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**SOUTHEAST ASIA AND TAIWAN'S
NEW SOUTHBOUND POLICY (NSP)**

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Research Articles

Introduction: Southeast Asia and Taiwan's New Southbound Policy (NSP)

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Institute of China Studies, Universiti Malaya

Welcomed to the December 2023 Issue of *International Journal of China Studies* (IJCS) in 2023. Unlike the previous June 2023 Issue, this is the first Special Issue published under the watch of the new Editorial Board of IJCS. As part of IJCS' agenda to feature current and pressing issues revolving around the Greater China region, we are encouraged by the great interests surrounding Taiwan and its international roles to run a Special Issue pertaining to the island nation's relations with Southeast Asia. Given such unprecedented development, this Special Issue is deliberated with the two following objectives.

Objective 1: Provide Timely Assessment for New Southbound Policy (NSP)

As the Tsai administration approaching its final months of governance in Taipei, it is a timely effort to update our readers on Taiwan's New Southbound Policy (NSP) as implemented for the past eight years. But instead of examining all the six major sectors of cooperation within the NSP

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(Lee, 2022: 237-243), this Special Issue assesses the foreign economic policy from five different perspectives. From Taiwanese view to the Southeast Asian outlook of Taiwan and their bilateral relations, the NSP has been evaluated for its achievements and limitations through individual articles with specific focus on public diplomacy, non-state collaboration, trade relations, non-traditional security cooperation and social identity among intermarriage children.

Among the five articles, both Tonny Dian Effendi and Alan Hao Yang approaches the two different aspects of cooperation from the Taiwanese perspectives – the former examining the contradictory reporting of NSP news and Southeast Asian countries among the Taiwanese media while the latter highlighting disaster preparedness as the most recent sector of cooperation between Taiwan and Southeast Asia. While there are notable successes in Taiwan’s public diplomacy and disaster preparedness cooperation at home and abroad, both authors also acknowledge the limitations of NSP’s projection power due to various factors on the ground. Among them are the island nation’s absence of official diplomatic ties with Southeast Asia and the societal perceptions of Southeast Asian migrant workers within Taiwan itself.

The other three authors, meanwhile, provide their assessments of Taiwan’s NSP through the contexts of bilateral relations between the island nation and three selected Southeast Asian countries. In Thean Bee Soon’s article, the focus is on the long-standing trade ties between Taiwan and Malaysia, and in which the author recognises soft power as a critical leverage to achieve more favourable outcomes than without it. Echoing Soon’s mixed outcome of the Taipei’s NSP push in Southeast Asia is Ratih Kabinawa who points to the asymmetrical nature of Taiwan-Indonesia talent exchange cooperation – a manifestation of many factors that include insubstantial participation among the Taiwanese social actors in building collaboration with the Indonesian counterparts. Finally, Yufita Ng agrees that the NSP resonates with the second generation of Taiwanese-Indonesian intermarriage families (who are based in Taiwan) but at the same time, she also acknowledges that two-way cultural exchanges have yet to take place in the Taiwanese society despite the articulation of foreign economic policy by Taipei. Like both Effendi and Yang, the other three authors provide a balanced view of the achievements and limitations of the NSP since 2016.

Objective 2: Comprehend Taiwan's and Southeast Asia's Adaptations to the US-China Rivalry

Meanwhile, this Special Issue also seeks to comprehend how Taiwan and Southeast Asia, important stakeholders in the Indo-Pacific region, adapt to the current geopolitical rivalry between the US (and its coalition) and China in safeguarding their respective interests in the long-run. For Taiwan, its NSP is being framed by the current President Tsai Ing-wen, as the core of the Indo-Pacific strategy — a strategy in response to the emergence of China in the international order — as pursued by the US and its coalition partners in East Asia, namely, Japan, South Korea and even India (Tsai, 2023). Beyond the island nation's position as the strategic link within the first island chain of defence as emphasised by the American military strategists (Barranco, 2022: 40), Taiwan's roles within the Indo-Pacific strategy have spanned across the economic and socio-cultural sectors as well. The fact that Taiwan possesses strong economic and socio-cultural connections to the developed bloc in the Western hemisphere as well as the developing Southeast Asia in the south, has made the island nation a vital link between these two blocs.

As for Southeast Asia, its adaptation to the US-China global rivalry involves Association of Southeast Asian Nations' (ASEAN) own articulation of Indo-Pacific strategy, ASEAN Outlook on the Indo-Pacific (AOIP), that amalgamates the principles espoused by the US-led coalition of powers and China. Not only does the AOIP share openness, transparency, and upholding of international law (rules-based order) as actively pursued by the US-led coalition, the same document also called for the emphasis of dialogue, cooperation and friendship as the other principles long shared by China, in guiding the regional bloc's quest for its own Indo-Pacific strategy (AOIP, 2021: 2-3). In other words, leveraging the best from the two rival camps remained to be ASEAN's best bet in safeguarding its own interests as the third party within such rivalry.

Drawing on the convergence of interests between Taiwan and Southeast Asian countries within the US-China rivalry, this Special Issue features one article that examines how Taiwan and Vietnam responded to the securitization of industrial supply chain as vigorously pushed by the US-led coalition since 2021. Authored by Tam Sang Huynh, this article explores on the potential of middle power realignment between Taipei and Hanoi through the reinforcement of semiconductor cooperation with an eye on achieving a resilient supply chain in the region. Through harmonising the

Taiwanese prowess in chip manufacturing and the Vietnamese advantages of governmental support for semiconductor self-reliance, proximity to the Chinese market and low-cost workforce, the author calls for the implementation of specific industrial-training measures to establish a resilient regional supply chain without China being the dominant actor in it.

Rejuvenation of IJCS

With the new line-up in the Editorial Board, we are in full gear for the rejuvenation of IJCS. We welcome good-quality manuscripts from scholars around the world and for those who wish to contribute special issues to IJCS as guest editors, could contact the Editor-in-Chief, Karl Chee Leong Lee at karlcllee2021@um.edu.my. The editorial board will be very happy to develop the articles to the standards that are expected of the international scholarly community. Last but not least, starting from January 2024 onwards, we will be running short critiques on the affairs revolving Greater China – written by distinguished authors who come from different backgrounds and are looking to convey fresh ideas, concepts or views to the wider intellectual community. This will be our new path in engaging with the scholarly community around the world.

For this Special Issue, we express our utmost appreciation to the Taipei Economic and Cultural Office (TECO) in Malaysia for providing us with an in-kind sponsorship that greatly assists us in the publication stage.

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Reporting Public Diplomacy at Home: Taiwanese Media News Coverage of the New Southbound Policy

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Abstract

Public diplomacy is about attracting foreign public attention; however, domestic public support is no less critical. The domestic public's support and understanding are equally essential to diplomatic activities abroad, and it depends on the information they receive about the policy. When the Taiwanese government claims that NSP (New Southbound Policy) received positive support from the public, how do they make those claims? What kind of information about the NSP is received by the Taiwanese public? This study analyzes the NSP-related news in Taiwanese media to answer this question. It focuses on Liberty Times Network (LTN) and United Daily News (UDN) coverage of the NSP since 2016. The text and sentiment analysis of their reports show that although they have different political orientations, overall, both LTN and UDN are generally positive in their reporting on NSP, although UDN is more critical. These results indicate that media polarization occurred in the report, sentiment analysis shows that the difference was insignificant. This situation may indicate that in the case of the NSP case, media polarization in Taiwan is not in effect for shaping public opinion.

Keywords: *news, media, public, diplomacy, nsp.*

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1. Introduction

Since the implementation of the New Southbound Policy (NSP) or 新南向政策 in 2016, the Taiwanese government claims that the policy has achieved a positive impact. The claim is mainly based on statistics such as the increasing number of NSP partner countries' students in Taiwan, exchange programs, trade and investment, and the number of cooperation agreements signed. The government also claims that the Taiwanese public supports the policy, while receiving a positive perception. Those claims indicate that the NSP receives positive responses both abroad and at home. Domestic public support of the NSP may be influenced by the information they received about the policy. In this regard, what kind of information do they receive? More specifically, what does the Taiwanese media report on the NSP?

The New Southbound Policy has been one of the flagship foreign policies for President Tsai Ing-wen's (蔡英文) administration since 2016. It focuses on enhancing Taiwan's relations with South and Southeast Asian countries, as well as Australia and New Zealand. Although based on economic foreign policy, it also emphasizes on the people-to-people relations. NSP received support and critics from scholars. The proponents of the NSP mention that the policy increases Taiwan's visibility in the region (Yang, 2018), engages regionalism (Glaser et al., 2018), implements smart diplomacy (Rasool & Ruggiero, 2022), puts human values in foreign policy (Yang & Chiang, 2019) and bring a positive impact to the Taiwan-US relations (Chen, 2020). In contrast, the NSP is also showing problems with coordination and funding (Huang, 2018) and less public understanding of the partner countries, mainly from South and Southeast Asia (Chong, 2019). Above that contradiction, Taiwanese government claims that this policy received high support from domestic public. In 2017, the Ministry of Foreign Affairs (MOFA) released the results of the public poll related to the NSP (MOFA ROC, 2017). In this report, MOFA claimed that NSP received overwhelming support from Taiwanese public. The report mentioned that 80 per cent of respondents who participated in the polling were in favor of the policy, and this result was 15.3 per cent higher than the previous year's polling. This polling also showed that about 70 per cent of respondents support easing visa rules for South and Southeast Asians. The question that arises then is how the Taiwanese public has a positive response to NSP? Does media play roles in reporting positive information of NSP to public?

This study attempts to explore NSP-related news that is distributed to

the public by the media during the implementation of the NSP. It compares two of Taiwan's main media firms—Liberty Times Network (LTN) and United Daily News (UDN) in reporting the policy from the first term of Tsai Ing-wen in May 2016 to October 2023. The discussion in this study begins with a brief description of the relationship between media and foreign policy, followed by an explanation of media politics in Taiwan. The third section deals with the research methods and results. This research finds the implications of NSP-related news for the public opinion, and for public diplomacy.

2. Public Diplomacy and Media

Diplomacy is about the business of foreign policy, but in a democratic country, it needs support from domestic politics. When diplomats negotiate foreign policy in the international arena, the national government explains the foreign policy to get support from the public at home. Both diplomacy and domestic political activity may happen simultaneously. Robert D. Putnam clearly captures this situation in his “two-level games” in diplomacy and foreign policy (Putnam, 1988). He argues that:

“The politics of many international negotiations can be conceived as a two-level game. At the national level, domestic groups pursue their interests by pressuring the government to adopt favorable policies, and politicians seek power by constructing coalitions among those groups. At the international level, national governments seek to maximize their ability to satisfy domestic pressures while minimizing the adverse consequences of foreign developments. Neither of the two games can be ignored by central decision-makers, so long as their countries remain interdependent, yet sovereign.” (Putnam, 1988).

Putnam acknowledges that both domestic and international negotiations occur simultaneously and treats them equally, but he emphasizes the critical role of domestic politics in determining a win-set in negotiation. Domestic politics has the power and preferences to provide principles, frameworks, alternatives, and evaluations that determine negotiation strategies in international politics. According to Putnam, public opinion is among the critical factors in domestic politics besides the bureaucratic agencies, interest

groups, and social classes. The Communist Party in China encourages the public to support and participate in the public diplomacy agenda (Fallon & Smith, 2022). The Iranian government uses social media to influence negotiation at the domestic level (Bjola & Manor, 2018), while narration in domestic politics influences Iranian diplomacy with the United Kingdom (Kaussler, 2011). In Japan, negotiations in domestic politics by elites are critical in influencing international negotiation (Schoppa, 1993). Negotiations at the domestic level were also essential in determining the United States' decision to repudiate the Kyoto Protocol during Bush's administration (Lisowski, 2002). Putnam's idea and those studies indicate that shaping public opinion domestically is critical to providing support for foreign policy and diplomacy.

The role of domestic factors in diplomacy is not a new phenomenon. Domestic politics provide sources (Krenn, 2010), actors (Huijgh, 2019), legitimacy (Bellamy & Weale, 2015), and instruments (Pigman & Deos, 2008) for public diplomacy programs. Domestic politics may also create constraints (Bartilow, 2001; Wang, 2012), misunderstandings (Bartilow, 2001) and debates (Fjällhed, 2021). In a democratic country, public opinion is significant to influence foreign policy since the government values it as political support. Therefore, the government attempts to convince its public to support its diplomacy. The question then how does the government shape or influence public opinion? The public receives information related to diplomacy or foreign policy through media, both state and private media. Media plays a critical role in shaping public opinion through the news they share with the public, both in domestic and foreign countries.

Scholars have various perspectives on the relationship between mass media and diplomacy. Eytan Gilboa proposes three models of media-diplomacy relations (Gilboa, 2001). The first model is the role of media in public diplomacy. Public diplomacy is about attracting and influencing the foreign public, mainly through cultural diplomacy, and involving both government agencies and non-government organizations (Melissen, 2005a, 2005b). In public diplomacy, the media plays a critical role in disseminating positive information to shape or influence public opinion in other countries. The second model is media diplomacy. It emphasizes the use of media by the government to influence the foreign public for short-range time frames and for specific purposes. In other words, media diplomacy is part of public diplomacy that specifically focuses on a specific issue with the media

as the main actor. Media diplomacy is different from public diplomacy since public diplomacy involves many actors—cultural activities, student exchange, exhibitions, cultural centers, and other activities—and for long-term objectives. Media-broker diplomacy is the third model which places the media as the main actor whereas journalists act as diplomats and mediators in international negotiations.

Moreover, there are three practice of public diplomacy that involves mass media. First is international broadcasting. International broadcasting is among public diplomacy components besides listening, advocacy, cultural diplomacy, and exchange (Cull, 2008). It has a long historical association with public diplomacy (Rawnsley, 2016) when a country attempts to influence another country's public by disseminating news through radio, television, and the Internet. The second is mediated public diplomacy. It is related to the foreign media as the target of public diplomacy (Entman, 2008). The US and British media become targets of both Israeli and Palestinian governments in promoting their interest (Sheafer & Gabay, 2009). The third is about foreign media news coverage. Unlike two other practices, it places foreign media as an actor instead of a tool and targets diplomacy. The United States and Chinese media's positive reports on the 2012 London Olympics show an achievement of British public diplomacy (Zhou et al., 2013). In contrast, the relative lack concern of for public diplomacy resulted in a drastic decline in Israeli reputation when Western and global media criticized its views and policies in the September 2000 Palestinian-Israel war (PIW) (Gilboa, 2006). Western media framing of Taiwan in a geopolitical context—cross-strait and US-China relations—causes Taiwan's public diplomacy to encounter challenges when Western audiences see it as a hotspot that can potentially cause a crisis (Sullivan & Lee, 2018). Several studies above recognize the critical roles of media in diplomacy, especially in informing the public about foreign policy. However, the media also plays a critical role in explaining that policy to the public at home.

Media plays a critical role in intermediating foreign policy and public opinion. In democracies, media can shape public opinion both in terms of supporting or challenging foreign policy. Scholars argue that media constrains and instigates of policy while also acting as foreign policy elites' agents in manipulating public opinion (Robinson, 2017). Thomas Risse-Kappen argues the assumption that media play roles in shaping

public opinion and mediating their aspiration to decision-makers is fair (Risse-Kappen, 1991). In a democratic country like the United States, public opinion is normally latent in foreign policy, and therefore, the media plays a critical role in activating it as public interest (Powlick & Katz, 1998). Matthew A. Baum and Phillip B. K. Potter capture the links between government, media, and public opinion by arguing that media constantly frames the competing information both from the government and the public but it can act as an independent actor in framing a leader's rhetorics that shapes public opinion of foreign policy (Baum & Potter, 2008). In other words, although media is located between the public and leaders, the way it frames the information has an independent causal effect in shaping public perception. In this regard, they highlight the critical roles of the foreign policy marketplace that developed by three equal actors—decision makers, media, and the public—with information as the commodity. However, they also acknowledge that the partisan and media fragmentation could include biased information when shaping public opinion. Moreover, fragmented media also constrains the democratic public from breaking the asymmetric information and criticizing the leader while resulting in sudden unstable public opinion (Baum & Potter, 2019). In this regard, Taiwan is a perfect case to examine the role of media in informing foreign policy or diplomacy to the public in a bipartisan media environment.

3. Media and Politics in Taiwan

Taiwan's media environment, while private and free, is fractured between two major poles which form the primary cleavage within its political environment, namely pan-Green and pan-Blue. Those monikers for the Green-Blue spectrum relate to the party colors of Taiwan's two largest, but questionably hegemonic political parties, the Democratic Progressive Party (DPP) and Kuomintang (KMT) respectively. Liberty Times Network (LTN) is more frequently aligned with the DPP, and China Times (CT) and United Daily News (UDN) are aligned with the KMT (Chiao & boundaries are well defined, or can be strictly defined as regarding Taiwan's relationship with the People's Republic of China (PRC) might be an oversimplification (Clark & Tan, 2012; Liu, 2012), but the blue-green spectrum is tied to competing conceptions of Taiwan either as the modern manifestation of the Republic of China (ROC) as the KMT sees, or as a distinct sovereignty with a political destiny separate from mainland China according to the DPP.

This difference in national conception is directly related to the subsequent political polarization of the NSP in Taiwan, not only as a result of the policy's backers in the 2016 administration, but the complex nature of the NSP. The Southbound Policy began in the 1990s under former President Lee Teng-hui (李登輝) of the KMT, who later left the party to form a competing pan-green political party. Opposition-party DPP President Tsai Ing-wen proposed the New Southbound Policy in 2016, and in both cases, the purpose has been expressed as implicitly attempting to reduce Taiwan's economic dependence on the PRC, changing Taiwan's relationship to the behemoth state (Bing, 2017; Chen, 2020). The DPP generally views the PRC and the Chinese national identity as a threat, while the KMT generally favors better relations with the PRC, and "Chinese identifiers [meaning those who self-identify as Chinese] are more likely to identify with the pan-blue camp but not other smaller parties" (Liu, 2012).

For many within the DPP, Taiwan's high and persistent interconnectedness with China represents a vulnerability that could be exploited (Black, 2019). That dependency also has the potential to deepen and cement political and cultural relationships with the PRC that hurt DPP attempts to degrade Chinese identity. All this makes the NSP an ideal format to replace those relationships with new ones made with Taiwan's neighboring states, who as the South China Sea disputes expand also view the PRC increasingly warily (Lu, 2020). Further, the Austronesian links between many of the peoples in the target states of the NSP and Taiwan's aboriginal population also highlight Taiwan as a multiethnic and multicultural state. Thus further serves to challenge the notion of the ROC as a Chinese nation state, especially as ethnic ties between the PRC and Taiwan have been highlighted by both the PRC government and the former Nationalist junta in Taiwan in such propaganda slogans as "blood is thicker than water."

The KMT unsurprisingly takes the opposite view. Its affinity for the ROC identity and its form of nationalism suggests that increasing Taiwan's ties to countries that have active sovereignty disputes with the PRC, at the expense of those same ties with China only serve to distance Taiwanese people from Chinese nationalism. For these reasons, the party has alternated from expressing that the NSP was unnecessary, to a failure, and could even represent a threat.

Notwithstanding this, it is expected that while bias certainly exists, a degree of moderation of both media firms who compete for market share

may be experienced, meaning that partisan differences over the policy might not be as overt. For some researchers in Taiwan, the differences in coverage can relate to the strategy for framing quotes (Y. Chen, 2010) nuanced descriptions rather than overt statement (Chiao & Huang, 2016). This can be expressed in the use of words with embedded meanings or connotations aimed at certain groups. It may also be a function of the coverage of UDN and LTN being highly expository, and less editorial in style. In either case, it suggests that the bias may not be as explicit in the coverage of the NSP.

4. Research Method

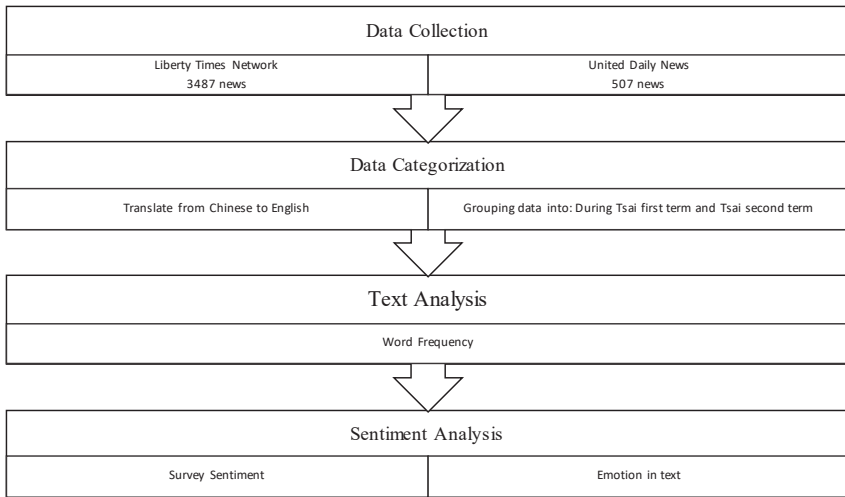
This study analyses the top two Taiwanese media in reporting New Southbound Policy: Liberty Times Network (LTN) and United Daily News (UDN). In Taiwan, UDN and LTN are ranked first and second, respectively, by SCImago Media Ranking.¹ Reuters Institute Digital News Report 2023 reported that LTN and UDN rank seventh and eighth in the TV, Radio, and Print categories (Newman et al., 2023).² However, in terms of print, both of them are the top two in Taiwan. UDN was founded in 1951 and its political standpoint is closer to the Kuomintang (KMT) and pan-blue coalition. In contrast, LTN's political orientation is close to the pan-green coalition and pro-independence Democratic Progressive Party (DPP). LTN has reported "average daily readership of 2.55 million in 2014, followed by... the United Daily News with 993,000" (Lynch and Yau, 2022).

This study collected NSP-related news from UDN and LTN websites by 新南向政策 (New Southbound Policy) as a keyword. 20 May 2016, the date when Tsai Ing-wen's inauguration was inaugurated as president was chosen as the start date. From 20 May 2016, to 6 November 2023, there were 3487 NSP-related news articles in LTN, while 507 news articles were collected from UDN within the period from 20 May 2016 to 19 November 2023. Mandarin language content was scraped using python from the site using their native search function with the only parameter being the same date range. Each article was checked to ensure that it included a mention of the New Southbound Policy.

The data analysed in this study was processed in four steps. The first step was to divide the data into two groups: the news during Tsai's first term (20 May 2016 to 19 May 2020), and news during Tsai's second term (from 20 May 2020 to November 2023 when this study was conducted). The

second step is translating all the news from Mandarin Chinese to English with Google Translate tools. The third step was analyzing the data by R Studio. In this step, all news data is put into the R corpus, then cleaned and stemmed before analysis. The third step includes word frequency and word association analysis.³ The fourth step was sentiment analysis by measuring sentiment scores and emotion classification.⁴ For this step, this study uses the NRC Emotion Lexicon which can detect and measure the text into eight basic emotions: anger, fear, anticipation, trust, surprise, sadness, joy, and disgust. Figure 1 describes all steps of in research method in this study.

Figure 1. Data Collection and Analysis

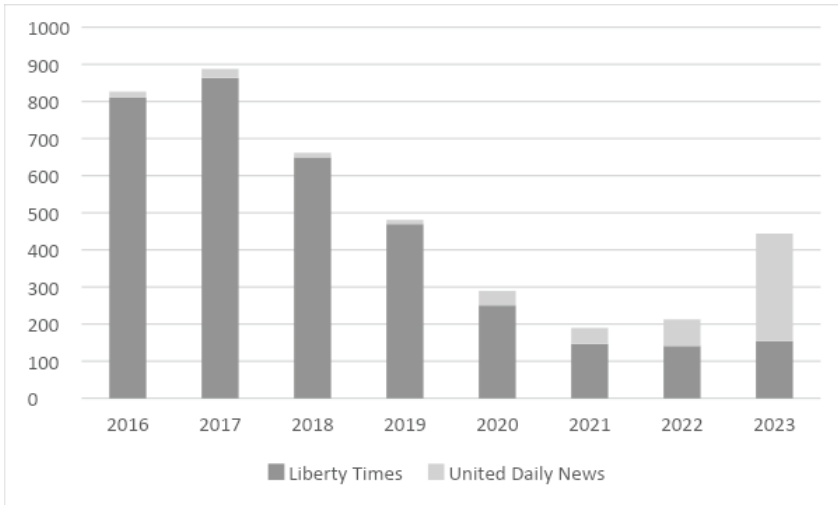


5. Results

LTN and UDN both frequently reported on the NSP, but their overall corpus sizes are vastly different in number. LTN reports significantly more NSP-related news than UDN. Figure 2 compares the number of NSP-related news in LTN and NSP from 20 May 2016 to November 2023. The more prolific coverage on LTN indicates that since this media is close to DPP and Tsai Ing-wen, it is more supportive of NSP. Therefore, it reported information and statements about the NSP to the public. In contrast, as the media that is close to the opposition party, the KMT, and UDN shared more limited news of NSP. Moreover, there is a contrasting trend where LTN's report on NSP

underwent relative decreases from year to year, UDN showed an increasing trend. In 2023 (January to October), the number of NSP-related news in UDN surpassed LTN with 289 compared to 155.

Figure 2. Number of NSP-related News in LTN and UDN



Note: It started from 20 May 2016 to 31 October 2023.

Word Frequency

NSP as a “new” policy is the main topic on the LTN and UDN reports during the first term of Tsai in office. Figure 3 and 4 show that the words “Taiwan” and “new” are the top two most frequent words in two medias. However, LTN and UDN have different emphasis on specific issues regarding the NSP. UDN seems focused on the relations with a specific partner country. They both covered news regarding the policy and people to people relations, with such as in LTN also highlighting Taiwan’s relations with governments in Southbound partner countries, policy promotion and industry, stating, “the New Southbound Policy has driven significant growth in bilateral trade... Encouraged by policies, Taiwan’s investment in new southbound countries has increased significantly to jointly build a more resilient supply chain...The new southbound countries have become the first choice for investment by Taiwanese businessmen in their international layout... the new southbound policy emphasizes talent cultivation and attracts outstanding students to

study in Taiwan through cultivation and cooperation” (<https://talk.ltn.com.tw/article/breakingnews/4487065>).

Figure 3. Most Frequent Words on NSP-related News in LTN and UDN (Tsai’s First Term)

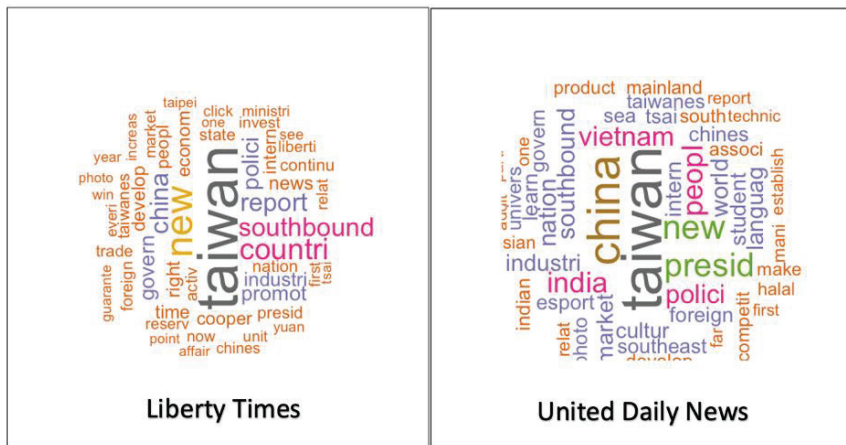
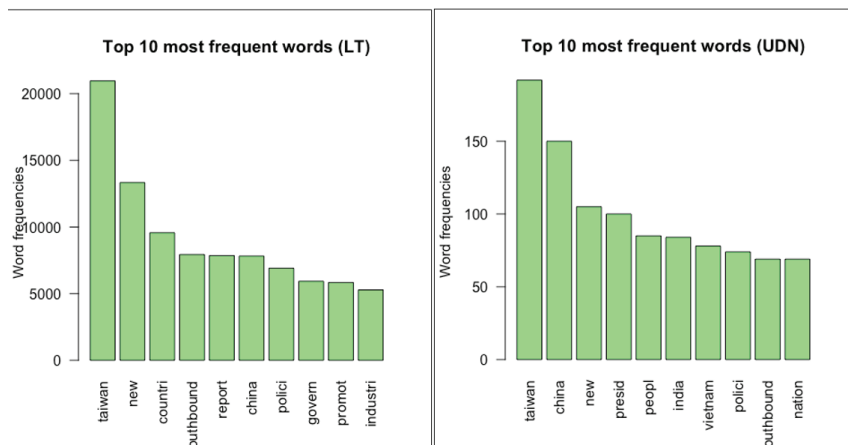


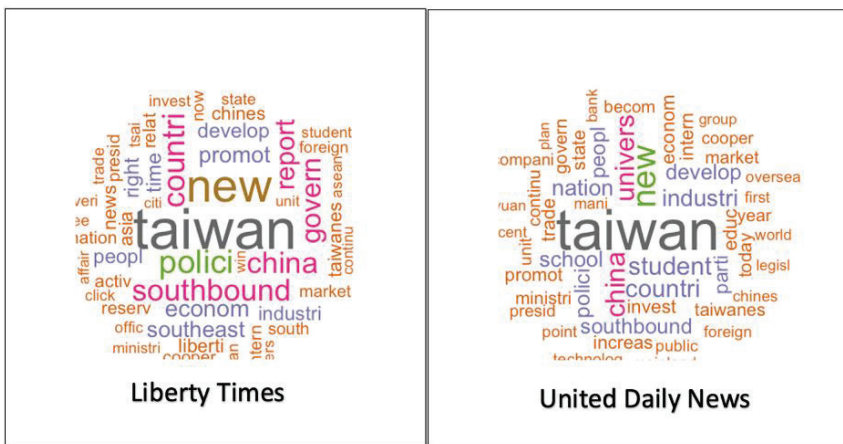
Figure 4. 10 Most Frequent Words on NSP-related News in LTN and UDN (Tsai’s First Term)



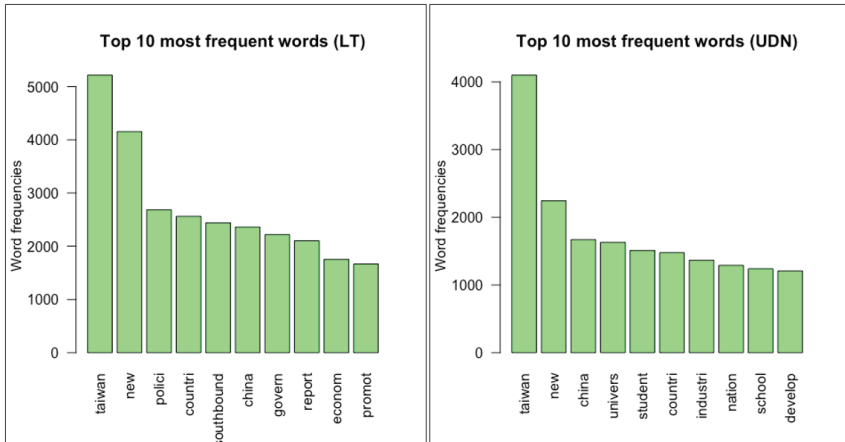
In the second term of Tsai in office, LTN seems focused on reporting the economic cooperation. This was especially true in highlighting trade increases, with statements like, “investment income

from the new southbound countries has now exceeded the data from China, which shows that the new southbound policy is in the right direction and its implementation is effective” (<https://ec.ltn.com.tw/article/breakingnews/4474656>). The words “university”, “student” and “school” frequency in UDN’s coverage indicate that this media focuses to share information related to educational cooperation under the NSP, including perceived negative aspects. The capacity for even this topic to be negatively presented is highlighted in their coverage of a scandal in which NSP university students were accused of working illegally, stating that, “public opinion has also begun to pay attention to the New Southbound Policy and the accompanying issues of students, workers and illegal intermediaries” (<https://opinion.udn.com/opinion/story/12879/3696655>). Furthermore, UDN also covers some other issues like industry and development, stating, “Fortunately, since President Tsai took office in 2016, Taiwan has promoted the New Southbound Policy and worked hard two years in advance.” Regarding relations between Southeast Asia and India, “the results of two years have allowed us to survive the difficulties in the next three years safely. Now Taiwan is healthier and safer, and the New Southbound Policy plays an important role” (<https://udn.com/news/story/6656/7358115>). Figure 5 and 6 show the most frequent words on NSP-related news in LTN and UDN during the second Tsai administration.

Figure 5. Most Frequent Words on NSP-related News in LTN and UDN (Tsai’s Second Term)



**Figure 6. Top 10 Most Frequent Words on NSP-related News in LTN and UDN
 (Tsai's Second Term)**



The results on word frequency analysis on NSP-related news in LTN and NSP show three crucial points. *First*, LTN is relatively more consistent in reporting on the NSP when compared to UDN. There are slight differences between the results on LTN during the first and second term of Tsai Ing-wen in office. There were almost no differences in the most frequently used words in the two groups of documents except for “industry” in the first term, and “economy” in the second term. This results also indicates that LTN emphasizes on Taiwan’s economic relations under the NSP. *Second*, UDN reports on NSP is more dynamic when it seems focuses on Taiwan’s relations with specific NSP partner country in the first term of Tsai in office, then shift to topic of education in the second term. Furthermore, during the first term of Tsai, UDN also focused discussion on topics related with the “president” and “people,” while in the second term, it covered information on “industry” and “development.” *Third*, although the Taiwanese government officially mentions that the NSP does not aim to compete with the Belt and Road Initiatives (BRI), China still seems critical in nearly all the reporting on this policy.

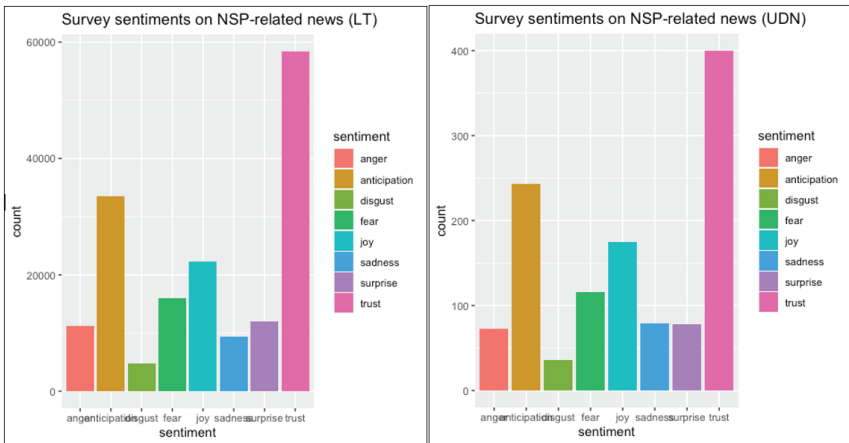
The word “China” always occurs in different positions in the two documents. In LTN’s news, the words “China” occurred as the sixth position both in the first and second term of Tsai in office. While in UDN’s news, this word occurred in the second and third position during the first and second term of Tsai in office, respectively. This position also confirms the

media partisanship aspect where LTN, which is close to DPP and the pan-green coalition, places China on relatively lower attention compared to UDN, which is close to KMT and the pan-blue coalition that placed China among top attention in its report of NSP. This also highlights a critical framing difference between the two sources. While pan-green media appears to advocate for the increasing ties formed under the NSP with Taiwan’s Southern neighbors, pan-blue media point to the costs, especially in terms of fraying ties with the PRC in the midst of a resilient dependence on Chinese markets. For UDN, there is the explicit suggestion that China drives the NSP, while for LTN, it is sometimes left unspoken. While not overtly negative in its expression, NSP proponents focus on the beneficial elements, while opponents focus on the unfulfilled promises and potential costs, particularly the opportunity costs of souring relations with the PRC.

Sentiment Analysis

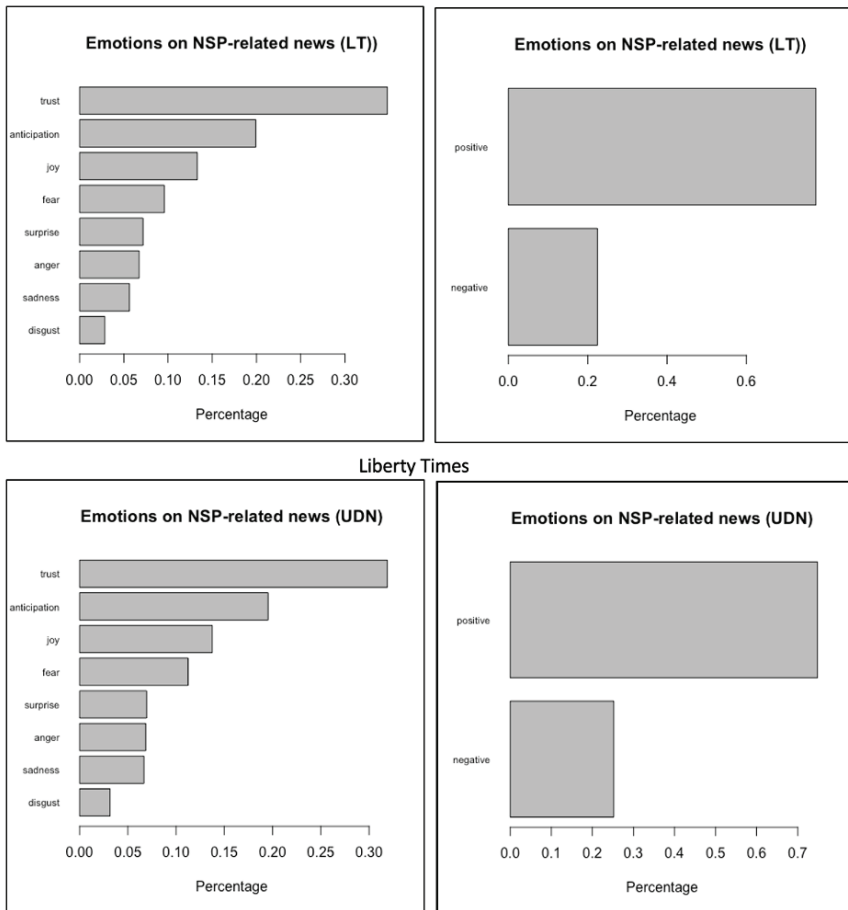
Although LTN and UDN show different focus and attention on specific issues under NSP, they seem share the similar sentiment and emotions in their reports. During the first term of Tsai in office, LTN and UDN share positive sentiment and emotion in their NSP-related news. Figure 7 shows that the sentiment of trust is the highest among other indicators both in

Figure 7. Sentiment Score on NSP-related News in LTN and UDN (Tsai’s First Term)



LTN and UDN. In contrast, the sentiment of fear is the lowest among other indicators. In LTN news, more positive sentiment occurred when sentiment of joy is higher than sentiment of fear, anger, disgust, and sadness. Similar results also occurred in UDN news except for sentiment of sadness and surprise reached the same count. Furthermore, Figure 8 shows that positive emotion has higher percentage than negative emotion in two media reports on NSP.

Figure 8. Emotions in Text on NSP-related News in LTN and UDN (Tsai's First Term)



The similar results also occurred for the NSP-related news during the second term of Tsai. Figure 9 shows that sentiment of trust is the highest, while sentiment of disgust is the lowest among other sentiments both in LTN and UDN. A slight difference is the UDN's sentiment of surprise and sadness, which was equal in the first term, and then the surprise was higher than sadness in the second term. Another, the gap between sentiment of fear and joy in UDN is narrower than in the first term of Tsai. Figure 8 also shows the higher positive emotion than negative emotion in both media.

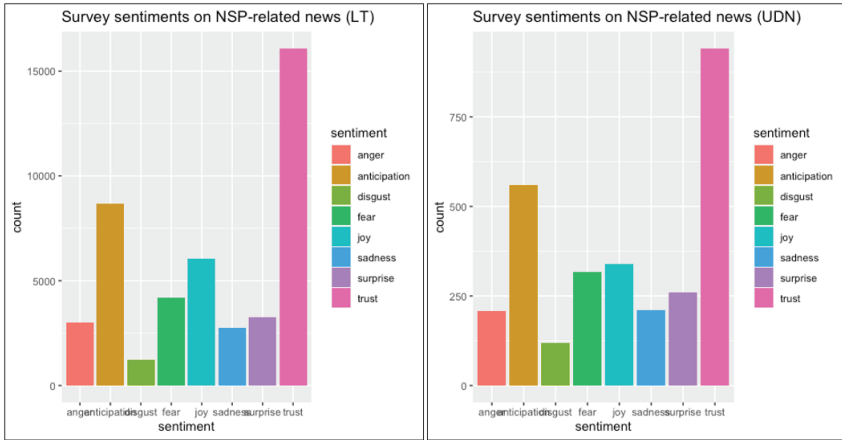
UDN coverage expressed the full spectra of political viewpoints on the New Southbound Policy, from both supported is the incumbent DPP administration and KMT critics. Some expressions also included journalistic additions, but these were often tepid. Negative quotes without rebuttal were frequent in UDN coverage. These included strong examples, such as KMT legislator Tseng Ming-Chung (曾銘宗), who stated: “[Under] the new southbound country policy, the proportion of trade with China has decreased, so although the amount has increased, it is still highly dependent on the mainland. The new southbound policy has spent more than 50 billion but has not been successful... The Tsai administration’s New Southbound Policy can be said to be a complete failure!” The same article also included clear expressions party stances emphasizing the primacy of China, such as, “the Kuomintang is not opposed to the New Southbound Policy, but it should make good use of its relationship with China and become a connecting point between China and ASEAN instead of becoming a “breaking point.” (<https://udn.com/news/story/7331/7538903>). Other direct criticisms of administration policy included reporting KMT New Taipei Mayor and current presidential candidate, Hou Yu-ih (侯友宜) criticizing the failure of the DPP's New Southbound Policy. He stipulated that, “it did not even sign FTAs with major trading countries, and the regional economic and trade CPTPP, RCEP has not taken any action, which makes the people suffer. Agricultural and fishery products cannot be sold, and the tourism industry has been hit hard.” (<https://udn.com/news/story/123307/7571308>). One final example of negative coverage worth note is the direct quotation of criticism from PRC state media, with UDN syndicating that “the ‘People's Daily Overseas Edition’ today published... In the year since the DPP came to power, it has been slapped in the face by reality more than once... Taiwan's economic dependence on the mainland has not declined but has increased. The New Southbound Policy is even more ‘loud but not rainy’. More than half a

year has passed and no substantial progress has been seen yet.” (<https://theme.udn.com/theme/story/10107/2539251>). Such unchallenged quotes clearly demonstrate the potential instrumentalization of selective reporting of speech.

UDN positive coverage was also often in the form of quotations and commentary, such as regarding the insulation from COVID, or promoting its economic aspects, such as reporting Tsai taking credit that “under the government's active promotion of the New Southbound Policy, Taiwan's trade volume and exports to New Southbound countries hit a record high last year.” (<https://udn.com/news/story/6656/7464609>). One distinct expression of the extent of UDN's neutrality was in their repetition of a quote stating that, “The ‘New Southbound Policy’ is not necessary, otherwise ‘the phoenix will fly out, and a bunch of chickens will come in’ a quote from Daniel Han (Han Kuo-yu, 韓國瑜). This was interpreted by UDN as a racist quip directed at high-value migrants fleeing at the prospect of an increasing number of Southeast Asian migrants, with UDN suggesting that political opposition to the NSP on the basis of race was approaching parallels with fascism (<https://opinion.udn.com/opinion/story/6685/4173782>).

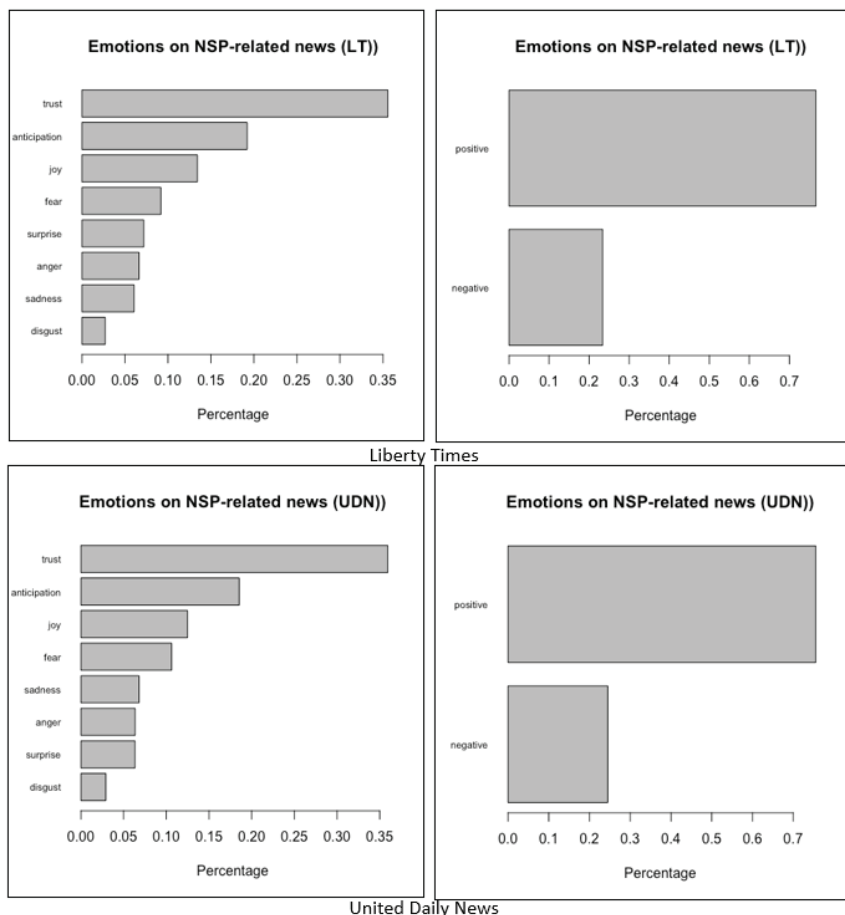
LTN coverage, while expressing many of the same critical statements from the KMT often did so as the prelude a DPP rebuttal of those claims. In rarer circumstances, that criticism was expressed unfiltered, as for former KMT Chair, Eric Chu (朱立倫) commented, “In the past five years, Taiwan's economic and trade dependence on mainland China has only increased. The ‘New Southbound Policy’ is simply deceptive internal propaganda.” (<https://news.ltn.com.tw/news/politics/breakingnews/3451816>). Often though, LTN coverage direct responded to criticism, as for the example New Taipei Mayor Hou Yu-ih's lambasting of the policy, followed by LTN providing a detailed outline of its achievements, “the New Southbound Policy has driven significant growth in bilateral trade... Encouraged by policies, Taiwan's investment in new southbound countries has increased significantly to jointly build a more resilient supply chain... The new southbound countries have become the first choice for investment by Taiwanese businessmen in their international layout... the New Southbound policy emphasizes talent cultivation and attracts outstanding students to study in Taiwan through cultivation and cooperation.” (<https://talk.ltn.com.tw/article/breakingnews/4487065>).

Figure 9. Sentiment Score on NSP-related News in LTN and UDN (Tsai’s Second Term)



The results of sentiment analysis indicate three insights. *First*, sentiment and emotion in LTN’s news on NSP is relatively constant. The text had no significant change in sentiment score and emotion between the Tsai administration's first and second terms. This situation shows that LTN is consistent and stable in reporting NSP both in sentiment and topics of the news. *Second*, no significant change on sentiment and emotion in UDN news of NSP. There is only slightly change on wider gap between sadness and surprise, and narrower gap between sentiment of fear and joy, both in the second term of Tsai. Meanwhile, in emotion, there is no difference in results between the sentiment and emotion of news during the first and second terms of Tsai. *Third*, the similar results in higher positive sentiment and emotion in LTN and UDN may show no significant attitude differences in their overall reporting NSP’s news. This situation may indicate that although they have different political orientations and affiliations, they have a similar position in reporting NSP, or the differences are more cryptic than overt.

Figure 10. Emotions in Text on NSP-related News in LTN and UDN (Tsai's Second Term)



6. NSP-related News at Home, Public Opinion and Media Partisanship

In Putnam's two-level games model, public opinion is one of the elements at the domestic level games (Putnam, 1988), and scholars acknowledge the critical roles of media in developing public opinion. Studying the text and sentiment in NSP-related news in Taiwanese media brings two main discussions on the relations between the public opinion, media and foreign policy. *First*, the positive sentiment on the NSP-related news in LTN and

UDN might help to shape a public's positive perception to the policy. It may be correlated with the results of the polling that MOFA reported in 2017 that show high public support for the NSP—no doubt for the LTN since it is close to the ruling party, DPP, which advocates the policy. Furthermore, the consistency of LTN to report positive image of the policy with abundant related news during first period of Tsai Ing-wen probably became the significant factor in developing public's positive perception on the NSP. NSP is the “flagship” policy of Tsai Ing-wen and DPP, particularly in her first term in office. Beside being mentioned this policy in her presidential inauguration in 2016, she also often explains and emphasizes this policy in many forums including in the interview with media. Although there are fewer NSP-news in UDN compared to LTN, this media also shows a positive sentiment toward this policy. However, this situation does not mean that UDN is less critical on the policy. Nevertheless, it confirms Robinson's (2017) and Risse-Kappen's (1991) views on the relations between media and foreign policy. In the context of LTN, it is clear that this media helps shape public opinion to support foreign policy (NSP). When LTN and UDN report NSP in a positive sentiment, they may also play critical roles in activating public interest on foreign policy. Although NSP is the flagship foreign policy under Tsai administration, it is not Taiwan's ultimate international relations issue — the cross-strait relations. However, at least the media can share information about NSP, particularly for LTN, as it helps the government shape public opinion on the policy.

Second, the partisanship and media fragmentation did not appear to occur in NSP-related news. Both LTN and UDN share relatively similar positive sentiments on their news about this policy. Interestingly, this situation is in contrast with their different political affiliations. It is assumed that LTN should hold stronger positive sentiment towards the NSP, while UDN more critical, with stronger negative sentiment. However, the sentiment analysis results in higher positive sentiment in both media sources, indicating little difference in sentiment between them on this policy. This situation partially confirms Baum and Potter's (2019) arguments on the fragmented media that constrain the public to break asymmetric information while muting critics to the leaders and resulting in sudden unstable public opinion. In the case of Taiwan's NSP, the “flooding” information on NSP from LTN may represent asymmetric information when the public receives much information. On the other hand, UDN still provides critical information

on NSP. Moreover, partisanship in the media does not lead to mass protests to reject the NSP.

Moreover, another topic that consistently appears in both media is China. Although LTN and UDN place the China factor differently, they recognize them as critical. China is one of the most frequently used words of NSP news in LTN and UDN. This situation indicates that China remains a critical factor even in Taiwan's NSP, which is not directly connected to China. The Taiwanese government claims that NSP has nothing to do with BRI; on the other hand, NSP is compared to BRI in terms of its focus on people-to-people relations rather than infrastructure.

This highlights the essential differences in the coverage, in that rather than explicit differences being expressed, different word usage and selective coverage implied different meanings to different audiences. Different focus areas, too, whether education, labor, industry, trade, or even the contentious relationship with the PRC, mean that different consequences can be exposed, and cognitively reinforce positive or negative aspects to different audiences. The same quote expressed in different contexts and explanations was another frequent tool to disguise explicit bias. Uncritically covering one politician's comments versus reprinting those comments with another politician's rebuttal or even an editorial challenge, can mean that similar coverage can be absorbed very differently. Thus, while editorial differences existed, they were often opaque and less pronounced than could be expected from party affiliated media in such a polarized sovereignty.

Finally, the case of NSP-related news in Taiwanese media provides insights into how media play a critical role in shaping public opinion for foreign policy and diplomacy. Media can help the government to generate public support for foreign policy. On the other hand, the media can activate the public's attention on foreign policy that is usually latent. Moreover, the media can be an independent actor mediating between the government and the public in discussing foreign policy. In this regard, the Taiwan case shows three critical points. First, domestic publics are no less important than foreign public in public diplomacy since they support foreign policy. Second, the media is critical in activating public attention on foreign policy while shaping public opinion. Third, media fragmentation or partisanship may negatively impact public opinion development to support foreign policy; however, it also depends on the foreign policy issue.

7. Conclusion

The public is the main element of public diplomacy; it can be both target and actor. Public, both foreign and domestic, play a critical role in public diplomacy; however, most studies on public diplomacy focus more on the former than the latter. In a democratic country, the government and elites consider domestic public support for a foreign policy they propose or conduct. Therefore, they have to convince their public at home to gain support. However, since the domestic public is usually unaware of foreign policy issues, particularly non-top priority issues, the government needs the media's help to shape public opinion. The relations between diplomacy or foreign policy and media are primarily discussed in terms of the roles of media in spreading information abroad. In comparison, the media is also often discussed in the context of shaping public opinion for domestic policy. However, the media also plays a critical role in activating domestic public attention on foreign policy issues while shaping public opinion to support foreign policy and diplomacy.

This study discusses the critical roles of media in Taiwan in reporting foreign policy — New Southbound Policy. In a democratic country, the media can provide information about foreign policy and what the government wants and encourage public criticism of it. However, in the case of NSP, that idea is relatively muted when two media sources with opposite political standpoints report the policy with similar positive sentiments and emotions. Whatever this situation, LTN and UDN play a critical role in informing the Taiwanese public of foreign policy.

This study shows a potential research agenda in exploring NSP domestically in Taiwan, especially on the roles of the media. However, this study has limitations since the data is translated into English from the original language, Mandarin Chinese. The translation may not be perfectly captured and may not precisely represent the actual emotion or idea that the NSP-related news is conveying, such as in the use of metaphors. Further study shows that analyzing the original Chinese version of news and more partner countries will provide a more comprehensive picture of the roles of media in socializing foreign policy at home. Another limitation is that this study could not explain perfectly the correlation between the media coverage on the NSP, the high support, and the lack of major protest to the policy. Therefore, further empirical surveys with statistical analysis could provide more convincing explanations regarding that relationship.

Notes

1. SCImago assesses and compares the digital evolution, position, and leadership of news organizations based on their web reputation. For details information visit <https://www.scimagomedia.com/rankings.php?country=Taiwan>.
2. Among top 10 in the TV, Radio, and Print are TVBS News, Eastern Broadcasting News, Sanlih E-Television News, Formosa TV News, China TV News (CTV), Liberty Times, Taiwan Television News, United Daily News, Chinese Television System (CTS) News, and ERA News (from rank 1 to 10).
3. For text mining, this study run tm (text mining), SnowballC, wordcloud and RColorBrewer package in R Studio. The word frequency calculates the most frequent word occurred in the text, while the word association measures the correlation among specific words to give insight for their relations in a specific context.
4. For sentiment analysis, this study ran syuzet with nrc sentiment function and ggplot2 package in R Studio.

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Taiwan's New Southbound Policy and Disaster Preparedness Cooperation: The Cross-Sectoral Partnership in Practice

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Abstract

Natural disasters are common challenges faced by Asian countries and seriously threaten people's lives and social stability. Therefore, more adequate regional cooperation is needed to jointly respond. As Taiwan has actively promoted the people-centered New Southbound Policy (NSP) since 2016, various initiatives and plans to strengthen social resilience and common interests have been implemented one after another. Among them, the NSP cooperation with specific focus on disaster prevention and HADR is of specific importance. The initiative is a positive and pragmatic move to promote partnership between Taiwan and its neighboring countries. This article delineates the common challenges and threats facing the Asian region - natural disasters. It - with the analysis of how the NSP serves as a facilitator for Taiwan's cooperation with partner countries in disaster prevention thereby fostering forge resilient partnerships. In fact, academic research on this critical topic remains relatively scarce. Since the NSP's cooperation on disaster preparedness encompasses the cross-sectoral partnership, mirroring the essence of the identical to the P-P-P-P modality. This aspect merits thorough investigation and deeper exploration, it is indeed worthy of in-depth investigation. Hence, this article is structured into four parts. The first part works as the introduction, the second part delves into introduces the rationale behind the NSP, focusing on that is, the P-P-P-P cross-sectoral partnership., while the third part addresses how the

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NSP facilitates disaster prevention cooperation and what are outlines its defining characteristics? Finally, the article concludes by offering insights and prospects for the NSP.

Keywords: *New Southbound Policy, disaster preparedness, Taiwan, Philippines, Vietnam, disaster resilience.*

1. Introduction

It has been over seven years since Taiwan's President Tsai Ing-wen launched the New Southbound Policy (NSP) in 2016.¹ The NSP now stands as Taiwan's key regional strategy for Asia² (Office of President, 2017). The NSP's achievements thus far are promising, with President Tsai emphasizing in 2022 that it lies "at the center of Taiwan's own Indo-Pacific strategy" (Office of President, 2022). In the last seven years, the NSP has significantly bridged the gap between Taiwan and its Asian partner countries. Despite political constraints imposed by Beijing's One China Policy, Taiwan's pragmatic approach through the NSP has effectively strengthened cooperation with its neighbors (Marston and Bush, 2018). By fostering e people-to-people exchanges and collaboration, Taiwan has accumulated robust and multifaceted partnerships over the past years. These partnerships span various domains such as economy and trade, industrial link, education and talent cultivation, medical care and public health, and social connectivity, cultivating into a network of channels for cooperation.

Taiwan's NSP places a strong emphasize on fostering reliant partnerships through a people-centric approach. Unlike other regional powers with formal diplomatic ties with the Association of Southeast Asian Nations (ASEAN) countries that allow them to participate in the ASEAN-related meetings, Taiwan seeks to bolster its influence through informal diplomacy and people- to-people connection. However, Taiwan's NSP is still somewhat similar to the regional approaches of other middle powers in the Indo-Pacific region such as South Korea's New Southern Policy (the NSP-K)³ and the Southeast Asian Policy of Japan (Yang and Hsiao, 2023). Similarly, within the framework of the NSP, Taiwan strategically employs soft power and further amplifies the projection of its warm power⁴ (Hsiao and Yang, 2022). In particular, through the sharing of its best practices on development issues and resources, Taiwan has concretely been strengthening the socio-economic

resilience of the regional community. The NSP's prioritization of people-centered development aligns closely with the well-being of individuals and societal resilience within the region. As a result, the NSP adeptly meets the specific demands of partner countries and localities, serving as a cornerstone in highlighting Taiwan's impactful presence and contributions to the region through pragmatic partnerships.

The NSP gained momentum since 2017, particularly with the focus on the five flagship programs under the Executive Yuan (EY) driving the public sector initiatives. However, the government's commitment extends beyond these five flagship programs administered by five key ministries. The whole-of-government approach involving over 13 ministerial agencies has transformed the NSP into more than a foreign policy framework; it has evolved into a comprehensive development strategy, firmly embedding Taiwan within the regional community (Hsiao and Yang, 2022: 22).

While the NSP primarily prioritizes economic engagement in response to regional development demands, this article diverges from the common narrative by shedding light on significant aspects beyond economic and investment factors. It aims to explore overlooked issues in media and literature, emphasizing the shared interests between Taiwan and partner countries. Additionally, it delves into how the NSP employs pragmatic approaches to achieve these mutual objectives. This article contends that the NSP fortifies common interests and nurtures cooperation through what can be termed as P-P-P-P configuration. (Yang, 2022a).

Undeniably, one of the most paramount challenges in Asia involves the persistent threats posed by both natural and manmade disasters. In view of this, this article delineates the common challenges and threats facing the Asian region - natural disasters. It analyses how the NSP serves as a facilitator for Taiwan's cooperation with partner countries in disaster prevention thereby fostering resilient partnerships. Notably, academic research on this critical topic remains relatively scarce (Yang and Wu, 2020). The NSP's cooperation on disaster preparedness encompasses cross-sectoral partnership, mirroring the essence of the P-P-P-P modality. This aspect merits thorough investigation and deeper exploration.

The article is structured into four parts. The first part serves as the introduction, the second part delves into the rationale behind the NSP, focusing on the P-P-P-P cross-sectoral partnership. The third part addresses how the NSP facilitates disaster prevention cooperation and outlines its

defining characteristics based on the author's participatory observation and in-depth interviews. Finally, the article concludes by offering insights and prospects for the NSP.

2. Practicing the NSP through the P-P-P-P Cross-Sectoral Partnership

The NSP operates within a cross-sectoral configuration, incorporating the public sector (government), the private sector (enterprises and business), and the people's sector (NGO, civil society or local communities), each operating independently yet collaborating synergistically. This approach bears resemblance to South Korea's NSP-K, another Northeast Asian middle power, which similarly underscores the significance of the public-private partnership, (P-P-P cooperation) (Yun and Galas, 2023; Yang and Hsiao, 2023: 350). Nevertheless, Taiwan's P-P-P-P configuration takes an additional stride by emphasizing the pivotal role of NGOs and civil society as crucial drivers. The article utilizes the P-P-P-P configuration as an analytical framework to examine the NSP's disaster preparedness cooperation. Its goal is to highlight the whole-government approach of policy implementation, backed by cross-sectoral support from Taiwanese society for the NSP. This framework aligns with prevailing academic discussions and literature exploring Taiwan's presence and influence in the Indo-Pacific region (Yang, 2018; Scott, 2019; Hashmi, 2023; Yang and Matsumura, 2023; Yang, 2023b). Hence, the following analysis unpacks the NSP and disaster preparedness cooperation through the perspective of the cross-sectoral configuration.

A. The Public Sector: Government-led Efforts in Disaster Preparedness Cooperation

Taiwan's public sector has taken a lead in implementing the NSP. For instance, the Executive Yuan (EY) has launched five flagship programs since 2017 led by five ministries and coordinated by the Office of Trade Negotiation (OTN) under the Minister without portfolio, John Deng, to facilitate administrative resources in implementing the NSP, including the economic, trade and industrial links shouldered by the Ministry of Economic Affairs (MOEA), the international education cooperation and talent cultivation executed by the Ministry of Education (MOE). The Ministry of Health and Welfare (MOHW) has also launched the One Country One Center

(OCOC) program to facilitate international cooperation on medical care and public health, while the Ministry of Agriculture (MOA) advances regional agriculture projects, including setting up of the demo farms in Indonesia, the Philippines, and Vietnam. The fifth flagship program on social connectivity has been facilitated by the OTN and the Ministry of Foreign Affairs (MOFA), among other governmental agencies from the civil society part, Taiwan-Asia Exchange Foundation (TAEF) is a partner in this endeavor. These flagship programs aim to ensure the practice of resources-sharing and institutional partnership between Taiwan and the NSP partners. In additions, other ministries and agencies of the EY, though, are not directly executing these five flagship programs, they still play a crucial role in implementing the NSP within their own portfolios, such as Hakka Affairs Council (HAC) actively promotes the NSP in connecting Taiwan's Hakka villages/communities with the overseas counterparts in the region; the Ministry of Culture (MOC) promoting NSP to enhance cooperation and exchanges among cultural and art communities, including film festivals, art exhibitions, museums, and artist exchanges, National Science and Technology Council establishing overseas NSP R&D centers in the fields of natural sciences, social science and humanities based on shared interests. Moreover, Taiwan's Ministry of the Interior (MOI) plays a multifaceted role, encompassing diverse portfolios and policy domains, while emphasizing people-centered policy initiatives. For instance, the National Immigration Agency (NIA) diligently attends to the welfare of Southeast Asian immigrants in Taiwan. Simultaneously, the MOI's Construction and Planning Agency (CPA) actively promotes Taiwan's top-tier construction projects within the region. Additionally, the National Fire Agency (NFA) is particularly dedicated to fostering disaster prevention collaboration between Taiwan and its NSP partner countries.

All three agencies have demonstrated commendable achievements through tangible people-to-people exchanges and capacity-building initiatives. These efforts empower Taiwan and its NSP partners to strengthen mutual understanding and cooperation on shared interests. Domestically, for example, the NIA actively supports the Southeast Asian immigrants in local communities; externally, NFA and CPA have strategically contributed to the NSP by enhancing governance and the service quality within NSP partner governments. They achieve this by elevating officials' and elites' professional knowledge on good governance and fostering an appreciation for Taiwan's practices. For example, in terms of exchanges and cooperation

in fire prevention and disaster preparedness, Vietnam and the Philippines are Taiwan's key partner countries, particularly focusing on research and capacity-building programs among officials and experts. By providing Taiwanese expertise, equipment and facilities, Taiwan is sharing its resources (sharing warmth) with partners in need, ensuring that partners in need receive essential support.

Specific instances of NSP engagement in fire prevention and disaster preparedness encompass various forms of collaboration. These engagements can be classified into at least three types. The first involves mutual visits and small-scale bilateral exchange programs tailored for fire protection and police personnel. For example, Taiwan's NFA, in partnership with the Taiwan Fire Protection Safety Center (CFPSC) Foundation, organized a training program for fire and police personnel and experts from the Ministry of Public Security of Vietnam. The program focused on capacity building endeavors encompassing fire prevention measures, operational proficiency with advanced fire safety equipment, and a comprehensive understanding of fire protection and disaster prevention regulations, etc.

The second form of engagement involves the organization of NSP regional programs with participants across the NSP countries. In addition to bilateral cooperation and exchange projects, Taiwan's NFA has actively conducted specific professional training programs for fire protection personnel and experts from different NSP countries in the past few years. These programs specifically address the common challenges associated with lifesaving in dynamic waters, an increasingly prominent global focus. Taiwan has taken a pioneering role in organizing these programs with high-tech focus to significantly enhance knowledge and operational skills in water rescue.

For instance, Taiwan's NFA organized a rapids lifesaving training instructor class (the NSP class) in 2019 to assist fire protection personnel from Singapore, Malaysia, Thailand and other ASEAN countries. This NSP class not only demonstrated Taiwan's experience in disaster relief and training in rapids but also deepened the humanitarian assistance and disaster relief (HA/DR) cooperation between Taiwan and the NSP partner countries. This collaborative effort aimed to contribute to the development of regional disaster relief coordination mechanisms. A notable aspect was the widespread use of Taiwan-manufactured water and fire protection equipment during the training sessions. This approach familiarized trainees from NSP partner countries with Taiwan-made rapid and fire protection equipment,

potentially facilitating the export of related products to these countries.

Finally, another significant initiative involves the implementation of mid-term to long-term training programs for disaster prevention personnel and officials at Taiwan's Zhushan Base, which has garnered significant interest among NSP partners. Taiwan's NFA, in particular, has been actively engaged in comprehensive capacity-building programs in recent years. Prior to the implementation of the NSP, the NFA conducted workshops and training classes spanning from 2010-18. Notably, these sessions provided basic fire rescue training to over 300 Filipino Chinese youths. Then, the NFA extended its regional outreach by focusing on engagement within ethnic Chinese communities. Nevertheless, the NFA's capacity-building programs have significantly evolved, now encompassing an extensive range of participants beyond the ethnic Chinese communities. This expansion warmly embraces a broader spectrum of stakeholders and officials from the mainstream society, encompassing junior/mid-career fire and disaster prevention and fire executive officials as well as senior-level decision-makers from the Philippines and other NSP partner countries. In response to the escalating compound hazards globally, particularly in the Indo-Pacific region, the NSP's Disaster Prevention capacity-building programs have been meticulously tailored to address regional needs. These programs cover a diverse array of themes and topics, ranging from acquiring new skills to implementing coordinated measures against compound hazards, petrochemical disaster rescue,⁵ fire rescue, urban rescue, and emergency medical response. These comprehensive programs span over 40 hours of intensive training sessions and engagement activities. Moreover, Taiwan's NSP disaster prevention collaboration extends beyond the Philippines to neighboring ASEAN countries such as Vietnam, and hopefully to other ASEAN countries, fostering cooperation among nations with shared interests and mutual concerns in the realm of disaster prevention.

The effectiveness of Taiwan's NSP disaster prevention capacity-building programs with their distinct attributed stems from Taiwan's exceptional programs, notably its specialized training base in Zhushan (public sector), high-quality equipment (manufactured by the private sector) and a pool of seasoned instructors and experts drawn from both public and people sectors. In particular, the Zhushan base located in central Taiwan, stands as the NFA's primary fire disaster prevention training facility.⁶ Its remarkable scale ranks it as the third largest globally and the largest in Asia. The founding

director of NFA Zhushan base, Mr. Huan-chang Hsiao, currently serving as the Director-General of the NFA has been keen to strategize the role and capacity of Zhushan base in advancing regional disaster preparedness and fire prevention cooperation in line with the NSP.

This Zhushan base under the leadership of Director-general Hsiao has emerged as a pivotal cornerstone for Taiwan's NSP disaster prevention cooperation. Leveraging its significant edge in disaster prevention and fire protection facilities, Taiwan, in its commitment to cooperating with NSP partners, signed the "Taiwan-Philippines Disaster Prevention Cooperation Memorandum of Understanding" in 2021, aiming to fortify bilateral ties in disaster prevention efforts. In 2022, the Philippine Fire Administration led a delegation of more than 30 personnel to the Zhushan base for receiving training programs, including important topics such as fire rescue, rope rescue, car accidents, heavy rescue and rapid rescue teams. Subsequently, in 2023, the Philippines is expected to recommend officials to attend two more disaster prevention capacity-building programs, including metro and subway rescue, visiting disaster facilities at the Taoyuan Aerotropolis, and taking part in disaster drills on Taiwan's National Disaster Prevention Day. These exchanges facilitate the participation of senior and mid-level officials from various provinces in the Philippines, signifying the expansion of Taiwan's beneficial programs across different localities within the Philippines. As these trained individuals return home and apply their acquired knowledge and skills in daily operations, the local fire administration in the Philippines will enhance its capacity to deliver quality services, directly benefiting a larger segment of the Filipino populace.

Building upon the successful training programs, the Zhushan base is poised not only to function as an NSP training center for disaster prevention, but also intends to establish itself as a pivotal hub for capacity-building initiatives across the Indo-Pacific region. This aligns with Taiwan's collaborative approach with its Indo-Pacific partners in advancing disaster prevention cooperation, particularly emphasizing the involvement of third-party entities in the NSP cooperation, which stands as a new focal point.

In response to the partnership between Taiwan and the United States, Taiwan's NFA and MOFA jointly organized an international training camp in 2017 under the Taiwan-US "Global Cooperation and Training Framework (GCTF)".

First, in response to the cooperation between Taiwan and the United States, Taiwan's NFA and MOFA jointly organized an international training camp under the Taiwan-led "Global Cooperation and Training Framework (GCTF)" in 2017. This initiative welcomed mid-career and senior officials responsible for handling humanitarian aid and disaster response from 14 Asia-Pacific countries, notably Taiwan's NSP partner nations like Indonesia and the Philippines, both highly susceptible to natural disasters. Officials responsible for disaster prevention, fire protection, and other relevant departments from these 14 countries, including the Philippines, converged in Taiwan to partake in the comprehensive training workshops. Beyond the Taiwan-US GCTF collaboration on HA/DR issues, the Taiwan-Japan cooperation in disaster prevention holds strategic significance. The signing of the "Memorandum of Strengthening Disaster Prevention and Protection Business Exchange and Cooperation" in 2015 between Taiwan and Japan underscores the commitment to mutual partnership in disaster prevention and fire protection. This pact involves sharing experiences, offering mutual support, and facilitating information exchange, contributing significantly to NSP-related disaster prevention cooperation. In 2022, during the disaster prevention capacity-building programs at the Zhushan base between Taiwan and the Philippines, Taiwan's NFA extended invitations to esteemed instructors from the Tokyo Fire Department in Japan. These instructors shared invaluable experiences, fostering not only Taiwan-Japan disaster prevention cooperation but also facilitating substantial exchanges between firefighting agencies from all three countries. Anticipations are high for the involvement of Japanese instructors in the upcoming 2023 programs, aiming to further enhance these collaborative efforts.

Taiwan's robust disaster prevention system and the distinctive performance of its port fire brigades have garnered recognition from its neighboring countries. The effective operations of the port fire brigades in Keelung, Taichung, Hualien, and Kaohsiung ports are also acknowledged as models for future-proof. These achievements emphasize the importance of further strengthening key areas within the new southbound cooperation. Recently, Taiwan and the Philippines entered into a "Memorandum of Understanding on Port Affairs Cooperation" to jointly work on port development and management, enhance port security, implement disaster prevention, and ensure port environmental maintenance.

B. The Private Sector Creates Business Opportunities

In the aforementioned training programs, participants were introduced to state-of-the-art disaster prevention equipment manufactured in Taiwan, providing them with hands-on experience in their utilization. This interactive approach enabled instructors to directly showcase top-tier Taiwanese products to visiting officials and instructors. It also facilitated discussions about potential follow-up procurement plans. Such moves have the potential to pave the way for substantial business opportunities for the private sector and enterprises.

It is worth noting that industries related to fire protection, disaster prevention, and security in a broad sense are also actively cooperating with the NSP stakeholders by jointly organizing annual exhibitions. These exhibitions, frequented by numerous international buyers beyond the NSP stakeholders, serve as platforms to showcase Taiwan's high-quality products and equipment. For example, the Taipei International Security Technology Application Expo (Secutech series) is an important annual event for promoting Taiwan made commodities and equipment of disaster prevention. This exhibition also hosts the Asia-Pacific Smart Transportation Exhibition, Taipei International Fire and Disaster Prevention Application Exhibition, Asia-Pacific Information Security Forum and Exhibition, SMABIoT Taipei International Smart IoT Building Application and Electromechanical Air Conditioning Exhibition, and the Asia-Pacific Disaster Prevention Summit Forum with policy implications, etc. With the support and participation of enterprises, the private sector work together to advocate Taiwan's high-quality products (hardware) and experience (software or practical know-how) to the international community. These exhibitions serve as a catalyst, fortifying Taiwan's best practice in smart disaster prevention, integrating safety technology across borders with artificial intelligence (AI), Internet of Things (IoT)/information and communication, automation, sensing, electromechanical and fire protection system technologies, and implementing them in transportation, construction, disaster prevention, factories, etc. industry field. Private sector stakeholders leverage these platforms to champion Taiwan's model of "safety technology, smart application" and display the cutting-edge technology and multifaceted solutions to the global audience. In addition to the exhibition, it is particularly worth mentioning that paralleled with the Secutech exhibitions, the disaster prevention summit and forum jointly organized by non-governmental organizations (NGOs)

and think tanks also raised the public awareness on disaster prevention and strategized preparedness actions to policy-level dialogue.

It is important to pinpoint that the highlight of Taiwan's private sector strength in the NSP disaster prevention cooperation in the past few years has been its smart/innovative equipment and facilities for disaster prevention and the application of cutting-edge technology to promote preparations, which are regarded as areas where Taiwan's enterprises and companies of disaster prevention have comparative advantages. For example, in 2022, the Taiwan Fire Protection Development and Exchange Association was established by the Ambassador-at-large for Digital NSP, Dr. Lin Jia-long. During his tenure as Taichung City mayor, he successfully coordinated a number of enterprises located in Taichung and nearby localities, contributing to producing smart disaster prevention equipment. At the inauguration of the association, it also launched the "Indo-Pacific City and Local Resilience Cooperation Alliance Declaration." On one hand, it showcased Taiwan's interconnected smart machinery industry through the alliance; simultaneously, it highlighted the synergy between private sector and people sector in advancing the NSP in disaster prevention cooperation.

Moreover, it is imperative to draw comparison between Taiwan's approach with Japan's regarding the private sector's efforts. Both Taiwan and Japan serve as significant examples, actively developing civil and industrial partnerships to enhance disaster preparedness. Japan has been at the forefront of integrating the disaster prevention industry within local communities, exemplified in regions like Kochi Prefecture (Kochi 2022). This integration has played a pivotal role in bolstering social resilience and disaster prevention readiness, aligning the disaster prevention industries with local economic revitalization efforts. However, Taiwan's local communities differ from those in Japan in a significant way. One notable distinction lies in the fact that while most of Taiwan's disaster prevention industries consist of small and medium-sized enterprises, they do not operate in a community-based manner akin to Japan's model. Regarding Taiwan's practice, the enterprises produce quality products for disaster prevention, particularly in manufacturing smart disaster prevention equipment. In Taiwan's approach, there is a concerted effort, bolstered by government support, to empower local communities in establishing self-reliant disaster preparedness measures, particularly in response to challenges like floods. In essence, while Japan focuses on local economic revitalization as part of its disaster resilience

strategy, Taiwan's approach centers on reinforcing resilience through mobilization and cultivating self-resilient disaster prevention experiences.

C. The People's Sector as the Interface and Supportive Network

While disaster prevention stands as a critical national policy, essential for fostering good governance and ensuring national security, both Taiwan and its neighboring ASEAN neighbors continually grapple with the persistent threat of natural disasters. Relying solely on government-led disaster prevention measures may prove unrealistic. Nevertheless, the contribution and efforts made by civil society (or the people sector) to disaster prevention should not be overlooked. Hence, it becomes imperative to emphasize the significance of mutual learning, forging partnerships across various stakeholders, and even advancing joint regional initiatives at the grassroots level through the NSP, thereby leveraging social connectivity.

Civilian efforts in disaster preparedness exhibit three distinct features: foremost among these is the enduring practice of local disaster prevention momentum and the mobilization of self-reliant social networks for disaster preparedness- an integral aspect of Taiwan's best practice domestically which has been highly recognized as the exemplar of the bottom-up approach for disaster preparedness build-up at local level. Taiwan's Local communities boast extensive experience in establishing community-based self-reliant taskforces dedicated to disaster prevention against floods. Presently, there are over 540 disaster prevention communities in Taiwan. Their operational code and practices have garnered recognition from neighboring countries, especially those countries lacking widespread access to high-tech equipment and disaster prevention capabilities, such as Indonesia, Myanmar, and Thailand. Community leaders and experts from the abovementioned countries have also actively exchanged with and learned from Taiwan's model community-based taskforces through various non-governmental channels.

Second, NGOs serve as the interface for the NSP disaster prevention cooperation. These stakeholders actively publicize the roles and success stories of Taiwanese communities and local actors in the ongoing process of enhancing disaster prevention capacity and resilience. Encouraging progress has been witnessed at the grassroots level in recent years. In particular, the Taiwan Asia Exchange Foundation (TAEF) has embraced regional resilience, centered on disaster prevention, as its fifth core action plan within the

NSP. The strategic addition complements its existing focuses on the young leaders' engagement, policy communities and think tank collaboration, social connectivity as well as art and cultural exchanges. The disaster prevention exchanged and cooperation project by TAEF commenced during the Asia Dialogue in November 2018, which was jointly organized by TAEF, Pan-Asia Risk and Insurance Management Association (PARIMA), and Taipei Medical University (TMU), and Yilan Meizhou Community taskforce for disaster preparedness. The dialogue was instrumental in devising a practical roadmap for building comprehensive and resilient organizations and infrastructures through government and local communities, while sharing the experience on preventing both natural and man-made disasters with regional stakeholders. At the same time, TAEF also hosted a delegating including disaster prevention personnel from Indonesia, Myanmar and Japan to Meizhou community in Yilan to interact with local disaster prevention teams as well as to promote dialogue and cooperation among stakeholders. Furthermore, in November 2022, TAEF executed a bilateral exchange program with the Australian Institute of International Affairs. As part of this program, TAEF led a delegation from the AIIA, which included disaster prevention experts, on a visit to Yilan's Meizhou community for an interaction with the core members of the disaster prevention team. The AIIA delegation was deeply impressed by the Meizhou taskforce for disaster preparedness, recognizing its effective measures in preparing and significantly reducing the neighborhood losses during natural disasters. Particularly noteworthy was the taskforce's streamlined approach, employing actions with the least technological threshold, a significant consideration in Taiwan's aging society. Following their visit, upon their return to Australia, the delegation shared the remarkable experience with relevant government agencies. In addition, in May 2023, TAEF organized an international Forum on "Comparing Democratic Governance between Taiwan and India: Issues and Prospects" in partnership with the department of defense and strategic studies of Pune University and Flame University in Pune, India. Taiwan's best practices in community-based disaster resilience and environmental governance became the focus for the Indian participants.

As a NSP think tank, TAEF does not only serve as an interface that bridges the regional connectivity of disaster prevention through grassroot channels, but also actively engages in policy dialogues and summits featured with disaster prevention and resilience. This underscores both the importance

the cross-sectoral partnership and TAEF's proactive role in spearheading international networking for the NSP disaster prevention cooperation. More importantly, TAEF launched the Asian Resilience Consortium (ARC), inviting medical university (such as Taipei Medical University), private sector (such as the Taiwan Disaster Prevention Industry Association), and the exhibition company (such as the Messe Frankfurt) to jointly promote disaster prevention and resilience such as organizing Secutech exhibitions series.

For example, at the Secutech exhibition in 2019, alongside showcasing an array of top-notch firefighting and disaster prevention equipment and facilities- representing Taiwan's hardware-TAEF ensured the inclusion of best practice from local disaster preparedness communities, symbolizing Taiwan's soft and warm power in line with the NSP. Serving as a co-organizer, TAEF extended a special invitation to Yilan's Meizhou Community, renowned a model community of disaster preparedness in Taiwan, to participate in the exhibition and share their successful stories to the international audience (Yang and Wu, 2020).

In addition, TAEF collaborated with the ARC members to jointly organize the 2019 Asia Pacific Smart Disaster Prevention Summit as a practice of cross-sectoral partnership. The summit welcomed senior officials and representatives from Taiwan's Office of Disaster Management at the Executive Yuan, and the Office of Civil Defense (OCD) of the Philippines, disaster prevention officials from the Philippines, Vietnam Institute of Geosciences and Mineral Resources (VIGMR), and representatives from the Asian Disaster Preparedness Center (ADPC), Myanmar, were also in attendance, fostering direct exchanges of viewpoints and experiences. The discussions revolved around critical topics and future challenges faced by Asian countries in disaster management, including but not limited to cross-border cooperation for large-scale disaster management in Asia and the role of public-private partnerships in disaster management, accompanied by shared experiences.

Since then, Secutech has evolved into an annual event for Taiwan, serving as a platform to promote cross-sectoral partnerships for NSP disaster prevention cooperation. Despite the cancellations of the 2020 and 2021 exhibition due to the COVID-19 pandemic, upon its resumption in 2022, the event once again elevated the discourse on disaster prevention. It actively engaged diplomatic envoys and foreign representatives in Taiwan, facilitating discussions with local stakeholders on public-private

collaboration and regional resilience amid the climate emergency. In the 2023 edition of Asian Disaster Prevention Forum, the Deputy Mayor of Bangkok was invited to speak online to highlight the importance of smart disaster prevention during Bangkok floods and the promotion of innovative digital platforms. Furthermore, the forum prioritized illustrating Taiwan’s successful experiences in disaster prevention efforts within industrial parks and science parks among NSP partners.

As a pioneering think tank for the NSP, TAEF’s efforts in facilitating NSP disaster prevention cooperation transcend beyond the Secutech exhibitions. Since 2018, the foundation has actively curated exchanges and dialogues. Notably in 2019 TAEF organized a special session on themed “Asian Disaster Prevention Partnership” as part of its signature platform — the Yushan Forum. The platform featured distinguished speakers such as Mikio Ishiwatari, Senior Advisor on Disaster Management and Water Resource Management, Japan International Cooperation Agency (JICA); Wilberto Rico Neil A. Kwan Tiu, Regional Director, Bureau of Fire Protection-National Capital Region, the Philippines; and Dr. Hongey Chen, Regional Director, National Science and Technology Center for Disaster Reduction (NCDR), Taiwan. These engagement and dialogues indeed help strengthen cooperation between Taiwan and neighboring countries in curating the regional awareness of disaster preparedness among NSP partners as well as facilitate the practice of a disaster prevention community for all stakeholders.

Table 1. TAEF Efforts in Forums and Summits for the NSP Disaster Prevention Cooperation

2023/4/26	2023 Asia Disaster Prevention Forum: Disaster Resilience Through Civil Preparedness Under Uncertainty
2022	2022 Asia Disaster Prevention Forum: Public-Private Partnership and Regional Resilience Building Under Climate Crisis
2021/4/22	2021 Asia-Pacific Disaster Management Summit: Regional Resilience and International Cooperation in Climate Emergency
<i>Secutech 2020 and Secutech 2021 postponed due to Covid-19</i>	
2018/11/6	2018 Asian Dialogues: Building Resilience in the Face of Disasters
2019/10/9	2019 Yushan Forum: Special Session on Building the partnership for Asia Disaster Preparedness
2019/5/8	2019 Asia Pacific Smart Disaster Prevention Summit

Source: Compilation by Author.

3. Conclusion

Given the prevalent threats posed by disasters across Indo-Pacific countries, disaster resilience has emerged as a shared interests between Taiwan and its NSP partner countries. In the past few years, Taiwan's NSP has actively emphasized disaster prevention preparations. However, government-to-government cooperation in disaster prevention is obstructed due to the potential involvement of sensitive security issues, especially concerning transnational personnel mobilization and coordination among different governments. Moreover, political pressure from Beijing's imposition of the One China Policy, make it particularly challenging for ASEAN countries to develop official ties with Taiwan. However, Taiwan's pragmatic approach and commitment to promote capacity-building program for disaster prevention and fire prevention officials and personnel not only meets the demands of partner countries, but also contributes to the build-up of institutional frameworks for collaboration that leads to solid partnerships on less sensitive functional governance issues.

The involvement of the private sector and civil society in the NSP not only generates profits for enterprises but also extends the regional market and enhances the international influence of Taiwanese products. Collaborative efforts within Team Taiwan's disaster prevention industry networking have proven successful in recent years. Moreover, the contributions of NGO stakeholders and civil society in disaster resilience, facilitated by think tanks, have significantly bolstered the branding of Taiwan's NSP in disaster prevention and preparedness. This underscores the distinction between Taiwan's people-centered NSP approach with cross-sectoral partnerships and the strategies of neighboring countries. The emphasis on such collaborations within the NSP disaster prevention cooperation reflects that the diplomacy of a small and middle power necessitates not just flexibility and pragmatism but also meaningful cooperation. Thanks to these innovative cross-sectoral efforts, NSP partner countries have expressed their willingness to craft meaningful cooperation, while the Philippines and Vietnam responded most enthusiastically. Although other countries have also expressed their willingness to cooperate, there are still some challenges ahead to overcome jointly.

Of course, although the aforementioned cooperation achievements are encouraging, it is not without challenges. This study contends that at this stage, the NSP disaster prevention cooperation, in terms of its essence, has

encountered three major challenges. First, Taiwan must expand to more countries as partners of NSP disaster prevention cooperation. To engage more partners is not easy, especially when it comes to government-to-government cooperation. Taiwan's foreign relations have long been limited by the pressure faced by individual partner countries imposed by China. This also makes it difficult for Taiwan to promote inter-governmental agreements of NSP disaster prevention cooperation with partner countries. This is one of the reasons why it is difficult to win more cooperative countries at this stage. Nevertheless, this study argues that ongoing cooperation with the Philippines and Vietnam can become the "best practice" once tangible results have been achieved. It will contribute to help resolve the concerns of other NSP partner countries, ASEAN countries in particular, and jointly figure out the pragmatic approaches to effectively respond to the political pressure imposed by China.

Second, how to upgrade the disaster prevention cooperation beyond one-time cooperation and training programs toward a more institutionalized approach, which will involve the firm commitment of both parties in terms of investing resources, rather than just Taiwan's unilateral endorsement. This study argues that the establishment of an ecosystem for disaster prevention cooperation in which the private sector can provide cutting-edge technologies and innovative equipment, which will be of important incentive for more partner countries. In addition, if cooperative mechanisms and communication channels can be established between early career personnel, senior executive officers and high-level decision-makers, it will further consolidate bilateral progress.

Third, ongoing cooperation is mostly bilateral in nature, and it is not easy to promote multilateral or multilateral frameworks. This study argues that the facilitation of the third party's involvement (such as Japan and the United States) might be the driver to advance the regional framework of disaster prevention cooperation that includes Taiwan.

Finally, considering the concerns of its partners, Taiwan rarely actively articulates the achievement of the NSP disaster prevention cooperation as well as the bilateral collaborative achievements, albeit its people-centered rationale. In any case, the content of NSP disaster prevention cooperation must be effective, innovative, and attractive in order to make Taiwan indispensable in leading the regional disaster prevention through its P-P-P-P practice of the NSP so as to strive for more international cooperation.

Notes

1. In the policy planning stage, the NSP was aimed at diversifying the economic risk of overreliance on one market, that is, China. As being implemented for seven years, the outcome of the NSP has gone beyond the original setting on risk diversification and to advance a multi-faceted partnership with the partner countries in the region and the like-minded countries in the world (Hsiao and Yang, 2022).
2. The first southwards engagement of Taiwan can be traced back to the Go South Policy of President Lee Teng-hui in the mid-1990s. Compared with its earlier edition in the 1990s, the NSP moves beyond the geographic setting and being realized as a regional approach, or Taiwan's own Indo-pacific strategy, see Hsiao and Yang (2022:22-23).
3. Since 2017 South Korea also implemented its New Southern Policy (NSP-K) as a strategic move to diversify the economic risk against China.
4. Warm power refers to sharing warmth, in terms of resources and experiences to like-minded countries and partners in need. It also aims at making Taiwan central in its neighbors' daily discussion and making Taiwan indispensable in the everyday life of its partners (Hsiao and Yang, 2022: 16).
5. The author took part in the JTP Training Program for Executive Officer on November 24 and joined the petrochemical disaster prevention training. Even some senior executive officers were willing to. Even senior officials are willing to pick up water hoses and lined up to the front line to put out fires caused by accidents. They expressed that they can "learn more efficient techniques and knowledge from the program, which can ensure the safety of people and protect their firefighter brothers." (interview with Executive Officer L on November 24, 2023).
6. In Zhushan Base, the most advanced, complete simulation physical training grounds have been built. There are a total of 66 types of rescue training facilities in 13 categories including Various simulated building fire rescue training ground, outdoor fire rescue skills training ground, air respirator training ground, petrochemical and oil tank

disaster rescue training ground, ship disaster accident rescue training ground, aviation disaster rescue training ground, railway rapid transit and underground yards station disaster accident rescue training ground, highway and long tunnel disaster accident rescue training ground, earthquake disaster rescue training ground are equipped with physical building collapse model, landslide disaster rescue training ground, as well as water, underwater and rapids lifesaving training ground.

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An Evaluation of the Trade Outcomes between Taiwan and Malaysia under the New Southbound Policy (NSP)

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Abstract

Upon assuming office in 2016, Taiwan President Tsai Ing-wen's administration revitalized the Southbound Policy (SP), rebranding it as the New Southbound Policy (NSP). While both the SP and NSP share a common objective — to reduce Taiwan's heavy reliance on the Chinese market — the NSP, unlike its predecessor, places a dual emphasis on enhancing economic ties and concurrently spreading Taiwan's soft power across the designated markets. Despite being one of the target markets under the NSP, Malaysia did not consistently experience a surge in the proportion of Taiwan's total trade volume as a result of the policy. This paper aims to assess the performance of Taiwan-Malaysia trades in the context of NSP initiatives and elucidate how the soft power that Taiwan has implemented in Malaysia since the 1950s contributed to such an outcome. The trading outcomes between Taiwan and Malaysia indicate that Taiwan did not receive substantial support from the entities it targeted with its soft power initiatives. This suggests that the China complex within the Chinese ethnic population in Malaysia is challenging to uproot due to their historical and cultural ties with China.

Keywords: *New Southbound Policy, Malaysia, Taiwan, China, soft power.*

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1. Introduction

In 2016, President Tsai Ing-wen's administration launched Taiwan's New Southbound Policy (NSP) with the primary objective of fortifying economic cooperation, facilitating specialized talent exchange, promoting resource sharing, and fostering regional integration among ASEAN, South Asian nations, Australia, and New Zealand. This strategic approach aimed to diversify Taiwan's economic partnerships, reducing the potential risks associated with overdependence on a single market, particularly China. China has been Taiwan's number-one trading partner since 2005 and its top export market since 2004. The trading volume between Taiwan and China occupied more than 20% of Taiwan's total trading volume, with the export volume of Taiwan to China exceeding 20% since 2005 and surpassing 25% since 2007 (Bureau of Foreign Trade, 2023). Given the long history of conflict between Taiwan and China, economic dependence on China could potentially put Taiwan in a precarious position, both economically and politically. The conflict between both entities could be traced back to the civil war that unfolded over two years between the forces led by then-president Chiang Kai-Shek and the Chinese Communist Party under Chairman Mao Zedong in mainland China. Chiang Kai-Shek lost the war and withdrew to Taiwan in 1949. However, this defeat did not deter Chiang Kai-Shek from persistently claiming to be the legitimate leader of China, asserting that the mainland remained under his rule. On October 25, 1971, the United Nations General Assembly passed Resolution 2758, recognizing the People's Republic of China led by Mao Zedong as the sole legitimate representative of China in the United Nations, superseding the government of the Republic of China led by the Kuomintang. Subsequently, numerous countries gradually severed diplomatic ties with Taiwan and established or maintained foreign relations with Mao's China. At the time of writing, only 13 countries, all from Latin America and the Caribbean, officially recognize Taiwan (Reuters, 2013). For more than a decade, there has been a growing sentiment on the island advocating for the independence of Taiwan, which means both Taiwan and China are not under the jurisdiction of each other. Tsai is the chairperson of the Democratic Progressive Party (DPP), a political party that has advocated for Taiwan's independence since its establishment in the 1970s. While Tsai has never officially declared the independence of Taiwan, there may be instances where such sentiments are subtly implied in her speeches. China aircraft therefore have circled

the Taiwan island multiple times, a gesture interpreted as an assertion of China's sovereignty over Taiwan. Tsai's revival of the Southbound Policy, initially introduced by former president Lee Teng-hui (1988 to 2000) and Chen Shui-bian (2000 to 2008), is driven by both economic and political considerations. China's longstanding assertion that Taiwan is an inseparable part of China has impeded Taiwan's participation in many international economic organizations, for example, the World Bank, the International Fund (IMF) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). The NSP envisions the creation of a novel economic community encompassing ASEAN, South Asia, Australia and New Zealand. By shifting its market focus toward NSP countries, Taiwan has the potential to lessen its economic reliance on China. If this strategy progressed as planned, Taiwan may not need to worry about China leveraging its economy to forcibly bring Taiwan under its control.

Malaysia, as one of the targeted markets under the NSP, never established diplomatic ties with Taiwan. Nevertheless, both initially maintained consular offices in each other's entity from the 1960s to the 1970s until Malaysia established official relations with China. Subsequently, Taiwan and Malaysia set up cultural and trade centres in each other territory to serve their fellow citizen, issue tourist visas and act as the representatives of their entities to one another. Although Taiwan faced challenges in the diplomatic sector with Malaysia, its soft power has long influenced the Malaysian community, especially among the Chinese ethnics. The Taiwanese government has offered generous scholarships to attract Malaysian students to pursue higher education in Taiwan since 1953s (Toh, 2021). This approach has proven successful in drawing a considerable number of Malaysian students to study in Taiwan. To date, the cumulative number has reached 60,000 individuals (The Federation of Alumni Associations of Taiwan University in Malaysia, 2023). Among the NSP countries, Malaysia contributed the highest number of students studying in Taiwan until Vietnam surpassed it in 2019 (The News Lens, 2022). Furthermore, Taiwan has served as a significant wellspring of literature and popular culture. Books, dramas, movies, songs, and magazines originating from Taiwan were widely consumed and highly influential within Chinese communities. Challenges arose only when China began exporting its popular culture globally in the 21st century.

According to Didier (2019), the image of an entity significantly affects international trading, especially through the perception of the people in the imported countries. Considering the substantial number of Malaysian students pursuing further studies in Taiwan and their inclination toward Taiwanese culture, it is reasonable to conclude that a majority of the Chinese population holds a positive perception of Taiwan. Therefore, it was no surprise that Malaysia has consistently maintained its position as one of Taiwan's top 10 trading partners since 1991, although it has never ranked higher than seventh.

As Malaysia was notably influenced by the soft power of Taiwan, incorporating the Taiwan government's effort to increase the trade relations between the two entities, there were high expectations for substantial growth in the Taiwan-Malaysia trade. However, the actual outcome did not align with the optimistic prediction. During Lee's era, Malaysia's share in Taiwan's total trading volume experienced only modest growth. Conversely, Taiwan further gradually declined during Chen's administration (Yeoh, Chang & Lee, 2018). Considering these historical records, it becomes crucial to scrutinize the trading relations between Malaysia and Taiwan in the aftermath of the policy resurgence under Tsai's leadership and assess the effectiveness of soft power in promoting international trading, as pundits have asserted. This paper is divided into four parts. The first part introduces the background of Tsai to revive the NSP. The second part introduces the concept of soft power. The third explains the content of the NSP. The fourth part analyses the trade relations of NSP in Malaysia. The fifth part is to discuss the relations of soft power and trade relations in Malaysia. The final part is the conclusion.

2. Soft Power

Soft power has been widely perceived as the strategy that Tsai plans to employ through the NSP to influence the international community that has aligned itself with China rather than Taiwan. Unlike hard power which encompasses military and economic strength, soft power utilised attraction to shared values, as well as a sense of justice and duty in contributing to the realization of those values, to align with others (Nye, 2005; 2020). However, while the economy is typically viewed as a form of hard power, it can also serve as a source of attractiveness (Nye, 2005). Generally, hard power generates the "push" factor while soft power creates the "pull" factor.

Nevertheless, there is a common ground between hard and soft power, and that is the ability to attain one's goal by influencing the behaviour of others, especially in social institutions. According to Nye (2011) further clarified that there are many resources that could be used as soft power, but not any type of behaviour could be the product of soft power. However, the soft power of a country is constituted mainly by three elements, that is its culture, its political values, and its foreign policies. Culture encompasses a set of values embedded in the languages, literature, artistic expressions, traditions, behaviours, rules, and practices of a country. In the age of global information, culture is extensively conveyed through various mediums such as films, television programs, internet websites, and other electronic devices. Political values encompass the institutions, ideas, and internal practices of a country that shape foreign perceptions, whether positive or negative. The most impactful political values are those capable of inspiring the dreams and desires of others. Foreign policies rooted in shared values often garner more attention, particularly when defined by forward-thinking principles such as providing foreign aid, environmental policies, and other national interests (Lee, 2005).

Entities or countries that are likely to acquire soft power, as outlined by Nye (2003), exhibit three distinctive characteristics: a) alignment of their dominant culture and ideas with prevailing global norms emphasizing liberalism, pluralism, and autonomy; b) engagement in framing issues through multiple communication channels; and c) the attainment of mass credibility through their domestic and international performance. Soft power has enabled smaller states or entities to achieve objectives rather effectively than their inherent hard power they capabilities. More so than with hard power, soft power relies on the perceptions and attitudes of the target audiences (2021).

3. The NSP

Tsai introduced the concept of NSP for the first time during her 2015 presidential election campaign. She pledged that if her party, the Democratic Progressive Party (DPP) were to win the election, she would champion the NSP. The foundation of the NSP was built upon the SP previously implemented by former presidents Lee and Chen, which aimed to strengthen trade and investment relations ties with the country in the southern region (Huang, 2018). Lee included South and Southeast Asia in

his economic strategic map and formed the SP in 1993 in response to the series of economic and trade liberalization measures launched by ASEAN countries. Recognizing the rapid growth in South and Southeast Asia in the new era, Lee sought to diversify Taiwan's market beyond its dependency on China. Chen later echoed this intention by calling for the SP again when he assumed the presidency (Huang, 2018). While reviving the SP, Tsai asserted that the NSP differed from the SP, despite the underlying motives remained unchanged. Tsai articulated that the NSP aimed not only to bolster trade and investment relations but also to broaden people-to-people exchange, cultures, education, and multifaceted networks. While trade relations were considered components that improved the partnership, Tsai and the DPP, believed that together with other dimensions would foster a more comprehensive one. During this phase, the target countries that the NSP targeted were Southeast Asia and India (DPP, 2015). Four months after Tsai's inauguration on May 20, 2016, a task force dedicated to planning the NSP was established. The Executive Yuan made an official announcement in December 2016, stating that the NSP would be officially launched on Jan 1, 2017. The substance of the NSP closely aligned with Tsai's declarations from her presidential election campaign a year earlier, albeit with more meticulous and detailed elaboration. The NSP strategy is built upon four core pillars: resource sharing, talent exchange, economic and trade partnership, and regional connectivity. Notably, its geographical scope expanded beyond the parameters initially outlined by Tsai. It not only included India and Southeast Asia but also reached out to other South Asia nations, Australia, and New Zealand, comprising a total of 18 countries. According to Executive Yuan (2016), the ultimate reason to relaunch the NST is to mitigate Taiwan's vulnerability by broadening its risk exposure and diminishing excessive reliance on a singular market, particularly China. It was evident that Tsai's decision to revive the SP did not signify a departure from the motives of both Lee and Chen. Rather, she emphasized not only enhancing economic relations but also amplifying soft power influence in the NSP's target countries.

In fact, Tsai's rationale for initiating the NSP appeared reasonable. Taiwan's economy has been identified as an "export-oriented" model (Ghartey, 1993), making it vulnerable to both domestic and foreign economic influences (Yang, Liu, Yang & Chen, 2023). Since 2004, China has stood as Taiwan's primary export market and has exhibited steady growth. Moreover,

China's market share in Taiwan's exports has consistently accounted for a significant portion, peaking at a quarter of the total export volume since 2007 (Table 1). Given Taiwan's historical unease with China, it's understandable that Taiwan harbours concerns. A longstanding apprehension persists in Taiwan that China could exploit economic strategies to establish dominance over the island if Taiwan becomes excessively reliant on its economy (Kan Za Zhi, 2009; Liberty Times Net, 2023). A notable example of this is the Sunflower Movement of 2014, marked by student-led protests opposing the Cross-Strait Services Trade Agreement negotiations (Black, 2019).

However, James Huang clarified that Taiwan would not compete with Chinese firms in ASEAN after the implementation of the NSP. He explains that Taiwan's strengths are related to agriculture, aquaculture and information communication. This stands in contrast to China's focus on substantial infrastructure investments in ASEAN. This scenario sets the stage for potential cooperation between China and Taiwan (Yeh & Hsu, 2017). Additionally, Lin Cheng-Yi, Deputy Minister of the Mainland Affairs Council of the Republic of China, underscored that the NSP's motivations are "not politically driven." Instead, its purpose is to create a reciprocal framework that benefits both China and Taiwan in terms of economic and trade relations (Lin, 2016). On the contrary, Liu (2015) presents a divergent viewpoint. She contends that the NSP, akin to its predecessor, the SP, is excessively entangled with political considerations, and this heightened political dimension could potentially undermine the delicate cross-strait relations. Black (2019) aligns with Liu's perspective, adding that the Tsai administration's emphasis on soft power within the NSP is motivated by a desire to bolster its influence among the people in the international community. This approach holds the potential for two interconnected outcomes: the gradual augmentation of Taiwan's global recognition and, in parallel, the stimulation of its economic and trade dynamics. Lee (2023) examines Malaysia as a case study, where Taiwan astutely integrated a halal tourism policy and delved into soft resources as integral components of the NSP framework. He argues that this strategic manoeuvre was a strategic response to China's escalating influence within the nation.

Table 1. Taiwan-China Export Volume from 1996 to 2022

Year	Rank	Export Volume (US\$ Billion)	Percentage of Total Export Volume
2022	1	121.11	25.26
2021	1	125.90	28.21
2020	1	102.45	29.68
2019	1	91.79	27.89
2018	1	96.50	28.89
2017	1	88.75	28.13
2016	1	73.73	26.41
2015	1	71.21	25.40
2014	1	82.12	26.18
2013	1	81.78	26.78
2012	1	80.71	26.80
2011	1	83.96	27.24
2010	1	76.93	28.02
2009	1	54.25	26.64
2008	1	66.88	26.17
2007	1	62.42	25.30
2006	1	51.81	23.13
2005	1	43.64	22.00
2004	1	36.35	19.93
2003	3	22.89	15.20
2002	4	10.53	7.78
2001	4	4.90	3.88
2000	8	4.22	2.84
1999	11	2.54	2.09
1998	19	834.65	0.76
1997	23	626.45	0.51
1996	22	623.35	0.54

Source: Bureau of Foreign Trade, MOEA, Taiwan, ROC.

4. Malaysia-Taiwan Relations

Malaysia and Taiwan have long close interactions in the areas of diplomacy, economy, tourism, education, and humanitarian aid. Both even maintained consular offices for almost a decade, spanning the 1960s to the 1970s. Taiwan set up its consular office in Kuala Lumpur in November 1964 while

Malaysia established its own consular office in Taipei in January 1967. However, it's important to note that despite this presence, Malaysia and Taiwan have never formalize their diplomatic relations (Nanyang Siang Pau, 1965; Nanyang Siang Pau, 1971). –The Prime Minister of Malaysia at the time, Tunku Abdul Rahman, made it clear that Malaysia's agreement on the setting up of the Taiwan consular office did not implicate that Malaysia recognized Taiwan as a sovereign state. Instead, the move was aimed at strengthening trade relations between Malaysia and Taiwan (Sin Chew Yit Poh, 1964). The establishment of the Malaysian consular office in Taipei also granted a similar objective (Nanyang Siang Pau, 1967).

After Malaysia and China established official relations on May 31, 1974, due to the One-China Policy, Taiwan closed its Consulate General in Kuala Lumpur (Taipei Economic and Cultural Office in Malaysia, 2017), and so did the consular office of Malaysia in Taipei. However, Taiwan and Malaysia have continued to interact with each other informally. Taiwan established the Far East Trade and Tour Centre in Kuala Lumpur in August 1974, three months after it closed its Consulate General to maintain any necessary collaboration. The Far East Trade and Tour Centre was later replaced by the Taipei Economic and Cultural Centre in Malaysia in 1988. In 1992, the Taipei Economic and Cultural Centre in Malaysia changed its name to the Taipei Economic and Cultural Office in Malaysia and continues operating until today (Taipei Economic and Cultural Office in Malaysia, 2017). On the other hand, the Malaysia Airlines System (1979), the Friendship and Trade Exchange Centre (FTEC), and the Malaysian Friendship and Trade Centre (1987) have been representing Malaysia in Taiwan respectively through different periods of time. Equipped with the Visa Division, Economics Division, Investment Division and Tourism Division, MFTC has become a de-facto Embassy of Malaysia in Taiwan. The government of Taiwan recognized the roles that MFTC plays and has granted it the official status of Foreign Service (Ministry of Foreign Affairs, Malaysia, 2023). Apart from the previously mentioned channels, there are several semi-officials and organizations actively involved in facilitating economic cooperation, promoting non-governmental exchanges, encouraging cultural and educational research, and establishing other interconnected links. The Malaysia-Taiwan Economic Association (MTEA), the Taiwan Investors' Association in Malaysia, and the Federation of Alumni Association of Taiwan Universities Malaysia (FAATUM) are among these entities. These

unofficial networks have exerted considerable influence on Malaysia-Taiwan relations. With the introduction of the NSP, these organizations, in conjunction with others, have taken on crucial roles in propelling the objectives of the policy forward.

In terms of economy, Taiwan has been Malaysia's top 10 trading partner since 1991 (Table 2). The trade volume was US\$2.87 billion and the share of Taiwan's total trade volume was 2.07. Trade between Malaysia and Taiwan experienced gradual growth during the initial implementation of the Southbound Policy (SP) introduced by Lee. In 1993, Lee incorporated South Asia and Southeast Asia into his strategic plan following the initiation of economic and trade liberalization by ASEAN countries. The trade volume increased by US\$ 5.33 billion from US\$ 3.61 billion in 1993 to US\$ 4.55 billion in 2000. The percentage of Malaysia-Taiwan trade volume to the Taiwan total trade volume also increased by 0.87% from 2.23% in 1993 to 3.10% in 2000. Subsequent administrations, led by President Chen Shui-bian (2000 to 2008), sustained the SP during his tenure and experienced a gradual decline during his term. As mentioned earlier, the Malaysia-Taiwan trade volume was US\$ 8.94 billion and accounted for 3.10% of Taiwan's total trade. Although Malaysia and Taiwan's trading volume increased to US\$12.28 billion in 2008, its share in Taiwan's total trade volume fell by 0.62% to 2.48%. Lee's SP was more successful than Chen's even in the face of the Asian Financial Crisis that occurred during Lee's term. When Chen assumed office, Malaysia had gradually recovered from the impact of the Crisis (Huang, 2018). This less-than-ideal outcome of Lee's and Chen's SP could be attributed largely to China gradually supplanting Taiwan as a critical economic partner of ASEAN (Jing, 2016).

Table 2. Malaysia-Taiwan Trade Situation from 1996 to 2008

Year	Rank	Trade Volume (US\$ Billion)	Percentage to Taiwan's Total Trade Volume
2008	9	12.28	2.48
2007	8	11.58	2.49
2006	8	10.99	2.58
2005	8	9.50	2.49
2004	8	9.64	2.75
2003	8	7.94	2.85
2002	8	7.39	2.97
2001	8	7.37	3.15

Year	Rank	Trade Volume (US\$ Billion)	Percentage to Taiwan's Total Trade Volume
2000	8	8.94	3.10
1999	8	6.73	2.90
1998	9	5.91	2.75
1997	7	7.26	3.07
1996	7	6.52	2.99
1995	7	5.85	2.72
1994	7	4.55	2.55
1993	7	3.61	2.23
1992	9	3.43	2.24
1991	10	2.87	2.07

Source: Bureau of Foreign Trade, MOEA, Taiwan, ROC.

5. Evaluating the Trade Relations of NSP in Malaysia

The NSP was officially initiated in 2017. The trade volume between Malaysia and Taiwan from 2017 to 2022 is as follows: US\$ 17.55 billion (2017), US\$ 19.91 billion (2018), US\$ 19.77 billion (2019), US\$ 19.35 billion (2020), US\$ 25.13 billion (2021) and US\$ 30.56 billion (2022) (Table 3). With the exception of 2019 and 2020, there was a consistent annual growth in trade volume between Malaysia and Taiwan from 2017 to 2022. When comparing the trade volume at the initiation of the NSP in 2017 with that of 2022, it might seem that it has experienced an almost two-fold increase, going from US\$ 17.55 billion to US\$ 30.56 billion. However, the reality is that this increase did not actually materialize to such a significant extent. The share of Malaysia-Taiwan trading volumes to Taiwan's total trade volume from 2017 to 2022 did not experience such huge growth but only increased by 0.31% from 3.06% in 2017 to 3.37% in 2022. However, when compared with the second term (2012 to 2016) of then-President Ma Ying-jeou, the NSP certainly increased trading between Malaysia and Taiwan. During Ma's second term, the trade volume was smaller (except in 2014) and experienced fluctuations, similar to what was observed during Tsai's term. The trading volume during Ma's second term was as below: US\$ 14.40 billion in 2012, US\$ 16.30 billion in 2013, US\$ 17.40 billion in 2014, US\$ 13.65 billion in 2015, and US\$ 14.10 billion in 2016. The share of trading between these markets contributed to Taiwan's total trade volume by around 2.52% (2012) to 2.77% (2016). It never reached 3%, as seen after the NSP was implemented.

Table 3. Malaysia-Taiwan Trade Volume (2012 to 2022)

Year	Rank	Trade Volume (US\$ Billion)	Percentage to Taiwan's Total Trade Volume
2022	8	30.56	3.37
2021	7	25.13	3.03
2020	7	19.35	3.06
2019	7	19.77	3.22
2018	7	19.91	3.22
2017	7	17.55	3.06
2016	8	14.10	2.77
2015	8	13.65	2.68
2014	7	17.40	2.96
2013	8	16.30	2.84
2012	8	14.40	2.52

Source: Bureau of Foreign Trade, MOEA, Taiwan, ROC.

Since Taiwan is an export-oriented market, it is vital to examine Taiwan's exports to Malaysia. Taiwan's performance was notably impressive following the initiation of the NSP. From 2017 to 2022, Taiwan experienced consistent growth, with an exception in 2019. The export volumes are as follows: US\$ 10.37 billion in 2017, US\$ 10.60 billion in 2018, US\$ 9.40 billion in 2019, US\$ 9.46 billion in 2020, US\$ 13.33 billion in 2021, and US\$ 17.02 billion in 2022. However, the export volume from Taiwan to Malaysia did not align with the composition of Taiwan's total export value (Table 4). Although it reached its highest record in 2022 at 3.55% (the highest since 1989), the share of exports to Malaysia in Taiwan's total export value was considered fluctuating. It stood at 3.29% in 2017, 3.17% in 2018, 2.86% in 2019, 2.74% in 2020, 2.99% in 2021, and 3.55% in 2022. Overall, this performance surpassed the years preceding the NSP initiation, with figures of 2.80% in 2016, 2.54% in 2015, 2.75% in 2014, 2.68% in 2013, and 2.18% in 2012. Regarding Taiwan's imports from Malaysia, they exhibited steady growth from 2017 to 2022, excluding 2020: US\$ 7.18 billion in 2017, US\$ 9.30 billion in 2018, US\$ 10.37 billion in 2019, US\$ 9.89 billion in 2020, US\$ 11.80 billion in 2021, and US\$ 13.53 billion in 2022. However, the share of the imports in Taiwan's total import volume fluctuated: 2.79% in 2017, 3.27% in 2018, 3.63% in 2019, 3.46% in 2020, 3.09% in 2021, and 3.16% in 2022. Nevertheless, it still outperformed the pre-NSP period which basically fluctuated between 2.74% to 3.21%.

Table 4. Taiwan Exports to and Imports from Malaysia (2012 to 2022)

Year	Rank	Exports Volume (US\$ Billion)	% to Taiwan's Total Export Volume	Rank	Imports Volume (US\$ Billion)	% to Taiwan's Total Import Volume
2022	7	17.02	3.55	8	13.54	3.16
2021	8	13.33	2.99	9	11.80	3.09
2020	8	9.46	2.74	7	9.89	3.46
2019	8	9.40	2.86	5	10.37	3.63
2018	8	10.60	3.17	7	9.30	3.27
2017	8	10.37	3.29	8	7.18	2.79
2016	9	7.81	2.80	7	6.29	2.74
2015	9	7.13	2.54	8	6.52	2.85
2014	9	8.61	2.75	7	8.78	3.21
2013	9	8.18	2.68	9	8.12	3.01
2012	10	6.56	2.18	9	7.84	2.90

Source: Bureau of Foreign Trade, MOEA, Taiwan, ROC.

Drawing from the preceding analysis, the trade relations between Malaysia and Taiwan have displayed a modest improvement after the introduction of the NSP (Table 5). This stands in contrast to Ma's second term (2012 to 2016), during which there was a comparatively lesser emphasis on engagement with markets in the southern region. Describing the NSP as successful in Malaysia might be a stretch; it could be more accurately characterized as a modest accomplishment at best.

Since the inception of the NSP in 2017, the share of Malaysia-Taiwan trade within Taiwan's total trade volume has finally reached the 3% threshold. However, this progress has been relatively modest, with fluctuations ranging from 3.06% to 3.37% (Table 5). Despite this mild advancement, Malaysia has emerged as the best-performing market among the ASEAN nations within Taiwan's top 10 NSP trading partners. Among the three ASEAN countries featured on this list, Malaysia's proportion in Taiwan's trading volume has notably increased by 0.31%, rising from 3.06% in 2017 to 3.37% in 2022. In contrast, Singapore's increase is marginal, with a mere 0.03% growth in Taiwan's market share from 4.60% in 2017 to 4.63% in 2022. Meanwhile, Vietnam's share remained consistent at 2.37% for both 2017 and 2022. Australia, another NSP target market, exhibited an even more impressive performance than Malaysia. It had dropped out of

the top-10 trading partners list for Taiwan when the NSP was launched and during 2019 and 2020. Yet, it made a substantial leap to 3.55% in 2022 from its previous standing of 2.09% in 2018. Notably, the NSP seems to have achieved a modest reduction in Taiwan's dependence on the Chinese market. A comparison between 2017 and 2022 reveals a decrease in China's share of Taiwan's trading volume from 24.23% to 22.60%. Similarly, Hong Kong also saw a reduction from 7.45% in 2017 to 7.3% in 2022.

Table 5. The Shares of Malaysia, China and Other Top-10 Trading NSP Markets in Taiwan's Total Trading Volumes from 2012 to 2022 (in Percentage)

Year/ Country	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Australia	2.26	-	-	-	-	-	2.09	-	-	2.38	3.55
China	21.28	21.62	22.15	22.67	23.16	24.23	24.29	24.26	26.30	25.16	22.60
Hong Kong	7.10	7.14	7.52	7.76	7.79	7.45	6.92	6.73	7.95	7.81	7.30
Indonesia	-	2.14	-	-	-	-	-	-	-	-	-
Malaysia	2.52	2.84	2.96	2.68	2.77	3.06	3.22	3.22	3.07	3.03	3.37
Philippines	-	-	-	-	2.14	2.09	-	-	-	-	-
Singapore	4.93	4.88	4.92	4.79	4.66	4.60	4.16	4.25	4.45	4.56	4.63
Thailand	-	-	-	1.89	-	-	-	-	-	-	-
Viet Nam	-	-	2.13	2.36	2.41	2.37	2.34	2.61	2.54	2.43	2.37

* Columns without figures are because the trading performances have fallen out from the top-10 list.
Source: Bureau of Foreign Trade, MOEA, Taiwan, ROC.

6. Soft Power and NSP in Malaysia

Based on the aforementioned, the facet of trading within the NSP achieved only modest success in Malaysia after its introduction by the Tsai government. In this context, trading failed to play a significant role both in enhancing economic ties as well as spreading Taiwan's soft power in Malaysia. Various factors contributed to this modest increase in trading volume, including the outbreak of COVID-19 at the end of 2019. Although Taiwan still enjoyed 0.33% GDP growth to 3.39% in 2020, Malaysia faced severe impacts from the epidemic in 2020, with GDP experiencing a significant decline to -5.53% in 2020 (table 6), causing a ripple effect in the following two years.

However, when examining the situation through the lens of soft power, the decades-long effort of Taiwan to spread its soft power in Malaysia could not be considered entirely successful, though it is not a complete failure either. Taiwan’s national language is Mandarin, and the majority of the soft power it disseminates in Malaysia uses Mandarin as a medium. Despite the Chinese ethnicity in Malaysia being exposed to Taiwanese culture for decades, the Chinese ethnic population in Malaysia constitutes only around 22.8% of the total population (Department of Statistics Malaysia, 2022). Considering that there are a few Chinese individuals who are not Mandarin speakers and an increasing number of Malays and Indians learning Mandarin, the potential influence of Taiwan is limited to less than a quarter of the Malaysian population. Moreover, the Chinese community in Malaysia generally considers China as their ancestral and cultural motherland instead of Taiwan. Some of them even view Taiwan’s independence as a traitorous attempt to permanently divide China. Simultaneously, a rising China offers a larger market compared to Taiwan. Therefore, whether based on emotional considerations or realistic calculations, Taiwan’s performance in spreading values such as democracy does not entirely resonate with the Chinese community in Malaysia (Boon, 2017).

In this case, while the power of soft power is not completely discounted, the historical, realistic and identity factors among the Chinese ethnic population in Malaysia with China and Taiwan create a situation that Taiwan is unable to uproot. Therefore, the NSP of Taiwan is considered either a failure or only achieving mild success in Malaysia after its launch.

Table 6. Malaysia GDP (2012 to 2022)

Year	Taiwan GDP	Malaysia GDP
2022	2.35	8.69
2021	6.53	3.09
2020	3.39	-5.53
2019	3.06	4.41
2018	2.79	4.84
2017	3.31	5.81
2016	2.17	4.45

Source: National Statistics, ROC (Taiwan) and Macrotrends (<https://www.macrotrends.net/countries/MYS/malaysia/gdp-growth-rate>).

7. Conclusion

The NSP was officially launched by the Tsai administration in 2017, aiming primarily to diversify Taiwan's economic partnerships and mitigate the risks associated with an overreliance on a single market, specifically China. Simultaneously, the NSP sought to garner more international attention and collaboration, operating under the shadow of China. Preceding the NSP, former presidents Lee and Chen had introduced similar strategies, known as the SP, with Malaysia consistently among the targeted countries.

However, Malaysia did not consistently see an increase in its proportion within Taiwan's total trade volume under these initiatives, and a similar situation has unfolded with the NSP. Despite Taiwan exercising soft power in Malaysia through initiatives such as providing scholarships since the 1950s and spreading cultural influence through literature, popular culture, and shared values like democracy, it has struggled to overcome the historical and identity ties that Chinese Malaysians share with China. Additionally, Taiwan has predominantly used Mandarin as the medium to disseminate its soft power for decades, yet over 70% of Malaysians are not Mandarin speakers. Consequently, it failed to attract this group, which lacks the historical and cultural baggage with China, to favour Taiwan over China, resulting in a lack of mobilization in the NSP. It appears that the NSP was destined to have limited success in Malaysia from its inception.

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Unpacking Taiwan’s ‘People-Centred’ New Southbound Policy in Indonesia: A Transnational Perspective

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Abstract

Almost eight years since the start of Taiwan’s people-centred New Southbound Policy (NSP) in 2016, various discussions have arisen regarding the policy’s efficacy in enhancing Taiwan’s external relations with targeted countries in the Indo-Pacific region. Most scholars have primarily addressed this policy from a state-centric perspective, focusing on the impact of the policy on bilateral interstate relations. Contrary to the existing approach, this article employs a transnational perspective by looking at the practice and success of the policy from both state and non-state level analysis. The use of this approach gives a comprehensive understanding of the nature of the NSP and offers an alternative view on the study of foreign policy by focusing on the transnational level of interactions. Drawing on the case study of the talent exchange program between Indonesia and Taiwan, this article argues that while the NSP has improved the number of student, worker and academic exchanges between Taiwan and Indonesia, the policy has not achieved its aim of extending ‘genuine two-way’ exchanges, resulting in asymmetrical relations that present challenges to the overall achievement of the NSP.

Keywords: *New Southbound Policy, transnational politics, foreign policy, Taiwan, Indonesia.*

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1. Introduction

Nearly eight years after the implementation of Taiwan's New Southbound Policy (NSP) in 2016, this policy has sparked various debates around its effectiveness in promoting Taiwan's external engagement with countries in the Indo-Pacific region. Most scholars have assessed the success of the policy from a state-centric approach, focusing excessively on the impact of the policy on bilateral interstate relations.

Realists view this policy as an instrument of Taiwan's strategic survival. Ping-Kuei Chen (2020), for example, claimed that the NSP effectively advanced Taiwan and the United States (US) relations by signalling Taiwan's commitment to a self-restraint strategy favoured by the US. In a similar vein, other scholars highlighted that in the face of the deterioration of cross-strait relations, the implementation of the NSP has actually strengthened Taiwan's ties with Japan (Black, 2019) and paved the way for fruitful relations with India (Hashmi, 2023). Further, the evaluation of the NSP in Southeast Asia also placed significant emphasis on the role of the 'China factor' (Jamil, 2023: 3) in exerting economic pressure and reinforcing the one-China policy commitment in the region, posing challenges to the effective implementation of the NSP.

Neoliberal scholars, on the other hand, view the NSP as Taiwan's soft power diplomacy (Lee, 2023; Rasool & Ruggiero, 2022) to promote cooperation with countries in the region in the fields of education (Effendi, 2023) and migrant workforce (Maksum, 2023). Yang and Hsiao elaborate on Taiwan's soft power practice and introduce the concept of 'warm power' (Yang & Hsiao, 2023: 344), which refers to the ability of the state to send and share 'warmth' via the state's experiences and share resources with partner countries listed under the NSP. The Neoliberals have pointed out the importance of attraction or intangible power for Taiwan to facilitate

cooperation with the NSP target countries despite the absence of formal diplomatic relations.

State-centric approaches have offered compelling arguments in evaluating the impact of the NSP from the perspective of survival and cooperation. By primarily evaluating the NSP from a state-centric view, the aforementioned approaches neglect the core value of the NSP that focuses primarily on the 'people-centred' elements, as outlined by Tsai Ing-wen in her remark at the 2016 Forum on Opportunities for New Southbound Policy.

And most importantly, we have come to realize that 'people-to-people ties' are of the utmost importance if the New Southbound Policy is to be implemented and gain serious momentum. [...] we will make a concerted effort to gradually forge among the New Southbound countries 'a sense of economic community'—a feeling that arises from connectedness and mutual understanding that facilitate exchanges and linkages between people (Office of the President Republic of China, 2016b).

The focus on a people-centred approach becomes significant when evaluating the implementation of Taiwan's NSP in Southeast Asia, especially Indonesia, due to extensive people-to-people interactions between the two. As argued by Yang (2018), it is imperative to look at the NSP from the perspective of transnational actors, looking beyond the dominant discourse of a state-centric approach, especially in regard to the making of regional society in Southeast Asia.

Contrary to the state-centric perspective, this article emphasises the importance of the people as non-state agents in assessing the effectiveness of the NSP. By shifting the locus of analysis from state to non-state actors, this article offers a comprehensive understanding of the reality of the NSP and the impact of the policy on both state and non-state actors. This article highlights the agency of non-state actors in influencing Taiwan's external relations from the lens of cross-border interactions facilitated under the platform of the NSP. It investigates the transnational dimension of Taiwan's foreign policy, characterised by continuous and regular interaction where 'at least one actor is a non-state agent' (Risse-Kappen, 1995: 3).

It further examines the practice of Taiwan's people-centred foreign policy by focusing on Indonesia — a country where Taiwan engages in

significant interactions with non-state actors in promoting its foreign policy agenda. This article primarily focuses on assessing the talent exchange programs initiated by the Taiwanese government to promote cooperation in the field of education and workforce with Indonesia. These two sectors are at the heart of Taiwan's NSP as it focuses on people – students, workers, and academic communities — as the main target of the policy. The findings suggest that while the NSP has improved the number of student, worker, and academic exchanges between Indonesia and Taiwan, the policy has not achieved its aim of extending 'genuine two-way' exchanges, resulting in asymmetrical relations that present challenges to the overall achievement of the NSP.

The article is developed as follows. The first section reviews Taiwan's people-centred foreign policy in Southeast Asia, highlighting the pattern of continuities and changes in its practice. The second section discusses the origin of the NSP and the talent exchange programs. The third and fourth sections evaluate the implementation of the NSP talent exchange programs in promoting education and knowledge exchanges and workforce cooperation between Indonesia and Taiwan. The fifth section analyses the impact of those people-to-people exchanges on the bilateral interstate relations between both sides. The last section is the conclusion.

2. Taiwan's People-Centred Foreign Policy: Continuity and Change

The NSP is characterised by both continuity and change in addressing Taiwan's long-standing interactions with non-state actors in Southeast Asia. The continuity is evident from the utilisation of non-state actors from the Chiang to Tsai administrations, while the transformation is highlighted by the formalisation and institutionalisation of foreign policy that substantially aims to promote 'genuine two-way' exchanges by utilising students, academic communities, and workers on both sides. The NSP provides a boost to the number of people-to-people exchanges, serving as a toolkit for the Taiwanese government in improving its ties with countries in Southeast Asia, including Indonesia. This section briefly reviews the engagement between the state and non-state actors in Taiwan's foreign policy in Southeast Asia.

Under the two Chiang administrations (1949-1988), the Kuomintang (KMT) aimed to promote the international status of the Republic of China (ROC) as a legitimate representative of the entire Chinese nation. Domestically, it forced Taiwanese, who shared different languages and

cultures from the mainlanders, to study China, to speak Mandarin, and to praise Chinese nationalism (Kagan, 2014). Efforts to foster Chinese nationalist identity extended into foreign policy practice by utilising overseas Chinese students (*qiaosheng*), particularly in Southeast Asia. The primary goal of recruiting these overseas Chinese was to cultivate support and embrace Chinese national identity formation abroad (Damm, 2012). Taiwan recruited ethnic Chinese students from Southeast Asia to study at Taiwan's prestigious universities. The two Chiang regimes took a top-down approach in utilising overseas Chinese (*huaqiao*) communities under its ethnic mobilisation policy (*qiaowu*). Supporting the education of overseas Chinese was the main tool used by the ROC to cultivate interest and support Chinese national identity formation abroad.

The appointment of the Taiwan-born president Lee Teng-hui to succeed the deceased mainlander Chiang Ching-kuo as the ROC president in 1988 signalled the start of a transition in Taiwan's domestic structures. First, the political structure of the state was shifted, incrementally, from authoritarian to democratic. Second, the societal structure became fragmented and polarised, especially with the fostering of a separate Taiwanese identity (Hughes, 1997; Jacobs, 2012). While Taiwanisation emphasised 'identification with Taiwan, consciousness of Taiwan and even a Taiwan nationalism' (Jacobs, 2012: 6), democratisation stressed the development of political reforms in Taiwan that transformed a single-party authoritarian state into a democracy with its values of civil liberties, free elections, and rights and ability to facilitate peaceful transitions of power through regular elections (Jacobs, 2012). Democratisation in Taiwan was launched by Taiwanese opposed to the authoritarian rule of the KMT from the mainland. Thus, the success of democratisation, meaning the achievement of majority rule, entailed the progress of Taiwanisation. Democratisation and Taiwanisation went hand in hand.

These two conditions interlinked with the growing international isolation when Taipei lost its major diplomatic allies against the People's Republic of China (PRC) during the 1970s. Facing increased international isolation, President Lee reformulated Taiwan's foreign policy and promoted pragmatic diplomacy seeking 'international recognition of the ROC as a political entity separate from Mainland China' (J. Chen, 2002: 5). The building of Taiwanese identity at home paved the way for Taipei to redefine its position in the international arena and underpinned the practice of

pragmatic diplomacy. While the campaign for diplomatic recognition had been largely lost, the Taiwanese government sought acknowledgement from other countries regarding their existence as a sovereign state separate from China. Taiwan's early phase of democratisation, at the same time, opened up new window for discourse on Taiwanese national identity (Maehara, 2018).

The emergence of a distinct Taiwanese identity set the stage for President Lee to redefine Taiwan's mobilisation policy from cultivating interest from overseas Chinese to overseas Taiwanese. He shifted *qiaowu*'s traditional bloodline principle to one based on citizenship or allegiance to Taiwan. With its reformulation, Taiwan opened up new channels for new non-state actors to get involved in the practice of transnational politics in Southeast Asia. In this case, Taiwanese businesspeople emerged as important non-state agents and enjoyed various privileges following the reclassification of *qiaowu*. Their investment in Southeast Asia, for example, was further supported by the government via the Southward Policy in 1994 (see Ku, 1995).

While encouraging Taiwanese businesspeople to expand their business activities in Southeast Asia, Taiwan also began importing Southeast Asian migrant workers to enhance its economic development. Migrant workers from Indonesia, Thailand, and the Philippines were among the first cohort to enter Taiwan's labour market in the 1990s, which was then followed by Vietnam. The policy to import labour from these countries was at the discretion of Taiwan's Ministry of Foreign Affairs (MOFA) based on various calculations, including Taiwan's wish to reduce its dependence on China. Continuing to rely on workers from China would have been the most practical option, but President Lee decided otherwise.

The Democratic Progressive Party (DPP) administration under Chen Shui-bian was also eager to encourage a separate Taiwanese identity, especially given that by 2000, more than 40 per cent of Taiwan's population identified as Taiwanese (National Chengchi University Election Study Center, 2020). The maturation of democracy coupled with an emphasis on a separate Taiwanese identity facilitated the strong emergence of non-state actors to engage in Taiwan's foreign policy. In an important departure from past practice, Chen set up the Department of Non-Governmental Organisation (NGO) International Affairs under the Taiwan Ministry of Foreign Affairs. The people diplomacy (*minjian* diplomacy) opened up a new avenue for political parties, parliament, and NGOs to get involved in

the promotion of Taiwan's interests in the region (J. Chen, 2002, 2005). Under the leadership of the DPP, Taiwan also began to introduce various government scholarships to support international students, especially from Southeast Asia to study in Taiwan. The Taiwanese government aimed at diversifying the composition of international students and facilitating national identity consolidation by promoting a 'new democratic Taiwan' to international students. Rather than support exchanges with the mainland — which only strengthened the hand of proponents of unification — the Chen administration limited people-to-people ties with Beijing.

Taiwan's attempts to cultivate a separate identity from China and to attain recognition of such status experienced a significant reversal under Ma Ying-jeou's KMT administration. Unlike his predecessors, President Ma sought to boost Taiwan's relations with the PRC and embrace a Chinese identity in Taiwan. One major move was the improvement of people-to-people exchanges between the two. Ma's administration, for example, established direct flights between Taiwan and Beijing, allowing the national carriers of both countries to operate daily. Additionally, Taipei took steps to enhance exchanges with Beijing by permitting Mainland Chinese students to enrol in Taiwan's universities for the first time in 2010 (Chao & Wang, 2010). This marked a reversal from the active efforts by Presidents Lee and Chen to wind back educational cooperation with China. So far as Southeast Asia was concerned, there was no new foreign policy initiative or 'Go South' specific policy to engage with Southeast Asia compared to the two previous presidents.

Despite Taiwan's continuous efforts to incorporate interpersonal elements in its foreign policy, the previous four administrations never formally acknowledged the pivotal role of people-to-people ties between Taiwan and Southeast Asia. Even though Chen Shui-bian set the tone to institutionalise NGO diplomacy into foreign policy platforms, the outreach was limited to countries where the participation of civil society in the decision-making process was well established. This was not the case in Southeast Asia. The Association of Southeast Asian Nations (ASEAN) member countries began to facilitate civil society participation on a wide scale only after the adoption of the ASEAN Charter in 2007 (see Gerard, 2015). Previous interactions were initiated unilaterally, involving only Taiwanese public sector institutions or government-led agencies. Lee Teng-hui's Southward Policy, for instance, was aimed at facilitating investment by

KMT-owned corporations in Southeast Asia (Ku, 1995; Kung, 2001).

Only after Tsai Ing-wen took power in 2016 was there an integrated foreign policy platform to facilitate the increasing engagements and exchanges brought by non-state actors between Taiwan and Southeast Asia. Two structural conditions help explain this foreign policy initiative. First, Taiwan's increasing international isolation under Tsai Ing-wen has made these actors essential for any state in the region that intends to develop or keep substantive relations with Taiwan. The presence of hundreds of thousands of Southeast Asian migrant workers in Taiwan gives Southeast Asian governments a direct stake in protecting their citizens, underscoring the importance and visibility of Taiwan, especially in Jakarta, Manila and Hanoi. The transnational relations brought by these non-state actors facilitates cooperation between Taiwan and countries in the region despite the absence diplomatic relations.

Second, Taiwan's aspiration of cultivating a distinct national identity offers incentives for the state to utilise non-state agents, such as students, academics, and migrant workers, to promote Taiwan's values into the practice of the state's foreign policy. Promoting a national identity entails the dissemination and propagation of specific values, both domestically and internationally. On the domestic front, the Taiwanese government has proposed several policies to promote Taiwan's distinctive identity through the Taiwanisation movement. Internationally, the people-centred NSP serves the purpose of promoting Taiwan's unique identity, with non-state actors acting as agents for the state in disseminating and propagating these values abroad. The Taiwanese government recruits and utilises students, workers, academics to instil its values to these groups. Once these students, workers, and academics return to their home countries, these values are then socialised in their respective societies. In other words, Taiwan's people-centred foreign policy is a response to these two structural conditions that provide access for non-state actors to engage in cross-border interactions with the state.

3. The Origin of the NSP and the Talent Exchange Program

Shortly after assuming office in May 2016, the Tsai administration introduced the NSP Promotion Plan, which encompassed four key tasks aimed at enhancing ties between Taiwan and the NSP target countries in South Asia, Southeast Asia and Oceania. These tasks include attempts to promote economic collaboration, conduct talent exchanges, encourage

resource sharing, and forge regional links (Executive Yuan, 2016). Even though the NSP continued the previous engagement carried out by Presidents Lee and Chen, Tsai administration made some adjustments to the policy program, adapting to the region's strategic environment (Glaser et al., 2018). The main feature of this change was the expansion of cooperation from economic and trade exchanges to people-to-people connections (P. K. Chen, 2020; Glaser et al., 2018; Hsiao & Yang, 2018; Ngeow, 2017; Yang & Chiang, 2019). With this expansion, the NSP was expected to achieve short and long-term objectives. In the short term, the Taiwanese government aimed to spur and extend 'two-way exchanges' in various areas, including trade, investment, culture, tourism, and talent (Office of Trade Negotiations Executive Yuan, 2017). In the long run, the NSP aims to strengthen the overall bilateral and interpersonal links between Taiwan and the target countries and set up a dialogue mechanism with NSP target countries to foster mutual trust and address differences (Glaser et al., 2018).

Among the four key tasks outlined under the NSP, the talent exchange program is at the core of Taiwan's efforts in institutionalising people-to-people ties and has become the flagship program of the NSP. This is the main area where people and the state can develop cross-border interactions and for the people to accrue values and knowledge embedded in state and societal institutions. At the same time, these people, coming from different countries, also bring their own values and promote them to the communities they live in via social interactions, creating mutual understanding among them. The presence of these foreign citizens in Taiwan also influences the bilateral relations between Taiwan and the government from the sending countries as they have moral and political obligations to protect the safety and well-being of their citizens abroad. The people-centred foreign policy, therefore, has proved effective at generating impact on two levels: the bilateral relations between governments and the transnational ties between the state and non-state actors.

Education has been central to the Taiwanese government's agenda in promoting its interest with countries in Southeast Asia. Under the NSP, the Taiwanese government aims to bolster the number of inbound students from Southeast Asia to study in Taiwan and the number of outbound students to the Southeast Asia region, foster the study of Southeast Asian cultures and languages, encourage collaboration between academia and industry, and to assist workers and professionals for employment access in Taiwan.

The Tsai government developed several strategies to achieve this goal. First, increasing the budget and expanding government funding of Taiwan Fellowships and Scholarships (TAFS) for the NSP target countries. Second, Taiwan customised its degree and non-degree programs for international students, offering various short-term courses, summer schools, intensive programs, joint degree programs, and vocational training. The government also proposed a new initiative called the Industry-Academia Collaboration Program for international students, which provides opportunities for students to combine study and vocational training or internships within two, four, or five-year bachelor or associate degree programs. Third, Taiwan set up a number of education centres and connections in several NSP target countries to promote its higher education cooperation.

In the labour sector, the Taiwanese government seeks to enhance its workforce by implementing a point-based system that enables eligible foreign professionals and technical workers to extend their residency in Taiwan, simplifying the processes for foreign workers entering Taiwan and attracting foreign talent from the NSP target countries. Workforce cooperation represents another key domain where cross-border interactions between the state and people occur, facilitating a sense of shared interests. Exchanges in this sector could have far-reaching impacts, encompassing not only the people or workers employed but also their families and societies in the sending countries in the form of economic (see Lan, 2006; Mas'udah, 2020; Spitzer, 2016; Tsay, 2016), and social-political remittances (see Kessler & Rother, 2016; Levitt, 1998; Piper, 2009; Piper & Rother, 2020). Further, their presence in Taiwan has formed an enclave society, creating a new landscape for cross-border interactions between the state and these workers. The next three sections will further elaborate on the impact of the NSP on the bilateral relations between Indonesia and Taiwan at both the state and transnational levels.

4. Education and Knowledge Exchanges

One of the main goals of the talent exchange program is to encourage and expand 'two-way' education and knowledge exchanges between Indonesia and Taiwan, promoting understanding among the two countries. With this new initiative, Taiwan has been able to boost the number of university students from Indonesia. According to the statistics of the Taiwan Ministry of Education (MOE) (2022a), Indonesian student enrolment increased three-

fold from 3,130 in 2016 to 9,657 in 2022. This placed Indonesia among the top three contributors of international students in Taiwan, following Vietnam and Malaysia. The majority of Indonesian students pursued degree programs in business and management, engineering, medical health, hospitality and tourism.

The increasing number of students from Indonesia has benefitted Taiwan in various ways, mainly in promoting Taiwan's image as a multicultural country that embraces diversity. The Taiwanese government, for example, utilised these students to promote Taiwan's higher education diplomacy among Muslim countries. The government recruited a number of students from Indonesia to promote Taiwan's halal and Muslim-friendly environment using video recordings. The MOE and the Foundation for International Cooperation in Higher Education (FICHET) set up a website called 'Study in Taiwan' as a one-stop educational promotion platform for prospective international students to get information about studying in Taiwan (Study in Taiwan, 2020b). Using this website as a platform for assessing Taiwan's higher educational promotion, I found eighteen recorded videos posted between 2012 and 2022 displaying testimonies from Indonesian students about their studies and life experiences in Taiwan. Among these videos, there were six videos from Indonesian Muslim students promoting Taiwan as a country friendly to the Muslim community.

Each of these videos showed students' religious activities in Taiwan, such as going to the mosque with friends or family or worshipping at the university's prayer room. These students also conveyed a message that Taiwan and its society are respectful towards their beliefs as Muslims and that made them content choosing Taiwan as a country for study. The government also effectively recruited students studying in Taipei and Kaohsiung to showcase the equality of access for students in carrying out their religious activities on each campus. One student studying at Cheng-Shiu University in Kaohsiung, for example, mentioned that: "For Muslims, we have our own prayer room. Taiwan people are very kind, even if you are Muslim, they respect you.... For the Muslim, the mosque is very near to our campus" (Study in Taiwan, 2020c). Another student from Kaohsiung Medical University (KMU) testified that, "KMU is a respectful campus for Muslim students like me. We have been provided with a convenient prayer room, even though there are only two of us" (Study in Taiwan, 2020a).

It is clear that these students are useful to the Taiwanese government in two ways. First, they were utilised by the government to promote a multicultural Taiwan that embraces the value of diversity. Second, these students are recruited as ‘informal ambassadors’ for Taipei’s higher education diplomacy, especially among Muslim countries. By utilising these students, Taipei achieves three goals. First, the messages conveyed by these students are attractive to potential students who wish to continue their study in Taiwan. In this way, the promotional strategy carried out by these students encourages prospective students from Indonesia to choose Taiwan, creating a stable business and market for Taiwan’s higher education diplomacy. Second, the testimonials from those students help cascade and socialise Taiwan’s norms and values to a larger audience. Taipei implicitly presents itself as a better friend to the Muslim community than China. This is an important message that Taipei wanted to convey to Indonesia, knowing that Muslim communities in Indonesia often express their concerns and participate in demonstrations against China’s treatment of its Uyghur Muslims. Third, the campaign also helped Taiwan legitimise itself as a country that complies with fundamental human rights and values religious freedom. This claim to adhere to universal values is crucial to integrating Taiwan into international standards and norms, especially with its exclusion from most international organisations and fora.

Despite this achievement, the NSP still faces various challenges, especially in improving reciprocal educational exchanges between Taiwan and Indonesia. It can be seen from the small number of students from Taiwan studying in Indonesia. According to data collected by the Taiwan MOE, during the period from 2016 to 2022, there were fewer than 500 Taiwanese students enrolled in Indonesian universities (The Ministry of Education ROC, 2022b). The majority of young people in Taiwan tend to have their focus on the US, Australia, and Japan when it comes to study abroad. In 2022, there were more than 20,000 Taiwanese students pursuing degrees and various educational programs in the US (The Ministry of Education ROC, 2022b).

Taiwan’s limitations in facilitating study exchange initiatives with Indonesia are particularly evident when compared to Australia’s efforts. Through its New Colombo Plan, Australia successfully dispatched 3,561 undergraduate students to take study abroad programs in Asian and Pacific countries. Indonesia is the favourite destination, with 1,252 students in

2023 (Australian Government Department of Foreign Affairs and Trade, 2023). Enabling Taiwanese students to partake in one or two semesters of study in Indonesia could provide them with the opportunity to learn the local languages, immerse themselves in diverse cultures, and interact with local communities. This has the potential to foster a positive rapport and understanding between Taiwan and Indonesia. One significant obstacle is the popular perception of Southeast Asian nations in Taiwan. As argued by Chong (2018), Taiwanese often perceive countries like Vietnam, Indonesia, the Philippines, and Thailand as little more than a source of low-cost migrant labour.

Another shortcoming is also apparent in advancing the study of Taiwan in Southeast Asia. While the Taiwanese government has actively supported the growth of Southeast Asian Studies programmes and centres in Taiwan universities, there is minimal reciprocity in establishing programmes, research centres, and a regional association dedicated to Taiwan Studies in Southeast Asia. This situation contrasts with Taiwan's achievements in Europe and North America, where numerous centres and programmes focused on Taiwan Studies have been established since the late 1990s (Fell & Hsiao, 2019). Some of these centres and programmes are located in world-class universities. In the United Kingdom (UK), for instance, Taiwan Studies Programmes are located at the School of Oriental and African Studies (SOAS) University of London, the London School of Economics and Political Science and the University of Nottingham (European Association of Taiwan Studies, 2023b). In the US, meanwhile, Taiwan-related courses are taught in many of the highest-ranked universities and liberal arts colleges, including at the University of Texas Austin, the University of Washington and the University of California Irvine (Hsieh & Liu, 2020). In Germany, the European Research Center on Contemporary Taiwan (ERCCT) at Tübingen University established itself as a research institution dedicated to fostering the development of future scholars in the field of Taiwan Studies.

Further, regional Taiwan Studies' associations have been set up in Europe and America, namely the European Association for Taiwan Studies (EATS) which has been established since 2004, and the North American Studies Association (NATSA) since 1994. Their primary responsibilities are organising a premier annual Taiwan Studies conference, inviting academics and junior scholars from around the world to present their research findings on Taiwan. Both associations have also arranged additional

academic initiatives, including research and publication grants, research and scholarly awards, workshop grants and Taiwan syllabus projects, thanks to funding agencies and sponsors like the Chiang Ching-kuo Foundation for International Scholarly Exchange, the Taiwan Foundation for Democracy, and the MOE Taiwan (European Association of Taiwan Studies, 2023a). EATS and NATSA also co-sponsor the *International Journal of Taiwan Studies*, a leading internationally peer-reviewed academic research journal in English on Taiwan studies.

In Southeast Asia, meanwhile, the Taiwanese government is more interested in setting up centres that focus on disseminating information about study in Taiwan, including scholarships, university degrees, student exchange and Chinese language programs. In Indonesia, for instance, the Taiwanese government has successfully supported the establishment of Taiwan education centres in Jakarta, Yogyakarta, Surabaya, and Solo, collaborating with both public and private universities. Taiwan Centres in Solo and Yogyakarta have expanded their functions by facilitating university-to-university cooperation, joint research and lecture series between Indonesia and Taiwan (Adji, 2021). While the presence of such centres would eventually boost the number of student enrolments and educational exchanges between Taiwan and Indonesia, there is little understanding of how these centres could contribute to the institutionalisation of Taiwan Studies into research and teaching in Indonesia and more broadly, in Southeast Asia.

As Taiwan has undergone various domestic and international structural changes, the cultivation of support for Taiwan Studies as a distinct field becomes imperative, offering an understanding of Taiwan's unique identity, values, history and trajectory in the region. As argued by Chun-bin Chen (2023), there is a need to build global Taiwan Studies for the sake of protecting Taiwan's national security against the Chinese Communist Party (CCP's) hybrid warfare in academic research. There have been efforts to organise Taiwan-themed lecture series and academic conferences carried out by the University of Indonesia, one of the top public universities in Indonesia. However, these programs primarily serve for short-term outreach instead of long-term institutionalisation of Taiwan studies into university teaching, syllabus, academic research and publication and professional association. Thus, the establishment of Taiwan centres in Indonesia appears to be mainly geared to fill the 'empty seats' in Taiwan's universities caused

by a decrease in local student enrolment due to declining birth rates in Taiwan (Green, 2020) and to offset the impact of the Mainland Chinese students who came to universities in Taiwan in tens of thousands, thanks to the legacy of the Ma administration's efforts to expand cross-strait exchanges.

Under the NSP, the Taiwanese government has primarily constructed Southeast Asia as a hub for Taiwan's higher education business and market instead of a region for the establishment of knowledge-based experts on Taiwan Studies. Indonesia has the potential to set up a centre on Taiwan Studies, especially with the growing number of Taiwan alumni graduating with master's and doctoral degrees in the Social Sciences and Humanities. Some of them are academics working in leading universities in Indonesia, such as the University of Indonesia and the University of Airlangga, and some are affiliated with government and independent research centres. The knowledge, value and experience that these alumni accrued during their studies in Taiwan is a long-term valuable asset in developing Taiwan Studies in the region.

In a broader context, the absence of Taiwan studies associations, research centres and programmes in the Southeast Asia region indicates that epistemic communities in the region still do not pay sufficient attention to Taiwan. This is astonishing, given the dense business and labour relations, not to mention the significance of Taiwan Strait security for ASEAN. This gap cannot be solely attributed to a lack of funding. Several factors are at play. First, Southeast Asian countries, whether new democracies or still authoritarian, lack the robust civil society that includes independent research centres and think tanks found in Western states. Consequently, epistemic communities in Southeast Asia are more susceptible to self-censorship under their governments' one-China policies compared to the highly independent epistemic communities in the West. Second, Southeast Asia's proximity to China leads to apprehension about establishing research centres or associations exclusively focused on Taiwan. This fear also extends to hosting regular and large conferences on Taiwan. This is an issue that epistemic communities in the two regions must address. They would both benefit from scholarly collaborations and the establishments of reciprocal area studies' institutions.

5. Workforce and Industry Talents

Foreign workers in Taiwan are generally divided into two groups, white-collar foreign professionals or high to mid-skilled workers, and blue-collar foreign workers, often called migrant workers or low-skilled labourers. While the former mainly consists of workers from the Global North countries, the majority of blue-collar workers in Taiwan come from Southeast Asia. Taiwan hosted 742,394 workers from Southeast Asia, with Indonesia making the largest contribution, providing a workforce of 261,779 people at the end of July 2023 (The Ministry of Labor Republic of China, 2023). Taiwan officially opened its borders to the flow of blue-collar workers from Southeast Asia in 1992 with the enactment of the Employment Service Act (ESA). Low-paid employment opportunities were offered in construction, labour-intensive manufacturing, and domestic sectors that included helpers and caregivers (Lan, 2007; Loveband, 2004; Tierney, 2007). In addition to these sectors, Taiwan also suffered from a labour shortage in the fishing industry (H. T. Chen, 2009). There are two categories of fishermen working in this sector, coastal fishing and distant water fishing. The majority of Indonesian migrant workers work as domestic helpers and caregivers, comprising nearly 80 per cent of the migrant workforce in social welfare industries, while the rest 20 per cent work in productive industries, including manufacturing, construction, agriculture, forestry, fishing, and animal husbandry (The Ministry of Labor Republic of China, 2023).

A key feature of Taiwan's foreign labour policy is allowing the importation of foreign workers but preventing them from permanent residency. This guest worker system has been implemented for over three decades since the importation of migrant workers began in 1992. However, starting in 2022, the Taiwanese government introduced a new system that allows migrant labourers to upgrade their 'status' from low-skilled to intermediate-skilled workers after working in Taiwan for at least six years and meeting the salary threshold and skill requirements (Executive Yuan, 2022). They can then apply for permanent residency after being employed as intermediate-skilled workers for at least five years and fulfilling other conditions established by the Immigration Act (Executive Yuan, 2022). With this new system, the Taiwanese government seeks to retain 80,000 migrant workers by 2030 (Taipei Times, 2022).

While this initiative is a progressive move under the NSP, it has raised criticism, especially with regard to the excessively high salary

threshold. In order to qualify as intermediate-skilled workers, labourers in productive industries must have a monthly income of NTD 33,000 while those employed in caregiver institutions and as domestic workers and private caregivers should earn NTD 29,000 and NTD 24,000, respectively (Taipei Times, 2022). Taiwan's minimum monthly wage is NTD 24,000, but this rate only applies to workers in productive industries and caregiver institutions. Those employed as domestic workers and private caregivers earn an average monthly salary of NTD 17,000, which is significantly below the minimum standard. Thus, in order to qualify for an upgrade, these workers have to work extensive overtime, exceeding eight to ten hours per day and possibly working seven days a week without a day off. Working such long hours, often without a day off for months, is known to result in burnout and potentially depression. A study conducted on over 1,000 Indonesian migrant workers in Taiwan revealed that approximately 15 per cent of them exhibited depressive symptoms, especially those working overtime (Asri & Chuang, 2023).

Another challenge in implementing the new system is the public attitude of Taiwanese towards migrant workers from Southeast Asia. A survey carried out in 2019 of 1,000 Taiwanese showed that 76 per cent of respondents supported skilled immigration in general. However, when it comes to skilled immigration from Southeast Asia, the number dropped to 44.6 per cent or lower, 21.4 per cent from the baseline (Rich, 2019). Another study conducted with 1,966 Taiwanese respondents revealed that 77.16 per cent of respondents supported foreign professionals becoming citizens of Taiwan while only 47.45 per cent agreed that the Taiwanese government should allow migrant labourers to become citizens (Tsai et al., 2019). These two surveys suggest that social prejudice against Southeast Asian countries and migrant workers from the region, remains prevalent in Taiwan despite the significant contributions these workers have made to critical sectors in Taiwan's economy for more than three decades.

The favouritism towards foreign professionals from Global North countries is also evident in the practice of granting a Taiwan Gold Card — a scheme that combines an open work permit, residence permit and visa for skilled professionals. While this program was introduced in 2017 as part of the NSP initiative to attract foreign skilled talent, the majority of recipients were workers from Western countries, with the exception of Hong Kong. Between 2018 and 2020, the Taiwanese government issued 1,945 cards, with

694 going to skilled workers from the US, followed by Hong Kong (279 cards), the UK (130 cards), Canada (91 cards), and Germany (74 cards), while Southeast Asian countries accounted for only 139 cards, with recipients from Malaysia (73 cards) and Singapore (66 cards) (Taiwan Employment Gold Card Office, 2020). It is unclear how many Gold Cards were awarded to professionals from Indonesia as the Gold Card's website did not disclose the nationality of the other recipients. To bridge the gap between recipients from Western countries and the NSP target countries, the Taiwanese government may consider lowering the NTD 160,000 per month salary threshold for Gold Card eligibility (Cheung, 2023). This change should help reduce workforce stratification among the ranks of foreign workers.

Unlike foreign professionals, migrant workers face a complex and lengthy process to update their work status and become eligible for permanent residency. The Gold Card scheme, for instance, requires foreign professionals to work for a minimum of three years before applying for permanent residency, which is significantly shorter than the eleven-year waiting period imposed on migrant workers. Further, the outcome of migrant workers' skill upgrade and salary improvement is contingent upon employers' approval, exacerbating the asymmetric power relationships between employers and labourers, particularly for migrant domestic workers who reside in their employer's home. While the new talent retention scheme represents a significant step toward improving Taiwan's labour system, the government must also address fundamental issues within its existing guest worker system to maximise the impact of the NSP for people from the targeted countries.

6. The NSP and the Bilateral Ties between Indonesia and Taiwan

For a sending government like Indonesia, the presence of Indonesian students and migrant workers in Taiwan generates political and moral obligations for the state to enhance the protection of its citizens abroad. This paved the way for the Indonesian government to extend the role of the Indonesian Economic and Trade Office (IETO), which serves as the *de facto* embassy of Indonesia in Taiwan. In 2011, for example, the Indonesian government expanded the function of IETO by setting up a new labour department to manage workforce cooperation and maximise the state's protection of these workers. In 2015, the Indonesian MOFA sent its diplomats to Taipei and established the Indonesian Citizens Protection

Division to further improve the protection of Indonesian citizens. This is perhaps the most significant step taken by the Indonesian government to respond to the growing trend of interpersonal links between Indonesia and Taiwan, despite Jakarta's detached approach in engaging Taipei.

Under the administration of President Joko Widodo, citizen protection diplomacy is one of the four main objectives of the Indonesian MOFA strategic plan (The Ministry of Foreign Affairs of the Republic of Indonesia, 2020). This has led to countries with a large number of Indonesian citizens living, studying, and working becoming a priority for the government's diplomacy, including Taiwan. This new priority has posed a challenge to the NSP as Taiwan's treatment of students and migrant workers has often raised concerns, especially regarding the protection of labour and human rights. As highlighted in reports by international NGOs such as the Environmental Justice Foundation (EJF), human rights abuses in the Taiwanese fishing fleet involving migrant workers are still rampant (Environmental Justice Foundation, 2020). Allegations of forced labour against Indonesian students under the NSP's new scheme of industry-academia collaboration have added another long list of concerns regarding how the NSP should incorporate protection elements into its policy. As a result of these allegations, the Indonesian government temporarily suspended the scheme in 2019 (Crace, 2019).

The violations of human and labour rights have exacerbated the existing asymmetrical relations between the two governments. In the absence of diplomatic relations, the IETO and the Taipei Economic and Trade Office (TETO) serve as the frontline in addressing any issues between Taiwan and Indonesia. While the TETO in Indonesia operates under the control of Taiwan's MOFA, the IETO in Taipei falls under the authority of the Indonesian Ministry of Trade. This unequal institutional arrangement poses challenges in promoting the protection of Indonesian citizens in Taiwan. The Indonesian government, for instance, remains reluctant to establish an education department at the IETO, despite the growing number of Indonesian students and increasing educational cooperation with Taiwan. This reluctance has resulted in a lack of institutional support for ensuring the safety of Indonesian students in Taiwan, impacting coordination and communication with their Taiwanese counterparts.

The cases of human and labour rights violations have further questioned the role of democracy as a catalyst in improving human and labour rights

conditions in Taiwan. Taiwan often utilised the value of democracy to invite people from the NSP target countries to come to Taiwan to study or work. In its education promotion plan, for example, Taipei listed one of its comparative advantages as having a ‘modern, free, democratic society whose people are hardworking, fun-loving and friendly’ (Study in Taiwan, 2020d). These values raise Taiwan's status among its global education competitors, including Beijing. It also differentiates Taiwan from Beijing by advocating the narrative that there is a democratic country adjacent to China where people also speak Mandarin but offer a democratic, friendly environment for students and workers to enjoy free speech without fear of persecution or censorship. This promotional strategy is in line with Tsai Ing-wen’s inaugural remarks that depicted democracy in Taiwan as a way of life (Office of the President Republic of China, 2016a).

It would appear to be in Taiwan’s best interest to recognise that Indonesia’s primary objective in engaging with Taiwan is to ensure the safety and well-being of their citizens and to focus on establishing a positive relationship with Indonesian citizens by prioritising their rights and protection. The implementation of the NSP gave impetus to the increasing interpersonal exchanges between Indonesia and Taiwan. As the most populous country in Southeast Asia, Indonesia offers opportunities for Taiwan to promote higher education and fill its employment sectors. According to Indonesia’s Ministry of National Development Planning (2019), Indonesia is also eager to enhance its human development through higher education and skilled training to realise its vision of *Indonesia Emas 2045*, aiming to emerge as the fifth-largest economic power in the next twenty years. In this sense, Taiwan’s people-centred foreign policy aligns well with Indonesia’s ambitious human development agenda.

Given this opportunity, both countries could take several actions to ensure seamless cooperation under the NSP. First, the Indonesian government may consider upgrading the function and status of the IETO by establishing an education department and placing the authority of the IETO under the Indonesian MOFA. This initiative should be undertaken with the goal of promoting Indonesia’s strategic interests and improving the safety and protection of Indonesians in Taiwan. Second, the Taiwanese government should evaluate industry-academia collaboration, particularly in the practice of using third-party agents for placing student internships in the industry. Third, both sides could conduct regular labour and education

forums or dialogues to monitor the implementation of education and workforce cooperation and address any related issues. These forums could invite governments in their private capacity, as well as academics, making them akin to Track II dialogues on education and workforce cooperation.

7. Conclusion

The state-centric approach regards foreign policy as the exclusive business of the state and focuses its analysis on the impact of policies at the interstate level. This article offers an alternative perspective on the study of foreign policy by focusing on the transnational level of interactions. This approach has helped unpack the reality of the NSP and evaluate the impact of the policy on both state and non-state actors. Findings presented in this article demonstrate that the NSP has increased the number of student, worker and academic exchanges between Indonesia and Taiwan. The talent exchange program has played a crucial role in achieving this goal. These enhanced ties have also influenced the Indonesian government's approach to engaging with Taiwan, even in the absence of diplomatic relations. This has bolstered the Taiwanese government's confidence in continuing to promote people-to-people ties in its foreign engagement with Indonesia. Further, the implementation of the NSP has supported Taiwan's aspiration of nurturing a distinct identity and status separate from China.

While the policy has been effective in boosting the number of interactions, it has also encountered several challenges. First, achieving full reciprocity in exchanges, especially with regard to the small number of Taiwanese students in Indonesia, has been elusive. Second, the absence of research and teaching-based centres focusing on Taiwan Studies has further contributed to the asymmetrical nature of educational and knowledge exchanges between Indonesia and Taiwan. Third, discrimination against Indonesian migrant workers and foreign talent remains prevalent. The promotion of a distinct and democratic Taiwan identity should start from home by tackling the issue of human and labour rights violations endured by migrant workers. Fourth, the policy has not adequately accommodated the priority that the Indonesian government places on protecting the welfare and rights of its citizens working and studying abroad. It shows a lack of understanding from the Taiwanese government in articulating Jakarta's interest in engaging Taipei.

Looking ahead, the continuity of the NSP will heavily depend on the parties that assume leadership after the 2024 Taiwan presidential election. The pattern of continuity and change of engaging non-state actors outlined in this paper has suggested that the increased international isolation and the aspiration to cultivate a Taiwanese identity paved the way for the state to actively engage with non-state actors in pursuit of international recognition from a larger audience, with these actors helping facilitate such aspirations. On the other hand, if the focus shifts toward promoting Chinese nationalism instead of nurturing a distinct Taiwanese identity, the survival of the NSP becomes less likely. Nevertheless, the continuity of engaging non-state actors may still prevail, considering Taiwan's international isolation. This transnational diplomacy also offers opportunities for the improvement of Taiwan's bilateral ties with Indonesia and other countries in the region.

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Views and Perceptions of Indonesia among the Second-Generation of Taiwanese-Indonesians after the New Southbound Policy (NSP)

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Abstract

Taiwan is a multicultural country. In addition to its diverse local communities, Taiwan is home to many migrants, including intermarriage migrants between Taiwanese men and Southeast Asian women. The intermarriage and second generation, which are children born from intermarriage families, created some social integration issues in Taiwanese society. This is because many Taiwanese have a prejudice against people from Southeast Asia, as most of them initially worked in Taiwan as migrant workers. The implementation of Taiwan's New Southbound Policy (NSP) offers some opportunities for migrants to be noticeable. The second generation from this intermarriage also has the opportunity and privilege under the NSP policy. This research is based on a study of the views of the second generation of Taiwanese-Indonesian intermarriage families, particularly on their mothers' culture after the implementation of NSP. This paper argues that the second generation, particularly from Taiwanese-Indonesian intermarriage families, experience a struggle to comprehend their identities within Taiwanese society and their perceptions of the implementation of NSP. The interview method was conducted to delve into the feelings of the Taiwanese-Indonesian second-generation children.

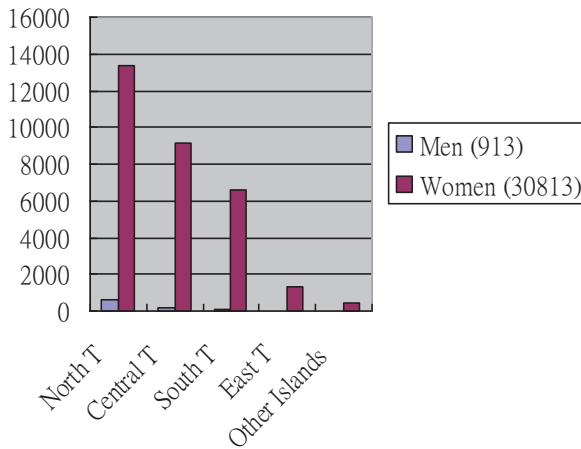
Keywords: *migrants, intermarriage, second generation, Taiwan, NSP.*

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1. Introduction

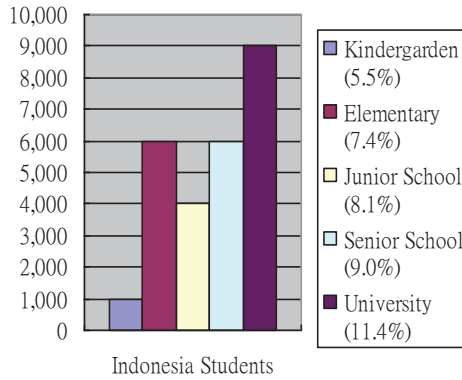
Taiwan has welcomed many new residents from Indonesia for nearly four decades. Those new residents are spouses who are married to Taiwanese people. Approximately 98 per cent of them are Indonesian women married to Taiwanese men, and 2.8 per cent are Indonesian men married to Taiwanese men. The Ministry of the Interior National Immigration Agency in the Republic of China (Taiwan) reports that around thirty thousand Indonesian-Taiwanese intermarriage couples live in Taiwan from January 1987 to August 2023 (Figure 1). This report also shows that for more than three decades, most of the intermarriage is mostly between Indonesian women and Taiwanese men. Figure 2 shows the numbers of the children of Indonesian-Taiwanese intermarriage distributed based on their schools in 2022. Both figures show that in terms of number, Indonesian-Taiwanese families are significant in Taiwanese society as well as in Taiwan’s education sector.

Figure 1. Number of Indonesians-Taiwanese Intermarriage Couples in Taiwan, January 1987 - August 2023



Source: Author’s compilation from Ministry of Interior’s National Immigration Agency, Republic of China (Taiwan) Data.

Figure 2. Number of Indonesians-Taiwaneses Intermarriage Students in Taiwan



Source: Author's translation from the Graphic in Ministry of Education Annual 2022 Report

Being the second generation also provides them with more job opportunities. With many Taiwanese investments in Southeast Asia and local Taiwanese companies that trade with Southeast Asian countries, particularly Indonesia, second-generation children have the potential to accelerate economic, social, cultural, and inter-community exchange. Furthermore, children born into intermarriage families have an advantage in terms of cultural diversity when compared to those born from single-culture marriages. They naturally receive and practice both of their parents' cultures.

However, not all intermarriage couples are formed through natural processes of family formation in general, such as dating, marrying, and having children. Most of the intermarriages between Taiwanese men and Southeast Asian countries women were set through arranged marriages or through marriage agency services, which triggers some problems. Because Taiwanese society considers women to be the wife they purchased, the host family believes they have power over the new family member (Sheu, 2007). Moreover, there is a growing stigma that the second generation was born with sins because of their physical appearance, and they have a different cultural experience than children born to Taiwanese parents in general (Yuanshan, 2022).

Some Taiwanese people still consider Southeast Asian countries to be underdeveloped. This perception affects the position of the new residents at the lower level in Taiwanese society. It is accompanied by the host family's

exclusivity towards the new family member's culture, creating specific stereotypes (Fresnoza-Flot & Shinozaki, 2017). The presence of status inequality in the family, as well as a culture of exclusivity, causes second-generation children to grow up only learning and practising monocultural, rather than multicultural, cognition of their mothers' culture. Taiwan's government is paying more attention to intermarriage families under the NSP. NSP's people-to-people dimension offers opportunities for the second generation to learn about their mother's culture.

Taiwan's President Tsai Ing-Wen launched the New Southbound Policy (NSP) in 2016. The policy aims to improve Taiwan's relations with Southeast Asian countries like Indonesia, Singapore, Malaysia, Vietnam, Thailand, the Philippines, Vietnam, Cambodia, Myanmar, Laos, and Brunei. The principle of NSP is to build deep-rooted and long-term connections, create diverse development, and establish mutual benefit collaboration between Taiwan, Southeast Asia and South Asia regions. The core concept of the policy is intended to integrate the resources and strengths of various ministries, local governments, and private enterprises and groups from Taiwan and the targeted countries. The Economic and Trade Negotiation Office of the Executive Yuan of Taiwan assigns the policy's coordination, implementation, and promotion. NSP is implemented based on four pillars, including economic and trade cooperation, people-to-people exchanges, resource sharing, and regional links to create a new cooperation model of mutual benefits and establish an "economic community consciousness" with the Southbound Countries (CSIS, 2019).

In achieving its economic goal, NSP has an essential segment that is related to the region's socio-cultural exchange and development. People-to-people exchanges, one of the four NSP pillars, emphasize "people" as the core, deepen exchanges, cultivate bilateral young scholars, students, and industrial manpower, and promote complementarity and human resource sharing with partner countries. There are three programs promoted in NSP's people-to-people connectivity: education, industrial manpower, and empowerment for new residents.

The Education sector is one of the critical elements of the NSP. Taiwan's government provides Taiwan scholarships aiming to establish "Special Classes for Industry-University Cooperation" and

"Technical Training Classes for Foreign Youth" in Taiwan's domestic industries. These programs aim to provide employment chances to

graduating international students, encourage colleges and universities to open overseas branch campuses or special classes, offers bridging education courses, promote the learning of Southeast Asia countries' language in Taiwan primary and secondary schools, and encourage Taiwan's universities to strengthen the cultivation of Southeast Asian language and regional trade talents in higher education. The industrial manpower field evaluates foreign immigrant workers who perform specialized or technical work to extend work permits and encourage them to take technical vocational training and earn certificates. The government also conducts some regulations to strengthen two-way professional manpower exchange, develop more simple procedures to apply for work permits, strengthen matching the supply and demand for potential workers, and assist domestic enterprises in finding talent.

NSP also gives attention to new residents in Taiwan. It assists new residents in exploiting their language and culture to acquire relevant certificates and employment (such as teaching the mother tongue language, tourism and other sectors), encourages colleges and universities to set up southbound related departments/majors or courses, provides students with ability in southbound language advantages for admission opportunities and to encourage the second generation of new residents as Southbound talents. In the NSP, the Taiwanese government gives new residents and their children (second generation) more chances to express and practice their native culture. The Taiwanese government's recognition of immigrant culture may have boosted Southbound immigrants' self-confidence. The policy also provides job opportunities, particularly for those who are qualified to teach Southeast Asian languages, which were added to the elementary school curriculum in 2019 (Kasai & Lin, 2023) and taught in junior and high school as an extracurricular class. Under NSP implementation, some universities established Southeast Asian Studies Departments, and languages such as Vietnamese, Indonesian, and Thai became core courses in the curriculum (Ng, 2020). Aside from teaching their mother tongue languages, new residents can also work in language-related fields, such as tour guides, translators, and interpreters at a migrant worker service company.

In the case of Indonesia, NSP improves Taiwanese society's knowledge of Indonesian culture. Implementing Indonesian language learning at various levels of education in Taiwan strengthens the second generation's competitiveness. These programs also helped the second generation to

identify and recognize their identity as Indonesians. The teaching of their mother language then strengthens the meaning of the NSP policy for Taiwan to achieve the goal of “people-to-people” for mutual understanding between Taiwan and Indonesia. Most NSP research focuses on policy evaluation, whereas research on the second generation focuses on integration issues and the second generation’s identity crisis. The impact of NSP on the second generation’s identity is understudied. Therefore, this paper attempts to analyse the second generations of Taiwan-Indonesia inter-country marriage to understand their mother’s hometown, recognition of their identity, and their opinion about Taiwan’s NSP policies.

2. Identity and Policy

Identity recognition is crucial for both migrants and the host country. It affects the level of self-confidence and determines their success in work and study. According to M. Calderone, recognised immigrant students outperformed those whose cultures were not. (Lili, 2018). In other words, culture recognition is critical because, in addition to fostering harmony in society, it directly impacts the success of the entity that owns the culture, particularly in the case of intermarriage with a spouse who has flaws and stereotypes.

The rejection of immigrants and limitation of the origin cultural practices then put the second generation missing the opportunity to experience living in a multicultural community. The situation also affects the psychological well-being of the mothers and children. Most people or ethnicities or nations believe their ethnicities are the most superior (Bizumic, 2014) and tend to value other cultures as having a lower status. It is mainly applied or occurs between the majority and minorities, as well as how residents feel toward immigrants. This is evident in Taiwanese society, which has established stigmas and awareness of the insider and outsider among Taiwanese people as majority and minority migrants. Scholars argued that Southeast Asian women have differences in physical terms, as well as cultural and customs backgrounds are very different from Taiwanese society in general (referring to ethnic Han), and these differences can create an erosion of local superior culture such as eating by hand which is considered underdeveloped (Cheng, 2013; Ng, 2020). Most residents are concerned about how the number of immigrants will change the community or society structurally and culturally. According to residents, immigrant mothers from Southeast Asia in Taiwan are thought to threaten Taiwanese family habits.

Southeast Asian spouses' language, economic and language skills do not meet integration requirements (Charsley et al., 2017), which could threaten the country's security and host society development (Yeoh et al., 2021). However, the process of adaptation or assimilation to a new environment that Southeast Asian women immigrants go through is fraught with rejection or coercion. Therefore, Isabelle Cheng suggests government regulations to solve this issue (Cheng, 2013).

Identity is a judgmental boundary that distinguishes the presence of the personal self from other entities, not other people. Identity depends significantly on the extent to which a person feels "in" and "with" that identity. The appraisal of others cannot be used as a benchmark for measurement since it is almost subjective or even unconscious rejection, and there are even baseless comparisons by the person doing the evaluation (Lili, 2018). According to Marshall R. Singer, every person is a member of multiple identity groups and practices multiple identities at the same time, so no one is a part of the whole of a specific entity because they have values and beliefs about their entity (Singer, 1998). For the second generation, born in the intermarriage family causes they inherited a diverse cultural identity and naturally become a mixed-race person. Dan Rodríguez-García calls it the construction of race, which is formed from the multidimensional nature of identity (Rodríguez-García et al., 2019).

However, societal stigma developed unilaterally in forming identity by not obtaining the consent of the labelled group. It is exacerbated by some challenges in societal integration, such as discrimination and rejection from both cultures seeking to integrate into the host society. However, in many cases, the second generation may have an advantage in assigning an identity to be an asset to adapt to both cultures. They have advantages in understanding intercultural communication and opportunities for creative work, with all of the benefits of an intercultural family, including language usage, family mindset, and culture itself.

Southeast Asia is the largest immigrant community in Taiwan. According to the Ministry of Interior Taiwan, the total number of immigrants from Southeast Asia reached 784,000 thousand; 79.4 per cent were migrant workers, 8 and 4 per cent were new residents, including those who had or had not naturalized (Ministry of The Interior R.O.C (Taiwan), 2011). Although most of the Southeast Asian population in Taiwan are migrant workers, they remain in Taiwan for an extended period and constitute a stable group in

Taiwanese society. Apart from that, there are also people with Taiwanese citizenship who practice or have experience of Southeast Asian culture in their families; they are the second generation born from intermarriage between Taiwanese men and Southeast Asian women (Cheng, 2013).

New residents and the second generation are part of Taiwanese society as a minority group. The presence of these minority groups causes the government to feel compelled to develop policies that can include this group as part of the government's goal of promoting government capability and legitimacy (Aljunied, 2010). The NSP and its programs have created some positive opportunities for new residents and the second generation, both economically and socially. Furthermore, cultural and linguistic policymaking is influenced by the country's political and socioeconomic planning blueprint (Couture Gagnon & Saint-Pierre, 2020).

People-to-people relations serve Taiwan's interests with Southeast Asian countries in the context of the NSP, allowing for a long-term relationship and achieving maximum targets by maximising existing assets. Southeast Asian and second-generation migrants are expected to bridge Taiwan and Southeast Asia through cultural learning, particularly in language as a communication tool. This can increase its value and suit the people-to-people context in the NSP (Huang, 2021).

3. Methodology

Technological advancements enable high mobility in cross-border routines, and the transnational lifestyle has evolved to allow for the birth of intermarriage families. In Asia, international marriage has become a significant phenomenon in the region's societies. In some Asian countries, this type of marriage has even become a mechanism for forming families (Douglass, 2006) and developed significantly for specific reasons, as in Taiwan. With the development of society and the issue of gender equality, women who have brilliant careers prefer to remain single, abandoning the conservative concept of "a woman's fate to marry and give birth to children as a guarantee for old age". In contrast, well-educated Taiwanese with a modernised mindset of "why get married if married life won't be better" contributed to an increase in Taiwan's international marriage rate, particularly for Taiwanese men who are economically weak or disabled. As a result, intermarriage in Taiwan has been a societal phenomenon for a long time and is still occurring.

Meanwhile, the NSP, as one of the essential policies of the Tsai Ing-wen Administration, places Southeast Asia as a vital cooperation region for Taiwan, indirectly increasing the detailed visibility of Southeast Asia in general and Indonesia in Taiwanese society. This initiation marks the Taiwanese government's recognition of the region's economic and socio-cultural development and opens opportunities for the second generation to learn their mother's culture.

This paper applies a qualitative method using a case study approach and a literature study to discuss conducting descriptive analysis research with direct observation and analysis to examine the research topic in detail. The case study method allows in-depth research on a particular object to obtain conclusions referencing its general truth. Bennett and Elman argue that the case study method is the most widely used method for getting rigorous and detailed research results and can be used to study social phenomena and relationship behaviour to determine community members' motivations (Martyn, 2013)

This paper also uses a direct observation approach to collecting data. Direct observation can give advantages and flexibility to get more subjective research results because it directly participates in the research topic. A literature review can serve to develop a general understanding of information variables and knowledge related to topics. The literature study in this research focuses on collecting various data through online data and printed data such as books, research articles, newspapers and policies published by the government (Johnson et al., 1950).

This research interviewed twelve respondents who were the second generation in Taiwanese-Indonesian intermarriage families. These two respondents are college students. Of the twelve respondents, only one has formally studied Indonesian culture and language. This student studied in the Southeast Asian Research department at Wenzao Ursuline University of Languages in Kaohsiung City, Taiwan. Before entering the college, the respondents had never studied Indonesian, and the aim of studying in the Department of Southeast Asian Studies was because they wanted to understand and learn more about their mother's culture and the Indonesian language so that they would have the opportunity to work in Indonesia in the future or have greater job opportunities with their Indonesian language skills. Meanwhile, some of the other eleven respondents studied Indonesian informally but did not take Southeast Asian Studies in college.

Due to stigma, the second generation of intermarriage children are reluctant to identify as the second generation freely, making data collection difficult. This challenge led to the research limitation, which is that the respondents are children of Taiwanese fathers and Indonesian mothers. For future research, it is essential to find more respondents from the families of Taiwanese women who are married to Indonesian men. This research was conducted using the interview method. The interviewer asked questions about the respondents' knowledge of Indonesia, their views of their mother's hometown, and their perceptions about the NSP.

4. NSP and The Second-Generation Self-Identity Recognition

Since its initiation in 2016, the NSP programs have been running for seven years. As one of the Tsai Ing-wen government's mainstay policies, NSP has produced many development programs for Taiwan's second generation, a group with cultural affinities to Southeast Asia. (Ministry of Interior R.O.C (Taiwan), n.d.). The presence of NSP has positively impacted and changed Southeast Asian communities in Taiwan and vice versa. The NSP program provides opportunities for new residents to showcase their culture through cultural exchange activities, from community to national levels, as organised by the NGOs, educational institutions and government. This cultural activity increases the cultural visibility of new residents. In general, socialising with the culture of new residents can increase understanding of the culture of immigrants, thereby encouraging cultural exchange and motivating the second generation to know their mother's culture.

4.1. The Understanding of Their Mother's Hometown

As children born into intermarriage families, the second generation in Taiwan's understanding of Indonesia may be different and, to some extent, influenced by external and internal factors. External factors are affected by restrictions from the host or father's family and lack of learning opportunities, while internal factors come from the second generation itself – they are reluctant to learn their mother's country of origin as it is not an urgent need (for instance, they were not confident with their mother culture and hometown as well as undeveloped weak economy). Even though the second generation receives knowledgeable information about Indonesia, there are still accuracy problems from schools and the mass media. These

two sources of information also influence their opinions about their country of origin. Respondent's knowledge of their mother's hometown came from several different sources, including general knowledge from textbooks, conversations with friends and so on; mass media such as television news, online news, newspapers and so forth; and personal opinions based on personal experiences such as the experiences of visiting maternal grandparents' houses, taking study tours and the knowledge they gain from their mothers' stories.

4.1.1. Knowledge about Indonesia in Taiwan's Schools

Most respondents (eight out of twelve) said they received general knowledge about Indonesia at school. The knowledge includes that Indonesia is a country formed from a group of islands, is multicultural and has many tribes, religions, islands, and ethnic groups. Second, respondents said that Indonesia has much petroleum, has many Muslims, and is also the largest archipelagic country in the world. Third, Indonesians prioritize ethnic identity and respect each other's religious differences; Indonesians celebrate religious holidays, which are also commemorated with holidays; batik is Indonesia's national cloth; Indonesia's industrial sector is undergoing a rapid development phase, and many Taiwanese businessmen are investing in Indonesia. Fourth, Indonesia has a large population, with each tribe possessing its local language and culture, such as harvest traditions, cow races, weddings, etc. Not to mention, they also celebrate their traditions by dressing in traditional attire and eating traditional food. Fifth, Indonesia is perceived as a religious country with a pious society, and numerous praying sites (especially mosques for Muslims) are evident throughout the nation. Respondent L said she had studied the Indonesian language or Bahasa Indonesia at her school, and Indonesian language lessons at school made her want to know more about Indonesia. For her, Indonesia has a great history and is a colourful country with unique traditions. According to her, the Indonesian economy is also growing due to countless developments in Indonesia.

Regarding general knowledge, three respondents said they could not fluently describe Indonesia because they rarely got lectures about Indonesia at school. Respondent I even said that she never got an introduction about Indonesia from school or through textbooks in Taiwan. Respondent K said she knew Indonesia from foreign movies. Respondent I also noted that Taiwanese-style explanations by local Taiwanese and mass media need

more accurate information about Indonesia. These opinions demonstrate the knowledge deficit about immigrants in Taiwan and two factors cause this situation. First, there is a lack of sociocultural exchange between Taiwan and the country of origin of the immigrant. This situation creates limited information about Indonesia's social, economic, and cultural situation. Second, there is little social interaction between immigrants and Taiwanese society. The limited social interaction is caused by the limited introduction of Taiwanese culture to migrant workers before they arrive in Taiwan and the lack of knowledge of Indonesian culture by Taiwanese companies or families who hire Indonesian migrant workers (Tingchi, 2020).

Indonesian women who marry Taiwanese men experience relatively severe integration problems. In general, Indonesian women marry Taiwanese for economic reasons, so Indonesian spouses are expected to adapt to Taiwanese culture and even leave behind their home culture, which is reinforced by this intermarriage requiring them to settle in Taiwan (Yujie, 2016). Furthermore, the Taiwanese have a limited view of Indonesia based solely on their monoculture, resulting in a misunderstanding of Indonesian society and culture. On the one hand, the presence of Indonesian workers in Taiwan's industrial sector also exacerbates the growing stigma. The majority of information respondents obtained from knowledge at school had high accuracy with facts about Indonesia, although three respondents did not know about Indonesia. This was also due to external factors such as lack of explanations from teachers, little relevant learning materials and the influence of the social environment.

4.1.2. Knowledge of Indonesia from Mass Media

Mass media plays a significant role in introducing the second generation to their mother's hometown. Before the NSP policy was implemented, news in the mass media was about Indonesia's domestic social news and Taiwan's domestic news about Indonesian workers. Also, most of the reports were all about illegal migrant workers and crimes that brought a negative perception of Taiwanese society toward Indonesian citizens on the island.

Next are the respondents' responses about Indonesia's socioeconomics they read from mass media. Respondents A, C, I, J and K stipulated that Indonesia is an undeveloped country with many dirty roads, the economic conditions of the society are poor, many children do not go to school or must earn school fees by working as street musicians and parking attendants

and there is no health insurance in Indonesia. The respondents also said they received knowledge from the media that shows Indonesia is a country of corruption, suffering from frequent earthquakes, volcanic eruptions and floods. They also received Indonesian entertainment news from the media, such as BTS, a South Korean boyband, causing chaos when introducing a new McDonald's menu in Indonesia. Respondent E also said that Indonesia is a congested country with millions of populations, and poverty is rampant.

Respondents F and G said that the Taiwan media rarely reported news about Indonesia; the Taiwan mass media only provided information about Indonesian workers (TKI), such as runaway TKI and TKI who had legal problems. Respondents B, E, H, and L obtained a lot of culinary and tourism information, leading them to conclude that Indonesia is a beautiful country with many exciting tourist attractions. Respondent D then articulated that the news they received about Indonesia in the mass media was about the firmness of the Indonesian Coast Guard in dealing with foreign fishing vessels that are entering Indonesian waters without permission — showing that Indonesia is a country that upholds sovereignty. Thus, most Taiwanese mass media's coverage of Indonesia is relatively negative, especially socio-cultural. This one-sided reporting has harmed Indonesia's image in Taiwan and created a negative stigma for Indonesians living in Taiwan.

4.1.3. Knowledge about Indonesia from Their Mother

Mothers are the first creators of Indonesian knowledge for their children, the second generation of Taiwanese intermarriages. The understanding that respondents get from their mothers is more subjective based on the region and experiences experienced by each person. Because of their different backgrounds, their knowledge of Indonesia is also diverse. Their mothers introduced respondents to Indonesia, especially regarding socioeconomics, security, and education.

The social aspect was the knowledge most shared by respondents B, C, D, E, F, G, H, I, J and K. Respondents B and F were of the view that Indonesia was a friendly and nice country; Respondent C stated that her mother told her that life in Indonesia is different from the Taiwanese underdeveloped stereotypes since not all Indonesians profession are low-level migrant workers. In Indonesia, there are also companies, entrepreneurs, artists, professional workers, businesspeople and so forth; Respondent D's mother pointed out the vast wealth disparities between rich and poor

Indonesians. Collectively speaking, respondents C, E, D, G and F obtained knowledge from their mothers related to demographics in Indonesia, such as many islands, languages, food and unique things such as tradition, art and costumes. Respondent G cited that Indonesians practice their religion and beliefs diligently. G said that religion is essential in all Indonesians' lives and that Indonesians are not all Muslims but also Christians, Catholics, Hindus, Buddhists, and Confucians. Respondent H's mother said that Indonesia's economy was less advanced than Taiwan's. According to respondent, I's mother, most Indonesian men do not work, while for respondent J, most Indonesians have large families. Meanwhile, Respondent K's mother stated that she did not have much memory of her hometown, so there was nothing to share with her. In contrast, respondent L had a different experience as she often returned to her mother's country to visit her maternal grandparents.

In the educational aspect, respondent A was introduced by his mother to the idea that education in Indonesia prioritizes the learning process, has more active students, and does not focus on exams and memorization. In contrast, respondent C reported that his mother perceived Indonesian students' English ability higher than Taiwanese students. Three respondents gave opinions regarding security issues — with Respondent A viewing Indonesia's security as not good, respondent C's mother deeming Indonesia's politics unstable, and respondent F's mother believing the country had inter-ethnic strife and stereotypes accompanying cultural differences among ethnicities.

The realities of Indonesian society influence respondents' mothers' personal experiences in their country of origin. Students' mothers grew up in Indonesia during the New Order regime—a time with limited freedoms and an authoritarian regime that worsened inter-ethnic relations—therefore, their knowledge of Indonesia is limited to personal experiences and conditions at that time, even though conditions in all areas have changed since the 1998 reform. In addition, due to economic considerations, many second-generation mothers cannot return to their hometowns often, so their information regarding their country of origin remains solely based on past experiences.

4.1.4. Knowledge of Indonesia based on Self-Experiences

Eleven out of twelve respondents said that they had visited their mother's hometown. Apart from respondent E, other respondents visited Indonesia at least once and gave a positive view. Respondents A, B, C, D, F, G, H, J, K and L believe that Indonesia is not similar to what is reported by the

Taiwanese media reports. Respondents gave positive conclusions about Indonesian social life. Respondent B said she liked the Indonesian family's atmosphere in which family gatherings are the norm and members of families have a lively Chinese New Year celebration compared to Taiwan's. Respondent C said Indonesian people are amiable and fond of sharing food, and the trust in people is high. Respondent D, on the other hand, said the sound of a morning call to prayer frequently woke her up. She also described Muslims as very religious. Everyone in the village knows each other and is friendly. Both Respondent F and J like Indonesia, with Respondent F believing Indonesian neighbours, are friendly and kind and cook delicious food. Respondent I believes that life moves slowly in Indonesia, making it more relaxing and comfortable.

Respondents acknowledge Indonesia's economic problem but argue it is less severe than reported. The second impression of the respondents is the economic problem faced by Indonesia. Respondents A, C, G, H, K and L described the wealth gap between the poor and rich as huge, even though the Indonesian economy has developed very rapidly. They saw significant differences between urban and rural areas. They said urban regions had tall buildings, luxury cars, and paved roads, and life was very advanced and modern. In contrast, rural areas had little infrastructure, poor water quality and electric outages. However, Respondent A argues that Indonesia's economic development is similar to Taiwan's, making it worth exploring. H said she doesn't feel messy like people and the media say.

Apart from their experiences, internal and external factors limit the second generation of a Taiwanese-Indonesian intermarriage family's knowledge of their second hometown. Two aspects influence internal factors. The first aspect is their mother's knowledge of Indonesia, primarily determined by their concrete socio-environment, education, and life experiences before leaving Indonesia. Such an introduction to Indonesia given to their children will have limitations in accuracy and objectivity. Ethnocentrism reason is the second internal factor. Given Taiwanese families' strong recognition of their culture, they have pre-conceived attitudes and views in perceiving the culture of new residents, which limits new residents from imparting knowledge of their native culture to the second generation. External factors are influenced by knowledge about Indonesia obtained from school and news in the mass media. These factors limit the second generation's Indonesian language and culture learning.

4.2. Second-Generation Perceptions Towards Their Identity and NSP

In this research, most respondents viewed Indonesia as their second hometown. Respondents A, B, D, G, H, I and L believed that Indonesia is a better understood or known country than other countries outside Taiwan since Indonesia is their mother's home country. Respondent J even said that Indonesia was his second identity. Respondent E said he had never been to Indonesia but wanted to visit the country. The Indonesian food he ate in Taiwan was very delicious; eating them in their native country would be tastier and more authentic. The respondent also felt that if he visited Indonesia, he would be able to find many exciting stuffs that the respondent would like.

Meanwhile, respondent F said that Indonesia was a country that was both familiar and unfamiliar to him. Before visiting Indonesia, the respondent heard many positive and negative stories about it from her mother, which led to him having some stereotypes about it. Those stereotypes are, for example, Indonesia is not a safe place, and native Indonesians do not like Chinese Indonesians. But, after visiting Indonesia personally, he felt the opposite as the people are warmhearted and the neighbours frequently see each other. He mentioned that he did not have this kind of experience in Taiwan and did not even know who lived on the top floor of his apartment. Respondent F emphasized that the language barrier limits him from understanding his mother's country as his second hometown. Respondent F said he felt the warmth of Indonesian people even though he faced hurdles regarding the language. As second-generation immigrants born in Taiwan, not all of them had the opportunity to comprehend more about their mother's hometown. Thus, it makes sense that they have very little knowledge of Indonesia. Respondent K said that even though he had a mother who came from Indonesia, his mother did not share much information or stories about Indonesia with him. All he knew was information related to the Indonesian economy — such as the car assembly and food processing industries — as well as the country's socio-political news, the most notable being the Indonesian natives' discrimination against the local Chinese.

The research results show that most respondents stated that the NSP assists in building up a deeper relationship between Indonesia and Taiwan. Respondents also mentioned that the NSP has gradually improved relations between the two countries, which, in turn, could create opportunities for the young generation of both countries. Respondent C said that knowing

the history of other countries is beneficial for Taiwan's future development. Meanwhile, respondent D recognized that there is progress in bilateral relations, and this could help both countries understand each other, even though the benefits were still limited. Based on the observations during the research, although many Southeast Asian cultural promotion activities are organized by the government or NGOs in public spaces, the main participants remain Southeast Asian migrants. Taiwanese locals rarely involved themselves in these activities. Those Taiwanese who were present in the activities only came in as spectators and would not participate in the cultural performances.

Respondents argue that while some promotional and exchange activities under the NSP are improving knowledge about Southeast Asia, more effort is needed to raise awareness and acceptance of new residents' cultures in Taiwanese society. They argue that those activities seem to be ineffective and do not bring significant effects on the awareness and acceptance of the new residents' culture among the Taiwanese. Respondents E, F, G, and K agreed that NSP provided many opportunities for further cooperation and exchanges with Taiwanese and Indonesians. Since the NSP was launched, Southeast Asian students have been able to study in Taiwan. The Taiwan government has offered many scholarships for Southeast Asian students who seek to learn and undertake cultural exchanges in Taiwan. Respondent G gave an example that since her campus had many Indonesian students; she had the opportunity to make friends and have cultural exchanges with the Indonesians. Respondent K emphasised that cultural promotion activities have increased the visibility of Southeast Asian culture, but the communication channels between the two countries are still inadequate.

Four respondents said that the NSP did not positively influence improving relations between the two countries. Respondent B said he did not have much knowledge about NSP. Still, many Taiwanese perceived that Southeast Asian countries have a lower status than Taiwan in both cultural and economic terms. Respondent H emphasized that the news on television still often reports negative information about the NSP. For instance, the headlines often appeared in such form — "Taiwan NSP: Indonesian Students Came to Taiwan and End Up as Labourers" — and there is still a view that Southeast Asians are second-level citizens. Meanwhile, the conservative groups in Taiwan are still rejecting the presence of Southeast Asians in Taiwan. In Indonesia's case, the 1998 anti-Chinese riots brought a negative

image of Indonesia in Taiwan. Taiwanese still doubt whether Indonesians can accept or work with Taiwanese or Chinese.

Meanwhile, eight out of twelve respondents agreed that the NSP had positive effects and benefits for them as the second generation. The future economic advantages that are valuable for them include wider job opportunities, more considerable educational resources to learn their mother tongue and the establishment of Southeast Asian majors in the universities. Moreover, the NSP opened the gate for more opportunities to know more people and their second hometown. At the same time, it also expanded the market for Taiwanese business and investment sectors. Respondents K and E said that the NSP afforded many opportunities to know Indonesia, with the language barrier as an impediment to overcome. Although they have been recognised as a second generation in Taiwanese society, they should have been able to take more opportunities if they could learn more about their culture and mother tongue from an early age.

The results of this research show that new residents have been present in Taiwanese society for a long time, yet their presence has received little attention from the government. Even though Southeast Asian mother-tongue language learning has been compiled into the curriculum, it is far from simultaneous implementation on the ground. Based on the author's experiences, who is also an Indonesian language teacher, some schools in Taiwan do not open Indonesian language classes due to the shortage of relevant teachers.

5. Conclusion

The theoretical implications of this research show that the NSP, on the one hand, is an important foreign policy of President Tsai-Ing Wen's government. On the other hand, NSP also influences the dynamic in Taiwan's domestic space. As a foreign economic policy, it contributes to Taiwan's political and economic development and positively impacts Indonesian society. NSP offers some improvements for the long-term relations between Taiwan and Indonesia and affirms and strengthens the identity of Indonesians living in Taiwan regardless of their status.

Respondents expressed their expectations for the Taiwanese government to offer more knowledge about Indonesia's latest developments and the positive effects from the improvement of relations between Taiwan and Indonesia. The initiation of the NSP exemplifies the Taiwanese government's

recognition of the Southeast Asian region and increasing self-confidence in intermarriage families. These policy programs also intensify the visibility of Southeast Asian culture in Taiwan (especially the Indonesian culture) and improve the communication channels for both parties. A challenge in this dimension is that cultural exchange between new residents and local Taiwanese people has not yet been fully implemented. The new residents are still hesitant to display and practising their mix-race culture and identity in society.

That said, the NSP has certainly opened another door for Taiwan's relations with Southeast Asian countries. The Taiwanese government should take advantage of today's domestic social structure to build a mutual and sustainable socio-economic relationship with Southeast Asian countries. The Taiwanese government should further empower the potential of the second generation as a bridge for people-to-people relations in the future. There is no doubt that NSP serves as a platform for developing a long-term investment for Taiwan.

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Making Middle-Power Alignment Work: Reinforcing Taiwan-Vietnam Collaboration in the Semiconductor Industry

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Abstract

Through their joint initiatives, emerging middle powers are taking on a bigger role in the Indo-Pacific. But current scholarship on middle powers mainly focuses on countries with well-established reputations, such as Australia, Canada, South Korea, and Japan. Taiwan and Vietnam are two prime examples of emerging middle powers whose role and contributions have been under-examined. The authors contend that, against the backdrop of US-China technology competition, Taiwan and Vietnam should enhance collaboration in the semiconductor industry in an effort to forge closer ties and navigate geopolitical shoals and reefs, leading to the development of a more resilient semiconductor value chain. This paper discusses Taiwan's crucial role as a potent player in the global semiconductor business in addition to presenting Vietnam's aspirations to become Southeast Asia's hub

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for semiconductor manufacture. By working on this understudied area, the authors wish to offer suggestions on how the two partners could bolster ties through workable plans to reinforce technology collaboration.

Keywords: *emerging middle powers, semiconductor, Taiwan, Vietnam, Indo-Pacific.*

1. Introduction

Taiwan and Vietnam have incrementally come to be seen as middle-powers strenuously seeking a proactive role in the Indo-Pacific region. According to The Lowy Institute's 2023 *Asia Power Index* (The Lowy Institute, 2023), both Taiwan and Vietnam have been recognized as middle powers in Asia. While Taiwan "has embraced niche diplomacy—a sort of diplomacy conducted in selected areas falling within the scope of interest and capacity of middle powers to forge their manoeuvrability and flexibility" (Sang, 2022), Vietnam has been working tirelessly towards bolstering multilateralism and seeking pro-activism in niche diplomacy, particularly in the realms of "climate change, plastic pollution, water security, gender equality and peacebuilding efforts at various international fora" (Do, 2022).

Taiwan and Vietnam's growing importance in international affairs has also been attributed to the strategic values they embrace. Taiwan sits at the critical node of the first island chain and holds strategic implications for upholding democracy in East Asia where Chinese aggression has become more blatant (Sacks, 2023). Should China be able to annex Taiwan or bring Taiwan under its control, the great power could possess leverage to undermine regional stability and threaten the balance of power in the Indo-Pacific. As for Vietnam, it is acting as a bulwark and a "strategic card" that can alter the regional balance of power, and its "ascendant geostrategic importance" is becoming more prominent as the US-China strategic competition intensifies (Dung & Ho, 2022).

Despite the fact that Vietnam does not officially recognize Taiwan, the Southeast Asian country has carefully nurtured ties with the East Asian partner, particularly in economic and cultural aspects. In 2022, Vietnam-Taiwan trade achieved a new ride, with a total two-way import and export turnover of approximately \$28 billion, and Vietnam is Taiwan's 10th largest trading partner (Communist Party of Vietnam Online Newspaper, 2023). In

terms of geostrategic values, the two partners have been grappling with the “geographical tyranny” and share strategic ideals, such as their asymmetric relationship with China, a pragmatic strategy for navigating great-power competition, and strategic flexibility to deal with regional challenges. In the midst of the Sino-US economic rivalry, Taiwan and Vietnam are considered as trade dispute winners and attractive sites for business investment (Sang, 2021).

Under the New Southbound Policy launched in 2016, the Tsai Ing-wen administration has committed to strengthen Taiwan’s ties with Southeast Asian countries, with Vietnam serving as the focal point (Chung, 2020). As emerging middle powers in Asia, Vietnam and Taiwan see eye to eye on the need of upholding international law and multilateralism while working for a stable and prosperous region free of coercion and intimidation. Among the areas of cooperation between Taiwan and Vietnam, the semiconductor field emerges as a promising playground where both parties can strategically support each other in a win-win situation.

Semiconductors are currently an indispensable strategic asset in the modern global economy (Council of The European Union, 2022), much like petroleum was during the Cold War era. These minuscule yet indispensable constituents constitute the fundamental framework of electronic devices, propelling advancements across various sectors, such as communication, computing, healthcare, military infrastructure, transportation, clean energy and an array of other practical uses (Semiconductor Industry Association, 2023). Their centrality to the digital economy is unequivocal. The market valuations of semiconductor enterprises are already worth more than \$4 trillion (The Economist, 2021), which indicates a dramatic increase in demand for chips. Along with the dramatic rise in telecommuting and housebound consumers, this demand boom has been much more pronounced since the COVID-19 pandemic. It is believed that the rise of the automotive sector and the deployment of 5G networks would further amplify this demand (Holmström, Kenney & Seppälä, 2021).

The semiconductor value chain is structured into three essential phases. Initially, the design stage serves as the starting point for chip production, delineating requirements, structuring the chip, and validating its design on a testing platform. This phase significantly contributes to semiconductor value and necessitates an allocation of approximately 10 to 15 per cent of physical capital expenditure. Subsequently, the fabrication, foundry, or manufacturing

phase involves imprinting the integrated circuit onto a silicon wafer, constituting a quarter of the added value and accounting for nearly two-thirds of the physical capital expenditure in the semiconductor industry. Lastly, the assembly, test, and packaging phase encompass the segmentation of wafers into individual chips, their encapsulation, and subsequent testing. Although this phase requires a lesser degree of specialized skills and knowledge compared to preceding stages, it contributes approximately 5 per cent to the semiconductor added value while representing 10-15 per cent of the physical capital expenditure (Haramboure, Lalanne, Schwellnus & Guilhoto, 2023).

The intricate process of semiconductor chip production demands extensive knowledge and relies heavily on the expertise of proficient suppliers (Holmström, Kenney & Seppälä, 2021). Consequently, recent years have witnessed a notable trend towards vertical disintegration within the industry, with specific firms specializing in distinct stages of the supply chain (Mönch, Chien, Dauzère-Pérès, Ehm & Fowler, 2018). With the rapid growth of the semiconductor industry, semiconductor manufacturing and design companies are well-positioned to make significant contributions to the global economy (Ondrej Burkacky, 2022). This marks the beginning of a new era in which nations will need to work together to take advantage of opportunities and weather challenges. As for Taiwan and Vietnam, Taiwan has a well-established advantage in manufacturing and has recently made progress in the design phase of the semiconductor value chain. On the other hand, Vietnam has been steadily emerging as a hub for chip assembly, packaging, and testing.

This study offers valuable insights into the symbiotic collaboration between Taiwan and Vietnam in the semiconductor sector, serving as a means for these two mid-sized powers to enhance their influence in the regional sphere. The paper examines Taiwan's significant role as a key participant in the regional semiconductor market and Vietnam's capacity to emerge as a semiconductor manufacturing hub in Southeast Asia. Ultimately, suggestions are devised for both parties to enhance their mutually beneficial relationship in the semiconductor sector.

2. Taiwan: A Leading Player in the Global Semiconductor Industry

Globally renowned, Taiwan has swiftly garnered widespread recognition due to its remarkably prosperous semiconductor industry, which has been the key driver of the nation's economic trajectory since the 1980s (Chang,

Shih & Hsu, 1994). By the year 2022, the aggregate value of Taiwan's exports within the integrated circuit domain amassed an impressive volume of \$184 billion, constituting approximately 25 per cent of the country's Gross Domestic Product (Pang, 2023). Keeping Taiwan's strategic importance and international allies intact in the face of worsening ties with China is seen as critically dependent on the island's semiconductor sector. The contemporary significance of semiconductors within the worldwide economic landscape has bestowed upon Taiwan's semiconductor industry the epithet of the "silicon shield", defending the self-ruled island against security vulnerabilities and external hazards. So far, Taiwan has achieved notable accomplishments across all three segments of the semiconductor value chain.

In the design segment, Taiwanese companies account for six to seven per cent of the global market share in the period 2005 - 2020 (Semiconductor Industry Association, 2022). As Taiwan's importance in the international semiconductor industry grows and the industry dynamics shift, catalysed by the ongoing profound restructure of the global supply chain and the global roll-out of commercial 5G services (Department of Information Services, 2022), Taiwanese semiconductor enterprises face greater pressure to boost substantial investments in research and development (R&D) to elevate the domestic industry's standing in the highest segment of the value chain, going beyond historical practices merely centred around accepting contract production orders (Chen & Jan, 2005).

Initially, government support entities, including the Institute of Industrial and Technical Research (ITRI) and the National Applied Research Laboratory (NARL), have exerted a notable influence in cultivating the scientific foundation and fostering innovation within Taiwan. Their efforts encompass the provision of support for R&D endeavours within the private sector and the exploration of emergent technologies (Rasiah, Shahrivar & Yap, 2016). Central to this context, the inception of the Institute of Industrial and Technical Research (ITRI) during the 1960s stands as a seminal event credited with instigating Taiwan's successful foray into chip manufacturing (Chang R., 2023). Operating as a government-affiliated non-profit organization, ITRI possesses the overarching objective of propelling advancements in industrial technology. Through its membership structure, ITRI serves as a conduit for government-backed financial assistance, nurturing the growth of R&D initiatives and incubating the world's foremost semiconductor foundries, notably United Microelectronics Corporation

(UMC) founded in 1980 and Taiwan Semiconductor Manufacturing Company Limited (TSMC) founded in 1987.

Under the Tsai Ing-wen administration, a strategic trifold approach was launched to boost domestic R&D. This approach encompasses the amplification of R&D subsidies, the reinforcement of talent cultivation, and the provision of tax incentives for the semiconductor industry (Department of Information Services, 2022). From 2012 to 2022, the Taiwanese government has continually augmented its investments in R&D, with the percentage of GDP allocated to R&D rising from 2.96 per cent to 3.96 per cent (see Table 1).

Table 1. Research and development expenditure in Taiwan from 2012 to 2022

Year	Expenditure (in billion New Taiwan dollars)	Expenditure as GDP (%)
2012	434	2.96
2013	458.43	3
2014	484.54	2.98
2015	511.62	3
2016	541.76	3.09
2017	574.5	3.19
2018	615.99	3.35
2019	660.79	3.49
2020	718.79	3.63
2021	820.63	3.77
2022	898	3.96

Note: The statistical synthesis originated from the datasets published by Statista and the National Science and Technology Council of Taiwan.

In consonance with governmental goals, the government-backed TSMC is one of the pioneers supporting semiconductor R&D endeavours in Taiwan. Since its inception over three decades ago, this company has steadfastly pursued the goal of proprietary technological advancement (TSMC, n.d.). The company's investments directed towards the expansion of semiconductor R&D has increased over time (Macrotrends, 2023). By the year 2022, TSMC had amplified its R&D expenditure to reach \$5.47 billion, reflecting a substantial 23 per cent augmentation in comparison to the preceding year (Ting-Fang & Li, 2022). A pivotal milestone in this trajectory unfolded in

July 2023 when TSMC established the first R&D centre in Taiwan. This strategic establishment reflects TSMC's determined endeavour to transcend the realm of technology licensing and head to attaining its own technological mastery (TSMC, 2023).

Beyond the purview of TSMC, the R&D landscape in Taiwan is marked by the presence of approximately 30 prominent international enterprises that have established their R&D centres within the island. The cumulative investments allocated to these initiatives amount to approximately 60 billion NTD (equivalent to \$1.9 billion), culminating in a projected annual production value estimated at nearly 340 billion NTD (\$10.9 billion). Among the constellation of R&D facilities in the region are Google's largest data centre in Asia and Microsoft's pioneering artificial intelligence (AI) R&D centre (Department of Information Services, 2022).

While its efforts in establishing its position in the design segment are budding, Taiwan early asserts its pre-eminence as the world's principal hub for semiconductor contract manufacturing services (foundry) and harbours the most comprehensive semiconductor supply chain on a global scale, commanding a majority stake exceeding 50 per cent in the international chip foundry market (Wang & Chiu, 2014). Taiwanese corporate entities, prominently led by TSMC and UMC, hold pivotal positions across key dimensions encompassing semiconductor design, fabrication, manufacturing, as well as assembly, testing, and packaging (ATP) procedures (Weinstein, 2023). The aggregate revenue amassed by Taiwan's contract manufacturing entities collectively represents over 60 per cent of the global earnings within this domain during the year 2020. A substantial proportion of foremost US technology conglomerates, including prominent entities such as Apple, Amazon, Google, Nvidia, and Qualcomm, rely extensively on Taiwan-centred contract manufacturers for approximately 90 per cent of their chip requirements (Lee, 2021). In addition, China's dependence on Taiwan for chip imports reaches approximately 36 per cent (Suzuki & Yamashita, 2022). Taiwan's preeminent foundries are also actively expanding their production facilities into countries and regions, including the United States, Japan, Singapore, and Europe (TSMC, n.d.; UMC, n.d.).

Beyond its commendable market share, Taiwan has emerged as a widely recognized leader in the realm of quality within the foundry chip domain. Evidently, TSMC is one of only two corporations globally, alongside Samsung (South Korea), that possesses the capability to fabricate and supply the highly

advanced 5-nanometer chips for the global market (Arcuri & Lu, 2022). Furthermore, TSMC is expected to produce 3-nanometer chips in 2024 (Wu 2022) and to launch 2-nanometer chip technology by 2025 (Wang L., 2023).

In addition to its thriving foundry industry, Taiwan is home to a vast network of chip assembly, testing, and packaging enterprises. Notable names in this sector include Advanced Semiconductor Engineering, Inc. (ASE), Powertech Technology Inc. (PTI), King Yuan Electronics Co., Ltd. (KYTEC) and Chipbond. Ahead of the pack, ASE had yearly sales of more than 373 billion Taiwan dollars in 2022 (Slotta, 2023). Along with these organizations, Taiwan has been making strides in building an almost comprehensive indigenous semiconductor value chain.

The narrative of Taiwan's success within the semiconductor industry, marked by its government's unwavering and enduring policy framework, stands as a noteworthy example for nations aspiring to carve a significant niche within this domain. Nonetheless, Taiwan still encounters enduring and substantial challenges on its path to retaining its stature as a key player in global semiconductor value chain. As it strives to attain loftier aspirations concerning R&D autonomy, coupled with its ambition to assume the mantle of Asia's high-tech manufacturing nucleus, Taiwan grapples with obstacles arising from demographic contraction (Focus Taiwan, 2023), the dearth of human resource, as well as the shortage of governmental investment for basic scientific majors (Yamada, 2022).

Future operating dynamics of Taiwan's semiconductor ecosystem are likely to be significantly affected by the issues brought about by an aging population and a dearth of indigenous labour force. The birth rate in Taiwan is currently among the lowest in the world, ranking among the top five. Since 2003, Taiwan's total fertility rate has dropped below 1.2 births per year due to social factors such as delayed marriage, remaining unmarried, childlessness, and late childbirth (National Development Council, n.d.). The National Development Council (NDC) predicts that by 2035, Taiwan would have the world's second-lowest birth rate, surpassing South Korea (Focus Taiwan, 2022). This trajectory is projected to usher the nation into an era of negative population growth (Textor, 2023) and become a super-aged society by 2025, with an elderly demographic expected to make up 20 per cent of the total population (Hsu, 2022). Significant population aging is a clear and present danger that will impart consequential strain upon the workforce and the economy in Taiwan's pivotal industrial sectors.

There is a growing problem in Taiwan with a shortage of qualified workers in STEM occupations, particularly in semiconductor technology, and this is exacerbated by the country's aging population. Taiwan has been facing significant challenges when it comes to recruiting a workforce that can keep up with the rapidly expanding demands of the semiconductor sector, which ranges from high-tech to mature-node chips. There were 23,000 new job vacancies in the semiconductor sector each month during the second quarter of 2023, according to *104 Job Bank*, one of the biggest employment search sites in Taiwan (Chien-ling & Hsiao, 2023). Despite the expansion of Taiwan's semiconductor labour market, there has been a discernible decrease in the number of students graduating from STEM and semiconductor programs in the past ten years (Yang, 2022). From 2011 to 2020, the number of graduate students from these professions in Taiwan fell by 21.31 per cent, and there was a notable 17.15 per cent drop in the enrolment of undergraduates, master's students, and doctoral students in STEM fields between 2012 and 2021 (Ching-hsuan & Tzu-hsuan, 2023). Given the current demographic trajectory, it is quite unlikely that this decline will be reversed anytime soon. Prospects for Taiwan's domestic semiconductor industry are cloudy due to rising demand for engineers and a declining graduating pool.

Another challenge besetting Taiwan's semiconductor industry is the lack of resources for basic research, a prerequisite for the long-term success of Taiwan's semiconductor industry. In 2020, basic research spending only accounted for seven per cent of Taiwan's total R&D spending. This is higher in China, where it has long been just over five per cent but is still far below the 20 per cent commonly found in industrialized nations such as the United States, Japan, and other European countries (Yamada, 2022). Indeed, weaknesses in basic research such as physics, electronics and materials science, technology and management methods have existed throughout since Taiwan entered the semiconductor market in the 1970s (Wang & Chiu, 2014). Taiwan's semiconductor industry is considered crucial for the island to maintain its strategic importance and international alliances amid deteriorating relations with China. As a result, investing in basic research and attracting or exchanging talents in basic research is critical for Taiwan in the long run. Recognizing the issue, the Tsai administration has pledged to invest at least \$300 million over the next ten years on education programs to advance the semiconductor industry (Ting-Fang & Li, 2022). However, more efforts need to be catalysed.

In general, Taiwan emerges as a preeminent protagonist within the international landscape of the semiconductor industry. The systematic infusion of investments by the government for the past three decades has substantively propelled Taiwanese semiconductor enterprises not only to commandeer a preponderant share of the global chip foundry market but also to attain a distinctive prominence with regard to product excellence. Notwithstanding these accomplishments, the prospective trajectory of Taiwan's semiconductor industry is beset by substantial challenges rooted in demographic dynamics and a noticeable paucity of investment directed towards fundamental research undertakings. These impediments encumber the potential advancement of Taiwan's semiconductor sector in the immediate future, thereby mandating a concerted governmental endeavour to address these issues in order to sustain the island's "security shield".

3. Vietnam: An Emerging Hub of Manufacturing and Talent in Semiconductor Industry

Vietnam's involvement in the semiconductor sector is not a new phenomenon. In this domain, one significant historical antecedent of Vietnam's engagement with the semiconductor business is the establishment of the original semiconductor facility, Z181, in 1979, with the purpose of producing and exporting semiconductor components to the Soviet Union and Eastern European nations during the Cold War (Vietnam Ministry of Information and Communications, 2023). The fall of the Soviet Union and consequent trade embargoes imposed by great powers on Vietnam signalled the end of Vietnam's early efforts to develop its semiconductor capabilities. In the modern era, Vietnam is gradually re-establishing its position in the global semiconductor value chain.

By the end of 2022, FPT Semiconductor had made significant strides in the field of chip design, allowing Vietnam to make its first steps toward developing its indigenous chips (FPT, 2022). Before being introduced to both local and regional markets including Japan, Australia, and Taiwan, FPT's large-sized chips were processed in two locations: South Korea and Taiwan (Chi, 2023). For Vietnam, this represents a watershed moment on the road to chip design independence. However, a large investment in capital is required to build the country's domestic semiconductor value chain, which is lacking in the fabrication segment. Nevertheless, Vietnam's domestic semiconductor value chain remains a deficiency in the fabrication segment (Gia Cu & Le

Loan, 2022), necessitating a substantial capital investment for development (Intel, n.d.).

Instead, multinational semiconductor businesses have set up manufacturing facilities in Vietnam, leading to tremendous expansion in the assembling, testing, and packaging sectors of the industry in the previous decade. As of June 2023, Vietnam has ascended to the third position among economies engaged in semiconductor exports to the United States, trailing closely behind Malaysia and Taiwan (Kim, 2023). The influx of completed semiconductor chips originating from Vietnam constitutes in excess of 10 per cent of the United States' semiconductor chip imports. This achievement can be attributed to the presence of Intel Products Vietnam (IPV) since 2006, the largest chip assembly and testing facility within Intel Assembly and Test (ATM) network. It is projected that the revenue generated by Vietnam's semiconductor market will attain a sum of \$17 billion by the year 2023 (Statista, 2022). This market's landscape is primarily dominated by integrated circuits with an envisaged market valuation of \$14 billion in 2023. From 2023 to 2027, revenue derived from Vietnam's semiconductor sector is anticipated to have a compound annual growth rate (CAGR) of 11.03 per cent, poised to culminate in a market worth of \$26 billion by the year 2027 (Statista, 2022).

In addition to its incremental penetration within the realm of chip manufacturing, Vietnam has emerged as an ascending production hub within the domain of electronics and smartphones, constituting a downstream component of the global semiconductor value chain. Within this context, Vietnam's trajectory as an exporter of electronics has witnessed a notable ascent, elevating its position from 47th in 2001 to the 12th spot by 2019, which is partly attributed to the geographical realignment of the supply chain from China toward Southeast Asia (Nguyen, 2023). Furthermore, the year 2019 saw Vietnam secure a prominent global standing as the second-largest exporter of mobile phones, with a valuation exceeding \$51 billion (Van Anh, 2021). Vietnam's electronics sector remains primarily under the purview of established foreign enterprises, responsible for over 90 per cent of the total exports and an 80 per cent share of the domestic market (Nguyen, 2023). Presently, Vietnam boasts a network of 11 manufacturing facilities entrenched within Apple's supply chain (Vietnam Insider, 2022), while an impressive 50 per cent of Samsung's worldwide mobile phone production emanates from its facilities situated within the country (Hai Yen, 2023). The

evolution of Vietnam's electronics and smartphone manufacturing domains has the potential to enhance its appeal to investors in the upper segments of the semiconductor supply chain, namely designing, manufacturing, installation, and packaging and testing.

As the semiconductor value chain is becoming more localized to enhance its diversity and flexibility, there is an increasing number of corporations specializing in semiconductors seeking opportunities to broaden their investments in the Vietnam. This trend is underscored by notable developments. In August 2022, Synopsys, an electronic design automation corporation headquartered in the United States, formally declared its intent to establish a deeper operational footprint within Vietnam (Bortoletti & Nguyen, 2022). Subsequently, in December of the same year, the Samsung technology conglomerate inaugurated its inaugural R&D centre in Hanoi, representing a substantial investment of \$220 million (Huong Giang, 2022). A notable stride in the integration of semiconductor technologies was also evident, as Samsung prepared to initiate trial production of flip-chip ball grid arrays—a pivotal interconnection component between semiconductor chips and mainboards—at the Samsung Electro-Mechanics in Thai Nguyen province (Phan Anh, 2022).

Moreover, the early stages of June 2023 witnessed the establishment of a global branch office in Bac Ninh province by Hanmi Semiconductor, another prominent semiconductor firm based in Korea (Nguyen Thuy, 2023). Concurrently, Amkor Technology Inc., a preeminent semiconductor entity originating from the United States, is poised to inaugurate a manufacturing facility in Bac Ninh by the end of 2023 (Tri Lam, 2023). The trajectory of investment amplification extends further, as ASML, a Netherlands-based corporation that furnishes chip manufacturing equipment to industry giants such as TSMC, Samsung, and Intel, has communicated its strategic intent to extend its investment outreach into the Vietnamese sphere (Tuong Nguyen, 2023). In aggregate, the surging influx of foreign direct investment into Vietnam has affirmed the nation's emergent stature within the global semiconductor landscape.

Beyond the alluring market potential, the substantial labour force characterized by economical remuneration is exerting a magnetic pull on multinational corporations, prompting them to establish manufacturing facilities within the confines of the Southeast Asian nation. Vietnam currently finds itself within a phase denoted as the “golden population”, a juncture

wherein over 50 per cent of its populace lies within the working age bracket (ASEAN, 2021). This demographic advantage is further complemented by a distinctive edge vis-à-vis neighbouring nations in the region — a cadre of youthful technical adeptness available at comparatively nominal costs.

Contrasting the scenario, while Taiwan grapples with a pronounced scarcity of STEM graduates, Vietnam boasts an impressive contingent of more than 47 per cent of tertiary-educated individuals specializing in this realm (Vietnam News, 2022). This propels the nation ranking among the top 10 countries worldwide in terms of engineering graduates (McCarthy, 2015). Particularly, there are around 5,000 engineers engaged in IC design, predominantly centred in Ho Chi Minh City (comprising 85 per cent of the total), followed by Hanoi (eight per cent), and Da Nang (seven per cent) (Vietnam Ministry of Information and Communications, 2023).

Vietnam's semiconductor R&D capabilities hold promise as well. By the culmination of 2022, Vietnam had contributed to 1,072 international publications relevant to the semiconductor industry, along with 635 international publications pertaining to microchip technologies (Thi, 2023). Indigenous technology conglomerates, notably FPT and Viettel, are actively cultivating their own chip technology and gaining encouraging accomplishments within this domain.

Vietnam's distinctive attributes vis-à-vis China amplify its appeal as a destination for FDI within the semiconductor sector. The labour cost differential between the two nations further augments this attractiveness. Notably, the remuneration for labour in Vietnam stands at a mere a half of that in China. To elaborate, the minimum wage in Vietnam ranges from approximately \$132 to \$190 (Dezan Shira and Associates, 2022), while its Chinese counterpart amounts to \$359 (Take-profit.org, n.d.). Additionally, geographical proximity with China enhances Vietnam's allure in this context, as Vietnam's northern manufacturing cluster lies within a conveniently accessible 12-hour drive from Shenzhen, the prominent manufacturing epicentre of China (Le & Nguyen, 2022). Consequently, Vietnam emerges as a promising candidate aligning with the strategic "China Plus One" approach pursued by major technology conglomerates such as Samsung, Intel, Apple, and Xiaomi, which are looking to diversify their supply chains beyond China (Leung, 2022).

Amidst the multifaceted drivers underpinning the prospering trajectory of Vietnam's semiconductor sector, the conspicuous role of governmental

investment interest holds paramount significance. Analogous to the stance observed in Taiwan, Vietnamese leaders see the semiconductor industry as pivotal not only from an economic vantage, but also for national security considerations (Le & Nguyen, 2022). Over the preceding two decades, Vietnam with Ho Chi Minh City, the city boasting robust economic ties with Taipei (Taipei Economic and Cultural Office in Vietnam, 2009), as a pioneer, has exhibited well-defined orientations, objectives and strategic undertakings geared toward establishing foundational pillars essential for the nascent semiconductor chip domain.

In the year 2005, Vietnam National University-Ho Chi Minh City embarked on the establishment of the Circuit Design and Training Centre (ICDREC), alongside the Laboratory of Nanotechnology (LNT), subsequently evolved into the Institute of Nanotechnology (INT), engendering the cultivation of human resources attuned to the exigencies of the burgeoning semiconductor chip industry. In the subsequent year, 2006, a pivotal milestone was attained as Saigon Hi-tech Park (SHTP) achieved the successful attraction of Intel to establish an assembly facility within its precincts. This juncture stands as the second salient inflection point in the evolution of Vietnam's semiconductor industry, following Project Z181 in the previous century (Nguyen A. T., 2023). Most recently, in early 2023, the Vietnamese government issued Resolution No. 98/2023/QH15 delineating targeted mechanisms and policies for the developmental advancement of Ho Chi Minh City, in which the semiconductor industry was identified as one of the three priority industries to attract strategic investment (Vietnam Government's Web Portal, 2023).

In the forthcoming period, it is anticipated that the Vietnamese government will persist in crafting novel policy frameworks aimed at fostering foreign direct investment (FDI) within the semiconductor industry and augmenting the nation's standing across the expansive spectrum of the global semiconductor value chain. The proactive inclination towards accommodating investors and facilitating international collaboration in the semiconductor domain, coupled with the intrinsic merits associated with demographic attributes, labour expenditure, and the availability of ample human capital, collectively position Vietnam as an exceedingly fitting collaborator to work with Taiwan in addressing the multifaceted challenges confronted by the island's semiconductor industry.

4. Prospects of Taiwan-Vietnam Semiconductor Industry Collaboration

Vietnam and Taiwan, with their own advantages and weaknesses, should collaborate in the semiconductor industry to boost their economies. R&D and talent exchange, investment, and labour force are the three pillars upon which consolidation can rest. The subsequent analysis provides a more comprehensive examination of the outlined recommendations, with a concise summary presented in Table 2.

Taiwan and Vietnam can gain a lot from enhancing their semiconductor cooperation by concentrating on R&D and exchanging talent, which is the first and most important step. Doing so would greatly benefit both sides by encouraging their scientific communities to work together. Cooperation on scientific projects, use of shared resources, and pooling of funds are all part of this. To further cement its strategic presence in Vietnam, Taiwan could be motivated to think about setting up research and development centres for semiconductors there down the road.

In addition, experts from both countries could learn from one other's experiences and perspectives by participating in expert exchange programs. Vietnamese education and training programs, electrical design expertise, and models driven by cutting-edge technology might all benefit from the active participation of engineers and specialists from Taiwan. Maintaining Vietnam's status as a Southeast Asian semiconductor hub will require a fresh crop of brilliant young electrical designers. The semiconductor industry in Taiwan may be willing to lend Vietnam's high-tech economy a hand by sharing their knowledge and connecting it to their state-of-the-art technologies.

Cooperation in training should also be a top priority; this could be achieved by creating educational programs, seminars, and skill development sessions that would help both sides' talent in the semiconductor domain. In recent years, Taiwan has become a popular destination for Vietnamese students. The number of Vietnamese students studying in Taiwan is expected to surpass 20,000 by the end of 2022, solidifying Vietnam's position as the leading country sending students to Taiwan (Wong, 2023). Since more and more Vietnamese students are enrolling in Taiwanese universities and colleges, the island nation should do more to entice Vietnamese students to major in semiconductor-related subjects, where they may improve their theoretical understanding, practical skills, and employability (Nhat Minh,

2023). Considering that many Vietnamese students have expressed an interest in working for Taiwanese companies in Vietnam after graduation, these students may choose to work for semiconductor companies in Taiwan for a while after finishing school. Then, they may return to Vietnam and put their technical and professional skills to use for Taiwanese businesses there (Sang & Nhung, 2021).

This partnership has the potential to alleviate the semiconductor industry's talent gap in STEM fields and speed up the recovery process of fundamental scientific research in Taiwan. On its side, Vietnam can gain an advantage by exposing its talented individuals in these areas to the developed nation's superior resources and skills, allowing them to reach their full potential and expand their knowledge base. Vietnam aspires to be a leading player in the chip production chain, but it has faced insurmountable structural obstacles, most notably a lack of qualified workers and appropriate technology. Hence, for Hanoi to succeed, Taiwanese cutting-edge technology and expertise play an important role.

It is common practice for countries with higher labour costs to handle the front end of the semiconductor manufacturing process (wafer fabrication and probe testing) while countries with cheaper labour costs handle the rear end (assembly, packaging, and testing) (Mönch, Chien, Dauzère-Pérès, Ehm & Fowler, 2018). This division of responsibilities is applicable in the collaboration between Taiwan and Vietnam, where Taiwan takes charge of the former phase while Vietnam assumes responsibility for the latter phase. The enduring investment commitment of Taiwanese semiconductor enterprises in Vietnam's assembly, packaging, and testing sectors holds the promise of yielding multifaceted benefits. In comparison to their local operations in Taiwan, this strategic endeavour allows them to acquire labour resources and facilities in Vietnam that are more cost-efficient, which in turn reduces production expenditures. To further mitigate the risks associated with being overly reliant on a small number of geographic sites, Taiwan can diversify its relationships for outsourced assembly, packaging, and testing (OSAT) by channelling investments into Vietnam. In the backdrop of US-China strategic competition and the deteriorating relations across the Taiwan Strait, this diverse strategy helps strengthen resilience in the face of geopolitical uncertainty and possible disruptions.

In Southeast Asia, Taiwan's ASE has maintained operations through two assembly and testing facilities in Malaysia and Singapore (ASE, n.d.). In

contrast, other prominent players in this sector, such as PTI and KYEC, have primarily established their factories domestically and in China (PTI, n.d.; KYEC, n.d.). Now is the time for these enterprises to extend their footprint into Vietnam in the waves of the New Southbound Policy. Taiwanese semiconductor manufacturers would do well to reach out to Vietnamese enterprises, as Vietnam is quickly becoming a major semiconductor production hub and, eventually, a potential alternative to China.

Aside from the backend section, Taiwanese enterprises also have the option to move the frontend production lines to Vietnam. These lines are responsible for manufacturing mature nodes, which range from 28 to 75 nanometres in size. The partnership between Taiwan and the United States had a profound impact on the early stages of the semiconductor industry's development. The rise of American chip designers and Taiwanese contract manufacturers in the 1990s was a direct result of developments in communication and automated design (Holmström, Kenney & Seppälä, 2021). As Taiwan seeks to advance and consolidate its new position within the semiconductor value chain, akin to the role the United States played in the US-Taiwan semiconductor cooperation of the 1990s, Taiwan needs a new partner to assume its former role within this cooperative framework. When it comes to filling this job, Vietnam is a strong contender.

Because most modern manufacturing technology is owned by foreign direct investment businesses, Vietnam finds it tough to reach the chip production phase, despite initial advances in the field of large-sized chip design (Thanh Ha & Bao Ngoc, 2023). The aspirational ambition of Vietnam to join the semiconductor design and production industry — which calls for skilled workers and state-of-the-art facilities — may be thwarted by these challenges (Centre for WTO and International Trade, 2023). To accomplish this, Vietnam needs the state-of-the-art knowledge and backing of Taiwan's high-tech semiconductor manufacturing behemoths. Also, Taiwan will still be able to compete with other major chip manufacturing nations that are producing chips with a two-to-three-nanometre pitch even after they transfer their mature node manufacturing capabilities to Vietnam.

As an increasing number of international corporations are looking to increase their footprint in Vietnam, Taiwan should use the opportunity to solidify its position in the Vietnamese market. The fact that the Vietnamese government has rolled out the red carpet for semiconductor businesses, including those from Taiwan, lends credence to this idea. To attract more

investment from competent partners and support the local semiconductor industry, the Vietnamese government has been enacting policies that are advantageous to capable partners. One example is the government's Decision No. 66/2014/QĐ-TTg, which, among other things, authorized a set of high-tech items eligible for development promotion and a set of high-tech products prioritized for development investment (Phuong Hoa, 2023). This does double duty: it encourages foreign cooperation in the semiconductor business while simultaneously denoting the government's growing focus on high-tech areas.

Vietnam also has an urgent need for qualified researchers and experts in the field of semiconductors since it is planning to become a major player in the Southeast Asian chip manufacturing market (Khanh Khanh, 2022). Bringing in knowledgeable engineers and experts from Taiwan's semiconductor companies, academic institutions, and research groups might solve this problem. As an example, by implementing rigorous R&D programs and offering specialized engineering courses, Taiwanese experts may assist and educate their Vietnamese counterparts in the semiconductor industry.

Last but not least, there are a number of ways in which Taiwan's semiconductor industry can gain from a stronger labour export program from Vietnam to Taiwan inside the semiconductor sector. To begin with, the urgent need for qualified workers in various positions within the semiconductor industry in Taiwan can be met by utilizing a trained workforce from Vietnam, thus reducing the labour deficit in the country. In addition, the semiconductor sector in Taiwan may increase its production capacity and keep up with the rising global demand for semiconductor products by increasing the size of its labour force by hiring talented Vietnamese workers.

The post-COVID-19 period will see an increase in job prospects for Vietnamese people thanks to the constructive engagement between Vietnam and Taiwan. Taiwan, Japan, and South Korea have been considered the top three destinations for Vietnamese labour exports for a number of years (Le Tuyet & Hong Chieu, 2022). Unfortunately, most Vietnamese workers in Taiwan have traditionally been involved in low-skilled, low-paying jobs that the locals are not willing to handle. When it comes to bringing Vietnamese workers into Taiwan for collaboration in the semiconductor industry, a more thoughtful and selective approach is required. It is of the utmost importance to make sure that these persons are qualified and have the abilities that are

needed by Taiwanese companies. Careful and selective hiring will improve workforce quality and maximize contributions of Vietnamese workers to Taiwan’s semiconductor industry. This mutually beneficial collaboration can cultivate stronger ties between Taiwan and Vietnam, fostering long-term economic cooperation and bolstering Taiwan’s status as a global hub for semiconductor manufacturing.

Table 2. Suggestions for Taiwan-Vietnam Mutually Beneficial Collaboration in the Semiconductor Industry

Sphere of collaboration	Suggestions	Benefits	
		Taiwan	Vietnam
R&D and talent exchange	<ul style="list-style-type: none"> - Research cooperation - Training cooperation - Expert exchange 	<ul style="list-style-type: none"> - Accelerating the recovery process of basic scientific research - Solving the problem of talent shortage in STEM and semiconductor industry 	<ul style="list-style-type: none"> - Talents in these industries should be given resources in advanced countries to maximize their potential and expertise
Investment	<ul style="list-style-type: none"> - Taiwan should invest in Vietnam in the assembly, packaging, and testing segments - Taiwan should invest in manufacturing plants using technology as old as mature chip manufacturing technology 	<ul style="list-style-type: none"> - Expanding production lines to increase profits and diversify the value chain - Resolving employment issues for the workforce 	<ul style="list-style-type: none"> - Increasing GDP in the semiconductor industry
Labour force	<ul style="list-style-type: none"> - Strengthening the labour export program from Vietnam to Taiwan to work in semiconductor sector 	<ul style="list-style-type: none"> - Addressing labour resource shortages - Enhancing production productivity 	<ul style="list-style-type: none"> - Resolving employment issues for the workforce

Note: Compiled by authors.

5. Conclusion

While regional semiconductor companies, particularly those from South Korea, are shifting their semiconductor production lines to Vietnam in order to mitigate the long-term effects of the US-China economic rivalry, Taiwanese firms should follow suit by expanding Taiwanese semiconductor investment in Vietnam. In the face of mounting issues, such as Sino-US competition and the ongoing crisis in Ukraine, which threaten to disrupt

global supply chains, Taiwan should make semiconductor collaboration a new and ambitious strategy for navigating this geo-economic turmoil.

Taiwan has long been a world leader in chip manufacturing, but there are hints that major changes are afoot. As trade tensions between China and its key markets, such as the United States, Japan, and Australia, mount and big chip makers seek to diversify their supply chains, alternatives are being explored, and Vietnam is an appealing option (Nguyen U., 2023). Furthermore, Vietnam is ideally positioned to support Taiwan's chip producers wishing to expand their operations into the country and Southeast Asia, given its low-cost workforce, the government's support for investment in the semiconductor chip industry, and geographical proximity to the Chinese market.

Plans to produce domestic chips domestically have been unveiled as Vietnam seeks to promote self-reliance in the semiconductor sector. However, Vietnam has failed to fabricate any semiconductors domestically. Given its limited capabilities, a scarcity of specialized semiconductor engineers, and a lack of incentives for technology transfer, the Vietnamese government acknowledges that encouraging international semiconductor makers to establish facilities in Vietnam is probably the most sensible strategy. This paves a favourable path for Taiwanese companies wishing to expand their outreach in Vietnam.

In the long run, Taiwan-Vietnam semiconductor collaboration should serve as a catalyst for strengthening pragmatic ties between the two countries, allowing Taiwan to further its commitment to fostering local-to-local and business-to-business ties with the Southeast Asian nation. Taiwan's leadership in semiconductor supply chains provides feasible possibilities for closer collaboration between Taiwan and Vietnam. Taiwan might aid Vietnam through a variety of specific initiatives, including cooperative research and development, internship programs for Vietnamese students and engineers, and academic and technical exchanges between institutions on both sides. As Taiwan has grappled with the shrinking population and severe labour shortages, advocating Vietnamese talents to work in Taiwanese semiconductor manufacturers could benefit the country as Vietnamese engineers and specialists could serve as bridge builders in Taiwan-Vietnam relations. In short, enhancing R&D, education, investment, and labour force ties could help boost Taiwan's standing in Vietnam's strategic calculations, both economically and strategically.

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