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論文

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編者的話

本期《戰略與評估》收錄之四篇文章出自 2018 年 9 月 14 日國防安全研究院與美國蘭德公司聯合舉辦「台灣的南方轉向」(Taiwan's Southward Pivot)工作坊，以蔡英文總統提出的「新南向政策」為主軸，探討台灣與東南亞及南亞國家的經貿與安全關係。該場會議計有七篇論文發表，作者包括蘭德公司亞太政策中心的執行長 Rafiq Dossani；蘭德公司資深研究員 Rich Girven；中華經濟研究院台灣 WTO 及 RTA 中心李淳副執行長與台灣經濟研究院景氣預測中心孫明德主任；工業技術研究院產業科技國際策略發展所張超群副所長、馬利艷業務副總監與其他同仁；遠景基金會國際研究暨交流組黃美鳳組長；國防安全研究院王尊彥與陳蒿堯助理研究員；國防安全研究院李俊毅助理研究員等。這七篇論文先於會議接受學者專家的評論，復於修改後由 Rafiq Dossani 與李俊毅擔任客座主編提供修改建議，最後再經《戰略與評估》編委會的審查，是經歷數次修正後的研究成果。上期已刊出台灣與東南亞關係為主題的三篇論文，本期刊出台灣與南亞關係為主題之四篇論文。

Trade Relations between Taiwan and South Asia under the New Southbound Policy

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Abstract

This paper discusses the prospects for Taiwan's economic relations with South Asia, focusing on trade issues. The summary picture that emerges is that economic relations between Taiwan and the countries of South Asia largely focuses on India, that economic relations are relatively low compared to Taiwan's economic relations with the rest of the world, and that these economic relations are largely confined to "old economy," low value-added items for both imports and exports. This suggests that Taiwan's progress to a modern economy, driven by intellectual property built around its digital industries – information and communication technologies (ICT), in which Taiwan plays a globally central role, has not connected with similar industries in South Asia, such as India's software services industry. Put another way, South Asia is not part of the supply chain that Taiwan manages in new-age industries in ICT. We consider possible reasons: (1) Inadequate policy emphasis on new-economy industries and the services sector in Taiwan, perhaps due to established supply chains in East Asia and Southeast Asia; (2) Difficulties of doing business in South Asia due to tariff and non-tariff barriers. We also consider whether there are genuine opportunities for a dramatic change in the economic relations between Taiwan and South Asia, and explore policy options that policymakers on both sides should consider.

Keywords: *Taiwan, New Southbound Policy (NSP), Trade, South Asia*

新南向政策下台灣與南亞的貿易關係

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摘 要

本文探討台灣和南亞經濟關係的前景，並聚焦於貿易議題。整體的發現是台灣和南亞國家的經濟關係主要集中於印度；相對而言，台灣與南亞國家的經濟關係較之台灣與世界其他地區的關係，並不密切；且這些關係主要局限於「舊經濟」，即低附加價值產品的進口與出口。這意味著台灣受到數位產業—資通訊科技—的智慧財產權驅使而發展，並在全球扮演重要角色的現代經濟，並未和南亞地區的相似產業如印度的軟體服務業產生連結。換句話說，台灣在經營其新時代的資通訊產業時，南亞並非其供應鏈的一環。本文探討此中可能的理由：(1)或許因台灣在東亞與東南亞既有的供應鏈之故，台灣的政策不妥切地強調新經濟產業與服務部門；(2)南亞的關稅與非關稅障礙所導致的經商困難。本文探討台灣與南亞的經濟關係是否有出現顯著改變的真正機會，並探究雙邊的決策者應考量的政策選項。

關鍵詞：台灣、新南向政策、貿易、南亞

I. Introduction

This paper discusses the prospects for Taiwan's economic relations with South Asia,¹ focusing on trade issues. The summary picture that emerges is that economic relations between Taiwan and the countries of South Asia largely focuses on India, that economic relations are relatively low compared to Taiwan's economic relations with the rest of the world, and that these economic relations are largely confined to "old economy," low value-added items for both imports and exports. This suggests that Taiwan's progress to a modern economy, driven by intellectual property built around its digital industries – information and communication technologies (ICT), in which Taiwan plays a globally central role, has not connected with similar industries in South Asia, such as India's software services industry. Put another way, South Asia is not part of the supply chain that Taiwan manages in new-age industries in ICT.² We consider possible reasons: (1) Inadequate policy emphasis on new-economy industries and the services sector in Taiwan, perhaps due to established supply chains in East Asia and Southeast Asia; (2) Difficulties of doing business in South Asia due to tariff and non-tariff barriers. We also consider whether there are genuine opportunities for a dramatic change in the economic relations between Taiwan and South Asia, and explore policy options that policymakers on both sides should consider.

This paper proceeds as follows. We first provide an assessment of Taiwan's global status as an economy (Section 2). This is done in order to discover where its global comparative advantages lie. We then turn to an

¹ The paper does not analyze economic relations with all eight South Asian countries, but focuses only on Bangladesh, India and Pakistan. This is justified because these three countries accounted for 96.3% of the population and 96% of the foreign trade of South Asia. See Central Intelligence Agency, "World Factbook," 2019, Central Intelligence Agency, <https://www.cia.gov/library/publications/the-world-factbook>.

² New age industries in Taiwan's ICT sector comprise mainly hardware products that are high value-added. They include high-performance computers, flexible displays, mobility devices, and chips that are designed for artificial intelligence applications such as image sensing and speech recognition.

assessment of its economic relations with South Asia (Section 3). In this section, we explore the current state of relations, examine challenges and opportunities, and explore policy options for large-scale improvement. Given the globally important role played by services, especially services in ICT sectors, we look at the special case of services trade between India and Taiwan in Section 4. Section 5 provides a concluding discussion.

II. Taiwan's Global Presence

As of 2017, Taiwan is a developed country with per capita income of \$49,800, 30% above the OECD average of \$38,175. About 60% of the working age population participates in the workforce and the share of services to GDP is 62%. Taiwan has a high tertiary enrollment rate of 70%, the world's second highest after South Korea.³ See Table 1 below for comparisons with the OECD and a similar sized developed country, Australia.

³ Data compiled from Organization of Economic Cooperation and Development (OECD), <https://stats.oecd.org>, data for 2017; Chuing Prudence Chou, "Education in Taiwan: Taiwan's Colleges and Universities," Brookings Institution, November 12, 2014, <https://www.brookings.edu/.../education-in-taiwan-taiwans-colleges-and-universities>.

**Table 1 Taiwan's Development Parameters Compared with
Other Developed Countries (2017)**

Parameter	OECD	Australia	Taiwan
Population (m)	1154	24.4	23.6
Per capita income (PPP USD)	38,175	49,900	49,800
Median age (years)	37.9	38.7	40.7
Labor force participation rate (all/female) (%)	72 (60)	65 (59)	59 (50)
Share of services to GDP (%)	79	73	62
Share of trade to GDP (%)	56	39	114
Tertiary enrollment rate (%)	43	50	70
Fertility rate (#)	1.7	1.8	1.2
+65 Dependency ratio (%)	25.7	23.7	18.7

Note: (1) Data for 2017; (2) Trade data above includes merchandise and services trade; (3) Labor force participation rate; (4) +65 Dependency ratio is the share of population 65 years of age and above to the population aged 15-64 ('working age population'); (5) Median age and share of services to GDP for the OECD are not available. We have used US data as proxies.

Sources: (1) Per capita income, population, and median age: Central Intelligence Agency, "World Factbook," 2019, Central Intelligence Agency, <https://www.cia.gov/library/publications/the-world-factbook>; OECD, <https://stats.oecd.org>; Index Mundi, "Taiwan Demographics Profile 2018," Index Mundi, January 20, 2018, https://www.indexmundi.com/taiwan/demographics_profile.html; (2) Labor force participation rate, services and trade: World Bank, "World Bank Open Data," World Bank, data.worldbank.org; World Trade Organization, stat.wto.org; Director-General of Budget, Accounting and Statistics, Executive Yuan, "Images of Women R.O.C. (Taiwan)," February 2007, National Statistics R.O.C. (Taiwan), eng.stat.gov.tw/public/data/dgbas03/bs2/gender/Images%20of%20Women.pdf; Trading Economics, "Taiwan Exports," Trading Economics, 2019, <https://tradingeconomics.com/taiwan/exports>; (3) Fertility rate and dependency ratio (as of 2017) from United Nations Department of Economic and Social Affairs, "World Population Prospects: 2017 Revision," June 21, 2017, United Nations DESA/POPULATION DIVISION, <https://population.un.org/wpp>.

Taiwan's challenges include an aging population, that is already within 2% of its long-term peak of 24 million. With a low fertility rate of 1.2, Taiwan faces continuing demographic challenges in maintaining economic growth. One option is to increase labor force participation, including women's participation in the labor force, whose levels are below many developed countries. The female labor force participation rate is 50%, compared to the US is 57%.⁴ However, workforce participation rates are

⁴ US female labor force participation rate is 57%. Federal Reserve Bank of St. Louis,

constrained by a rapidly aging population, which both reduces the number of working age persons and puts demands on such persons to care for home-based senior citizens. Taiwan's median age of 40.7 years has overtaken the US at 37.9 years.

However, the relatively +65 low dependency ratio – an outcome of the baby boom that happened four decades ago – indicates that Taiwan still is some years away from facing Japan-like aging challenges to economic growth (Japan's +65 dependency ratio is 45.3%).⁵

The second challenge to Taiwan's future is the relatively low share of services to GDP at 62%, close to South Korea at 59% and below Japan at 69%. Manufacturing accounts for most of the rest, at 35%. This grew out of policies similar to those adopted by other East Asian economies. Such policies supported import substitution and export-oriented manufacturing, leading to the development of larger manufacturing sectors than other less-controlled developed economies.

One of the historical features of these policies that offered hope for transition to a more typical developed economy was support for small and medium enterprises. This was in contrast to industrial policy in Japan and South Korea, which favored large firms (*chaebol* in South Korea and *keiretsu* in Japan). As a result, manufacturing (including export-oriented manufacturing) used to be less dominated by large firms in Taiwan than in Japan and South Korea until 2005.⁶ However, large firms have increasingly come to dominate Taiwan's economy since then and, as of 2015, account for the bulk of output and exports (see Table 2 below).

There are several reasons why this change is important in an adverse

"Civilian Labor Force Participation Rate: Women," FRED Economic Data, <https://fred.stlouisfed.org/series/LNS11300002>.

⁵ United Nations Department of Economic and Social Affairs, "World Population Prospects: 2017 Revision," June 21, 2017, United Nations DESA/POPULATION DIVISION, <https://population.un.org/wpp>.

⁶ Charles Harvie and Boon-Chye Lee, eds., *The Role of SMEs in National Economies in East Asia* (Cheltenham: Edward Elgar Publishing, 2002).

way. The academic literature has established the importance of SMEs, both for their contribution to employment and growth, and to leading technological change in manufacturing. Further, as the world economy has moved towards services, SMEs have been at the leading edge of that change.

Table 2 SMEs' contribution to the economy

Country	Share of Employment (%)	Contribution to GDP (%)	Share of exports (%)
Japan	70	50	54
South Korea	88	49	31
Taiwan	78	42	17
USA	48	46	33

Note: (1) SME definitions vary by country; (2) Japan and South Korea data is for 2015; Taiwan data is for 2000, USA data for contribution to GDP is for 2008; other US data is for 2014.

Sources: (1) South Korea and Japan data: Naoyuki Yoshino and Ganeshan Wignaraja, "SMEs Internationalization and Finance in Asia," February 18, 2015, International Monetary Fund, <https://www.imf.org/external/np/seminars/eng/2015/jica2015/pdf/1-B1.pdf>; (2) Taiwan data: Small and Medium Enterprise Administration, Ministry of Economic Affairs, "White Paper on Small and Medium Enterprises in Taiwan," pp. 173-202, Small and Medium Enterprise Administration, Ministry of Economic Affairs, <https://www.moeasmea.gov.tw/list-en-2572>; (3) U.S. Data: Kathryn Kobe, "Small Business GDP: Update 2002-2010," January 1, 2012, U.S. Small Business Administration, <https://www.sba.gov/content/small-business-gdp-update-2002-2010>; U.S. Small Business Administration, "Frequently Asked Questions about Small Business," August 2017, U.S. Small Business Administration, <https://www.sba.gov/sites/default/files/advocacy/SB-FAQ-2017-WEB.pdf>; Mary Ellen Biery, "The Big Impact of Small Businesses: 9 Amazing Facts," *Forbes*, October 22, 2017, <https://www.forbes.com/sites/sageworks/2017/10/22/the-big-impact-of-small-businesses-9-amazing-facts/#5d693e0d1f33>; George Papadopoulos, et al., "Statistics on small and medium-sized enterprises," May 2018, Eurostat, http://ec.europa.eu/eurostat/statistics-explained/index.php/Statistics_on_small_and_medium-sized_enterprises.

As the share of trade to GDP in Table 1 indicates, trade is an important aspect of Taiwan's economy and past growth trajectory. Taiwan is a member of the WTO and has among the world's lowest tariff barriers. The average tariff rate in 2016 was 2.2%, compared with 2.1% in Japan, 6.9% in South Korea and 2.4% in the USA, and 2.7% globally.⁷

⁷ These are MFN trade-weighted average tariffs for 2015. World Bank, "World Bank Open Data," World Bank, data.worldbank.org; World Trade Organization, "Trade maps," World

Taiwan is a large exporter of goods – exports were about \$317 billion in 2017, up from \$280 billion in 2016.⁸ The table below provides comparative data.

Table 3 The World's Leading Exporters

Rank	Country	Total (Goods) Exports (\$ bn)	Exports per capita (\$)	Exports as % of GDP
1	China	2,011	1,447	22.1
2	United States	1,471	4,498	12.8
3	Germany	1,283	15,458	16.5
4	Japan	683	5,421	17.9
5	South Korea	574	11,255	39.7
6	France	505	7,537	30.0
7	Hong Kong	488	65,946	201.6
8	Netherlands	460	26,437	82.5
9	Italy	436	7,148	30.1
10	United Kingdom	412	6,242	27.2
11	Canada	402	10,865	31.5
12	Mexico	359	2,895	35.4
13	Singapore	353	63,036	176.5
14	UAE	316	33,978	29.5
15	Taiwan	315	13,347 (6)	59.5 (4)

Note: (1) Figures in parentheses denote Taiwan's global rank in that category; (2) Figures include re-exports.

Sources: Central Intelligence Agency, "World Factbook," Central Intelligence Agency, <https://www.cia.gov/library/publications/the-world-factbook/>; UNCTAD Database, unctadstat.unctad.org; data for 2017.

As the table above shows, Taiwan was the world's 15th largest exporter in 2017.⁹ It ranked 6th for exports per capita, and 4th as a percentage of

Trade Organization, https://www.wto.org/english/res_e/statis_e/statis_maps_e.htm; U.S. Trade Representative (USTR), "Taiwan - Import Tariffs," October 10, 2018, Export.gov, <https://www.export.gov/article?id=Taiwan-Import-Tariffs>.

⁸ Trading Economics, "Taiwan Exports," Trading Economics, 2019, <https://tradingeconomics.com/taiwan/exports>.

⁹ Note that a substantial portion of some higher ranked countries are re-exports (Hong Kong, Singapore) and crude oil (e.g., UAE and Netherlands). Sources: Census and Statistics

exports to GDP. Its leading exports are industrial machinery, computers and plastics (see Table 4 below). The impressiveness of these numbers can be gauged from knowing that though Taiwan accounts for 0.31% of the world's population, it accounts for 1.6% of world goods trade. Further, as noted earlier, it is at the center of several high value-added supply chains, such as the computer industry and semiconductors.

III. Taiwan's Trade Relations with South Asia

To provide a sense of where Taiwan's trade relations with South Asia are, we present the following tables for Taiwan's exports and imports. We have selected Bangladesh, India, Pakistan and Sri Lanka for analysis, as these together account for over 98% of South Asia's GDP.¹⁰

Department, Hong Kong, "Statistics on trade involving outward processing in the mainland of China, first quarter 2017 [12 Jun 2017]," June 12, 2017, Census and Statistics Department https://www.censtatd.gov.hk/press_release/pressReleaseDetail.jsp?charsetID=1&pressRID=4055; Pan Asian Economic Alliance (PAA), "Singapore- Economic Overview," PAA.net, https://paa.net/?page_id=607.

¹⁰ World Bank, "World Bank Open Data," World Bank, <http://data.worldbank.org>.

Table 4 Taiwanese exports to South Asian countries (2016)

Taiwan Exports	A Taiwan Total	B Global Share (%)	C Bangladesh	D Share (%)	E India	F Share (%)	G Pakistan	H Share (%)	I Sri Lanka	J Share (%)
1.Merchandise Exports ⁽¹⁾	281,000	1.8	921	2.2%	2,827	0.8	453	1.0	408	2.1
<i>Of which</i>			Exports >\$10m		Exports >\$30m		Exports >\$5m		Exports >\$5m	
2.Electrical machinery & equipment	124,100	44.3	91	9.9	390	13.8	46	10.2	15	3.8
3.Machinery including computers	30,200	10.8	-	-	261	9.2	5	1.1	-	-
4.Plastics	17,600	6.3	212	23.0	594	21.0	62	13.8	26	6.4
5.Technical apparatus	14,800	5.3	-	-	48	1.7	-	-	-	-
6.Fibers, Fabrics, Yarns and Apparel	10,640	3.8	236	25.7	101	3.6	78	17.2	195	47.9
7.Mineral fuels	9,800	3.5	-	-	-	-	-	-	-	-
8.Vehicles	9,300	3.3	-	-	-	-	10	2.2	-	-
9.Iron and steel	7,700	2.8	47	5.1	87	3.1	55	12.1	22	5.4
10.Organic chemicals	7,800	2.8	65	7.1	181	6.4	34	7.6	-	-
11.Goods of iron and steel	6,700	2.4	-	-	67	2.4	-	-	-	-
Other metals	4,847	1.7	-	-	30	1.1	6	1.2	-	-
12.Copper	3,500	1.2	-	-	-	-	-	-	6	1.5
13.Other chemicals	1,678	0.6	-	-	159	5.6	22	4.9	8	2.0
14.Paper products	1,386	0.5	28	3.0	-	-	-	-	14	3.4
15.Seafood	1,642	0.6	-	-	-	-	-	-	7	1.8
16.Leather	529	0.2	21	2.2	-	-	-	-	-	-
17.Misc	-	-	-	-	-	-	15	3.4	-	-
18.Total		90.1		75.9		67.8		73.5	295	72.3

Notes: (1) Entries in this row refer to Taiwan's share of global exports, and each country's share of imports from Taiwan relative to total imports of that country.

Source: Author's compilation from UNCTAD Database, unctadstat.unctad.org. Figures are in USD m unless otherwise stated.

The table above presents merchandise exports from Taiwan to the four largest economies of South Asia, Bangladesh, India, Pakistan and Sri Lanka. Here is an analysis of the table:

1. Columns A and B list Taiwan's global exports. Data are for 2016. During this year, Taiwan exported \$281 bn of goods, equal to 1.8% of world exports. This is shown in row 1. Subsequent rows under columns A and B show the amount and share of different products

globally. For example, row 2 of columns A and B shows the total exports of electrical machinery and equipment (\$124.1 bn), which accounted for 44.3% of Taiwan's total exports.

2. Taiwan's exports to South Asian countries follow in subsequent columns. For example, row 1 of columns C and D shows that Taiwan's exports to Bangladesh were \$921 m in 2016, accounting for 2.2% of Bangladesh's imports for the year.
3. The South Asian country columns, C through J, also show the leading imports from Taiwan in value and share. For example, Bangladesh imported \$91 m of electrical machinery and equipment from Taiwan in 2016, equal to 9.9% of its imports from Taiwan.
4. The data on total exports to South Asia shows a relatively low share for South Asia as a whole. The largest importer in South Asia, India, relies on Taiwan for just 0.8% of its imports. The weighted average of Taiwan's exports to these countries is just 1% of these countries' imports basket, i.e., well below Taiwan's global share of 1.8%.
5. The composition of exports shows that exports to South Asia comprise a different basket than Taiwan's exports to the world. Taiwan's leading exports – electrical machinery, computers (and related machinery), and technical apparatus – do not find large markets in South Asia. While these three categories account for 60% of Taiwan's global exports, they have relatively small shares of Taiwanese exports to Bangladesh (9.9%), India (24.7%), Pakistan (11.3%) and Sri Lanka (3.8%). The weighted average across all these countries is 18.6%, i.e., less than a third of Taiwan's global export basket.
6. Textile-related exports (fiber, yarn, fabrics and apparel) are the single largest item for Bangladesh, Pakistan and Sri Lanka, and the second largest item for India. All four countries are large textile exporters. Textile exports from Taiwan to these countries consist mainly of synthetic fiber, yarn and fabrics (such as polyester yarn, derived from petrochemicals) for processing for re-export, i.e., they are intermediate goods that the South Asian countries process along with cotton and other raw materials for export to developed countries.

7. The single largest export is of plastic items. These items consist of synthetic polymers, such as polyvinyl chloride (PVC), also derived from petrochemicals. These are intermediate items used for domestic purposes such as PVC pipes for agricultural use.
8. Taiwan's competitive strength in petrochemical materials (both plastics and textile items) is an outcome of earlier industrial policies that were discussed above. Since the 1950s, companies such as Formosa Plastics were encouraged through state policy to grow their assets. Even though some of these industries are no longer high value-added industries for Taiwan, some of the companies remain among the largest in the world in their categories. For instance, the Formosa Plastics Group, with annual sales of about \$32 billion, is the world's sixth largest petrochemicals group.¹¹ At one time, in the mid-eighties, it was the world's largest and most profitable petrochemicals company, owing to economies of scale in what are termed as 'bulk' petrochemicals, such as PVC. Since then, due to technological progress, and in common with the chemical industry as a whole, the global petrochemicals industry has developed in the direction of what are still termed "specialty petrochemicals." These are petrochemicals that are developed for particular uses such as specialty detergents or lubricant additives. However, most of Formosa Plastic's sales are of low-margin bulk petrochemicals rather than specialty chemicals, unlike market leaders BASF and DowDuPont, which have a strong presence in the higher margin specialty chemicals markets.
9. Overall, the picture that emerges is that Taiwan's exports to South Asia consist largely of low-margin commoditized items. In particular, the "new-age" exporting industries that have powered Taiwan's

¹¹ Alexander H. Tullo, "C&EN's Global Top 50 chemical companies of 2017," *Chemicals and Engineering News*, Vol. 96, Issue. 31, July 30, 2018, American Chemical Society, <https://cen.acs.org/business/finance/CENs-Global-Top-50-chemical/96/i31>. The five firms larger than Formosa Plastics are BASF, DowDuPont, Sinopec, SABIC and INEOS.

growth since the rise of China are much less important. Only India shows some signs of a break-out into new age industries relevant to Taiwan, with Taiwan's top three exports accounting for 24.7% of India's imports from Taiwan, though still less than half the share of these items in Taiwan's total export basket.

Turning to Taiwan's imports, we present below Taiwan's imports from the four key South Asian countries.

Table 5 Taiwan's imports from key South Asian countries (2016)

Taiwan Imports	A Taiwan Global	B Global Share (%)	C Bangladesh	D Share (%)	E India	F Share (%)	G Pakistan	H Share (%)	I Sri Lanka	J Share (%)
1. Merchandise Imports	230,568	1.4	85	0.2	2,181.00	0.8	155	0.8	57	0.6
<i>Of which</i>			Imports > \$ 1m		Imports >20m		Imports > \$ 1m		Imports >\$1m	
2.Electrical machinery & equipment	60,034	26.0	-	-	-	-	-	-	-	-
3.Mineral fuels	31,900	13.8	-	-	878	40.3	95	61.3	5	9.5
4.Machinery including computers	30,941	13.4	-	-	-	-	-	-	-	-
5.Technical apparatus	9,467	4.1	-	-	-	-	-	-	-	-
6.Non-ferrous metals	7,600	3.3	-	-	253	11.6	3	1.9	-	-
7.Organic chemicals	7,400	3.2	-	-	81	3.7	16	10.3	-	-
8.Vehicles	7,300	3.2	-	-	-	-	-	-	-	-
9.Iron and steel	6,100	2.6	-	-	137	6.3	-	-	-	-
10.Fibers, Fabrics, Yarns and Apparel	3,600	1.6	62	72.3	52	2.4	27	17.4	19	34.0
11.Plastics	2,900	1.3	-	-	-	-	1	0.6	-	-
12.Other chemicals	3,000	1.3	-	-	23	1.1	-	-	2	3.8
13.Gems and jewellery	1,800	0.8	-	-	55	2.5	-	-	-	-
14.Seafood	1,100	0.5	2	2.3	35	1.6	2	1.3	6	10.1
15.Vegetable oils	389	0.2	1	1.5	-	-	1	0.6	3	5.7
16.Leaner, footwear and travel goods	195	0.1	14	16.0	-	-	3	1.9	-	-
17.Misc	-	-	3	3.5	56	2.6	-	-	14	23.9
18.Total	113,692	75.2	82	95.4	1,570	72.0	148	95.5	50	87.1

Notes: (1) Entries in this row refer to Taiwan's share of global exports, and each country's share of imports from Taiwan relative to total imports of that country.

Source: Author's compilation from UNCTAD Database, unctadstat.unctad.org. Figures are in USD m unless otherwise stated.

The above table of imports is constructed similarly to the table of exports. Some highlights follow.

1. Columns A and B list Taiwan's global imports. Data are for 2016. During this year, Taiwan imported \$230.6 billion of goods, equal to 1.4% of world imports. This is shown in Row 1. Subsequent rows under columns B and C show the amount and share of different products globally. For example, row 2 of columns B and C shows Taiwan's total imports of electrical machinery and equipment (\$60.0 bn), which accounted for 26% of Taiwan's total imports.
2. Taiwan's imports from South Asian countries follow in subsequent columns. For example, columns C and D show that Taiwan's imports from Bangladesh were \$85 m in 2016, accounting for 0.2% of Bangladesh's exports for the year.
3. The South Asian country columns, C through J, also show the leading imports by Taiwan in value and share. For example, Bangladesh exported \$62 m of fibers, fabrics, yarn and apparel to Taiwan in 2016, equal to 72.3% of its exports to Taiwan.
4. The data on total imports of Taiwan from South Asia shows a relatively low share within South Asia. The weighted average of Taiwan's imports from these countries is just 0.7% of their exports basket, i.e., half of Taiwan's share of 1.4% of world imports.
5. As with exports, the composition of imports shows that imports from South Asia comprise a different basket than Taiwan's imports from the world. Taiwan's leading high-valued added imports – electrical machinery, computers and related machinery and technical apparatus – account for 43.5% of Taiwan's total imports, but none of these items is imported from any of the South Asian countries.
6. Unlike the case of Taiwan's exports, the basket of imports differs between India and Pakistan, which export a substantial amount of mineral fuels to Taiwan, and the other two South Asian states, whose exports of these items is negligible. Mineral fuels account for 40.3% of India's exports to Taiwan and 61.3% of Pakistan's exports to Taiwan. The reason is that, like Taiwan before it, Indian and Pakistani policymakers have, since the 1980s, incentivized their

industrialists to produce refined petroleum in order to achieve self-reliance. However, this has led to excess (and uncompetitive) supply in their own countries, which is then exported.

7. India's exports to Taiwan consist mainly of primary commodities. Mineral fuels, metals (ferrous and non-ferrous) and seafood account for 59.8% of India's exports to Taiwan.
8. For the other South Asian states, fibers, fabrics, yarn and apparel exports are significant items, accounting for 72.3% of Bangladesh's exports, 34% of Sri Lanka's exports and 17.9% of Pakistan's exports. Earlier, in the discussion on exports, we noted that this category was also the single largest import item for Bangladesh, Pakistan and Sri Lanka, and the second largest item for India. There is a difference in what is imported and exported. All four countries are large, low-margin textile exporters. Imports of fibers, fabrics and yarn from Taiwan support their textile export industry, which primarily produces apparel. Most of Taiwan's imports under this category consists of apparel items. The exception is India, which, though a large textile exporter, is a smaller producer of apparel than the other South Asian countries. Its textile export basket is more diversified, though also low-margin, and includes cotton yarn and fabrics.
9. Overall, the picture that emerges is that Taiwan's imports from South Asia consist largely of low-margin items, either textiles (Bangladesh, Sri Lanka), commoditized items (India), or a combination of the two (Pakistan). As with Taiwan's export basket, "new-age" industries that are important to East Asia and Southeast Asia are much less important. Even India, which imports some sophisticated items from Taiwan, does not export such items to Taiwan.

While the above analysis of exports and imports paints a somewhat discouraging picture of the potential, we stress that the limitations are primarily in high value-added segments of the Taiwanese and South Asian

economies. Taiwan and South Asia can still engage in enhanced trade of traditional items.¹² Some of these, such as sports goods, offer a two-way trading opportunity, since both Taiwan and South Asia appear to be globally competitive.

IV. The Potential for Services Trade

The data on merchandise goods trade discussed in the earlier section shows a discouraging picture of the prospects of Taiwan's trade with South Asia. Up to 2016, it appears that Taiwan's trade in goods is focused on low-margin items. To a large extent, this reflects the low stage of economic development of South Asia. As South Asia develops, this will change. In the short-term, it appears as if the growth of merchandise trade between Taiwan and the rest of South Asia will be constrained, with limited possibilities for trade diversification into high value-added items.

Does the services sector offer an opportunity for breaking-out of the low-margin groove? One candidate is Indian exports of software. India has developed a substantial software services sector since the 1970s, with export revenue of software and ICT-enabled services in 2017 of over \$100 billion. Largely driven by exports of software and ICT-enabled services, India is the world's seventh largest exporter of services (see Table below).

We now consider the potential for software services exports from India to Taiwan. Although exact figures of software trade between India and Taiwan are not available, US government data suggest it is small. These sources estimate the 2017 market size of Taiwan's software and software services to be \$6.9 billion, of which imports accounted for \$2.2 billion.¹³ Most of this is product software, which is supplied by American firms (\$1.8 billion). This implies a very small residual market of less than half a billion USD, imported from different countries. Unfortunately, this suggests there

¹² These include rubber products (HTS Chapter 40), tools (Chapter 82), toys, games and sports (Chapter 95), furniture and related products and (Chapter 94).

¹³ U.S. Trade Representative (USTR), "Taiwan - Computer Services and Software," October 10, 2018, Export.gov, <https://www.export.gov/article?id=Taiwan-Computer-Services-and-Software>.

may be only a small current market for Indian software services exports.

Turning to other services, we note that Taiwan is a large trader in services: in 2016, services imports were \$52.4 bn and exports were \$41.4 bn.¹⁴ Transport (21.6%), travel (32.6%) are the two main service exports, with financial, commercial and goods-related services making up the rest.

Business services, mainly warehousing, transportation and logistics services dominate services exports, along with tourism and other transport and travel. Imports are IP intensive items, travel and transport.¹⁵

Might there be potential for Taiwan's services exports, given that services comprise two-thirds of GDP, and given Taiwan's presence in digital goods which are IP intensive? It ranks 24th in the world in services exports, as shown in the table below.

Table 6 Services and ICT/IP Exports of Selected Countries (2016)

A	B	C	D
Country	Total service exports (global rank) (\$ bn)	Share of ICT/IP services in total services exports (%)	Main type of ICT/IP service export
China	206.5 (5)	12.3	Domestic manufacturing support
India	185.3 (7)	34.3	Overseas services support
Japan	186.3 (6)	23.1	IP licenses
Taiwan	54.4 (26)	5.8	Domestic manufacturing support
United States	797.7 (1)	16.7	IP licenses, software products

Sources: (1) World Trade Organization, stat.wto.org; (2) Knoema, "Service exports in current prices," Knoema, <https://knoema.com/atlas/ranks/Service-exports>.

¹⁴ World Trade Organization, stat.wto.org.

¹⁵ U.S. Trade Representative (USTR), "U.S.-Taiwan Trade Facts," USTR, <https://ustr.gov/countries-regions/china/taiwan>.

The above table shows the service export profile of selected countries. The United States is the global leader in services exports. 16.7% of these exports relate to services that are ICT or IP-related. These include IP-intensive general-use services that are targeted to businesses and consumers, such as search engines, smartphone operating systems and databases, as well as revenue from licensing particular applications, such as software to create images. While US ICT/IP exports focus on general-use and applications software with high IP content, Japan's ICT/IP revenue comes mainly from licensing IP for particular applications.

Such IP-intensive software is more valuable, typically, than other software services, such as customized applications for web-based corporate banking, or online maintenance of large telecommunications systems. These latter typically have low IP content. This is the area in which India generates most of its ICT/IP revenue.

The third category of ICT/IP enabled services is software to support manufactured products. Most of this is integration software, i.e., software that enables components of a network to work together. An example of this is software that enables a manufacturer of computer servers to link a set of printers into the network. Such software is usually specific to a manufactured product and has limited use outside the product. Exporters of such software usually work closely with the corresponding product manufacturer to develop current and subsequent generations of their software.

Most of China and Taiwan's ICT/IP-related services exports are in such supporting software to enable the functioning of computers and communications equipment that these countries export. For Taiwan, this accounts for 5.8% of total exports.

Of the above three categories, the highest value added is IP-intensive software, followed by customized applications for service industries and support software for manufactured products.

This appears to constrain the potential for Taiwan's services exporters to export to South Asia in two ways. First, it is low value-added. Second, it

is tightly linked to new-age manufactured products and is usually sold as part of a package that includes the manufactured product. Since Taiwan does not significantly export its new-age manufactured goods to South Asia, the potential for accompanying services is constrained.

According to a news report, as of late 2017, a large number of Taiwanese ICT firms were active in India, including large firms such as Wistron, Compal, Foxconn and HTC.¹⁶ These appear to be established with the objective of localizing products for the Indian market rather than for software services. One opportunity may be to leverage India's ICT skills for Taiwanese firms looking for new markets in customized applications for service industries, or startups for the global market, but these would not match Taiwan's current global export profile.

This is equally true for most of the non-ICT/IP trade. Taiwan's exports outside ICT/IP are dominated by traditional business services, mainly warehousing, transportation and logistics services. These are also tightly linked to manufactured goods exports. The low potential for such goods to be exported to South Asia would similarly constrain the corresponding service exports.

As with merchandise trade, the above analysis has focused on services that are high value-added. In addition, we have discussed traditional, lower value-added services that are tightly linked to Taiwan's trade in high value-added industrial items. This is not to argue that the potential for other services cannot be improved through focused policy effort. For example, tourism offers potential for growth, particularly from Taiwan to South Asia. However, like other personal services of this type, including education, export growth would be constrained by low affordability in South Asia. Language barriers may also constrain the growth of education services.

¹⁶ Origin source from American Chamber of Commerce, India. Published by American Chamber of Commerce, 2017, Available at Jens Kastner, "Eyes Fixed on India," *Taiwan Business Topic*, November 21, 2017, <https://topics.amcham.com.tw/2017/11/eyes-fixed-india>.

Services exports to Taiwan may also be constrained by a traditional set of non-tariff barriers in large business and consumer services such as banking and retail. According to US government data, exporters complain of significant nontariff barriers in the areas of medical devices, cosmetics and pharmaceuticals.¹⁷ Exporters also report restrictions on foreign professionals' credentialed and non-credentialed experience requirements in order to work in Taiwan. Some other countries' exporters have complained about non-tariff barriers in services, retail, pharmaceuticals, cosmetics, agriculture and the medical device sectors.¹⁸

V. Concluding Discussion

This paper discussed the prospects for Taiwan's economic relations with South Asia, focusing on trade issues. The summary picture that emerges is that economic relations between the countries of South Asia largely focuses on India, that economic relations are relatively low compared to Taiwan's economic relations with the rest of the world, and that these economic relations are largely confined to "old economy," low value-added items for both imports and exports. These include textile-related exports, which are the single largest Taiwanese exports to Bangladesh, Pakistan and Sri Lanka, and the second largest to India, while plastic goods account for the largest category overall, and the largest item of exports to India. The leading Taiwanese imports from South Asia are similarly traditional items. 59.8% of India's exports and 64.5% of Pakistan's exports to Taiwan consist of mineral fuels, metals and seafood, the other significant South Asia exports being textile-related products.

This suggests that Taiwan's progress to a modern economy, driven by intellectual property built around its digital industries – information and communication technologies (ICT), in which it plays a central role, has not

¹⁷ U.S. Trade Representative (USTR), "Taiwan - Trade Barriers," October 10, 2018, Export.gov, <https://www.export.gov/article?id=Taiwan-Trade-Barriers>.

¹⁸ Rabobank, "Country Report: Taiwan," Rabobank, November 2010, <https://economics.rabobank.com/contentassets/eaaf3d60c5c04c02ae6f23a3421c24ef/taiwan-201011.pdf>.

connected with similar industries in South Asia, such as India's software services industry. Put another way, South Asia is not part of a supply chain that Taiwan manages in new-age industries in ICT.

We considered whether services trade, including information and communication technologies/ intellectual property (ICT/IP) might offer opportunities for India-Taiwan trade, considering India's significant progress in software services and Taiwan's significant presence in the manufacturing of sophisticated electronics goods. We considered Taiwan's progress in software exports and concluded that it largely falls in the category of supporting software for manufactured goods. This category will grow only slowly as the domestic market in South Asia for ICT-related goods increases. The joint development of software for global markets is always a possibility, given the vibrant nature of startups in both countries, although it is difficult to forecast this for policymaking purposes. Limitations appear to exist for other services trade, outside the ICT/IP fields, as well. Taiwan's exports outside ICT/IP are dominated by traditional business services, mainly warehousing, transportation and logistics services. These are also tightly linked to manufactured goods exports. Finally, the apparently high incidence of non-tariff barriers in traditional service businesses such as banking and retail in India may also constrain the growth of services trade.

Thus, there may be several possible reasons for limitations on services trade between Taiwan and South Asia: (1) Inadequate policy emphasis on new-economy services sector in Taiwan, perhaps due to established manufacturing supply chains in East Asia and Southeast Asia; (2) Difficulties of doing business in South Asia due to tariff and non-tariff barriers. (3) The limited role of small firms and startups in South Asia – Taiwan collaboration.

The implication of the above analysis is that, absent policy interventions, there is not likely to be a change in the nature of Taiwan-South Asia economic relations. However, the constraints discussed above hopefully will provide guidance to policymakers to arrive at focus areas for change. These include: (1) looking at services as a growth area

independent of manufacturing, especially in ICT and other sectors for global markets. (2) Taiwanese trade agencies and trade associations should work with South Asian partners to reduce barriers to goods trade, including both tariff and non-tariff barriers. This could be pursued through free trade agreements with select South Asian countries, particularly India. (3) Taiwan should revitalize its SME sector so that it regains its position as an engine of innovation, employment and growth. The measures could include providing incentives for SME growth in global trade and support for innovation-led growth in SME firms.

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Taiwan's New Southbound Policy and Its Geopolitical Implications in Asia

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Abstract

When presidential candidate Tsai Ing-wen declared her commitment to promote a New Southbound Policy (NSP) during her campaign and after she took office as president, there was no shortage of critics citing failed southward-looking policies in previous Lee and Chen presidency. Might this time be different? It appears there are some contexts, both economic and political, that might lead to different outcomes this time around. Chinese president Xi has shown more willingness to weaponize its market and to coerce trading partners for adopting policies that do not fits China's interest. This creates incentives for countries in Southeast and South Asia, like Taiwan, South Korea and others, to diversify trading network and reduce economic dependence on China. On the other hand, the US redefines China as its major national security threat and adopts tougher competition policy toward China including attempts to correct China's unfair trade practices with mounting tariffs. Gradually it leads to companies moving their production sites out of China to Southeast and South Asia, areas where most of the 18 New Southbound Policy target countries locates. Against the backdrops, Taiwan's New Southbound Policy has better opportunities to success by providing alternative partnership to Asian countries and may introduce geopolitical implications along.

Keywords: *New Southbound Policy (NSP), Indo-Pacific Strategy, alternative partnership*

*The article does not represent positions of the Prospect Foundation.

台灣的新南向政策及其對亞洲的地緣政治影響

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摘 要

蔡英文總統競選時及就任後表明將推動新南向政策，遭到外界許多批評，並援引過去李登輝及陳水扁總統時期推動南向政策未獲成功的例子。然而，當前國際局勢脈絡顯示，特定經濟及政治條件使蔡總統之新南向政策可能有不同境遇。近年中國國家主席習近平不憚於展現將中國廣大市場武器化之企圖，頻頻施壓、企圖迫使其政策作為不符中國利益之貿易夥伴就範；習氏此一作法在經濟上對如臺、韓、東南亞及南亞國家帶來分散貿易網絡、降低對中國經濟依賴之誘因。另方面，美國重新將中國定義為主要國家威脅，不僅推出印太戰略，並對中國採取更為強硬之競爭政策，包括運用提高關稅企圖矯正中國不公平之貿易實踐，並逐漸導致外國企業將製造基地移出中國、移往 18 個新南向政策目標國所在之東南亞及南亞地區。在此國際情勢脈絡下，蔡總統推出之新南向政策藉由對亞洲國家提供替代夥伴關係，將有更佳成功機會，並將帶來地緣政治影響。

關鍵詞：新南向政策、印太戰略、替代夥伴關係

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I. Introduction

The New Southbound Policy (NSP) is once again staged as a pillar of economic policy while Taiwan navigating a path through under China's increasing choking in economics and pressuring in terms of diplomacy. This paper analyzes how NSP might meet its goal of diversifying economic engagement by laying ground for broader integration with targeted countries through a people-centered approach, and what implications might be introduced to Asia.

Small to medium size country normally does not have the prowess required to create preferable conditions for their own agenda. Usually they need to seize current flow of the tide and take the ride for a better chance to fulfill their goals. Thus, regional situations the Tsai administration faces could have heavy weight on the fate of her New Southbound Policy. Furthermore, as situations provide ride for the NSP, impacts of the NSP are inevitably embedded into the specific context as well.

This paper examines how the regional environment back in 1990s and 2000s failed earlier Southern Policy in both Lee Teng-Hui and Chen Shui-Bian presidency. Yet, when president Tsai took office, trend of the situations favors NSP economically and politically. Rising production cost in China has driven companies to move their factories from China to cheaper production sites in Southeast Asia (SEA). The trade war between the US and China facilitates the trend even further. Moreover, Trump administration officially redefined China as its rival competitor and major national security threat in the US National Security Strategy of 2017 and National Defense Strategy of 2018. The US-China trade war is part of the efforts to compete with China by correcting the unfair trade practice.

Following the redefinition of the US-China relations, the US brought up Indo-Pacific concept and strategy to actively compete with China. While China under president Xi Jinping demonstrated more willingness to weaponize its market and capital to coerce trading partners, aversion to risks of over-dependence on trading with China requires regional countries to diversify their economic structure and trading network now more than ever. The concerns shared among regional countries align with the core concept

of upholding a free and open, rules-based order in the US Indo-Pacific strategy with which the US competes with China in the region.

Riding the preferable economic and political trends, the NSP might land differently than its predecessors. While Taiwan trying to lay ground for comprehensive integration with NSP targeted countries and to bypass interference from China through people-centered approach, challenges remain. Taiwan and other South China Sea claimants in Southeast Asia need to soothe their difference in sovereign claim on South China Sea and to find ways to work together on maintaining stable and rules-based order. To prevent a setback in implementing the NSP for quarrels over South China Sea serves all parties' benefits of building a stronger non-China trade network, hence diluting exposure to Chinese coercion.

II. Why Earlier Southward-Looking Policies Failed

The Taiwanese government has sought to protect itself from economically over-dependence on China after Chinese leader Deng Xiaoping initiated economic reforms in the 1980s. While keen to benefit from these reforms, Taiwanese leaders were concerned about the “magnet effects” that could ultimately be exercised on Taiwanese society through China’s market scale and human resources to serve as factory of the world. Former president Lee Teng-Hui launched the first generation Southern Policy in 1993. A Guideline to promote economic cooperation with the Southeast Asian (SEA) region was announced by the government in March 1994. The main goals of the Southern Policy were to diversify investment from China to SEA region. During the Lee administration, Taiwan signed agreements on promotion and protection of investment with 6 ASEAN members including Singapore, Indonesia, Philippines, Malaysia, Vietnam and Thailand. However, the SEA region was later hit hard by the 1997 Asian Financial Crisis, and the Southern Policy did not succeed as was

hoped,¹ though Taiwanese investment and trade with SEA region did increase modestly.

Former president Chen Shui-Bien attempted to reinvigorate the economic redirection engineering with his Southbound Policy in 2002. Yet the sharp comparison between weak economic recovery in SEA and thriving growth in China worked against his wish. In practice, the trend of concentration of FDI in China from Taiwan became even more solid and the two economies became even more integrated.

III. The Prospects for the New Southbound Policy

However, with China's economy entering into the phase of 'new normal' of slower growth and higher wage rates since 2014, certain SEA and South Asia (SA) countries look more attractive to investors (see Table 1). There is even the prospect that SEA and SA might gradually replace China as globally favored destinations for trade and investment.

Furthermore, the trade war between China and the U.S. under way since 2018 may extend into the long term. If so, it may push companies to diversify their investment from China in order to deal with the downsides of punitive tariffs. Many corporations based in China have sensed the need to speed up deploying the 'China plus one' strategy, which is to diversify their production line to another country, mostly to Southeast Asia,² and some Taiwanese companies also think of moving back to Taiwan.³

Perhaps more importantly, risks stemming from over-dependence on

¹ Kwei-Bo Huang, "Taiwan's New Southbound Policy: Background, Objectives, Framework and Limits," *UNISCI Journal*, No. 46, January 2018, p. 49.

² Ben Bland, "US-China trade war prompts rethink on supply chains," *Financial Times*, September 3, 2018, <https://www.ft.com/content/03e4f016-aa9a-11e8-94bd-cba20d67390c>.

³ Taiwanese government launched an initiative (歡迎台商回台投資行動方案) to encourage oversea Taiwanese businessmen coming back to invest home on Jan. 1, 2019. So far, in the first six month of the year, Taiwan has been able to attract more than 10 billion US dollar investment. The US-China trade war is a major factor of the returning investment. 馮建榮, 〈捷報！台商回台投資衝破 4,000 億元〉, 《工商時報》, 2019 年 6 月 28 日, <https://ctee.com.tw/news/policy/111124.html>。

China's economy have been realized. China has not hesitated to use its economic power to penalize countries and their companies when the countries' leaderships have made foreign policy decisions that it does not agree with. Especially when in recent years, China has leveraged the power of its market share to punish other countries taking a policy decision that displeases China, such as cutting off numbers of Mainlander tourists visiting Taiwan over different opinion on '92 consensus' across the Strait, hindering LOTTE business operations over South Korea's THAAD deployment, forcing Vietnam to suspend oil drilling over maritime disputes, asking airline companies to change their website description to fit the 'one China principle', and so on.

Finally, smaller countries in China's immediate sphere of influence, such as the littoral countries of the South China Sea have faced challenges from China similar to Taiwan's past experiences. They may be looking to cooperate with other countries within the region to improve their bargaining power versus China.

Given these new dynamics, president Tsai's NSP may have a chance to succeed. A second key factor that could help improve prospects for NSP is its people-centered approach. Prior to the NSP, Taiwan governments tended to strike investment promotion and protection agreement and then focused on encouraging investment in SEA by providing preferential financing facilities. The Tsai administration is continuing the prior approach of developing agreements on promoting and protecting investment with the 6 ASEAN members. In addition, the NSP emphasizes people-to-people exchanges to lay the ground for closer integration in terms of cultural, social life and economic network.

Table 1 Minimum Wage in China & ASEAN

Country	Average Monthly Minimum Wage (Dollars)
China (Shenzhen)	316.38
Cambodia	170 (Garment Industry)
Indonesia	102.74-257.73
Lao PDR	130
Malaysia	229.11-249.03
Myanmar	98.88
Philippines	144.14-288.3
Thailand	276-295
Vietnam	120-173

Sources: Author's compilation from Dezan Shira & Associates, aseanbriefing.com, data updated as of August 2018; Dezan Shira & Associates, china-briefing.com, data updated as of November 2018.

This is believed by the government to be a key differentiator.

Promoting people-to-people exchange may provide a means to link Taiwan with the SEA and SA countries through civil society in various dimensions.⁴ This will be accomplished by providing scholarship and job training courses to NSP partner countries by cooperation directly with universities and vocational schools. It also includes unilateral tools Taiwan government can adopt to promote connectivity between Taiwan and its NSP partners, such as providing visa waiver program which boosts tourists from NSP target countries to Taiwan by large number. This is expected to stabilize the tourist industry at a time when China seeks to reduce mainland tourists as punishment for president Tsai's refusal to recognize the 1992 consensus.⁵

IV. Geopolitical Implications in Asia

China, by implementing its Belt and Road Initiative in SEA and along the Indian ocean sea lanes with building railways and air/sea ports, reveals its ambitions in controlling the important sea lanes that East Asian countries rely on to import energy from the Middle East. Not to mention that China's recent military deployments in the South China Sea shows its dedication to build up anti-access capability and turn the South China Sea into China's territorial water.⁶ Against the backdrop of China expanding strategic space in the Indo-Pacific region through PLA modernization, military outposts build-up in South China Sea and projecting influence through its Belt and Road Initiative, Taiwan's NSP can contribute to regional countries' management of balancing China in two ways. First, strengthening economic collaboration between Taiwan and SEA and SA countries through

⁴ Alan H. Yang, "Strategic Appraisal of Taiwan's New People-Centered Southbound Policy: The 4Rs Approach," *Prospect Journal*, No. 18, October 2017, p. 9.

⁵ According to Tourism Statistic Database of the Taiwan Tourism Bureau, inbound tourists from 18 NSP countries amounts to 4.6 million in 2016, 5.27 million in 2017 and 5.62 million in 2018. That is over 1 million increase from 2016 to 2018. <https://stat.taiwan.net.tw>; the 18 NSP partner countries includes 10 ASEAN members, India, Sri Lanka, Nepal, Bhutan, Bangladesh, Pakistan, Australia and New Zealand.

⁶ Richard A. Bitzinger, "China's Plan to Conquer the South China Sea Is Now Clear," *The National Interest*, May 10, 2018, <https://nationalinterest.org/blog/the-buzz/chinas-plan-conquer-the-south-china-sea-now-clear-25771>.

diversifying trade relations and supply chain away from Chinese economy could help both Taiwan and partner countries reduce their exposure to China's political influence. Second, as US deputy assistant secretary of State Alex Wong indicated in his policy briefing introducing Indo-Pacific strategy, Taiwan's NSP could play a role in enhancing the US' Indo-Pacific strategy.⁷ Assistant Secretary of Defense for Asian and Pacific Security Affairs Randy Schriver also said in an event held by Heritage Foundation in 2018 that "Taiwan is a partner in promoting a free and open Indo-Pacific and can make valuable contributions."⁸ The newly published US *Indo-Pacific Strategy Report* also addressed the vital interest of the US free and open Indo-Pacific Strategy including strengthening partnership with Taiwan to maintain security and stability of the region.⁹ Taiwan can contribute by extending areas of collaboration promoted by NSP between Taiwan and SEA and SA countries into maritime resources management, building maritime awareness, and maritime security capability. While there are internal contradictions need to be dealt with among Taiwan and other South China Sea claimants, it could use help from other regional countries, such as Japan and the US, to bridge maritime collaborations.

A. NSP as a Way to Check China's Ability to Turn SEA into Its Region of Influence.

SEA/SA has already become a major trading partner of Taiwan. A growth in Chinese influence over SEA/SA countries could be economically and politically disastrous for Taiwan. NSP's success will help confront

⁷ Alex Wong, "Briefing on the Indo-Pacific Strategy," April 2, 2018, U.S. Department of State, <https://www.state.gov/briefing-on-the-indo-pacific-strategy>.

⁸ Scott Morgan, "Taiwan is a partner of US Indo-Pacific strategy: senior US official," *Taiwan News*, July 20, 2018, <https://www.taiwannews.com.tw/en/news/3487039>.

⁹ U.S. Department of Defense, "Indo-Pacific Strategy Report: Preparedness, Partnerships, and Promoting a Networked Region," June 1, 2019, U.S. Department of Defense, <https://media.defense.gov/2019/Jul/01/2002152311/-1/-1/1/DEPARTMENT-OF-DEFENSE-INDO-PACIFIC-STRATEGY-REPORT-2019.PDF>.

China's efforts to undermine collaborations between Taiwan and SEA/SA countries. Taiwan, which played a key role in supporting China's opening up since 1979, is concerned that its relationship with China is rapidly changing from being a recognized pioneer to a subsidiary and potentially subservient role. In other words, Taiwan helped feed the giant dragon of Asia, and the dragon now has grown to wiggle its tail on its own term.

One of the geopolitical expectations of the NSP is to prevent China from turning SEA and SA into its influential area by strengthening practical economic incentives and providing alternatives partnership to SEA and SA countries. In doing so, it helps mitigate the potential for damages that could be inflicted by China on Taiwan, SEA and SA countries' economic security while also serving the other side of the coin to boost reciprocal economic collaborations between Taiwan and SEA and SA countries, which are trade partners carrying complementary advantages for development. NSP offers a way for Taiwan to collaborate more closely with Japan by joint investment in third country in SEA and SA. Japan competes for regional leadership with China for long. Its works in SEA have shown the importance and ways to provide alternative economic development partnership other than China to SEA and SA countries. For example, Indonesian president Jokowi has chosen Japan to be its partner to build the Jakarta-Surabaya railway after giving the Jakarta-Bandung high speed rail project to China.

Taiwan cannot compete with Japan and China as source country for inward FDI to ASEAN. Still, its FDI into the ASEAN countries has increased considerably in recent years. This shows Taiwan has potential capability to raise its importance to the SEA countries as an economic development partner carrying not just capital but along with technology, manufacturing know-how and supply chain cluster that SEA and SA countries are interested to learn from without attachment of a price tag of Chinese influences.

B. NSP as a Way to Enhance the US' Indo-Pacific Strategy

Another major geopolitical implication of NSP will be its potential combination and coordination with the Indo-Pacific strategy. The brand name of the strategy, free and open Indo-Pacific, reflects the fundamental common interest for most countries in the region. China is the notable exception. Fears of China aggressively expanding its influence in the region have driven the creation of the Indo-Pacific Strategy.

The US presence in the region is widely welcomed by its allies and partners here, including Taiwan, Japan, Vietnam and others. In March 2018, the nuclear-powered aircraft carrier USS Carl Vinson, for the first time after end of the US-Vietnam war, visited Vietnamese port Danang. This came after China forced Vietnam to suspend its oil drilling project earlier in the year, and cost Vietnam a large amount – according to some estimates, about 200 million dollars.¹⁰ In mid-February 2018, president Duterte's aides boarded the USS Carl Vinson while the aircraft carrier visited the Philippine in a routine Indo-Pacific regional operation to promote freedom of navigation.

Although UNCLOS does not recognize any of the Spratly Islands as true islands capable of independently supporting life, it is a reality that several countries, including Taiwan, have staked claim to and occupied these land features. Given this reality, it may be possible to use the land features for HA/DR work. After she took office, president Tsai instructed her administration to turn the Taiping Island (also known as Itu Aba, one of the land features in the Spratly Islands under Taiwanese control) into international HA/DR nexus of the area. Since then, Taiwan has held two HA/DR drills on Taiping Island, in November 2016 and December 2017. According to the Taiwanese government, ever since Taiwan Coast Guard positioned on the Spratly Island and Pratas island in 2001, they have

¹⁰ Bill Hayton, "China's Intimidation Exposes Vietnam's Lack of Deterrence," Chatham House, May 3, 2018, <https://www.chathamhouse.org/expert/comment/china-s-intimidation-exposes-vietnam-s-lack-deterrence>.

conducted 73 rescue missions in South China Sea and saved 77 people, among them 27 missions and 29 people lifted were conducted in Spratly Island.

With its seafaring experience and capability, Taiwan has shown its willingness to contribute to capability-building on maritime awareness and maritime security for the region, however, it will require related regional countries' consent to set up cooperation among countries respect and follow international laws. In Tsai administration's efforts of implementing NSP, Taiwan and the Philippine signed a 3-year joint research program, the VOTE projects, in the 5th bilateral ministerial technology cooperation meeting in December 2016. The VOTE program covers joint research on analyzing and forecasting Volcanos, Ocean, Typhoon and Earthquake. The joint program could pave for HA/DR cooperation and drills on one of non-disputed island between Taiwan and the Philippine. Researcher from government-affiliated think tank in Vietnam also showed interest on conducting maritime collaboration. Aside from bilateral cooperation between Taiwan and SEA countries, the existed Global Cooperation and Training Framework between Taiwan and the US could serve as a platform for mini-lateral collaboration on HA/DR and other maritime cooperation. Considering the sensitiveness of maritime collaboration on the disputed South China Sea, mini-lateral collaboration through GCTF could start from less sensitive item such as maritime rescue training. To build on less sensitive maritime cooperation among regional countries abide by international laws, also contributes to maintaining a free and open Indo-Pacific.

V. Challenges Facing Taiwan and NSP Partners

To fulfill the purposes set to diversify trade relations from over dependence on China, to be free from coercion of China's influence, and to lay ground for further integration on cultural, social and economic network while promoting the NSP, Taiwan and its NSP partners may face challenges from China and internal contradictions.

Both Taiwan and its NSP partners prefer a balanced regional political

and economic order. Many SEA countries and Taiwan still look on the US to continue serving as the major balancing power to China in this region, whether it's called Asia-Pacific region or Indo-Pacific region.

Some countries have spoken out their concerns and made responses, such as the US, Japan, India and Australia had the quadrilateral senior official meeting at the sideline of APEC Summit and showed willingness to reinvigorate QUAD dialogue and maybe further cooperation to look for; even if discussion of QUAD had gone quiet for Australia and India seem lack of commitments, many bilateral, trilateral and mini-groupings of cooperation burgeon in recent years.¹¹ Last month in the 32nd ASEAN Summit, Singapore serves as this year's chair country put out the Chairman's Statement and express ASEAN's commitment to full respect for legal and diplomatic processes, the way ASEAN referring to uphold the South China Sea arbitration award;¹² in March Indian president Ram Nath Kovind visited Mauritius and Madagascar to strengthen their cooperation in maritime affairs;¹³ the White House put out a statement on calling out China's imposing political rightness on American airline companies as 'Orwellian nonsense' and calling on China to stop threatening American companies and citizen.

We can expect China will try to intimidate countries from cooperating with Taiwan and putting up resistance to China by collaboration with each other, however, responses to China's aggressive behavior are long overdue, countries in the region need to stop the vicious acquiescent cycle while facing China's influence and coercion. Recent developments show that as long as China keeps on aggressive moves to change the status quo and forge a new regional and international order on its own term, it's likely more and

¹¹ Rory Medcalf, "Australia's Foreign Policy White Paper: Navigating Uncertainty in the Indo-Pacific," *Security Challenges*, Vol. 14, No. 1, August 2018, pp. 33-39.

¹² ASEAN, "Chairman's Statement of the 32nd ASEAN Summit," April 28, 2018, ASEAN, <https://asean.org/wp-content/uploads/2018/04/Chairmans-Statement-of-the-32nd-ASEAN-Summit.pdf>.

¹³ Samir Saran and Abhijit Singh, "India's Struggle for the Soul of the Indo-Pacific," *The Interpreter*, May 3, 2018, Lowy Institute, <https://www.lowyinstitute.org/the-interpreter/india-struggle-soul-indo-pacific>.

more countries will step up and response to defend their interest and the rule-based order. And as more and more countries step up for defending their own interest, it possibly will cost China more for further aggressive actions. To weaponize China's market access may not always only hurt the party punished by China, many companies have diversified their investment in China to other countries to manage harms caused by volatility of China's political weather.¹⁴

Disputes in the South China Sea could create quarrels between Taiwan and other claimants in SEA, and jeopardize collaborations between Taiwan and SEA countries, especially when there is no well-established disputes-settlement mechanism in this region, and Taiwan is shut out off the door of negotiation on COC of South China Sea. To work with NSP partners on supporting the free and open Indo-Pacific strategy, Taiwan will need to address the internal contradiction between Taiwan and other South China Sea claimants. Both president Ma and now president Tsai's administration has expressed their stance on peacefully managing disputes and cooperation on exploring and sharing maritime resources in South China Sea. It will require political wisdom and willingness for regional leaders to start talking and listening to each other for peacefully managing the South China Sea issue while upholding the rule-based order and a free and open Indo-Pacific region. As mentioned before, to build mutual understanding and trust among Taiwan and SEA countries, especially those South China Sea claimants, through people-centered exchange maybe able to allow governments appealing to domestic audience and encouraging maritime cooperation including in HA/DR operations and maritime resources preserving and sharing.

Exchange and cooperation among civil societies, such as promoting and supporting activities/groups pursuing democracy, labour rights and human rights through NGOs collaborations, could touch upon sensitive domestic issues and enrage some governments of SEA countries. Taiwan

¹⁴ Ben Bland, *Ibid.*

needs to show its neighbors that the Taiwanese government supports free and open engagements between civil societies worldwide, won't intervene or ask to stop activities involving sensitive domestic issues in other countries, nor will Taiwan government try to implant certain political ideology against governments of SEA countries. President Tsai's administration and whoever takes the baton will have to state its position loud and clear in order to prevent setback of practical relations between Taiwan and SEA countries.

VI. Conclusion

Taiwan's Tsai administration launched the New Southbound Policy to promote deeper and wider cooperation and integration with 18 NSP targeting countries most of them locates in SEA and SA. The rationale behind NSP includes economic calculation to invest in the region that enjoys some of the most robust growth in the world, and the long existing concern about over dependence on China's economy hence exposure to its political influence. Many SEA and SA countries share these concerns with Taiwan, especially when China, under president Xi Jinping, has increasingly shown its willingness to achieve its goals by leveraging economic power to coerce other countries into serving China's purpose. Furthermore, China's aggressive behavior and militarization South China Sea also gradually reveals its ambition to set up anti-access deployment and turn the South China Sea into its own territorial water. The need for regional countries to cooperate with each other and step up to resist China's ambition of changing the status quo and the rule-based order is long overdue. Yet, through promoting NSP, Taiwan and its partners can contribute to upholding a free and open Indo-Pacific region while cooperating on boosting and integrating cultural, social and economic developments.

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Different Beds, Same Dream: Taiwan-India Security Relations in China's Shadow

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Abstract

This paper analyzes the security relations between Taiwan and India under the influence of the China factor. Impeded by Beijing's "One China" principle, the Taiwan-India relations cannot but be limited to civilian or unofficial levels, leaving security relation issues unaddressed. India's "Act East" policy has so far succeeded in Northeast and Southeast Asian regions; however, Taiwan has been omitted from it. Despite inclusion of India in Taiwan's "New Southbound" policy, security is no concern in the policy. Similarly faced with ever-growing China threats, both Taiwan and India need to prevent Beijing's dream of rejuvenation from becoming a nightmare for their national security. Therefore, the "New Southbound" policy should cover security issues to explore possible areas of cooperation. The "Act East" policy should make Taiwan part of India's international strategic connectivity network.

Keywords: *India, Act East Policy, New Southbound Policy (NSP), security environment, extended neighborhood*

異床同夢：中國陰影下台灣與印度的安全關係

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摘 要

本文旨在分析中國因素的陰影之下台灣與印度的安全關係。在北京「一中原則」的阻撓下，目前台印兩國僅侷限在民間或非正式層次的關係，這也致令雙邊安全關係無法發展。印度的「東進政策」在東南亞與東北亞地區可謂成功，惟未涵蓋台灣；而台灣的「新南向政策」儘管將印度納入其範圍，該政策本身卻未處理安全議題。台、印同樣面臨中國威脅，也都努力避免中國復興大夢最終不會成為自身的國安惡夢。因此，「新南向政策」應該涵蓋安全議題，以尋求更多可行的合作領域；而「東進政策」則應關注台灣，使其成為印度國際戰略網絡的一部份。

關鍵詞：印度、東進政策、新南向政策、安全環境、延伸週邊

I. Introduction

Since the advent of its flagship “Act East” policy in 2014, India’s international presence has been enhanced. The policy can be traced back to its forerunner, the 1991 “Look East” policy. Under the “Act East” policy, India has sought to expand its strategic reach from Southeast Asia further to the Asia-Pacific region. For example, India established strategic partnerships with two major Northeast Asian countries, Japan and South Korea. The United States, perhaps in response to India’s willingness to embed itself within the broader Asia Pacific region, set forth the “Indo-Pacific Strategy” to reorganize its attention to the vast area ranging from the western US to the western India. All these events represent shared recognition of India’s strategic importance and the achievement of India’s “Act East” policy.

India’s achievement in “Act East” was not overlooked by Taiwan either. The Tsai Ing-wen government of Taiwan put forth in 2016 its own flagship initiative, the “New Southbound” policy, to strengthen Taiwan’s economic and trade relations with eighteen Indo-Pacific countries, a list which includes India. However, security is not an issue that the policy tackles. Indeed, Taiwan and India are geographically distant, and there have been rare interactions in recent history. The Indian government’s adherence to the “One China” policy has impeded diplomatic and security relations between the two countries.

This paper argues that respectively through these two flagship policies, both Taiwan and India are trying to shape a favorable international security environment for themselves. Nevertheless, with security issues neglected by the “New Southbound” policy, and Taiwan omitted from India’s “Act East” policy, the rationality of both policies has to be questioned. Since Taiwan and India share the same security environment, the two flagship policies will not be complete without addressing mutual security concerns, especially regarding China. The authors use “Different beds, same dream” (異床同夢), the reversed version of the old Chinese adage “Same bed, different dreams” (同床異夢), to describe Taiwan-India security relationship, implying that despite the geographical remoteness, both

Taiwan and India desire to get rid of China's pressure and thus deserve further possibility of cooperation.

II. "Security Environment" and "Extended Neighborhood"

As discussed later, Taiwan's "New Southbound" policy and India's "Act East" policy are efforts to improve both nations' own international security environment. "International security environment" can be defined as the international environment which concerns a nation's security interests. "International security environment" is no novelty when analyzing a nation's security or external security relations. For example, the entirety of Chapter III of Japan's *National Security Strategy* (entitled "Security Environment surrounding Japan and National Security Challenge") addresses Japan's security environment.¹ The Taiwanese National Security Council's 2006 *National Security Report* also devotes the entirety of Chapter Two (entitled "Taiwan's New Security Environment") to elaborating Taiwan's security environment.²

Shaping or creating a favorable international security environment is important for a nation's security interests. Takashi Inoguchi considers that there are three major approaches for a nation to achieve security: self-strengthening (自強), making alliances (同盟), and creating a favorable environment (環境整備). According to Inoguchi's definition, self-strengthening pertains to "enhancing national power and security through improving economic or military power." Making alliances means the "promise of military cooperation on the premise of facing a common enemy." Creating favorable environments refers to "getting favorable responses from other countries through diplomacy, economic cooperation or policy coordination, in order to stabilize international security

¹ Cabinet Secretariat of Japanese Government, "National Security Strategy," December 7, 2013, Cabinet Secretariat of Japanese Government, <https://www.cas.go.jp/jp/siryou/131217anzenhoshou/nss-e.pdf>. (in Japanese)

² National Security Council of Taiwan, "Taiwan's New Security Environment," *National Security Report 2006 (2008 revision)* (Taipei: National Security Council of Taiwan, 2008). (in Chinese)

environment.” While self-strengthening and making alliances are relatively direct and potentially provocative approaches to countering threats or enemies, creating favorable environments emphasizes such non-military approaches as diplomacy and economics, and is therefore more indirect and moderate than the former two.³

In the Indian context, the concept of “security environment” is sometimes also termed as “neighborhood” or “extended neighborhood.” David Scott notes that “India’s security environment extends from the Persian Gulf to the Straits of Malacca across the Indian Ocean, including the Central Asian region in the North West, China in the North East and South East Asia;” such a security environment is “none other than India’s extended neighborhood.”⁴ This term is also adopted by Indian government officials, who may differ in how “extended” India’s neighborhood is though. For example, Anil Wadhwa, the then-East Secretary of the Indian Ministry of External Affairs, once used the term in a speech to refer to Southeast Asia, West Asia, and Central Asia, but not including Northeast Asia, yet still underscoring the role of “other Asian players like China and Japan” in engaging with India’s extended neighborhood.⁵

Here Taiwan-India security relations can be understood from the viewpoint of “international security environment” and “extended neighborhood.” Taiwan can be defined as part of India’s extended neighborhood; that is, part of India’s security environment.

III. A Brief Overview of Taiwan-India Relations

Taiwan and India lost their formal ties since the founding of the People’s Republic of China (PRC) in 1949, to which India switched its

³ Takashi Inoguchi, *International Political Economy* (Tokyo: Yuhikaku Publishing, 1982), pp.24-29. (in Japanese)

⁴ David Scott, “India’s ‘Extended Neighborhood’ Concept: Power Projection for a Rising Power,” *India Review*, Vol. 8., No. 2, May 2009, pp. 107-143.

⁵ “Keynote address at 6th IISS-MEA Dialogue on 'India’s extended neighborhood: Prospects and Challenges,” Institute for Defence Studies and Analysis, March 4, 2014, https://idsa.in/keyspeeches/6thIISSMEADialogue_secretaryeast.

diplomatic recognition from the Republic of China (ROC).⁶ The bilateral relations have so far been confined only to such “low-politics” areas as trade, culture and education, science and technology, etc. The Taiwan and India governments agreed in 1995 to establish representative offices in New Delhi and Taipei, in the names of the “Taipei Economic and Cultural Center in India” (TECC) and the “India-Taipei Association” (ITA). Since then, Taiwan and India have developed non-political relations.

In the economic field, the Taiwan-India bilateral trade volume reached 6.36 billion US dollars in 2017, ranking India as Taiwan's 16th largest trade partner. India ranks 14th in Taiwan's export market share.⁷ Taiwan and India also signed the “Double Taxation Avoidance Agreement” and “Customs Mutual Assistance Agreement” in July 2011.⁸ Taiwan kept on listing India in their own “Global Export Promotion Program” with a focus on the fields of machinery, textiles, electronics, green energy, and automotive components promotion.⁹ In the fields of educational and cultural exchanges, based on the “Mutual Recognition of Higher Education Degrees” MOU signed in 2010, more than 1,400 Indian students are pursuing masters and doctoral degrees, or learning Chinese Mandarin in Taiwan in the academic year of 2017.¹⁰ Indian students in Taiwan numbers 2,398 in 2018.¹¹

Contrary to the stable progress in civilian affairs, there have only been rare instances of interaction between Taiwan and India in the realm of

⁶ For clarity, the authors use “Taiwan” to refer to “Republic of China” while using “China” to refer to “People's Republic of China.”

⁷ “India's Trade Relations with Taiwan,” *TAITRA Global Trade Source*, <https://www.taitraesource.com/total01.asp?AreaID=00&CountryID=IN&Item=w05>. (in Chinese)

⁸ Taipei Economic and Cultural Center in India, “Taiwan India Relations,” Taipei Economic and Cultural Center in India, June 13, 2018, https://www.roc-taiwan.org/in_en/post/39.html. (in Chinese)

⁹ “Moving Southward: 27 million dollars of business chance in South Asia everyday through TAITRA,” *Central News Agency*, September 29, 2016, <http://www.cna.com.tw/postwrite/Detail/201167.aspx#.W4T5SegzaUk>. (in Chinese)

¹⁰ Taipei Economic and Cultural Center in India, “Taiwan India Relations,” Taipei Economic and Cultural Center in India, June 13, 2018, <https://www.roc-taiwan.org/in/post/43.html>. (in Chinese)

¹¹ Taipei Economic and Cultural Center in India, “More Indian students come to Taiwan for study,” Taipei Economic and Cultural Center in India, February 12, 2019, https://www.roc-taiwan.org/in_en/post/3585.html.

security. An examination of Taiwan's National Defense Reports released for the past ten years finds almost no mention of India except in the one published in 2017, which was merely a short introduction of the threat to India's security environment, and was not about Taiwan-India security relations.¹² In fact, the asymmetry between practical and security areas has characterized Taiwan-India relations, and has created problems for the international strategic profiles of both countries.

IV. India's "Act East" Policy and Taiwan

The "Act East" policy is conceived as India's external policy towards the Asia-Pacific region. It can be traced back as far as 1991 when the then-Rao government of India launched the "Look East" policy. Put forth at a time when economic development was an imperative for India, "Look East" focused on promoting trade and investment activities with Southeast Asia. The policy later proved to have successfully yielded not only economic but also diplomatic and even security results.

In the economic field, the volume of India-ASEAN trade has risen from 65 billion US dollars in 2015 to 70 billion US dollars in 2017. In the political area, India became a full dialogue partner of ASEAN, and it began to participate in ASEAN Summits in 2002. Since 2003, India even started to engage in such security issues as anti-terror activities and joint military exercises.¹³

Under "Act East" policy, Southeast Asia has generally remained vital, but relations with the farther Northeast Asia are being emphasized. In this regard, it is noteworthy that the "Act East" policy has also borne fruit with Japan and South Korea. In 2015, India and South Korea pushed their

¹² Ministry of National Defense, R.O.C., "National Defense Report 2017," December 2017, p.24, Ministry of National Defense, R.O.C., <https://tinyurl.com/vr4f5v5>.

¹³ Chi-shin Chang, "India's Foreign Policy: From 'Looking East' to 'Acting East'," *International and Public Affairs*, Vol. 4, July 2016, pp.75-76, Nanhua University Institutional Repository, <http://nhuir.nhu.edu.tw/retrieve/53378/5041000403.pdf>. (in Chinese)

relationship up to “Special Strategic Partnership” from “Long-term Cooperative Partnership for Peace and Prosperity” of 2004.¹⁴ In 2017, India and Japan elevated their relationship further to “Special Strategic and Global Partnership” from the 2006 “Global and Strategic Partnership.”¹⁵

On the one hand, for Japan and South Korea, India can offer opportunities of trade and investment and more importantly, of reducing dependence up on China, when China's sanction is no long-forgotten memory. Beijing's halting exportation of rare earth to Japan after the 2010 Senkaku ship collision incident, and the boycott of South Korean products in China after Seoul's accepting the deployment of Terminal High Altitude Area Defense (THAAD) radar system, are two instances in recent past. Understandably, diversifying economic dependence has been a strategic imperative for Seoul and Tokyo. On the other hand, for India, the two Northeast Asian countries' business influx can strengthen momentum for “Act East” policy. Currently there are roughly 500 South Korean firms in India, and cooperation between South Korea and India can be explored in the future in such fields as shipbuilding, medical devices, aerospace industry, etc.. In Japan's case, when Prime Minister Modi visited Japan in 2014, leaders of both countries agreed to common goal of doubling Japan's direct investment and the number of Japanese companies in India by 2019.

From the concept of “creating favorable environments,” it can be said that India has successfully created favorable security environments in Northeast and Southeast Asia under “Act East” policy. Geographically, Taiwan is even closer to India than Japan or South Korea, and Taiwan's geostrategic importance has been highly emphasized by the international

¹⁴ Ministry of External Affairs, Government of India, “India-Republic of Korea Joint Statement: Towards a Strategic Partnership,” January 25, 2010, Ministry of External Affairs, Government of India, <https://mea.gov.in/bilateral-documents.htm?dtl/3301/IndiaRepublic+of+Korea+Joint+Statement+Towards+a+Strategic+Partnership>; Press Information Bureau, Government of India, “India - Republic of Korea Joint Statement For Special Strategic Partnership,” May 18, 2015, Press Information Bureau, Government of India, <http://pib.nic.in/newsite/PrintRelease.aspx?relid=121821>.

¹⁵ Ministry of Foreign Affairs of Japan, “Japan-India Relations,” September 25, 2017, Ministry of Foreign Affairs of Japan, <https://www.mofa.go.jp/region/asia-paci/india/data.html>.

community for being part of the first island chain of the Asia-Pacific region. Nevertheless, one finds that the path of “Act East” ---moving through Southeast Asia and reaching Northeast Asia---bypasses Taiwan entirely. This is an important missing link in the “Act East” policy.

V. Taiwan's “New Southbound” Policy and India

For Taiwan's part, Taiwan takes India seriously as an important friend in international society. Before her inauguration, Ms. Tsai Ing-wen, the then-presidential candidate, announced at a diplomatic banquet that the future Democratic Progressive Party (DPP) government would strengthen Taiwan's relations with ASEAN and India. Later, the elected DPP government adopted the *New Southbound Policy Guidelines* at the Meeting of External Economic and Trade Strategy as “part of Taiwan's total trade strategy”. The goal of the “New Southbound” policy is to promote Taiwan's international trade and investment, and to shape a people-centered economic development strategy at the same time through building up society-to-society relations with those target countries. The policy targets eighteen countries, spanning from Southeast Asia, South Asia, Australia and New Zealand. India is doubtless the strongest in economic and military terms among the five South Asian countries targeted. India was also designated as one of the six priority countries for the “New Southbound” policy;¹⁶ James Huang, chair of the Taiwan External Trade Development Council even calls India the “jewel” in Taiwan's external economic strategy.¹⁷

However, one may find no politics- or security-related issues on “New Southbound” policy agenda. Indeed, if “war is the continuation of politics”, then “interstate security relations are the continuation of diplomatic

¹⁶ Then-foreign minister David Lee announced at a policy meeting of DPP on September 19, 2016. “David Lee designated six priority countries for New Southbound Policy,” *The Liberty Times*, September 19, 2016, <https://news.ltn.com.tw/news/politics/breakingnews/1830719>. (in Chinese)

¹⁷ Edward White, “Taiwan turns to India to shake off shackles of China dependence,” *Financial Times*, January 3, 2019, <https://www.ft.com/content/d9f4d9fc-0434-11e9-9d01-cd4d49afb3e3>.

relations.” By this logic, there will be no security dimension in Taiwan-India relations in the absence of diplomatic ties. Moreover, the past “Southbound Policy” was hardly a success and it failed to achieve the policy goal of translating Taiwan’s economic leverage into diplomatic gains, to say nothing of developing security relations. That may explain why the Tsai government is cautious enough not to include security issues in the “New Southbound” policy, making the policy appear somewhat conservative in nature notwithstanding.

That said, the Taiwanese government has been getting abreast with the US in the Indo-Pacific Strategy. As part of its effort, a new “Indo-Pacific Affairs Section” was already established within Taiwan’s Ministry of Foreign Affairs, and the Ministry declared that the new section would promote the “New Southbound” policy. This is meaningful especial when Pentagon’s *Indo-Pacific Strategy Report* enlists Taiwan as one of the “reliable, capable, and natural partners of the United States,” and stresses ensuring that Taiwan remains secure and free from coercion.¹⁸ However, it awaits to be seen how Taiwan espouses the “Indo-Pacific Strategy” through the “New Southbound” policy when the latter lacks a security dimension.

VI. China as a Separating Factor in Taiwan-India Relations

India’s inattention to Taiwan in security matters reflects its attention to China, which serves as a separating factor in Taiwan-India relations. It is true that the Indian government and the Kuomintang government cooperated in World War II. In this regard, Ramgarh Cemetery in Jharkhand Province is an enduring symbol of bilateral military cooperation. Unfortunately, after recognizing the PRC on December 30 of 1949, India lost the diplomatic foundation for interacting with Taiwan, and India’s relations with Taiwan had to be limited to civilian or unofficial levels. The establishment of

¹⁸ U.S. Department of Defense, “Indo-Pacific Strategy Report: Preparedness, Partnerships, and Promoting a Networked Region,” June 1, 2019, U.S. Department of Defense, <https://media.defense.gov/2019/Jul/01/2002152311/-1/-1/1/DEPARTMENT-OF-DEFENSE-INDO-PACIFIC-STRATEGY-REPORT-2019.PDF>.

representative offices in 1995 can be viewed at best as Taiwan's practice of "pragmatic diplomacy" in the post-Cold War era, as well as India's attempt to further enhance its contacts with Northeast Asian nations. Interestingly, the 1994 "Southbound Policy" launched by then-Lee Teng-hui administration of Taiwan did not cover India on the policy agenda.

Beijing has still shown no sign of ease towards Taiwan-India relations which carry political implications, regardless of which political party is in power in Taiwan. For instance, Beijing lodged a protest against Taiwan's then-vice president Tun-yi Wu's stopover in India in April 2014. Another instance is the Indian government's cancellation of a visit by the Indian delegation to the inauguration ceremony of the Taiwanese president-elect in 2016.¹⁹

The retarded development of Taiwan-India relations can also be attributed to the complexities of the post-war India-China relations besides Beijing's "One China" principle. On the one hand, India's loss in the Sino-India War of 1961 was unavoidably to leave New Delhi cautious about challenging Beijing. New Delhi has also long suspected that Beijing has been behind the Maoist rebels in India, and the Doklam standoff from June to August of 2017 re-sparked India's sense of crisis towards an assertive China. Nevertheless, on the other hand, India has developed rigorously commercial relations with China; China has already become India's largest trading partner. With these factors in New Delhi's calculation, it is difficult for India not to avoid heightening tension with Beijing and risking business interests in China in order to develop relations with Taiwan.

VII. China as a Linking Factor in Taiwan-India Relations

Ironically, aside from the separating effect, the China factor also has a linking effect to Taiwan-India relations too. India's perception of the China

¹⁹ Chi-feng Liu, "India's 'Act East' Policy Lacking Taiwan: Examining cleavage in Taiwan's political, economic and social relations," *Wealth Magazine*, No. 537, September 6, 2017, The News Lens, <https://www.thenewslens.com/article/78860>. (in Chinese)

threat has persisted for strategic reasons. Putting negative historical legacies such as Tibet or territorial disputes aside, China's expansion of influence in South Asia and Beijing's strategic intention in India's backyard has worried New Delhi. In recent years, these instances have included China's "String of Pearls Strategy" and "Belt and Road Initiative". The US-coined "String of Pearls Strategy" connects dots on the map of the Indian Ocean into a line surrounding India, placing India within the perimeter of China's political influence or military presence. The Belt and Road Initiative, in New Delhi's eyes, is like two lines respectively tying up India from both land and sea. The two-month confrontation between the Chinese PLA and Indian troops at Doklam (Bhutan) in 2017 has further worsened the already negative national sentiment towards each other.

Despite the fact that India has long supported non-alignment in its external relations, China's strategic reach in South Asia has prompted India to pursue potential allies and to build up strategic partnerships. India's aforementioned establishment of strategic partnerships with Japan and South Korea is rightly justified by India's strategic anxiety. It is obvious that India has looked and acted eastward with the intent of countering China or, at least, balancing against China's pressure.

Meanwhile, it should be noted that although Japan and South Korea have official relations with China, both their respective China relations may not be constantly stable. Issues like sovereignty, history and maritime energy have long stayed unresolved and surfaced sporadically between Japan and China. South Korea has, at various times, been at odds with China over the North Korean nuclear problem and the US-South Korea military alliance issues. Increasing Chinese military presence surrounding Japan and South Korea has put the latter two countries on alert.

Japan has been willing to maintain low-key interactions with Taiwan concerning national security considering Taiwan's geopolitical significance. This is illustrated by the 2004 intrusion into Japanese territorial waters by a

Chinese nuclear submarine, of which information was provided by Taiwan²⁰. Another illustration is the designation of the Taiwan Strait as part of the “common strategic goals” of Japan and the US in the *Joint Statement of US-Japan Security Consultative Committee* of 2005.²¹ Indeed, the geographical traits of Taiwan and the rivalry across the Taiwan Strait have factored heavily in the strategic calculations of such neighboring countries as Japan or South Korea.

We have argued above that there are factors originating in China that separate India from closer relations with Taiwan. It is true that both countries are geographically distant, and such national traits as population, land area, economic size, social systems, etc. are very dissimilar. However, the two countries face a common challenge, China, and both are attempting to escape from Chinese influence or pressure. In this sense, relations between Taiwan and India may be described connotatively as “Different beds, same dream” in China's shadow. While Taiwan and India are both connected with China in terms of security and economics respectively, both countries share the same dream of getting rid of China's shadow. Taiwan has for decades dreamt of living without China's military threat. India dreams of moving outward and developing further without China's pressure. Without China's shadow, Taiwan and India can freely share democratic values and work together to commit to human rights, rule of law, and open society. From this viewpoint, it can be said that the perception of the Chinese threat is pushing Taiwan and India together. China is thus becoming a linking factor connecting Taiwan and India.

VIII. Southeast Asia and the Security of Taiwan and India

With China expanding its influence in many parts of the world, Taiwan

²⁰ This was revealed by then President Shui-bian Chen. Tai-lin Huang, “Chen claims Taipei told Japan about Chinese submarine,” *Taipei Times*, November 20, 2004, <http://www.taipeitimes.com/News/taiwan/archives/2004/11/20/2003211789>.

²¹ Ministry of Foreign Affairs of Japan, “Joint Statement US-Japan Security Consultative Committee,” February 19, 2005, Ministry of Foreign Affairs of Japan, <https://www.mofa.go.jp/region/n-america/us/security/scc/joint0502.html>.

and India are not the only two countries in China's shadow, neither are they the only two sharing the same dream. When Taiwan and India gloom, Southeast Asia at their borders can hardly escape China's shadow due to geographical proximity.

Southeast Asia is gaining international attention not only for its remarkable economic performance in past decades but also for its gradual transformation into a regional flashpoint. Maritime disputes concerning the South China Sea have emerged sporadically, and Beijing's "small sticks" are threats big enough in the eyes of disputing countries. The decision of those countries to enhance defense relations with extra-regional powers well represents their sense of crisis. For example, Malaysia and Japan in 2015 elevated their bilateral relationship up to "strategic partnership", and the former has received support from the latter in improving its maritime security.²² The Philippines and Japan also elevated bilateral relations to "strategic partnership" in 2011 and signed in 2016 a defense equipment cooperation agreement,²³ which is the first of its kind with Asian countries and was preceded only by the US, UK, Australia and India. Even Indonesia, a non-claimant to South China Sea islands but at odds with Beijing over fishing right in the exclusive economic zone (EEZ) surrounding the Natuna Islands, has beefed up its security.

In addition, when it comes to India-Southeast Asian relations, China again exerts a separation effect as it does in Taiwan-India relations. For instance, India's planned investment in Indonesia's Sabang Port, which is near the Strait of Malacca, has triggered China's protest. Chinese state-owned *Global Times* warned India that China will not "turn a blind eye to possible military cooperation between India and Indonesia at Sabang."²⁴

²² "Japan gives Malaysia two patrol boats," *Reuters*, November 16, 2016, <https://www.reuters.com/article/us-japan-malaysia-idUSKBN13B0X4>.

²³ The Philippine Government, "The Philippines and Japan sign defense agreement," March 3, 2016, GOV.PH, <http://www.gov.ph/2016/03/03/ph-jp-sign-defense-agreement>.

²⁴ Weijia Hu, "Investment in Indonesia's Sabang port will be test of India's diplomatic wisdom," *Global Times*, May 28, 2018, <http://www.globaltimes.cn/content/1104493.shtml>.

A Southeast Asia situated between Taiwan and India is geographically part of both of their neighborhoods, and arguably part of their respective security environments with vital strategic implications. On the one hand, if Southeast Asia falls to Chinese dominance, notably with the South China Sea becoming China's inner sea or the Malacca Straits being controlled by Beijing, India's connectivity with Japan or South Korea will be geopolitically disconnected by Southeast Asia. The implementation of the "Act East" policy would face daunting challenges then. On the other hand, if China successfully absorbs Taiwan, then the Taiwan Strait would definitely become China's inner sea. India's move eastward would be faced with China's shadow before reaching Japan and South Korea.

From this perspective, Taiwan is rightly part of India's "extended neighborhood." In the same vein, it can be argued that Taiwan and India are not as remote as the map indicates, neither should they be mutually irrelevant as history has shown. This also justifies Taiwan's inclusion of India into its "New Southbound" policy, and it may also rationalize India's consideration of Taiwan's strategic value.

India needs to rethink why the US and Japanese governments finally decided not to give up maintaining substantial relations with Taiwan even after establishing diplomatic relations with China in last century. If the US and Japan cannot afford overlooking Taiwan's strategic importance, how can India allow Taiwan to be the missing link in the "Act East" policy? If the situation and development of Cross-Strait relations can influence to a great degree the stability of the Northeast Asian region, how does Taiwan not factor into India's calculations with the "Act East" policy? The "Act East" policy should make Taiwan part of India's international strategic connectivity network and remain concerned about Taiwan's security situation.

IX. Seeking Possibilities within Impossibilities: a soft power approach

Owing to China's opposition, it is currently impossible for Taiwan and India to build up security relations in military sense. However, there should be the possibility of opportunities for those non-traditional or less

military-oriented security issues for Taiwan and India to pursue together without challenging Beijing's "One China" policy. In this regard, Taiwanese scholar Tien-Sze Fang examines Taiwan-India security relations from the "comprehensive security" perspective. Besides suggesting deploying an Indian military attache in Taipei as an effort for traditional security cooperation, Fang also points out three non-military areas with security implications: economy, culture and education.

In terms of economics, Fang indicates that despite bilateral trade and investment remaining insignificant, Taiwan and India have much room in such areas as auto components, information and communication technology, food processing, distribution and retail, and so forth. In the cultural realm, Fang considers that Buddhism may add religious intimacy to Taiwan-India relationship; he also emphasizes that free democracies with strong civil societies can play a part in improving bilateral relations. In the field of education, Fang suggests that the Taiwanese government make good use of Taiwan's Mandarin Language Centers in India to project Taiwan's soft power and to build up connections with the Indian military through providing language training.²⁵

It is true that the above fields are not usually thought to be related to security in the military sense. However, with China's aggressively-expanding soft power and creation of economic dependence in regional countries, China is posing a threat on those non-traditional security fronts along with its looming military presence in the region. Therefore, it is increasingly necessary to treat these issues as national security concerns for Taiwan and India.

Indeed, when China is increasing its influence in both traditional and

²⁵ Tien-Sze Fang, "India-Taiwan Relations: A Comprehensive Security Perspective," *Indian Defence Review*, Vol. 30, No. 4, October-December 2015, Indian Defence Review, <http://www.indiandefencereview.com/news/india-taiwan-relations-a-comprehensive-security-perspective>; Tien-Sze Fang, "Mandarin Teaching in India and New Southbound Policy," *Opinion*, April 6, 2016, <https://opinion.cw.com.tw/blog/profile/52/article/4103>. (in Chinese)

non-traditional security fields, India has to consider seriously enhancing cooperation with friendly countries sharing universal values, like Taiwan. Gautam Bambawale, former Indian Ambassador to China has expressed publicly his support for a Taiwan-India free trade pact.²⁶ The expression of support for a stronger Taiwanese-Indian relations is especially meaningful when India's Confederation of All India Traders (CAIT) has considering China hurts Indian traders' interests and called on trades across India to boycott Chinese products.²⁷

There has been public voice of dissatisfaction towards China in India so far, urging New Delhi to recalibrate its China and Taiwan policies. For example, a *Times of India* editorial this March, against the background that China repeatedly blocked a proposal to UN Security Council to enlist the Pakistan-based Jaish-e-Muhammed (JeM) chief Masood Azhar as an international terrorist, considers that it is time for New Delhi to stop being overly cautious about China's sensitivity on Taiwan.²⁸ Another editorial of the same paper this January suggests that India should elevate its Taiwan relations when Taiwan government is rigorously trying to engage with India under "New Southbound" Policy.²⁹ Indeed, with the momentum of "New Southbound" Policy, India has become the top destination for Taiwanese companies operating in China to redirect their investment to.³⁰ Taiwan is also becoming one of the favorite countries for Indian students to study and

²⁶ Pei-ju Teng, "Former India ambassador supports trade agreement with Taiwan," *Taiwan News*, August 21, 2019, <https://www.taiwannews.com.tw/en/news/3765805>.

²⁷ "Traders to launch National Campaign on 'No to Plastics & Boycott Chinese Products'," *The Live Nagpur*, August 29, 2019, <https://thelivenagpur.com/2019/08/29/traders-to-launch-national-campaign-on-no-to-plastics-boycott-chinese-products>.

²⁸ "Masood Azhar effect: After India's reset with Pakistan it is time for a reset with China," *Times of India*, March 15, 2019, <https://timesofindia.indiatimes.com/blogs/toi-editorials/masood-azhar-effect-after-indias-reset-with-pakistan-it-is-time-for-a-reset-with-china>.

²⁹ "Don't be scared: India should ignore Chinese blandishments and enhance ties with Taiwan," *Times of India*, January 4, 2019, <https://timesofindia.indiatimes.com/blogs/toi-editorials/dont-be-scared-india-should-ignore-chinese-blandishments-and-enhance-ties-with-taiwan>.

³⁰ Hsin-fang Lee, "Taiwanese firms in China looking to southbound nations," *Taipei Times*, August 19, 2019, <http://www.taipeitimes.com/News/taiwan/archives/2019/08/19/2003720750>.

scholars to do research in.³¹ The recent establishment of The Indo-Taiwan Joint Research Center on Artificial Intelligence and Machine Learning symbolizes the growing bilateral academic ties.³² All these developments represent possibilities for Taiwan and India to strengthen foundation for further cooperation.

X. Conclusion

In this paper, we have argued that Taiwan and India constitute part of their own security environments, yet do not appear on each other's strategic radar. The two countries have not been able to replicate the cordial, pragmatic relations that Taiwan has with other big powers that are democracies, especially those with the US and Japan. However, Taiwan's security relations with the US has proved that developing bilateral security relations does not necessarily require official diplomatic relations. The afore-mentioned Taiwan's provision of the Chinese submarine intruding into the Japanese territorial waters serves as another example of Taipei's pragmatic interaction with a country without diplomatic ties on a security issue.

Since China has been expanding its influence around the globe, Taiwan and India are now both in China's shadow. When China is carrying out its grand dream of Chinese rejuvenation, Taiwan and India are trying to prevent the Chinese Dream from turning into a nightmare for their own national security. To this purpose, creating and expanding favorable security environments is the very endeavor that Taiwan and India are making respectively through the "New Southbound" and "Act East" policies.

Besides, Taiwan understands India's non-alignment principle; thus, a Taiwan-India military alliance is not Taiwan's expectation. However, opportunities should be sought for both countries to exchange experiences

³¹ Duncan DeAeth, "Taiwan aims to be 1st choice for Indian students studying abroad," *Taiwan News*, September 18, 2018, <https://www.taiwannews.com.tw/en/news/3532449>.

³² "Joint R&D center opening highlights growing Taiwan-India academic ties," *Taiwan Today*, July 29, 2019, <https://taiwantoday.tw/news.php?unit=2,6,10,15,18&post=159547>.

and conduct dialogue with a view to gradually build up common ground for both countries' security concerns. For this, the "New Southbound" policy should cover security issues to explore possible areas of cooperation.

In fact, with China as a daunting obstacle to building up military relations in a hard-power sense, there is still room worth exploring for soft-power approaches for Taiwan and India. For both countries, enhancing trade and investment in each other means reducing their economic dependence on China. Promoting cultural and educational exchanges provides a chance for an alternative (and probably objective) understanding of China, which is of help to India's future strategic calculations involving China. To do this, a comprehensive concept of security as Tien-Sze Fang suggests is needed for the Taiwanese and Indian governments to elaborate and advocate together in the future.

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India's Relationship with China and Taiwan

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Abstract

This paper suggests that over the course of their shared relationship, India's thinking about China as the central political force in Asia and a nation with which to tread lightly, is slowly changing to thinking about China as a more equal peer competitor than in the past, a nation that India should and can negotiate with, disagree with, and if necessary, push back against with force. Taiwan provides India some real and potential opportunities for investment, trade, research and development, and technology enhancements, but it serves an equal if not more valuable function to India as a growing reminder to Beijing that India refuses to be encircled or bullied.

Keywords: *India, Taiwan, China, Relationship*

印度與中國和台灣的關係

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摘 要

本文主張，隨著兩國共同關係的發展，印度對於中國的看法出現轉變。過往將中國視為亞洲核心政治力量並需小心應對的思維，緩慢地朝向視中國為更平等的競爭對手，一個印度需要也可以與之談判、與之產生歧見，甚至在必要時使用武力遏止的國家。台灣在投資、貿易、研發與科技進步等方面，提供印度現實與潛在的機會。然而對印度而言，台灣發揮了一個同等重要—如果不是更重要—的功能：台灣的存在提醒北京，印度拒絕被中國包圍或霸凌。

關鍵詞：印度、台灣、中國、關係

I. Introduction

While the relationship between India and Taiwan traces back to a time before Indian Independence, India's relationship with Taiwan has been, since 1950, philosophically, diplomatically, and economically hyphenated with that of China.¹ New Delhi's adherence to a One China Policy endured through decades of disagreement and dispute with Beijing including territorial disagreements, a Chinese invasion and humiliating defeat of the Indian Army in which India ceded territory, and Chinese support of Pakistan during two wars with India and beyond. Throughout these tumultuous decades India's contact with Taipei remained negligible; then in 1995, under the guidance of then Indian Prime Minister Narasimha Rao, the relationship began to slowly and quietly change.

This paper examines the India-China relationship and the development of the Delhi-Taipei relationship over time and explores how Taiwan's relationship with India may have become a lever, whether by Indian design or not, that Delhi can use to influence Beijing. It suggests that over the course of their shared relationship India's thinking about China as the central political force in Asia and a nation with which to tread lightly, is slowly changing to thinking about China as a more equal peer competitor than in the past, a nation that India should and can negotiate with, disagree with, and if necessary, push back against with force. Taiwan provides India some real and potential opportunities for investment, trade, research and development, and technology enhancements, but it serves an equal if not more valuable function to India as a growing reminder to Beijing that India refuses to be encircled or bullied.

¹ Chiang Kai-Shek visited India in 1942 and was said to have a good relationship with Jawaharlal Nehru. He sent an Ambassador to visit India in 1949, the first and only visit before India accorded diplomatic recognition to the People's Republic of China.

India may be finally coming to grips with China's increasing influence in the Indian ocean, its expansionist One Belt One Road policy, its ongoing support for rival Pakistan, and its thwarting of Indian ambitions on the global stage. The timing and changing nature of India's relationship with Taiwan over the past several years and very recent developments in the relationship between India and China suggest that not only is India seeing itself more as a peer to China, but China may be more willing to accept India as a "peer." China's sudden willingness to "reset" the relationship with India and partner against growing protectionist tendencies in the West might signal a real improvement in China-India relations, or it may just be a way for China to balance against growing negative opinion about China in the West at a time when positive opinions about India are on the rise.

II. India-Taiwan Today

Once India accorded diplomatic recognition to the People's Republic of China (PRC) in 1950, any thoughts in either India or Taiwan about having even an informal relationship most likely disappeared in the face of larger Cold War realities. Taiwan aligned with the U.S. led bloc and India held firmly to a non-aligned policy. Where Taiwan is concerned, India maintained a One-China policy that would be the status quo for four and a half decades.

Today, both the Indian-run India-Taipei Association (ITA) in Taipei and the two Taiwanese-run Taipei Economic and Cultural Center (TECC) offices in India provide routine consular services such as passport and visa issuance, as well as attestation services and citizen assistance (birth certificate replacements, pensioner benefits, etc.). They have commercial representatives that provide trade assistance, support industry associations and promote industry cooperation in both countries, and cultural and educational representatives that promote travel and culture, provide travel assistance and advice, and promote educational programs, scholarship assistance, and joint research, especially in the areas of science and technology. In sum, both ITA and TECC serve as *de facto*

embassies in the absence of formal diplomatic relations.

Interestingly, whereas ITA first went to Taipei as a quasi-diplomatic organization staffed by former diplomats, today, the email addresses of all ITA offices in Taipei end in @mea.gov.in, making it clear that ITA is the official, if not formal Indian diplomatic representation of the Ministry of External Affairs in Taiwan. Similarly, the TECC website bears the seal and contact information of the Ministry of Foreign Affairs of the Republic of China (Taiwan).

This warming and near normalization of relations between New Delhi and Taipei didn't happen overnight. Long, slow, and sometimes quiet progress in the relationship has occurred over the past twenty-three years with only sporadic and relatively limited protests from the PRC. Understanding India's historical relationship with China is fundamental to examining the significance of India's willingness to bend its "One China Policy" for a pragmatic relationship with Taiwan.

III. Historic Relations Between India and China

Disagreements between India and China date back to the very beginning of their diplomatic relationship. The first five years of India-China relations included the Chinese invasion and Indian departure from Tibet and abrogation of the 1914 Simla Accord in favor of the Panchsheel agreement in which the two nations pledged:²

- Mutual respect for each other's territorial integrity and sovereignty,
- Mutual non-aggression,

² Ministry of External Affairs, Government of India, "Panchsheel Agreement," June 2004, Ministry of External Affairs, Government of India, http://www.mea.gov.in/Uploads/PublicationDocs/191_panchsheel.pdf.

- Mutual non-interference in each other's internal affairs,
- Equality and mutual benefit,
- Peaceful co-existence.

Within a year of the Panchsheel agreement, Delhi formally objected to the depiction of a portion of India's northern frontier on the official map of China, stating that it was an infringement of the Panchsheel. In 1958 India officially objected to China's claims over a big chunk of Northern Assam and the Northeast Frontier Agency (NEFA, now the Union Territory of Arunchal Pradesh) and in 1959, when the Dalai Lama escaped from Lhasa to India, the Indian decision to grant him asylum soured relations with Beijing even further.

The next few years saw repeated claims by China, objections by India and several failed attempts at negotiating solutions to address boundary disputes. In 1961, China moved to occupy 12,000 square miles of the western sector of the China-India border, and in 1962 Chinese troops crossed the Indian border in both the western and Eastern sector, capturing significant territory in both Ladakh and present-day Arunachal Pradesh. Days later, China unilaterally announced its withdrawal to the so-called line of actual control (LAC), which currently delineates the border between the two nations.

After the war, relations between India and China continued to trend downwards as Beijing grew closer to Islamabad, supported Pakistan through two wars fought against India in 1965 and 1971 and became Pakistan's largest source of military hardware. For more than 65 years, China provided nearly 40 percent of Pakistan's military arms and equipment, and has been

its most consistent source of hardware.³ In 1972, China denounced India as a tool of the Soviet Union at the United Nations and suggested that India, in concluding “an aggressive military alliance” with the Soviet Union, had “stripped off its own cloak of non-alliance.”⁴

In 1976, China and India restored diplomatic relations and returned to appointing and posting ambassadors. Three years later, Indian Minister of External Affairs Atal Bihari Vajpayee embarked on a visit to Beijing that began the process of fully normalizing relations and by 1984 the two nations agreed to sign a trade agreement.

When Indian Prime Minister Rajiv Gandhi visited China to meet with Deng Xiaoping in 1988, the two leaders agreed that while border disagreements remained the single biggest flash point in their relations, they would not let the dispute prevent cooperation on other issues. They agreed to make efforts to improve and develop their bilateral relations, to establish joint working groups on border issues, and joint committees on economics and trade and science and technology. The Embassy of the People's Republic of China in India would later refer to it as a “new stage of development.”⁵

IV. India's Post-Cold War Relationships with Taiwan and China

As the Cold War ended, and India's reliance on the former Soviet

³ Jonah Blank, “Thank you For Being a Friend: Pakistan and China's Almost Alliance,” *Foreign Affairs*, October 15, 2015, Council on Foreign Relations, <https://www.foreignaffairs.com/articles/china/2015-10-15/thank-you-being-friend>.

⁴ Robert Alden, “China's First U.N. Veto Bars Bangladesh,” *New York Times*, August 26, 1972, <https://www.nytimes.com/1972/08/26/archives/chinas-first-un-veto-bars-bangladesh-soviet-union-and-india-are.html>.

⁵ Embassy of the People's Republic of China in India, “The Relations Between China and India,” February 2, 2002, Embassy of the People's Republic of China in India, <http://in.china-embassy.org/eng/sgxw/zygx/t61475.htm>.

Union as patron and military supplier began to wane, the government of India began to reassess its non-aligned status, and its overall place in the world order. India's "Look East" policy, conceived and enacted in 1991 during the government of Prime Minister Narasimha Rao, sought to develop relations, increase economic integration and forge security relationships with nations in Southeast Asia.

Four years later, the Indian government under Narasimha Rao and the Taiwanese government under President Lee Teng-hui outlined the beginnings of an unofficial relationship with the establishment of the ITA in Taipei and the TECC in New Delhi. Both New Delhi and Taipei were very careful at first in the management of their bilateral relations. Ambassador Vinod Khanna, the first Director of ITA was required by the Indian government to focus on establishing economic relations with Taipei and to not accord Taiwan any form or symbol of sovereignty.⁶

TECC was allowed to appoint career diplomats and to establish its first office in the diplomatic enclave in Delhi, but the Indian Ministry of External Affairs established rules prohibiting Ministerial-level visits from Taipei and the controlling the levels of contacts allowed.⁷ In 1999, then Bharatiya Janata Parishad (BJP) General Secretary Narendra Modi visited Taiwan, fifteen years before he would become Indian Prime Minister and set India on course for greater relations with Taiwan.

In 2002, the directors of ITA and TECC, seeking to "create favourable conditions for greater economic cooperation and investments on the basis of

⁶ Vinod C. Khanna, "The India-Taipei Association: A Mission Extraordinaire," *Indian Foreign Affairs Journal*, Vol. 5, No. 2, April-June 2010, pp. 240-251, Association of Indian Diplomats, <http://www.associationdiplomats.org/Publications/ifaj/Vol5/5.2/5.2-OralHistory-VCKhanna.pdf>.

⁷ B.R. Deepak and D. P. Tripathi, eds., *India and Taiwan: From Benign Neglect to Pragmatism* (New Delhi: Vij Books, 2016).

the principles of equality and mutual benefit” signed an agreement on promotion and protection of investments.⁸ This agreement encouraged the investors of one territory to invest in the other, outlined rules for conflict disputes and arbitration, and provided guarantees of fair and equal treatment on investors that would be no less favorable than any other third-party investor.

In 2003, airlines began direct flights between New Delhi and Taipei and Taiwan began offering scholarships to Indian students to study Mandarin in Taiwan. Also in 2004, former Indian Defence Minister George Fernandes travelled to Taipei to give a keynote address at the “India-Japan-Taiwan Dialogue: Prospects for Democratic Cooperation,” an event held by the Taiwan Thinktank to promote “awareness of potential areas of tripartite cooperation between India, Japan and Taiwan in the areas of economic growth and trade, high-tech industry, democratic development as well as other inter-regional issues of vital interest to each country.”⁹ Fernandes was the first Indian ministerial-level official to risk Beijing’s wrath to meet with officials from the Taipei Economic and Cultural Center in New Delhi.

It was also Fernandes, after the 1998 Indian nuclear tests, who also became the first Indian Defence Minister to break a longstanding taboo and declare publicly that China, and not Pakistan was “India’s potential threat number one.”¹⁰ His remarks against China were criticized at the time both

⁸ UNCTAD, “Agreement between The India Taipei Association in Taipei and The Taipei Economic and Cultural Center in New Delhi on The Promotion and Protection of Investments,” 2002, Investment Policy Hub, UNCTAD Division on Investment and Enterprise, <https://investmentpolicy.unctad.org/international-investment-agreements/treaty-files/1606/download>.

⁹ Melody Chen, “Former Indian Minister to Attend Meet,” *Taipei Times*, November 11, 2004, <http://www.taipetimes.com/News/taiwan/archives/2004/11/11/2003210581>.

¹⁰ John F. Burns, “India’s New Defense Chief Sees Chinese Military Threat,” *New York Times*, May 5, 1998, <https://www.nytimes.com/1998/05/05/world/>

in India and in China, but his assertions that India should awaken to the fact that Chinese military activities and alliances had begun to “encircle” India, are now being recognized by some South Asia watchers as showing great foresight.

In 2005 and 2006 New Delhi hosted several delegations of Taiwanese legislators and party officials for meetings with their counterparts in India and in 2006 Taipei established the Taiwan-India Cooperation Council (TICC), a private organization with participation from businesses, the government and academics, designed to “act as a bridge to promote economic exchanges and broader cooperation on bilateral interests between Taiwan and India.”^{11 12}

The following year, in June of 2007, the former head of Taiwan's Kuomintang (KMT) party and then KMT presidential candidate Ma Ying-jeou made an unofficial visit to India to give an address at the Indian Council on World Affairs.¹³ Prior to the visit, China allegedly told India it had no issues or concerns with Ma's trip, as long as he did not display a Taiwanese flag on his car or show any kind of symbol or insignia associated with the pro-independent Taiwan movement.¹⁴ Some Indian media outlets at the time viewed Ma's visit as timely, considering recent moves by China to assert itself more firmly regarding claims it had on India's northeastern

india-s-new-defense-chief-sees-chinese-military-threat.html.

¹¹ Jeff M. Smith, “Where is India on the One China Policy?” *The Diplomat*, March 6, 2017, <https://thediplomat.com/2017/03/where-is-india-on-the-one-china-policy>.

¹² Yun-Ping Chang, “Council Established to Boost Taiwan-India Exchanges,” *Taipei Times*, February 12, 2006, <http://www.taipeitimes.com/News/taiwan/archives/2006/02/12/2003292656>.

¹³ “Ma Ying-Jeou Visiting India, Singapore,” *Taipei Times*, June 13, 2007, <http://www.taipeitimes.com/News/taiwan/archives/2007/06/13/2003365000>.

¹⁴ “No Issues with Visiting Taiwanese Leader,” *Hindustan Times*, June 8, 2007, <https://www.hindustantimes.com/india/no-issues-with-visiting-taiwanese-leader/story-O8Q2CA1fsWkBUCppoWdVxI.html>.

state of Arunachal Pradesh.¹⁵

Also in 2007, the ITA and the TECC signed a memorandum of understanding (MOU) on behalf of India's Department of Science and Technology (DST) under the Ministry of Science and Technology and Taiwan's National Science Council.¹⁶ Under the MOU, the DST and the NSC (now the Ministry of Science and Technology - MOST) hold annual meetings alternately in New Delhi and Taipei, which are attended by four to five representatives from each side. The annual meetings serve as an exchange of ideas and an opportunity to invite research proposals from both sides.

In August of 2010, the Chinese government refused to issue a visa to the Commander of the Indian Army's Northern Command, Lieutenant-General B.S. Jaswal, on the grounds that he commanded forces in Jammu and Kashmir, the borders of which are disputed territories between Indian and China. Known widely in India as "the visa incident," New Delhi responded by refusing entry to two Chinese military officers who were scheduled to attend a defense related course in India, and another Chinese Colonel who was to deliver a speech at an Indian Army institute.¹⁷ India also escalated by terminating bilateral military exchanges between Delhi and Beijing for nearly 10 months.¹⁸

Since the 2010 visa incident, the pace of India's engagements with

¹⁵ Just prior to the visit of Ma, China had refused a visit to an Indian Administrative Service (IAS) officer of Arunachal Pradesh, as China claimed that residents of Arunachal Pradesh are Chinese Nationals. This would be a precursor to the 2010 "visa incident."

¹⁶ "Sumit Kumar, Improving Taiwan-India Relations," *Taipei Times*, February 23, 2018, <http://www.taipetimes.com/News/editorials/archives/2018/02/23/2003688063>.

¹⁷ John Cherian, "A Visa Row," *Frontline*, Vol. 27, Issue 19, September 11-24, 2010, *Frontline*, <http://www.frontline.in/static/html/fl2719/stories/20100924271911900.htm>.

¹⁸ G.V.C. Naidu and Mumin Chen, *India and China in the Emerging Dynamics of East Asia* (New Delhi: Springer, 2015).

Taiwan appears to have accelerated, including, ironically, an agreement in 2010 to ease visa rules and requirements for each other's citizens. Taiwan grants visa-free entry to Indians who hold valid visas or permanent residence in the U.S., U.K., Canada, Japan, Schengen Convention countries, and Australia or New Zealand. Taipei and Delhi signed a deal granting degree recognition of the others' higher education institutions in 2010 and in December of that same year, Taiwan hosted former Indian President APJ Abdul Kalam, to attend the 30th anniversary of the World Poet Conference in Taipei. This was the first time that a former head of state of the Republic of India visited Taiwan since the cessation of diplomatic relations in 1949.¹⁹

The relationship in 2011 was characterized by a series of high-level visits to India by Taiwanese Ministers. The Education Minister, Planning and Development Minister, Deputy Minister of Foreign Affairs, as well as the Deputy Defense Minister and Vice Minister of Economic Affairs all visited. Interestingly, the current Taiwanese President, Tsai Ing-wen visited Delhi in 2011 as well, while she was serving as Chairperson of the Taiwan Democratic Progressive Party. India also consented in 2011 to allow Taiwan to open a second Taipei Economic and Cultural Center in India, located in Chennai, and Taipei and Delhi signed a Cultural Cooperation Agreement, a Double Taxation Avoidance Agreement, and a Customs Agreement. New Delhi, through the Ministry of External Affairs signaled that a potential Free Trade Agreement was being explored.

With Narendra Modi's election to Prime Minister in 2014, many Taiwan analysts expected a swift and increasingly more robust diplomatic agenda with Taiwan. Not only had Modi visited Taiwan in 1999, but he had hosted the largest-ever Taiwanese business delegation in India when he was

¹⁹ "World Congress of Poets Set for Taiwan," *Taiwan Today*, December 1, 2010, <https://taiwantoday.tw/news.php?unit=10&post=17344>.

serving as the Chief Minister of Gujarat. Plus, India-China relations were at a low point because the Indian and Chinese militaries were still squaring off against each other in Ladakh, after Chinese troops moved, according to India, 19 kilometers across the Line of Actual Control and into India.²⁰

Despite the state of their relations, China welcomed Modi's election and sent a warm congratulatory note. Modi was a self-proclaimed admirer of China; "China and its people have a special place in my heart," he said on his fourth visit to the country in 2011, while serving as Chief Minister of Gujarat. If any Indian official had the knowledge and experience required to transform the India-Taiwan relationship while balancing and improving the India-China relationship, it was Modi.

Within days of taking office Modi invited Chinese President Xi Jinping to India, but Modi's visit to Arunachal Pradesh later that month angered the Chinese. Beijing lodged a strong protest with India over the Prime Minister's visit to Arunachal Pradesh and expressed its "diametrical opposition" to the trip which it suggested was not conducive for resolving the border dispute.²¹ Nevertheless, Xi Jinping visited India in September, at a time when Indian and Chinese forces were still facing-off against each other in Ladakh.

In November, Xi invited Modi to the Asia Pacific Economic Cooperation (APEC) summit in Beijing, but Modi declined and went instead to the East Asia Summit in Myanmar, as part of a three-country trip including Australia and Fiji. In Myanmar, Modi announced that his government was moving "with a great sense of priority and speed" to turn

²⁰ A.R., "India and China Square Off," *The Economist*, April 30, 2013, <https://www.economist.com/blogs/banyan/2013/04/india-and-china-square>.

²¹ "China protests PM Narendra Modi's visit to Arunachal Pradesh," *First Post*, February 20, 2015, <https://www.firstpost.com/world/china-protests-pm-narendra-modis-visit-arunachal-pradesh-2112461.html>.

India's Look East Policy into an Act East Policy.²² A year after Modi was elected, India and Taiwan began to move their bilateral relationship forward again, in the form of official visits at the Vice-ministerial level.²³ India's principal goals in "Act East" still appeared to be focused on ASEAN nations, but Delhi began to pay more attention to its relationship with Taiwan.

In January of 2016, Tsai Ing-wen was elected Taiwan's president and in August, unveiled her "New Southbound Policy" (NSP). The policy "aims to redefine Taiwan's important role in Asia's development, identify a new direction and a new driving force for a new stage of economic development, and create future value" by making it clear to the international community, the 10 targeted nations of ASEAN, six South Asia nations as well as Australia and New Zealand, that Taiwan has "bona fide intentions to push forward with cooperation projects and engage in talks and dialogue."²⁴

President Tsai Ing-wen's speech made it clear that Taiwan hopes to "start up wide-ranging negotiation and dialogue with the nations of ASEAN and South Asia as well as New Zealand and Australia, with an eye to establishing close cooperation and together achieving regional development and prosperity."²⁵ As more details of the NSP emerged, and as implementation plans began to appear in September, India was frequently identified as one focus of the initiative.²⁶

²² "'Look East' policy now turned into 'Act East' policy: Modi," *The Hindu*, November 13, 2014, <http://www.thehindu.com/news/national/look-east-policy-now-turned-into-act-east-policy-modi/article6595186.ece>.

²³ Manu Balchandran, "A Complete Timeline of India-China Relations Since Modi Took Charge," *Quartz India*, May 9, 2018, <https://qz.com/404869/a-complete-timeline-of-india-china-relations-since-modi-took-charge>.

²⁴ Office of Trade Negotiations, Executive Yuan, "President Tsai convenes meeting on international economic and trade strategy, adopts guidelines for 'New Southbound Policy'," August 16, 2016, Office of Trade Negotiations, Executive Yuan, https://www.moea.gov.tw/Mns/otn_e/content/Content.aspx?menu_id=19289.

²⁵ Ibid.

²⁶ Bureau of Foreign Trade, Ministry of Economic Affairs, Executive Yuan, R.O.C.

By September, India and Taiwan had signed an air services agreement designed to build a solid foundation for the development of civil aviation relations, opening the door to increased bilateral trade and economic cooperation. That same month, the two nations signed an agricultural MOU under which Taiwan would “collaborate closely with India in the planning, production, processing, distribution, and marketing of aquaculture, farm, fishery, horticulture and livestock products based on the principals of equality and reciprocity.”²⁷

Shortly thereafter, Taiwan's Office of Trade Negotiations (OTN), the organization responsible for coordinating the work plans of Taiwanese Ministries and agencies posted four initial implementation goals that would go into effect on January 1 2017:

- Economic and trade cooperation: Reinforce industrial cooperation and economic and trade expansion; facilitate cooperation on infrastructure construction projects; promote system integration service exports and financial assistance.²⁸

- Talent exchanges: Leverage the complementary nature of human resources between Taiwan and the New Southbound Policy-target countries by cooperating to cultivate human talent under the guiding principle of “people-centered, bilateral, diversified exchanges.”²⁹

- Resource sharing: Reinforce Taiwan's partnership with New

(Taiwan), “New Southbound Policy Implementation Plans,” Bureau of Foreign Trade, Ministry of Economic Affairs, Executive Yuan, R.O.C. (Taiwan), <https://newsouthboundpolicy.trade.gov.tw/English/PageDetail?pageID=49&nodeID=94>.

²⁷ Ministry of Foreign Affairs, Republic of China (Taiwan), “Taiwan, India Sign Deals on Air Services and Agricultural Cooperation,” September 13, 2016, New Southbound Policy Portal, Ministry of Foreign Affairs, Republic of China (Taiwan), <https://nspp.mofa.gov.tw/nsppe>.

²⁸ Ibid.

²⁹ Ibid.

Southbound Policy-target countries and strive for bilateral or multilateral cooperation opportunities based on Taiwan's strengths in medical care, culture, tourism, science and technology as well as agriculture.³⁰

•Regional connectivity: Promote bilateral and multilateral institutionalized cooperation; raise the official status of bilateral negotiations and dialogues; establish partnerships with New Southbound Policy-target countries through international cooperation.³¹

V. The New Southbound Race to India

In February 2017, a Taiwanese delegation including three parliamentarians visited India as members of the Taiwan-India Parliamentary Friendship Association, formed to forge “closer ties between Indian and Taiwanese lawmakers” and to strengthen “two-way collaborations.”³² The nationalist tabloid *Global Times*, affiliated with the Communist Party of China, denounced the visit, using scare quotes as it described the female “parliamentary” delegation from Taiwan, and suggested that by challenging China over the Taiwan question, India was “playing with fire.”³³

The visit and Chinese media response came at a time when, according to Indian media,

relations between India and China have hit a rough patch over Beijing's repeated blocking of New Delhi's efforts to get Pakistan-based terrorists like Maulana Masood Azhar

³⁰ Ibid.

³¹ Ibid.

³² Rudroneel Ghosh, “Taiwanese Delegation Visits India,” *Times of India*, February 14, 2017, <https://blogs.timesofindia.indiatimes.com/talkingturkey/taiwanese-parliamentary-delegation-visits-india>.

³³ Yu Ning, “New Delhi Will Suffer Losses if it plays Taiwan Card,” *Global Times*, February 14, 2017, <http://www.globaltimes.cn/content/1033001.shtml>.

proscribed at the UN. Plus, China is seen to be the main obstacle to India's membership bid at the Nuclear Supplier Group. New Delhi has also raised objections to Beijing's China-Pakistan Economic Corridor that passes through parts of Pakistan-occupied-Kashmir.³⁴

The Official Chinese public response came in the form of a regularly scheduled press conference and Questions and Answers directed to the Ministry of Foreign Affairs Spokesperson. In response to a question about India "taking revenge on China" by allowing the legislators to visit, spokesperson Geng Shuang said:

We have long been opposing all forms of official contact and interactions between Taiwan and countries that have diplomatic relations with China, as well as their mutual deployment of official institutions. This position is consistent and clear-cut. The Indian side has made commitments on Taiwan-related issues. It is hoped that the Indian side will respect and understand China's core concerns, uphold the one-China principle, properly handle Taiwan-related issues with prudence, and work with China to maintain the sound and steady growth of China-India relations.³⁵

Geng also reported that "the Chinese side has lodged solemn representations with the Indian side," but when pressed to provide additional details about how or with whom Chinese concerns had been registered,

³⁴ Ibid.

³⁵ Ministry of Foreign Affairs, the People's Republic of China, "Foreign Ministry Spokesperson Geng Shuang's Regular Press Conference on February 15, 2017," February 15, 2017, Ministry of Foreign Affairs, the People's Republic of China, http://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/2511_665403/t1438808.shtml.

Shuang suggested that “not all diplomatic activities are open to the public. All that I can tell you is that the Chinese side has lodged representations with the Indian side.”³⁶

India's Ministry of External Affairs spokesperson, Swarup Vikas, brushed off the visit as relatively benign and made no mention of a Chinese complaint:

We understand that a group of Taiwanese academics and business persons, including a couple of legislators, is visiting India. Such informal groups have visited India in the past as well for business, religious and tourist purposes. I understand that they do so to China as well. There is nothing new or unusual about such visits and political meanings should not be read into them.³⁷

Indian media suggested that the timing and importance of the Taiwanese legislators visit was more significant than the government suggested since the announcement “came within hours of a major dinner hosted by BJP leader Ram Madhav in Delhi in honour of the delegation.”³⁸ That the national general secretary of the ruling party would host the legislators the week before Foreign Secretary S. Jaishankar was scheduled to visit Beijing, was seen by press as noteworthy. Apart from comments made by the two spokesmen, and media commentaries in China and India on the significance of the visit, no other public announcements were made about the visit.

In May 2017, India declined China's invitation to attend the Belt and

³⁶ Ibid.

³⁷ Atul Aneja and Khallol Bhattacharjee, “India Says Taiwan Team is Nonpolitical,” *The Hindu*, February 16, 2017, <http://www.thehindu.com/news/national/India-says-Taiwan-team-is-non-political/article17309165.ece>.

³⁸ Ibid.

Road initiative summit in Beijing and released a pointed official statement listing its many objections to China's initiative including a veiled suggestion that it did not respect the "sovereignty and territorial integrity," of other nations.³⁹ India has long been concerned that the Belt and Road initiative was expansionist but has done little except voice concerns publicly and avoid attendance at any event that showcased Beijing's initiative. That same month the Taipei World Trade Centre (TWTC) office opened in New Delhi, TECC opened an investment desk at its Delhi office and Taiwan held its first ever Expo, "at a time," according to Walter Yeh, President and CEO of Taiwan External Trade Development Council (TAITRA), "when many companies in both the countries are keen to tie-up with each other for economic benefits."⁴⁰

In December, India and Taiwan signed a memorandum of understanding on industrial collaboration. China's *Global Times* reported that the MOU was being used to test India's relations with China and was "an alarming move that could sabotage the recent smoothing of Sino-Indian relations."⁴¹

The "smoothing" of relations may be a bit of a journalistic stretch considering that from June to August of 2017, India and China had engaged in their longest and most serious military stand-off in decades, facing off on

³⁹ Ministry of External Affairs, Government of India, "Official Spokesperson's response to a query on participation of India in OBOR/BRI Forum," May 13, 2017, Ministry of External Affairs, Government of India, http://mea.gov.in/media-briefings.htm?dtl/28463/Official_Spokespersons_response_to_a_query_on_participation_of_India_in_OBORBRI_Forum.

⁴⁰ "First-Ever Taiwan Expo to be Held Here in May," *Times of India*, April 17, 2018, <https://timesofindia.indiatimes.com/business/india-business/first-ever-taiwan-expo-to-be-held-here-in-may/articleshow/63804487.cms>.

⁴¹ Xiaoci Deng, "India Cozies Up to Taiwan in Foolish Move," *Global Times*, December 19, 2017, <http://www.globaltimes.cn/content/1081121.shtml>.

the Doklam Plateau in neighboring Bhutan.⁴² By late October 2017, press was reporting that while the “disengagement” was a reduction in tensions between India and China just days ahead of Modi’s planned meeting with Chinese President Xi Jinping at the BRICS summit in Xiamen, both the PLA and the Indian Army remained on disputed territory in Doklam. “In practice, troops on both sides retreated their positions from the stand-off point by 150 meters each.”⁴³

In mid-December, just prior to the *Global Times* article on India-Taiwan relations, and coincidentally airing during the Russia-India-China ministerial meetings in New Delhi, New Delhi Television (NDTV) was showing “new satellite images” of the Doklam area that revealed “the Chinese have expanded multiple stretches of road in the disputed area, just a short distance from the site where Indian and Chinese soldiers faced off for 70 days earlier this year.”⁴⁴

At a time when Indian television and print media were denouncing Chinese aggression and expansionism, the Chinese State-affiliated *Global Times* was denouncing the India-Taiwan MOU, the fifth such agreement since Tsai Ing-wen’s election, as foolish and provocative.

India is using the Taiwan question as a bargaining chip in exchange for China's support and concession on its own territorial disputes. It is also possible that India is staying close with Taiwan to serve as a friendly signal toward the US,

⁴² For more on the Doklam Crisis see Ankit Panda, “The Doklam Standoff Between India and China is far from Over,” *The Diplomat*, October 22, 2017, <https://thediplomat.com/2017/10/the-doklam-standoff-between-india-and-china-is-far-from-over>.

⁴³ Ibid.

⁴⁴ Ankit Panda, “Making Sense of the Chinese People's Liberation Army's New Tracks at Doklam,” *The Diplomat*, December 14, 2017, <https://thediplomat.com/2017/12/making-sense-of-the-chinese-peoples-liberation-armys-new-tracks-at-doklam>.

which just released a new national security strategy branding China as a “rival power.”⁴⁵

In this response, Chinese media was not only signaling Beijing's concerns about India's growing closer to Taiwan, but also about India's growing relationship with the U.S. at the expense of China.

In February 2018, Prime Minister Modi made a visit to Arunachal Pradesh to inaugurate the Dorjee Khandu state convention center. As with his last visit to Arunachal, this was severely criticized by the Chinese, who dispute Indian ownership of the territory. Speaking on behalf of the government, MFA spokesman Geng Shuang said in a formal statement:

China's position on the China-India boundary question is consistent and clear-cut. The Chinese government has never recognized the so-called Arunachal Pradesh and is firmly opposed to the Indian leader's visit to the disputed area. We will lodge stern representations with the Indian side.⁴⁶

Two months later, Indian press carried stories that Taiwan would be opening a trade office in New Delhi to provide services to Indian and Taiwanese companies looking to expand business. India's bilateral trade in 2017 was reported at nearly \$6.3 billion dollars, up a quarter from the previous year.

In the last week of April 2018, just one week after an announcement in the press that India and Taiwan might soon resume discussions on a free

⁴⁵ Remarks attributed to Wang Dehua, head of the Institute for South and Central Asian Studies at the Shanghai Municipal Center for International Studies in Xiaoci Deng, “India Cozies Up to Taiwan in Foolish Move.”

⁴⁶ Atul Aneja, “China Slams Modis Visit to Arunachal Pradesh,” *The Hindu*, February 15, 2018, <http://www.thehindu.com/news/international/china-slams-modis-visit-to-arunachal-pradesh/article22763216.ece>.

trade agreement, Prime Minister Modi and President Xi met in Wuhan, China to make a concerted, or at least semi-public effort to “reset” their relationship through the vehicle of an “informal summit” between the two leaders. The Wuhan summit allowed the two leaders an opportunity to exchange their views on multiple topics without a scripted agenda or formal talks.

The Indian MEA and Chinese MFA Press Releases revealed that the two leaders reviewed developments in India-China relations, agreed to strengthen the “Closer Development Partnership,” to intensify efforts to seek a “fair, reasonable and mutually acceptable settlement” to their border disputes, and to strengthen communication between their militaries in order to build trust and mutual understanding. The two leaders agreed on a joint development project in Afghanistan and committed to working together on terrorism, a stance which will no doubt upset China’s long-standing ally, Pakistan. The Chinese report suggested that the two leaders “drew a grand blueprint for the China-India comprehensive cooperation,” and that the meeting had “deepened the friendship and mutual trust between the two leaders and created a new model for China-India leadership exchanges, writing a new chapter for China-India relations and exerting positive influence on regional and global stability and development.

No mention was made in either statement about Taiwan.^{47 48}

⁴⁷ Ministry of External Affairs, Government of India, “India-China Informal Summit at Wuhan,” April 28, 2018, Ministry of External Affairs, Government of India, http://mea.gov.in/press-releases.htm?dtl/29853/IndiaChina_Informal_Summit_at_Wuhan.

⁴⁸ Ministry of Foreign Affairs, the People’s Republic of China, “Foreign Ministry Spokesperson Hua Chunying’s Regular Press Conference on May 2, 2018,” May 2, 2018, Ministry of Foreign Affairs, the People’s Republic of China, http://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/2511_665403/t1556224.shtml.

There is no way of knowing whether Xi raised the issue of India's growing relationship with Taiwan with Modi, or whether Modi used it as a talking point to emphasize other issues under discussion, but it must have been clearly on the minds of both leaders, whether mentioned or not. Commentators have watched over the past year to see how the India-China reset might play out in real terms, and whether or not the new relationship between Beijing and New Delhi would affect India's relationship with Taiwan. Whatever the promise of a new relationship might have meant in theory, the relationship seems to have reverted to a normal level of competing priorities. In March, "China blocked for a fourth time a U.N. Security Council effort to blacklist the leader of an anti-India terrorist group, which set into motion tit-for-tat airstrikes between nuclear-armed India and Pakistan in February."⁴⁹ While India has shown some restraint towards China since Wuhan; adopting a more cautious approach on Tibet, relaxing its rhetoric on the Belt and Road Initiative and easing off of direct rebukes of policy differences with Beijing, China has not reciprocated in any meaningful way.

In July 2018, Indian national carrier Air India changed the name of Taiwan to Chinese Taipei on its website, and issued a statement suggesting that it had done so at the direction of the Ministry of External Affairs. Asked by the media whether the Ministry had in fact directed the change, Ministry spokesman Shri Raveesh Kumar said, "I can tell you that Air India's decision to rename the destination of Taiwan and Chinese Taipei is entirely consistent with international norms and our own position on Taiwan since 1949."⁵⁰

⁴⁹ Atman Trivedi, "One Year On, Should India Rethink Its Reset with China?" *War on the Rocks*, April 17, 2019, <https://warontherocks.com/2019/04/one-year-on-should-india-rethink-its-reset-with-china>.

⁵⁰ Ministry of External Affairs, Government of India, "Transcript of Weekly Media

China welcomed the change and asserted that foreign companies operating in the country must obey China's laws and respect its sovereignty and territorial integrity. Taiwan was not pleased. The Taipei Economic and Cultural Center in India (TECC) lodged protests with the Ministry of External Affairs and issued a statement on its website suggesting that TECC was

deeply disappointed with Air India changing "Taiwan" into "Chinese Taipei" on its website and regrets that this move taken by Air India, a state-owned airline, can be seen as a gesture of succumbing to the unreasonable and absurd pressure from China.⁵¹

In spite of its displeasure with the incident, Taiwan continued to seek ways to improve its relationship with India while weaning itself away from economic reliance on China. "India is the jewel in our external economic strategy," said James Huang, chair of the Taiwan External Trade Development Council.⁵²

VI. India's Risk Versus Gain Calculus

While Taiwan was obviously never officially part of India's "Act East Policy" likely in deference to its longstanding "One China Policy," it is clear that Delhi saw little risk in improving and expanding relations with Taiwan prior to the Wuhan summit. Taipei still offers Delhi some real and potential

Briefing by Official Spokesperson, (July 05, 2018)," July 6, 2018, Ministry of External Affairs, Government of India, <https://www.mea.gov.in/media-briefings.htm?dtl/30035/transcript+of+weekly+media+briefing+by+official+spokesperson+july+05+2018>.

⁵¹ Dipanjan Roy Chaudhury, "Taiwan lodges protest with MEA on Air India Decision to change name on website," *Economic Times*, July 6, 2018, <https://m.economictimes.com/news/politics-and-nation/taiwan-lodges-protest-with-mea-on-air-india-decision-to-change-name-on-website/articleshow/64873266.cms>.

⁵² Edward White, "Taiwan turns to India to shake off shackles of China dependence," *Financial Times*, January 3, 2019, <https://www.ft.com/content/d9f4d9fc-0434-11e9-9d01-cd4d49afb3>.

opportunities for investment, trade, research and development, and technology enhancements, but it serves an equal if not more valuable function to India as a lever in Delhi-Beijing dialogues and a growing reminder to Beijing that India refuses to be encircled or bullied.

More concerning to China may be India's relationship with other ASEAN nations and Delhi's growing self-realization that India could serve as the counterbalance to China that other nations have long suggested it could be. India's relationship with Taiwan is more controllable, more visible, and currently still more benign than relationships it may be developing with Japan, Vietnam, Philippines or other countries with which China has real territorial disputes.

India appears to have remained cautious about crossing unspoken red-lines. There is no Indian Military Attaché in Taiwan or Taiwanese Attaché in New Delhi, even though the suggestion has been made by defense experts in both nations. "Taiwan's National Defense University (NDU) has offered regular courses on PLA Studies to foreign military officers and is keen to host Indian military officers," but India has, so far, not accepted.⁵³ There appears to be no evidence that either Taiwan or India have previously sold or given armaments to the other, although Indian defense contractors appear in July 2018, to have submitted design proposals along with Japanese, U.S. and European designers, for Taiwan's new indigenous submarine. The Indigenous Defense Submarine (IDS) design program is expected to be completed late in 2018.⁵⁴ As the relationship progresses, it is probable that Indian and Taiwanese defense industries will

⁵³ Tien-sze Fang, "India-Taiwan Relations: A Comprehensive Security Perspective," *Indian Defence Review*, Vol. 30, No. 4, October-December 2015, Indian Defence Review, <http://www.indiandefencereview.com/news/india-taiwan-relations-a-comprehensive-security-perspective>.

⁵⁴ Franz-Stefan Gady, "India, Japan to Submit Design Proposals for Taiwan's New Indigenous Submarine," *The Diplomat*, July 12, 2018, <https://thediplomat.com/2018/07/india-japan-to-submit-design-proposals-for-taiwans-new-indigenous-submarine>.

benefit from technology exchanges and research and development, but it is still too early to observe. For the time being, India will likely continue to let the relationship play out, testing China's forbearance, and gaining as much as possible from the relationship.

VII. Taiwan's NSP Approach to India is a Win-Win

Improving and building relations with India produces little downside for Taiwan. Economically, India provides a huge market (1.2 billion people) for Taiwanese goods and services, and a broad range of sector opportunities with massive growth potential; such as solar power, auto components and parts, chemical research and manufacturing, engineering, and information and communication technologies.

India's needs often match Taiwan's capabilities. For example, India has the third largest solar power market in the world but imports 85% of its solar technologies, mainly from China. Taiwan produces world class solar technologies, but the solar power market in Taiwan is fully saturated – growth will have to come through exports.⁵⁵ Indians purchased 109 million smart phones in 2016 in a market where one Taiwanese company, Micromax, has a 30% market share on supplying smart-phones chips for India's indigenously manufactured phones.⁵⁶

Taiwan's population is aging, while India's youth and large middle class provide opportunities for human capital growth, cultural exchange, and as the NSP goals suggest, “people-centered, bilateral, diversified exchanges.”⁵⁷

⁵⁵ Jonathan Lalremruata, “India Rising: Solar Industry and Opportunities for Taiwan,” *Digitimes*, April 19, 2018, <https://www.digitimes.com/news/a20180418VL200.html>.

⁵⁶ Jens Kastner, “Eyes Fixed on India,” *Taiwan Business Topic*, November 21, 2017, <https://topics.amcham.com.tw/2017/11/eyes-fixed-india>.

⁵⁷ Ministry of Foreign Affairs, Republic of China (Taiwan), “Taiwan, India Sign Deals on

Taiwan has no other significant South Asian relationships. Using India as an entry point into the rest of the region may help Taiwan economically. Strengthening ties to India allows Taiwan some level of independence from Beijing's control, but sends a far less hostile message to China than would a semi-diplomatic relationship with Japan or Vietnam.⁵⁸

On the security front, opportunities for cooperation may seem scarce; after all India and Taiwan appear to have little historical connection in that regard. Policies and positions do change over time, but India's "One China Policy" has kept it, so far, from providing any hint of a relationship with Taiwan based on mutual defense or security cooperation. Indians tend to take a long view on history however, and one case study may demonstrate India's continued respect for the India-Taiwan security connection.

VIII. Ramgarh Cemetery – The Quiet Resistance?

During World War II, in the face of Japanese advances into Burma, the government of the Republic of China sent 100,000 soldiers of the Chinese Expeditionary Forces (CEF) to Burma where they fought against the Japanese alongside allied forces. Many of the CEF soldiers were trained at Ramgarh Cantonment in Jharkhand State, India and after the war, with the approval of the then British Government of India, the ROC established a Chinese cemetery at Ramgarh, in which 667 Chinese soldiers remain interred. In the middle of the cemetery, there is an obelisk honoring Chiang Kai-Shek, and to one side, a Chinese stupa and Buddhist temple where Chinese visitors can pray.^{59 60}

Air Services and Agricultural Cooperation," September 13, 2016, New Southbound Policy Portal, Ministry of Foreign Affairs, Republic of China (Taiwan), <https://nspp.mofa.gov.tw/nsppe>.

⁵⁸ While neither Japan nor Vietnam accord Taiwan diplomatic relations, both have working level relationships and both have cultural centers in Taipei.

⁵⁹ "Chinese Expeditionary Force in Burma 1942," *Fire and Fury Games*,

In 1982 and again in 2011, the Government of Taiwan gave funds to the Ramgarh Cantonment to renovate and renew the cemetery. In 1995, a special task force from the Ministry of National Defense, ROC came to the cemetery and held a memorial service and in 2000 a memorial tablet was erected in the Martyrs Shrine in Taiwan, honoring the fallen CEF soldiers. According to the Taiwan Educational and Cultural Center, "TECC and officials from Taiwan visit the cemetery every year during spring and autumn to pay tribute to the CEF soldiers."⁶¹

In January of 2018, a five-member team from the PRC consulate in Kolkata visited the cemetery to pay tribute to the "Chinese martyrs who fought against Japan during the war."⁶² After the visit, several Indian newspapers reported Ramgarh officials as having been told by the Chinese consul general that China had formally requested the state government to develop "the historic cemetery as a tourist destination." The consul general said "the Chinese cemetery in Ramgarh is a silent witness of Indo-China friendship as soldiers buried in the cemetery had stopped Japanese forces from occupying Indian territory."⁶³

In response to PRC efforts to make Ramgarh a tourist destination and symbol of Indo-Chinese friendship, TECC released a quiet, but firmly worded response that reminded those interested that the CEF was a force established under the ROC and that:

http://www.fireandfury.com/orbats/pacburmachina1942_3.pdf.

⁶⁰ Irashad Alam Khan, "Unsung Heroes in Alien Land," *The Telegraph*, March 25, 2003, https://www.telegraphindia.com/1030325/asp/jharkhand/story_1797211.asp.

⁶¹ Taipei Economic and Cultural Center in India, "TECC Paid Tribute to the WWII Heroes at the Ramgarh Cemetery," Taipei Economic and Cultural Center in India, April 27, 2018, https://www.roc-taiwan.org/in_en/post/3149.html.

⁶² "China wants historical cemetery at Ramgarh to be turned into global tourist spot," *The Indian Express*, January 14, 2018, <http://indianexpress.com/article/india/china-historical-cemetery-ramgarh-global-tourist-spot-5023992>.

⁶³ Ibid.

historical facts and the status of ROC management to the Ramgargh cemetery should be affirmed and respected by all aspects, and shall not be distorted by any unreasonable reason or inappropriate manner. The historical truth and the status quo of the Ramgargh Cemetery should always be kept in its original merit.⁶⁴

After further reminding readers that TECC had been scrupulous over the years about sticking to historical facts, and in allowing all interested Chinese to visit the cemetery, it closed with a strong suggestion that all those involved:

should continuously show respect towards the historic facts and pay sincerely tribute to the martyrs. Should there be any thought about modification to the cemetery, it should be a must to consult with the TECC first, which is currently responsible for management of the cemetery. If necessary, all parties may consult on the matter. TECC solemnly appeals that all parties should seriously respect the history of ROC WWII Expeditionary Force and the martyrs spirit. All parties should be self-restrained and avoid unilaterally changing history; any changes to the Ramgargh Cemetery should acquire the concurrence of the ROC government.⁶⁵

This is a notable development because it suggests that the TECC, as a representative of Taiwan feels empowered or has been empowered to push back directly, however quietly on a back page of the TECC website, against

⁶⁴ Taipei Economic and Cultural Center in India, "The solemn stance of Taipei Economic and Cultural Office in India on the issue concerning the ROC WWII Expeditionary Force Ramgarh Cemetery," Taipei Economic and Cultural Center in India, January 22, 2018, https://www.roc-taiwan.org/in_en/post/2999.html.

⁶⁵ Ibid.

PRC manipulation of “historical facts,” and to insert itself between the two sovereign nations of India and the PRC where the future of the cemetery is concerned. Images from April 27, 2018, when TECC officials visited Ramgarh cemetery to pay homage to the fallen, show the flags of India and the Republic of China (Taiwan) in the background. The PRC flag is not included.⁶⁶ As of August 2019, there has been no announcement from India on a change of status for Ramgarh.

IX. Conclusion

India's relationships with Taiwan and China continue to evolve. Taiwan is pinning its hopes on India as a major trading partner. As of August 2019, there has not been an official mention of Taiwan on the Indian Ministry of External Affairs website since the July 2018 clarification on Air India's destination name change. TECC continues to seek annual visits for Taiwanese officials to India, and there has yet to be any indication that India would seek to reduce those visits.

India still has concerns over China's increasing influence in the Indian ocean, its expansionist One Belt One Road policy and its ongoing support for rival Pakistan but is increasingly embracing China as a trade and diplomatic partner.⁶⁷ This may be in part because of recent changes in the relationship with the U.S. The United States' withdrawal from the Trans-Pacific Partnership and the Trump administration's decision to strip India of special trade status could be contributing factors to India's growing relationship with China. Analysts at the Finnish Institute of International

⁶⁶ “TECC Paid Tribute to the WWII Heroes at the Ramgarh Cemetery.”

⁶⁷ A meeting in June 2019 between Indian Prime Minister Modi, Chinese President Xi Jinping and Russian President Vladimir Putin on the sidelines of the G20 summit in Osaka that came just days after a similar meeting on the sidelines of the Shanghai Cooperation Organization summit in Bishkek, suggests that India increasingly sees itself as China's peer in a multilateral world order.

Affairs have predicted that bilateral trade between China and India could exceed U.S.-China trade by as early as 2020.⁶⁸ From defeated supplicant in 1962, to a growing Chinese market in the 2000s, to nuclear and economic rival in 2018-19, India's relationship with China has changed dramatically, in part because of its shared history and willingness to interact with Taiwan.

⁶⁸ Bart Gaens and Olli Ruohomäki, "India's 'Look East'-'Act East' Policy: Hedging as a Foreign Policy Tool," Finnish Institute of International Affairs, June 5, 2017, Finnish Institute of International Affairs, https://www.fiia.fi/wp-content/uploads/2017/10/bp222_indias-look-east-act-east-policy.pdf.

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十、學術性期刊論文

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(一) 中文：官署機構，〈文件名稱〉(行政命令類)或《文件名稱》(法律類)，卷期(案號)，日期，頁 x 或頁 x-x。

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(一) 中文報紙：作者姓名，〈篇名〉，《報紙名稱》(出版地)，年月日，版 x。(一般性新聞報導可省略作者和篇名，臺灣出版之報紙無須註明出版地。)

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十五、網際網路資料

- (一) 請依照個別線上網站實際資訊，詳細臚列。
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(六) 外文：

1. 專書：Author(s)' full name, *Complete title of the book* (Place of publication: Publisher, Year) , p. x or pp. x-x, URL.
2. 論文：Author(s)' full name, "Title of the article," *Name of the Periodical*, Vol. x, No. x, Date, p.x or pp.x-x, URL.
3. 官方文件：Author's Full Name, "Title of the Article," Date, Section or Page Numbers, URL.
4. 報導：Author's full name, "Title of the article," *Name of the Media*, Month Day, Year, URL.

範例

Robert D. Blackwill, *Trump's Foreign Policies Are Better Than They Seem* (New York: Council on Foreign Relations Press, 2019), p. 1, Council on Foreign Relations, https://cfrd8-files.cfr.org/sites/default/files/report_pdf/CSR%2084_Blackwill_Trump_0.pdf.

Ralph A. Cossa, "Regional Overview: CVID, WMD, and Elections Galore," *Comparative Connections: A Quarterly E-Journal on East Asian Bilateral Relations*, Vol. 6, No. 1, April 2004, p.1, Pacific Forum, <http://cc.pacforum.org/2004/04/cvid-wmd-elections-galore>.

White House, "National Security Strategy of the United States of America," December 18, 2017, p.1, White House, <https://www.whitehouse.gov/wp-content/uploads/2017/12/NS>

S-Final-12-18-2017-0905.pdf.

Colin Clark, “Mattis’ Defense Strategy Raises China To Top Threat: Allies Feature Prominently,” *BreakingDefense*, January 18, 2018, <https://breakingdefense.com/2018/01/mattis-military-strategy-raises-china-to-top-threat-allies-feature-prominently>.

十六、第二次引註之格式

首次引註須註明完整之資料來源（如前述各案例），第二次以後之引註可採以下任一格式：

- （一）作者姓名，《書刊名稱》或〈篇名〉，或特別註明之「簡稱」，頁 x-x。
- （二）如全文中僅引該作者單一作品，可簡略為——作者，前引書（或前引文），頁 x 或頁 x-x。
- （三）某一註解再次被引述，簡略為——同註 x，頁 x 或 x-x。
- （四）英文資料第二次引註原則相同：op. cit., p.x or pp.x-x（前引書，頁 x 或頁 x-x。）
- （五）Ibid. p.x or pp.x-x.（同前註，頁 x 或頁 x-x。）

十七、文末之參考文獻

- （一）參考文獻原則上與第一次引述的註釋體例格式相同，惟書籍、研討會論文及博碩士論文無須註明頁數。
- （二）所有文獻依前述註釋類別排列，並依中文、英文、其他語文先後排序。
- （三）中文著作依作者姓氏筆畫排序，英文著作依作者姓氏字母排序。
- （四）將書籍專章列為參考書目時，依專章作者排序。
- （五）翻譯作品依翻譯語文類別，中文譯作按譯者姓氏筆畫排序，英文譯作按原作者姓氏字母排列。
- （六）同一作者有多篇著作被引用時，按出版時間先後排序。
- （七）每一書目均採第一行凸排 2 字元。

出版源由

衡諸 21 世紀國防事務發展趨勢，為整合國防政策之專業研究能量，拓展國際交流合作，以提升整體國防思維，建構符合國家發展、最適資源配置之政策建議，國防部參酌各先進國家國防智庫運作與發展經驗，捐助設立「財團法人國防安全研究院」，並發行本刊。本院設立宗旨：

- 一、增進國防安全研究與分析。
- 二、提供專業政策資訊與諮詢。
- 三、拓展國防事務交流與合作。
- 四、促進國際戰略溝通與對話。

本刊係國防安全研究院所發行之綜合性政策學術期刊，旨在提供國防安全研究專家與學者之專業諮詢與討論平台，提升我國國防安全研究能量。

稿約

- 一、《戰略與評估》以探討國防事務、區域安全情勢及戰略研究等議題為宗旨，每年三、六、九、十二月出刊。本刊歡迎學有專精之學者、專家踴躍投稿。
- 二、論文請依一般學術論文規格撰寫，使用註解，說明來源，並以另紙書明中英文題目、姓名，兩百字以內之中英文摘要及四個關鍵詞。文長以一至二萬字為宜。來稿請附電子檔。來稿請一併示知服務單位、職稱、主要學經歷、研究專長、聯絡地址和電話。
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