



EU IN THE INDO-PACIFIC JEAN MONNET NETWORK

NEWSLETTER ISSUE 3

IN THIS ISSUE




- EUIP priority:
sustainable and
inclusive
prosperity
- Focal location
spotlight: Taiwan
- Recent outputs

PROJECT UPDATE

We are rapidly approaching the end of the first year of the project and it is great to report that primary research has begun in all 9 of our focal locations. The 2nd year of the project will see us collectively working with the collected primary data to begin the process of analysing how different Indo-Pacific actors perceive the role of the EU there.

In early September, a number of members of the EUIP project attended the 2023 UACES conference in Belfast. On the final day, we ran a special roundtable on assessing the EU's Indo-Pacific Strategy after two years. The roundtable comprised of Richard Whitman, Serena Kelly, Niels van Willigen, Ben Tonra, and myself. It was a great discussion and it is exciting to think about the analysis and conclusions this project will produce.

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This will be the last newsletter for 2023 and our focal location spotlight is Taiwan. I hope you enjoy it and I look forward to reporting back in early 2024

Nāku noa, nā

Nicholas Ross Smith

EUIP PRIORITY: SUSTAINABLE & INCLUSIVE PROSPERITY

By Cassidy Russell, EUIP Intern and NCRE MA student

The European Union's Indo-Pacific strategy places a significant focus on the principles of sustainability and inclusive prosperity, including them as one of the seven key priorities. To understand the intensions to include this term it is important to firstly break it down.

Sustainability, as defined by the United Nations, revolves around "meeting the needs of the present without compromising the ability of future generations to meet their own needs." While sustainability is often associated with environmental concerns, in the context of the Indo-Pacific strategy, it takes on a broader economic significance. It is about the European Union fortifying trade in the region by finalising Free Trade Agreements, partnership and cooperation agreements, and economic partnership agreements that can be feasible for generations to come.

On the other hand, inclusive prosperity signifies an approach that actively engages and evolves all partners in the Indo-Pacific. It places a strong emphasis on economic growth and development that benefits all segments of society. Inclusive prosperity recognises that sustainable and healthy economies are not achieved by concentrating prosperity in the hands of a few but by improving the well-being of society as a whole.

This approach of sustainable inclusive prosperity contributes to the creation of a fair and equitable society while reinforcing the existing international rules-based trading order. It also aims to safeguard against unfair practices like economic coercion that can harm economies. The Indo-Pacific region, which holds 60% of global GDP, is becoming a focal point for heightened geopolitical tensions, and it is crucial for the European Union, to be a stabilising actor. Therefore, a robust and continual partnership is of utmost importance to the European Union, given its vested interests in the Indo-Pacific region for security and economic reasons.

Hence, prioritising sustainability and inclusive prosperity is not only an investment in strengthening the European Union's existing relationships in the Indo-Pacific but also lays the groundwork for future partnerships with the vision of them enduring for years to come.

THE EU INDO-PACIFIC MINISTERIAL FORUM (2023)

At the 2023 EU Indo-Pacific Ministerial Forum held in Stockholm, the priority area of ‘sustainable and inclusive prosperity’ received significant attention.

The Stockholm Forum was attended by key officials from the EU and its Member States as well as 26 Indo-Pacific countries. In a press release, the EEAS highlighted that “the participants recalled their ambition to advance towards a global economic recovery, and to promote greater economic cooperation. They agreed to pursue opportunities to increase trade and investment flows, while ensuring that such cooperation is mutually beneficial and contributes to the sustainable development of all countries in the region”.

Regarding the concrete steps the EU has taken in pursuing this priority area, the press release noted that “the EU has worked on several tracks to fully play its part in securing global economic recovery and advancing towards resilient supply chains, including by looking into collaboration with all like-minded countries on critical raw materials”

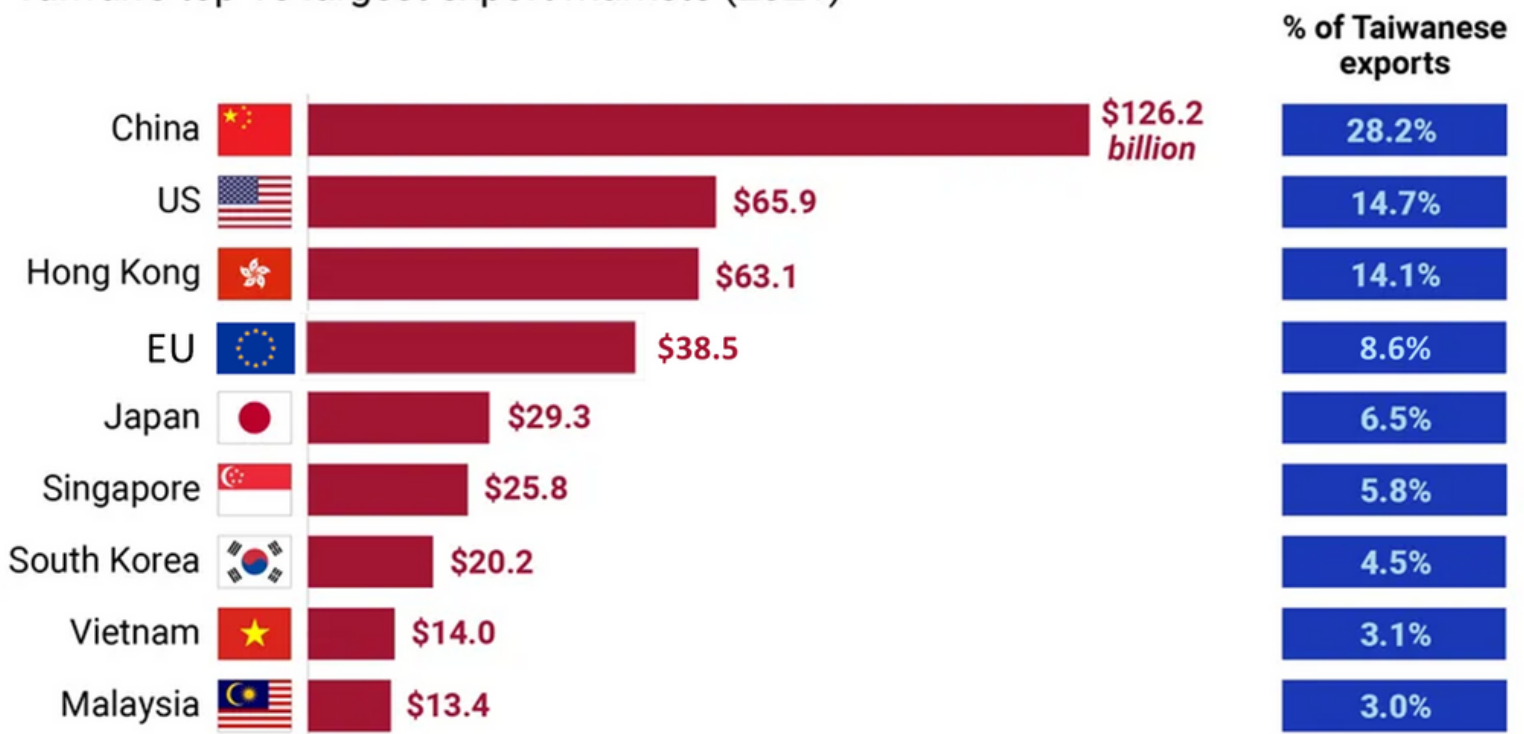
It was also noted that the EU has signed Partnership and Cooperation Agreements (PCA) with Malaysia and Thailand in December 2022 and that Tonga, Timor-Leste, Niue, Tuvalu and Vanuatu have recently notified their intention to accede to the existing Economic Partnership Agreement (EPA) with the Pacific.



FOCAL LOCATION SPOTLIGHT: TAIWAN



Taiwan's top 10 largest export markets (2021)



TAIWAN AND THE EU'S 'IPS'

The Taiwan Research Team has already concluded interviews with the officials from various agencies of Taiwan government, including Ministry of Foreign Affairs, Bureau of Foreign Trade, Office of Trade Negotiations of the Executive Yuan and Office of Energy and Carbon Reduction of the Executive Yuan. We also interviewed leaders from Taiwan industry, such as the Taiwan Electrical and Electronic Manufacturers' Association (TEEMA), several entrepreneurs from the Taiwan enterprises and Taiwanese politicians.

The EU Indo-Pacific Strategy expressed EU's deep concerns about the rising tensions in Taiwan Strait and linked it with prosperity and security of the Europeans. It also highlighted Europe's interest in developing cooperation with Taiwan on semiconductor's supply and common digital governance. Six weeks later, on 21 October, the European Parliament adopted its first resolution on EU-Taiwan Political Relationship and Cooperation, which referred to the Strategy and even declared that maintaining peace and stability in the Taiwan Strait is a core interest for the EU.

Compared to other countries and entities in the region, Taiwan is unique in EU Indo-Pacific Strategy. It is the 20th-22nd largest economy and trade power, and EU's 14th biggest global trading partner (6th in Asia). EU is the biggest foreign investor in Taiwan with 26% FDI stock. At the same time, Taiwan lacks diplomatic relationship with the EU and its member states. It is not recognized as sovereign country by an absolute majority of states globally and is not a member of the international organizations requiring statehood. The EU has a representation office in Taipei (European Economic and Trade Office, EETO), together with fifteen Member States.

In terms of political culture, Taiwan is not only a free society with a market economy and a vibrant democracy based upon rule of law but also a Chinese society with strong traditions. Taiwan also plays a key role in the global supply chain. For example, it lies at the heart of the semiconductor industry. TSMC (Taiwan Semiconductor Manufacturing Corporation) alone produces 84% of the most advanced chips globally.

In the regulative field, the Strategy, therefore, opened a way to deepen and extend cooperation with Taiwan, in line with the EU's one China policy. However, the Council Conclusions, negotiated among the delegates of the Member States, did not refer directly to Taiwan but only contained some important implicit references making Taiwan an integral part of the Strategy. It aimed at enlarging room for probable EU-Taiwan cooperation without crossing the red line imposed by Beijing, leaving the Commission and EEAS to frame concrete working plans.

The Joint Communication stated firstly that any use of force and rising tensions in the South China Sea, the East China Sea and Taiwan Strait might directly affect European security and prosperity. Then it highlighted Taiwan's vital role in semiconductors' supply chain and Taiwan's pro-active participation in cooperation with the EU that respectively regulates Illegal, Unreported, and Unregulated (IUU) fishing and data protection.

Taiwan's national strategy aims for peace, prosperity, and the quest for an international identity. It therefore welcomed the EU Indo-Pacific Strategy. In its official statement, Taiwan's Ministry of Foreign Affairs "highly appreciates and welcomes that EU Indo-Pacific Strategy explicitly mentioned Taiwan, expressed its deep concerns about the Taiwan Strait and regarded Taiwan as a key partner in the region".

There is compatibility between priorities listed in the EU Indo-Pacific Strategy and Taiwan's six core strategic industries, comprising of information and digital technology, cybersecurity, biotech and medical technology, national defense, green and renewable energy and strategic stockpile industries.

Based upon such perceptions of power structure and paradigm shift in the region, Taiwan intends to be integrated into the EU Indo-Pacific Strategy as follows:

- In the regulative field, while the diplomatic recognition is still lacking, the BIA is regarded as a certain institutionalization of the EU-Taiwan bilateral relationship.
- In the normative field, as a vibrant democracy and the first Asian country that legalized gay marriage, Taiwan finds no major difficulties in embracing the fundamental values of democracy, human rights and rule of law promoted by the EU. Taiwan even excels on some aspects of the human rights, even being a model in Asia (LGBT rights, same sex marriages).

However, Taiwan lags on others, such as death penalty or migrant workers' rights. The death penalty was explicitly mentioned in EU Indo-Pacific Strategy. The second weak point can be fishing. The EU had sanctioned Taiwan's IUU fishing for years, which was lifted as late as 2019. The third could be the green transition. Taiwan is an important producer in the global supply chain, but its electricity production is heavily dependent upon gas, oil, and coal.

Nonetheless, these shortcomings or insufficiencies will not prevent Taiwan from promoting and echoing those values cherished by the EU in the Strategy. Taiwan's integration into the Strategy can reinforce the normative power of the EU in Indo-Pacific.

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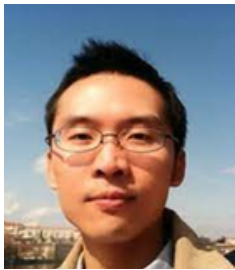


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RECENT OUTPUTS FROM PROJECT MEMBERS

Journal articles

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