

Seeing a dragon, not a panda – A realist turn in the EU's China policy

Abstract

The European Union has tried for a long time to socialize China into the rules-based international order, but without much success. As a result, the EU's China policy has taken a realist turn and adapts to China's realist and power-centered foreign policy. The EU's realist turn is analyzed in three major areas of the EU-China relationship: human rights, Taiwan, and trade. In the area of human rights, the EU's focus has shifted to a global competition with China over the universality of human rights. The EU has also increased support for Taiwan and for maintaining the status quo in the Taiwan Strait. In its external trade policy, the EU made first steps to strengthen its economic security and to reduce its dependence on China.

1) Introduction

The objective is to analyze recent changes in the EU's China policy through the lens of the international relations theory of realism. China and the EU have lived on two different planets, Mars and Venus. What Robert Kagan¹ famously said about the US and the EU has also been true for the EU and China. Chinese politicians already live in a realist world of power and act accordingly, whereas Europeans stress the rules-based international order undergirded by universal values, such as human rights. Due to the latter point, realism is often neglected in analyses of the EU's foreign policy², and to my knowledge, has not been used to analyze the EU's China policy yet.

Since 2003, China has been a so-called strategic partner of the EU, which entails several annual bilateral meetings and dialogues and one annual summit of the EU leaders with their Chinese

¹ Robert Kagan, *Of Paradise and Power: America and Europe in the New World Order* (Westminster: Knopf Doubleday Publishing Group, 2007).

² Alexander Reichwein, 'Realism and European Foreign Policy: Promises and Shortcomings', in Knud E. Jorgensen et al., eds., *The SAGE Handbook of European Foreign Policy: Volume 1* (2015), 99-120.

counterparts.³ The EU hoped that closer engagement with China would be a catalyst for social and political change in China, leading to greater democracy, openness, and transparency in the country, and to China's integration into the rules-based international order. But the strategic partnership did not fulfill its expectations and the gap between both sides widened instead of leading to a convergence of interests and values.⁴ As recently as after the 20th EU-China summit in 2018, the EU spoke of a "new level of importance" while describing the EU-China partnership. The headline of the summit reads "deepening the strategic global partnership".⁵ Much has changed since then. In 2019, the "EU-China Strategic Outlook" ascribes three different roles to China that characterize EU-China relations: "a cooperation and negotiating partner, an economic competitor, and a systemic rival that promotes alternative models of governance." "Even though China is the EU's biggest trading partner in goods, the EU and China disagree on most international topics and policies, as well as on questions of values. The High Representative called the latest 23rd EU-China summit in April 2022 a "dialogue of the deaf", because China refused to talk about the most important topic for the EU, the war in Ukraine, as well as human rights and other contentious issues."⁷

Public opinion in the EU is also relatively united in terms of their views of China. The public image of China in the EU is predominantly negative, and it has become significantly more so recently as a result of the Covid-19 pandemic, the worsening human rights situation in China, and increasingly confrontational displays of Chinese foreign policy.⁸ The survey was conducted before the Russian war of aggression against Ukraine, which China refuses to

³ Anna Michalski and Zhongqi Pan, 'Role Dynamics in a Structured Relationship: The EU-China Strategic Partnership', *JCMS: Journal of Common Market Studies* 55(3), (2017), pp. 611–27, DOI: 10.1111/jcms.12505.

⁴ Richard Maher, 'The elusive EU-China strategic partnership', *International Affairs* 92(4), (2016), pp. 959–76, DOI: 10.1111/1468-2346.12659.

⁵ European Commission, 'EU-China Summit: deepening the strategic global partnership' news release, July 16, 2018, available at: https://ec.europa.eu/commission/presscorner/detail/en/IP_18_4521.

⁶ European Commission and HR/VP contribution to the European Council, "EU-China: A strategic outlook" (Brussels, 2019), 1.

⁷ European External Action Service, 'EU-China Summit: Speech by High Representative/Vice-President Josep Borrell at the EP plenary', (2022), available at: https://www.eeas.europa.eu/eeas/eu-china-summit-speech-high-representativevice-president-josep-borrell-ep-plenary_en (accessed 2 August 2022).

⁸ Richard Q. Turcsányi et al., "European public opinion on China in the age of COVID-19: Differences and common ground across the continent" (2020), available at: <https://sinofon.cz/wp-content/uploads/2020/11/COMP-poll-final.pdf>.

condemn. The Chinese position has certainly not contributed to lifting its public image among Europeans, to say the least.

Geeraerts and Maher have viewed EU-China relations as a mixed relationship consisting of competitive and cooperative elements, which form two opposite trends that both influence bilateral relations at the same time.⁹ ¹⁰ Michalski and Pan view the EU and China competing on whose values and norms will shape the international order following different role conceptions.¹¹ Dong et al. view an “increasingly strained China-EU relationship” due to major differences in many policy areas, such as human rights, Taiwan, Hong Kong, Tibet, or Chinese economic coercion, and a decreased willingness to compromise on both sides.¹² Holslag states that “a strategic partnership between the EU and China is not materializing – either on paper, or in practice.”¹³ The observation that the strategic partnership is neither strategic nor a real partnership is thus not new, as well as the view that China is a competitor for the EU.

But what is a new development is that China’s roles of a competitor and a systematic rival have started to dominate EU-China relations with the European Parliament and the US’ closest allies among the Central and Eastern European (CEE) EU member states as being the Union’s most China-skeptical actors. One member state diplomat called the EU’s changing attitude towards China the “end of naiveté” in EU-China relations. A major reason is China’s growing power and hegemonic foreign policy that leads the EU to counterbalance to some extent and to assert its own power and interests.

The objective is to analyze changes in the EU’s China policy starting with the “EU-China Strategic Outlook” in 2019 in three major policy areas: human rights, Taiwan, and trade, which are related to the different but intertwined dimensions of soft and hard power. Human rights are core values of the EU and one of the most contentious issues between the EU and China, as China tries to gain a discursive hegemony over the global meaning of human rights. Taiwan stands at the frontline in the global conflict between the US and China. If a war between the

⁹ Gustaaf Geeraerts, ‘The EU-China partnership: balancing between divergence and convergence’, *Asia Europe Journal* 17(3), (2019), pp. 281–94, DOI: 10.1007/s10308-019-00554-2.

¹⁰ Maher, ‘The elusive EU-China strategic partnership’, 976.

¹¹ Michalski and Pan, ‘Role Dynamics in a Structured Relationship: The EU-China Strategic Partnership’, 625.

¹² Lisheng Dong, Su Y. Woo and Daniel Kübler, ‘The Chinese Public’s Perceptions of the European Union: Changes and Stability Revealed by 2010 and 2020 Surveys’, *Journal of Contemporary China*, (2022), pp. 1–19, DOI: 10.1080/10670564.2022.2138698.

¹³ Jonathan Holslag, ‘The Elusive Axis: Assessing the EU-China Strategic Partnership’, *JCMS: Journal of Common Market Studies* 49(2), (2011), pp. 293–313, DOI: 10.1111/j.1468-5965.2010.02121.x.

United States and China breaks out, it will most likely be over Taiwan. The EU's recent Taiwan policy has also not been analyzed yet. Furthermore, China is the EU's largest trading partner but the "China opportunity" of a vast market with seemingly endless growth has -at least partly- been replaced by the "China threat" of an economic and technological competitor.

In addition to a review of the literature and official EU documents on the EU's China and Taiwan policy, about thirty interviews with representatives of EU member states in Taiwan, Taiwanese parliamentarians, party representatives, and officials, and members of the European Parliament have been conducted, mainly about the EU's Taiwan policy in the context of EU-China relations but also covering other areas of EU-China relations.

The next part describes core assumptions of realism and defines power. The third, fourth, and fifth parts focus on the three areas of human rights, Taiwan, and trade in EU-China relations. The conclusion summarizes the main findings.

2) Realism and the role of power in foreign policy

Realists share some common assumptions. A first realist assumption is that actors are rational and unitary political units, which are internally organized in a hierarchy, whereas international relations are characterized by anarchy.¹⁴ The assumption of a hierarchical domestic political system only partially applies to the EU. In particular, no clear hierarchy between the foreign policy of the EU and the member states' foreign policy exist. Both foreign policies exist in parallel. But the EU has its own foreign policy, whose decisions, once the member states have agreed to them, should be abided to by all member states. Furthermore, in realism state preferences are largely fixed and center on material resources, security, and power.^{15 16} International politics is characterized by a struggle for power and security.^{17 18 19} According to

¹⁴ Jeffrey W. Legro and Andrew Moravcsik, 'Is Anybody Still a Realist?', *International Security* 24(2), (1999), pp. 5–55, DOI: 10.1162/016228899560130.

¹⁵ *Ibid.*, 13.

¹⁶ *Ibid.*, 16–17.

¹⁷ Samuel J. Barkin, 'Realist Constructivism', *International Studies Review* 5(3), (2003), pp. 325–42.

¹⁸ André Barrinha, 'Progressive realism and the EU's international actorness: towards a grand strategy?', *Journal of European Integration* 38(4), (2016), pp. 441–54, DOI: 10.1080/07036337.2016.1141905.

¹⁹ Dario Battistella, 'Raymond Aron: a neoclassical realist before the term existed?', in Asle Toje and Barbara Kunz, eds., *Neoclassical Realism in European Politics: Bringing power back in* (Manchester: Manchester University Press, 2012), pp. 117–37.

Hans Morgenthau, politicians “think and act in terms of interest defined as power.”²⁰ The central question in politics is how a certain policy affects the power of an agent, such as a state.²¹ Consequently, states are predisposed towards conflict and competition, and often fail to cooperate even in the face of common interests.²² Dynamic changes in power relations and balances of power are a main reason for international political conflicts.²³

Power as a key concept of realism should be defined by distinguishing first between “power to” and “power over”, and between hard and soft power. “Power to” refers to resources that can be used to implement one’s own will. “Power over” refers to the implementation of one’s will, usually over the will of others.^{24 25} Nye distinguishes between military and economic hard power and soft power of states and other international actors: “there are several ways to affect the behavior of others. You can coerce them with threats [military hard power]; you can induce them with payments [economic hard power]; or you can attract and co-opt them to want what you want [soft power].”²⁶

Hard power is material power, soft power immaterial power: “In general, the types of resources associated with hard power include tangibles such as force and money. The types of resources associated with soft power often include intangible factors such as institutions, ideas, values, culture, and the perceived legitimacy of policies.”²⁷ Soft power is “the ability to affect others through the co-optive means of framing the agenda, persuading, and eliciting positive attraction in order to obtain preferred outcomes.”²⁸ Power over ideas and norms is one of the greatest

²⁰ Hans J. Morgenthau, *Politics among Nations: The Struggle for Power and Peace* (New York: Alfred A. Knopf, 1967).

²¹ *Ibid.*, 11.

²² Joseph M. Grieco, ‘Anarchy and the Limits of Cooperation: A Realist Critique of the Newest Liberal Institutionalism’, *International Organization* 42(3), (1988), pp. 485–507.

²³ Jonathan Kirshner, ‘The tragedy of offensive realism: Classical realism and the rise of China’, *European Journal of International Relations* 18(1), (2012), pp. 53–75, DOI: 10.1177/1354066110373949.

²⁴ Jeffrey C. Isaac, ‘Beyond the Three Faces of Power: A Realist Critique’, *Polity* 20(1), (1987), pp. 4–31, DOI: 10.2307/3234935.

²⁵ Joseph S. Nye, *The Future of Power* (New York: Public Affairs, 2011).

²⁶ Joseph S. Nye, *Soft power: The means to success in world politics* (New York: Public Affairs, 2004).

²⁷ Nye, *The Future of Power*, 21.

²⁸ *Ibid.*, 20–21.

assets a state can procure for itself and part of soft power.²⁹ Soft power resources include the attractiveness of a state's political system, foreign policy, human rights record or human rights policy.³⁰ Ideas can be part of realism, but the distribution of material resources determines the framework of possibilities within which ideational phenomena operate.³¹ At the same time, all states have an interest in shaping a benign international environment favorable to their security and prosperity. Consequently, they will seek to use their hard and soft power to shape the international order to conform to their own values.³² Nye views world politics as a three-dimensional chess game in which an actor needs to play on all three boards at the same time.³³

3) Dealing with an OCD dragon – Human rights in EU-China relations

The shortcomings of EU–China relations are rooted in a deep disagreement over values, norms, visions of society, and international order. Human rights are among the core values and objectives of the European Union's policies.^{34 35 36}

The EU's human rights policy towards China was mainly focused on trying to improve China's human rights situation. But since 2019 the Union also characterizes China as a “systemic rival that promotes alternative models of governance“, and the EU is engaged in a soft power struggle with China on the global level.³⁷

²⁹ Nicholas Kitchen, 'Ideas of power and the power of ideas', in Asle Toje and Barbara Kunz, eds., *Neoclassical Realism in European Politics: Bringing power back in* (Manchester: Manchester University Press, 2012), pp. 79–95.

³⁰ David Shambaugh, 'China's Soft-Power Push: The Search for Respect', *Foreign Affairs* 94(4), (2015), pp. 99–107.

³¹ Felix Berenskoetter and Adam Quinn, 'Hegemony by invitation: neoclassical realism, soft power and US-European relations', in Asle Toje and Barbara Kunz, eds., *Neoclassical Realism in European Politics: Bringing power back in* (Manchester: Manchester University Press, 2012), pp. 214–33.

³² Adrian Hyde-Price, 'A "Tragic Actor"? A Realist Perspective on "Ethical Power Europe"', *International Affairs* 84(1), (2008), pp. 29–44.

³³ Joseph S. Nye, *Soft power: The Means to Success in World Politics* (New York: Public Affairs, 2004).

³⁴ Maher, 'The elusive EU-China strategic partnership', 962–65.

³⁵ Max R. Taylor, 'Inside the EU–China Human Rights Dialogue: assessing the practical delivery of the EU's normative power in a hostile environment', *Journal of European Integration*, (2020), pp. 1–16, DOI: 10.1080/07036337.2020.1854245.

³⁶ Geeraerts, 'The EU-China partnership: balancing between divergence and convergence', 281–82.

³⁷ European Commission and HR/VP contribution to the European Council, "EU-China," 1.

Two factors have contributed to a shift in the EU's perception of China's human rights record and policy: firstly, an increase of repression in China since the ascent of Xi Jinping to power and a loss of faith in a China that might become more open; and secondly, a more assertive China on the global stage that promotes its own autocratic values and sides with Russia and other dictatorships. Since Xi Jinping came to power in 2012 as Secretary General of the Chinese Communist Party (CCP) and in 2013 as President of the PRC, major changes in the PRC's domestic and foreign policy have occurred. Internally, these shifts are characterized by a concentration of power in the CCP and Xi Jinping himself and more internal repression and control, as well as serious human rights violations. Externally, China's foreign policy rejects liberal norms, such as universal human rights that underpin the existing global order, and promotes a parallel order characterized by bilateralism and China-centered institutions and initiatives, such as the Belt & Road Initiative. China also cooperates closely with Russia.^{38 39} These two tendencies are rooted in the CCP's ideology and its autocratic model of governance and thus are not new, but under Xi Jinping these trends have accelerated and gained strength. The EU's human rights strategy has focused on constructive engagement with China, where expansion of bilateral cooperation was justified on the basis that China would be passively exposed to values of human rights in conjunction with direct advocacy through the EU-China Human Rights Dialogue.^{40 41} The main instrument of the EU's human rights policy has been the EU-China Human Rights Dialogue. The EU dominates the agenda of the dialogue and focuses on violations of civil and political human rights in China, as well as the rights of minorities.⁴² The last 37th dialogue took place in 2019.⁴³ It was suspended since then because

³⁸ Mikko Huotari, Jan Weidenfeld and Claudia Wessling, 'Towards a "Principles First Approach" in Europe's China Policy: Drawing lessons from the Covid-19 crisis', (2020), available at: <https://merics.org/de/studie/fuer-einen-prinzipientreuen-ansatz-europas-china-politik> (accessed 12 January 2021).

³⁹ Xiaodong Zhang and Mark Boukes, 'How China's flagship news program frames "the West": Foreign news coverage of CCTV's Xinwen Lianbo before and during Xi Jinping's presidency', *Chinese Journal of Communication* 12(4), (2019), pp. 414–30, DOI: 10.1080/17544750.2018.1554593.

⁴⁰ Michalski and Pan, 'Role Dynamics in a Structured Relationship: The EU-China Strategic Partnership', 618.

⁴¹ Taylor, 'Inside the EU–China Human Rights Dialogue: assessing the practical delivery of the EU's normative power in a hostile environment', 4.

⁴² Katrin Kinzelbach, *The EU's human rights dialogue with China: Quiet diplomacy and its limits* (Milton Park Abingdon Oxon, New York NY: Routledge, 2014).

⁴³ European External Action Service, 'The European Union and China held their 37th Human Rights Dialogue | EEAS Website', (2019), available at: https://www.eeas.europa.eu/node/60545_en (accessed 15 November 2022).

of the pandemic. Xi Jinping said at a meeting with European Council President Charles Michel that China is ready to resume the dialogue, but it could only take place on an equal footing.⁴⁴ Human rights organizations, and scholars^{45 46} have criticized the dialogue already for a long time, because it did not yield any discernible results. In 2022, Human Rights Watch and other NGOs spoke out against a continuation of the dialogue.⁴⁷ The EU's human rights policy has been consistent with realist assumptions in so far that human rights were only accorded an important place in the bilateral relationship in statements and dialogues but had a very limited impact on politics in practice, such as bilateral trade and investment. Human rights were largely confined to soft power, but hard power was not involved.

The enactment of EU sanctions on 22 March 2021, and putting on hold the ratification of the Comprehensive Agreement on Investment (CAI), marked the first time since the aftermath of the Tiananmen massacre in 1989 that the EU were willing to use hard power instruments against China and to pay a price for its human rights policy. However, the sanctions were modest and included a travel ban and EU asset freezes on four Chinese individuals and one entity connected to the reported mass detention and persecution of the Uyghur ethnic minority in Xinjiang. The EU sanctions were among the first uses of the EU Global Human Rights Sanctions Regime (GHRSR) established in December 2020. The GHRSR allows the Council of the EU to target foreign individuals and entities that it holds responsible for human rights violations. The PRC immediately retaliated and announced sanctions on ten individuals and four entities in the EU on the same day, including Members of the European Parliament and of national parliaments. The countersanctions prohibit targets from entering PRC territory and from doing business with China. The EU has thus resorted to sanctions, albeit comparatively modest ones, as an instrument of its human rights policy. China's immediate countersanctions show how the balance of power has changed. When the West imposed much harsher sanctions against China in the aftermath of the Tiananmen massacre in 1989, China did not retaliate against the Western countries. But the Chinese countersanctions and China's human rights

⁴⁴ Stuart Lau, 'Seizing on EU tensions with US, Xi tells Europe to keep investing in China', POLITICO, (12 January 2022), available at: <https://www.politico.eu/article/seizing-europe-tensions-with-united-states-china-president-xi-jinping-said-keep-investing/> (accessed 10 December 2022).

⁴⁵ Kinzelbach, The EU's human rights dialogue with China.

⁴⁶ Taylor, 'Inside the EU-China Human Rights Dialogue: assessing the practical delivery of the EU's normative power in a hostile environment'.

⁴⁷ Human Rights Watch, 'Joint NGO letter ahead of EU-China summit', (2022), available at: <https://www.hrw.org/news/2022/03/18/joint-ngo-letter-ahead-eu-china-summit> (accessed 15 November 2022).

record led the European Parliament to put the ratification of the CAI unofficially on hold. The CAI would have marked the biggest advance in EU-China relations in recent years, so this step is more consequential than the largely symbolic EU sanctions.⁴⁸

Furthermore, the EU and the PRC are also competing more fiercely over global human rights norms, and the discourse hegemony over the PRC's human rights record. For example, the PRC is an influential member in the UN Human Rights Council (HRC) and could successfully prevent any resolutions criticising its human rights record in the Human Rights Council, and its predecessor, the Human Rights Commission.⁴⁹ The bulk of the PRC's activities has the objective of weakening the international human rights system, which the EU strongly supports, making the PRC a "norm disruptor".⁵⁰ In October 2022, the United States, EU member states, and a few other countries proposed to hold a debate on the human rights situation in Xinjiang and to discuss an UN's report on human rights in the region, but the council voted down the proposal by a slim majority. The proposal just called for holding a debate, with no consistent monitoring of the human rights situation nor an investigation and amounted about the least intrusive form of scrutiny that the HRC could seek.⁵¹

The UN report of former Human Rights Commissioner Michelle Bachelet about China's human rights violations in Xinjiang, which may include crimes against humanity, had been published on 31 August 2022, just a few minutes before her term ended. She acknowledged publicly that she had been under enormous pressure regarding the publication of the report, which the PRC tried hard to block from being published. Apparently, the Office of the Human Rights Commissioner had "finalized" the report for almost a year before finally publishing it. China vehemently denounced the report as "based on disinformation and lies" and characterizes it as "wanton" slander, a typical reaction by the PRC when confronted with criticism over its human rights record. The EU advocated a publication of the report, while

⁴⁸ Matthew Parry, "Chinese counter-sanctions on EU targets" (European Parliamentary Research Service, 2021), available at:

[https://www.europarl.europa.eu/RegData/etudes/ATAG/2021/690617/EPRS_ATA\(2021\)690617_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/ATAG/2021/690617/EPRS_ATA(2021)690617_EN.pdf).

⁴⁹ Ann Kent, 'China and the international multilateral human rights system', in Sarah Biddulph and Joshua Rosenzweig, eds., *Handbook on human rights in China* (Cheltenham: Edward Elgar Publishing, 2019), pp. 61–83.

⁵⁰ *Ibid.*, 74.

⁵¹ Jamey Keaten, 'UN Human Rights Council Rejects Western Bid to Debate China's Xinjiang Abuses', *The Diplomat*, (2022).

China managed to get 68 countries to support a joint statement for the UN not to interfere in “Xinjiang, Hong Kong, and Tibet-related issues”.^{52 53}

Even though the main objective of the PRC’s human rights policy remains to prevent criticism of its human rights record, the PRC also seeks to weaken the global human rights system and to promote its own human rights conception. In 2017, the PRC tabled its first-ever HRC resolution about the contribution of development to the enjoyment of human rights. In March 2018, a second resolution highlighted mutually beneficial cooperation in the field of human rights. Both resolutions promote core elements of the PRC’s approach to international human rights policy: the two pillars of dialogue and cooperation to promote human rights instead of sanctions, and the primacy of the collective human right to development. Both resolutions were passed by a large margin.⁵⁴ The three pillars of the PRC’s human rights conception are authoritarianism, social and economic development, and relativism, which are all in contradiction to the UN’s and the EU’s human rights conception.⁵⁵ Authoritarianism is reflected in the idea that “the Party’s [CCP] leadership is the fundamental guarantee for the people of China to have access to human rights, and to fully enjoy more human rights.”⁵⁶ The relativist position of the PRC translates into a principle of non-interference in the human rights situation in other countries, and a rejection of universal human rights.⁵⁷

The fact that China could always prevent resolutions criticizing its human rights record in the UN Human Rights Council and its predecessor is also testament to its soft and hard power. The

⁵² James McMurray, ‘The UN’s report on the Uyghurs nearly didn’t see the light of day, thanks to China’, *The Guardian*, (9 January 2022), available at: <https://www.theguardian.com/commentisfree/2022/sep/01/un-report-uyghurs-china-michelle-bachelet-human-rights-abuses> (accessed 12 February 2022).

⁵³ Yuan Yang and Henry Foy, “Under tremendous pressure”: the battle behind the UN report on China’s Xinjiang abuses’, *Financial Times*, (14 September 2022), available at: <https://www.ft.com/content/0d69e178-8f56-4153-84b2-7ca2d4fa80a4> (accessed 15 December 2022).

⁵⁴ Ted Piccone, ‘China’s long game on human rights at the United Nations’, (2018), available at: https://www.brookings.edu/wp-content/uploads/2018/09/FP_20181009_china_human_rights.pdf (accessed 28 November 2019).

⁵⁵ Frédéric Krumbein, ‘Two Chinese tales of human rights– Mainland China’s and Taiwan’s external human rights strategies’, *The International Journal of Human Rights*, (2021), pp. 1–27, DOI: 10.1080/13642987.2021.1978982.

⁵⁶ The State Council Information Office of the People’s Republic of China, ‘70 Years of Progress on Human Rights in China’, (2019), available at: http://english.scio.gov.cn/node_8014390.html (accessed 30 September 2019).

⁵⁷ Kent, ‘China and the international multilateral human rights system’.

PRC has used its hard and soft power for cooperative and confrontative courses of action to achieve the objectives of its human rights policy in EU-China relations, on the international stage, as well as with other countries and actors. The PRC's cooperative approaches are based on three pillars: (1) to build alliances with so-called "like-minded countries", i.e. authoritarian and developing countries, in the United Nations and other international organizations to shield each other from human rights criticism; (2) to sign and ratify human rights treaties and be an active member in the HRC; (3) to conduct human rights dialogues with the EU and other Western states to channel criticism into non-public and non-confrontational fora. When the PRC is confronted with criticism of its human rights situation, the PRC applies confrontational courses of action: (1) to deny the accusations and attack the critiques as being misinformed or biased against the PRC; (2) to initiate a counter-narrative; (3) to sanction states, companies or individuals that criticize the PRC.⁵⁸

However, that China has even managed to prevent a discussion about a UN human rights report and has gained majorities for its own resolutions promoting "human rights with Chinese characteristics" shows how China's power in the HRC has grown further in the last years.

The promotion of human rights in China was never a priority for the EU, which is consistent with realist assumptions that norms play only a secondary role in international politics. But the fact that China weakens and undermines the concept of human rights as universal values and has become ever more successful in fulfilling this objective, has an impact on the EU's China policy. The EU's human rights policy towards China is no longer confined to the human rights dialogue and the EU's human rights diplomacy, but has an impact on other areas as well, such as the external trade policy exemplified by the CAI. The bilateral relationship is increasingly viewed as part of a struggle over power over global norms and values, depicting democracies and autocracies against each other. For example, President von der Leyen spoke in strong terms in her 2022 State of the Union address of the Russia-Ukraine war as a conflict of autocracy against democracy and emphasized the EU's aim of defending the EU's democracy and to deepen cooperation with democracies worldwide. Disinformation from China was explicitly mentioned as one example of the malign influence of autocracies in Europe.⁵⁹

⁵⁸ Krumbein, 'Two Chinese tales of human rights– Mainland China's and Taiwan's external human rights strategies'.

⁵⁹ European Commission, 'State of the Union Address by President von der Leyen' news release, September 14, 2022, available at: https://ec.europa.eu/commission/presscorner/detail/ov/SPEECH_22_5493.

In sum, that the EU has depicted China as “a systemic rival promoting alternative ways of governance” marks a shift from a focus on China’s domestic human rights situation to China’s influence over global norms, which is detrimental to the EU’s global soft power. The Russian war of aggression against Ukraine and China’s support for Russia has further alienated the EU and underlines that China is -at least partly- viewed as being an adversary in a global battle of autocracy against democracy. The EU does not fully subscribe to this narrative propagated by the United States, but Russia’s war propelled it to more prominence and there are no signs that China might distance itself from Russia.⁶⁰ A global battle over soft power and power over opinion can be well explained by realism, as it is in line with the centrality of power in international relations, and highlights rivalry over cooperation.

4) Hugging the real panda – The EU’s Taiwan policy

Security plays an increasing role in EU-China relations, mainly due to China’s more aggressive foreign policy. China’s aggressive foreign policy is on display in territorial disputes with many of its neighbors, in particular its claims over Taiwan, over islands and maritime territory in the East and South China Sea, and towards India. The North Atlantic Treaty Organisation, in which almost all EU countries are members, and which is the main guarantor for their security, has for the first time mentioned China as a challenger and competitor to the rules-based international order and NATO’s security.⁶¹⁶²

However, it is that Taiwan demonstrates how stability and security in the Indo-Pacific region are of concern to the EU. Taiwan, officially the Republic of China (Taiwan), has gained more attention in European politics and media⁶³, mainly due to the threat posed by the PRC to the island’s very existence as a self-governed democracy. The island has also become the most important flashpoint in US-China relations, as the PRC continues to increase pressure on the

⁶⁰ Bill Bishop, “Sinocism - Xi’s Russia meetings” (2023), available at: <https://sinocism.com/p/covid-and-reopening-xis-russia-meetings#%C2%A7xis-new-years-greetings>.

⁶¹ North Atlantic Treaty Organization, ‘Brussels Summit Communiqué issued by NATO Heads of State and Government (2021), 14-Jun.-2021’, (2021), available at: https://www.nato.int/cps/en/natolive/news_185000.htm?selectedLocale=en (accessed 26 July 2022).

⁶² North Atlantic Treaty Organization, ‘Madrid Summit Declaration issued by NATO Heads of State and Government (2022), 29-Jun.-2022’, (2022), available at: https://www.nato.int/cps/en/natohq/official_texts_196951.htm (accessed 22 July 2022).

⁶³ Antoine Bondaz, “Strengthening economic cooperation while defending the status quo: the deepening of relations between Europe and Taiwan,” EU-Asia project - Policy Brief 7/2022 (2022), 1.

island, while US support for Taiwan is at its strongest since the US switched its diplomatic recognition from the Republic of China to the People's Republic in 1979. President Biden has declared four times that the United States will defend Taiwan if China attacks the island.⁶⁴ Since US President Biden came to office, China and Taiwan have featured prominently in statements of institutions in which the US and EU states work closely together, such as NATO, G7, and the EU-US summit. US officials mention Taiwan regularly and more frequently in their interactions with the EU. The EU, as most countries in the world, pursues a "One China policy", which refers to the fact that the EU only recognizes the PRC as a sovereign state and accepts that only one China exists, even though the EU does not say whether this "one China" is the PRC.

Against the background of rising tensions, the EU has stepped up its support for Taiwan in order to maintain peace and stability in the Taiwan Strait. While the EU Strategic Outlook on China has mentioned Taiwan only in a footnote⁶⁵, the EP has passed its first ever resolution dedicated solely to Taiwan in 2021 and recommends to the High Representative and the Commission to "recall that maintaining peace and stability in the Indo-Pacific is a core interest for the EU and its Member States." The resolution criticizes Chinese provocations towards Taiwan and calls for solidarity of the EU with Taiwan, as well as that changes of the status quo of Taiwan must not be made against the will of Taiwan's citizens.⁶⁶ The European Parliament has also strongly condemned the PRC's military exercises around Taiwan in August 2022 following a visit by the speaker of the US House of Representatives at that time, Nancy Pelosi. The parliament expressed its "firm solidarity with the people of Taiwan" and has underlined "that on the democratic island of Taiwan, it is up to the people to decide how they want to

⁶⁴ Elbridge Colby, 'America Must Prepare for a War Over Taiwan', Foreign Affairs no. August, (2022).

⁶⁵ European Commission and HR/VP contribution to the European Council, "EU-China," 1.

⁶⁶ European Parliament, 'European Parliament recommendation of 21 October 2021 to the Vice-President of the Commission / High Representative of the Union for Foreign Affairs and Security Policy on EU-Taiwan political relations and cooperation: (2021/2041(INI))', (2021), available at: https://www.europarl.europa.eu/doceo/document/TA-9-2021-0431_EN.html (accessed 28 June 2022).

live.”⁶⁷ The 2019 “EU Indo-Pacific Strategy” highlights that tensions in the Taiwan Strait might have a direct impact on European security and prosperity.⁶⁸

On the multi- and bilateral level, the EU and its member states have also issued statements that have mentioned Taiwan for the first time. In 2021 and 2022, the participants of the G7 summit underscored “the importance of peace and stability across the Taiwan Strait and encourage[d] the peaceful resolution of cross-Strait issues.”⁶⁹ ⁷⁰ The EU-US summit in 2021 and the EU-Japan summits in 2021 and 2022 have inserted an identical sentence in their statements.⁷¹ ⁷² ⁷³ Another statement of the G7 after China’s large-scale military exercises around Taiwan in August 2022 went further and condemned China’s “aggressive military activity in the Taiwan Strait”.⁷⁴

In its bilateral relations with China, the EU has started to raise the issue of Taiwan prominently at the 23rd annual EU-China summit in April 2022 raising concerns about increased cross-strait

⁶⁷ European Parliament, ‘European Parliament resolution of 15 September 2022 on the situation in the Strait of Taiwan’, (2022), available at: https://www.europarl.europa.eu/doceo/document/TA-9-2022-0331_EN.html (accessed 26 September 2022).

⁶⁸ High Representative of the Union for Foreign Affairs and Security Policy, ‘The EU Strategy for Cooperation in the Indo-Pacific’, (2021), available at: https://eeas.europa.eu/headquarters/headquarters-homepage/104126/joint-communication-indo-pacific_en (accessed 23 December 2021).

⁶⁹ European Council, ‘2021 G7 Leaders’ communiqué: Our shared agenda for global action to build back better’, (2021), available at: <https://www.consilium.europa.eu/en/press/press-releases/2021/06/13/2021-g7-leaders-communiqué/> (accessed 22 July 2022).

⁷⁰ European Council, ‘G7 Leaders’ Communiqué’, (2022), available at: <https://www.consilium.europa.eu/en/press/press-releases/2022/06/28/g7-leaders-communiqué/> (accessed 22 July 2022).

⁷¹ European Council, ‘EU-US Summit 2021 - Statement: Towards a renewed Transatlantic partnership’, (2021), available at: <https://www.consilium.europa.eu/media/50758/eu-us-summit-joint-statement-15-june-final-final.pdf> (accessed 26 July 2022).

⁷² European Council, ‘Joint Statement EU-Japan Summit 2021’, (2021), available at: <https://www.consilium.europa.eu/media/49922/eu-japan-summit-may-2021-statement.pdf> (accessed 26 July 2022).

⁷³ European Council, ‘Joint Statement EU-Japan Summit 2022’, (2022), available at: <https://www.consilium.europa.eu/en/press/press-releases/2022/05/12/joint-statement-eu-japan-summit-2022/> (accessed 26 July 2022).

⁷⁴ German Federal Foreign Office, ‘G7 Foreign Ministers’ Statement on Preserving Peace and Stability Across the Taiwan Strait’ news release, August 3, 2022, accessed August 11, 2022, available at: <https://www.auswaertiges-amt.de/en/newsroom/news/-/2545896>.

tensions and stating the importance of preserving stability and the status quo in the Taiwan Strait.⁷⁵

Another tool in the EU's and member states' foreign policy to preserve peace and stability in the Taiwan Strait is to increase support for Taiwan. Overall, the relationship between the EU and Taiwan is based on a broad net of institutionalized annual dialogues, consultations and working groups in the areas of trade and investment, labor rights, judicial cooperation, human rights, and political cooperation. In recent years, the EU has strengthened the bilateral institutional framework with the establishment of new formats, such as the Human Rights Consultations, or an upgrade of existing formats. The annual EU-Taiwan Trade and Investment Dialogue was upgraded in 2022 by the EU from the level of deputy director-general to the director-general level in 2022.⁷⁶

Among the EU institutions, the European Parliament is traditionally a champion for democracy and human rights in the EU's external relations. Overall, the EP is more supportive of Taiwan than the Commission and the Council.⁷⁷ Resolutions on Taiwan and China are usually passed by a large majority and reflect a broad consensus in the EP on its positions on Taiwan and China. In January 2021, a resolution of the EP on EU foreign and security policy included, for the first time, an entire paragraph on Taiwan.⁷⁸ In November 2021, the EP sent its first ever official delegation to Taiwan, led by French MEP Raphael Glucksmann, even though MEPs have visited the island many times before.⁷⁹ In July 2022, Vice-President Nicola Beer visited Taiwan, the highest EU representative who has visited Taiwan so far, but she came not as an official representative of the EP.⁸⁰

⁷⁵ European Council, 'EU-China summit via video conference, 1 April 2022', (2022), available at: <https://www.consilium.europa.eu/en/meetings/international-summit/2022/04/01/> (accessed 2 August 2022).

⁷⁶ Ministry of Economic Affairs, Republic of China, 'Taiwan and EU upgrade the level of Trade and Investment Dialogue' news release, June 3, 2022, accessed August 22, 2022, available at: <https://www.trade.gov.tw/english/Pages/detail.aspx?nodeID=86&pid=745166>.

⁷⁷ Paul Lim and Sigrid Winkler, 'The European Union's Relations with the Republic of China (Taiwan)', in Jens Damm, ed., *European perspectives on Taiwan* (Wiesbaden: Springer VS, 2012), pp. 170–95.

⁷⁸ Bondaz, "Strengthening economic cooperation while defending the status quo: the deepening of relations between Europe and Taiwan," 4.

⁷⁹ Ibid.

⁸⁰ Ministry of Foreign Affairs, ROC Taiwan, 'Statements Background Information Topics ::: Home PRESS ROOM News and Events News and Events _ Facebook Twitter line Email MOFA warmly welcomes European Parliament Vice-President Nicola Beer to Taiwan' news release, July 18, 2022, available at: https://en.mofa.gov.tw/News_Content.aspx?n=1328&sms=273&s=98140.

On the member state level, CEE member states are the most supportive of Taiwan in political statements and visits to the island, while trade and investment of the EU with Taiwan is dominated by Western European countries. The most high-ranking delegations to Taiwan are coming from CEE countries, and Taiwanese politicians also direct most of their high-level visits to these countries. In August 2020, the president of the Czech Republic's Senate, Milos Vystreil, travelled to Taiwan. He is the second-highest representative of the Czech Republic after the Czech president, making him the highest-ranking representative of an EU member state who had visited Taiwan.⁸¹ In June 2021, Lithuania allowed Taiwan to open a representative office under the name of Taiwan, and not Taipei, as is usually the case. This has led to a fierce response by the PRC blocking imports from Lithuania, a policy that violates WTO trade rules, and by downgrading the status of its diplomatic representation in Lithuania.

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Many CEE countries, like the Czech Republic, Slovakia, and the Baltic states, are susceptible to good relations with Taiwan, because of strong opposition to Communism and authoritarianism due to their own Communist pasts, strong relations with the United States, unease about China's close partnership with Russia, and empathy for a small democracy like Taiwan that is threatened and bullied by a big neighbor. The CEE countries have a stronger interest in a world where big countries cannot just attack and conquer countries like them at will. Their alliance with the United States is thus essential for their security and they have a strong interest in the US maintaining its power to be able to protect its allies.

The EU supports Taiwan mainly because of the repercussions for the EU's political and economic hard power, and for the EU's soft power. Firstly, a Chinese attack on Taiwan would potentially lead to a Sino-American war and could drag not only the US' allies in Asia, like Japan, into this conflict, but also the EU member states. If an annexation of Taiwan by China is successful, it would greatly increase China's regional and global power status and undermine the EU's global influence in many areas, such as trade or human rights. Furthermore, the United States is the EU's most important ally, and a weakened United States cannot be in the EU's interest.

⁸¹ Bondaz, "Strengthening economic cooperation while defending the status quo: the deepening of relations between Europe and Taiwan," 4.

⁸² Tomas Janeliūnas and Raigirdas Boruta, 'Lithuania's Confrontation with China Over Taiwan: Lessons from a Small Country', Global Taiwan Brief 7(15), (2022).

Secondly, Taiwan is an important economic partner for the EU and the EU aims at increasing bilateral trade and investment with Taiwan, in particular in semiconductors and other areas of high technology. In Asia, Taiwan is the 5th largest trading partner in goods with the EU with a trade volume of 64 billion € in 2021. By the end of 2021, FDI stock from the EU accounted for 25.4% (\$50.1bn) of the total FDI stock.⁸³ The EU has remained Taiwan's biggest investor over the past years.^{84 85 86} However, trade with China is about tenfold the trade with Taiwan. But the EU is dependent on both partners, as many supply chains are connected to both China and Taiwan. A military conflict would also incite a global economic crisis and endanger the supply of crucial products to the EU, like semiconductors.

Thirdly, Taiwan is a leader for democracy and human rights in Asia. If mainland China manages to destroy the only Chinese democracy that has ever existed, it would not only eliminate a fellow democratic ally of the EU, but also deals a huge blow to the global advancement of democracy and human rights. The soft power of the EU would not only suffer from an empowered China and the loss of an ally, but also from the failure to protect a consolidated democracy from being overtaken by a dictatorship.

In sum, more support for Taiwan to deter an attack by China and to maintain the existing balance of power in Asia is the logical course of action from a realist perspective, and the EU has increased support for Taiwan on various levels. Still, the EU views China less as a security threat than the United States does, and thus support for Taiwan remain more modest. Not all member states will be prepared to fully adapt the US' perspective and policies on China and Taiwan. The EU's still limited support for Taiwan is also testament to China's hard power over some governments and companies in the EU, who do not wish to put their economic relations with China in jeopardy.

⁸³ European Economic and Trade Office in Taiwan, "2022 EU-Taiwan Relations Brochure" (2022), available at: https://www.eeas.europa.eu/delegations/taiwan/2022-eu-taiwan-relations-brochure_en, 18–20.

⁸⁴ European Economic and Trade Office in Taiwan, "2021 EU-Taiwan Relations" (2021), available at: https://www.eeas.europa.eu/delegations/taiwan/2021-eu-taiwan-relations-brochure_en?s=242, 32.

⁸⁵ European Economic and Trade Office in Taiwan, "2020 EU-Taiwan Relations" (2020), available at: https://www.eeas.europa.eu/sites/default/files/2020_eu-taiwan_relations.pdf, 29.

⁸⁶ European Economic and Trade Office, 'EU-Taiwan Relations 2019', (2019), available at: https://eeas.europa.eu/sites/eeas/files/2019_eu-taiwan_relations_en.pdf (accessed 25 May 2021).

5) The EU's trade policy towards a mercantilist dragon

The backbone of EU-China relations remains a strong economic relationship. In 2021, the volume of trade in goods between the EU and China amounted to 696,3 billion €, which represents 16,2% of the EU's foreign trade volume. It also makes China the biggest trading partner in goods before the United States (632,1 billion €).^{87 88}

Overall, the European Union has two main objectives in its economic relations with China: firstly, creating a level playing field for European companies in China; and secondly, increasing its economic security. The former points to strengthening trade with China, but with better conditions for European companies, and is a long-standing objective. The latter means that the EU aims to reduce its economic dependence on China through diversification of supply chains, strengthening economic cooperation with like-minded partners, and protecting its critical infrastructure.⁸⁹ Increasing the EU's economic security and reducing its economic dependence on China conforms more with realist assumptions than the first objective.

Firstly, in China, European companies often face discrimination, widespread regulatory barriers, restricted access to the Chinese market in several areas, notably in services, and an increased politicization of the business environment.^{90 91} The EU and China have concluded in principle after seven years of talks, the negotiations for a Comprehensive Agreement on Investment on December 30, 2020. It was one day before the end of the German rotating presidency of the Council of the EU. Former Chancellor Merkel had been pushing actively for the conclusion of the deal before leaving the political stage. The major objective was to facilitate a rebalancing of the bilateral relationship by improving access for European companies to the Chinese market and leveling the playing field for them in China. The European Commission praises the deal “as regards investment, the EU-China Comprehensive Agreement on Investment (CAI) will be the most ambitious agreement that China has ever

⁸⁷ Eurostat, ‘China-EU - international trade in goods statistics’, (2022), available at:

https://ec.europa.eu/eurostat/statistics-explained/index.php?title=China-EU_-_international_trade_in_goods_statistics#Trade_with_China_by_Member_State (accessed 5 August 2022).

⁸⁸ European Commission, ‘EU trade relations with United States’, (2022), available at:

https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/united-states_en (accessed 5 August 2022).

⁸⁹ Geeraerts, ‘The EU-China partnership: balancing between divergence and convergence’, 286.

⁹⁰ Ibid., 285.

⁹¹ European Chamber of Commerce in China, “European Business in China Position_Paper 2022/23” (2022), available at: <https://www.europeanchamber.com.cn/en/press-releases/3472>.

concluded with a third country.”⁹² EU companies would gain more access to certain sectors in China, but it is less certain whether the conditions for EU companies in China would improve much. China’s commitments on sustainable development and labor standards are highly questionable, too.⁹³ For example, regarding the prohibition of forced labor, China merely commits to working towards the ratification of fundamental ILO conventions but there is neither a deadline for the ratification nor is the commitment binding for China.⁹⁴ The CAI is unofficially on hold, because of the sanctions that China had imposed on members of the European Parliament, but also because concerns persist whether this agreement is in the EU’s interest or benefits more China’s economy, and due to the human rights situation in China. Secondly, the EU has recently taken some measures to increase its economic security. The Union has strengthened its toolbox to protect its critical infrastructure and its economy from unfair competition by foreign companies. The new toolbox reflects the new trade strategy from 2021, which emphasizes the EU’s strategic autonomy and gives the EU the ability to defend itself better against unfair trade practices.⁹⁵

In October 2020, the EU Foreign Direct Investment Screening Regulation entered into full application. Under the regulation, the Commission screens acquisitions, and investments in security-sensitive areas, such as critical infrastructure. From October 2020 until September 2022, the European Commission has screened over 740 FDI transactions. All but two of the 27 member states have national screening mechanisms in place. In September 2021, the upgraded EU Export Controls Regulation went into force. Under this regulation, the member states examine and need to authorize the export of goods with potential military use to non-EU countries, e.g. dual-use goods, which can be used for civilian and military purposes. In 2021, about 40,000 requests for exports have been reviewed by the member states, of which over 550 have been blocked.⁹⁶

⁹² European Commission, ‘Key elements of the EU-China Comprehensive Agreement’ news release, December 30, 2020, available at: https://ec.europa.eu/commission/presscorner/detail/en/IP_20_2542.

⁹³ Françoise Nicolas, ‘A French perspective on the China-EU comprehensive agreement on investment: the proof of the pudding is in the eating’, *Asia Europe Journal* 20(1), (2022), pp. 53–58, DOI: 10.1007/s10308-021-00634-2.

⁹⁴ *Ibid.*, 55–57.

⁹⁵ European Commission, ‘Commission sets course for an open, sustainable and assertive EU trade policy’ news release, February 18, 2021, available at: https://ec.europa.eu/commission/presscorner/detail/en/ip_21_644.

⁹⁶ European Commission, ‘EU investment screening and export control rules’ news release, September 2, 2022, available at: https://ec.europa.eu/commission/presscorner/detail/en/ip_22_5286.

The acquisition of the industrial robotics manufacturer Kuka by the Chinese company Midea in 2016, with acquiring hundred percent of the shares by May 2022, was a wake-up call for Germany and the EU to strengthen investment screening and protection instruments, like the above-mentioned regulation. Chinese companies had acquired several companies in Germany that are global leaders in their areas of manufacturing.⁹⁷

The European Union is currently also in the process of enacting an EU regulation for an Anti-Coercion Instrument to shore up the EU's capacity to react to attempts of economic coercion by third countries, such as China. Chinese pressure and sanctions against Lithuania due to the opening of a Taiwanese representative office in the Baltic state are a major reason behind this regulation. The instrument should allow the EU to take countermeasures against a third country that tries to pressure one or more EU member states to do its bidding by using the member states' economic dependencies. The range of potential countermeasures includes restrictions on access to the EU market, as well as limiting access to EU-funded research programs.⁹⁸⁹⁹

Furthermore, the EU aims at diversifying its supply chains and external trade to reduce its over-dependence on the Chinese market. The EU's Indo-Pacific strategy is an example on how the EU intends to strengthen economic and political cooperation with like-minded partners in this region: "The EU intends to increase its engagement with the region to build partnerships that reinforce the rules-based international order, ...".¹⁰⁰ The strategy mentions China implicitly, such as stating that "democratic principles and human rights are also under threat from authoritarian regimes in the region, putting the region's stability at risk."¹⁰¹

In addition to the "EU Strategy for Cooperation in the Indo-Pacific", a few EU member states have published their own Indo-Pacific strategies, notably Germany, France, and the

⁹⁷ Cynthia Wrage and Jakob Kullik, 'After Kuka – Germany's Lessons Learned from Chinese Takeovers', China Observers in Central and Eastern Europe (CHOICE), (21 July 2022), available at: <https://chinaobservers.eu/after-kuka-germanys-lessons-learned-from-chinese-takeovers/> (accessed 20 November 2022).

⁹⁸ János Allenbach Ammann, 'EU member states clip Commission wings in anti-coercion tool discussions', EURACTIV, (16 November 2022), available at: <https://www.euractiv.com/section/economy-jobs/news/eu-member-states-clip-commission-wings-in-anti-coercion-tool-discussions/> (accessed 2 December 2022).

⁹⁹ European Commission, 'EU strengthens protection against economic coercion' news release, December 8, 2021, accessed December 2, 2022, available at: https://ec.europa.eu/commission/presscorner/detail/en/ip_21_6642.

¹⁰⁰ High Representative of the Union for Foreign Affairs and Security Policy, 'The EU Strategy for Cooperation in the Indo-Pacific', 1.

¹⁰¹ Ibid., 2.

Netherlands. Germany's Indo-Pacific also states that it aims to diversify its economic relations with a view to avoiding unilateral dependencies and it stresses cooperation with like-minded partners: "Closing ranks with democracies and partners with shared values in the region is particularly important in this regard."¹⁰² In France's Indo-Pacific strategy, the country stresses as well the objective of a multilateral international order that is based on the rule of law and mentions as main partners other democracies in the region, such as Australia, India, and Japan.¹⁰³ The Netherlands emphasizes that closer cooperation of the Netherlands and the EU with countries in the Indo-Pacific region should focus on like-minded democracies and countries with open market economies. Australia, Japan, New Zealand, South Korea, Indonesia, and India are mentioned as countries with which cooperation should be strengthened.¹⁰⁴ In these strategies, Taiwan is included as a like-minded partner for increased political and economic cooperation. The European Parliament has urged the Commission to begin an impact assessment, and public consultation on a Bilateral Investment Agreement and wishes for the EU to deepen bilateral economic ties and investments.¹⁰⁵ ¹⁰⁶ The Commission's communication on the EU Chips Act is another example of strengthening the EU's economic security. The objective is to create resilient and secure supply chains for semiconductors with like-minded countries, notably the US, Japan, Taiwan, and South Korea. (European Commission, 2022b)

¹⁰² The Federal Government/Foreign Office, 'Policy guidelines for the Indo-Pacific', (2020), available at: <https://www.auswaertiges-amt.de/de/aussenpolitik/regionaleschwerpunkte/asien/indo-pazifik-leitlinien-fortschritt/2481664> (accessed 29 December 2021).

¹⁰³ French Ministry for Europe and Foreign Affairs, 'France's Indo-Pacific Strategy', (2021), available at: <https://www.diplomatie.gouv.fr/en/country-files/asia-and-oceania/the-indo-pacific-region-a-priority-for-france/> (accessed 29 December 2021).

¹⁰⁴ Government of the Netherlands, 'Indo-Pacific: Guidelines for strengthening Dutch and EU cooperation with partners in Asia', (2020), available at: <https://www.government.nl/documents/publications/2020/11/13/indo-pacific-guidelines> (accessed 31 December 2021).

¹⁰⁵ European Parliament, 'European Parliament recommendation of 21 October 2021 to the Vice-President of the Commission / High Representative of the Union for Foreign Affairs and Security Policy on EU-Taiwan political relations and cooperation'.

¹⁰⁶ European External Action Service, 'EU-Taiwan political relations and cooperation: Speech on behalf of High Representative/Vice-President Josep Borrell at the EP plenary: Delivered by Executive Vice-President for a Europe fit for a Digital Age Margarethe Vestager', (2021), available at: https://www.eeas.europa.eu/eeas/eu-taiwan-political-relations-and-cooperation-speech-behalf-high-representativevice-president_en (accessed 21 June 2022).

Increasing the EU's economic security and strategic autonomy by the diversification of supply chains and strengthening connectivity with other countries is also a major objective of the EU's Global Gateway, which will fund projects in various areas, such as digitalization, climate, or healthcare, with 300 billion € from 2022 to 2027.^{107 108}

In a nutshell, a major problem in the EU's trade policy towards China is that the two objectives of improving conditions for European companies in China and of reducing the EU's dependence on China are -at least partly- contradictory. The former would potentially lead to more investments in China by European companies, thus increasing the EU's dependence, albeit possibly in a more balanced economic relationship. The EU has no illusions that China is mainly an economic competitor, and not a cooperation partner. But disagreements exist whether European companies can still successfully compete and thrive in the Chinese market in the future or if they will encounter increasing difficulties and should better divest their investments to other locations. The same holds true for peace and stability in East Asia. Some think that a Chinese invasion of Taiwan is unlikely, while others take the threat more seriously. China's own ambition and strategy are crystal-clear and have been stated publicly in its "Made in China 2025" and "dual circulation" strategies. The country wants to become more and more independent across all economic sectors and become a technological leader in key areas, while the other economies of the world should become increasingly dependent on China.^{109 110} China's objectives and policies are guided by realist principles to ensure China's economic security and to increase China's relative power towards other countries.

Even though China is still the EU's largest trading partner in goods and many European companies have no intention of decoupling from China, many of the companies aim at diversifying their supply chains with the objective of reducing their dependence on the Chinese market. At the same time, the EU has taken steps to protect its own critical infrastructure. This

¹⁰⁷ Francesca Ghiretti and Grzegorz Stec, 'Global Gateway: playing "catch-up" with China or a chance for change?', (2022), available at: <https://merics.org/en/opinion/global-gateway-playing-catch-china-or-chance-change> (accessed 19 December 2022).

¹⁰⁸ European Commission, 'Global Gateway', (2022), available at: https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/stronger-europe-world/global-gateway_en (accessed 19 December 2022).

¹⁰⁹ Alicia García-Herrero, 'What is behind China's Dual Circulation Strategy?', Bruegel | The Brussels-based economic think tank, (2021), available at: <https://www.bruegel.org/report/what-behind-chinas-dual-circulation-strategy> (accessed 2 December 2022).

¹¹⁰ Mikko Huotari, 'Fortress China', Internationale Politik Quarterly, (2022).

is well in line with realist assumptions about the competitive nature of international relations and of strengthening one's own economic security and power.

6) Conclusion – The EU's Sigurd moment?

The three examples in the areas of human rights, Taiwan, and trade show that a realist shift in the EU's China policy, albeit a slow and uneven one, has taken place. The EU also takes soft and hard power in EU-China relations more seriously. Among the three roles of cooperation partner, competitor, and systemic rival, the latter two dominate debates and policies towards China. The EU and China are still not living on the same planet. But the EU does not try anymore to bring China into its own orbit.

Other democratic countries have changed their China policy much starker than the EU. The United States views China as its main security threat and foremost global rival, Japan intends to double its defense spending until 2027, Taiwan has also markedly increased its defense budget over the last years, and Australia has signed an alliance with the US and the United Kingdom (AUKUS) to increase defense cooperation, notably by acquiring state-of-the-art nuclear-powered submarines from the United States. India also cooperates more closely with the US, Japan, and Australia through the Quad format and has banned many Chinese apps and other products from entering its market.

Compared to these countries, the EU's China policy did not change as much, mainly for three reasons. Firstly, the EU has a strong interest in maintaining flourishing economic relations with China; secondly, China's threat for the EU's security is less direct than the threat to the United States, which has close allies and military bases in East Asia; and thirdly, China has already a lot of economic power over the EU, several member states, and European companies, which it has aptly used to limit the EU's efforts to counter-balance. Realism can thus not only explain the realist turn in EU-China relations, but also why the shift in the EU's China policy is still relatively slow and uneven across EU institutions and member states. The EU's shift in its China policy is still comparatively slow and uneven among EU institutions and member states, and it is also stronger on the discursive level than in practice. However, it is also unlikely that the EU's China policy will turn back to a more balanced approach, oscillating between cooperation and competition, if there is no fundamental change in China's domestic and foreign policy.

Additionally, realism, as any theory, has its limitations. Even though promoting human rights is not the key interest of the EU's China policy, many institutions, member states, and citizens genuinely care about human rights. Shared values also play a crucial role in the EU's support

for Taiwan. The EU's policy of diversification and strengthening ties with trade partners other than China focuses on democratic countries, for example in the EU's Indo-Pacific strategy. Realism can explain these policies by the EU's attempt to maintain -together with the US and other Western countries- a global hegemony over norms and values, and to weaken China's soft power by using its dismal human rights record against the country, but many Europeans would disagree that human rights and other European values mainly serve these purposes. Finally, while EU politicians and diplomats have often referred to rules and norms in its past interactions with Chinese counterparts, it might be more useful for them to pack Machiavelli's Prince on their next trip to China, along with the saga of Sigurd, the dragon slayer. Many Chinese diplomats have certainly read the ancient Chinese philosopher Han Feizi and his ideas about foreign policy. According to Han Feizi, states should ruthlessly aim at hegemony by focusing on strengthening their military and economy.

7) Appendix – List of interview partners

Interview partner	Date of interview
Jiann-Fa Yan, Vice-President Taiwan Foundation for Democracy	1 June 2022
Dr. Jörg Polster, Representative of the Federal Republic of Germany, German Institute Taipei	6 June 2022
Tania Berchem, Executive Director, Trade and Investment Office Taipei of the Grand Duchy of Luxembourg	6 June 2022
Frédéric Verheyden, Director, Belgian Office Taipei	7 June 2022
Anna Marti, Head, Global Innovation Hub, Friedrich Naumann Foundation for Freedom	7 June 2022
Filip Grzegorzewski, Head of Office, European Economic and Trade Office	8 June 2022
Martin Podstavek, Representative, Slovak Economic and Cultural Office Taipei	14 June 2022

Dr. Klement Gu, Director-General, Department of Policy Planning, Ministry of Foreign Affairs, R.O.C. (Taiwan)	15 June 2022
Maria Yu-Hsin Chiang, Section Chief, Strategic Security Section, Department of Policy Planning, Ministry of Foreign Affairs, R.O.C. (Taiwan)	15 June 2022
Patrick Rumlar, Representative, Czech Economic and Cultural Office	17 June 2022
Christine C.Y. Lin, Section Chief for European Union Affairs, Department of European Affairs, Ministry of Foreign Affairs, R.O.C. (Taiwan)	17 June 2022
Freddie Höglund, CEO, European Chamber of Commerce Taiwan	20 June 2022
Davide Giglio, Representative, Italian Economic, Trade and Cultural Promotion Office	21 June 2022
Jean-François Casabonne-Masonnave, Director, Bureau français de Taipei	23 June 2022
Pierre Goulange, Head of the Political Affairs, Press and Communication Section, Bureau français de Taipei	23 June 2022
Lo Chih-Cheng, Legislator, Democratic Progressive Party	30 June 2022
Dániel Lörincz, Representative, Hungarian Trade Office	6 July 2022
Cyryl Kozaczewski, Director, Polish Office in Taipei	11 July 2022
Audrey Tang, Digital Minister, Republic of China (Taiwan)	12 July 2022
Chen Heh-Ling, Director, Taiwan People's Party	12 July 2022

Alex K.S. Fan, Committee Member of International Affairs Committee, Taiwan People's Party	12 July 2022
Fan Yun, Legislator, Democratic Progressive Party	13 July 2022
Shen Cheng-hao, Deputy Leader, KMT Youth League	14 July 2022
Matthias Hackler, Parliamentary Assistant to Reinhard Bütikofer, Member of European Parliament	8 August 2022
Michael Gahler, MEP, Chairman of the European Parliament's Taiwan Friendship Group	17 September 2022
Monika Solis, European External Action Service	19 September 2022
Reinhard Bütikofer, MEP, Chair of the European Parliament's Delegation for relations with the People's Republic of China	26 September 2022