

Taiwan's New Southbound Policy in the U.S. Free and Open Indo-Pacific

By Russell Hsiao and
Marzia Borsoi-Kelly

During her inauguration speech as president of Taiwan in May 2016, Tsai Ing-wen announced her administration's revitalized New Southbound Policy (NSP) to engage countries in South and Southeast Asia, and Australasia. More than a year later, in November 2017, President Donald Trump laid out the American vision for a "Free and Open Indo-Pacific" (FOIP) region — an area stretching from the U.S. west coast to the west coast of India. Both the United States and Taiwan have adopted engagement strategies focused on strengthening ties with countries in the Indo-Pacific region. This push stems from the recognition in both capitals of the region's increasing economic and geostrategic importance for the 21st century.

While other presidents before Tsai had their own versions of a southbound policy, the NSP is more strategic and focused on "building wide-ranging links with Southeast and South Asian nations that go beyond economics and trade." The NSP, which includes a total of 18 countries (members of ASEAN, plus South Asian states, Australia, and New Zealand) is based on four pillars: 1) the promotion of resource sharing; 2) economic and trade collaboration; 3) the promotion of institutional links; and 4) people-to-people exchanges.

The economic component of the NSP has allowed Taiwan to reduce its economic dependency on China by establishing stronger economic ties with its neighboring Southeast Asian countries. Through the NSP, Taiwan has seen an increase in the number of tourists and students from Southeast Asian countries visiting and studying in Taiwan. The trade and investment components of the NSP have specifically strengthened Taiwan's economic links with those countries targeted by the NSP that are members of ASEAN. The goals of Taiwan's New Southbound Policy call for the development of comprehensive relations with ASEAN, South Asia, Australia, and New Zealand, while promoting regional exchanges and collaborations. These regional exchanges and collaborations help to promote and ensure stability and peace in the region, which work in sync with the U.S. promotion of the free and open Indo-Pacific region.

These pillars are consistent with the American vision for the FOIP, which President Trump stated was "to strengthen America's alliances and economic partnerships in a free and open Indo-Pacific, made up of thriving, independent nations, respectful of other countries and their own citizens, and safe from foreign domination and economic servitude." The U.S. FOIP concept was articulated in the 2017 National Security Strategy and the 2018 National Defense Strategy.

While there are differences in the strategic policy objectives of the NSP and FOIP, there is a convergence of interests and values between the United States and Taiwan for promoting a free and open Indo-Pacific

Russell Hsiao and Marzia Borsoi-Kelly, Executive Director and Program Manager at Global Taiwan Institute, respectively, explain that "While other presidents before Tsai had their own versions of a southbound policy, the NSP is more strategic."

For instance, Deputy Assistant Secretary of State Alex Wong highlighted the importance of Taiwan within the U.S. FOIP when he stated during the March 2018 visit to Taipei that “Taiwan’s constitutional democracy is an example for the entire Indo-Pacific region, because dynamic, broad-based and sustainable economic growth can only arise in the stable and certain conditions created under a constitutional government.” The importance of the island in the Indo-Pacific region for the United States was later reinforced by then-Secretary of Defense James Mattis at the June 2018 Shangri-La Dialogue and quickly followed up by Assistant Secretary of Defense for Asian and Pacific Security Affairs Randy Schriver.

Yet, it is Secretary of State Mike Pompeo’s speech at the Indo-Pacific Business Forum in July of last year that best describes how Taiwan’s NSP fits within the U.S. FOIP. In his speech Pompeo highlighted values that are cornerstones of both the U.S. FOIP and Taiwan’s NSP, pointing out how these two strategies go hand-in-hand. Not only are the U.S. FOIP and Taiwan’s NSP both founded on shared values of good governance, human rights, and democracy, but they also aim at creating “a sense of community throughout the region.” Indeed, Pompeo explains that “America’s relationships throughout the Indo-Pacific today are characterized by mutual trust and respect... to promote development and good governance in Indo-Pacific nations.” He goes on to say that the United States is committed to “generate greater support for a free and open Indo-Pacific from all countries that share our vision of a region rooted in sovereignty, the rule of law, and sustainable prosperity.” Taiwan is definitely one of those countries.

While the U.S. FOIP and Taiwan’s NSP both focus on developing “hard” infrastructure investment in the region, they also understand and address the need to create “soft” infrastructure investments such as good governance. In fact, the two are intricately intertwined. Hard infrastructure investments need soft infrastructure to be sustainable. Taiwan’s NSP specifically states in its policy that “[t]he spirit of the New Southbound Policy is upheld through Taiwan’s leveraging of its soft power to contribute to regional development.” This shared vision of developing “soft” infrastructure was promoted as recently as March 19, as the United States and Taiwan jointly launched the Indo-Pacific Democratic Governance Consultation, which represents another step in the right direction of increased Taiwan-US cooperation. This step also reflects “the strength of bilateral relations [between the United States and Taiwan] and a shared commitment to promoting freedom, democracy and rules-based order in the region and beyond.” As American Institute in Taiwan Director Brent Christensen pointed out at the launch of this new project, this shared commitment is based on the fact that the United States and Taiwan are like-minded countries whose free and open Indo-Pacific strategy and New Southbound Policy are built on the shared idea of promoting good governance and human rights.

In conclusion, the U.S. Free and Open Indo-Pacific and Taiwan’s NSP are based on the idea of promoting a network of partners based on the shared values of freedom and openness while working together to “achieve common goals and address common challenges in the region, [...] to deepening cooperation, which rests on a foundation of shared democratic values and principles, and to continue discussions to further strengthen the rules-based order in the Indo-Pacific region.” The NSP and FOIP are the right policies for both Taiwan and the United States and can complement each other.

Russell Hsiao and *Marzia Borsoi-Kelly* are Executive Director and Program Manager, respectively, at the Global Taiwan Institute. They can be contacted at rhsiao@globaltaiwan.org and mborsoikelly@globaltaiwan.org.

APB Series Founding Editor: Dr. Satu Limaye | APB Series Coordinator: Peter Valente

The views expressed in this publication are those of the author and do not necessarily reflect the policy or position of the East-West Center or any organization with which the author is affiliated.

The East-West Center promotes better relations and understanding among the people and nations of the United States, Asia, and the Pacific through cooperative study, research, and dialogue. Established by the US Congress in 1960, the Center serves as a resource for information and analysis on critical issues of common concern, bringing people together to exchange views, build expertise, and develop policy options.

"While the U.S. FOIP and Taiwan’s NSP both focus on developing “hard” infrastructure investment in the region, they also understand and address the need to create “soft” infrastructure investments such as good governance."