

Too little, too late for Myanmar in Taiwan's New Southbound Policy?

By **Andrea Passeri**

Since the early 1990s, a vast bipartisan consensus among Taiwanese policymakers has looked at Southeast Asia as a credible countercheck to China's growing leverage over the island. As a result, the idea of a 'go south' policy aimed at strengthening Taipei's economic and political standing with ASEAN countries has made headlines both during the Lee Teng-hui and Chen Shui-bian presidencies, before being rebranded by the current Tsai Ing-wen government under the banner of the 'New Southbound Policy' (NSP) in 2016. In a nutshell, the strategy seeks to reinvigorate Taiwan's links with its southern neighbors, whilst safeguarding both the special relationship with the United States and its extensive economic ties with the Chinese mainland. Taiwan-Myanmar relations have to be seen against this wider and deeper backdrop,

Taiwan's push toward the enlargement and diversification of its informal partnerships away from the PRC stems from two sets of factors. First, Beijing's ongoing economic slowdown, which has already impacted Taiwan's growth prospects, requires diversified options for Taipei. Second, China's rising tendency to weaponize commercial and financial tools as a form of political retaliation against selected countries also makes Taiwan nervous. Accordingly, the NSP foresees a visible rebalancing of Taipei's diplomatic landscape by focusing its attention on three geopolitical perimeters, namely the Indian subcontinent, Southeast Asia, and Oceania, so as to pave the way for expanded commercial exchanges, cooperation projects, and people-to-people contacts.

Taiwan-Myanmar relations are thus expected to flourish after decades of substantial neglect, largely motivated by a quite divisive historical legacy that hampered the consolidation of regular (albeit unofficial) interactions amongst the two sides. Most notably, the contentious memories of the Kuomintang's (KMT) entrenchment in northern Myanmar during the early 1950s – when the KMT's 'jungle generals' established their safe havens in Burmese border regions inhabited by Chinese minorities by engaging in the highly lucrative opium trade – are still extremely vivid in the minds of the Myanmar population and political establishment, due also to the fact that the central government has never fully consolidated its control over the country's peripheral areas.

Unsurprisingly, Myanmar (then known as Burma) emerged as the first non-socialist state in Asia to pick sides in the ensuing dispute over the status of Taiwan, following the establishment of formal diplomatic ties with the PRC in 1950 and the launch of several large-scale military operations to dislodge the remnants of the KMT from its frontier areas. On top of that, Taiwan's decision to pursue a staunch anti-communist diplomacy in the midst of the Cold War further impaired the prospects of dialogue with Yangon, especially in the aftermath of the 1962 military coup d'état that introduced a brand-new ideology rooted in the 'Burmese way to socialism'. At the turn of the century, as bilateral interactions languished in this hiatus, Taiwan's economic footprint inside Myanmar looked totally eclipsed by the mounting influence of the PRC, which had

Andrea Passeri, Research Fellow and Adjunct Professor at the Department of Political and Social Sciences, University of Bologna, explains that "Taiwan-Myanmar relations are expected to flourish after decades of substantial neglect."

progressively asserted itself as the main diplomatic patron and lender of last resort of the Burmese military regime.

However, Myanmar's recent opening up to the outside world after decades of isolationist and inward-looking policies has allowed a positive impact on its previously strained relations with Taipei. During 2016, the unveiling of Tsai Ing-wen's NSP has therefore persuaded the freshly-established cabinet led by the progressives to open the Taipei Economic and Cultural Office (TECO) in Myanmar, which is expected to act as an informal embassy through the promotion of fruitful exchanges between the two actors in trade and investment, two-way tourism, and cultural cooperation. At the end of 2018, bilateral trade volume has reached \$343 million — a five-fold increase over the course of the previous three years — whereas Taiwan's investments in the country have lately peaked to \$356 million, with around 250 Taiwanese enterprises and 11 banks that are making inroads in Myanmar's largely untapped market. People-to-people exchanges are also facilitating a promising trend, fueled by a significant diaspora of Burmese immigrants located in Taiwan. By the same token, student exchanges and cooperation projects in the field of higher education have recently hit several important milestones, also benefitting from the relaxation of Taiwanese visa restrictions for Burmese travelers, even though the road ahead in the attempt to compete with Myanmar's preferential partners is still long and fraught with obstacles.

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In terms of FDI, for instance, the achievements brought about by the NSP are totally overshadowed by the performances of countries like Singapore and the PRC, whose cumulative investments into Myanmar currently stand at \$21 billion and \$20 billion, respectively. In addition, in the case of Myanmar, the third iteration of the NSP endorsed by Tsai Ing-wen has displayed an extremely low profile when confronted by major political issues, such as the Rohingya conundrum or the establishment of a lasting ceasefire agreement between the central government in Naypyidaw and a plethora of ethnic minorities. As a result, the choice of maintaining a silent stance over these matters has gradually disappointed those who look at Taipei as a cradle of democracy and human rights, both inside the country and in regional audiences. Informed by a clear emphasis on economics and concerned by the risks of upsetting the Burmese government, the Tsai Administration has refrained from engaging the communities and civil society organizations affected by the Rohingya crisis through the multilayered and people-centered approach delineated in the NSP. In the meantime, China's unwavering support to Myanmar in rebuffing international scrutiny over the Rakhine State issue is raising its credentials as the paramount interlocutor of the current cabinet led by Aung San Suu Kyi. Given such circumstances, if the NSP ultimately reflects Taiwan's quest to rekindle its role and identity in the region beyond economic returns, it is time to fill this silence with a more courageous voice.

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