



*Policy Brief no. 123, iunie 2021*

## Eastern Europe and the Republic of China (Taiwan)



Brussels



Bucharest



Taipei

### PROSPECTS FOR DEMOCRATIC AND ECONOMIC COOPERATION AT THE BLACK SEA

KEY MESSAGES IN THE CONFERENCE HELD ON JUNE 23<sup>RD</sup> 2021

#### DEMOCRACY AND COOPERATION VS. PROPAGANDA

The Chinese Communist Party is celebrating its centenary these days, but a certain backlash against Beijing's influence is felt within the EU, in its richest, Western parts but also among the new members states. Eastern Europe grew increasingly disappointed with the 17+1 initiative, a thing they made abundantly clear during the last summit of the format in February. China itself does not seem to be much interested to cooperate with the region, especially the countries around the Black Sea.

In the same time, the other China – i.e. Taiwan, which is democratic,

prosperous and free – keeps an unfortunate low profile in the region. The potential for cooperation between the Eastern Europe/Black Sea countries and the Republic of China (Taiwan) is underexploited, which is regrettable because we share the recent experience of transitioning to democracy, as well as the important values underpinning it, like political pluralism, rule of law and the freedom of speech. In addition there are many areas of mutual interest where cooperation makes sense: investments (technology, finance), trade, green strategies, academic exchanges, culture or even the Covid

management. In all these domains Taiwan could become a source of (democratic) best practice for us; and together we can cooperate to promote the democratic agenda globally.

True to their agenda of democracy building, EFOR and its main partner, the Black Sea Trust (BST, a program of the GMF-US), organized a conference to explore how this potential for cooperation between Taiwan and the Black Sea countries could materialize.

Here are some key messages from participants. The whole agenda and the link to the online conference [are here](#)<sup>1</sup>.

**Nicola Beer, Vice-President of the European Parliament, the German liberal party (FDP)**

- We as liberals do not believe in a confrontational foreign policy, but we think there are moments when one has to stand up and speak about what is dearest to all of us: the core values of freedom and self-determination. We stand by the side of every country and its citizens who are threatened by suppression, intimidation and dictatorship.
- These also means not to use the language of aggressors. The German Free Democratic Party decided not to mention the “one China policy” anymore in our program for the upcoming elections (in Germany) because it leads to misunderstandings: for the Chinese government it means repression and dismantling of the opposition in Hong Kong, or genocide against national minorities, or the threat of conquering Taiwan.
- In my daily work at the European Parliament, I am fighting

disinformation and interference from other countries. The will of the Taiwanese citizens and their right to vote was also threatened by pervasive disinformation in the 2020 elections: the campaign was targeted by propaganda and information operations aimed at discrediting Taiwan's democratic institutions.

- It is time for an EU-Taiwan investment agreement. We Europeans need to stand firmly at Taiwan's side, especially as the tightening of export controls on Chinese firms hit hard on Taiwanese companies and further accelerate the fragmentation of the global digital landscape.
- I want not only to raise awareness, but warn Beijing to stop threatening Taiwan by military action or diplomatic isolation. Europe's reaction came too late for Hong Kong; we cannot be again too late for Taiwan. We need to expand bilateral economic cooperation through the conclusion of a free trade agreement between EU and Taiwan, and we should support Taiwan in its efforts to obtain observer status in the international organizations like the WTO. Let's have regular parliamentary exchanges between EU members and members of Taiwanese Parliament to implement all of the above and further cement the EU position that any changes must be pursued peacefully and not unilaterally, against the will of the Taiwanese citizens.

**Ming-Yen Tsai, Representative of Taipei in the EU and Belgium**

- Based on our common values and beliefs, in the past few years we have established many consultation mechanism with our EU counterparts in domains like trade,

<sup>1</sup> <https://expertforum.ro/en/conference-east-europe-taiwan/>

investment/ science, technology, digitization, industrial policy, human rights, labor issues, education. This year we expand our cooperation to new areas such as disinformation or the roadmap to decarbonisation and climate neutrality. We know the EU is emphasizing two very big projects: digitalization and the green transition. In terms of digitization, we have plenty of capacity in this area, given that Taiwan's semiconductor sector is no. 2 in the world and the ITC sector ranks also very high.

- In a year, we expect green energy such as solar and wind will be able to account for about 20% of Taiwan's electricity generation. European companies are invited to come to Taiwan and join the development of the clean energy sector, particularly the building of wind power stations in Taiwan. Our intention is to put Taiwan at the heart of the energy sector in Asia. Apart from green energy, I think our cooperation should expand into areas like circular economy and smart mobility.
- We have enjoyed very strong support from our colleagues in the European Parliament on investments cooperation, working towards a bilateral investments agreement, and we expect that the European Commission can go further and consider to launch a contact with Taiwan in the near future.
- There should be more cooperation between Taiwan and our like-minded European friends on the promotion of human rights, democracy and good governance to developing countries around the world. Taiwan is a democracy and also a frontline state against all kinds of intimidation and aggression coming from China. So we have very strong will and

capacity to share our experience on how to make democracy and the open society more resilient against hybrid threats. We have for example a program called Global Cooperation Training Framework (GCTF), ran together with the US, in which we invited over 2400 officials and experts from more than 88 countries for training programs and seminars on issues such as women empowerment, digital literacy, cyber security. Looking into the future, we hope we can have more friends from Europe joining in this kind of programs so as to spread out our values and principles to people around the world.

**Cătălin Teniță, member of Parliament (Romania), Human Rights Committee, former IT entrepreneur**

- Data is the news oil, as they say, and Taiwan knows well how to use it to generate prosperity, but also to create a more open, vibrant and equitable society. There are a few dimensions on which Romania can be inspired by Taiwan's experience. For instance I find the open data transparency model adopted by Taiwan admirable. Taiwan is at the top of all charts, as shown by the *Global Open Data Index*, most important indicator in this area.
- A strong nation is an educated nation and in the current era, education means skills for the digital society and e-learning. Taiwan has a strong initiative in this domain, called the Cloud, started in 2013 and using big data, cloud technologies and broadband to enable the creation of digital campuses, which would be an important lesson for Romania. There's also the e-health initiative, in its 25th year of implementation in Taiwan into the universal health coverage, with strong e-health components based on the patient

electronic dossier, which links together the state and private health institutions.

- Basically, you have in Taiwan two strong initiatives. One is called public digital innovation space, and the other Digital Plus, which tries to make Taiwan a digital island. The quality is the expression of the public service in Taiwan and this is absolutely impressive, making the country a world leader in digitization. Not a regional leader, but a global leader.

**Cristian Bordei, Senator (Romania), member of the Committee on Foreign Affairs**

- The EU and Taiwan share the common values of liberal democracy and this must be a catalyst for further development of the bilateral cooperation too. Currently the EU has an economic and trade office in Taipei while Taiwan has a similar office in Brussels. Some EU member states have established so-called commercial offices in Taiwan: Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Hungary, Italy, Luxembourg, the Netherlands, Poland, Slovak Republic, Spain and Sweden (plus the UK).
- Unfortunately, Romania does not have such an office in Taipei; in my opinion, this situation must be changed. It is a first step to be made in order to stimulate and enhance the mutual cooperation between Romania and Taiwan.
- The EU is Taiwan's 5<sup>th</sup> largest trading partner, while Taiwan is the EU 5<sup>th</sup> largest partner in Asia with a value of commercial exchange of over 50bn euro. EU is the biggest source of FDI in Taiwan, with over 48bn euro accounting for over 30% of Taiwan's total inward FDI. And Taiwan is an important source of

FDI for the EU, with over 8bn euro, creating thousands of jobs, most of them in the last two years. So there is already a solid EU-Taiwan economic partnership, but also a huge potential still untapped, in my opinion, especially in the form of FDI for other areas or less developed EU member states like Romania. Taiwan is a very solid economy, a world leader in chips production, ITC, green energy petrochemicals, smart waste management and recycling. All these fields are full of potential for cooperation between Taiwan and Romania or other countries in Eastern Europe.

**Dragoș Tudorache, member of the European Parliament (Renew Group), Chair of the Special Committee on Artificial Intelligence**

- Disinformation and fake news are issues we have been debating quite passionately for the last two years here in the European Parliament, but they are not something new. Lies, deceit, gossip are as old as human nature, and so is disinformation as a tactic. What is new today is the accelerating effect of putting together disinformation and the IT, including the artificial intelligence. The question is, what do we do about it?
- First we need to be mindful about how we write the standards and the rules for these new technologies. When I say "we" I refer to Europeans, but for obvious reasons Taiwan has a very strong interest to be with us in this exercise to prepare the rulebook of the digital world of tomorrow, and do it according to our values and understanding of what democracy is and what fundamental rights are. It is an alliance of digital democracies, as Biden calls it.
- Second, we need to invest serious money in countermeasures. We

cannot just stay idle and look at what Russia or China are doing; this is a new type of a hybrid threat or hybrid warfare. Against this the EU relies on a tiny outfit in the European External Action Service, which counts several dozen people and a few millions in budget. Mr. Putin alone is putting billions of his own money into disinformation, so we are comparing the mosquito with an elephant. Again, this cannot be, we have to get serious about how we deal with the phenomenon.

- My third point, and a crucial one, is education. No matter how many billions we invest in countermeasures, or how we write the new rules for the internet, ultimately we have to educate our citizens so that they develop critical thinking. We have to make this part of the curricula offered in schools, and we also have to go beyond schools and reach out to the general population.
- Last but not least, we have to invest in infrastructure and cybersecurity, and seriously reassess our mobile infrastructure, the 5G and the 6G of tomorrow, the cables that are carrying the data and the internet around the world. There is a growing debate here in The European Parliament on the security of undersea cables, the ones that are linking continents and supporting all the flow of data between them. They are prone to be sabotaged or hacked, even more so than the land infrastructure, which is more visible and easier to protect.

**Roy Chung Lee, Deputy Director,  
Taiwan WTO/ RTA Center**

- In the past four decades Taiwan has played a central role especially in the high tech and semiconductor supply chain, being recognized as a sort of beacon for the international network. The global

supply chain currently faces great pressure to reform. One of the sources of such pressure to reform the global supply chain comes from a very unique characteristic of the current tech global supply chain: the concentration of manufacturing of processors, which provides benefits from the economies of scale and clustering. But this also brings in the risk of disruption, which may be natural, like the pandemic, but also human-made, like the geopolitical situation in our part of the world. And there are many other products: for example Taiwanese companies still manufacture probably 90% of the world's laptops.

- In one of its recent reports, the EU Commission is reviewing the supply chain of products which are critical for the EU area. 137 critical products were identified in the EU area that are vulnerable, and 34 of them as most sensitive, meaning there is no easy substitution available within the EU area for them. The strategy that the EU Commission is pursuing is to increase the domestic manufacturing capacity within the EU territory, but also to create a stronger alliance between suppliers and the industry to ensure the level of resilience, considering possible natural or other disruptions.
- Taiwan is eager to engage with a wider set of European stakeholders, including probably Romania, in the design and in the planning of the relocation of the supply chain, to achieve a higher level of diversification and resilience. TMC, the biggest manufacturer of chips, is considering investments in the EU area: the country was not decided yet, but this is just an example of what we can do together. This is true not just for ITC products, but other domains where they are

moving in safer places and closer to their markets.

- In brief, Taiwan is currently reforming its model of concentrated manufacturing, distributing them into smaller clusters located closer to the major markets of EU and US. We urgently need to reduce our concentration of manufacturing in China, because the US-China trade war is pushing us to do so. I would like to recommend our friends and colleagues from Romania and other parts of the European Union to explore further to see the possibilities of economic investment and trade opportunities with Taiwan.

**Marc Cheng, Executive Director, EU Centre in Taiwan (EUTW)**

- Ambassador Tsai already mentioned two important types of training activities on which we can cooperate. I know that Romania was selected recommended by the EU as the place for its cybersecurity center, so it means that this topic could be an issue that we can both work on together. As mentioned before, we are quite strong in the ITC sector, which is key for the future of internet, cybersecurity, internet of things, and so on, all the frontier domains. The growing trend of the EU Taiwan relations actually helped Taiwan to have closer relations with the EU countries and those in their neighbourhood.
- Speaking of representation, we have two European Chambers of Commerce in Taipei. But beyond that we need more direct representation from member states here, with whom to design a real roadmap and discuss all the practical details of cooperation in each case. For many countries, like Romania, we don't have a qualified counterpart to discuss with.

**Constantin Damov, President of Association for Economic and Cultural Exchange with Taiwan, CEO of Green-Group**

- 20 years ago, we established a company in Romania which became a model in Eastern Europe for the recycling process in a circular economy. Now we are expanding and covering not only Romania, but also Lithuania and Slovakia more recently. It was a great success achieved with knowhow from Taiwan, at a time when the Romanian government was not much concerned about the presence of Taiwan in the region. We have been creating more than 3000 jobs here in Romania, and we are expanding every year now. So here is one example: the circular economy being a perfect area where are cooperating with Taiwan.
- Here to our universities in the University of Bucharest, and we had professors from Romania. They had been travelling to Taiwan. We got scholarships for a few Romanian students that they had been getting their diplomas in Taiwan, but when they came home, we got a period of suspension between 2017 - 2019 of recognition of academic diplomas obtained in Taiwan. Of course, we as an association went to speak with the minister of education, and finally managed to solve the problem. Nevertheless, it was a sad episode, because it is affecting not only the Taiwanese people, if this was the target, but also the Romanian graduates who came back with a diploma and could not use it.
- We also organized a lot of cultural exchanges, hosting here groups coming for film festivals and opera from Taipei. But difficulties persist, for example when Taiwanese companies cannot be recognized and operate directly in Romania,

having to register first in other EU countries. I do not understand why, instead of taking advantage of the opportunities coming towards us, the Romanian authorities create administrative obstacles out of thin air just to stop the economic cooperation from happening.

### **I-Chung Lai, President of the Prospect Foundation, Taipei**

- Taiwan is under the constant threat of attack by China very fiercely, a digital attack based on disinformation and misinformation that creates a different kind of fear and profound polarization in the Taiwanese society. The aim is to spread havoc and endanger public safety in situations such as the pandemic.
- People tend to believe what they already want to believe. Social media is heavily used by the Chinese state to disseminate fake news and divide the population. A couple of years ago we created several websites trying to come up with fact-checking against mainstream disinformation. People can actually go there and look for the fact check button. But there are difficulties. First of all, these experiments are all created after the disinformation is already out there. Basically when it started to spread, it was very hard to create the same popularity for the fact checking. Misinformation means usually 70% facts, but 30% of them are incorrect. People tend to be very skeptical when it comes to listening to that 30% and why it's more relevant.
- People should be allowed to say things which are incorrect. We just cannot punish people for something that's not correct. This is an issue to consider when we talk about freedom of speech and especially in terms of how we analyze what is false. The bigger problem appears when we talk

about private companies on social media. A company like Facebook is very hard to be held accountable for managing the content on its platform, especially when the misinformation comes from another country; in our case, China.

### **Min Hsuan Wu, Co-founder and CEO Doublethink Lab**

- Our report "Deafening Whispers" created a more holistic way to examine what is happening during the 2019 election and the Covid-19 period with the Chinese information apparatus. The first propaganda technique we discovered was a combination of disseminating information from Chinese media outlets, but also foreign ones which are a tool of Chinese propaganda. The second type, called the *Pink Mountain*, is the creation of nationalist fake social media accounts which act as trolls and actively criticize the government. Junk media sites are also on the rise and they create a lot of content that is shared in Taiwan, but are mainly operated from Malaysia. The most common practice is to make manifesto videos that circulate intensely on social media.
- Big Tech companies also have started to use machine learning and AI technology in order to help the Chinese government better monitor its citizens and disseminate the state's perspective through social media. For example, they can now interpret private messages from WeChat and collect all the data to create a large-scale profile of citizens. This combined with the aggressive censorship that we see nowadays in Hong Kong is a clear indication of an even more aggressive Chinese government.
- The disinformation is spread through a mix of marketing and political expertise. Our research found a practice that we called the

*collaboration mode*, where marketing and PR firms work with Taiwan politicians and other groups of interest for China to deliver locally relevant content. Here we found big investments made for spreading Chinese propaganda in Taiwan, Hong Kong and even the Chinese diaspora.

- I think we need to have more projects or a program measuring the impact of how China deployed these information operations or influence operations around the world. One project we are carrying out right now is *China Index*, a global ranking project. We are mapping the whole kind of influence that China exports around the world.

**Ketty Chen, Vice-President,  
Taiwan Foundation for Democracy**

- I think the Taiwan experience is both fortunate and very unfortunate at the same time. The unfortunate part is that Taiwan is under the influence or infiltration of the People's Republic of China on a daily basis. In addition to military threats, information manipulation really permeates social media in chat rooms and chat applications. At the same time, because Taiwan has been dealing for long with such aggressive and intrusive tactics, both the government and civil society are able to work together to combat such threats on a daily basis, and sometimes multiple times a day.
- When it comes to Romania and the countries in Europe, there is a lot of areas where we could really collaborate. A cooperative framework exists, called the Global Cooperation and Training Framework, which initially was an initiative between USA and Taiwan; then they decided to invite experts from the region and advocates from Taiwan on different

issues. One of our programs focuses on the comparison of Russian and Chinese information operations, and this is a very good platform for Europeans to work on. Having annual platforms like this and workshops would facilitate the sharing of information. We all know that information manipulation and disinformation campaigns are aimed at sowing distrust in democratic institutions, elected leaders, and polarize the civil society.

**Radu Ungureanu, Professor at the  
National School of Political and  
Administrative Sciences**

- Universities are afraid of scaring off and upsetting China. This is wrong for many reasons. We need to have departments with experts in Chinese influence throughout Europe. More than discussing only in academic terms, we need experts in analyzing the economic and social implications of the Chinese influence. In order to achieve this, programs properly financed need to be set up.
- Direct connections and formal arrangements are crucial in order to create a coherent platform and build a holistic approach towards analyzing how China is infiltrated and influences our societies. We cannot pretend that China does not have a huge impact on our geopolitical reality.

**Raymond Chen-En Sung, Deputy  
CEO, Taiwan New Constitution  
Foundation**

- Taiwan is a de facto state with its own army, borders, and government. But on the international scene it is not recognised, it has no place in international organisations such as the UN. Taiwan is facing isolation because of the One-China policy. Beijing is pursuing an active expansion drive, which in Europe



can be felt exactly how Russia behaves with its neighborhood.

- A democratic alliance is needed, primarily with countries facing similar hostility from their big neighbors. We in Taiwan thank the EU for its support and hope that you will continue to extend it, in helping democracies exercise their civil rights.

**Zsuzsa Anna Ferenczy, Taiwan Next Generation Foundation**

- A lot more needs to be done to bring Europe as a visible democratic promoter in Taiwan and in East-Asia. The EU office has been present in Taiwan for 17 years, but the EU needs to change its position towards China. We need to speak more about Taiwan as a legitimate and democratic actor. We need to have the conversation about Taiwan as a stand-alone actors and sovereign state. Fortunately, members of the European Parliament push for the EU to recognise the merits of Taiwan and offer further support.

- There is a conceptual shift in Europe about how we perceive China and this should be continued by embracing Taiwan. We need education in the academic area about Taiwan on one side, but equally important is to allow Taiwan to become a partner in this discussion. Now the EU is more willing to have this conversation and bring more visibility to the country. One of the reasons why the EU is still seen as a distant partner in the Indo-Pacific Area is because it hasn't managed to brand itself more forcefully.
- I think for the future we as Europeans could play a more proactive role and work with like-minded partners such as Japan and the United States. We need to help Taiwan create a more stable international position in the post-pandemic world.



in cooperation with



initiative supported by

