

## Regional rebalancing and Taiwan

Written by Joseph Tse-Hei Lee 何志偉

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Since her inauguration on May 20, President Tsai Ing-wen (蔡英文) has embarked on a series of reform initiatives to increase the economy's capacity-building, strengthen national defense and diversify the school curriculum.

Taiwan's electorate seems to be willing to give the Tsai administration a reasonable time to formulate, prioritize and implement these new policies. Yet it is important to keep in mind some new exogenous forces that challenge the nation to embrace non-utilitarian thinking on diplomatic and developmental issues.

The last two weeks of last month witnessed some significant shifts in East Asian politics. The Sino-American relationship has devolved from one of friendly competition into that of strategic rivalry. Faced with China's rapid rise to power and its ambitious "One Belt, One Road" initiative, the US has launched new tactics to counter Chinese influences.

One effective US tactic is to make the South China Sea a bargaining chip in negotiations with China. Washington has successfully exploited the ongoing maritime territorial disputes to rally old and new allies to keep an eye on China's militarization of the South China Sea.

Since Beijing continues to expand infrastructural developments on the occupied islands, the US decided to empower both the Philippines and Vietnam as barriers to Chinese maritime expansion. Last year, the Philippines was given US\$250 million in military aid to upgrade its national coast guard and navy in an attempt to challenge China's territorial claims. Last month, the US lifting of a decades-long embargo on lethal arms sales to Vietnam and the provision of a US\$20 million to US\$30 million credit line to modernize the Vietnamese Coast Guard were aimed at dealing with the Chinese naval buildup and pursuing greater cooperation with a former adversary.

Meanwhile, the smooth democratic transition in Myanmar changed the opinions of Washington elites and prompted the US to deepen political, socioeconomic and cultural ties with the country. A key investment was the founding of the American University of Myanmar in Yangon, signifying the US' determination to shape higher education and train the next generation of leaders in a democratic Myanmar.

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Thailand is probably the only major Southeast Asian state that has yet to take a side in the midst of Sino-US rivalries. Since Washington has reduced military aid to Thailand as punishment following a coup in 2014, the Thai junta immediately turned to China for support. Whether Thailand will lose out in this regional rebalancing remains to be seen.

Similar shifts in geopolitics can be seen in South Asia, where the US has supported India to claim its sphere of influence and to compete with archrival Pakistan, which has China's support.

Taking advantage of Afghan discontent with Pakistan, the Indian, Iranian and Afghan governments have embraced a tripartite trade treaty in which India will finance the infrastructural development of Iran's Chabahar Port in exchange for an open trade corridor with Afghanistan through Iran. This trade agreement is a blow to Pakistani prestige and influence in the region because it cuts Islamabad out from its previous control of Afghan overland trade through taxes and tariffs.

All these coalition-building and rebalancing acts testify to US President Barack Obama's announcement to re-engage Pacific Asia as years of antiterrorism efforts come to an end in Central Asia and the Middle East. These changes present a golden opportunity for Taiwan to reset its diplomatic agenda in a highly fluid landscape of Asian politics.

In this regard, Tsai's "New Southbound Policy" is timely and relevant, setting out to diversify the Taiwanese economy and build business ties with Southeast Asia and beyond. However, this new outward-oriented economic plan should move beyond the narrow utilitarian focus of the Go South Policy under former president Chen Shui-bian's (陳水扁) administration. Many academics criticized the Go South strategy as another mode of capitalistic exploitation, outsourcing production and enriching Taiwanese capitalists at the expense of the wellbeing of Taiwanese and Southeast Asian workers.

It is crucial for the Tsai administration to take a more humanistic approach, balancing the pursuit of economic opportunities with the promotion of sociocultural, religious and political linkages with regional partners. Perhaps Taiwan might want to tap into the remarkable talents and skills of tens of thousands of Southeast Asian immigrant spouses and workers.

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These immigrant communities would enable the nation to pursue people-to-people links as a means of educating Taiwanese about diverse Southeast Asian cultures and to nurture a mutually beneficial relationship with these states. Only with a solid humanistic foundation will the latest Southbound strategy be sustainable and help Taiwan win the hearts and minds of the Southeast Asian states.

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