risk offending perceived Chinese sensibilities by entering into negotiations before it has concluded any agreement with China. And the EU precedent suggests that will not happen quickly. Even without this constraint, the UK will almost certainly simply lack the capacity to negotiate a new agreement with Taiwan when set against other priorities.

But there are other steps that the two countries can take to strengthen bilateral relations. They have already signed an extensive series of bilateral agreements, or 'arrangements' as the UK often prefers to call them, since the turn of the century, covering matters as diverse as double taxation, cultural co-operation, air services, prisoner transfers, working holiday-makers and more. In extent they probably go further than those between Taiwan and any other EU states and there is no reason why this pragmatic co-operation should not continue.

One welcome consequence of this co-operation has been the steady growth in people to people links between the two countries. The UK is second only to the USA as the preferred overseas country for Taiwanese students, while the eleven weekly flights between Taipei and London are testament to the growth in travel since visa requirements were eased in 2009. But the balance of travel is heavily skewed towards Taiwanese, whose numbers in the UK far outweigh those of young Britons in Taiwan.

To some extent this simply reflects a more general and worrying insularity within the UK – far more young mainland Europeans come to the UK to study under the Erasmus programme than the other way around, for example. Yet Taiwan is an attractive place in which to learn Chinese, having several advantages for young westerners over China in this respect. It is in both countries' interest to encourage more Britons to study Chinese, and to encourage more of those who do to spend time in Taiwan doing so. Deep-rooted cultural obstacles in the UK, including the low level of interest generally in studying foreign languages, mean that changing attitudes will take time. But if the British government's claims of 'Global Britain' are to be anything more than a handy soundbite, this is surely the sort of initiative that it should be nurturing.

In trade, rather than seek to start discussions on a comprehensive free trade agreement, the two sides should continue with the pragmatic approach they have already adopted in recent years, of seeking much more limited sectoral agreements. These have already

been agreed for British exports of pork to Taiwan and are underway for those of lamb.^{xliv} There is no reason not to continue on this basis, sector by sector even though doing so may lack the impact of a comprehensive agreement.

Taiwanese are almost certainly realistic enough to accept that the UK is never likely to give them hard security guarantees and that the most they can hope for in this respect is occasional appearances by Royal Navy vessels passing through the Taiwan Strait. And while the UK has occasionally signalled a willingness to consider limited sales of defence equipment to Taipei, it has subsequently had second thoughts and withdrawn agreement, for fear of upsetting China.^{xlv}

But in recent years the British government has shown a willingness to issue firm public statements about developments in Hong Kong, including the abduction of booksellers and the need for China to abide by the 1997 Joint Declaration on the future governance of the territory. It has also been willing to criticise Chinese abuse of human rights in Xinjiang in the UN's Human Rights Committee, albeit in this case in collaboration with other like-minded countries.^{xlvi} A similar readiness to speak out regularly in support of Taiwan when its interests are threatened by Beijing would undoubtedly be welcomed in Taipei.

The various agreements signed between the two sides over the last twenty years have already been mentioned. For Taiwan, the most welcome agreement would almost certainly be one giving some clarity to the status of their representatives in the UK. At present they exist in a grey area, requiring visas to remain in the UK which are issued on the basis of standard criteria, without any concession or recognition being granted to their position and with no legal protection for their office or function. British officials' claims that it is not possible to change this given the absence of diplomatic recognition are disingenuous: New Zealand, a country with the same common law roots as the UK, has done so and the British government itself has given a limited form of status to the Hong Kong Trade Office and its officials. That would form both the basis and a model for a similar arrangement for Taiwan. That the UK refuses to address this is almost entirely due to bureaucratic inertia and intransigence. Doing so would therefore be an excellent demonstration of a new approach to the world, post-Brexit. It would, however, require parliamentary scrutiny and approval, something unlikely to be possible until the logjam of Brexit related legislation is first dealt with.

Conclusion

Whether the UK will be willing to do this remains to be seen. It will remain pre-occupied into the medium future in managing the consequences of Brexit and will have little capacity to develop new national policies in other areas, especially where these could generate controversy or leave it feeling exposed. It is therefore likely to be even more wary than at present of upsetting China, so more reluctant to develop its relations with Taiwan, not less.

Some 'pro-Leave' politicians have aired the idea that post-Brexit the UK should try to model itself on Singapore as a low regulation, low tax economy. The idea demonstrates

more an ignorance of the reality of Singapore, a country less than half the size of London and with a smaller population than a realistic way forward. But in its future relations with East Asia, and with Taiwan more specifically, the UK could do worse than look at Singapore for inspiration, given that it has balanced its interests successfully between both China and Taiwan to a far greater extent than most EU countries appear willing to do so. Uniquely, Singapore still sends its troops and air force personnel to Taiwan for training while successfully pursuing economic and business opportunities in China. It has achieved this through a low-key, firm but consistent approach in its dealings with both sides of the Taiwan Strait, something that some European countries, the UK in particular, would do well to heed.

For its part, the EU needs to do more to develop a coherent regional strategy that takes account of the way in which China's neighbours are increasingly hedging their own approach to it, trying to balance their growing economic dependence on it against its growing assertiveness while relying on a security ally in the form of the USA whose own current intentions towards the region often appear confused. This is a position in which Japan, especially, finds itself. Its response appears to be to try to help shape a new regional architecture which accommodates both American security guarantees and the rise of China as an economic power. In doing so it may also offer a way forward for both the UK and EU after Brexit to develop their own regional strategies.

Whether the EU has the leadership and will to re-examine its relations with East Asia is another matter. Former Italian prime minister Matteo Renzi has criticized the performance of the EU High Representative from 2014 – 2019 and fellow Italian, Federica Mogherini as *close to zero on almost all the most important dossiers* and suggested that someone with the stature and experience of Angela Merkel would be a more credible representative.^{xlvii} A former Swedish prime minister has been similarly critical, not of Mogherini specifically but of the lack of European leadership generally, claiming that despite its weight in global trade negotiations, the EU has been *steadily losing ground in a world increasingly dominated by a disruptive US, an assertive China and a revanchist Russia*. Rather than highlight individuals, Carl Bildt argued that *the EU needs to find a system for setting foreign policy that can better protect its strategic sovereignty*, without, however, offering specific suggestions as to how to do so.^{xlviii}

But as Bildt recognized, whether or not another way of handling foreign policy is agreed, the new EU High Representative will find his hands full with matters closer to home: Iran, Syria, Russia, Ukraine, the Balkans, Libya, Turkey will all be in-tray problems demanding attention. Add to that the additional challenges caused by US president Donald Trump's clear dislike for the EU as a still further complexity. Beyond a general worry about Chinese behaviour, there is unlikely to be much time for considering relations with East Asia.

Since November 2019, the High Representative has been former Spanish foreign minister, Josep Borrell. He is a much more experienced operator than Ms Mogherini, having served in a range of ministerial offices in Spain as well as being a former president of the European Parliament. But in the words of one Spanish academic *No*

matter the party in power, Spanish authorities are ... among the most accommodating leaders in Europe with regard to Beijing's policies on Taiwan, Tibet and Xinjiang.^{xlix}

This does not augur well for a fresh, critical look at the region and with plenty of other pressing issues demanding attention, there must be a strong risk that the EU will fail to make an impact in East Asia commensurate with its economic weight. But it badly needs a coherent and credible plan for its engagement with the region, one that looks at East Asia overall, not just through bilateral links with individual countries such as the Strategic Partnerships and Free Trade Agreements, and which goes beyond the rhetoric of high level visits, of impressive but largely meaningless aspirations for increasing bilateral trade and of 'win-win' outcomes. So, too does the UK. Unfortunately, the current rhetoric of both main political parties, plus the imperative of agreeing a long-term relationship with the EU, suggests this is even less likely.

The proposals put forward in this paper take account of this political reality. Be they recommendations for the EU or the UK, most of them are modest initiatives, often building on current activity, which could be taken forward at official level, with minimal high-level input. All most of them require is a willingness to take them forward. But none of them will happen by accident: the message for Taiwan is that its leaders and representatives cannot afford to take European or British support for granted but must continue to fight to get their message heard in the capitals of Europe.

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ⁱⁱ Patrick Wintour: *Brexit viewed with incredulity overseas, says ambassador*, The Guardian, 23 June 2019, <https://www.theguardian.com/politics/2019/jun/23/brexit-destroying-uk-reputation-overseas-south-korea-says-diplomat>, retrieved 16 August 2019; *Outgoing British High Commissioner to Singapore Scott Wightman warns of 'lasting damage' from Brexit*, The Straits Times, 13 June 2019, <https://www.straitstimes.com/world/europe/outgoing-british-high-commissioner-to-singapore-scott-wightman-warns-of-lasting-damage>, retrieved 1 August 2019

ⁱⁱⁱ @realDonaldTrump, 2 March 2018, <https://twitter.com/i/moments/969519906097106944?lang=en>, retrieved 17 September 2019

^{iv} J.E. Hoare: *Embassies in the East*, Richmond 1999, p69

^v The formal position was set out to Parliament by the then foreign secretary, Sir Anthony Eden, on 4 February 1955, Hansard, 4 February 1955, col.169. The full UK position is still more complex, for while it considers the formal status of Taiwan and Penghu (the Pescadores) to be undetermined, it considers the small archipelagos of Kinmen and Matsu, just off the Chinese mainland but governed by Taiwan, to be formally part of the PRC. The joint communique by the two countries on 13 March 1972 on the upgrading of relations states: *The Government of the United Kingdom, acknowledging the position of the Chinese Government that Taiwan is a province of the People's Republic of China, have decided to remove their official representation in Taiwan on March 13, 1972.* The word 'acknowledging' was settled on after protracted discussions as it was sufficiently vague to allow the UK to maintain its stance on the legal status of Taiwan and the Chinese to claim that the 'one-China policy' was being upheld.

^{vi} S. Tsang: *The Cold War's Odd Couple*, London 2006, p.152

^{vii} France established relations with the PRC in 1964, Italy in 1970, Belgium in 1971 and Luxembourg and Germany in 1972. Denmark had established them as early as 1950, the Netherlands in 1954 although these were not upgraded to ambassadorial level until 1972, and Ireland in 1979.

^{viii} Letter, Evans, FCO to Darlington, DTI, 16 January 1974, TNA FO 21/1267

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- ^{ix} Letter, FED, FCO to UK Representative Office in Brussels of 31 December 1973, TNA FO 21/1352; F. Mengin: *A Functional Relationship: Political Extensions to Europe-Taiwan Economic Ties*, China Quarterly 169, 2002., citing C. Dent and D. Johnson: *The economic Relationship between EU and Taiwan from European Perspective*, lecture given at Academia Sinica, 1999
- ^x The European Economic and Trade Office in Taipei opened in March 2003, 14 years after France became the first EU member country to open a quasi-diplomatic mission there. Because Taiwan is a full member of the WTO, and accepted as such by China, and because the Commission's primary responsibility overseas is the conduct of trade policy, under the protocols governing the WTO, there is no reason why the EETO could not have formal diplomatic status if the Commission so wished.
- ^{xi} Mengin, op.cit.
- ^{xii} IMF: *Direction of Trade Statistics*, data.imf.org/regular.aspx?key=61013712, retrieved 8 July 2019
- ^{xiii} Chia-wu Lin: *Philips Semiconductors Kaohsiung*, in Terence Tsai, Borshuan Cheng: *The Silicon Dragon: High-tech Industry in Taiwan*, Cheltenham 2006
- ^{xiv} O.Bedford, K. Hwang: *Taiwanese Identity and Democracy: The Social Psychology of Taiwan's 2004 Elections*, 2006, p. 34
- ^{xv} P. Ollier: *Taiwan to change compulsory licensing rules*, www.managingip.com, September 2008, https://heinonline.org/HOL/Page?handle=hein.journals/manintpr182&div=6&g_sent=1&casa_token=&collecton=journals, retrieved 8 July 2019
- ^{xvi} Personal recollection
- ^{xvii} IMF: *Direction of Trade Statistics*, data.imf.org/regular.aspx?key=61013712, retrieved 8 July 2019
- ^{xviii} Ministry of Commerce (MOFCOM): *Foreign Trade Statistics of the People's Republic of China*, Beijing
- ^{xix} Douglas Paal, the USA's representative in Taipei from 2002-2006 had a particularly difficult relationship with the president, Chen Shui-bian, being perceived by some of Chen's supporters as overly sympathetic to the opposition KMT
- ^{xx} Jerker Hellström: *The EU Arms Embargo on China: a Swedish Perspective (2010)*, Swedish Defence Research Agency, https://www.academia.edu/5475879/The_EU_Arms_Embargo_on_China_a_Swedish_Perspective_2010_, retrieved 9 July 2019
- ^{xxi} From 2011-2014, I was the representative in China for a British aerospace company. Representatives of two other European aerospace companies, both with interests in the defence sector, told me they had regular contact with the PLA, in one case with the knowledge and encouragement of the country's defence ministry.
- ^{xxii} *Jacques Chirac's second term as President of France*, Wikipedia, https://en.wikipedia.org/wiki/Jacques_Chirac%27s_second_term_as_President_of_France, retrieved 8 July 2019
- ^{xxiii} Ibid.
- ^{xxiv} Hellström, op.cit
- ^{xxv} See for example Wai Ting: *EU-China relations after Brexit* in David W.F Huang and Michael Reilly eds: *The Implications of Brexit for East Asia*, 2018
- ^{xxvi} *Guidelines on the EU's Foreign and Security Policy in East Asia*, Brussels, http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressdata/en/misc/97842.pdf, retrieved 13 July 2016; (hereafter: *Guidelines*).
- ^{xxvii} EU Council: *Guidelines* op.cit
- ^{xxviii} Wai Ting: *EU-China relations after Brexit*, op.cit
- ^{xxix} Ibid.
- ^{xxx} *Trade for All. Towards a more responsible Trade and Investment Policy*, Brussels, 2015, http://trade.ec.europa.eu/doclib/docs/2015/october/tradoc_153846.pdf, retrieved 15 July 2019
- ^{xxxi} The PRC originally applied to join the GATT in 1986 and Taiwan in 1990. Under the agreement eventually reached for both to join its successor, the WTO, the PRC would join first, which it did in December 2001, followed by Taiwan, formally as a separate Customs Territory, not a state, in 2002.
- ^{xxxii} Z. Torrey: *TPP 2.0: The Deal Without the US*, The Diplomat, 3 February 2018, <https://thediplomat.com/2018/02/tpp-2-0-the-deal-without-the-us/>, retrieved 27 September 2019. The eleven members are: Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, Peru, Singapore, Vietnam
- ^{xxxiii} TRO London newsletter, February 2018, citing Bureau of Foreign Trade
- ^{xxxiv} *G20 deeply divided on trade and climate change*, Financial Times, 29 June 2019, <https://www.ft.com/content/a9096898-9a44-11e9-9c06-a4640c9feebb>, retrieved 4 December 2019
- ^{xxxv} Website of the European Economic and Trade Office in Taiwan, https://eeas.europa.eu/delegations/taiwan/2000/taiwan-and-eu_en, retrieved 5 December 2019

xxxvi Ibid.

xxxvii European Commission website, https://ec.europa.eu/trade/policy/countries-and-regions/countries/taiwan/index_en.htm, retrieved 15 July 2019

xxxviii Kathrin Hille: *Taiwan primaries highlight fears over China's political influence*, Financial Times 17 July 2019, <https://www.ft.com/content/036b609a-a768-11e9-984c-fac8325aaa04>, retrieved 1 August 2019

xxxix *EU Strategy on China—Council Conclusions*, General Secretariat of the European Council, paper 11252/16, Brussels 18 July 2016, <http://data.consilium.europa.eu/doc/document/ST-11252-2016-INIT/en/pdf>, retrieved 2 August 2019

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xli *Where should Britain go post-Brexit? Eight foreign secretaries respond*, Financial Times, 11 January 2019, <https://www.ft.com/content/3d8451c4-13a2-11e9-a581-4ff78404524e>, retrieved 2 August 2019

xlii See for example Hong Kong Watch: *The Sino-British Joint Declaration*, <https://www.hongkongwatch.org/about-the-sinobritish-joint-declaration>, retrieved 15 August 2019. This quotes among others the then British prime minister, John Major, on a visit to Hong Kong in 1996 as saying *If there were any suggestion of a breach of the Joint Declaration, we would have a duty to pursue every legal and other avenue available to us...* Under the declaration, the maintenance of rights, freedoms and then current lifestyles in Hong Kong is described as a basic policy of the PRC. See: *The Joint Declaration*, <https://www.cmab.gov.hk/en/issues/jd2.htm>, retrieved 15 August 2019

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xliiv *UK-Taiwan trade talks boost agriculture, energy and pharma sectors*, British office Taipei, 2 October 2019 <https://www.gov.uk/government/news/uk-taiwan-trade-talks-boost-agriculture-energy-and-pharma-sectors>, retrieved 15 October 2019

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