Taiwan Gains Ground: Strategic Diplomacy Through the New Southbound Policy

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TAIWAN GAINS GROUND: STRATEGIC DIPLOMACY THROUGH THE NEW SOUTHBOUND POLICY

Mark Manantan

Executive Summary

This paper argues that Taiwan, as a de facto self-governing island, asserts its influence and integrates itself within the fabric of regional and international politics by means of strategic diplomacy exemplified by its New Southbound Policy (NSP). Understanding the limitations to its diplomatic maneuvering imposed by Beijing’s One China Policy and its growing influence through the Belt and Road Initiative, Taiwan is engaging with the Indo-Pacific region through specific and pragmatic areas of collaboration. From the lens of strategic diplomacy, this paper asserts that through the NSP, Taiwan leverages its own strengths to achieve complementarity on “niche areas” among its target countries to foster new partnerships. This allows Taiwan to devise a strategic approach that permits greater policy influence in the changing geopolitical landscape. To demonstrate Taiwan’s strategic diplomacy, this paper assesses the concrete outcomes of the NSP’s engagement with the Philippines and Indonesia in four key areas: (1) economic engagement, (2) agriculture, (3) public health, and (4) people-to-people relations. In addition, it also provides key policy recommendations on how the NSP can move forward in other areas of cooperation. It concludes that Taiwan must continue to reinvent and reevaluate its strategic diplomacy. Furthermore, it must leverage on complementarity to maximize optimum outcomes rather than focus on zero-sum competition in a fast-evolving regional landscape.

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The views expressed in this working paper are the author’s alone and do not necessarily constitute the position of APPFI.
Introduction

Since its launch in 2016, Taiwan’s economic and diplomatic flagship policy called the New Southbound Policy (NSP) achieved considerable outcomes. Despite initial challenges during the early stages of its implementation, the NSP continues to deepen Taiwan’s engagement toward the Indo-Pacific region. In the Economic Daily Summit in May 2019, Taiwanese President Tsai Ing-Wen presented a broad assessment of the achievements of the NSP based on its performance in the past three years. However, she also emphasized a recalibration towards the future trajectory of the NSP from its current state. What was considered an economic and diplomatic policy instrument is now being viewed from a geopolitical lens. Taiwan’s embrace of the United States’ Free and Open Indo-Pacific (FOIP) strategy reflects an emblematic shift through setting up a democratic governance consultation involving Taipei and Washington. As a testament to the deepening security ties between the U.S. and Taiwan, Washington has also approved an arms deal to Taipei amounting to US$2.2 billion.

These unprecedented developments in U.S.-Taiwan relations have angered Beijing. In recent months, Beijing has stepped up its efforts to diplomatically isolate Taiwan. In 2017 only 15 states diplomatically recognized Taiwan, after the Solomon Islands and Kiribati switched to Beijing. Beijing also sent a clear warning that electing the current Tsai government in 2020 would leave Taiwan with zero diplomatic relations.

Alongside these events, the U.S.-China economic and strategic competition is also looming in the backdrop. The decoupling of the two biggest economies due to tensions could further impact Taiwan given its precarious position within the U.S.-Taiwan-China triangular gridlock. Thus, with the underlying implications of the growing mistrust between the U.S. and China exemplified by the ongoing trade war and the widening gap in the cross-strait relations under the pro-independence Tsai government, how can Taiwan continue to exert its influence to shape its external environment?

This paper argues that Taiwan, as a self-governing de facto island, asserts its influence and integrates itself within the fabric of regional and international politics by means of strategic diplomacy exemplified by its New Southbound Policy (NSP). Understanding the limitations of its diplomatic maneuvering imposed by the One China Policy and its growing influence through the Belt and Road Initiative (BRI), Taiwan is engaging with the Indo-Pacific region through specific and pragmatic areas of collaboration. From the lens of strategic diplomacy, this paper asserts that through the NSP, Taiwan is leveraging its own niche strengths to achieve complementarity among its target countries to foster new partnerships. This allows Taiwan to devise strategic policies that permit greater policy influence in the changing geopolitical landscape.

The overall argument of this paper unfolds in four parts. After this introductory section, the proceeding section discusses the NSP from the conceptual lens of strategic diplomacy. From there, it analyzes Taiwan’s strategic diplomacy through the NSP with its target partner countries, namely, the Philippines and Indonesia based on four key policy areas. It also
recommends new areas that are ripe for future collaboration. The final part offers the conclusion.

**Strategic Diplomacy and the New Southbound Policy**

Strategic diplomacy is defined as the type of "diplomacy undertaken with a purposeful strategic rationale, with a long-term focus on shaping the complex international system that nation-states must operate in." It is a policy and diagnostic tool employed by nation-states to assess the external environment and to formulate effective strategies that seek to satisfy the "minimum commitment that suffices for all parties—rather than maximize core national interests." As a conceptual framework, it challenges traditional approaches to diplomacy set in a multipolar world order, raising the stakes among nation-states and regional organizations to design or innovate strategies to address unprecedented changes.

The emergence of strategic diplomacy reflects the rising uncertainty and complexity that plague the Asia-Pacific. As the number of state and non-state actors in the international system increases, the space for policy maneuvering becomes limited, thus making strategic diplomacy even more competitive. The intensifying great-power contest remains a tipping point in that it can thwart existing regional cooperation. Transnational threats and risks are also rapidly evolving and expanding. These critical developments will require multilateral institutions to reorient or re-task their mandates while nation-states must go beyond their usual diplomatic statecraft in search for new partnerships and collaborations.

However, this paper asserts that to be truly strategic, regional institutions and states must deal with the complexity of issues and the risks they pose with a very high level of diplomatic convergence or complementarity rather than competition or even coercion. From this standpoint, the multiplicity of actors or players in the international system can be leveraged to identify and resolve issues that are interconnected in nature. States can achieve their long-term objectives by harnessing their niche strengths and focusing on targeted objectives in cooperation with other states who share the same strategic priorities. Pursuing this approach will enable states to allocate their resources strategically, accomplish pragmatic policy outcomes, and build deeper relationships. In the longer term, an innovative and strategic approach to formulating policies will help states adapt to changes in the international environment.

The NSP is a concrete illustration of strategic diplomacy that advances Taiwan’s strategic rationale at a time when the Indo-Pacific landscape is beset with high uncertainty. During its preliminary implementation, the region is witnessing China’s militarization of the South China Sea, the mounting political and economic pressure confronting ASEAN’s centrality, the ramping up of North Korea’s missile testing activities, and the unexpected victory of Donald Trump in the 2016 U.S. elections.

Upon her assumption to power, Tsai launched the NSP to achieve two objectives. First, to reinvigorate Taiwan’s economic momentum by seeking new markets. Second, to deepen
the island’s integration and partnerships with initial target countries from Southeast Asia and India.\textsuperscript{11} Shortly after, the NSP moved from concept to an actual policy, ripe for implementation. The Tsai government has laid out guidelines and a definitive plan to establish closer cooperation with the public and private sector to drive partnerships with institutions based on the NSP target countries.\textsuperscript{12}

Amid Tsai’s optimism, some critics have argued that the NSP is only a rehashed version of the previous Go South Policies from the past administrations, which achieved minimal progress.\textsuperscript{13} Its vision to further integrate with southern neighbors and create a sense of shared identity and community is quite ambitious, especially when China is also expanding its economic and political influence through its BRI-a reality that can forestall Taiwanese diplomatic progress with NSP target countries.\textsuperscript{14} Moreover, Taiwan can also find itself competing with other regional initiatives such as the U.S. FOIP strategy and South Korea’s New Southern Policy. Beyond the obvious diplomatic challenges, others have also pointed out the operational feasibility of the NSP when it comes to its resources and funding.\textsuperscript{15}

However, viewing the NSP from a competition standpoint with respect to China’s BRI undermines the comprehensiveness of the policy. The distinction is that the BRI is focused on regional connectivity through infrastructure development, while the NSP is rooted on connecting Taiwan with its target countries through people-to-people exchanges.\textsuperscript{16} The people-centric element of the NSP signifies the substantial shift in Taiwan’s foreign policy.\textsuperscript{17} The Tsai administration is cognizant that the people-centric model will ultimately drive the NSP’s broader aims of resource-sharing and institutional linkages more effectively in the face of a far more influential China. It will accentuate the democratic values, rules, and norms that Taiwan deeply shares among its target countries. By highlighting a sense of shared identity, Taiwan can integrate itself deeper in regional affairs and potentially rally support in the face of Beijing’s attempts to limit its diplomatic space.

On its current breadth and depth, the NSP is a transformative iteration of the previous Go South Policies, which adopts a relationship-building rather than profit-seeking approach.\textsuperscript{18} Although trade and economic investments are the twin engines that drive the policy, these initiatives will not transpire without the fundamental roles of transnational groups, such as companies, academia, think tanks, and other civil society organizations. This network of institutions shall anchor and implement the bottom-up and top-down strategy of the NSP to circumvent Beijing’s One China Policy.\textsuperscript{19} Such coalition will reinforce the efforts by Taiwan’s diplomatic representative offices in target countries by establishing institutional linkages from the grassroots to the official level. The government has also set realistic expectations regarding the NSP’s performance. By considering the flux and shifts in domestic and international politics, the Tsai government is pleased with its modest achievements, and continues to emphasize the policy’s non-trade achievements like scientific, economic, and tourism exchanges.\textsuperscript{20} These relationship-building initiatives are crucial as Taiwan continues to face increasing diplomatic pressure from Beijing.

The NSP also shares some positive overlaps with current policies like the FOIP strategy by the United States. Both strategies are underpinned by a common set of underlying principles that serve as an opportunity for further cooperation.\textsuperscript{21} As mentioned, the setting-
up of the consultative mechanisms between Taiwan and the United States to work in close coordination to implement the FOIP strategy is an affirmation of complementarity. Taiwan’s NSP is deeply aligned with the FOIP’s soft power dimension in promoting the rule of law, supporting democratic institutions, and fostering economic prosperity through transparent and sustainable economic investments.\(^{22}\)

In sum, the NSP’s emphasis on specific and practical engagements, complementarity and synergy, and adaptability to the external environment to achieve long-term objectives resonates with the foundational precepts of strategic diplomacy. Given Taiwan’s limited resources, it becomes capable of aligning its core strengths to afford itself a space for diplomatic influence in the face of a far more aggressive China.

**The NSP’s Strategic Diplomacy with Indonesia and the Philippines**

With the view that the NSP cannot match the sheer magnitude and scale of China’s Belt and Road Initiative and that most NSP target countries in Southeast Asia are also attracted to Beijing’s trade and investment enticements, Taiwan has been strategic in implementing the NSP by working on key areas that highlight its strengths and emphasize complementarity. It has positioned its strategic diplomacy engagements with NSP target countries in four distinct areas driven by the people-to-people linkages that build institutional partnerships: (1) economic engagement, (2) agriculture, (3) public health, and (4) people-to-people relations. This section demonstrates how Taiwan’s engagements with the Philippines and Indonesia in these areas have guaranteed pragmatic results by focusing on their medium- to long-term priorities. Additionally, this section also provides key policy recommendations on how the NSP can move forward in other areas of collaboration.

*Economic Engagement*

Taiwan’s economic and trade ties with New Southbound countries since 2016 totalled US$10 billion, which marked a 22% growth.\(^{23}\) The Tsai government credits such improvement with countries like the Philippines, which signed a bilateral investment agreement with Taiwan in 2017. Through such an investment deal, the Philippines was well positioned to become the gateway for Taiwan to reach the other Southeast Asian states.\(^{24}\) The agreement between Taiwan and the Philippines was considered a milestone during the early years of implementing the NSP and was envisioned to serve as a model among other NSP target countries, particularly those from ASEAN.

In 2016, Taiwan reportedly invested US$32.82 million in the Philippines, and in the following year, the investment deal propelled the economic partnership further with an investment of US$210 million, making Taiwan the second-largest source of foreign investments in the Philippines.\(^{25}\) In 2018, the positive momentum has been sustained: with
the Philippines accounting for US$11.4 billion of Taiwanese investments, thereby making it the Philippines’ 11th largest trading partner. In the same year, Taiwan and the Philippines have also signed six memoranda of understanding that sought to foster cooperation in the electronics, electric motorbikes, and plastics industries. Having established a track record of collaborating in the area of electronics, Taiwan’s Deputy Economics Minister Wang Mei-Hua stated that Taiwanese investors were eyeing the Philippines as one of the potential hubs for electronics. This move would benefit the Philippines from the potential fallout of the U.S.-China trade war, especially with its vibrant domestic market and tariff preference for exports to the U.S. and the European Union. Cal-Comp Technology, a subsidiary of Taiwan’s New Kinpo Group, is already exploring the idea of establishing the Philippines as its main manufacturing hub in Southeast Asia. Cal-Comp is expected to invest approximately US$16 million for its facility expansion in the next five years to enhance its manufacturing and research and development capacity in the country. Meanwhile, Wistron, Acer’s computer manufacturing outfit, has returned to the Philippines in 2018 after its relocation in the Mainland in 2010.

In a similar fashion, trade and investment relations between Indonesia and Taiwan have also become robust under the NSP. The influx of Taiwanese investments in Indonesia in 2017 was at US$397 million, which amounted to an increase of 166%. In 2018 the bilateral trade has grown up to US$8.8 billion with an increase of 9.4% compared to the previous year, while exports between Indonesia and Taiwan accounted for US$5.5 billion and US$3.3 billion, respectively. Indonesia and Taiwan also signed a memorandum of understanding on comprehensive economic cooperation, which would create a working group to identify specific projects in the areas of agriculture, infrastructure, investment, and trade. The textile industry remains a prominent manufacturing sector in Indonesia with the establishment of LeaLea Enterprise that invested a US$50 million dyeing facility in Bandung. By the end of 2018, Taiwan has invested more than US$1.34 billion in Indonesia.

There is also evidence that NSP is driving target countries to invest in Taiwan. According to the Investment Commission under the Ministry of Economic Affairs, the approved investments from NSP target countries reached a record high of 40% amounting to US$392 million by the tail end of 2018. These investments hail from Thailand, the Philippines, and Australia with 942%, 393%, and 142% increases, respectively. The recorded number of approved investment deals also reached a total of 643 applications, resulting in a 10.86% increase in 2018.

Agriculture

Taiwan has set up cooperative agricultural demonstration zones in the Philippines and Indonesia. During the 7th Taiwan-Philippine Agriculture and Fisheries Cooperation Conference, the Philippines and Taiwan reached a consensus to improve industry cooperation through policies, capacity-building, and technological know-how in the
agricultural and fisheries sectors. The collaboration includes mutually beneficial programs that include the introduction of tropical agriculture infrastructure, greenhouse industries, vegetable gene bank management, pesticide research and livestock, and poultry production enhancement. While the Philippines would leverage on Taiwan’s technological expertise, Taiwan, on the other hand, would capitalize on the Philippines’ supply of raw materials to achieve commercial opportunities.

Meanwhile, Indonesia and Taiwan recently signed an Agricultural Cooperation agreement to undertake a joint venture in the areas of crops, horticulture, stock farming, and slope crop improvement. In particular, the initial proposed cooperation would concentrate on salt and sugar production, cattle raising, as well as corn and rice cultivation. There is also a strong component of human resource training and development and marketing promotions that would highlight food diversification, household vegetable gardening, and smart campus development. In terms of infrastructure, Taiwan’s Ministry of Economic Affairs is also exploring the use of dredge reservoirs.

**Public Health**

In 2018, Taiwan’s Ministry of Health announced the establishment of six medical centers in Indonesia and the Philippines, along with other sites in Malaysia, Thailand, and India. The initiative has three objectives: training medical talents in culturally sensitive environments, bolstering medical production tie-ups and market opportunities, and assessing standards and regulations. The designated institutions that would work closely with the Philippines and Indonesia are the Hualien Tzu Chi Hospital and National Taiwan University Hospital in Taipei, respectively.

Filipino and Taiwanese medical experts are exploring collaboration on technologies relating to cancer treatment and genetic testing. Taiwanese health professionals are also conducting examinations related to ophthalmology, urology, cardiovascular medicine, otolaryngology, and precision medicine. Leading health companies in Taiwan also presented their latest products and services, while two-way exchanges between Indonesia and Taiwan are also progressing specifically in the areas of integrated patient care, medical services, and training and development. The collaboration between Taiwan’s Chang Gung Memorial Hospital and Indonesia’s Bethsaida Hospital led to the testing of proton beam radiation therapy utilized for cancer treatment.

As the current data suggests, Taiwan is the main site among patients seeking treatment in Southeast Asia. Thus, over the long term, Taiwan aims to foster cooperation on bilateral pharmaceutical certifications and the development of new drugs and medical equipment particularly among NSP target countries in the region.

Taiwan’s agile response in mitigating the impact of COVID-19 provides it with a new leverage to foster greater cooperation among target NSP countries. As two of the hardest hit countries in Southeast Asia, the Philippines and Indonesia could learn from the Taiwan
model in fighting the current outbreak and as preventive planning for pandemics in the future. The current Taiwan model is borne out of its exclusion from the World Health Assembly. After its experience from the SARS outbreak in 2003, Taiwan adopted a more aggressive approach to future public health crisis. Central to this step was the establishment of a National Health Command Center that tackles strategic priority areas from epidemics, biological pathogens, bioterrorism and medical emergencies.\textsuperscript{43}

The Philippines’ Department of Healthy is urging lawmakers to establish Centers for Disease Control to tackle communicable and non-communicable diseases. Several lawmakers also explored the production of crucial medical supplies like personal protective equipment and masks.\textsuperscript{44} Similar to the Philippines, Indonesia’s lack of medical supplies affected how the country responds to the spread of the virus. The government has managed to retool its manufacturing factories in the garment industry, yet supplies are still lagging behind.\textsuperscript{45} Both the Philippines and Indonesia also lack sufficient testing capabilities with the shortage of designated facilities.

The Philippines and Indonesia can learn from Taiwan’s coherent response against COVID-19. They could explore adopting the institutional dynamics and structure of the CECC from the early detection through contact tracing and management of medical supply chains. Aside from the early activation of its Centers for Disease Control, the Philippines and Indonesia can learn from Taiwan’s aggressive stricter border control, case identification, and containment protocols from passengers arriving from high-risk pandemic areas at the early onset of the pandemic.\textsuperscript{46}

\textit{People-to-People Connections}

People-to-people connections are facilitated through three main channels: tourism, labor migration, and educational scholarships and exchanges. In recent years, the influx of Filipino tourists coming to Taiwan has been highly significant. According to the Taiwan Tourism Bureau, the visa-free policy for Filipinos attracted 290,784 in 2017, which doubled to around 419,105 in 2018.\textsuperscript{47} These figures are expected to climb up to a half million with the announcement made by Taiwan’s Minister without Portfolio Chang Ching-sen of extending the visa-free treatment among Filipinos.\textsuperscript{48} The number of tourists from Indonesia is also expected to increase in the coming years. The opening of the Taiwan Visitors Association (TVA) in Jakarta in 2019 was expected to boost the arrival of visitors in the self-governing island by two to three times.\textsuperscript{49} In 2016, there were only 160,000 Indonesian visitors but a slight increase occurred in 2018 reaching 190,000 tourist arrivals.\textsuperscript{50} Thus, as part of its sustained efforts to attracting tourists from NSP target countries in Southeast Asia that include the 14-day visa-free trial for the Philippines, Thailand, and Brunei, Taiwan is also exploring such a possibility for Indonesia. At a glance, the NSP has been instrumental in increasing the arrival of visitors from the 18 NSP target countries. According to the data released by the Tourism Bureau, there was a significant year-on-year increase of 27.65\% or 2,284,382 tourists in 2017, compared to the 1,789,503 visitors before the launch of NSP in 2016.\textsuperscript{51}
Taiwan’s Ministry of Labor confirms that Indonesia is responsible for the largest percentage of immigrant workers in Taiwan accounting up to 76% or 195,419 in 2018. The Philippines has 122,000 immigrant workers where the majority are employed in the electronics and technology industry. In 2017, the Philippines and Taiwan reached an agreement on four key labor issues spanning medical bills, contract authentication and wage cuts, drug prevention efforts, and fishing worker recruitment fees. In the same vein, Taiwan and Indonesia are discussing new pathways to improve the working conditions of Indonesians through an evaluation of monthly salary, accurate contracts covering job descriptions, and the management of intermedia companies facilitating recruitment.

When it comes to educational scholarships and exchanges whether through degree or non-degree courses, NSP target countries are gradually overtaking foreign students coming from mainland China. Based on the statistics released by the Ministry of Education (MOE) the number of enrollments from Southeast Asia within the academic period in 2017 surpassed the government’s target figure of 40,300 with an actual turnout of 41,000. In 2018, NSP target countries represented 50,000 enrolments out of the 126,997 foreign students. Indonesia ranked as the fourth largest source of foreign students, while China accounted only for 29,960. Meanwhile, the Philippines is expected to increase the presence of Filipino students enrolled in Taiwanese institutions with the recent increase in scholarships and mobility schemes and cooperation through the university forums among higher educational institutions in 2019.

Prospects for deepening integration

Having established the practical achievements of the NSP within its four key policy areas, this section explores other potential ventures for collaboration that harnesses Taiwan’s strategic diplomacy. The aim is to complement or reinforce existing initiatives conducted by the Philippines and Indonesia in their capacities or joint membership in ASEAN.

Smart City Initiative

Taiwan and ASEAN share the same vision in seizing the opportunities afforded by the digital era. Taiwan’s Premier Lau Ching-te contends that Taiwan’s transformation as a smart digital nation remains one of the government’s major policy priorities. As a leading technology hub, Taiwan seeks to capitalize on smart technology to expand in the realm of the digital economy, drive industrial innovation, and produce high-value-added production. ASEAN has also started to make progress with its Smart Cities Network with currently 26 pilot cities. With the rapid expansion brought by urban development, traffic congestion, pollution, to lack of quality infrastructure, ASEAN’s Smart City Network sets out an ambitious
plan to promote sustainable urban environments through green technology and energy—an area where Taiwan is rapidly expanding.60

According to Taiwan’s Ministry of Economic Affairs, the government is aggressively investing in renewable energy through the most advanced offshore wind development.61 Taiwan’s highly reputable standing in terms of transparency and ease of doing business makes it a strong player in the green energy sector. Aside from wind energy, Taiwan is also investing in solar power as the island has the second largest PV Cell maker. Thus, it is very feasible for Taiwan to explore partnerships with ASEAN, such as the Philippines and Indonesia, in the areas of renewable energy. Taiwan’s well-structured set of policies and regulatory frameworks can serve as a model on how ASEAN can move forward in realizing its Smart Cities initiative. Conversely, the Philippines and Indonesia are moving gradually in embracing renewable energy. Indonesia for instance recently inaugurated the 75-megawatt Sidrap Wind Farm that is expected to generate electricity for up to 70,000 households.62 Even if the Philippines is slightly ahead compared to its other Southeast Asian neighbors, it can still go far beyond its current 427 megawatts of wind and 843 MW of solar power that is currently installed.63

Digital Economy

ASEAN is also undertaking efforts to realize the immense growth that the digital economy can contribute. Central to the interests of Taiwan in forging cooperation in this area is the fundamental role of micro, small, and medium-sized enterprises (MSMEs) and their adoption of online platforms as part of digitalization. According to ASEAN’s outlook, such diverse businesses act as the backbone of its digital economy amounting to 95%-99% and are expected to produce inclusive growth.64 Under the NSP, there is a great advantage among Taiwanese SMEs to expand further in the Philippines and Indonesia as the transition process in adopting digital technologies is still underway. Likewise, the NSP also provides support especially among Taiwanese SMEs expanding in this area. In May 2017, Taipei has announced US$1.67 billion credit guarantees and financing to SMEs who are planning to expand but have limited international experience.65 The credit funds shall come from three sources: (1) Small and Medium Enterprise Credit Guarantee Fund of Taiwan; (2) Overseas Credit Guarantee Fund, and (3) Agricultural Credit Guarantee Fund.

As Taiwanese SMEs expand in ASEAN, it is important to establish a partnership blueprint that will inform and train local partners with emerging digital platforms to achieve a holistic integration process and thus provide a compelling customer experience. Therefore, over the long term, policy commitments and regulatory guidelines must be installed to coordinate efforts in managing transactions in the hyper-connected digital economy. Thus, cooperation is required not a choice among key businesses, governments, and regulatory bodies to secure data privacy, ensure equitable transactions, and mitigate risks of cyber-related crimes.
Maritime Cooperation and Investments

The maritime environment is a highly contested area among littoral states such as the Philippines, Indonesia, and Taiwan. However, in recent years, potential signs of cooperation started to prosper under the NSP. The University of the Philippines and the National Kaohsiung Marine University signed a memorandum of exchange to explore areas of collaboration in the areas of marine research. The agreement will facilitate academic linkages between the two institutions that will focus on promoting international academic and technical collaboration to leverage on Taiwan’s expertise in marine-related industries.

Amidst the previous controversial maritime incident, Manila and Taipei have moved forward to boost cooperation in law enforcement cooperation in fisheries. In 2017, a bilateral working group was formed to improve collaboration on law enforcement notification mechanisms against illegal and unregulated fishing as well as information-sharing and joint inspections. Under the NSP, Indonesia has been courting Taiwanese shipbuilders due to their advanced capabilities, in-depth know-how in managing routes of container and cargo vessels as well as repairing and maintaining ships.

City-to-City Partnerships

As part of improving people-to-people linkages, Taiwan also has a competitive edge of using city partnerships under the NSP. The dimension of city partnerships remains an underutilized pillar that has the potential to further advance Taiwan’s foreign policy agenda. Last year, New Taipei City participated in the Future of Asian Cities held in Singapore where 150 city representatives, corporations and youth leaders from 15 countries shared their views on the drastic changes of living in the vibrant metropolis in the region. On the other hand, Taipei City hosted the 2019 Smart City Mayors Summit to exchange ideas on smart city solutions based on Taipei’s experience on a citywide “Living Lab” to promote urban innovation while seizing economic advantages.

Taichung City government has also been proactive in industry and city exchanges with Southeast Asian delegates from city mayors based in Indonesia and Malaysia. Exploratory talks were underway in the establishment of sister city partnerships to deepen engagement in tourism and education benefitting Muslim communities. Meanwhile, a delegation from the Philippines’ Department of Interior and Local Government attended a disaster prevention program in Taichung to obtain practical insights about disaster prevention policies and coordinating mechanisms ranging from disaster mitigation, preparedness, response, to post-disaster recovery. The list of previous accomplishments under the city partnerships is far from exhaustive. However, the Tsai government must be able to synergize current activities from the national down to the local government level to avoid any duplication or even to some degree, any competition. The sister-city partnership is a viable route to bring Taiwan closer to the local communities that are sometimes removed from high-level and top-down government to government dialogues and interaction based on the NSP framework.
Conclusion

The NSP can be inferred as Taiwan’s attempt to punch above its weight in regional and international affairs. Its underlying principles showcase a more ambitious Taiwan, seeking to assert itself as a self-governing democratic Chinese polity. Amid its modest achievements in the past three years, it is obvious that the prospects of the NSP moving forward will still be haunted by the shadows cast by China’s BRI. It is inevitable for China to impose its One China Policy among the NSP target countries to block efforts or engagements of Taiwan, most especially as the cross-strait relationship has deeply plummeted under the pro-independent Tsai administration. The funding sustainability of the NSP is also constantly being put into question, especially with the scale and diversity of its target countries. However, with President Tsai’s reelection last January, the on-going crisis surrounding Hong Kong’s autonomy, and the impact COVID-19 sets the stage for NSP’s reinvigoration. The confluence of these unprecedented events puts the NSP at a pedestal to further Taiwan’s strategic diplomacy at a global scale. This puts NSP at a stark contrast with the unravelling of China’s wolf warrior diplomacy and increasing aggression in the South China Sea and Hong Kong.

These assessments further affirm the main thesis of this paper, that Taiwan must continue to employ its strategic diplomacy at all cost. The initial gains of the NSP as illustrated briefly by this paper demonstrate the positive complementarity between Taiwan and its target partner countries, the Philippines and Indonesia. There is a renewed optimism and confidence in terms of the economic and diplomatic relationships, despite issues relating to overlapping claims in the South China Sea, as well as diplomatic challenges that can emanate from Beijing’s One China Policy. As much as Taiwan puts a premium on the government to government interaction on a national level, it is also leveraging on the indispensability of partnerships fostered by Taiwanese private companies, academic institutions, civil society, and transnational organizations. In the grander scheme of foreign policy initiatives competing in the region from the BRI to FOIP, the NSP’s approach in specializing on niche areas has evinced its own concrete and measurable outcomes. A few sources interviewed by the author confirms that the Tsai government will elevate NSP to establish deeper partnerships in the African region on various infrastructure and development projects. While the EU and Taiwan are currently in talks for meaningful collaboration in the areas of emerging technologies such as Artificial intelligence in the area of digital trade and e-commerce. NSP’s target countries in Southeast Asia and Oceania will remain key priority with efforts to be sustained and diversified in new areas of cooperation.73

Taiwan’s nimbleness in combating COVID-19 now puts into question the One China Principle held by most countries that forbids its participation from the World Health Assembly (WHA). Taiwan’s triumph against the unprecedented health crisis showcase its indispensability to contribute on critical issues on a magnitude scale. The call for its reconsideration in WHA is palpable, yet such show of support must go far beyond diplomatic slogans. It must transcend the fleeting headlines and tweets into a fundamental acknowledgement on how global cooperation must be truly founded on a collective effort rather than putting ill-defined preferential and zero-su politics at the global agenda.
Thus, in an ever-changing regional landscape, Taiwan must continue to reinvent and reevaluate its strategic diplomacy toolbox. To maximize gains, it must minimize unnecessary costs by leveraging on complementarity rather than focusing on zero-sum competition.

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