

## Soft Power as a Perspective for Taiwan's New Southbound Policy

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### ABSTRACT

Taiwan, being a small country with a distinctive geopolitical position and a complicated connection with the Mainland, places significant importance on the utilization of soft power as a means to enhance its influence both regionally and globally. Since 2016, under the leadership of Tsai Ing-wen, Taiwan's New Southbound Policy (NSP) has presented fresh opportunities for enhancing its collaborative ties with target nations. This initiative reflects Taiwan's aspirations to establish a reputable presence and effectively project its influence within the region, thereby showcasing its capabilities on an international level. From the perspective of soft power, the NSP is regarded as an important endeavor undertaken by the Tsai government to strengthen Taiwan's worldwide presence and promote its ideals at both regional and global levels. In addition to the initial accomplishments attained subsequent to the implementation of the policy, Taiwan is confronted with numerous challenges that necessitate the government to engage in strategic calculations in order to strike a balance between its interests and the policy's objectives.

**Keywords-** soft power, Taiwan, NSP, foreign policy, target nations, national values.

### I. INTRODUCTION

The term "soft power" was first used by Professor Joseph Nye in his research paper titled "Soft Power: The Means to Success in World Politics" (2004). Accordingly, the concept of "soft power" refers to the capacity to attain desired outcomes by means of attraction and persuasion rather than through the use of force or coercion. This attractiveness encompasses a multitude of principles, including but not limited to democracy, human rights, and individual opportunities. The composition of a nation's soft power can be delineated into three primary components: "a country's culture, political ideals, and policies" (Nye, 2004, p.12).

Nye argues that policies, covering both domestic and foreign policies, must prioritize the establishment of legitimacy and garnering substantial trust and confidence from both the domestic and international communities. In

order to attain this objective, nations must develop a sound strategic approach to formulating policies, which entails safeguarding shared interests and upholding the principles of international law. While attaining complete trust may be challenging, national policies play a crucial role in the attractiveness, persuasion, and cultivation of international alliances. They serve as a crucial foundation that nations must consider when creating and implementing soft power strategies.

According to Rawnsley (2014), Professor Gary D. Rawnsley from the Department of International Politics at Aberystwyth University in the United Kingdom made a remark. The soft power of Taiwan has been observed to stem from a fusion of democratic principles derived from Western soft power theory and the portrayal of Chinese culture, alongside a thriving and appealing economy (p.164). Moreover, Taiwan occupies a distinct international position characterized by its triangular

relationship with the United States and China (Jue, 2016). It faces the challenge of limited formal diplomatic relations with major superpowers, the absence of official memberships in prominent international organizations like the United Nations (Hickson, 2003), and the potential threat to its national identity (Dittmer, 2004). This has also greatly limited the deployment of soft power in this territory. Consequently, the Taiwanese government was compelled to engage in strategic deliberations to formulate national policies that effectively address the aforementioned difficulties while simultaneously fostering economic growth, promoting a sphere of influence, and extending the reach of soft power.

## **II. THE NSP CONSTITUTES A FUNDAMENTAL COMPONENT IN TAIWAN'S STRATEGIC IMPLEMENTATION OF SOFT POWER**

Since 2016, the NSP has emerged as a significant economic and foreign policy initiative under the leadership of Tsai Ing-wen. The primary objective of this strategy is to enhance Taiwan's diplomatic and economic ties with partner nations, thereby fostering economic growth and extending its global influence outside the region. The promotion of NSP is predicated upon four fundamental aspects: economic cooperation, the exchange of talent, the sharing of resources, and the encouragement of regional connections. In line with this, Taiwan and 18 recipient nations from ASEAN (Association of Southeast Asian Nations), South Asia, Australia, and New Zealand collaboratively establish a cooperative framework aimed at fostering mutual growth, sharing of benefits, and the pursuit of prosperous values (Glaser et al., 2018).

The government of Taiwan has established short-term objectives to facilitate bilateral exchanges and collaborations across various domains, including trade, investment, tourism, culture, and talent. Emphasis is particularly placed on promoting the development of human resources to effectively support the NSP. Simultaneously, Taiwan seeks to enhance bilateral and international discourse pertaining to economic collaboration and prospective conflict settlement (Huang, 2018, p.53-54). The NSP encompasses a diverse range of domestic and foreign policies that not only contribute to the economic growth of Taiwan and its local population but also serve as endeavors to enhance its international influence. The NSP serves as a platform for disseminating information about Taiwan to target countries and the global community at large. This facilitates the promotion of Taiwan's image and enhances international awareness of the territory and its people. The NSP is perceived as a significant measure undertaken by the Tsai administration to enhance Taiwan's international presence and promote its ideals on a global scale, from the standpoint of soft power.

On July 1, 2017, during a gathering organized by the General Association of Chinese Culture (GACC) in Taipei, Tsai Ing-wen conveyed her dedication to strengthening Taiwan's soft power and fostering cultural interactions with neighboring nations (Taiwan Newsletter, 2017). The Taiwanese government has officially acknowledged the significance of the NSP as a crucial component of the development strategy in this territory. It is widely recognized that the NSP plays a substantial role in stimulating exchanges and cooperation in various sectors such as agriculture, economy, culture, education, tourism, and trade between Taiwan and its designated partner countries. During the opening ceremony of the 2017 Taipei Summer Universiade, Tsai Ing-wen emphasized her perspective that, despite Taiwan's relatively small size, its cultural soft power is comparable to that of other nations globally.

The NSP employs its initiatives, goals, and values as a means to influence and attract other governments towards the pursuit of their objectives in the realm of international politics. The NSP aims to garner global backing for Taiwan's de facto sovereignty and showcase its capacity for self-governance without external authorization by advocating for an economic community founded on people-to-people exchange (Chong, 2019).

## **III. ACCOMPLISHMENTS**

According to the Asia Soft Power 10 investigation done by Portland in 2019, which aims to offer an assessment of the distribution of soft power across the Asian area, Taiwan has the 5th position, following Japan, South Korea, Singapore, and China (Portland, 2019). This demonstrates the persistent endeavors of this territory to reinforce its soft power and augment its impact both inside the region and on a global scale. The effective implementation of policies pertaining to the pillars of soft power, especially the NSP, is widely regarded as a notable achievement of the Tsai government.

### **3.1 Economic outcomes**

Since its inception in 2016, the NSP has contributed to the enhancement of Taiwan's economic standing as a robust regional partner. This progress is evidenced by notable developments such as heightened domestic consumption, reduced labor costs, amplified incentives, and strengthened environmental regulations. These outcomes have been achieved through the facilitation of foreign direct investment (FDI) as a key strategy of the NSP (Glaser et al., 2018, p.12-17).

The efficacy of the economic cooperation policy implemented by the NSP is not solely derived from the magnitude of Taiwan's economy but rather from its distinct advantages in soft power, educational institutions, and research organizations, as well as its extensive experience in advanced manufacturing within global supply chains, complemented by powerful social safety

(Glaser et al., 2018, p.18-20). Tsai aspires to further develop current economic ties with NSP target nations through the expansion of supply chains in crucial production areas, including energy, agriculture, and financial services.

Taiwan has undertaken numerous policy measures aimed at cultivating and advancing its reputation as a congenial investment milieu, poised to embrace collaborative ventures and trade agreements. The exhibition "Sourcing Taiwan" was organized by the Taiwan External Trade Development Council (TAITRA) in the early months of 2017 with the goal of increasing connections between overseas customers and suppliers from Taiwan. In subsequent months, TAITRA organized the "Image of Taiwan" exhibition in various NSP target nations, such as Indonesia (May), Vietnam (July), the Philippines (September), and Malaysia (November). Meanwhile, in October 2017, Tsai Ing-wen made a commitment to establish a fund valued at NT\$105 billion (equivalent to 3.5 billion USD) in order to provide financial support to the target nations of the NSP for the purpose of aiding infrastructure development (Glaser et al., 2018, p.21-25).

According to the available statistics from the initial three quarters of 2017 (Taiwan Today, 2022), there was a notable rise in trade, investment, and financial engagements between Taiwan and other nations in the region. Particularly, there was a substantial growth of almost 25% in inbound investment from nations targeted by the NSP. In the year 2018, the combined trade activities between Taiwan and NSP nations amounted to a sum of 117.1 billion USD. Out of this total, the exports from Taiwan to these countries accounted for 68.42 billion USD, which constituted 20.4% of the overall exports. This figure had a modest growth rate of 1.5%. On the other hand, the imports from NSP countries to Taiwan reached a value of 48.69 billion USD, representing 17% of the total imports. This import figure witnessed a notable increase of 12.1%. In 2018, Taiwan engaged in 15 bilateral economic and trade conversations with significant trading partners within ASEAN, according to a report from Bureau of Foreign Trade, Ministry of Economic Affairs (2019).

Exports from this particular territory to ASEAN nations reached a total value of 70.24 billion USD in 2021, representing a notable growth of 32% in comparison to the previous year. This figure stands as the highest documented export value thus far. Approximately 98.5% of Taiwan's exports are directed towards the countries of Indonesia, Malaysia, Thailand, Vietnam, and the Philippines. These exports primarily consist of electrical components and microchips. In the year 2021, Taiwan witnessed a significant total import value of 381.2 billion USD. Notably, imports originating from the Association of Southeast Asian Nations (ASEAN) constituted 12.4% of this value, positioning it as the third-largest import source for Taiwan, following China with 22.1% and Japan with 14.7%.

The economic partnership, central to the NSP's objectives, seeks to cultivate an economic community encompassing Southeast Asian nations as well as the wider Indo-Pacific region. This vision includes the potential for Taiwan to assume a prominent role in this endeavor. Hence, while economic variables are outside the purview of soft power, they are nevertheless regarded as a crucial component within the framework of the NSP since they hold the ability to facilitate Taiwan's aspirations for expanding its influence and enhancing its appeal. In addition, the NSP aims to highlight Taiwan's distinct story as a contrasting model to China based on democratic principles, equality, and commitment to a rules-based international system. Over an extended period, the NSP contributes to the sustainability of Taiwan's autonomy and its ability to effectively participate as a self-governing entity in regional and global affairs.

### 3.2 People-to-people exchanges

In addition to economic factors, the NSP also implemented extensive initiatives for human resource exchange. This enables Taiwan to circumvent the constraints arising from its absence of formal diplomatic relations with other nations, thereby fostering governmental engagement with this territory. The primary objective of this part is to enhance the bilateral connection by actively involving the populace of NSP's target nations, alongside government officials and entrepreneurs (Office of Trade Negotiations, Executive Yuan, ROC (Taiwan), 2016). These linkages are intended to achieve Taiwan's objective of expanding its integration with the region, broadening its influence, and solidifying its position in the global arena.

People-to-people exchanges benefit Taiwanese businesses by enabling them to acquire a more profound comprehension of particular industries and economic sectors in their target nations, thereby enhancing their ability to identify appropriate sectors for developing cooperation. Furthermore, it serves as a significant mechanism for Taiwan to leverage its soft power relative to the Mainland in order to foster a society that is both free and open (Glaser et al., 2018, p.26).

The NSP focuses on certain sectors such as agriculture, technology, healthcare, industrial chains, and talent development. It places a strong emphasis on encouraging partnerships with individuals and organizations operating within these sectors. This facilitates the diversification of talks and dialogue across multiple levels. Taiwanese government officials are granted the opportunity to actively interact with many entities within civil society, including educational institutions, research centers, hospitals, and non-governmental organizations (NGOs). This statement reflects the principles and ideals associated with democracy and liberalism. Plus, engaging in diverse domains has contributed to Taiwan's increasing assertiveness in international forums and relations with other nations. This allows for the enhancement of the

perception and significance of this territory within the global context (Yang, 2016).

### **3.3 Education**

The administration led by Tsai has placed emphasis on the promotion of intellectual contacts between Taiwan and other nations as a means to advance regional integration. The Ministry of Education made a public announcement in October 2016 regarding the introduction of the Southern Talent Development Plan (Ministry of Education ROC (Taiwan), 2017). This plan explicitly outlines the government's approach to fostering reciprocal talent exchange. Central to the core of the strategy lies a concerted endeavor to prioritize the well-being of individuals, foster mutually beneficial interactions, and promote the equitable distribution of resources. The approach indicated consists of three main components: firstly, the attraction of students from the target countries of NSP; secondly, the provision of sponsorship to Taiwanese students for the purpose of pursuing educational and career prospects in such countries; and finally, the enhancement of educational access for children of Southeast Asian immigrants who have relocated to Taiwan, with a focus on ensuring high-quality education. Taiwan's current strategies are geared toward establishing an appealing educational hub that is well-equipped to attract and cultivate talent within the region.

Educational exchange approaches commonly referred to as "Taiwan Connection" platforms have been implemented in several countries like Vietnam, Malaysia, Thailand, and Indonesia. These platforms aim to utilize the established public and private institutions of Taiwan in the respective target nations. These institutions include the overseas offices of the Ministry of Education, alumni associations of Taiwanese universities, and the business network of Taiwan. The objective is to nurture enhanced bilateral relationships between the education sectors of each country. The Talent Development Program entails the transportation of exclusive exhibitions from renowned institutions in Taiwan to be showcased in Malaysia, Thailand, and the Philippines. Simultaneously, the Ministry of Education intends to dispatch delegates to worldwide exhibitions and conferences with the aim of enticing students, educators, and museum personnel from NSP target nations to partake in educational pursuits, foster intercultural contact, and get firsthand exposure in Taiwan ((Glaser et al., 2018, p.39-52).

In the year 2017, Southeast Asia surpassed China as the primary origin of international students engaged in studying, conducting research, or participating in industry training programs in Taiwan. Based on data provided by Taiwan's Ministry of Education, it is observed that the number of students from ASEAN member states studying in Taiwan has experienced a notable rise. Specifically, out of the total 117,970 students, ASEAN students accounted for 37,999, indicating a substantial increase of 32% compared to prior years. In 2018, the number of students originating from

NSP partner nations surpassed the number of students from mainland China who were pursuing their studies in Taiwan. In 2018, the population of international students enrolled in Taiwanese colleges and universities amounted to approximately 127,000. Among this cohort, it was observed that 41% originated from countries that are partners of the NSP. The majority of these students, up to 80%, are from three countries, namely Malaysia, Vietnam, and Indonesia.

### **3.4 Tourism**

In addition to alleviating visa regulations, the Taiwan Tourism Bureau is actively engaged in promoting the region as a compelling tourist destination. It is advisable for Taiwanese travel companies to actively engage in the promotion of their services to foreign travel companies and participate in trade fairs. Taiwan implements various promotional initiatives in the target nations of the NSP, encompassing outdoor advertising, media outreach, the establishment of bilingual websites, and the creation of multimedia content.

In order to effectively appeal to prospective tourists from the NSP's target nations, the Tourism Bureau has implemented measures to provide financial assistance in the form of travel cost subsidies for visits to Taiwan. As an illustration, the existing provision entails a mid-subsidy of NT\$400 (US\$13) and NT\$800 (US\$27) for visitors who are embarking on their travels with tour groups originating from the designated nations (Shan, 2017). The grants, which are specifically allocated for groups consisting of more than 50 tourists, can be utilized to finance various activities, including but not limited to attending cultural performances and visiting historical places. The Ministry of Culture has implemented a comparable strategy that involves a subsidy program ranging from NT\$80,000 (US\$2,669) to NT\$120,000 (US\$4,003) for groups to partake in local art performances or engage in visits to historical places. The local authorities have put forward a specific history and culture (Glaser et al., 2018, p.33).

Taiwan's endeavors to enhance tourism, encompassing nations targeted by the NSP, have yielded preliminary achievements. According to statistical data presented by the Department of Tourism, there was a notable growth of 15% in tourism from countries targeted by the NSP throughout the year 2016. This gain resulted in a cumulative count of around 1,783,495 visitors for the same year. In contrast, the annual growth rate of tourism experienced a modest increase of 2.4% in 2015 (Glaser et al., 2018, p.35-36). The increase in the volume of visitors can be mostly attributed to the influx of tourists from Thailand, Vietnam, and the Philippines, with respective growth rates of 57% and 35%. The percentage in question is 24%. Between the years 2016 and 2018, there was a notable 45% surge in the number of visitors visiting Taiwan from countries that are partners of the NSP. Although there has been a decline in the number of tourists from mainland China visiting Taiwan in recent years, the overall tourist influx to Taiwan has exhibited

growth, rising from 10.7 million in 2016 to approximately 11.1 million in 2018. The concept of growth refers to the process of increasing in size, quantity, or magnitude. The net rise of 945,000 tourists can be attributed mostly to the collective influx of visitors from NSP partner countries (805,000) as well as the remaining global destinations (140,000).

In addition to the economic possibilities inherent in Taiwan's tourist industry, the influx of visitors from the target nations of the NSP presents an opportunity to appreciate Taiwan's cultural heritage and soft power, as well as foster cultural exchanges between Taiwan and the NSP target nations.

#### IV. CHALLENGES

The formidable influence of China continues to provide the primary challenge in terms of expanding Taiwan's ties with its target nations. The utilization of economic incentives by China as a means of exerting political influence has impeded Taiwan's endeavors to advance bilateral and regional trade accords. Besides, the complex dynamics of the US-China relationship pose a significant challenge for Taiwan in its pursuit of maximizing the potential and effect of the NSP (Manantan, 2019).

Taiwan's absence of official diplomatic relations with NSP target nations places significant challenges in the process of establishing treaties and agreements. In addition, it is imperative for Taiwan to take into account the mutual interests of all parties involved in its collaborations with other nations, particularly in its interactions with other influential global actors. This consideration sets a barrier to Taiwan's ability to fully optimize the objectives of the NSP. Concerns regarding the ongoing viability of the NSP, particularly in relation to the allocation of financing, have also been raised. The strategic distribution of NSP resources is imperative because the target nations possess distinct political, economic, and cultural attributes.

The matter of identity becomes a point of contention as the Taiwanese government adopts numerous initiatives aimed at fostering a diverse community through exchanges and interactions. It is important to acknowledge that cultural values have played an essential part in shaping the appeal of a nation or territory. The Taiwanese government faces the task of effectively managing the dual objectives of preserving and promoting traditional cultural values while simultaneously integrating them into global and regional contexts. If this matter is not effectively addressed, it could have a dual impact that may undermine and diminish the territory's soft power.

#### V. CONCLUSION

In the realm of foreign policy, soft power plays a crucial role and is deemed necessary for small territories

such as Taiwan. The NSP has demonstrated the strategies employed by smaller yet geopolitically significant nations or territories, such as Taiwan, in effectively managing their intricate engagements within regional and global contexts. Taiwan has effectively influenced the evolving regional scene by using innovative approaches that build upon previous policies and incorporating tangible and precise strategies to attain well-defined objectives.

Taiwan strategically utilizes its soft power attributes to actively affect its external environment, with the aim of preserving its diplomatic influence while concurrently advancing its political and economic perspectives. Taiwan endeavors to integrate itself into an intricate network of nations with similar values, such as freedom and democracy, by placing emphasis on these common ideals.

Despite the increasing influence and assertiveness of China, the NSP reflects Taiwan's aspiration to establish a sphere of influence that it can govern autonomously. The NSP presents a refined strategy that emphasizes Taiwan's unique attributes in effectively integrating with the global community, thereby solidifying its role as a conscientious participant.

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