

## Taiwan - China Tensions



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What are the implications of Taiwan-China tension for their neighboring countries? How can the growing tension be read also in the EU angle? We discussed the latest developments in East Asia with experts Alfred Wu and Grzegorz Stec.

Alfred Wu, Associate Professor at the Lee Kwan Yew School of Public Policy at the National University of Singapore and an expert on China by training, points out that Xi Jinping is trying to create a war-like narrative in China and places security as the topic priority over economic growth. He presents that China is in a crisis and that he is the one who can save the country, and is trying to fight against many Western countries with his warrior diplomacy. However, it is difficult to tell through data whether he is truly backed by the people; Wu claims that the reason why a lot of people support Xi Jinping is simple: propaganda. With China's economy not doing well, with 30% of its cities locked down, the propaganda machine will be increasingly important.

Xi Jinping talks about "Chinese modernisation" with confidence, that China is unique and it can rely on its own domestic market. Modernisation means many aspects such as

rural law, press freedom, and living conditions. Wu suggests that in Xi Jinping's terms it is very different. The Deng Xiaoping period emphasized open door policies as beneficial to China, but now China talks about internal circulation as the main channel, with much more dependence on the internal market. Overall, China has a similar attitude towards the US and Europe, but they also know that they cannot fight everyone and that they need to collaborate with Europe.

The Taiwan issue could evolve into a very big war joined by the US and other countries, potentially bloating bigger than the invasion of Ukraine. Despite Xi Jinping's claims that he is the one to take Taiwan back, Prof Wu does not think that he wants to fight a war. China does not have the full confidence to take Taiwan within one or two days, and the outbreak of war could jeopardize his securing the fourth term. However, China will deploy various strategies to harass Taiwan. The topic of the South China Sea is much debated, yet many countries like the Philippines and South Korea try to steer away because China could deploy economic coercion on them.

Grzegorz Stec, analyst at the Mercator Institute of China Studies (MERICS), reflected on

the 20th China Communist Party Congress that the issue of security was king among all other topics. The word “security” was mentioned 91 times compared to 54 mentions in 2017. There were new dedicated national security sections, new mentions of territorial security, ideological security, economic security, technological security - items that were not previously present in the reports. It is worth noting that it was the very first time that security was mentioned more times than economy. The personnel changes - with new standing committee members - are much more clearly politically aligned with Xi Jinping. They were chosen based more on political alignment and ideological conviction, and not only on technocratic credentials. This is an important change that we also see this on the wider Politburo.

Looking at the foreign relations aspect of the work report, the statement in 2017 on the overall international landscape from the Chinese perspective was “strategic opportunity for development.” In 2022, it changed to “strategic opportunities and risks and challenges coexist.” We also see a shift in the power relations between the US; the word “cooperation” which was present in the 2017 report is now out. There are mentions of peaceful coexistence and positive interactions, but it is a step down with a more pessimistic tone. At the end of the day, China remains an actor that prefers low risk and a controlled approach to foreign policy, rather than the stance of high risk high return as it is in the case of Russia. China has an approach to multilateralism which researchers at MERICS call the “Coalition of the Unsatisfied”, in which China tries to find cracks in the international

system by finding an unsatisfied state and tries to exploit those cracks in order to push China’s agenda. China wants to secure the stability of the regime in Beijing by pushing the international system to be more accepting and open to authoritarian governments. Taiwan was mentioned much earlier in the work report than usual, largely linked to the tensions surrounding Nancy Pelosi’s visit. Although not much new was mentioned, what was significant was that the wording of CCP’s constitution changed from “engaging with our Taiwanese compatriots in order to bring about peaceful reunification” to “resolutely opposing and deterring separatists in Taiwan independence”, with the aim to reserving its rights in using military force.

What does this all mean for Europe? With Beijing much more centralized and ideology-oriented, there is less flexibility on the Chinese side in interacting with European officials and governments. There are now no moderates in key positions. To a large extent, the relationship between Europe and China has been based on the assumption from the European side that China fundamentally is a rational actor in the economic sense, and that they are going to prioritize economy-based decisions. Now this is put into question. Grec Stec presents the three instances in which China still needs Europe - one, preventing US-led containment. China wants to avoid Europe joining US-led coalitions targeting Beijing’s position. Secondly, China wants to leave the door open to access European technology. The US is increasingly limiting access to their technology such as semi-conductors to cripple China’s technological capabilities. Thirdly, the European market -



although its importance should not be overestimated especially with China's growing engagement with the Global South.

China needs allies with those seeking change in the current international system, and in that regard, Russia and India are important countries. When the "West" is done with Russia, all the attention may shift to containing China. With this deficit of strategic trust, Stec notes that keeping their relationship with Russia to a certain extent is a necessity. Russia's use of nuclear weapons will not be a red line for Beijing.

Europe's current framework towards China is that they are a cooperation partner, economic competitor and systemic rival. The problem in this is that it is all-encompassing and it is not clear what the strategic priorities are. With such diversity of voices among the EU capitals, trying to change the framework will take too much time and political capital. What may be the more realistic approach to this is to change the 10 goals that were released together

with Europe's Strategic Outlook in 2019. China is still a huge economy and an important market that cannot be ignored. However, Europe should be mindful of China's economic coercion, and this will continue to be a part of China's toolbox was Grec Stecs closing remark.



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