



## CHALLENGES FOR THE REPUBLIC OF CHINA: DIPLOMATIC RELATIONS WITH LATIN AMERICA AFTER THE REGIME ROTATION IN 2016

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### Abstract

Due to the policy of “diplomatic truce” during the presidency of Ma Ying-Jeou, and the good will of mainland China, from 2008 to 2016, generally speaking, the number of ROC’s diplomatic allies remained stable, except in November 2013, when Gambia cut its diplomatic relations with Taiwan. However, since President Tsai Ing-wen took office in May 20, 2016, some changes are expected in cross-Strait relations between Mainland China and Taiwan, given the reluctance of President Tsai to express her support to the 1992 Consensus, and the previous reactions of Mainland China. Nowadays, among the 20 ROC diplomatic allies, 11 are located in Latin America. This article tries to respond to the following questions: Is it possible to go back to the bilateral diplomatic competition for recognition by different ally countries, like that maintained during the governments of Lee Teng-hui and Chen Sui-bian? Will Mainland China intend to seize more countries that maintain diplomatic relations with Taiwan in order to press Tsai for closer cross-Strait relations? Will the Taiwan’ diplomatic allies in Latin America turn to Mainland China, accepting its offers and incentives?

**Keywords:** Taiwan, Mainland China, cross-Strait relations: ROC; Latin America; diplomatic competition.

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### Resumen

*Debido a la política de "tregua diplomática" durante la Presidencia de Ma Ying-jeou, y la buena voluntad de China continental, de 2008 a 2016, en términos generales, el número de aliados diplomáticos de la ROC permaneció estable, excepto en noviembre de 2013, cuando Gambia cortó sus relaciones diplomáticas con Taiwán. Sin embargo, una vez que el Presidente Tsai Ing-Wen asumió el cargo en 20 de mayo de 2016, se esperan algunos cambios en las relaciones entre el estrecho de China y Taiwán, dada la reticencia del Presidente Tsai a expresar su apoyo al consenso 1992, y las reacciones anteriores de China continental. Actualmente, entre los 20 aliados diplomáticos de la ROC, 11 están ubicados en Latinoamérica. Este artículo trata de responder a las siguientes preguntas: ¿es posible volver a la competición diplomática bilateral, como la mantenida durante los gobiernos de Lee Teng-hui y Chen sui-bian? ¿Pretende China continental que más países que mantienen relaciones diplomáticas con Taiwán corten estas relaciones y así conseguir que Tsai estreche las relaciones? ¿Los aliados diplomáticos de Taiwán pueden acabar aceptando las ofertas e incentivos de China continental?*

**Palabras Clave:** *Taiwán, China continental, Relaciones en el Estrecho de Taiwan, ROC, América Latina, competición diplomática*

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## 1. Introduction

Due to the policy of “diplomatic truce” during the presidency of Ma Ying-Jeou, and the goodwill of Mainland China, generally speaking, from 2008 to 2016 the number of countries who maintain diplomatic relations with ROC on Taiwan remained stable, except in November 2013, when Gambia cut diplomatic relations with Taiwan in spite of the fact that they could not establish relations at the same time with Mainland China.

However, after the overwhelming victory in the presidential election, President Tsai Ing-wen assumed the presidency on 20 May 2016. Different from President Ma, the principle of cross-strait policy is now to maintain the *statu quo* according to the ROC Constitution, unwilling to accept publicly the 1992 Consensus. Therefore, once she took office, some changes were expected in the cross-strait interactions between Mainland China and Taiwan. After Sao Tome and Principe cut diplomatic ties with Taipei, in June 2017 it was followed by the loss of diplomatic ties between Panama and Taiwan. Thus, the number of nations that maintain diplomatic ties with Taiwan was reduced to 20 and, among them, 11 are located in Latin America. Therefore, Latin America, and especially Central America, is truly a crucial area for the ROC’s foreign policy.

Facing the previous reactions of Mainland China in front of the reluctance of President Tsai, will the diplomatic competition in the number of ally countries during the era of Lee Teng-hui and Chen Sui-bian happen again? Will Mainland China intend to seize more countries who maintain diplomatic relations with Taiwan in order to press Tsai to accept closer cross-strait relations? Will those diplomatic allies of Taiwan in Latin America accept their offer and turn to Mainland China? All these are problems that deserve a more in-depth investigation.

## 2. Recent development of ROC foreign relations

Nowadays, Latin America is the main battleground on state-to-state representation between Taiwan and Mainland China (PRC). For Taiwan, Paraguay and 10 states of Central America and the Caribbean make up the most significant group of states supporting its status as an independent state. Were Taiwan to lose their support, it would have only official diplomatic ties with the Holy See and 8 small impoverished nations in Africa and the south Pacific, dramatically weakening Taipei’s claim to sovereignty.

The struggle between Taiwan and China in Latin America intensified in 2004, when the island of Dominica severed its ties with Taipei after a pledge from Beijing of US\$112 million in aid over six years. One year later, Granada shifted its recognition in favor of Beijing. Fighting against the tide, the Taiwanese government was able to gain the newly elected government of St. Lucia in early 2007. In May of that year, Taiwan received a heavy blow when several of its allies behaved rather ambiguously during the World Health Organization vote on Taiwan’s membership: Nicaragua and Panama were absent, Haiti abstained, and Costa Rica voted Nay. Shortly after, in June, Taiwan endured yet another defeat when it lost the allegiance of Costa Rica, the first Central American country that recognized China.<sup>2</sup>

Faced with growing competition from the PRC, Taiwan has redoubled its efforts to secure the support of its allies in Latin America. The most visible instruments utilized by Taipei are

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<sup>2</sup> Johanna Mendelson Forman and Susana Moreira, “Taiwan-China Balancing Act in Latin America”, in Corola McGiffert, (ed.) (2009): *Chinese Soft Power and its Implications for the United States: Competition and Cooperation in the Developing World*, A Report of the CSIS Smart Power Initiative, Washington D.C., CSIS, p. 97, at [https://csis-prod.s3.amazonaws.com/s3fs-public/legacy\\_files/files/media/csis/pubs/090403\\_mcgiffert\\_chinesesoftware\\_web.pdf](https://csis-prod.s3.amazonaws.com/s3fs-public/legacy_files/files/media/csis/pubs/090403_mcgiffert_chinesesoftware_web.pdf) (2017/01/30)



frequent and highly publicized exchange of high level official visits: the first overseas visit of President Ma Ying-jeou was to attend the inauguration of Paraguay's Presidency of Fernando Lugo, on August 15, 2008, and the Dominican Republic's Presidency of Leonel Fernandez, on August 16, 2008. Ma also held talks with the President of Panama, Martin Torrijos; the president of El Salvador, Antonio Saca; the President of Honduras, Manuel Zelaya; and the President of Haiti, Rene Preval.<sup>3</sup>

Other instruments used by Taiwan are military training and military assistance. Taiwan also continues to supply much needed technical and medical assistance after humanitarian or natural disasters, to strengthen economic ties with its allies and encourage Taiwanese investment in the area. Perhaps the most successful tool in securing the support of its allies is financial assistance. But Taipei is increasingly under pressure, because Beijing also adopted the dollar diplomacy offering trade preferences to pry away Taipei's allies in the region. This pressure generated scandals that were made public about the personal use of the Taiwanese funds by Central American leaders, which originally should be used for other purposes. In response to these scandals, President Ma called for a diplomatic truce with China that truly stopped the bilateral diplomatic competition for eight years<sup>4</sup>.

According to the media, the left-wing elected President of El Salvador, Mauricio Funes, of Front of National Liberation Farabundo Marti, before swearing into office in 2009, expressed his aspiration to establish relations with Mainland China. In 2009, the elected President of Panama, Ricardo Martinelli, also had the same intention. But both were rejected by the authorities of Mainland China due to the diplomatic truce established between Mainland China and the government of Ma, in order to leave away the diplomatic competition through the offering of economic means<sup>5</sup>. In fact, experts in Mainland China said that at least five nations expressed their will to establish diplomatic relations with Mainland China in that period. Yet the authorities of Beijing did not respond positively to these petitions, considering the feeling of Taiwan and trying to set a more solid foundation for the future reunification of China<sup>6</sup>.

Taiwan and Mainland China, which claim the independent island-nation as part of the motherland, used to play a joyless slogging game called "dollar diplomacy." In it, each side competed with lorry-loads of cash and other inducements to get small, impoverished, and often ill-run nations, to switch their diplomatic allegiance. It was a game that Taiwan was steadily losing until 2008 when Mainland China, as a gesture of goodwill on the ascension of president Ma Ying-jeou, suddenly suspended it. The score at that moment was: Taiwan 23, China 172. However, on March 17, 2016, China suddenly resumed the play, establishing diplomatic ties with Gambia, a Taiwan former ally. President Ma was on a state visit to Belize, one of Taiwan's allies, when the news came out, and said that this movement was very wrong. In Taiwan, the Mainland Affairs Ministry said that Mainland China's move ran contrary to the mutual trust that Taiwan and China had built up in the last eight years.<sup>7</sup>

<sup>3</sup> *Ibid.*, pp. 97-98.

<sup>4</sup> *Ibid.*, pp. 98, 100.

<sup>5</sup> Ma-en Zhou, "Why China denies petition for the establishment of diplomatic relations to five countries," *China's news window* (周马恩, 「中国为什么要拒绝五个国家建交请求」, *中國新聞之窗*), (Aug. 9, 2013), at <http://blog.ifeng.com/article/29593504.html>. (2017/02/03)

<sup>6</sup> "Taiwan's diplomatic allies want to shift?" (「台灣邦交國想轉向？」), *ETtoday*, 17 November 2013, at <http://www.ettoday.net/news/20131117/297126.htm>.

<sup>7</sup> Richard C. Bush, "The Gambia gambit: China resumes an old diplomatic game", *Economist*, (26 March 2016), at <http://www.economist.com/news/asia/21695563-china-resumes-old-diplomatic-game-gambia-gambit?zid=306&ah=1b164dbd43b0cb27ba0d4c3b12a5e227>



The action immediately reverberated through Taiwan and was read as a warning about the future relations between the two sides of the Taiwan Strait. From 2008 to 2016, Beijing had refused to establish diplomatic relations with any of Taiwan's diplomatic partners to avoid creating political problems for the island's President, Ma Ying-jeou, because he had accepted China's formula for the conduct of cross-Strait relations. Tsai Ing-wen, who was elected President on January 16, refuses to explicitly support the same formula. China's Gambia move suggests that it tried to demonstrate its displeasure by further undermining Taiwan's international position. Although Gambia is small gruel for China, the restoration of China-Gambia ties is a big deal psychologically for Taiwan—and China knows it.<sup>8</sup>

And it is not the end. After the establishment of diplomatic ties with Taipei in May, 1997, Sao Tome and Principe broke diplomatic ties with Taiwan on December 21, 2016, reducing the number of diplomatic allies of Taiwan to 21. When the Minister of Foreign Affairs, David Lee, was asked if China was behind it, he only said that there was no information about it, and that the main reason behind the cut of diplomatic ties was due to Taipei's denial of its request for an exorbitant amount of financial aid, since the financial hole of Sao Tome and Principe is too deep for Taiwan to deal with. Lee also denied the severance of ties was due to the President Tsai Ing-wen's refusal to adhere to the so-called "1992 consensus," which refers to a tacit understanding between the Chinese Nationalist Party (KMT) and the Chinese Communist Party that both sides of the Taiwan Strait acknowledge there is "one China," with each side having its own interpretation of what "China" means. On the possibility that a domino effect could be set off with other diplomatic allies, particularly the Vatican, Lee said, given the nation's diplomatic situation, that pressure would be omnipresent.<sup>9</sup>

With Sao Tomé and Príncipe severing diplomatic relations with Taiwan on December 12, 2016, and its ensuing recognition of Beijing, attention was once again turning to the Vatican, arguably the most important of Taipei's 21 remaining diplomatic allies. And this was read as another warning from the part of Mainland China after the elected president of the United States, Donald Trump, received the congratulatory call from president Tsai Ing-wen on December 2, 2016. And at the beginning of January 2017, Tsai made an official visit, nicknamed "Trip of Ing-jie," to several allies in Central America, namely Nicaragua, Guatemala, El Salvador and Honduras. During the trip, as Nicaraguan President, Daniel Ortega, had the record to leave the president Ma in an awkward position when he visited Nicaragua. The media foresaw with expectation that he would do the same with Tsai, or that there would be some surprises regarding the diplomatic relations with Taiwan. But finally, in general, the objectives of the "Trip of Ing-jie" were fulfilled.<sup>10</sup>

Nevertheless, six months later, Panama cut suddenly the long-standing diplomatic ties with Taiwan, establishing relations with China, leaving only 20 countries as diplomatic allies of Taiwan. The Panamanian government said that it recognized "only one China" and considered Taiwan part of it. Panamanian President, Juan Carlos Varela, said in a televised address that he was "convinced that this is the correct path for our country", although he praised Taiwan as a great friend during the maintenance of their relations. This is perhaps the biggest

<sup>8</sup> Richard C. Bush, "China's Gambia gambit and what it means for Taiwan", *Brookings*, (22 March 2016), <https://www.brookings.edu/blog/order-from-chaos/2016/03/22/chinas-gambia-gambit-and-what-it-means-for-taiwan/>

<sup>9</sup> Stacy Hsu: "Sao Tome and Principe cuts Taipei ties", *Taipei Times*, 22 December 2016, at <http://www.taipeitimes.com/News/front/archives/2016/12/22/2003661692>

<sup>10</sup> Jianrong Xu: "Taiwan In Numbers: The Republic of China's Diplomatic Relations", *Upmedia*, 22 January 2017, at [http://www.upmedia.mg/news\\_info.php?SerialNo=10916](http://www.upmedia.mg/news_info.php?SerialNo=10916)



blow Taiwan has suffered since the relations with Beijing began deteriorating last year.<sup>11</sup>

Under the expectations that there might be some Mainland China action to compel Tsai to not searching the independence of Taiwan, making some kind of promise, Tsai kept certain kind of ambiguity in her cross-Strait policy in order to maintain a balance between the pressure for closer relations with Mainland China and the will of the radical sector of DPP who search a definite independence of the island. Therefore, how far she can maintain this ambiguity depends on how much outer support she can get, being the most important the backing from the United States and Japan.

### **3. The role of Japan in the cross-Strait Relations as viewed by Tsai Ing-wen**

There are three key international actors that play an important role in the Taiwan diplomatic relations with Latin America: Mainland China, the United States, and Japan. And that is why even before the presidential election, Tsai Ing-wen paid a lot of attention to the relations with United States and Japan. How to grasp firmly the support from both countries is the key factor in the success of her foreign policy. In fact, DPP has always maintained very close contacts with the USA and Japan.

Japan is important for Tsai, because it is the only counterpart able to contain the pressure from Mainland China in Asia. Moreover, due to the half-century colonial connection between Japan and Taiwan, both have maintained very intimate interactions until now. In fact, in the Democratic Progressive Party (DPP), there are people who support the independence of Taiwan whatever the reasons, and they believe that Japan will be their most faithful friend in the international community.

After May 2016, the most significant action made by Japan was to change the name of Japan Interchange Association to Japan-Taiwan Exchange Association, announced in December 2016, which was effective in January 1, 2017; a move hailed by the Taiwan government as a positive sign for closer bilateral relations. Beijing soon expressed "strong dissatisfaction" with Japan's decision to change the name of its *de facto* embassy in the Republic of China, to include the word "Taiwan." The Chinese Ministry of Foreign Affairs spokeswoman, Hua Chunying (華春瑩), described the change as a "passive measure" by Japan on the Taiwan issue, and called on Japan to uphold the "one China" policy. Most of the Taiwanese lawmakers and scholars welcomed the change.

MOFA claimed that Japan was Taiwan's third-largest trading partner and Taiwan was Japan's fourth-largest trading partner. Bilateral trade totaled nearly US\$57 billion in 2015 and the two-way travel is expected to reach the 6 million mark this year, the ministry said, adding that these numbers exemplified the two countries' close bilateral ties. Democratic Progressive Party Legislator Lo Chih-Cheng (羅致政) called the change an important and positive step toward "normalizing" Taiwan-Japan relations. He also called on Beijing not to "overreact" over Japan's decision to include the word "Taiwan" in the title of its representative office.<sup>12</sup>

A researcher from the Institute of Taiwan Studies in Shanghai, Zhong-fei Zhou(周忠菲),

<sup>11</sup> "Panama cuts ties with Taiwan in favor of China", *BBC*, 13 June 2017, at <http://www.bbc.com/news/world-latin-america-40256499>

<sup>12</sup> Joseph Yeh, "Beijing 'dissatisfied' with name change of Japan's *de facto* Taiwan embassy", *The China Post*, 29 December 2016, at <http://www.chinapost.com.tw/taiwan/china-taiwan-relations/2016/12/29/487946/Beijing-dissatisfied.htm>



indicated that the “Two-States Theory” is a heritage of DPP from Lee Teng-hui presidency, in which Tsai participated in the whole process of its elaboration. Now that she is in power, in order to fulfill this policy, she could accelerate relations with Japan and make Taiwan the source of tension in East Asia, promoting the diplomacy of “Two-States Theory”. Until now, the DPP is emphasizing that “Mainland China forces Taiwan to accept the Consensus of 1992”, “Mainland China has become a military threat of Taiwan”, “Taiwan needs to defend its own value of democracy”, etc. with the aim to adjust and rectify Taiwan’s security strategy in East Asia.<sup>13</sup> The principal objective is to attract the international attention to the cross-Strait tension and highlight the importance of Taiwan.

At the same time, Japan welcomes Tsai’s policy because Japan has always defined itself as the center of East Asia, and there are constant conflicts between Mainland China and Japan given the problems created by the overlapping of the Air Defense Identification Zone in East China Sea, the Senkaku Island (Diaoyu Island), dispute and even by the arbitration made public in 2016 on the South China Sea. Previously, Japan has progressively lifted the restrictions to their defense rights and intensified the containment against the “threat from China”.<sup>14</sup> Therefore, with the goodwill of Taiwan, Japan can avoid quarrelling at the same time with Mainland China and Taiwan over the sovereignty of the Senkaku Islands, including the disputes over the fishing rights in the area. Actually, after taking office, Tsai has kept a more flexible and compromising attitude towards these Japanese policies. And, this is important, the stand of Japan is firmly supported by United States.

On February 3, 2017, during his first overseas trip, to Japan, James Mattis, the US Defense Secretary, reiterated the firm American support to the Treaty of Mutual Cooperation and Security between the United States and Japan, which may give Japan a freer hand in its East Asia policy against China. Mattis also underscored in the meeting that the United States remains steadfast in its commitment to defend Japan in the face of common threats, which can be read as Mainland China. He also made certain that Article 5 of the U.S.-Japanese mutual defense treaty is understood to be as real as it was and as it will be a year and 10 years from now. The defense secretary also confirmed the long-standing U.S. position on Japan’s territorial dispute with China over the Senkaku Islands: to apply the U.S.-Japan security treaty to all areas under Japanese administration, and to continue a strong opposition to any unilateral coercive action that seeks to undermine Japan's administrative control of the islands. He also thanked Abe for Japan's noteworthy contributions to regional and global security and to the U.S.-Japan alliance.<sup>15</sup> Later, when Japanese Prime Minister Abe visited Washington in February 2017, Trump reiterated that the U.S.-Japanese mutual defense treaty will definitely cover all territory under Japanese administration, Senkaku Islands included.<sup>16</sup>

Since there are common interests between Taiwan and Japan, and as an island in the middle of the East and Southeast Asia islands arc, Taiwan is a valuable ally for Japan in its policy of containment to Mainland China. If Japan wants to detain the entrance of Mainland China into the Pacific Ocean, Taiwan will be a crucial bastion for them. Therefore, it is very

<sup>13</sup> "Tsai authorities push for 'Theory of Two Nations' diplomacy"?, *Read 01*, (「蔡當局將推"兩國論外交"」, 壹讀), 20 November 2016, p. 1, at <https://read01.com/ax8OoP.html>

<sup>14</sup> *Ibid.*, p. 2.

<sup>15</sup> U.S. Department of Defense: “Strength of Alliance Highlights Meeting Between Mattis, Japan’s Prime Minister”, 3 February 2017, at <https://www.defense.gov/News/Article/Article/1070346/strength-of-alliance-highlights-meeting-between-mattis-japans-prime-minister>

<sup>16</sup> "Trump and Abe talk about Diaoyutai: Applicable to the U.S.-Japan Security Treaty", *United Daily News*, (「川安談釣魚台: 適用美日 安保」, 聯合報), 12 February 2017, p. A1.



likely that Japan will offer more solid support to a Taiwanese government who shares the same threats as Japan. Nevertheless, the author thinks that, if Taiwan is waiting for the military support from Japan in case of need, it could be a dream since Japan alone would not take the risk of war against China at least with their current power capabilities.

#### **4. United States influence on Taiwan's foreign policy towards Latin America**

When it comes to the U.S.-China-Taiwan relations, the initial assertion I can make is that without the U.S. backing, the declaration of *de jure* independence is simply not a feasible option for Taiwan. But the complicating factor is that Washington has an interest not only in the security of Taiwan, but also in stable relations with China, particularly after the expansion of bilateral ties. Thus, the maintenance of the *status quo* turns out to be a U.S. policy, too. For achieving such a goal, the US has adopted a policy of strategic ambiguity as the cornerstone of its approach toward the cross-Strait relations in the past few decades.<sup>17</sup>

The United States adopted the One-China policy to soothe the Beijing's worries that Taiwan may formally secede from China, but, at the same time, has warned China that military action against Taiwan cannot be tolerated. Consequently, Washington tries to persuade Taiwan not to provoke China, but also promises to provide some kind of security guarantees to defend it against a possible Chinese attack. Nevertheless, the U.S. leaves open the option it will take in the case of an emergency between the two sides of the Taiwan Strait. This is the essence of the policy of strategic ambiguity.<sup>18</sup>

While the triangular relationship was a subordinated part of the international system during the Cold War period, the post-Cold War triangular relationship was more affected by the domestic policies of the three countries than by the international structure. Although the U.S.-China-Taiwan relationship cannot be fully independent from the international system, it seems to be affected more by the changes in the U.S. foreign policy, as a result of changes and alterations in domestic policies. The impact of domestic politics on the change in the triangular relationship was clearly exemplified during the Clinton administration, when the US administration and the Congress agreed or disagreed on the China-Taiwan Strait issue.<sup>19</sup>

Some reasons were advanced for maintaining a stable cross-Strait relationship and the US involvement in the triangular relationship: A thick and stable cross-strait relationship is desirable first because it lessens the likelihood of a military crisis. Second, the security triangle is the Achilles heel of U.S.-China relations. Reducing Beijing's concerns about the US role in Taiwan would put the whole relationship on a more solid footing. Third, in an exclusive framework, Taiwan is rightly concerned about Washington-Beijing relations, but in an inclusive triangle it could play the profitable role of an offshore platform for the American involvement with Mainland China. Seen Taiwan as an opportunity rather than a security problem would be a productive new avenue for American involvement.<sup>20</sup> However, the possibilities of realising an inclusive triangle are at present the thorniest issue. As Richard Bush has written in his seminal work, *Uncharted Strait: The Future of China-Taiwan Relations*, the future of the

<sup>17</sup> Charles Chong-han Wu: "The Strategic Triangle: US-China-Taiwan Relations", *Sharnoff's Global Views*, 13 December 2012, at <http://www.sharnoffsglobalviews.com/the-strategic-triangle-us-china-taiwan-relations/>

<sup>18</sup> *Ibid.*, 2012.

<sup>19</sup> Yaeji Hong, "The U.S-China-Taiwan Triangle Relationship and American Domestic Politics", p. 5. at [web.isanet.org/Web/Conferences/AP%20Hong%20Kong%202016/Archive/c9a34211-ccf5-4f69-8b53-a19299bf9bb4.pdf](http://web.isanet.org/Web/Conferences/AP%20Hong%20Kong%202016/Archive/c9a34211-ccf5-4f69-8b53-a19299bf9bb4.pdf)

<sup>20</sup> Brantly Womack, "Rethinking the US-China-Taiwan triangle", *Asia Times*, (14 February 2013), p. 3. <http://www.atimes.com/atimes/China/CHINA-01-140213.html>



Taiwan Strait is much more open now than at any other time of the previous decades. Tensions between China and Taiwan have been eased since 2008, but the movements and advances toward a full rapprochement remains delicate and fragile. Whether the two sides of the Strait can sustain and expand a cooperative relationship after years of mutual distrust and fear is still an uncertain question.

The waters of the Strait are uncharted, and each side worries about shoals beneath the surface... China fears the island's permanent separation, by way of either an overt move to *de jure* independence or continued refusal to unify with the mainland. Taiwan fears a subordination to an authoritarian regime that does not take into consideration Taipei's feelings and concerns. And the United States worries about the stability of the East Asian region.

The United States has a huge stake in the continued stabilization of cross-Strait relations because of its interests in maintaining peace and stability in the critically important East Asia region. For more than a decade, since the Taiwan Strait crisis of 1995-96, which brought the United States and China close to war in the Strait, the NCAFP has been sponsoring a trilateral Track II U.S.-China-Taiwan strategic dialogue in order to promote frank exchanges and to increase mutual understanding among all the three sides, thus helping to chart a path forward.<sup>21</sup>

Nevertheless, the situation might change with the new Trump administration. In the phone call made by Tsai Ing-wen on December 2, 2016, to Donald Trump, they talked about strengthening Taiwan's defense and economy. It sounds routine. But it overturned four decades of diplomatic practice. Neither American presidents nor presidents-elect have spoken officially to the leaders of Taiwan since 1979. This call alarmed Mainland China who took the event as a change in the One-China policy of the United States and the challenging words of Donald Trump, especially before taking the presidency, made China upset. China reacted cautiously. Wang Yi, the foreign minister, lodged a formal diplomatic protest and said that nothing would change the world's recognition of China, turning again to the congenial task of blaming Taiwan for everything.<sup>22</sup>

In response to the US president-elect Donald Trump's suggestion that he might deepen ties with Taiwan and to Ms. Tsai's party, which promotes Taiwan as a *de facto* independent country, Beijing has restarted a diplomatic war with Taipei. In December 2016 Beijing persuaded the tiny African nation of São Tomé and Príncipe to cut diplomatic ties with Taipei, leaving Taiwan with just 21 allies. But in the US backyard there is much more at stake than the Taiwanese pride. Central American leaders, nervous about the incoming Trump administration, are eager to attract more Chinese investment into their under-developed economies.

Beijing has an opportunity to enhance its influence — and ruffle US feathers — in the strategically important region if it can convince some of Taiwan's diplomatic allies in Latin America and the Caribbean to switch sides. "If Taiwan is ejected from Central America, then China's interests in the US backyard could be a threat," says Lo Chih-cheng, a member of Ms. Tsai's ruling Democratic Progressive party and the head of the foreign affairs committee in the Taiwan's legislature. Diplomats say that several of Taiwan's Central American and Caribbean

<sup>21</sup> National Committee on American Foreign Policy, "Navigating the Uncharted Strait: The Future of U.S.-China-Taiwan Relations", (14 March 2014), <https://www.ncafp.org/navigating-uncharted-strait-future-u-s-china-taiwan-relations/>

<sup>22</sup> "Donald Trump's phone call with Taiwan's president spreads alarm: What is behind the president-elect's first foreign-policy crisis?", *Economist*, (4 December 2016), pp. 1-2. <http://www.economist.com/news/china/21711210-what-behind-president-elects-first-foreign-policy-crisis-donald-trumps-phone-call?zid=306&ah=1b164dbd43b0cb27ba0d4c3b12a5e227>, (2016/12/15)



allies have been wavering for some time, enticed by the promise of more aid, trade and investment from China.<sup>23</sup>

It is not only the importance of Taiwan for Central Americans in terms of trade and financial assistance to the governments in the area. The visit of President Tsai Ing-wen could be related to the turmoil of the global political *status quo* that will surely arise with the new US government. An analysis piece by Esteban Solis R. in his article on *El Nuevo Diario* points with certainty to some of the implications of the presence in the region of the President of Taiwan, in particular, the support of President Ortega for maintaining closer relations with Taiwan. The background of the situation is the excellent U.S.-Nicaragua relationship beyond well-resolved small skirmishes, showing the pragmatism of the last Ortega administration. When Trump showed a clear inclination to establish closer relations with Russia and provoked China both commercially and politically by contacting the president of Taiwan by telephone, the presence of Tsai Ing-wen in Central America forces us to think beyond formal declarations, at that time backed by Taiwanese trade missions looking for Central American products, especially coffee.<sup>24</sup>

Due to the uncertainty projected by President Trump policies toward Taiwan and Mainland China, there is a lot of speculation about the future relations among U.S., China and Taiwan. The attitude of United States for sure will affect the relations between Taiwan and Latin America. Even Donald Trump cannot ignore the One-China principle He could ask the Taiwan's Latin American allies to maintain their recognition in order to support the international legitimacy of Taiwan. Since all these countries hold very close economic relations with the United States, they have to take care of the US's interests as well.

### **5. Where will the tipping point be?**

The political and legal status of Taiwan has been a matter of dispute between the People's Republic of China and Taiwan for many years. Due to this tension, Taiwan president's visit to Latin America was highly scrutinized. At the beginning of 2017 there were 6 diplomatic allies of Taiwan in Central America, and in the Caribbean with 5 countries and in South America with Paraguay. It is noteworthy that on the eve of Tsai Ing-wen's trip to Central America on January 2017, the deputy minister of Foreign Affairs of Panama, Luis Miguel Hincapie assured that his country had excellent relations with Taiwan despite the fact that the president had not planned to visit the country. This statement immediately prompted observers to forecast that Panama, along with the Vatican and two small countries in Africa, could be one of the first to break off relations with Taiwan.<sup>25</sup>

According to information from diplomats and scholars, the most likely tipping point in the Taiwan-Latin American diplomatic relations should be Panama and Nicaragua. Although many diplomatic allies of Taiwan in Latin America had the record of trying to approach Mainland China, like Presidents Lugo of Paraguay, Mauricio Funes of El Salvador, Martinelli of Panama, and Ortega in Nicaragua, who maintained diplomatic relations with China between 1985 and 1990, they all went back to Taiwan again. Before June 2017, only Costa Rica had cut

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<sup>23</sup> Ben Bland and James Fredrick: "Taiwan tries to keep Central American allies away from China Beijing launches diplomatic drive in response to Trump's overtures towards Taipei", *Financial Times*, 6 January 2017, pp. 1-2, at <https://www.ft.com/content/1318e4fc-d3e1-11e6-9341-7393bb2e1b51>

<sup>24</sup> "Central America, Taiwan, Trump?", *Newsroom Panama*, 22 January 2017, at <http://www.newsroompanama.com/opinion/opinion-central-america-taiwan-trump>

<sup>25</sup> Sam Yeh: "What is Behind Taiwanese President's Visit to Latin America Amid Speculations", *Sputnik News*, 7 January 2017, p. 1, at <https://sputniknews.com/asia/201701071049360384-taiwanese-president-visits-latin-america>



diplomatic ties with Taiwan in 2007.

In fact, when left-wing presidents in Costa Rica and Nicaragua took power in 2006 and in 2007, respectively, people thought that there might be some change in the Taiwan diplomatic relations of Taiwan in the area, but they made different choices. According to Mario Esteban Rodríguez, their decisions were made upon the calculation of national interests. In the Costa Rica case, Oscar Arias took, as a priority, the economic and diplomatic opportunities that China offered to them, meanwhile, Daniel Ortega considered that Taiwan showed more goodwill in offering Nicaragua the cooperation they needed for the development of the country.<sup>26</sup>

Going back to January 2007, when President Chen Shui-bian visited Nicaragua for the inauguration ceremony of Daniel Ortega, some important Sandinista leaders of Nicaragua, like Bayardo Arce, promised in the electoral campaign that if they won the election, they would reestablish diplomatic ties with Mainland China.<sup>27</sup> Despite the expectations, Nicaragua did not break with Taiwan and did not establish diplomatic relations with China. On the contrary, Taiwan strengthened its relations with the Sandinista government, financing social and productive programs in the amount of US\$50 million annually. The previous government agreed to sign a FTA with Taiwan that has given impetus to the bilateral economic relations, investing the Taiwanese companies heavily in maquiladoras in free trade zones.

President Ortega has said that he will not break diplomatic relations with Taiwan, but at the same time he will strengthen trade relations with the People's Republic of China. The President of Taiwan was among the skeptics of that possibility, and said that if Nicaragua achieved that, his government would win the palms in the world concert. But, apparently, he is successful, as evidenced by the construction by a private Chinese company of an interoceanic Canal through Nicaragua, to which we will refer later.<sup>28</sup>

Recently, President Tsai Ing-wen made again an official visit to Nicaragua for the inauguration ceremony of the new presidency of Daniel Ortega. Before the visit, a lot of speculation appeared in the media on how Tsai Ing-wen would be received by Ortega, and whether there would be any change in the bilateral relations. Nevertheless, everything came out as normal, and in general there is no sign of change until the present.

In the case of Panama, in the early 1980s most of the experts on the Panama Canal believed that Japan would step into the vacuum created by the U.S. withdrawal from Panama under the 1977 treaties. However, by late 1990s, Mainland China and Taiwan became the main non-United States players in Panama. Mainland China now is the third most important user of the Canal after the United States and Japan. Taiwan is also among the top 10 users of the Canal.<sup>29</sup>

Nevertheless, the competition in Panama endured. In September 1994, the chief to-be

<sup>26</sup> Mario Esteban Rodríguez: “¿China o Taiwan?: Las Paradojas de Costa Rica y Nicaragua (2006-2008)”, *Revista de Ciencia Política*, Vol.33, no.2 (2013), at [http://www.scielo.cl/scielo.php?script=sci\\_arttext&pid=S0718-090X2013000200005](http://www.scielo.cl/scielo.php?script=sci_arttext&pid=S0718-090X2013000200005)

<sup>27</sup> Orlando J. Pérez, (ed.) (2000): *Post-invasion Panama: The Challenges of Democratization in the New World Order*, Oxford, England: Lexington Books, p. 51, at <https://books.google.com.tw/books?id=vjx9fudZpuoC&printsec=frontcover&hl=zh-TW#v=onepage&q&f=false>

<sup>28</sup> Hellen Ruiz Hidalgo, “China en Centroamérica, La prometedor y controvertida presencia del dragón oriental”, *UNED*, (enero 2017), p. 3, at <http://www.uned.ac.cr/ocex/index.php/ocexinf/156-boletin-n-4-2013/249-china-en-centroamerica>

<sup>29</sup> Orlando J. Pérez, *op. cit.*, pp. 51-52.



of the Permanent Mission of Panama in the United Nations already declared that, to be realist, Panama should not close her eyes to the existence of the People's Republic of China, neither should they forget the China's favorable vote in the Security Council of the UN, and the fact that the People's Republic of China has allowed Panama to maintain its Consulate General in Hong Kong. And at the beginning of the 21<sup>st</sup> century, the public opinion also questioned the significance of the participation of Panama in the Memorandum on Taiwan, in which they asked the allies of Taiwan to speak in the General Assembly of the UN in favor of the reentrance of Taiwan in the organization.<sup>30</sup>

In fact, although Mainland China only maintained commercial and cultural relations with Panama, the commercial representative of the PRC in Panama, Wang Weihua, explained that Mainland China, the major economic and strategic partner that Panama finds in Asia, expected to extend commercial and diplomatic relations with Panama in the near future.<sup>31</sup> For doing that, Mainland China was very skillful in showing her generosity to the Central American countries, as well as presenting the benefits they can get from China, by using the example of Costa Rica. For instance, they constructed a super modern football stadium of US\$100 million in San Jose, using Chinese labor; donated US\$30 million to the new National Academy of Police, and US\$8 million to the government, among other funds, totaling more than US\$160 million the funds Costa Rica has received. Furthermore, they signed a Free Trade Agreement with Costa Rica which came into force on August 1, 2011.<sup>32</sup> All these projects and funds inspire the imagination of other Central American countries. To discourage the temptations provoked by Costa Rica's example, Taiwan intensified the cooperation with its Central American allies.

Nevertheless, to the surprise of Taiwan, Panama cut the long-standing diplomatic ties with Taiwan in June 2017, establishing relations with China. The Panamanian government said that it recognized only the "one China" principle and considered Taiwan part of it. Panamanian President Juan Carlos Varela said in a televised address that he was "convinced that this is the correct path for our country". This is perhaps the biggest blow Taiwan has suffered since relations with Beijing began deteriorating last year, due to political rather than economic reasons. China could have continued investing in Panama without official ties. This event leaves Taiwan with only 20 allies.<sup>33</sup> In an interview with the newspaper *South China Morning Post* of Hong Kong, President Varela even revealed that he already had the idea of establishing relations with China since he visited Shanghai 10 years before, and he thought the switch of Panama could be a model for other countries.<sup>34</sup>

In Guatemala, Taiwan financed the expansion of the road between the capital and the Caribbean coast, with a cost of US\$132 million, an incentive that dissuades the country from establishing diplomatic relations with China. With El Salvador, there is also more cooperation for the country development in the fields of agriculture, education, technology, health and public security.<sup>35</sup> But in Honduras, the Minister of Foreign Affairs, Arturo Corrales, expressed

<sup>30</sup> "El interés nacional de Panamá y la República Popular China", *Panama America*, 6 October 2001, at <http://www.panamaamerica.com.pa/content/el-inter%C3%A9s-nacional-de-panam%C3%A1-y-la-rep%C3%BAblica-popular-china>

<sup>31</sup> "China aspira alcanzar relaciones diplomáticas con Panamá", *Nacional FM*, 26 August 2014, at <http://www.sertv.gob.pa/noticias-nacional-fm/item/25197-china-aspira-alcanzar-relaciones-diplomaticas-con-panama>

<sup>32</sup> Hellen Ruiz Hidalgo, *op. cit.*, pp. 2-3,

<sup>33</sup> "Panama cuts ties with Taiwan in favor of China", *op. cit.*

<sup>34</sup> Hsu I-cheng: "President of Panama: It's been 10 years I wanted to establish relations with China", (許依晨, 「巴拿馬總統: 想與陸建交已十年」), *United Daily News*, 13 November 2017, p. A9.

<sup>35</sup> *Ibid.*, pp. 3-4



his intention to establish diplomatic relations with the PRC in 2012, in spite of the opposition of Taiwan;<sup>36</sup> and in April 2014, a Chinese mission of the China Harbor Engineering Company (CHEC), arrived in Honduras under invitation of the government to foresee the possibility of constructing an interoceanic railway and other infrastructures in the country. At the same time, the rumor of Honduras breaking diplomatic relations with Taiwan spread, but due to the diplomatic truce existing between Mainland China and Taiwan, president Porfirio Lobo later clarified that they would only look for a commercial approximation to Mainland China.<sup>37</sup>

In Honduras as well as in El Salvador important pressures from the public opinion pushed their governments to have closer relations with Mainland China, or even to break ties with Taiwan can also be mentioned. Taiwan's efforts to keep these allies and the reluctance of Mainland China to completely break the diplomatic truce with Taiwan, perhaps has contributed to the fact that they did not change their partner already.

Besides, in the case of Nicaragua, Mainland China has shown their strong influence, announcing the construction of an interoceanic Canal in Nicaragua by a Chinese enterprise, the China Hong Kong Nicaragua Canal Development Investment Co. Limited, HKND Group. The Nicaraguan Congress approved that the company could operate under a 50-years concession contract. This will be a colossal work, costing around US\$40 billion. Nevertheless, president Ortega personally modulated the announcement in the 34th anniversary of the Sandinista revolution, on 19 July 2013, when, surprisingly, he lowered the profile of the interoceanic Canal, presenting it only as a complementary project, and explaining that the main political objective was his government's Human Development Plan for getting out of poverty<sup>38</sup>. Therefore, we can suppose that he found the project not feasible at that moment.

After Costa Rica open the way to Mainland China, she was seen as a model for approaching other Central American countries. The governments of Hu Jintao began to strengthen commercial and investment contacts. Chinese Ambassador in Costa Rica ensured that they hoped the establishment of the Chinese Embassy there would be the beginning of the opening of diplomatic relations between his government and the governments of the Central American countries in two years' time from 2007. The construction of the football stadium was only the beginning, later in 2013, when Xi Jin-ping visited Costa Rica, China signed agreements for an amount of about US\$400 million loans. This made neighboring countries jealous.<sup>39</sup>

According to unofficial information, former-President Manuel Zelaya of Honduras in 2009, and former President of El Salvador Mauricio Funes, in 2013 declared that they wished to establish diplomatic relations with China. Former President Otto Pérez of Guatemala also declared that they wished to have more profound commercial relations with the PRC, while maintaining diplomatic relations with Taiwan, adding that they wanted to establish a commercial office in China in 2014.

Nevertheless, until the present, no official approximation between Mainland China and

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<sup>36</sup> "Honduras establecerá relaciones con China pese a oposición de Taiwán", *El Heraldo*, 28 December 2012, <http://www.elheraldo.hn/especiales/eleccioneselectorales2013/331070-332/honduras-establecer%C3%A1-relaciones-con-china-pese-a-oposici%C3%B3n-de-taiw%C3%A1n>

<sup>37</sup> "Llega a Honduras misión de China Continental", *El Heraldo*, 7 April 2014, pp. 1-2. <http://www.elheraldo.hn/pais/581323-214/llega-a-honduras-mision-de-china-continental>

<sup>38</sup> Hellen Ruiz Hidalgo, *op. cit.*, pp. 5-6,

<sup>39</sup> Xiao Chen: "Panama cut with Taiwan: Taiwan lost their friend of more than one hundred years, will they receive more goodman card in Central America?", (陳曉，巴拿馬斷交：台灣失清宣統以來百年友邦或在中美洲連收好人卡?) *香港01*, 13 June 2017, at <https://www.hk01.com/兩岸/97518/-1>



other Central American countries has been made. But there are indeed frequent activities by commercial chambers in Central America looking for more commercial contacts with China. Meanwhile, Taiwan is offering economic support for development and interaction between enterprises, military aid, scholarships for young people, help in the construction of the building of Sistema de Integración Económica de Centroamérica (SIECA) and a donor member of the Central American Bank for Economic Integration (CABEI) after contributing with US\$150 million.<sup>40</sup>

In fact, China is both a competitor and a commercial partner of Central America at the same time. Generally speaking, the principal destination of Central American exports is the United States, not China. And China is the main competitor of Central American products in the American market.<sup>41</sup> So, what is the importance of Central America for China? The author thinks that the economy is not the key issue. The great Chinese interest lies in the Central American geography: the ease of access between the two great oceans and the possibility of placing their products directly on the east coast of the United States. Likewise, the possibility of establishing an EEZs that manufacture goods for the Chinese and US markets grew in importance. In this sense, Central America has an interest to become an economic platform and a transit point. This new interest replaces the old traditional Chinese objective in the region: to remove the influence of Taiwan diplomatically. That is why the geostrategic issue is very important, considering in particular the possible transit of Venezuelan oil from the Atlantic to the Pacific, and the refining of heavy oil in plants built by China in El Salvador, Nicaragua, or Costa Rica.

Besides, China put its major interest in the dry canals which incorporate railroads for the rapid transportation of goods between the two oceans, rapid transportation present also in the projects for Guatemala, Honduras, El Salvador, Costa Rica and Colombia. Finally, Panama is of particular importance for the Chinese interests, given the presence of Hutchinson-Whampoa in Panama since 2000. It is clear that Panama does respond now to the growing importance of a rising superpower that seeks to project its power on a global scale.<sup>42</sup>

Although Panama cut their diplomatic ties with Taiwan in June 2017, Panama has always attempted to maintain a balanced economic relation with both Taiwan and Mainland China, as both are important Canal users, interested in investing in Panama. Evergreen, a Taiwanese shipping company, at the end of the 1990s was investing more than US\$85 million in the construction of modern docking facilities in Panama; while Hutchinson Port Holding International (HPH), a Hong Kong-based British and Chinese Company, won the bid to take over the ports on both ends of the Canal.<sup>43</sup>

Beijing has repeatedly warned against any moves towards independence by Taiwan, following the victories of Tsai Ing-wen and her pro-independence Democratic Progressive Party (DPP) in presidential and parliamentary elections. Tsai has said that she will maintain peace with China, and Chinese state-run media have also noted her pledges to maintain the *statu quo*

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<sup>40</sup> Centro Latinoamericano para la Competitividad y el Desarrollo Sostenible (CLACDS): “Comercio e inversión entre China y Centroamérica”, (August 2014), pp. 7-8, at <http://www.incae.edu/ES/clacds/publicaciones/pdf/cen1410es.pdf>

<sup>41</sup> *Ibid.*, p. 8.

<sup>42</sup> Constantino Urcuyo: “Relaciones de China con Centroamérica: comprendiendo los intereses estratégicos y económicos de la región”, Centro de Investigación y Adiestramiento Político Administrativo (CIAPA), Costa Rica, INCEP / *Reporte Político Centroamericano*, nº 11, (July-December 2014), pp. 6-7, at <http://incep.org/wp-content/uploads/2015/03/separata-reporte-11.pdf>

<sup>43</sup> Orlando J. Pérez, *op. cit.*, pp. 51-52.



with China. Nevertheless, when Panama invited President Tsai to attend the inauguration of the Panama Canal expansion in late June of 2016, China reacted frostily. Yet, for Panama, this invitation was completely reasonable, thinking that China, as an important user, needed to attend the inauguration ceremony of the expanded Canal too.

Panama was one of Taiwan's oldest diplomatic allies, but diplomats in Beijing have told earlier to Reuters that “they believed Panama would be the Central American country most likely to ditch Taiwan”. Reuters added that “a US State Department cable released by WikiLeaks indicated that Panama sought to recognize Beijing in 2009 but was rebuffed”<sup>44</sup>. Yet it took more years to reach its goal.

In the case of Paraguay, the country maintains diplomatic relations with Taiwan since 1957. Due to the constant political conflicts between Taiwan and Mainland China in the past decades, Paraguay did not establish diplomatic ties with PRC. The diplomatic truce between the two Chinas during the presidency of Ma Ying-jeou, which *de facto* maintained the *statu quo* in the bilateral relations, helped to maintain the recognition of Taiwan by the government. Nevertheless, for several years calls for the establishment of official relations with Mainland China have been heard, especially during the government of Fernando Lugo, who announced his intention to explore the possibility of a formal official recognition. The weight of commercial relations between China and Paraguay has increased constantly: Now, 30% of Paraguayan imports come from direct trade with the People's Republic of China.<sup>45</sup> Therefore, the commercial sector of the country is eager to have full official relations with China, in order to facilitate the business with Mainland China. That is also the case of the Dominican Republic, given the calls made by the private sector. Other countries in Central America and the Caribbean perhaps are eager to take more “realistic” choices, but the Taiwan aid and the ongoing rivalry between Mainland China and the United States make them hesitate.

## 6. Conclusions

There are only few countries (twenty) in the world that support Taiwan as the legitimate government of China. And in the diplomatic competition, Taiwan is progressively losing its advantage more and more. To confront this Chinese threat, the government of Ma Ying-jeou presented the so-called diplomatic truce. As Beijing was trying to get a favorable impression from the Taiwanese people, it used the carrot instead of the big stick, and there was diplomatic peace for 8 years. By signing a series of commercial agreements and the diplomatic truce, Beijing, in fact, wanted to tell Taiwan that they are capable to deprive Taiwan of more diplomatic allies if they wanted to, in the belief that Taiwan could maintain a more pragmatic policy in the cross-Strait affairs, paving the way towards the final reunification of China. Nevertheless, Taiwan should not depend only on the good will of Mainland China, and, despite the difficulties, Taiwan could keep their diplomatic relations with countries in Latin America strengthening them through economic and financial means. After all, there are still a lot of friends in those countries who prefer to keep the present cooperation with Taiwan.

However, with Tsai Ing-wen as president of Taiwan, who participated in the formation of the Two-States Theory and the pro-independence cross-Strait policy of the DPP, the diplomatic truce came to an end and the tension increased again. The loss of two diplomatic

<sup>44</sup> “Panama invites China and Taiwan leaders to canal ceremony”, *The Straits Times*, 26 March 2016, at <http://www.straitstimes.com/world/panama-invites-china-and-taiwan-leaders-to-canal-ceremony>.

<sup>45</sup> In 2011, 37% of total imports came from China. See Julio Eduardo Peña Gill: “Paraguay y China Popular”, *Luciernaga Informativa*, 1 October 2011, at [http://luciernagainformativa.blogspot.tw/2011/09/paraguay-y-china-popular\\_30.html](http://luciernagainformativa.blogspot.tw/2011/09/paraguay-y-china-popular_30.html)



allies in Africa, and Panama in Central America, could be only the beginning. Mainland China is waiting for the clarification of Tsai's position. If the latter cannot work out a convincing policy to calm down the nerves of Beijing, they could take the initiative anytime to get rid of another Taiwanese ally in Latin America as a way of putting more pressure on Taiwan. Tsai should be aware of the reality and get rid of the ambiguity. If the current stalemate continues, Taiwan risks further economic and political isolation.

In the fight for Taiwan legitimacy, the United States is one of its main allies, and since the Taiwan Relations Act passed in 1979, they sold different weapon systems and provided military training regularly to the Armed Forces of the Republic of China. However, this situation continues to be an apple of discord for China, who considers US involvement disruptive for the stability of the region. Perhaps, after 1979, the United States support for Taiwan was a form of compensation for the breaking of relations, but it is evident that the real consideration should be a strategic one. With the rise of Mainland China as a great power, and the Obama policy of pivot to Asia, the geographic position of Taiwan is important to contain the access of China to the central Pacific Ocean, limiting the competition with the United States. At the same time, the establishment of diplomatic ties between Panama and China means the increase of Chinese influence in the backyard of United States. Therefore, maintaining the legal legitimacy of Taiwan and its friendship is important and favorable to American interests. Since most Latin American allies of Taiwan are quite dependent on the United States, political and economically, perhaps United States should use their influence in the region to avoid the international disappearance of Taiwan.

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