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The Implications of Mongolia's Changing Strategic Environment and Its "Third Neighbors" Policy for Deepening Taiwan–Mongolia Relations

By Russell Hsiao

Geopolitics in East Asia tend to focus on China's maritime periphery, rather than its equally massive continental borders. This analytical blind spot has led to an overall lack of strategic thinking among like-minded partners regarding ways to shape China's external environment. Since the establishment of a new constitution in 1992 and its emergence as a democracy, landlocked Mongolia has sought to chart its own course in international relations by balancing relations between its two giant Eurasian neighbors—China and Russia—as well as by developing relations with "Third Neighbors" (i.e., democratic and market economies).¹ While relations between Taiwan and Mongolia over the past two decades have experienced modest improvements, the current strategic environment offers opportunities to quietly enhance ties between Taipei and Ulaanbaatar.

As a result of the quasi-alliance formed by China and

Russia's "no limits partnership,"² Mongolia is increasingly hemmed in by the strategic relationship between the two revisionist authoritarian powers. Mongolia will likely face increased pressure from both Moscow and Beijing to provide greater assurances and political support to Beijing's and Moscow's united front. As a relatively young democracy, Mongolia has tried to navigate this challenging terrain by hedging against China through its relations with Russia. Yet, with Russia and China becoming increasingly more aligned with one another, this dynamic has compressed Mongolia's ability to hedge one relationship with another. This situation may force Mongolia to seek out closer ties with like-minded partners under its "Third Neighbor" policy, which could present Taiwan—a fellow democracy and important trading partner in East Asia—with an opportunity to quietly enhance ties with Mongolia.³

1 Important "third neighbors" include the United States, which formalized a strategic partnership in 2019 and other major partners like Japan and South Korea, and also include the EU (See: "Global Leaders Forum: His Excellency Khaltmaa Battulga, President of Mongolia," (event, Center for Strategic and International Studies, Washington, DC, July 30, 2019), <https://www.youtube.com/watch?v=BXCLB9ddPgM>).

2 Office of the Russian President, "Joint Statement of the Russian Federation and the People's Republic of China on the International Relations Entering a New Era and the Global Sustainable Development" (press release), February 4, 2022, <http://en.kremlin.ru/supplement/5770>.

3 Julian Dierkes, "Mongolia Is Keen to Distance Itself From Moscow and Beijing," *Foreign Policy*, October 27, 2022, <https://foreignpolicy.com/2022/10/27/mongolia-independence-russia-china-relations-ukraine/>.

Mongolia's Strategic Situation After the Ukraine War

Great power competition between the United States and China—which is increasingly the framing paradigm of international relations—and the quasi-alliance between Russia and China are accelerating the formation of blocs in the international system. A fault line is emerging between countries that support Russia's invasion of Ukraine (and by extension, those that support China), and those that support Ukraine, the West, and liberal democracies. As a reflection of this growing axis in the international system, it is noteworthy that Russia has transferred most of its military forces away from the Russian Far East (RFE) to its Western front, leaving the region largely unprotected and abandoned militarily.⁴ This would have been inconceivable in the past, as Russia has traditionally been wary of Chinese influence in the RFE.

Mongolia's relationship with its two neighbors was shaped by great power competition during the Cold War. Following its independence in 1924, Mongolia was a Soviet satellite state until the collapse of the Soviet Union in 1989. During this period, Mongolia was heavily reliant on economic, military, and political assistance from Moscow. Today, Mongolia remains entirely dependent on Russian energy for 92 percent of its supply of fuel,⁵ and Russia is the sole supplier of electricity to western Mongolia.⁶ Mongolians generally see Russia in a favorable light and the two governments have maintained a “comprehensive strategic partnership” since 2019.⁷



Image: The Mongolian, Chinese, and Russian flags.⁸

Mongolia's relations with China are more complicated. While Beijing and Ulaanbaatar upgraded their bilateral relationship to a “comprehensive strategic partnership” in 2014 (interestingly, five years before Russia), Mongolian public attitudes towards China have always been uncertain.⁹ Mongolia is as dependent on Russia for energy as it is dependent on China for trade: China dominates Mongolian trade with 90 percent of Mongolia's exports going to or through China. Beijing has also played a crucial role in developing the infrastructure required by Mongolia's mining industry—primarily copper, gold, coal, and other strategic minerals.¹⁰ The two countries share a long 4,700 km border along the PRC-controlled Inner Mongolia Autonomous Region, where 50 percent more ethnic Mongolians reside than in Mongolia.¹¹ As a landlocked country, Mongolia

Down, or Out?” *New Perspectives in Foreign Policy* 14, Fall 2017, https://csis-website-prod.s3.amazonaws.com/s3fs-public/171220_mongolia_battulga.pdf?SPIS2wV8qd5ykHotwuRQ6kuEeKjDdF-Ki.

⁸ Charlie Campbell, “‘We Face Very Tough Challenges.’ How Mongolia Typifies the Problems Posed to Small Countries by China's Rise,” *Time*, April 13, 2021, <https://time.com/5953518/mongolia-china-russia-problems/>.

⁹ Mendee Jargalsaikhan, “Caveats for the Mongolia-China Strategic Partnership,” *Asia Pacific Bulletin* 272, July 22, 2014, <https://www.files.ethz.ch/isn/182320/apb272.pdf>.

¹⁰ Dierkes, “Mongolia Is Keen to Distance Itself From Moscow and Beijing.”

¹¹ Campbell, “‘We Face Very Tough Challenges.’ How Mongolia Typifies the Problems Posed to Small Countries by China's Rise.”

⁴ “Russia to move Far East troops closer to Europe - Ifax,” *Reuters*, February 28, 2022, <https://www.reuters.com/world/europe/russia-move-far-east-troops-closer-europe-ifax-2022-03-01/>.

⁵ Bolor Lkhaajav, “Mongolia-Russia Diplomatic Relations at 100,” *The Diplomat*, December 3, 2021, <https://thediplomat.com/2021/12/mongolia-russia-ties-at-100/>.

⁶ CIA.gov, “Mongolia,” *The World Factbook*, last modified December 14, 2022, <https://www.cia.gov/the-world-factbook/countries/mongolia/>.

⁷ Rob Gill, “Balancing Mongolia's Growth and Sovereignty: Up,

has no natural access to ports and China provides the closest ports for Mongolia's economy, as well as providing an important source for investment, technology, and labor. Mongolia is therefore highly vulnerable to Chinese coercion.¹²

The people of Mongolia are 51.7 percent Buddhist and many of them revere the Dalai Lama—who is detested by Beijing.¹³ In 2016, Beijing flexed its economic and political coercive muscles, and enacted retributive measures after Mongolia defied Beijing's wishes and invited the Dalai Lama to visit. In response to the visit, China increased the fees on imports of Mongolian mining products, manufactured delays at border crossings, suspended bilateral exchanges, and cut off talks concerning a major loan.¹⁴

Despite being a democracy, Mongolia has been careful not to align its foreign policy solely on democratic credentials.

Whether or not Beijing's intentions were explicitly stated, the leadership in Mongolia caved to China's pressure and promised not to invite the Dalai Lama again.¹⁵ Additionally, Mongolia issued a public statement indicating that it firmly supported the "One-China policy," agreed that Tibet is an inseparable part of China, and that the Tibet issue is China's internal affair.¹⁶ While a study conducted by the DC-based Center for New American Security noted that "[t]he long-term

deterrent effects of China's coercion on Ulaanbaatar's decision making around hosting the Dalai Lama remain unclear given that Mongolia's subsequent leader reneged on this assurance," it should also be recognized that Mongolia has not invited the Dalai Lama to visit since 2016.¹⁷

According to one observer, "[m]any Mongolians resent their Chinese neighbors, viewing them as hegemonic and exploitative. This attitude is rooted in a complex history of domination and exploitation, and more recently, indirect Chinese hegemony through the control of Mongolia's mineral resources."¹⁸

The source of Mongolians' anti-Chinese attitudes also stems in part from the Cold War.

According to one scholarly assessment: "Anti-Chinese attitudes in Mongolia are persistent because of lingering impacts of artificially-consolidated negative schemas about China, Chinese people, and their culture from the 1960s-1980s," during the period of late Cold War Sino-Soviet hostility.

While attitudes at the elite level in Mongolia started to change in the 2000s,¹⁹ many indigenous Mongolians—both in the country and in the Inner Mongolia Autonomous Region (IMAR)—increasingly feel that they are being marginalized in their own homeland. This dynamic led to protests in the latter in 2011, 2013,

12 Jargalsaikhan, "Caveats for the Mongolia-China Strategic Partnership."

13 CIA.gov, "Mongolia."

14 Peter Harrell, Elizabeth Rosenberg, and Edoardo Saravalle, "China's Use of Coercive Economic Measures," *Energy, Economics, and Security*, June 2018, https://s3.us-east-1.amazonaws.com/files.cnas.org/documents/China_Use_FINAL-1.pdf.

15 "China says hopes Mongolia learned lesson after Dalai Lama visit," *Reuters*, January 24, 2017, <https://www.reuters.com/article/us-china-mongolia-dalailama/china-says-hopes-mongolia-learned-lesson-after-dalai-lama-visit-idUSKBN158197>.

16 Ibid.

17 Harrell et al., "China's Use of Coercive Economic Measures."

18 Gill, "Balancing Mongolia's Growth and Sovereignty: Up, Down, or Out?"

19 Mendee Jargalsaikhan, "Anti-Chinese attitudes in post-communist Mongolia: the lingering negative schemas of the past," University of British Columbia Asia Pacific Policy Studies Theses Program, 2011, <https://open.library.ubc.ca/soa/cIRcle/collections/ubctheses/24/items/1.0078410>.

and—in the most recent upsurge—in social and political discontent in August 2020, during which large protests broke out in ethnic Mongol communities in Inner Mongolia due to the Chinese government’s plans to phase out teaching in Mongolian in favor of Chinese.²⁰ The demonstration effects of events in Inner Mongolia and Mongolia are significant. Indeed, Beijing’s efforts in recent years to restrict Mongolian language and culture in Inner Mongolia have stoked ethnic tensions within both Inner Mongolia and Mongolia.²¹

Despite being a democracy, Mongolia has been careful not to align its foreign policy solely on democratic credentials. While most Asian democracies are aligned with the West on Ukraine, Mongolia maneuvers between great power competition involving the United States and China, and the quasi-alliance between Russia and China. Given its dependence on Russia and China for energy and trade, respectively, its abstention on the United Nations vote on Ukraine is notable.²² As aptly described by Julian Dierkes from the University of British Columbia: “Mongolia sits in a particularly precarious situation with China and Russia as its only neighbors, one that is sometimes described as sharing a bed with a bear and a dragon.”²³ As further noted by former Mongolian President Tsakhiagiin Elbegdorj, who served as president of Mongolia between 2009–2017: “I feel that we have just one neighbor, China, Russia, have become like one country, surrounding Mongolia.”²⁴

On the international front, Mongolia is attempting to expand its international space by being a NATO “Partner Across the Globe”—and an observer at the Shanghai Cooperative Organization (SCO), the Eurasian security pact led by China and Russia.²⁵ Mongolia also maintains close diplomatic relations with the Democratic People’s Republic of Korea and celebrated the 70th anniversary of these diplomatic relations in 2019.²⁶ These measures reflect Mongolia’s efforts to maintain the independent streak of its foreign policy—and may make Mongolia more inclined, within a constrained strategic environment, to seek out greater ties with “Third Neighbors” like Taiwan.



Image: A photograph taken at the Taipei Trade and Economic Representative Office in Ulaanbaatar, in which oxygen concentration machines and personal protective equipment from Taiwan—items intended to battle the COVID-19 pandemic—were donated to the National Rehabilitation Center of Mongolia (May 7, 2021).²⁷

20 Gerry Shih, “Chinese authorities face widespread anger in Inner Mongolia after requiring Mandarin-language classes,” *The Washington Post*, August 31, 2020, https://www.washingtonpost.com/world/asia_pacific/chinese-authorities-face-widespread-anger-in-inner-mongolia-after-requiring-mandarin-language-classes/2020/08/31/3ba5a938-eb5b-11ea-bd08-1b10132b458f_story.html.

21 Campbell, “‘We Face Very Tough Challenges.’ How Mongolia Typifies the Problems Posed to Small Countries by China’s Rise.”

22 (Tweet no longer available)

23 Dierkes, “Mongolia Is Keen to Distance Itself From Moscow and Beijing.”

24 Campbell, “‘We Face Very Tough Challenges.’ How Mongolia Typifies the Problems Posed to Small Countries by China’s Rise.”

25 Ibid.

26 “Global Leaders Forum: His Excellency Khaltmaa Battulga, President of Mongolia,” (event, CSIS).

27 Image source: “Taiwan Donates Oxygen Concentrators and PPE to National Rehabilitation Center,” *Montsame* (Mongolian News Agency), May 10, 2021, <https://montsame.mn/en/read/263355>.

Meager Progress in Taiwan-Mongolia Bilateral Relations

While both countries underwent political reform in the “third wave of democratization” in the 1970s-1990s, Taiwan-Mongolia relations have made only meager progress since bilateral ties opened up following the latter’s democratic revolution in 1990. A full review of the diplomatic history between the Republic of China (ROC) Taiwan and Mongolia is beyond the scope of this article, but suffice it to say that the two sides do not maintain diplomatic relations given Mongolia’s longstanding recognition of the People’s Republic of China (PRC). In fact, it was not until 1997 that ties at the subnational level were first formed through sister-city ties established between Taipei and Ulaanbaatar.²⁸ This was followed five years later by the exchange of representative offices in 2002 and 2003 in Taipei and Ulaanbaatar, respectively.²⁹ Yet, after two decades of developing relations, people-to-people ties remain relatively limited with only around 5,000 Taiwanese having visited Mongolia in 2019; and with about 90 percent of the Mongolians residing in Taiwan being students.³⁰ Bilateral relations remain focused primarily on Mongolia as a source of abundant natural and rare earths resources.³¹

Mongolia has extensive deposits of copper, gold, coal, molybdenum, fluorspar, uranium, tin, and tungsten.³²

28 Office of the President Republic of China (Taiwan), “President Chen Receives Mongolia’s State Public Prosecutor General M. Altankhuyag” (press release), May 6, 2003, <https://english.president.gov.tw/NEWS/228>.

29 Ibid.

30 Б.АХТҮҮЯА, “Mongolia and Taiwan: a growing trade relationship,” *News.mn*, May 21, 2020, <https://news.mn/en/792588/>.

31 Ibid.

32 CIA.gov, “Mongolia—Economy,” *The World Factbook*, last

Taiwan’s main imports from Mongolia include copper and copper products, other basic and precious metal-related products, as well as animal and vegetable oil products, and textiles.³³ Taiwan’s main exports to Mongolia include electronic devices for telecommunications and high-tech machinery for manufacturing,

... [T]here is an important growth area of cooperation between Taiwan and Mongolia in the REE sector.

pharmaceuticals, plastic and rubber related products, as well as optical, photographic and precision instruments and equipment, medical or surgical instruments and appliances, clothing, toys and games, and sporting

goods.³⁴ The total trade figure reportedly surpassed USD \$41 million in 2018.³⁵ In light of Taiwan’s role in the high-technology industry and the industry’s need to access rare earths elements (REE), there is an important growth area of cooperation between Taiwan and Mongolia in the REE sector. Countries like South Korea, which like Taiwan has a very advanced semiconductor industry, have recently announced cooperative measures with Mongolia on the development of rare earths.³⁶

modified December 14, 2022, <https://www.cia.gov/the-world-factbook/countries/mongolia/#economy>.

33 “經貿與轉融資” [Economy and Trade and Refinancing], Taipei Trade and Economic Representative Office in Ulaanbaatar website, last modified December 30, 2020, <https://www.roc-taiwan.org/mn/post/4082.html>.

34 Ibid.

35 Б.АХТҮҮЯА, “Mongolia and Taiwan: a growing trade relationship”; “第18屆台蒙經濟聯席會議” [The 18th Taiwan-Mongolian Economic Joint Conference, Chinese International Economic Cooperation Association (CIECA)], <https://www.cieca.org.tw/zh-tw/download-c16923/%E7%AC%AC18%E5%B1%86%E5%8F%B0%E8%92%99%E7%B6%93%E6%BF%9F%E8%81%AF%E5%B8%AD%E6%9C%83%E8%AD%B0.html>.

36 “S. Korea, Mongolia agree to seek closer ties on rare earth supply,” *Yonhap News Agency*, August 29, 2022, <https://en.yna>.

Mongolia's "One-China Policy"

As with many other countries' relations with Taiwan—albeit to different degrees—Taiwan-Mongolia relations is in part a function of Sino-Mongolia relations. Like most countries in the international system, Mongolia abides by a “one-China policy.” While Mongolia has tried to maintain an independent foreign policy, it has done little—in comparison to the United States, Japan, and some other Western countries—to differentiate its own practices from the PRC’s “One-China Principle” with respect to Taiwan.³⁷ This has provided the PRC with the opportunity to shape Mongolia’s policy towards Taiwan with influence operations and propaganda.³⁸

For instance, the PRC Foreign Ministry recently touted in a press statement: “China appreciates that Mongolia reaffirms its firm commitment to the one-China principle and opposes interference in China’s internal affairs related to Taiwan, Xizang [sic], Xinjiang and Hong Kong, among others.” A state propaganda outlet has also indicated that Mongolia has reportedly expressed its “firm support” for the PRC’s “One-China Principle,” despite the fact that there are few official statements from Mongolia regarding the matter. As

Although the sheer size of China’s economic influence already weighs heavily on Mongolia’s decision-making room, Beijing is actively engaging in influence operations to shape Mongolian choices and preferences.

[co.kr/view/AEN20220829006000325](https://www.co.kr/view/AEN20220829006000325).

37 Ministry of Foreign Affairs of the People’s Republic of China (Taiwan), “Wang Yi On Broad Consensuses Reached between China and Mongolia” (press release), August 8, 2022, https://www.fmprc.gov.cn/eng/zxxx_662805/202208/t20220809_10738067.html.

38 “Mongolia voices ‘firm support’ for one-China principle,” CGTN, August 8, 2022, <https://www.youtube.com/watch?v=xAk-kAZAMWOW>.

RAND Senior Defense Analyst Derek Grossman recently observed: “Mongolia has yet to address heightened US-China tensions over Taiwan, though Beijing claims that its northern neighbor re-endorsed ‘One China.’”³⁹

CCP United Front and Influence Operations Against Mongolia

Although the sheer size of China’s economic influence already weighs heavily on Mongolia’s decision-making room, Beijing is actively engaging in influence operations to shape Mongolian choices and preferences. The PRC uses united front operations both within Inner Mongolia and in Mongolia to pacify the local population and influence Mongolia’s policies toward China. Considering the recent appointment of a former

senior official from Inner Mongolia as head of the Chinese Communist Party’s United Front Work Department (UFWD), and General Secretary Xi Jinping’s emphasis on United Front work as one of the CCP’s “magic weapons” (法寶), the CCP will likely intensify its United Front activities towards Mongolia. United Front activities also act as a cover for intelligence and influence operations work.⁴⁰ The new director of the UFWD, Shi Taifeng (石泰峰, b. 1956), is “a Politburo newcomer and a close ally of Chinese President Xi Jinping.”⁴¹ Shi served as the Party Secretary of Inner

39 Derek Grossman, “The Indo-Pacific Mostly Backs ‘One China,’ but Taiwan Gets Some Love, Too,” *The Rand Blog*, August 22, 2022, <https://www.rand.org/blog/2022/08/after-pelosis-visit-most-of-the-indo-pacific-sides.html>.

40 Alex Joske, *Spies and Lies: How China’s Greatest Covert Operations Fooled the World* (Hardie Grant Books, 2022).

41 Salina Li, “Xi Jinping ally Shi Taifeng to head Chinese Communist Party’s influence machine,” *South China Morning Post*, October, 28, 2022, <https://www.scmp.com/news/china/politics/article/3197609/xi-jinping-ally-helm-communist-partys-influence-machine>.

Mongolia from 2019 to 2022.

As Australian China expert Alex Joske wrote in his groundbreaking book on Chinese security services' influence operations, *Spies and Lies: How China's Greatest Covert Operations Fooled the World*, Mongolia has long been the target of PRC influence operations. In particular, Joske extensively documented how a prominent Buddhist abbot in Mongolia, Sainbuyangiin Nergui, was the target of Chinese security services' covert influence operations. Yinshun, who the researcher described as "the abbot of Nanshan Temple and head of its MSS-backed charity," was a central figure in these operations,⁴² and Joske described Nergui as one of Yinshun's "closest foreign contacts."⁴³

The prominence of Buddhism in Mongolia (more than 50 percent adhere to Buddhism) could have underappreciated political implications on elite politics. While public attitudes toward China remain quite negative in Mongolia, this may not affect elite perceptions—which may already be captured to a certain extent. As Joske noted in his book, the prominent Mongolian abbot is related to Deputy Prime Minister Sainbuyangiin Amarsaikhan.⁴⁴ Mongolia does not appear to have the expertise nor capacity to monitor and counter the CCP's sophisticated influence operations.

The Future of Taiwan-Mongolia Relations

Set within a broader strategic context of the emerging contest between democracies and autocracies, democratic states such as the United States, Japan, and Taiwan should take greater interest in enhancing their ties with the fledgling democracy of Mongolia, which is trapped between two revisionist authoritarian neighbors. As the former Mongolian President Elbegdorj observed: "Our location is strategic because Mongolia

sits on the backbone of China, while punching the underbelly of Russia."⁴⁵ Also as noted by Mendee Jargalsaikhan, who serves currently as the deputy director of the Institute for Strategic Studies of Mongolia, "Inevitably, Mongolia's options are limited by geography, and therefore it seeks other like-minded democratic states to support its democratic future."⁴⁶

While there will be limits to the military support that any one of the parties could reasonably provide Mongolia with in the event of a military contingency (the absence of territorial disputes make the likelihood of military conflict low⁴⁷), there are still important measures that can be taken to help enhance its resilience against malign influence, and to protect its sovereignty from Chinese political and economic coercion.

Additionally, Mongolia put forward the 'New Revival' policy in 2021, which identifies six post-pandemic 'recovery' areas: airports, energy, industrial capacity, urban and rural development, green growth, and state productivity.⁴⁸ This policy opening presents a good opportunity for Taiwan to enhance its trade and economic relations with Mongolia, which is also seeking to diversify trade with China—especially in areas that are mutually beneficial, such as renewable energy sources like solar, and also in a smart power grid and rare earths development.⁴⁹ The two sides should consider resuming the economic and trade dialogue that had been facilitated through the annual Taiwan-Mongolia

45 Campbell, "We Face Very Tough Challenges.' How Mongolia Typifies the Problems Posed to Small Countries by China's Rise."

46 Jargalsaikhan, "Caveats for the Mongolia-China Strategic Partnership."

47 "Global Leaders Forum: His Excellency Khaltmaa Battulga, President of Mongolia," (event, CSIS).

48 Matt Bonini, "Mongolia's 'New Revival Policy': What Opportunities does it Present for the EU?" EIAS, April 12, 2022, <https://eias.org/publications/op-ed/mongolias-new-revival-policy-what-opportunities-does-it-present-for-the-eu/>.

49 "Taiwan, Mongolia ink renewable energy pact," *Taiwan Today*, February 18, 2014, <https://taiwantoday.tw/news.php?unit=6&post=11899>.

42 Joske, *Spies and Lies: How China's Greatest Covert Operations Fooled the World*: 179.

43 Ibid. 183

44 Ibid. 184.

Joint Economic Conference (台蒙經濟聯席會議). The last meeting between the Chinese International Economic Cooperation Association (CIEC, 中華民國國際經濟合作協會) and the Mongolian National Chamber of Commerce and Industry (MNCCI) was held in 2019 before the pandemic. The two sides should also consider starting negotiations for an economic cooperation agreement. Perhaps most importantly, the two sides should cooperate in terms of economic security, especially in regards to rare earths development. Mongolia is the second-biggest source of known rare earth minerals deposits globally after China.⁵⁰ The resilience of high-tech supply chains would benefit from Mongolia's supply, which can be better developed through bilateral and multilateral foreign assistance. There are also opportunities in the wake of the COVID-19 pandemic to enhance cooperation in health systems and advanced medical technology.

By contrast, a more discreet area for cooperation could be found in intelligence sharing and law enforcement. In particular, there are opportunities for the two sides to deepen signals intelligence (SIGINT) cooperation. It has been rumored from Chinese sources that Taiwan's Military Intelligence Bureau had set up an electronic reconnaissance site in Mongolia as far back as 2003, ostensibly to surveil areas of Inner Mongolia, China's northeastern region, and Xinjiang.⁵¹ Increased PRC pressure on Mongolian authorities in recent years

... [D]emocratic states such as the United States, Japan, and Taiwan should take greater interest in enhancing their ties with the fledgling democracy of Mongolia [...]

to halt cooperation with Taiwan may have caused some setbacks to such relations. Nevertheless, the two countries have a shared security interest to cooperate and mitigate cyber intrusions and disinformation on social media.⁵² As mentioned earlier, Mongolia is being targeted by PRC security service influence operations,

and Ulaanbaatar has much to learn from Taiwan—both in terms of information and counterintelligence to resist CCP malign influence activities, and in avoiding elite capture. At the same time, the two sides should strengthen law enforcement cooperation—especially considering that

Chinese criminal networks are a driving factor in illicit flows of exports in Mongolia's mining sector.⁵³

Finally, on the political and diplomatic front, the two sides should consider promoting parliamentary exchanges to raise the visibility of Mongolia in Taiwan. While diplomatic progress will be limited, the two sides should use the Mongolia Parliamentary Friendship Association (台灣與蒙古國議員友好協會), established in Taiwan's Legislative Yuan in 2016, as a vehicle to facilitate more exchanges between the lawmakers in both countries.⁵⁴

50 "Plentiful potential: The country is home to major deposits of rare-earth minerals," *The Report: Mongolia 2012*, 2012, <https://oxfordbusinessgroup.com/analysis/plentiful-potential-country-home-major-deposits-rare-earth-minerals>.

51 "台湾帮美国在蒙古建监听站搜集大陆电讯情报" [Taiwan Helps the US Build Listening Posts in Mongolia to Gather Telecom Intelligence from China], *Sina News*, February 17, 2006, <http://mil.news.sina.com.cn/2006-02-17/0737351435.html>.

52 Campbell, "'We Face Very Tough Challenges.' How Mongolia Typifies the Problems Posed to Small Countries by China's Rise."

53 "Mongolia," Global Organized Crime Index, <https://ocindex.net/country/mongolia>.

54 郭建伸 [Guo Jian-shen], "立院成立台蒙議員友好協會 蔡易餘任會長" [The Legislative Yuan established the Taiwan-Mongolia Parliamentarians Friendship Association, Cai Yiyu served as the chairman], *中時* [China Times], September 20, 2016, <https://www.chinatimes.com/realtimenews/20160920005883-260407?chdtv>.

Analyzing the Evolution of Germany's Approach to China and Taiwan: From Chancellors Angela Merkel to Olaf Scholz

By Marshall Reid

On November 4, 2022, German Chancellor Olaf Scholz arrived in Beijing, kicking off a brief—yet consequential—Chinese tour.¹ Flanked by a delegation of high-profile German business officials, Scholz met with Chinese leader Xi Jinping, engaged with other Chinese Communist Party (CCP) officials, and oversaw the signing of several commercial agreements between German and Chinese firms.² While the German leader went to great lengths to justify the trip in the days prior to his departure—even penning a *Politico* op-ed³—the visit was nevertheless highly controversial, both in Germany and throughout the broader European Union.⁴ For many critics in the West, Scholz's trip represented a reversion to an outdated status quo, as well as a symbol of Germany's stubborn

insistence on expanding economic ties with the People's Republic of China (PRC).

Indeed, Germany has long been a leader in advocating for European engagement with China. Driven by a pragmatic desire for economic growth and access to the vast Chinese marketplace, successive German governments have sought to decouple economic considerations from moral concerns.⁵ In practice, Berlin—as well as Germany's many multinational corporations—have worked to expand bilateral trade with the PRC, while simultaneously—yet cautiously—criticizing Beijing's human rights record.⁶ While this bipartite approach has allowed Germany to become China's top trading partner in Europe, it has also undermined Berlin's moral authority as a European leader on human rights issues. Now, amid rising European skepticism of the PRC and mounting concerns regarding the dangers of economic dependence on authoritarian powers, Germany's China policy seems more untenable than ever.⁷

1 Kawala Xie, "How German leader Olaf Scholz walked a fine line in China," *South China Morning Post*, November 5, 2022, <https://www.scmp.com/news/china/diplomacy/article/3198580/how-german-leader-olaf-scholz-walked-fine-line-china>.

2 Ibid.

3 Olaf Scholz, "We don't want to decouple from China, but can't be overreliant," *Politico*, November 3, 2022, <https://www.politico.eu/article/olaf-scholz-we-dont-want-to-decouple-from-china-but-cant-be-overreliant/>.

4 Lily McElwee, "How Scholz's Unpopular Trip to Beijing Actually Served U.S. Interests," Center for Strategic and International Studies, November 7, 2022, <https://www.csis.org/analysis/how-scholz-unpopular-trip-beijing-actually-served-us-interests>.

5 Kenneth Roth, "The China Challenge for Olaf Scholz," Human Rights Watch, May 20, 2022, <https://www.hrw.org/news/2022/05/20/china-challenge-olaf-scholz>.

6 Erik Brattberg, "Merkel's Mixed Legacy on China," Carnegie Endowment for International Peace, September 30, 2021, <https://carnegieendowment.org/2021/09/30/merkel-s-mixed-legacy-on-china-pub-85471>.

7 Laura Silver, Kat Devlin and Christine Huang, "Large Ma-

While Scholz's visit to Beijing would seem to signal a return to the accommodationist policies of previous Chancellor Angela Merkel, there are reasons to believe that Germany could take a different approach to the PRC in the years ahead. In light of Scholz's remarks before, during, and after the visit—as well as the widespread domestic opposition to the trip—it seems possible that the current government could pursue a more cautious, less naive China policy.⁸ For Taiwan, which has long sought expanded relations with Germany, such a shift could provide unprecedented opportunities. Accordingly, this brief will delve deeper into Germany's relationships with China and Taiwan, providing historical context and outlining implications for the future of Germany-Taiwan relations.

Merkel and China – Economics over Idealism

While Germany has long expressed interest in expanding ties with the PRC, the relationship between the two developed significantly following the election of Angela Merkel in 2005.⁹ Interested in securing new sources of investment and tantalized by China's vast domestic market, Merkel and her political party—the traditionally pro-business Christian Democratic Union (CDU)—began a years-long effort to connect the German and Chinese economies. This outreach was particularly pronounced in the aftermath of the 2008 global financial crisis, when Chinese capital helped to

offset many of the losses experienced by large German firms.¹⁰

In many regards, the economic relationship between Germany and the PRC was a natural partnership. For a German government still recovering from a financial crisis, China—with its enormous labor pool, huge reserves of capital, and vast domestic market—was nearly irresistible.¹¹ For China, meanwhile, Germany represented a vital source of foreign direct investment (FDI), as well as a crucial bastion of support in an otherwise indifferent Europe.

Given this alignment of interests, it is perhaps no surprise that the economic partnership between Germany and the PRC grew rapidly post-2008. By 2016, China had emerged as Germany's top trading partner, a position which it has held every year since.¹² Similarly, Germany has become China's largest trading partner in Europe, with Germany accounting for nearly 30 percent of China's total trade with the European Union.¹³ Beyond trade, the two also maintain a substantial bilateral investment relationship. As of 2021, Germany has distinguished itself as by far the largest source of European FDI in China, accounting for 43 percent of all European investment. As a study from Rhodium Group has noted, this investment has been overwhelmingly driven by large German firms, with Volkswagen, BMW, Daimler, and chemical producer BASF making up “34 percent of all European FDI into China by value from 2018 to 2021.”¹⁴ China has also invested

10 jorities Say China Does Not Respect the Personal Freedoms of Its People,” Pew Research Center, June 30, 2021, <https://www.pewresearch.org/global/2021/06/30/large-majorities-say-china-does-not-respect-the-personal-freedoms-of-its-people/>; Anna Cooban, “Huge trade partner and ‘systemic rival’; Europe has a China problem,” *CNN Business*, December 2, 2022, <https://www.cnn.com/2022/11/30/economy/europe-china-trade-tension/index.html>.

8 McElwee, “How Scholz's Unpopular Trip to Beijing Actually Served U.S. Interests.”

9 Junhua Zhang, “Where are China-Germany relations headed?” Geopolitical Intelligence Services, November 1, 2022, <https://www.gisreportsonline.com/r/china-germany-relations/>.

10 Brattberg, “Merkel's Mixed Legacy on China.”

11 Ibid.

12 “The People's Republic of China is again Germany's main trading partner,” Destatis, <https://www.destatis.de/EN/Themes/Economy/Foreign-Trade/trading-partners.html>.

13 Daniel Workman, “China's Top Trading Partners,” World's Top Exports, <https://www.worldstopexports.com/chinas-top-import-partners/>; Mia Nulimaimaiti, “How are trade relations between China and Germany on the eve of Olaf Scholz's visit?” *South China Morning Post*, November 4, 2022, <https://www.scmp.com/economy/china-economy/article/3198311/how-are-trade-relations-between-china-and-germany-eve-olaf-scholz-visit>.

14 Agatha Kratz, Noah Barkin, and Lauren Dudley, “The

heavily in Germany, with Chinese state-owned enterprises (SOEs) steadily increasing their investments in German infrastructure and industries in the years after the financial crisis.¹⁵

Throughout this period of Germany-PRC economic cooperation, Merkel maintained a policy of treating economic dynamics and human rights concerns as distinct—yet linked—spheres. Fearful of incurring Chinese economic retaliation, she consistently sought to downplay German concerns over China’s human rights abuses.¹⁶ Instead, she opted for a more subtle, low-key approach, “addressing this issue in the context of the regular EU-China human rights dialogue or in private conversations with her Chinese counterpart.”¹⁷ This policy was perhaps wise during the early years of Merkel’s tenure, as it provided her government—and, by extension, German firms—with the flexibility necessary to negotiate favorable deals with the PRC. At the same time, it allowed Germany to plausibly present itself as an advocate for human rights, albeit a relatively quiet one. However, the approach grew increasingly difficult to justify during the 2010s, as CCP General Secretary Xi Jinping (习近平) began his campaign to eliminate domestic opposition, committing numerous human rights abuses in the process.

By the conclusion of Merkel’s final term as chancellor, her position *vis-à-vis* China had become woefully out of date. After years of growing EU-China bonhomie, China’s behavior had simply become too much to bear

Chosen Few: A Fresh Look at European FDI in China,” Rhodium Group, September 14, 2022, <https://rhg.com/research/the-chosen-few/>.

15 Xinming Xia and Wan-Hsin Liu, “China’s Investments in Germany and the Impact of the COVID-19 Pandemic,” *Inter-economics* 56, 2, 2021, <https://www.intereconomics.eu/contents/year/2021/number/2/article/china-s-investments-in-germany-and-the-impact-of-the-covid-19-pandemic-6523.html>.

16 Brattberg, “Merkel’s Mixed Legacy on China.”

17 Ibid; “Germany’s Merkel calls for human rights dialogue with China to resume,” *Reuters*, April 28, 2021, <https://www.reuters.com/world/china/merkel-calls-human-rights-dialogue-with-china-resume-2021-04-28/>.

for many European states. As a result of its aggressive “wolf warrior” diplomacy, repeated attempts to economically coerce EU member states, and opaque policies during the COVID-19 pandemic, China saw its image in Europe deteriorate rapidly. As numerous studies have shown, public opinion toward the PRC dropped precipitously over the last several years. This shift was particularly pronounced in Germany, where a 2020 Pew survey found that 71 percent of respondents had a negative view of China, while 78 percent reported that they had “no confidence” in Xi Jinping to do the right thing, one of the highest marks in Europe.¹⁸ This trend has only grown in the wake of China’s refusal to disavow Russia’s invasion of Ukraine, which has raised concerns among even the most stalwart European defenders of China.¹⁹

Enter Olaf Scholz

It is into this difficult position that Olaf Scholz stepped in December 2021. After 16 years of relatively deferential German policy towards China, the new chancellor has been forced to reckon with a very different world—and a very different China—than his predecessor did when she was first elected. With nations across Europe reevaluating their approaches to the PRC, the policies of the Merkel government seem more untenable than ever.

To his credit, Scholz seems to recognize that the challenges of 2022 are far different than those of 2005. Speaking before the German Bundestag on February 27—just three days after Russia’s invasion of Ukraine—the chancellor framed the attack as a “*Zeitenwende*”—a

18 Laura Silver, Kat Devlin and Christine Huang, “Unfavorable Views of China Reach Historic Highs in Many Countries,” Pew Research Center, October 6, 2020, <https://www.pewresearch.org/global/2020/10/06/unfavorable-views-of-china-reach-historic-highs-in-many-countries/>.

19 Noah Barkin, “Rethinking German policy towards China,” Chatham House, May 2021, <https://www.chathamhouse.org/sites/default/files/2021-05/2021-05-26-german-policy-towards-china-barkin.pdf>.

historical turning point.²⁰ In the speech, Scholz called for a fundamental shift in Germany's approach to foreign relations. Rejecting the defense policies of past administrations—wherein Germany largely neglected its armed forces while taking advantage of the defensive umbrella provided by the United States—he advocated a far more proactive, direct tack. To this end, Scholz announced that Berlin would begin spending more than two percent of its annual GDP on defense (even though it has recently cast doubt on whether it could meet this goal), while also releasing EUR \$100 billion in emergency funding to implement the immediate expansion of Germany's military capabilities.²¹ Perhaps even more notably, he also called for Germany to loosen its restrictions on arms exports to active combat zones, allowing for direct arms transfers to Ukraine. Given Germany's central role, both in the European Union and globally, this speech was immediately hailed as a remarkable and consequential shift.²²

By implementing his reforms, the chancellor could effectively transform Germany's foreign and defense policies, paving the way for a bolder, more proactive Germany.

While Scholz's *Zeitenwende* speech—as it has since

20 Angela Mehrer, "Turn of phrase: Germany's *Zeitenwende*," European Council on Foreign Relations, August 15, 2022, <https://ecfr.eu/article/turn-of-phrase-germanys-zeitenwende/>; "Regierungserklärung von Bundeskanzler Olaf Scholz am 27. Februar 2022," *Die Bundesregierung*, February 27, 2022, <https://www.bundesregierung.de/breg-de/suche/regierungserklaerung-von-bundeskanzler-olaf-scholz-am-27-februar-2022-2008356>.

21 Lukas Paul Schmelter, "It's Time for Olaf Scholz to Walk His Talk," *Foreign Policy*, August 9, 2022, <https://foreignpolicy.com/2022/08/09/scholz-germany-zeitenwende-ukraine-russia-war-bundeswehr-nato-defense-military-security/>; Hans von der Burchard and Gabriel Rinaldi, "Germany backtracks on defense spending promises made after Ukraine invasion," *Politico*, December 5, 2022, <https://www.politico.eu/article/germany-backtracks-on-defense-spending-promise-warns-about-delays-ukraine-war/>.

22 Schmelter, "It's Time for Olaf Scholz to Walk His Talk."

been dubbed—was primarily focused on Russia, it could nevertheless have profound implications for Germany's approach to China and Taiwan. The policies that Scholz envisioned in his remarks would be a far cry from the pragmatic, deferential policies of the past. By implementing his reforms, the chancellor

could effectively transform Germany's foreign and defense policies, paving the way for a bolder, more proactive Germany. By positioning his country as a powerful defender of democratic values and a stalwart opponent of authoritarian encroachment, Scholz could play a key

role in coordinating European approaches to China and maintaining internal unity. Given the EU's mounting distrust of the PRC and increasing awareness of Beijing's "divide and conquer" tactics, such a unifying approach could be more timely than ever.²³

In the wake of Scholz's speech, many observers were optimistic that Berlin would finally shed its obsequious approach towards China in favor of a more combative, clear-eyed policy. However, many of these hopes have been dulled in the months that have followed. As numerous commentators have noted, Germany has done little to suggest that a major shift is occurring. Instead, the Scholz government has mostly stayed the course, opting for incremental change rather than wholesale transformation.²⁴ Contrary to Scholz's promise of vastly increased military spending, the German defense budget remains largely unchanged, with overall spending still falling far short of two percent of annual GDP.²⁵ Similarly, Berlin has not yet developed a

23 Stuart Lau, "As Xi reemerges, Europe again falls prey to China's divide-and-rule tactics," *Politico*, November 16, 2022, <https://www.politico.eu/article/as-xi-reemerges-europe-again-falls-prey-to-chinas-divide-and-rule-tactics/>.

24 Mehrer, "Turn of phrase: Germany's *Zeitenwende*."

25 Schmelter, "It's Time for Olaf Scholz to Walk His Talk."

plan for reforming the German armed forces, suggesting that bureaucratic inertia may be hindering meaningful change.²⁶

In light of this lack of substantive reform, Scholz's decision to travel to the PRC was particularly galling for many observers. Rather than seeking alignment with European allies—many of whom are increasingly wary of economic overdependence on China—the chancellor instead opted to pursue a more unilateral approach.²⁷ And while Scholz was quick to frame the trip as a step towards a new, more proactive China policy, many critics noted that the visit was strongly reminiscent of past delegations led by Merkel.²⁸ Indeed, the trip seemed designed primarily to reinforce existing Germany-PRC commercial ties, with political and human rights issues taking a backseat. In previous years, such economic self-interest would have been of little concern. However, during this time of supposed *Zeitenwende*, Scholz's decision to prioritize commercial ties over European unity is more difficult to defend than ever.

For much of Angela Merkel's tenure as chancellor, Germany pursued a Taiwan policy that could perhaps best be described as strategic silence.

Nascent German Support for Taiwan

Amidst such high-profile debates over the future of Germany-PRC relations, Germany's approach to Taiwan has perhaps understandably been overshadowed. Indeed, Berlin has long demonstrated a reluctance to engage meaningfully with Taipei. Determined to avoid antagonizing China and safeguard its investments in the PRC, Germany has generally kept the island democracy at arm's length.²⁹ However, recent developments suggest that this hesitancy may be fading, albeit slowly.

For much of Angela Merkel's tenure as chancellor, Germany pursued a Taiwan policy that could perhaps best be described as strategic silence. As Dominika Remžová noted in the *Global Taiwan Brief*, Merkel hewed

closely to the PRC's "One-China Policy," avoiding direct contacts with Taiwanese officials and steering clear of language and actions that could be perceived as problematic for Beijing.³⁰ Even as Beijing ratcheted up its efforts to intimidate and coerce Taiwan into submission, the German government consistently sidestepped the issue. As Remžová points out, this deference to the PRC regarding Taiwan could be seen as recently as August 2021, when Merkel agreed to send a warship to the Indo-Pacific for a "freedom of navigation exercise only on the condition that the frigate would not sail through the Taiwan Strait."³¹ While it is worth

26 Ibid.

27 Khushboo Razdan, "German lawmaker joins talks with Taiwan's president, criticises Chancellor Olaf Scholz's 'unilateral' China policy," *South China Morning Post*, November 4, 2022, <https://www.scmp.com/news/china/article/3198363/german-lawmaker-joins-talks-taiwans-president-criticises-chancellor-olaf-scholz-unilateral-china>.

28 Olaf Scholz, "Darum geht es bei meiner Reise nach China," *Frankfurter Allgemeine*, November 2, 2022, <https://www.faz.net/aktuell/politik/inland/olaf-scholz-erklaert-seine-china-reise-of-fener-und-klarere-austausch-18431634.html>; Fergus Hunter and Daria Impiombato, "Olaf Scholz Is Undermining Western Unity on China," *Foreign Policy*, November 23, 2022, <https://foreignpolicy.com/2022/11/23/germany-china-eu-scholz-xi-meeting-economy-trade-g-20/>.

29 Brattberg, "Merkel's Mixed Legacy on China."

30 Dominika Remžová, "Changing of the Guard: The Politics of German-Taiwanese Relations in a Post-Merkel Era," *Global Taiwan Brief* 6, 24, December 15, 2021, <https://globaltaiwan.org/2021/12/changing-of-the-guard-the-politics-of-german-taiwanese-relations-in-a-post-merkel-era/>; "Merkel says Germany to stick to 'one China' policy," *Reuters*, December 12, 2016, <https://www.reuters.com/article/us-usa-trump-china-germany/merkel-says-germany-to-stick-to-one-china-policy-idUSKBN1411GU>.

31 Remžová, "Changing of the Guard: The Politics of German-Taiwanese Relations in a Post-Merkel Era."

noting that Merkel grew marginally more outspoken on Taiwan in the latter days of her tenure, she generally remained circumspect on the issue throughout her time in office.³²



Image: Taiwan Vice Foreign Minister Alexander Yui (俞大瀟) (left foreground) speaks with Klaus-Peter Willsch (right foreground), Bundestag member and chairman of the German-Taiwan Parliamentary Friendship Group, upon the arrival in Taiwan of a German parliamentarian delegation (October 2, 2022).³³

Despite this institutional reluctance to engage with Taiwan, Germany has recently demonstrated greater interest in Taiwan, as well as the broader stability of the Taiwan Strait. This has been particularly true since the election of Scholz, whose governing coalition is far more Taiwan-friendly than its predecessor. In contrast to Merkel's pro-business CDU, Scholz's left-leaning Social Democratic Party (SPD) has proven more willing to discuss Taiwan, including calling for Taiwan's

participation in the World Health Assembly (WHA).³⁴ Notably, Scholz's coalition also includes Alliance 90/The Greens, a green party that has long been a critic of China and supporter of Taiwan.³⁵ The final member of the coalition, the Free Democrats (FDP), have also voiced strong support for Taiwan, even including language to that effect in their 2021 party manifesto.³⁶ Reflecting this shift in thinking, the coalition incorporated "surprisingly strong language" on China and Taiwan in its coalition agreement, including statements condemning Chinese human rights violations and calling for Taiwan's participation in international organizations.³⁷ Notably, the contract also includes calls to align Germany's China policy with that of the United States, suggesting a more expansive Germany-Taiwan relationship could be possible.

Given the remarkably pro-Taiwan leanings of Scholz's coalition, it is perhaps no surprise that the chancellor's trip to Beijing generated controversy at home. According to Reinhard Bütikofer—a Green Party member of European Parliament who has long advocated for Taiwan—the visit was among the "most controversially debated in the last 50 years."³⁸ For Bütikofer, the visit represented something of a betrayal, a unilateral action which could undermine broader German efforts to maintain stability in the Taiwan Strait. In addition

32 Stuart Lau, "POLITICO China Direct: Merkel's fears for Taiwan — Xi's new world order — Tips from Australia," *Politico*, April, 22, 2021, <https://www.politico.eu/newsletter/china-direct/politico-china-direct-merkels-fears-for-taiwan-xis-new-world-order-tips-from-australia/>.

33 Image source: "First German Parliamentary Group Since COVID-19 Arrives in Taiwan," *Central News Agency*, October 2, 2022, <https://focustaiwan.tw/politics/202210020004>.

34 "German politicians back Taiwanese participation," *Taipei Times*, October 20, 2021, <https://www.taipetimes.com/News/taiwan/archives/2021/10/20/2003766445>.

35 Yang Cheng-yu and Liu Tzu-hsuan, "German Greens urge Taiwan ties after China visit," *Taipei Times*, November 7, 2022, <https://www.taipetimes.com/News/front/archives/2022/11/07/2003788415>.

36 "Das Programm Der Freien Demokraten Zue Bundestagswahl 2021," *Freie Demokraten*, May 2021, https://www.fdp.de/sites/default/files/2021-06/FDP_Programm_Bundestagswahl2021_1.pdf.

37 "China Warns Olaf Scholz's Incoming German Coalition Over Taiwan," *Bloomberg*, November 25, 2021, <https://www.bloomberg.com/news/articles/2021-11-25/china-warns-olaf-scholz-s-incoming-german-coalition-over-taiwan?leadSource=verify%20wall>.

38 Razdan, "German lawmaker joins talks with Taiwan's president, criticises Chancellor Olaf Scholz's 'unilateral' China policy."

to these comments, Bütikofer also participated in an Inter-Parliamentary Alliance on China (IPAC) delegation to Taiwan, where he met with President Tsai and discussed “deepening economic and political ties with Taiwan.”³⁹

In the wake of Scholz’s visit, a growing chorus of German lawmakers have called on Germany to support Taiwan. Perhaps the boldest of these supporters has been the CDU’s Klaus-Peter Willsch, the chairman of the German-Taiwan Parliamentary Friendship Group, who recently stated during a meeting with President Tsai that “[Germany] will bravely stand up to assist and support Taiwan if it faces [...] military threats.”⁴⁰ Such statements reflect a growing pro-Taiwan sentiment within the German parliament (Bundestag), which voted in December 2021 “to reassess its Taiwan policy and deepen exchanges with Taipei.”⁴¹

For all the criticism that has been directed at Scholz for his China trip, it should be noted that the chancellor was by no means silent on cross-Strait issues during his meetings with Xi Jinping. Speaking at a press conference following the meetings, he stated that he “made it clear that any change in Taiwan’s status quo must be peaceful or by mutual agreement.”⁴² While hardly a full-throated endorsement of Taiwan, the statement was nevertheless a departure from the relative silence of Merkel.

Implications for Taiwan

While the Germany-Taiwan relationship remains in its infancy, Taipei should be heartened by recent trends in German political rhetoric. From the government’s coalition agreement to recent statements from multiple parliamentarians, it seems clear that the days of strategic silence on Taiwan have come to an end. Though Scholz’s visit to the PRC could certainly be framed as a setback, it is unlikely to derail the growing momentum toward an expanded Germany-Taiwan partnership. For Taiwan, this could present numerous opportunities.

First, Germany continues to be the economic core of the European Union. In recent years, states across the EU have made headlines by expanding their economic relationships with Taiwan, contributing to a trend that shows no sign of abating in the near-term. Given the aforementioned rhetorical shift toward China and Taiwan currently taking place in the Bundestag, it is possible that Germany could join this growing European movement. Given Germany’s large, highly advanced economy, it could be an ideal trading partner for Taiwan. Already, Germany’s many high-tech industries have developed a massive demand for Taiwan’s advanced semiconductor chips. If Taiwan is able to capitalize on this growing German interest and proactively seek out bilateral trade deals, it could gain a powerful source of economic support on the continent.

Beyond economics, recent German statements on maintaining peace and stability in the Taiwan Strait suggest that Germany could contribute more to the defense of Taiwan. While Germany’s geographical distance from Taiwan makes it unlikely that it would directly intervene in the event of a Chinese invasion, it could nevertheless contribute to Taiwan’s deterrent capabilities and provide logistical support. This would be particularly true if the Scholz government is able to follow through on its promises of military expansion in the coming years. Germany has already signaled a stronger interest in expanding its security presence in the Indo-Pacific, while Scholz’s remarks

39 Ibid.

40 Lawrence Chung, “Germany will ‘bravely stand up’ for Taiwan against PLA threats: senior lawmaker,” *South China Morning Post*, October 3, 2022, <https://www.scmp.com/news/china/diplomacy/article/3194658/germany-will-bravely-stand-taiwan-against-pla-threats-senior>.

41 “Bundestag votes to expand Taiwan ties,” *Taipei Times*, December 13, 2021, <https://www.taipetimes.com/News/front/archives/2021/12/13/2003769497>.

42 “Germany’s Scholz tells China: Any change in Taiwan’s status quo must be peaceful,” *Reuters*, November 4, 2022, <https://www.reuters.com/world/germanys-scholz-tells-china-any-change-taiwans-status-quo-must-be-peaceful-2022-11-04/>.

during his China visit suggest a growing recognition of the importance of the Taiwan Strait.⁴³ Taiwan has already recognized this opportunity, with its *de facto* ambassador to Germany recently calling for greater Germany-Taiwan military cooperation.⁴⁴ Furthermore, Scholz’s decision to loosen its restrictions on arms sales could potentially pave the way for German arms sales to Taiwan, a goal that has been out of reach for Taiwan for decades.⁴⁵

Overall, the German position on China and Taiwan appears to be in a state of transition. Following years of deference to the PRC, Berlin seems more open to relations with Taiwan than ever. While Scholz’s visit to China certainly suggested a reversion to the outdated policies of his predecessor, the chancellor’s other statements—coupled with broader pro-Taiwan trends in the Bundestag—point to a more clear-eyed, proactive approach to China and Taiwan. For Taiwan, this could present opportunities to make unprecedented in-roads at the very heart of the European Union.

43 Hans Kundnani and Michito Tsuruoka, “Germany’s Indo-Pacific frigate may send unclear message,” Chatham House, May 4, 2021, <https://www.chathamhouse.org/2021/05/germanys-indo-pacific-frigate-may-send-unclear-message>.

44 Sarah Marsh and Alexander Ratz, “Taiwan envoy calls on Germany to up visits, military cooperation,” *Reuters*, August 18, 2022, <https://www.reuters.com/world/asia-pacific/taiwan-envoy-calls-germany-up-visits-military-cooperation-2022-08-18/>.

45 Matthias von Hein, “Germany’s China-Taiwan dilemma,” *Deutsche Welle*, August 5, 2022, <https://www.dw.com/en/germanys-china-taiwan-dilemma/a-62710951>.

Beijing Invokes "Great Country Diplomacy"—and Hardline Positions on Taiwan—in Its Post-COVID Return to International Fora

By John Dotson

Xi Jinping's Pre-COVID International Travel and "Great Country Diplomacy"

Prior to the international outbreak of the COVID-19 pandemic in early 2020, senior officials of the Chinese Communist Party (CCP) kept up a busy schedule of international summits and state visits. This was especially the case with CCP General Secretary Xi Jinping (習近平), who made such international trips a major part of PRC diplomacy—as well as a significant component of his own cult of personality.¹ In recent years, Xi's official travel has even been buttressed by its own ideology, encapsulated in the intertwined slogans of "Great Country [or Great Power] Diplomacy with Chinese Characteristics" (中國特色大國外交), and the "Community of Common Destiny for Mankind" (人類命運共同體).²

1 John Dotson, "Xi Jinping's Summer Foreign Policy Tour Displays 'Great Power Diplomacy with Chinese Characteristics,'" *China Brief*, July 16, 2019, <https://jamestown.org/program/xi-jinpings-summer-foreign-policy-tour-displays-great-power-diplomacy-with-chinese-characteristics/>.

2 These are vague concepts, but are centered around conceptions of the value of mutually-beneficial economic development; of equal treatment among states and opposition to "hegemony" (always a veiled reference to the United States); of a state-centric approach to issues such as human rights; and above all, of China

However, throughout much of the COVID-19 pandemic, the senior political leadership of the People's Republic of China (PRC) had a lower profile than before in terms of presence at international fora. Xi himself stayed at home for over two and a half years: his last international trip prior to the autumn of 2022 was a state visit to Myanmar in mid-January 2020, just before widespread COVID-19 lockdowns spread throughout much of the world.³ In earlier phases of the pandemic in 2020, even Xi's travel within China itself was severely constrained, leaving lesser figures within the CCP's upper hierarchy to act as the public faces of the initial government response.⁴

as a beneficent power, whose development model provides a positive example for the developing world. (See: Stella Chen, "Community of Common Destiny for Mankind," China Media Project, August 25, 2021, https://chinamediaproject.org/the_ccp_dictionary/community-of-common-destiny-for-mankind/.)

3 PRC Ministry of Foreign Affairs, "Remarks by H.E. Xi Jinping President of the People's Republic of China at Launch Ceremony of Celebrations for 70th Anniversary of China-Myanmar Diplomatic Relations & China-Myanmar Year of Culture and Tourism" (press release), January 18, 2020, https://www.fmprc.gov.cn/mfa_eng/topics_665678/2020zt/xjpdmdgsw/202001/t20200118_698691.html.

4 John Dotson, "The CCP's New Leading Small Group for Countering the Coronavirus Epidemic—and the Mysterious Absence of Xi Jinping," *China Brief*, February 5, 2020, <https://jamestown.org/program/the-ccps-new-leading-small-group-for-countering-the-coronavirus-epidemic-and-the-mysterious-absence-of-xi-jinping/>.

All of this began to change in the summer and autumn of 2022, when senior representatives of the PRC government began once more to adopt prominent roles at international events. In these appearances, the topic of Taiwan has often occupied a prominent place in the narratives promoted by PRC representatives, mirroring the hardline messaging set forth in the People's Liberation Army (PLA) August 2022 military exercises around the island, and in the PRC's revised official white paper on Taiwan released the same month.⁵

In these appearances, the topic of Taiwan has often occupied a prominent place in the narratives promoted by PRC representatives...

Significant Mentions of Taiwan in Recent PRC Diplomatic Appearances

Wei Fenghe's Speech Before the Shangri-La Dialogue

One of the first and most noteworthy examples of Beijing's post-COVID diplomatic return to international events was the appearance in early summer by PRC Defense Minister and People's Liberation Army (PLA) General Wei Fenghe (魏鳳和) (a position that carries little actual authority over the armed forces, but is instead focused on military diplomacy) at the annual Shangri-La Dialogue (SLD). This event, arguably the premier international conference for security issues in the Indo-Pacific region, had been on hiatus in 2020 and 2021 due to the COVID-19 pandemic, but was convened in mid-June in Singapore for the first time in three years.⁶

5 John Dotson, "Beijing Signals a Harder Line Policy on Taiwan Through the 20th Party Congress and Beyond," *China Brief*, September 20, 2022, <https://jamestown.org/program/beijing-signals-a-harder-line-policy-on-taiwan-through-the-20th-party-congress-and-beyond/>.

6 "IISS Shangri-La Dialogue" (official website of the Shangri-La

Dialogue), International Institute of Strategic Studies (undated), <https://www.iiss.org/events/shangri-la-dialogue/shangri-la-dialogue-2022>.

At the conference, Wei delivered a speech titled "China's Vision for Regional Order" (中國對地區秩序的願景), which included de rigueur fulminations against "hegemony and power politics" and efforts by an unnamed country to "encircle" China (all intended as references to the United States). Wei's speech was most noteworthy, though, for its language pertaining to Taiwan, which was both more extensive and more pugnacious than that contained in past SLD speeches. Wei declared that "Taiwan is first and foremost China's Taiwan," and that "China's reunification is a great cause of the Chinese nation, and it is a historical trend that no one and no force can stop." He further vowed that China would "resolutely crush any attempt to pursue Taiwan independence [...] If anyone dares to secede Taiwan from China, we will not hesitate to fight. We will fight at all costs and we will fight to the very end. This is the only choice for China."

Wei further accused an unnamed country—once more, clearly intended to be the United States—of acting as the sinister force supporting Taiwan independence forces behind the scenes:

[F]oreign interference is doomed to failure. Some country has violated its promise on the One-China Principle as it applies to Taiwan. It has connived at and supported the moves of separatist forces for Taiwan independence. It keeps playing the Taiwan card against China. [...] I want to make it clear to those seeking Taiwan independence and those behind them: the pursuit of Taiwan independence is a dead end,

*and stop the delusion. And soliciting foreign support will never work. [...] If someone forces a war on China, the PLA will not flinch.*⁷



Image: PRC Defense Minister Wei Fenghe delivering the “China’s Vision for Regional Order” speech at the Shangri-La Dialogue in Singapore (June 12). Wei’s language on Taiwan was more confrontational than that contained in past speeches at the annual event.⁸

Li Keqiang’s State Visit to Cambodia

A further example of the assertion of Beijing’s Taiwan narratives into its international diplomacy was provided in the late autumn by PRC Premier Li Keqiang (李克強). Although shunted aside at the CCP’s 20th Party Congress in October, Li may be expected to continue performing his state roles until the next PRC National People’s Congress (全國人民代表大會), which will likely be convened in March 2023. These responsibilities have included a series of diplomatic meetings held throughout autumn 2022, including a November 8-11 trip that combined a state visit to Cambodia with attendance at the 25th China-Association of Southeast Asian Nations (ASEAN) Summit in Phnom Penh.

Li’s November 11 speech before the China-ASEAN Summit was focused primarily on economic issues,

and contained no direct mention of Taiwan (although there was a passing reference to an unnamed country’s “Cold War mentality”).⁹ The state visit to Cambodia, however, was another story: it produced an official joint statement from the two governments that mirrored the PRC’s standard talking points—indeed, the statement was almost certainly written entirely by the PRC side—on the international order and the sinister role of the United States. According to the joint communiqué:

The two sides emphasized the need to [...] promote the democratization of international relations, and promote the development of global governance in a more just and reasonable direction. The two sides agreed to [...] oppose all forms of hegemonism and power politics, oppose the Cold War mentality, oppose unilateralism and exclusive cliques, oppose interference in the internal affairs of other countries, and oppose double standards.

The joint statement also directly reiterated PRC messaging on Taiwan:

*The Cambodian side reaffirms its firm adherence to the One-China principle, opposes any words or actions that damage China’s sovereignty and territorial integrity, opposes any form of “Taiwan independence” separatist activities, opposes external forces interfering in the internal affairs of sovereign countries under any pretext, supports China in safeguarding its core interests, and supports China in its efforts to achieve national unification. China highly appreciates this.*¹⁰

7 Ibid; “IISS Shangri-La Dialogue.”

8 Image source: “魏鳳和在第19屆香格里拉對話會上作大會發言” [Wei Fenghe Delivers a Speech at the 19th Meeting of the Shangri-La Dialogue], *Zhongguo Junwang*, June 12, 2022, <https://baijiahao.baidu.com/s?id=1735402653730477109&wfr=spider&for=pc>.

9 PRC Foreign Ministry, “Speech by H.E. Li Keqiang, Premier of the State Council of the People’s Republic of China, at the 25th China-ASEAN Summit” (press release), November 12, 2022, https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/202211/t20221112_10973135.html.

10 “中华人民共和国政府和柬埔寨王国政府联合公报 (全文)” [Government of the People’s Republic of China and the

Xi Jinping's Return to "Great Country" Diplomacy—and the Reiteration of "Red Lines" Over Taiwan

Most noteworthy of all, however, has been Xi Jinping's return to the international diplomacy circuit in autumn 2022. After riding out the COVID pandemic within China, in mid-September Xi made his first international trip in two-and-a-half years with a state visit to Kazakhstan on September 14, followed by a combined state visit to Uzbekistan and attendance at the 2022 summit meeting of the Shanghai Cooperation Organization (SCO). Xi's public comments at the SCO summit did not directly address Taiwan, but hit upon the central tenets of the "great country diplomacy" promoted in his international appearances prior to the pandemic.¹¹

Xi's first post-COVID international trip was accompanied by a renewal of the PRC state propaganda narratives pertaining to international relations advanced throughout Xi's tenure. For example, an October 2022 article published on the website of Qiushi (求是), the CCP's official theoretical journal, described this "great country diplomacy" as follows:

[China] is committed to building a new type of international relations based on mutual respect, equity, justice and win-win cooperation, as well as an open, inclusive, clean and beautiful world that enjoys lasting peace, universal security, and common prosperity. [...] Today, [China] is more and more recognized as a promoter of world peace, contributor to global development, and upholder of the international order. The

international society believes that China's development is a great cause that promotes human progress. [...] On the new journey, China will keep working with the international society to build great synergy through win-win cooperation, overcome the various challenges along the way, and march toward the goal of building a community with a shared future for mankind.¹²



Image: CCP General Secretary Xi Jinping and US President Joseph Biden meet during the G20 Summit in Bali, Indonesia (November 14, 2022). The two leaders held a three-hour meeting that, per the official PRC summary of the meeting, included Xi's assertion that Taiwan is the "very core of China's core interests," and a "red line that must not be crossed" in US-China relations.¹³

Xi's Central Asian trip was followed by a mid-November trip to Southeast Asia for two major events, the first of which was Xi's attendance at the 17th summit of the G20 in Bali, Indonesia from November 14 to

Government of the Kingdom of Cambodia Joint Communiqué (Full Text)], *Xinhua*, November 11, 2022, <https://baijiahao.baidu.com/s?id=1749187645776292273&wfr=spider&for=pc>.

11 PRC Foreign Ministry, "President Xi Jinping Attends the 22nd Meeting of the SCO Council of Heads of State and Delivers Important Remarks" (press release), September 16, 2022, https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/202209/t20220916_10767162.html.

12 He Yin, "Major-Country Diplomacy with Chinese Characteristics Benefits Whole World," *Qiushi* (English edition), October 8, 2022, http://en.qstheory.cn/2022-10/08/c_817601.htm.

13 PRC Foreign Ministry, "President Xi Jinping Meets with U.S. President Joe Biden in Bali" (press release), November 14, 2022, https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/202211/t20221114_10974686.html.

17.¹⁴ From a US perspective, this was the most significant of Xi's autumn trips, for it included a three-hour, one-on-one meeting with US President Joseph Biden on November 14. The official read-out of the meeting from the PRC Foreign Ministry mentioned Taiwan no fewer than 12 times, and declared it to be the "first red line that must not be crossed" in relations between the two countries. In addition to noting with approval supposed US pledges not to support "Taiwan independence" or to "use the Taiwan question as a tool to contain China," the official PRC summary described the meeting as follows:

President Xi gave a full account of the origin of the Taiwan question and China's principled position. He stressed that the Taiwan question is at the very core of China's core interests, the bedrock of the political foundation of China-US relations, and the first red line that must not be crossed in China-US relations. Resolving the Taiwan question is a matter for the Chinese and China's internal affairs. It is the common aspiration of the Chinese people and nation to realize national reunification and safeguard territorial integrity. Anyone that seeks to split Taiwan from China will be violating the fundamental interests of the Chinese nation; the Chinese people will absolutely not let that happen! We hope to see, and are all along committed to, peace and stability across the Taiwan Strait, but cross-Strait peace and stability and "Taiwan independence" are as irreconcilable as water and fire. We hope that the US side will match its words with action and abide by the One-China Policy and the three joint communiqués. President Biden has said on many occasions that the United States does

*not support "Taiwan independence" and has no intention to use Taiwan as a tool to seek advantages in competition with China or to contain China. We hope that the US side will act on this assurance to real effect.*¹⁵

Xi's attendance at the G20 Summit was immediately followed by a combined state visit to Thailand and attendance at the Asia-Pacific Economic Cooperation (APEC) forum in Bangkok from November 17-19. Similar to Li Keqiang's speech before the ASEAN meeting the previous week, Xi's address to APEC

In Xi's third term, we may reasonably expect the PRC's "great country diplomacy" to involve even more sustained pressure for Indo-Pacific countries to toe Beijing's line on Taiwan.

focused largely on economic issues, as well as a vague vision for building an "Asia-Pa-

cific community with a shared future" (an apparent regional version of Xi's frequently invoked "Community of Common Destiny for Mankind"). Xi refrained from mentioning Taiwan in his address, with the possible exception of the need to "respect the sovereignty and territorial integrity of all countries" in the region—which, in the PRC's position, would by implication include recognition of its rightful sovereignty over Taiwan.¹⁶

As a noteworthy coda to Xi's travels, the APEC summit in Bangkok included a November 18 meeting between Xi Jinping and Taiwan's APEC representative Morris Chang, the founder of Taiwan's semiconductor powerhouse TSMC. (Although frozen out of most inter-

14 PRC Foreign Ministry, "President Xi Jinping Arrives in Bali to Attend the 17th G20 Summit" (press release), November 14, 2022, https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/202211/t20221114_10974456.html.

15 PRC Foreign Ministry, "President Xi Jinping Meets with U.S. President Joe Biden in Bali."

16 PRC Foreign Ministry, "President Xi Jinping Attends the 29th APEC Economic Leaders' Meeting and Delivers Important Remarks" (press release), November 18, 2022, https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/202211/t20221118_10977702.html.

national organizations, Taiwan participates in APEC under the name “Chinese Taipei.”) Chang has described the encounter as a brief and “very happy, polite interaction”—one in which he offered congratulations to Xi on the 20th CCP Party Congress, but in which there was no substantive discussion of cross-Strait tensions or other thorny issues.¹⁷ As modest as this brief encounter was, it represented one of the very few instances in recent years of any official contact whatsoever between the governments in Beijing and Taipei.

Conclusions

Although PRC diplomatic outreach was hindered over most of the past three years by the COVID-19 pandemic—at least in terms of diplomatic representation by the CCP’s top leadership echelon—this changed markedly in the summer and autumn of 2022, and the PRC’s “great country diplomacy” has once more taken the stage at international fora. As may be expected, Beijing’s most senior officials, to include CCP General Secretary Xi Jinping, are using these events to further promote Beijing’s hardline positions on Taiwan: positions that assert the PRC’s absolute sovereignty over the island and its people, and deny any legitimacy to Taiwan’s own democratically elected government. The ebbing of the global COVID-19 pandemic has given a freer course to Xi and other top CCP officials to travel internationally, even as Xi’s consolidation of power at the CCP 20th Party Congress has given him an even stronger hand to act domestically. In Xi’s third term, we may reasonably expect the PRC’s “great country diplomacy” to involve even more sustained pressure on Indo-Pacific countries to toe Beijing’s line on Taiwan.

17 Kwang Jirapornkuhakan, “Taiwan’s APEC Rep Met China’s Xi, Talked Chips with Harris,” *Reuters*, November 19, 2022, <https://www.reuters.com/world/asia-pacific/taiwans-apec-rep-met-chinas-xi-talked-chips-with-harris-2022-11-19/>.