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***THE EUROPEAN DIMENSION OF GREEK-TAIWANESE RELATIONS:  
A CRITICAL ASSESSMENT***

**By Dr. Andreas Liaropoulos \***

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***1. Introduction***

The purpose of this paper is to analyze the relationship between Greece and the Republic of China (Taiwan).<sup>1</sup> The aim is not only to explore the nature of the bilateral relationship, but also to evaluate the importance of the European Union (EU). In order to do that, we will first refer to the context of the EU-Taiwanese relations. Having defined the general context of the EU-Taiwanese relations, we will then focus on how Athens and Taipei view each other. In the end, we will attempt to highlight areas and issues where both countries can benefit from a stronger and more productive partnership.

Taiwan is a sovereign state situated in the West Pacific and has full diplomatic relations with 23 countries and substantive ties with many others. Taiwan has full membership in 32 intergovernmental organizations (IGO), among them the World Trade Organization, the Asia-Pacific Economic Cooperation forum and the Asian

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<sup>1</sup> The Republic of China (ROC) is popularly known as “Taiwan”. Hereafter, we will only refer to Taiwan and not ROC.

Development Bank. In addition, Taiwan has observer or other status in 20 IGOs, including the U.N World Health Organization, the Organization for Economic Cooperation and Development and the European Bank for Reconstruction and Development (The Republic of China at a Glance 2012 – Taiwan, 32-3).

Over the past decade Taiwan has attempted to widen its international participation within the U.N and other regional organizations, like the EU. An important element of Taiwan's effort to broaden its cooperation with key international organizations, has been the so-called "viable diplomacy". The latter term refer to a new approach in Taiwan's foreign policy that abandoned counterproductive practices of the past and instead pursued cultural, economic and trade diplomacy. This has had the desired effect of improving the country's image. The first step in the process began with improving cross-strait relations (Zhang). Tensions between Taipei and Beijing had long impeded Taiwan's ability to participate substantively in the international system.

The only way forward was to address the root of the problem, and this meant engaging with mainland China on the basis of the 1992 consensus and principles of no independence, no unification and no use of force (Marchant). Ma Ying-jeou's 'Three Nos' were designed to address Beijing's concerns, with the hope that the promotion of mutual trust will lead to peace and reconciliation (Zhang, 273). Probably the most obvious outcome of the viable diplomacy has come in the shape of visa waivers. A total of 129 countries and territories now offer Taiwanese nationals visa-free travel.

In addition, Taiwan adopted a flexible strategy that allowed her to overcome the sovereign dispute with the mainland and use the name "Chinese-Taipei". Indicative of Taiwan's strategy to overcome the sensitive issue of sovereignty and participate in international organizations and fora, is the fact that in cases like the Asia-Pacific Economic Cooperation forum, the Asian Development Bank and the Olympic Games, Taiwan is using the name "Chinese-Taipei" (Hsiung, 266). It is in this broader context that we need to value the nature of the EU-Taiwanese relations. Although the relationship between the EU or its member states and Taiwan are at the governmental level unofficial, at the corporate and societal levels, EU-Taiwanese relations are warm and expanding (Cabestan, 2).

## ***2. The nature of the EU-Taiwanese Relations***

Over the past decades, East Asia has not been a priority for European nations. In sharp contrast with the USA, the EU until recently did not develop a certain strategy for this part of the world. It has only been for the last decade, and due to the economic rise of the People's Republic of China (China), that the EU has demonstrated a stronger interest for East Asia and decided to become a more active player in the region. The EU's trade with East Asia is now significantly greater than the trans-Atlantic trade (Guidelines on the EU's Foreign and Security Policy in East Asia, 3).

It is fair to argue that the nature of the EU-Taiwanese relations is shaped by two factors. The first one refers to the political nature of the EU and in particular to the (in)ability of the common foreign and security policy (CFSP) to represent its member-states with a strong voice in international relations. The CFSP, represents the shared view of all members-states or rather the smallest common denominator among the twenty-seven EU members (Cabestan, 4). Since the EU is not a unitary actor, we have to bear in mind that the EU-Taiwanese relations are also shaped by the role of great European powers like Germany, the United Kingdom and France. The second factor is the EU's policy towards East Asia is obviously dominated by the presence and increasing importance of China. Therefore, the relationship between EU and Taiwan, is part of the equation that defines the strategic partnership between EU and China. Taiwan plays a dynamic role in the global economy and has proceeded with numerous reforms regarding human rights, democracy, labour and environmental standards and climate change.

The nature of the relationship between EU and Taiwan is shaped by the economic and security (cross-strait) aspects. European interests in developing closer ties with Taiwan were motivated mainly by economic considerations. The EU is championing democracy and human rights, but is poorly equipped to form a strategy reaffirming explicitly Taiwan's right to the de facto sovereignty and therefore has maintained the "one China" principle (Tubilewicz, 437). Any use of force by China in Taiwan Strait would be perceived negatively by the EU and would probably harm seriously the EU-Chinese relations.

Since 2003, the EU has established in Taipei the European Economic and Trade Office, and seventeen EU member states out of twenty-seven are represented in Taipei. Taiwan is the EU's fifteenth largest trade partner and fourth in Asia, behind China, Japan, and South Korea, whereas the EU is Taiwan's fourth largest trade partner (Relations between Taiwan and the EU, 1). Although investments from Taiwan in the EU have increased over the past years, there is still a great deal of potential for more cooperation between European and Taiwanese firms. Over the past years, Belgium, Denmark, the Netherlands, Sweden and the United Kingdom have signed agreements for the avoidance of double taxation with Taiwan and Germany, France and Italy are expected to do the same in the near future. Furthermore, agreements for the promotion of investment have also been signed between Taiwan and several EU member states including Belgium, Ireland, the Czech Republic, Lithuania, Hungary, Germany and Sweden (Relations between Taiwan and the EU, 6).

The implementation of the Economic Cooperation Framework Agreement (ECFA), which entered into force on September 2010, means that the EU is strategically linked to mainland China and the rest of the Asia-Pacific region. Taiwan can become a regional and global export point for the EU. The ECFA will allow EU companies in Taiwan to safely extent their reach into mainland China. *Taiwan can serve as a bridge*

*for EU companies by minimizing risk and overcoming cultural and administrative barriers.*

Regarding the thorny issue of the Cross-Strait Relations, the EU supports the “One China” policy and therefore the peaceful resolution of the Taiwan issue. According to a recent report by the General Secretariat, the EU should encourage initiatives aimed at promoting dialogue, cooperation and confidence building measures between the two sides. Furthermore, the EU should encourage both sides to pursue pragmatic solutions to questions regarding the position of Taiwan with regard to specialized multilateral fora, especially where Taiwan’s practical participation is important to EU and global interests and continue the technical cooperation with Taiwan in the economic and cultural field (Guidelines on the EU’s Foreign and Security Policy in East Asia, 16-7).

To sum up, the EU-Taiwanese relations can be characterized as positive and beneficial for both sides. The agenda has been largely dominated by trade and investment policies, placing EU companies at the center of a new and expanding market. *Taiwan can play an important role in the EU’s effort to recover from the financial crisis and gain better access to East Asia.*

### ***3. The Greek-Taiwanese Relations: An underdeveloped relationship***

The Greek-Taiwanese relations cannot escape the reality that defines the EU-Taiwanese relationship that has been analyzed above. Greece harmonizes its policy towards China and Taiwan, with that of Brussels and will also try to benefit from the development of significant trade and investments links in East Asia.

Taiwan emphasizes on the import of agricultural products mainly olive oil, wine, cotton, tobacco, fruits and dairy products and believes that there is great deal of potential for more cooperation between the two countries. Taiwan has invited Greek companies from the above sectors to participate in international fairs, exhibitions and trade shows that take place in Taiwan in order to promote Greek products in East Asia. Taiwanese companies are also interested in cooperation in the areas of tourism, shipping, green energy, LED industry and in particular solar energy. Taiwanese companies are interested to invest on solar power stations in Greece (Mavrouli, 14-5). Taiwan’s exports to Greece are highly concentrated on information communication technology (ICT) products, like electrical machinery, telecom and office equipment.

The bilateral trade has increased over the last years from 232 million dollars in 2010 to 311 million dollars in 2011. Closer integration of Taiwanese and Greek industries would allow Greek firms to produce niche products that would be too costly to manufacture at home due to insufficient gains from scale. A potential for further cooperation between firms in Taiwan and Greece would involve medical devices, pharmaceutical products, green building, high-end agriculture and aviation industry.

Taiwanese companies like the HTC have already made investments in Greece and companies like the Wan Hai Line, Evergreen and Yang Ming are interested in establishing a presence in the Piraeus harbor (Mavrouli, 14-5).

The global financial crisis has had a major impact in Greece and despite the major reforms that have taken place over the last two years, the economy has not recovered yet. The crisis can also function as an opportunity for Greece to become more extravert and competitive in the global market. Taiwan could play an important role by offering technical knowledge and expertise as well as functioning as gate for entering the East Asia market. *Greece needs to focus on economic recovery and job creation and that can be partly achieved by building on Taiwan's strong economy and integration with the "greater China" region and the Asia-Pacific region.*

There are a number of initiatives that could be developed in the near future. First, Greece needs to establish a representative office in Taipei, in order to promote its exports and attract investments. Despite current difficulties, Greece remains an attractive destination for investments in sectors ranging from tourism and renewable energy to agriculture and merchant marine. Second, since tourism remains a major source of national income for Greece, an air link between Greece and Taiwan is imperative. Such developments will enable business travelers and tourists to visit both countries and enhance opportunities for ambitious agreements.

Apart from trade and investments, Greece should also promote cultural and academic ties with Taiwan. Both countries need to invest on their cultural heritage and develop cultural diplomacy. A cooperation memorandum to enhance the cultural bonds, academic exchange programs and conferences with the participation of high-ranking officials, academics, researchers and entrepreneurs are a number of initiatives that both countries need to examine carefully. Academic research on Taiwan is lacking in Greece, and apart from the Research Institute for European and American Studies (RIEAS) that serves as a contact point for the Taiwan Academy, no other institution has established some sort of cooperation with relevant Taiwanese centers and think-tanks.

#### **4. Conclusion**

To conclude, the Greek-Taiwanese relations resemble the EU-Taiwanese relations. They are on the whole positive and expanding. The only difference, with other EU member states has to do with the size of the Greek economy and its ability to attract investments from abroad. The current debt crisis will hopefully force Greece to adopt a more extravert policy that will emphasize on the development of new technologies and shift its attention on new markets. Taiwan meets both criteria. It is a global player in the ICT industry and can function as a vehicle for Greek companies, in order to enter some of the largest and fastest growing economies in the world.

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### *\*About the Author*

**Dr. Andreas Liaropoulos** is a Lecturer in University of Piraeus, Department of International and European Studies, Greece and a Senior Analyst in the Research Institute for European and American Studies (RIEAS). Dr. Liaropoulos teaches also in the Joint Staff War College, the National Security College, the Air War College and the Naval Staff Command College. He earned his Master's Degree in Intelligence and Strategic Studies at Aberystwyth University and his Doctorate Diploma at Swansea University. His research interests include international security, intelligence reform, strategy, military transformation, crisis management, foreign policy analysis and Greek security policy. Dr. Liaropoulos is also the Convenor of the Greek Politics Specialist Group (GPSG). In general, his publication record addresses topics like the transformation of war in the information age, the emergence of a revolution in intelligence affairs, the Russian defence reform and security policy, aspects of Greek security policy, a comparative approach of the Napoleonic and First World War Revolutions in Military Affairs, the limits of European strategic culture, the modernization of the Greek intelligence service and many issues related to cyber-security.

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- Name: Andreas Liaropoulos
- E-mail: [andrewliaropoulos@gmail.com](mailto:andrewliaropoulos@gmail.com)
- Nationality: Greek
- Age: 36 years old (born 29/06/1976)
- University: Swansea University, UK

