

# The Importance of Taiwan's Geostrategic Position in the Political Map of Asia-Pacific Region

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## Abstract

*In spite of appearing late in the world's written history, Taiwan has become an important geopolitical factor to lure the interest of other countries to the island. By using theoretical research methods and qualitative research methods, this research begins with a description of the physical setting of the island and analyzes its geostrategic importance.*

*From the 17<sup>th</sup> century, Europe's colonials were attracted to Taiwan by its strategic location. The Dutch as well as the Spanish formally colonized Taiwan from 1624 to 1662 and considered it as a Europe's colonial outpost in East Asia. In the next centuries, Taiwan had still been an outpost of advance – a base for expanding into South China and Southeast Asia. The Japanese and the American were aware of this point. Taiwan has been the geopolitical dispute object between China and the United States (US) during many decades.*

**Keywords:** Geopolitical, geoeconomic, geostrategic, Asia-Pacific Region

## Introduction

From the late nineteenth century, the geopolitical and geostrategic theory have been researched and applied in planning the national development strategy and policy by many countries, especially the major powers all over the world. In the view of geopolitics, Taiwan is an important territory in East Asia that created the important changes in the US foreign policy to China.

## Taiwan's Geopolitical Position

Taiwan is an island in East Asia. The East China Sea lies to the north, the Philippine Sea to the east, the Luzon Strait directly to the south and the South China Sea to the southwest. Taiwan has an area of 36,179 square kilometers, measuring approximately 240 miles long and 98 miles wide with a shape often compared to a tobacco leaf. Taiwan's most noticeable geographic feature is mountainous and hilly. As a result, only about one third of the total land area is arable. Fortunately, river deposits on the western side of the island

have filled the shallow waters and extended the land nine to eighteen miles westward from the foothills. Crossed by the Tropic of Cancer, Taiwan has climate ranging from tropical in the south to subtropical in the north, and is governed by the East Asia Monsoon. The island is often subject to earthquakes and typhoons.

In geopolitical view, Taiwan which the Westerners called Formosa is a link in a chain of islands stretching from Kamchatka to the Malay Peninsula and sheltering the coastal line of the Asian continent. Situated between 21 and 25 degrees north latitude and 119 and 124 degrees east longitude, the island lies in a middle point in the chain which includes Japan and the Philippines. The most northeasterly point of Taiwan is about 350 miles west by south of Okinawa, and its southernmost tip is 225 miles north of Luzon. This position helps Taiwan to play a role in the changing geopolitics of East Asia.

Besides, Taiwan is parallel to the mainland of China (at a distance of some 100 miles) and separated with Chinese coast by a strait of 90 to 120 miles in breadth. Taiwan had been considered as a delicate position in the strategic triangle between the US, the Soviet Union and the People's Republic of China (PRC).

Before the 16<sup>th</sup> century, Taiwan's strategic position wasn't studied thoroughly by China or other countries. The earliest foreigners to reach Taiwan were the Japanese who were deprived of property and left their country after rebellions. Some of those who departed engaged in trade and others resorted to piracy along the China coast. Furthermore, populated by aboriginal groups, the island remained remote until the Europe's colonial expansion in East Asia.

From the 17<sup>th</sup> century, along with the European commercial expansion, Taiwan rapidly emerged as an important geopolitical element of the earlier process of globalization. Taiwan was considered being the European outpost in East Asia due to strategic geographic location on the crossroads of important trade routes<sup>1</sup>. The events occurred in the early 1620s were examples.

After the Dutch seized the Pescadores (Penghu)<sup>2</sup>, the Ming Government insisted the Dutch leave Penghu, which was Chinese territory, and suggested they move to Taiwan instead. The Dutch agreed to barter the commercial privileges with China. Beyond this reason, the Dutch was attracted to Taiwan by its strategic location. They evaluated: "From Formosa the Spanish commerce between Manila and China, and the Portuguese commerce between Macao and Japan could by constant attacks be made so precarious that much of it would be thrown into the hands of the Dutch, while the latter's dealings with China and Japan would be subject to no interruption" (Stanford University China Project, 1956, p.30 - 31).

Other colonial and commercial powers reacted promptly. Spain seized and built outposts at the north end of the island in Keelung and Tamsui in 1626 and 1629 respectively because they feared "the loss of the Chinese market and sensing the potential threat to the Philippines" (Albert Hyma, 1942, p. 129 - 136). In 1628, the Japanese also sent an expedition against the Dutch bastion in Tainan - Fort Zeelandia.

Since the 19<sup>th</sup> century, in the context of rapid-sailing clipper ships and a growing demand for "oriental" goods by Europeans and Americans, Taiwan had been considered as not only a commercial place but also an outpost of advance - a base for expanding into south China and Southeast Asia. In 1852, Parker - the

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<sup>1</sup> Taiwan was in the sea lanes between Japan and Southeast Asia

<sup>2</sup> An island lies between Formosa and the mainland

American Commissioner in China introduced a plan to urge his government to annex Taiwan. Commodore Perry also supported this plan. He said that "The geographical position of Formosa renders it eminently suited as an entrepôt for American trade, from which communications might be established with China, Japan, Lew Chew (Ryukyu), Cochin China, Cambodia, Siam, the Philippines, and all the islands situated in the adjacent seas" and "another recommendation may be found in the advantages of its naval and military position, situated as it is in front of many of principal commercial ports of China. It covers, and might be made with a sufficient naval force to command, not only those ports, but the northeastern entrance of the China seas, precisely as Cuba, in the hands of a powerful maritime nation, might command the American coast south of Cape Florida and the entrance to the Gulf of Mexico" (W.G.Goddard, 1996, p.15).

These interests were further heightened by the expedition in 1867 led by Charles W. Le Gendre. In 1869 the British bombarded and seized of Anping on Taiwan's southwestern coast. After military success against in the 1894 - 1895 (Sino - Japanese war), although the goal of Japan was to get control over Korea, it looked at Taiwan as a part of the postwar settlement. Inoue Tsuyoshi, advisor to Prime Minister Ito Hirobumi wrote: "Taiwan... can control maritime rights into the Yellow Sea, the North China Sea and the Sea of Japan. It is the door to Japan's defense. If we lose this good opportunity, the island of Taiwan will be taken by the other powerful countries within two to three years" (Masahiro Wakabayashi, 1999). And with the Treaty of Shimonoseki (1895), Taiwan was ceded to Japan. In World War II, Taiwan became a base for Japan to launch attacks on the rivals. In December 1941, Japanese air power launched from bases in Taiwan destroyed General Douglas MacArthur's air force at Luzon and greatly facilitated the Japanese conquest of the Philippines.

At the Cairo Conference of December 1943 and again at the Potsdam Conference of July 1945, Taiwan was turned over to China. As Chiang Kai-shek and the Kuomintang (KMT) were generally accepted as governing the Republic of China (ROC), they took control of the island – which was used to support the KMT's battle with the Communists on the mainland. In 1949, when the KMT lost control of the mainland to the Communists, their civilian and military refugees retreated to Taiwan. At that time, Taiwan was regarded by the US as being of no strategic significance. For example, in the face of the risk of Taiwan falling to the Communist Chinese (1949), The State Department stated that Taiwan had no strategic significance and its loss would have no effect on the general situation of the US in the Western Pacific (Herbert Feis, 1967, p.271). Contrary to this view, however, General MacArthur - the commander of American forces in Japan exerted considerable pressure to have Taiwan regarded as of vital strategic interest to the US (United States Department of State, *Bulletin*, 1945). And after North Korean Communist forces invaded South Korea (June 25, 1950), President Truman issued a statement that he had ordered the Seventh Fleet to prevent any attack on Formosa because of the concern about the occupation of Formosa by Communist forces would be a direct threat to the security of the Pacific area and to the US forces performing their lawful and necessary functions in this area. At that time, in the minds of Congressional leaders, the issue of Taiwan and Korea were linked through the "monolithic Communist conspiracy" to overrun Asia. Then, to build the Western Pacific security barrier, the US had signed treaties with the Philippines, Japan, Australia, and New Zealand (1952), with South Korea (1953), with the South East Asia Treaty Organization (SEATO) (1954), and with Taiwan (1955). Thus, with the outbreak of the Korean War, Taiwan became an important anchor in a US defensive chain stretching from the Aleutians to Australia and also a fortress for American over the next two decades (Gary

Klintworth, 2000). However, with the decision to establish diplomatic relations with the PRC in 1979, the US declared that they would maintain cultural, commercial and other unofficial relations with the ROC.

For China, after the events in the end of the 19<sup>th</sup> century, they began to appreciate the value of Taiwan. Especially, with the US intervention from the China Civil war, China realized that the loss of Taiwan would mean political shame, economic weakness, and military threat. In the context of recent maritime expansion, China's push into the regional seas creates fundamental to the Taiwan's newfound geopolitical significance in East Asia. According to its marine policy white paper of May 1998, China must "take exploitation and protection of the ocean as a long-term strategic task before it can achieve the sustainable development of its national economy" (The development of China's Marine programs, 1998, p.13). These ambitions and strategic worldview make China see that Taiwan is an important factor to China's sea-lanes both eastward to the Pacific and down through to South China Sea because of its physical position. Taiwan is astride regional sea lines and "China is semi-concealed by the first island chain<sup>3</sup>. If it wants to prosper, it has to advance into the Pacific, in which China's future lies. Taiwan, facing the Pacific in the east, is the only unobstructed exit for China to move into the ocean. If this gateway is open for China, then it becomes much easier for China to manoeuvre in the West Pacific" (Jiang Minfang and Duan Zhaoxian, 1995, p.212 - 213). Besides, Dr Gray Klintworth considered Taiwan a strategic equated factor in the Asia - Pacific region "with the disintegration of the Soviet Union and the rusting away of its once powerful Pacific Fleet, and with Japan confined to being a 'civilian' power, China was seen in Washington as the only country that might challenge US dominance in the Asia-Pacific region. In this context, Taiwan again became part of the Sino-US strategic equation" (Gary Klintworth, 2000). Thus, the new context - the strategic advance of China from its continental into the regional seas places Taiwan on the front line of strategic developments in the Asia - Pacific region.

For the US, with the "returning to Asia" policy, they focus on long-term strategic interests - protecting regional allies and maintaining their maritime preponderance. In this context, Taiwan is considered a part of the US military sphere of influence. The US views itself as a status quo power and wants to preserve the current security order in the Asia - Pacific region. Moreover, if Taiwan is in the hand of China, China would be able to take advantage of Taiwan's wealth, advanced technology (including US - transferred military technology) and pose a direct challenge to Japan security. Losing Taiwan means Japan will lose a close political friend and the energy lifelines. Furthermore, "the ability of China's improving navy to serve Japan's maritime lifelines and to prosecute effective sea denial against the US Navy (potentially even local sea control within the semi-enclosed East China and South China Seas) would be greatly improved if the Chinese army controlled Taiwan" (Chris Rahman, 2001, p.82) and "the future of Taiwan has become linked to Japanese security, therefore, and the future health of the Washington - Tokyo alliance, ..." (Chris Rahman, 2001, p.82). So, unless the security of Japan ceases to be a vital national interest of the US, the maintenance of the geopolitical status quo in Taiwan is a balance-of-power and shipping interest for the US (Chris Rahman, 2001, p.82). Those factors showed that the US had regarded Taiwan as a strategic factor in the geographical backbone of their security structure in this area.

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<sup>3</sup> The first island chain runs from the Kurile through Japan, the Ryukyu, Taiwan, and the Philippines to the Indonesian archipelago.

Up to now, Taiwan has still been governed by the ROC and its geopolitical position vis-à-vis China's irredentist (PRC) presents a complex issue. Most of relations related to Taiwan's territory is sensitive especially Sino - US relation in which Taiwan issue is considered as one of China - US geopolitical rivalry.

In sum, the geopolitical importance of Taiwan is well known. Many powers have long been aware that the location of Taiwan has made the island strategically important to them through different periods in history. The unresolved political status of Taiwan or the status quo in the Taiwan Strait still continues to create geopolitical interests on some powers. It is also the factor encompassed Sino - US relations for many decades.

## Taiwan's Geoeconomic Position

In line with the emerging of geopolitical interests, Taiwan's geoeconomic position has become the historical subject since the 17<sup>th</sup> century. To aim at using Taiwan as the trade entrepôt between China and Japan, the Dutch and the Spanish colonized the island and traded with the two above countries. The trading activities in Taiwan brought the huge source of income for the Dutch and the Spanish. For example, the Dutch used to report on the total profits in Asia in 1649 that among the 19 trading posts in Asia, the trade with Taiwan alone had earned 25,6% of the total Asian profits, only next to the trade with Japan (38,8%)” (Su Bing, 1980, p.80). Taiwan's economy was already export-oriented at that time. In the second half of the 17<sup>th</sup> century, after driving away the Dutch, the kingdom of Cheng<sup>4</sup> used Taiwan as a place for getting a chance to “return to China”. So, they controlled all of the trade activities with foreign countries and the commodities imported were mainly military materials. Trading with Japan and Southeast Asian countries was promoted. However, after conquering the kingdom of Cheng, from 1683 to 1760, the Ch'ing government restricted trade between both sides of the Taiwan Strait for a fear of future sedition against China. It made Taiwan trade stagnate and retreat from the global trade.

From 1760, Taiwan trade with China began to flourish. After the Peking Treaty between China and England was signed (1860), the Europeans came to trade with Taiwan in Tamsui and Anping more crowded. Taiwan was reintroduced to the global economy. As time went by, Taiwan's trade composition was restructured. Some Taiwanese merchants started their own trading companies successfully in the tea, camphor and sugar trade. Taiwan economy had a great transition from the commercial revolution to the industrial revolution. Taiwan had the makings of a classic “bourgeois - nationalist revolution” (Mei-chu W. Hsiao, Lawrence R. Sullivant, 1983, p.278).

At the early stage of the Japanese colonial administration, Japanese efforts toward Taiwan's economic development focused on agriculture. By the end of the 1930s, the island became the world's major producing country of bananas, canned pineapples, sugar, sweet potatoes, tea, rice, peanuts and salt. At the same time, the increasing of the demands for industrialization and militarization in Japan gave an impulse to the change of Taiwan's economic structure. The Japanese began to developed industry in Taiwan quickly and massively. By this industrialization process, Taiwan entered the import - substitution phase of economic development,

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<sup>4</sup> The kingdom was established by the Ming general Cheng Ch'eng kung after they were defeated by the Ch'ing dynasty in 1662.

which prolonged after the war until the mid - 1960s. From the 1970s, Taiwan's economy has transformed itself between several important stages, evolving from an export processing-oriented economy (1970s - 1980s) to the technological development in the 1980s up to the early years of the 21<sup>st</sup> century.

Especially, after the collapse of the bipolar system (or the end of the Cold War), the structure of geopolitical competition has changed. The old traditional geopolitical strategies which organized around military power and territorial expansion were not suitable. Many countries have focused on new economic strategies to create high growth rates that enable them to become major powers quickly. Taiwan has also taken full advantage of this change to raise its geopolitical position in the world.

Nowadays, in geoeconomic view, Taiwan is surrounded by the economic powers. China is in the west, Japan is in the northeast. To the east beyond the Pacific Ocean, there is the United States. In addition, Indonesia is far down in the southwest. However, Taiwan has been hailed for its economic development. In the fact, Taiwan's economy has achieved the respected status of one of "newly industrialized countries" (NICs) and the Asian - Pacific region's "four tigers"<sup>5</sup>. Taiwan has become increasingly prominent in the changing political economy of East Asia.

Generally, Taiwan's geo-economic position has been further evaluated by two other indicators: its share of the world's total trade and its ability to earn foreign exchange.

Until 1970s, the ROC's share of world trade accounted for less than 1 percent of the world's total. But it increased gradually to 2 percent by the next decades. In 1952, the ROC's per capita gross national product (GNP) was only one-thirtieth that of the US, but by 1990 it had advanced to one-third<sup>6</sup>.

Taiwan now ranks as the world's 13<sup>th</sup> largest trading territory with the US \$100 billion in foreign currency reserves and ranks number 20 in GNP. Taiwan plays an important role in the international economy.

Also, Taiwan's economic achievements have not only earned it much attention and respect from the world community but also led to the development of the democratization and a social pluralism (open society, encouraging citizen participation and political liberalization) for Taiwan.

For years the credo of the KMT was that the ROC was a constitutional democracy. However, the ROC was an authoritarian regime from 1949 to 1986. Because of many reasons, notably in the threat of attack by the Communist regime on the mainland, they had imposed martial law on Taiwan. Nevertheless, in the half of 1986, Lucian W. Pye judged that "Contemporary Taiwan has a political and social system that is as advanced over that on the mainland as are its economic accomplishments. Indeed, it has surprisingly complex political relationships and, compared with most Asian societies, its people are accustomed to dealing with a relative wide range of opinion... For someone (like myself) who has been immersed in analyzing the conformist politics of the PRC, in which latent factional strife is only indirectly and subtly manifest, it is astonishing to discover through travels on the island how openly the Chinese of Taiwan today advocate their varied opinions. Even more surprising, these opinions are expressed not by slogan, code words, or clichés, but by detailed explications" (Lucian W. Pye, 1986).

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<sup>5</sup> Including Taiwan, Hong Kong, Singapore and Korea

<sup>6</sup> Per capital income in Taiwan was US\$50 in 1952 and US\$8000 in 1990.

On July 15, 1987 President Chiang Ching-Kuo lifted the decree that had enabled the regime to rule on an emergency basis, and he initiated a program of liberalization. By the early 1990s, liberalization had resulted in expansion of civil and political rights. With the elections of the Legislative Yuan in December 1992, Taiwan had become democratic (Alan M. Wachman, 1994).

Especially, the 2000 elections actually resulted in a change in ruling party, and Chen Shui-bian - who had been jailed for democratic activism decades earlier - became President, Taiwan could boast of having a very lively democratic system.

This democratization process has broadened Taiwan's political support from other parties of the United States and made their relationship to become better. This will be explained by the factors below.

First, Taiwan's democratization had had economic significance for the US industry and labor. In the second half of the 1980s, the US trade deficits with Taiwan increased upwards to US \$20 billion a year. Therefore, the American saw that Taiwan needed to "internationalize" its economy if in part to help curtail the size of its exports to the US. The political ascendancy of Taiwan's labor and the attendant decline of the strong "corporatist state", following democratization, would stunt Taiwan's export. They also hoped that the internationalization of the Taiwan's economy would give the US firms much broader access to the island's market resources. Besides, lifting of the foreign exchange control would enable Taiwan's businesses to invest directly in the United States and create new jobs for American. Taiwan's democratization fulfilled the purpose of the US was "to expand and strengthen the world's community of market-based democracies" (Patrick Tyler, 2000).

Second, in the past, the United States protectionist sentiments coincided with the Reagan Administration's "democratic revolution" policy used to embark upon after 1985 and successfully tested in Haiti and the Philippines. And now, with the success of Taiwan's democratization "under trade pressures", the US endorsed "democratic revolution formula" could claim one more successful example for the non-Western world to see and emulate (James C. Hsiung, 1988). Furthermore, Taiwan's successful democratization arguably created an ethical responsibility for the United States to protect that democracy. Taiwan is a long - standing, staunch US ally, sharing the same values of democracy and freedom.

As a result of Taiwan's economic development and democratization process, Taiwan's strategic position continues to rise and become more important in the strategic calculation between China and the US.

## Conclusion

Because of its strategic position, Taiwan has been considered as the maritime frontier during many centuries. Formerly, Taiwan had been an important entrepôt for the Dutch and Spanish in the trade route between Japan and Southeast Asia. In the second half of the 19<sup>th</sup> century, the US, Great Britain, France, and Japan became the competitors for control of the island. During the Cold War, keeping Taiwan out of Communist hands was vital to Western powers. To the US and other European countries, the chain island

from the Aleutians to the Philippines<sup>7</sup> would play an important role in any north-south invasion. Taiwan was the important point in this chain which could put their allies - Japan and Philippines - at risk if it was controlled by the Chinese Communists. So, Taiwan Strait policy plays an important factor in the US foreign policy. The US government established its Taiwan Strait policy from 1950s which focused on Taiwan's defense in the context of Communists aggression. However, it is important to note that the Taiwan policy of the US has been the part of its China policy since the US recognized the government of the PRC as the sole legal government of China and established diplomatic relations with the PRC government. This policy would be changed dependent on the US's strategic policy changes. Especially, the US's policy in guaranteeing Taiwan's security was being used as a political tool to impact the PRC's behavior and reassure the US's allies in East Asia. This was one of the reasons causing the Taiwan issue which have influenced the Sino - US relations for many decades. Nowadays, Taiwan issue continues to have the sensitive strategic implication for not only China - Taiwan relations but also the China - US relations.

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<sup>7</sup> From the Aleutians through Hokkaido to the Japanese main islands, and then on through Okinawa and Taiwan to the Philippines.



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