

# Taiwan and India

## *Strategizing the Relations*

---

Editors :

Alan Hao Yang

Sana Hashmi

TAEF  
Research Series 006  
2022.02

Taipei 101, Taiwan



# Contents

- 
- 004** **Chairman's Message**  
Hsin-Huang Michael Hsiao
- 005** **Introduction**  
Alan Hao Yang and Sana Hashmi
- 006** **India-Taiwan Relations: The Way Forward**  
Gourangalal Das
- 010** **Time to Energize India-Taiwan Relations**  
Bau Shuan Ger
- 014** **India and Taiwan in the Indo-Pacific**  
Dhruva Jaishankar
- 020** **Political Relations between India and Taiwan: Old Problems, New Opportunities**  
Roger C. Liu
- 026** **India-Taiwan Relations: Post-Pandemic Cooperation**  
I-Chung Lai
- 036** **India and Taiwan: Potential Areas of Security Cooperation**  
Harsh V. Pant and Shashank Mattoo
- 042** **Building Institutional Linkages with India: A Roadmap for Taiwan**  
Jabin T. Jacob
- 050** **Synergies between the Act East Policy and the New Southbound Policy**  
Srikanth Kondapalli
- 058** **India-Taiwan IT and Cyber Cooperation: Potential and Challenges**  
Sameer Patil
- 068** **India-Taiwan Economic Relations under Taiwan's New Southbound Policy**  
Kristy Hsu
- 076** **Attracting Taiwanese Businesses in India**  
Santosh Pai
- 084** **Complement to Succeed: A Case for India-Taiwan Collaboration on Semiconductors**  
Arjun Gargeyas and Pranay Kotasthane
- 094** **Prospects of India-Taiwan Science & Technology Cooperation**  
Bhaskar Balakrishnan
- 102** **COVID-19 Pandemic Provides an Opportunity to India and Taiwan**  
Shambhavi Naik
- 112** **Prospects of India-Taiwan Cooperation in the Health Sector**  
Madhurima Nundy
- 120** **India-Taiwan Media Collaboration: Challenges and Opportunities**  
Rudroneel Ghosh
- 126** **Cultural Exchanges as a Bedrock of India-Taiwan Relations**  
Kuan-Ting Chen
- 140** **India-Taiwan People-to-People Ties: Role of Culture, Diaspora, Education, and Language**  
Priya Lalwani Purswaney
- 148** **The Road Ahead**  
Alan Hao Yang and Sana Hashmi

## Chairman's Message

Hsin-Huang Michael  
Hsiao

In 2020, India and Taiwan commemorated the silver jubilee of the establishment of the India-Taipei Association (ITA) and Taipei Economic and Cultural Center (TECC). Since the establishment of the representative offices in New Delhi and Taipei, the relations have progressed well. Over the past two decades, several agreements in the field of economics, culture, education, and science and technology have been inked. Interactions between India and Taiwan have also increased exponentially.



In the past several years, India-Taiwan relations have undergone massive transformations, providing it a comprehensive persona. From the immense support of the Indian civil society to the social media exchanges between Indian and Taiwanese foreign ministries in April 2021, it seems the two sides are in for a relationship overhaul.

Taiwan-Asia Exchange Foundation (TAEF), since its inception in 2018, has strived to build stronger connections between Taiwanese and Indian civil societies and strategic communities. Yushan Forum, TAEF's annual dialogue regarding Taiwan's relations with South and Southeast Asian nations, is one of the platforms aimed at forging greater partnership with Taiwan's Asian partners and friends. For Taiwan, India is a pivotal partner. Through the New Southbound Policy framework, Taiwan has expanded its scope of cooperation with India.

In order to take stock and chart out the future of the relations, the TAEF has published a policy report on India-Taiwan relations. The editors of the report, Professor Alan Hao Yang, Executive Director, TAEF and Dr. Sana Hashmi, Visiting Fellow, TAEF have curated insightful contributions from policy makers and domain experts on different aspects of the India-Taiwan relationship. This report is a collection of 18 articles written by Indian and Taiwanese experts, that comprehensively examines the current state of the relations in a wide-range of areas and offers valuable policy recommendations.

I am confident that this policy report will fill the gap in the existing literature on India-Taiwan relations, and will generate new debates on opportunities and challenges in the relationship between our two beautiful, multicultural countries.

Happy reading! ■

## Introduction

Alan Hao Yang  
Sana Hashmi

In 2016, Taiwan announced its flagship foreign policy initiative- the New Southbound (NSP), and India was identified as a key country for Taiwan's external engagement. To facilitate the scholarly exchanges under the NSP framework, the Taiwan-Asia Exchange Foundation (TAEF) was established in 2018. We are the curators of the Yushan Forum that aims to foster dialogue and establish ties with think tanks and policy circles in the NSP countries. We are striving to advance communication and exchanges with our Indian counterparts. In the recent past, the relations have witnessed a positive trajectory, and it is beyond doubt that India is a pivotal country for Taiwan in its endeavors of maximizing its outreach in the Indo-Pacific.

The COVID-19 pandemic, even though an unfortunate calamity that has ravaged humanity, has proved to be a blessing in disguise for India-Taiwan relations. The recent developments have provided a window of opportunity for India to revisit its policy toward Taiwan. Taiwan too, under the administration of President Tsai Ing-wen, has emphasized the importance of strengthening ties with India. While social media engagement is increasing, India-Taiwan relations still suffer from the problem of lack of enough scholarship on the subject.

To address some of the existing shortcomings, bridge the gap in literature, and help India and Taiwan navigate the future course of actions, we have invited contributions from Indian and Taiwanese scholars covering a wide-range of areas of cooperation. Through the report, we attempt to initiate a meaningful discussion on the prospects of the relations.

We are immensely grateful to Mr. Gourangalal Das, Director General, India-Taipei Association (ITA) and Mr. Bau Shuan Ger, Representative, Taipei Economic and Cultural Center (TECC) for providing their insightful practitioners' perspective to the report. This publication is also a part of our efforts to celebrate the 25 years of the establishment of the ITA and TECC and their contributions to the relations. ■

### Notes:

The views in the articles are those of the contributors, and do not necessarily represent the views of the editors and the TAEF.

# India-Taiwan Relations: The Way Forward

## Gourangalal Das

Director General of the India-Taipei Association (ITA).



Source: India-Taipei Association



## India-Taiwan Relations: The Way Forward

**Gourangalal Das**

The reciprocal establishment of India-Taipei Association (ITA) in Taipei and Taipei Economic and Cultural Center (TECC) in New Delhi in 1995 filled a long-existing void in interactions among the peoples of India and Taiwan. They created a dedicated and permanent channel to facilitate visits and exchanges between Indian and Taiwanese civil societies, who, at the time, were beginning to discover each other. In the last 25 years, the quantitative and qualitative growth of people-to-people, institutions-to-institutions, and business-to-business connections between India and Taiwan has amply demonstrated the role and utility of ITA and TECC in promoting and deepening our interactions and creating mutual awareness.

Relations between India and Taiwan are unofficial; yet, thanks to exchanges over the past decades, these relations are already fairly substantive, and look highly promising. If the strength of external relations is measured by shared outlook, mutual trust, and popular goodwill among the public, Taiwan should rank among India's most robust partners. If scope, content and sustainability of practical cooperation are the barometer of the significance of a relationship, Taiwan should be counted as a consequential partner for India. With India's deepening knowledge-based economy and cross-cutting stakes in the East Asian region, there is an even better prospect for mutually beneficial cooperation with Taiwan in niche and critical areas, making India's relations with Taiwan potentially also one of her most dynamic and interesting.

Commonalities and complementarities drive our partnership. There are obvious commonalities, and maritime geography of the Indo-Pacific, shared history and heritage of Buddhism, vibrant democracy and civil society, pluralist and multi-cultural outlook, thrust on rigorous and quality education, to name a few. Then there is a range of symbiotic complementarities- Taiwan as an Asian tiger and India as a rising elephant; Taiwan as a technology powerhouse and India as a hub of frugal innovation; Taiwan as an exemplar of efficiency and India as a land of limitless scale; Taiwan as a world leader in hardware and India as the universe of software; Taiwan as a cradle of high-tech talent and India with the world's longest demographic dividend; Taiwan as an externally-oriented economy and India as a huge domestic market- the list goes on.

So far, an institutional basis for cooperation has been established in almost all functional areas of importance to the public. ITA and the TECC, responding to the needs of our peoples, have concluded practical cooperative arrangements for air services, investment promotion and protection, customs, and avoidance of double taxation; for collaboration in science & technology, agriculture, industry, small and medium enterprises and railways; and for mutual recognition to each other's authorized economic operators and organic products. In addition, autonomous institutions and bodies in India have independently concluded several arrangements in the fields of trade, industrial cooperation, financial information-sharing, education, start-ups, health, etc. with their Taiwanese counterparts. All

major think tanks in Taiwan have cooperative arrangements with one or more prominent Indian think tanks. Higher educational institutions in India and Taiwan have concluded over 250 Memoranda of Understanding.

In the last 25 years, our economic and commercial relations have acquired considerable heft. Our bilateral trade volume reached US\$ 6.34 billion in the first ten months of the calendar year 2021. Taiwan External Trade Development Council (TAITRA) now has four offices in India, introducing Taiwan Excellence to India. More importantly, Taiwan's direct and indirect manufacturing investment in India has crossed US\$ 2 billion, with over 100 Taiwanese companies doing business in India. As the world's longstanding manufacturers of leading global brands, Taiwanese businesses are uniquely placed to benefit from India's manufacturing policies, like Make in India and Production-Linked Initiatives (PLI) covering mobile phones and PCs, telecom products, semiconductors, and green technology to automotive components and e-vehicles. In the post-COVID-19 pandemic world, Taiwan's position in the global supply chains also make it a desired partner for India's goal of Atmanirbhar Bharat or self-reliance. A Taiwanese company is currently building the first Taiwan-developed industrial park in India, which will hopefully act as a magnet for Taiwan's Small and medium-sized enterprises (SMEs) and supply chain partners, providing them a home-like environment to operate in India. India's investment-promotion agency- Invest India has also recognized the potential of investment ties by establishing a dedicated Taiwan-Plus desk to help Taiwanese businesses through their entire India operation. Beyond manufacturing, India's ambitious infrastructure plan throughout the coming decade provides new opportunities for Taiwan's developers as well as its financial sector to partner in India's transformation. With the digital economy taking off in India and Taiwan, investment can blossom in both directions, with Indian and Taiwanese start-ups bringing new dynamism to each other's markets and many more Indian software and digital services exploring the Taiwanese market than the handful at present.

Apart from institutional and business cooperation, recent years have witnessed deepening interactions at the people-to-people level. While the Indian community in Taiwan is relatively modest at less than 5,000, many of them have lived and worked here for decades, introducing their Taiwanese friends to India's rich and diverse culture. Over 2,000 Indian students are currently pursuing postgraduate and higher degrees in STEM disciplines in Taiwan's premier universities, and interest in Mandarin language learning is now beginning to draw more and more Indian students to Taiwan. This is attested by the rapid growth in the number of Taiwan Education Centers in Indian universities and higher education institutions in the last couple of years. There is genuine interest in Taiwan for India's distinctive cuisine, Bollywood films, dance and music from various parts of India, Yoga, Ayurveda as well as India's unparalleled tourist resources, and developing these links further should be our priority as the pandemic eases.

ITA has been happy to play a small part in India's discovery of Taiwan over the past two and a half decades. These achievements, of course, could not have happened without the support and reinforcement to our work from all sections in Taiwan, including forums such as the Taiwan-Asia Exchange Foundation (TAEF). We owe a debt of gratitude to TAEF for their initiative to record the journey so far and commemorate it in this volume. ■

## Time to Energize India-Taiwan Relations

### **Bau Shuan Ger**

Representative, Taipei Economic and Cultural Center (TECC).



Source: Taipei Economic and Cultural Center

# Time to Energize India-Taiwan Relations

**Bau Shuan Ger**

## Introduction

This past year has seen unprecedented challenges to our common security. In the face of global disruption caused by the COVID-19 pandemic and threats of rising authoritarianism, we are reminded once again that despite geographical distance our lives are interconnected and that we all have a stake in the prosperity and stability of the Indo-Pacific region.

## COVID-19 Pandemic as a Game Changer

At the onset of the global public health crisis, some believed that an authoritarian state may control the spread of the coronavirus effectively by means of unwarranted restrictions on people's movement and flow of information. However, as the pandemic continued, it ravaged countries across the globe. The world has begun to realize the deadly toll that information control and self-censorship may take, much as how the COVID-19 pandemic reportedly broke out in the first place.

Taiwan, on the other hand, has committed to combat the pandemic transparently and inclusively through smart technology and in full respect of democratic principles. In the past two years, Taiwan has donated over 54 million medical masks and other supplies to more than 80 countries, including India when confronted with a surge during the second wave of the COVID-19 pandemic. It is a testament to Taiwan's readiness and willingness to stand with like-minded countries in times of need.

Thanks to a prompt response to the COVID-19 crisis and strong global demands for Taiwan's ICT products, Taiwan's economy grew by 6.28 percent in 2021, its fastest pace in a decade. Taiwan has been ranked the eighth-most competitive digital economy in the world in 2021 by the Swiss Institute for Management Development, further attesting to Taiwan's critical and dominant position in the global semiconductor supply chain.

## Putting Taiwan Back on the Map

Against the backdrop of changing dynamics in the Indo-Pacific, it is a welcoming sign that there has been a substantial increase of open and widespread support for the inclusion of Taiwan in the construct of global security and trusted supply chains. The importance of maintaining peace and security across the Taiwan Strait is now shared by the international community, as highlighted in the official documents of the G7, North Atlantic Treaty Organization (NATO), and European Union (EU) in recent months.

China's continued sabre-rattling has upped the ante on the tensions across the Taiwan Strait, turning Taiwan again into the focus of international attention and United States-China rivalry. Standing on the front line of aggressive authoritarianism, Taiwan has vowed to defend its sovereignty and democratic way of life without bowing to pressure. It is vital to bear in mind that if Taiwan fails, democracy will suffer and so will other free and law-abiding countries.

## The Way Forward

Both Taiwan and India are integral and indispensable stakeholders in the Indo-Pacific region. Both countries are proud of their democratic traditions and have mutual interests in upholding the international rules-based order. While Taiwan continues to strengthen ties with India under its New Southbound Policy, India is building connections with neighboring countries through its Act East Policy. It is manifested that these two policies are complementary and could be linked to make greater contributions to a free, open and resilient Indo-Pacific region.

Bilateral trade has grown more than five-fold from US\$ 0.93 billion in 1995 to US\$ 5.65 billion in 2020. A total of 116 Taiwanese enterprises have set up business operations in India, with a total investment value of US\$ 1.09 billion. In the area of educational cooperation, 21 Taiwan Education Centers have been launched across Indian university campuses, attracting over 8,000 Indian students to take up Mandarin courses. In addition, Taiwan and India have made great strides in the field of science and technology, with 94 joint research projects successfully implemented since 2007. With an aim to develop cutting-edge technologies, both sides are currently planning to set up Technology Innovation Hubs in universities.

Over the years, India and Taiwan have developed a natural and trusted partnership. Our two countries may be oceans apart, but our shared values of democracy, freedom and the rule of law will serve us well as we continue to deepen bilateral cooperation on matters of mutual interest, including regional security, trusted supply chains, trade and investment, science and high-tech, education and talent cultivation, as well as people-to-people exchanges.

Given the evolving geopolitics and geoeconomics in the region, it is the time for India and Taiwan to take further steps to strengthen our bilateral relations for a better future for our peoples as well as for the peace and prosperity in the Indo-Pacific. As we marked the 25th anniversary of the establishment of representative offices in India and Taiwan in 2020, it is vital to bear in mind that the two countries share a significant convergence in our strategic outlook of regional challenges and global issues. We look forward to joining hands with the people of India to promote peace, prosperity and resilience in the Indo-Pacific and beyond. ■



## India and Taiwan in the Indo-Pacific

### **Dhruva Jaishankar**

Executive Director of the Observer  
Research Foundation America in  
Washington DC.

The Bandra-Worli Sea Link,  
Mumbai, India



## India and Taiwan in the Indo-Pacific

**Dhruva Jaishankar**

India and Taiwan are dynamic democratic entities in the Indo-Pacific involved in military confrontations with the People's Republic of China (PRC). Yet for a variety of political, economic, and social reasons, the two entities do not loom as significantly in each other's consciousness as might be warranted. Diplomatic legacies, competing priorities, and political and resource constraints at both ends have conspired to keep diplomatic and security cooperation between India and Taiwan limited. But developments in 2020-21 – specifically the military stand-off on the India-China boundary that resulted in fatalities in the Galwan Valley and greater saber-rattling by Beijing against Taipei threatening forceful unification – have increased the interest and appreciation in India and Taiwan of each other's predicaments. Both are also in the process of deepening their cooperation with the United States as well as with its allies such as Japan and Australia. Under these circumstances, a five-point agenda consisting of economic, technology, security, education, and think tank cooperation can serve to accelerate cooperation between New Delhi and Taipei at this critical juncture.

### From Constraints to Cooperation

It may not be well appreciated today, but one of modern India's first diplomatic relationships was with the Republic of China (ROC) and the government of Chiang Kai-Shek. During the second World War, the British Indian government established an Agent General at Chongqing to assist with war efforts, and informal diplomatic contacts were made between the Indian National Congress (INC) and the ROC. Following the war, in early 1946, an Indian trade and goodwill mission to Shanghai, Beijing, Tianjin, and Chongqing sought exports for Indian cotton and tobacco. However, after the establishment of the PRC in 1949, India was quick to recognize the government of Mao Zedong, formalize diplomatic relations, and support Beijing's entry to the United Nations.

In the mid-1990s, India-Taiwan relations were given a fillip through the establishment of representative offices in each other's capitals. India-Taipei Association (ITA) served as a de-facto diplomatic mission for India in Taipei since 1995, while Taipei Economic and Cultural Center (TECC) became its counterpart in New Delhi. Political relations, however, have been inhibited by a number of factors. On India's part, there is continued recognition of the PRC and adherence to the 'One China Policy', even if this remains distinct from the rigid 'One China Principle' insisted upon by Beijing. On Taiwan's side, there are continued claims on behalf of the ROC of territory disputed with India, claims that are unlikely to be relinquished

soon. For these reasons, political support for each other's disagreements with Beijing remains limited.

These intractable legacy issues have been compounded by other factors. In Taipei, apprehensions about India's regional preoccupations, capacity constraints, and legacy of non-alignment persist. In India, there are concerns about Taiwan's own orientation, including a sizable (if diminishing) pro-unification sentiment embodied by elements of the Kuomintang (KMT), as well as the lack of preparedness of a very 'political' military. India does not have the legacy of military cooperation with Taiwan as the latter has with countries such as the United States (when it comes to equipment) or Singapore (when it comes to training). Nor will it be immediately embroiled in a military crisis in the manner of Japan, which is increasingly engaged in planning for cross-Strait scenarios. Military cooperation between India and Taiwan has, therefore, remained underdeveloped, and barring truly unforeseen developments is likely to remain so.

### A Five-Point Agenda

While maintaining a realistic assessment of the state of relations between India and Taiwan, the present moment certainly offers an opportunity to improve broader relations for taking the strategic partnership to a qualitatively different plane. Continuing Chinese assertiveness along the border with India, in the Taiwan Strait, in the broader Indo-Pacific, and on international diplomacy has underscored the need for like-minded cooperation on regional and global issues. In India, there is greater appreciation for the need to understand China, including language and cultural training, intelligence on the Chinese Communist Party (CCP) and People's Liberation Army (PLA), and on emerging technologies. There are obvious complementarities with Taiwan. Meanwhile, in Taiwan, diplomatic pressures, concerns about supply chains, and broader Indo-Pacific shifts – including the development of the Quad – have enhanced the appreciation of India as a potential partner. With these opportunities in mind, a five-point agenda will help strengthen India-Taiwan relations in the years ahead.

The first and most important priority will involve improvements to the bilateral economic relationship. Specifically, India will need to evolve into a preferred destination for investment and manufacturing by Taiwanese companies, particularly small and medium enterprises (SMEs) involved in integration into trusted global value chains. Taiwan has comparative advantages in a number of high technologies – of which the best known is the semiconductor sector – and an organic movement of manufacturing out of mainland China to other markets is already underway. However, India faces stiff competition from other emerging manufacturing hubs, notably Vietnam, but also South Korea, the Philippines, Indonesia, Bangladesh, Mexico, and even Taiwan itself.

Some solutions may be found in working with third partners, such as Japan, which has been much more successful in penetrating the Indian market and creating manufacturing hubs. Additionally, recent efforts by the Indian government, including under the Production Linked Incentive (PLI) scheme, offer an attractive option for Taiwanese companies to bypass regulatory hurdles. However, a number of challenges remain and continue to inhibit the bilateral economic partnership. These include third-country market access in the absence of Indian trade agreements, high and in some cases unpredictable Indian tariffs (including on intermediary goods), and a lack of appropriately skilled labor in India. Beyond that, a lack of awareness in both countries has helped ensure that two-way investment is still modest.

A second agenda item relates to technology cooperation. The border crisis with China has underscored the need for trusted hardware providers for the growing Indian economy. As part of retaliatory steps taken, the Indian government has required greater scrutiny of Chinese bids for public procurement and effectively kept out Chinese companies from the development of India's 5G telecommunications infrastructure. On the other hand, Taiwan will require relatively low-cost software development in a manner that the United States, European, Japanese, or South Korean companies might not be able to provide. Beyond geopolitical and security concerns, there are compelling commercial prospects for cooperation in a range of emerging technologies. The sensitivity of some of these domains will naturally have positive implications for political, diplomatic, and possibly security relations as well.

A third area of cooperation concerns defense and security. Although direct cooperation may still be constrained, indirect cooperation along with partners in the Quad, Southeast Asia, or Europe is certainly possible. In recent years, India has become more involved in the Pacific security, whether through small-scale official assistance, humanitarian aid to Southeast Asia and the South Pacific, and regular naval flotillas for public diplomacy, exercises, and operations. While building trust between militaries will take considerable time, deepening cooperation on strategic assessments, intelligence, language and technical training, and dual-use system development remain conceivable possibilities. Furthermore, security cooperation along all these vectors can be led by civilian agencies.

Fourth, educational opportunities remain underutilized. Much like relations between India and much of the Anglosphere (e.g., the United States, United Kingdom, Australia), education can be an important springboard to accelerate relations. For India, Taiwan represents a natural bridge to understanding the Sinic world in a democratic setting. Expanding educational links and language training, including for those engaged in security functions, represent valuable opportunities to broaden the strategic relationship. However, this will require facilitating and communicating opportunities for higher and professional education, including

graduate fellowships, English-language courses in certain disciplines, recognition of degrees, and attractive visa and short-term employment opportunities. Shorter-term exchange programs also represent another avenue for accelerating university-to-university engagement.

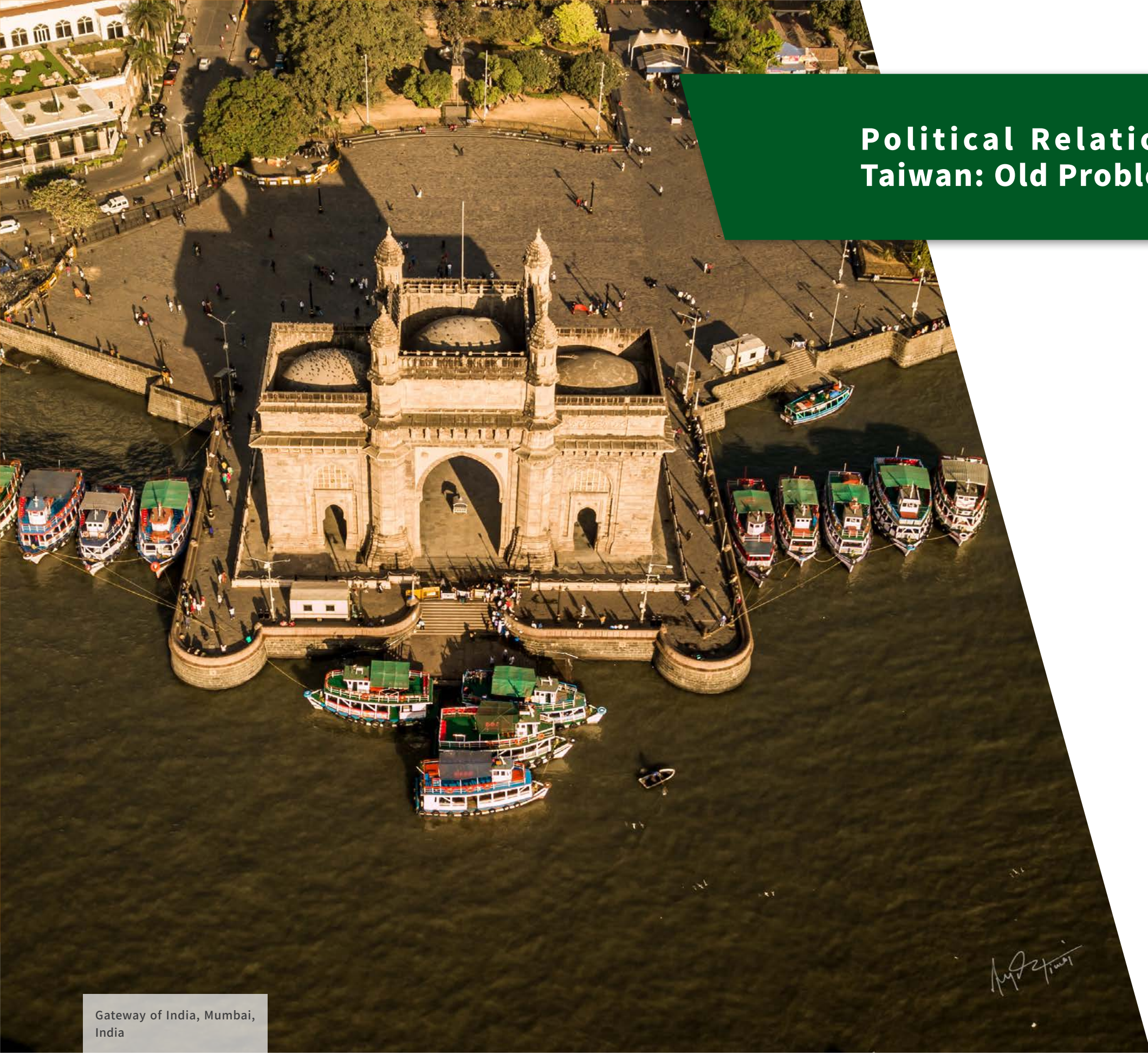
Finally, given the complexities of diplomatic and military engagement, non-government dialogues and convening arranged by policy institutes in India and Taiwan represent an obvious way to deepen contacts between the two countries' policy and business communities. These could be pure 'Track II' initiatives involving private organizations or 'Track 1.5' dialogues involving government officials from both sides. Although some are already underway, these kinds of engagements can be widened on critical issues such as managing disinformation and foreign interference. The Raisina Dialogue – India's flagship foreign policy conference co-hosted by the Ministry of External Affairs and the Observer Research Foundation – has prominently featured Taiwanese think tanks in several editions. Beyond universities, think tank engagement provides opportunities for facilitating policy dialogue, understanding, and discrete cooperation in a number of sectors. In time, these could extend to such important areas as investment and supply chain cooperation, technological development, military assessments, and public health, climate change, and international institutional reform.

### Opportunities over the Next Decade

A qualitative upgrade in India-Taiwan relations will require considerable spadework and is unlikely to occur overnight. Despite the increasingly heated rhetoric emerging from Beijing, New Delhi is concerned that a more likely military crisis scenario in the Taiwan Strait could emerge in a number of years, following the next general election in Taiwan, the entrenchment of Chinese leader Xi Jinping in a third term as party General Secretary, and the completion of a number of reforms by the PLA. These developments do offer time to implement a number of changes in India-Taiwan relations, whether the redirection of investment and supply chains or the building of trust between the two security establishments.

Yet there is a meaningful opportunity now to deepen and broaden the strategic relationship, which is still at a very nascent stage. The fact that President Tsai Ing-wen singled out India in her inaugural address in 2016 is simply one major indicator of the heightened interest and enthusiasm at the highest levels for improved relations. It will be important to manage expectations and remain realistic given the obvious constraints. Nonetheless, a five-point agenda as outlined above – that includes aspects of economic, technology, security, education, and think tank cooperation – could help transform the India-Taiwan relationship and realize its potential over the coming decades. ■





# Political Relations between India and Taiwan: Old Problems, New Opportunities

**Roger C. Liu**

Associate Professor, Department of  
Social Sciences, FLAME University,  
India.

Gateway of India, Mumbai,  
India



Roger C. Liu

2022 marks the thirtieth anniversary of India's Look East Policy, now rechristened as the Act East Policy. Since the 1990s, India has been reaching out to the Southeast and East Asian countries for improving market access and attracting foreign direct investment (FDI). In this context, India-Taiwan bilateral relationship has witnessed advancements in a wide range of areas such as trade and investment, technology, and education. Almost every year, the two democracies exchange visits of politicians, and even government officials. Among them, most have been incumbent Members of the Parliament, political party officials, government officials from central/state ministries/departments dealing with important areas such as economics, technology, development, education, and culture. In December 2016, a non-partisan India-Taiwan Parliamentary Friendship Forum was founded in New Delhi. Due to the pandemic, there has been a halt in parliamentary exchanges, but once normalcy is restored, inter-parliamentary interactions might prove their potential to improve political relations.

Even though the civil societies and parliamentarians from the two countries have been interacting with each other at multiple levels, the Indian government adheres to the One China Policy, and refrains from officially mentioning Taiwan as a country. Interestingly, India does not accept China's One China Principle, instead India's adherence to the One China Policy is rather composed of a set of tacit rules and regulations acknowledged by the Ministry of External Affairs (MEA) covering the appropriate conduct that an Indian ministry, agency, and government-funded entities should follow while interacting with their Taiwanese counterparts. This sometimes applies to think tanks as well. Examples could be trivial (such as that Taiwan cannot be referred to as a 'country' in a public conference or meeting); formal (Taiwan referred to as 'Chinese Taipei' by the Air India, erstwhile state-owned carrier, upon the request from the Chinese government), or restrictive (discouraging ministers and chief ministers from visiting Taiwan on official visits). For long, the One China Policy has regulated the level and nature of the official exchanges between India and Taiwan and sometimes becomes a hindrance in the advancement of the ties.

What is noteworthy is that India's interpretation of the One China Policy has demonstrated some flexibility. First, unlike the United States, India does not have a series of regulating documents such as the three Communiques (and the Taiwan Relations Act) giving India some room to advance ties with Taiwan meaningfully. Second, historically New Delhi had no need to choose between "Two Chinas" – one in Taipei and another in Beijing. India's first Prime Minister Jawaharlal Nehru's stance was clear and consistent: as soon as the People's Republic of China (PRC) was established, India recognised the PRC and believed that the issue between the Republic of China (ROC) and PRC was the latter's internal matter. However, the friendly relations between India and China could only last till 1962 when

China waged a war on India, and the relations were only normalized in 1986 when the Ambassadorial relations were restored. The boundary dispute and recurrent standoffs have marred the relations, leading alterations in India's China policy as well as its approach towards Taiwan gradually.

## Taking A Cue from Other Countries

The tradition of Indian foreign policymaking, is bound by inherited conservatism, like any other country, while also maintaining a degree of flexibility whenever opportune. The MEA acts as a facilitator when it comes to dealing with Taiwan. Amending the rules of engagement has been tricky but there has been a change. To circumvent the One China Policy and create more space to manoeuvre, there are a few areas that Taiwan could work on. How to frame the questions and redefine the rhetoric used in New Delhi and Taipei will be essential in this context.

Both sides, however, have to be practical. Taipei might expect India to express a stronger stance against China by showing explicit support to Taiwan, even on political issues. This is natural when both India and Taiwan have been under threat from China. However, bound by the bureaucratic inertia and historical legacy of Non-aligned Movement (NAM), it is not pragmatic for Taiwanese officials to expect India to adopt a more forthcoming position like the United States and European Union have pursued.

Recent changes in the foreign policy practices by the United States and smaller European countries could serve as precedents when Taipei considers how to influence India's policy towards Taiwan. The United States and some European countries have demonstrated that they can actually initiate consequential changes in the foreign policy practices towards Taiwan without altering or challenging their respective interpretations of the One China Policy.

The change in momentum in major countries' stances to better engage Taiwan should be used by Taiwan's government officials to frame the reference point regarding its own national interest and convey to their Indian counterparts. Examples such as the latest round of support from the United States for Taiwan to play a greater role in the UN system, the European Parliament's resolution to strengthen bilateral relations and create greater international space for Taiwan, as well as Lithuania's current decision to allow the use of Taiwan in the name of Taiwan Representative Office, should be weaved into the policy statements to persuade the MEA or other relevant ministries that it is legitimate and appropriate for India to adjust its current policy towards Taiwan in order to better serve India's national interest.

## Establishing Bottom-up Approach

In February 2021, Taiwan's ruling Democratic Progressive Party (DPP) with Japan's ruling Liberal Democratic Party (LDP) created a "Taiwan project team" for the



coordination, deliberation, and communication on security-related issues. Similar arrangements could also be made between Indian and Taiwanese political parties. Political parties are convenient conduits. Due to its "non-governmental" nature, political hindrances such as One China Policy can be circumvented and essential security-related topics can be communicated, deliberated, and brainstormed.

Taipei has been attempting to contact key political figures from different political parties in India. However, these efforts lack coordination and have been sporadic to say the least. A more institutionalized inter-party channel should be established to help stabilize the relations and at the same time, provide more practical coordination and communication among politicians on important issues, including in the field of national security.

Other than the interactions and exchanges at the central level between Indian and Taiwanese politicians, the connections at the local level, that is, the establishment of working and personal relations between local politicians of both sides is also necessary. Initiating contacts at the local level will serve the twin purpose of reducing the sensitivity of the central government regarding possible collaboration on political affairs, and of addressing more feasible developmental needs. Projects such as smart cities, investment in MSME (Micro, Small and Medium Enterprises), ICT and manufacturing are happening at the city- or state-level.

Just as in Taiwan, in India too, today's Chief Ministers and Members of Legislative Assembly (MLAs) could be future MPs or even Prime Ministers in India. Thus, establishing connections at an early stage is essential. An example of this was the visit of Narendra Modi, the current Indian Prime Minister, to Taiwan in 1999 when he was the Chief Minister of the Indian state of Gujarat. Local politicians and party workers could be a pivotal medium for conveying Taiwan's voice when needed. For example, Tajinder Pal Singh Bagga, the Bharatiya Janata Party (BJP) Spokesperson for Delhi, celebrated Taiwan's National Day with a number of events in 2020 and 2021. By installing signpost of Taiwan National Flags near the Chinese Embassy and posting videos and photos of the cake with a message "Happy National Day" on social media platforms such as Facebook and Twitter, Bagga's gestures helped create space for Taiwan on India's mainstream media, generating public attention and awareness. This certainly makes the case for deepening ties with local politicians and the wider population in order to familiarize them with cultural and political sensitivities.

### Taiwan Should be Embedded in India's Political Narratives

The unofficial relationship between India and Taiwan is relatively newer, starting only with the establishment of the representative offices in 1995. Without the historical burden, New Delhi and Taipei have great potential and space to develop a new, essential, and practical relationship. Taiwan should identify the actual limits in accordance with the Indian adherence to the One China Policy. Keeping in mind the previous approaches and cases, the policy makers in Taipei could have

a clearer idea of where to "push the envelope" and where they should curtail their expectations.

Geopolitical changes in different phases of time have given a boost to the bilateral relationship between India and Taiwan. From the Look East Policy in 1992 to the recent developments such as the India-China border tensions simmering since 2017, the strategic competition between India and China against the background of the Belt and Road Initiative, and alterations in great power relations in the Indo-Pacific region, geopolitical changes are providing opportunities to bring New Delhi and Taipei closer. How the Taiwanese policy makers evaluate these changes and utilize those to their benefits will determine the future course of India-Taiwan relations.

To further streamline India's Indo-Pacific vision and add maritime vigor to India's approach to the free and open Indo-Pacific, India's Prime Minister Narendra Modi announced the Indo-Pacific Ocean Initiative (IPOI) in November 2019. Among the seven pillars (Maritime Security; Maritime Ecology; Maritime Resources; Capacity Building and Resource Sharing; Disaster Risk Reduction and Management; Science, Technology and Academic Cooperation, and Trade Connectivity and Maritime Transport), there is a list of potential areas that could be linked with Taiwan's New Southbound Policy (NSP) launched in 2016. Creating connections between two strategic development frameworks could be, and should be, a prospective goal for Taiwan while planning to improve the bilateral political relations with India. Important but sensitive issues such as the South China Sea, tensions around the Taiwan Strait and China's growing presence in the Indian Ocean Region could also be discussed better within such a framework.

Bureaucrats and diplomats from India and Taiwan have had high-level visits in the past. As the pandemic subsides, the 'transit diplomacy' could be back on track. These steps, however, are temporary in nature. Taipei should plan for a sustainable India-Taiwan bilateral relations framework with practical connections at multiple levels that would make the relations durable and unaffected by the changes in India-China relations.

To achieve this, decision makers should also think as to how to better fit Taiwan in India's political narratives and utilize the relations for fulfilling the Key Performance Indicators (KPIs). Politics, however, is often transactional. Between give and take, a calculated balance has to be reached. If Taipei wants something political from New Delhi, it is better to know what New Delhi really prefers in return. Issues of strategic potential should be further discovered and developed. In the interaction process, there could be some wishful thinking as well as unidirectional requests and demands. But, Taipei needs to put itself in India's shoes in order to see the strategic challenges that New Delhi faces, and then find leverages which could be used to further a mutually-beneficial bilateral relationship. ■



# India-Taiwan Relations: Post-Pandemic Cooperation

**I-Chung Lai**

President of the Prospect Foundation.

Taj Mahal, Agra, India



## India-Taiwan Relations: Post-Pandemic Cooperation

### I-Chung Lai

In Taipei, the relations with New Delhi are considered to be of great potential. Taiwan's President Tsai Ing-wen regarded India as one of the primary focuses of her flagship foreign policy initiative, the New Southbound Policy (NSP). Presidential office even established a working committee consisting of officials from different governmental agencies devoted to advance India-Taiwan relations. Some mega investment projects were also proposed during the initial years of President Tsai's term but those have not yet been realized yet. Despite synergies and willingness to elevate ties from both sides, the potential of this relationship remains underutilized. The slow pace of advancements has naturally caused frustration on both sides, as there are fewer success stories than were anticipated.

The Indian side believes that the relations with Taiwan cannot progress meaningfully without a robust economic foundation supporting other aspects of the relation. It is difficult for New Delhi to fathom why Taiwanese businesses are hesitant to invest in India while Japan, Republic of Korea and other countries are rushing in, especially when Taiwan's investments in China are facing an increasingly hostile environment and reduced profit margin. While Taiwan is looking for a major trade deal with India, India's priority is to boost investment and believe that trade will follow after the investment is in place, as they learned how Taiwan-China trade blossomed without a trade deal.

Such misaligned priorities and the unrealized potential in the relations might change once the COVID-19 pandemic comes to a halt. The changing Indo-Pacific strategic environment has the potential to provide a real opportunity to advance India-Taiwan ties in a significant and meaningful way, given the governments from both sides take charge. The alterations in the relations and policy required to elevate ties are beyond the efforts of individuals and private sectors. Both New Delhi and Taipei need to take concrete steps to facilitate the efforts of the people and the private sector.

#### Changing Security Context Amidst the Pandemic

Although China-United States competition was already intensifying even before the onset of the COVID-19 pandemic, the Chinese aggression toward Taiwan

multiplied as countries across the globe were struggling to deal with the COVID-19 pandemic. China started to show its assertive postures against Japan and Vietnam in April 2020, when countries such as Japan, Republic of Korea and the United States were witnessing the surge in the COVID-19 cases and the cases in China were under control. China also sent its aircraft carrier fleet to the South China Sea and conducted a naval drill there the following month. In June 2020, China escalated tensions with India in the Galwan Valley that turned violent and claimed the lives of at least 20 Indian soldiers. While China did not disclose the number of casualties, the unofficial count is between 35 and 40.

China also sends its fighter jets into Taiwan's southwest Air Defense Identification Zone (ADIZ) regularly, mostly closer to Taiwan's Pratas Islands located in the northern tip of the South China Sea. Since the onset of the pandemic, China has sent more than a thousand fighter jets to the Pratas Islands. Speculations regarding a potential Chinese invasion of Taiwan in the next couple of years have also started to gain more currency among the strategic community.

It is no coincidence that both India and Taiwan have become the victims of Chinese military aggression around the same time; unfortunately, India learned the lessons by losing several human lives. China believes that the COVID-19 pandemic has provided them with an opportunity to seize the strategic high-ground in the Indo-Pacific so that it could turn the balance around. Beijing has already neutralized the majority of the countries in the Association of the Southeast Asian Nations (ASEAN) that now choose not to offend China.

Although there is pushback from the United States, and some countries in the Indo-Pacific are genuinely concerned about the Chinese behavior, Beijing is looking to re-establish Sino-Centric Asia which it considers to be just and fair, irrespective of whether other countries in the region welcome this change. China will continue to use and exhibit this pattern for its rise, unless there are consequences with unbearable costs. This development is more closely connected to the security dynamics in both the Taiwan Strait and the Indian subcontinent.

Another important development associated with the COVID-19 pandemic is the recognition of the supply chain safety. The issue of supply chain security, especially with the influx of 'Made in China' digital products, is also increasingly recognized as one of the critical security concerns for countries reliant on Chinese supply of these components. There was already some discussion regarding certain Chinese digital product manufacturing companies, such as Huawei and ZTE, for their roles

in compromising institutional security in several countries. The COVID-19 pandemic has highlighted the necessity for supply chain diversification, as countries begin to discover their vulnerabilities with overdependence on critical component imports from just one country. Those two issues: supply chain security, owing to possible security breach by maligned manufacturers; and supply chain safety due to lack of sufficient supply chain diversification, have started to merge together. It has become obvious now that the answer for these two concerns is the establishment of reliable and diversified supply chain mechanisms.

Both India and Taiwan are increasingly being looked at as potential partners for contributing towards building a trusted supply chain resilience. Due to its prowess in pharmaceutical science, India is now a major partner for the COVID-19 vaccine production in the Indo-Pacific area, while Taiwan is also a sought-after partner in the semiconductor field due to its leading expertise in that sector. These competencies existed in both India and Taiwan even before the COVID-19 pandemic, and were underexplored and underappreciated by the rest of the world.

The twin demand for both security and safety of the supply chain will lead to the reduction of production footprint in China. While "Less China" in manufacturing could become the new norm, it is worth noting that the change in Chinese economic strategy has also played an important role in shaping the (post-) COVID-19 pandemic economic and geostrategic order in the Indo-Pacific. China adopted a new economic development strategy during the fifth plenary session of the 19th Communist Party Central Committee in 2020.

The Chinese Communist Party (CCP) decided to prioritize the domestic market as the main driver for Chinese economic development and pronounced that external engagement will play the supplementary role for the next 15 years. This is opposite of the economic strategy since 1995 when China began to focus on deepening the engagement with the outside world, hoping to export more and draw in more foreign capital to China. It followed this up with various policy instruments to induce and promote exports every year, thereby helping to establish China as a manufacturing hub, and transforming itself into a global factory. In recent years, China has inverted this policy direction and adopted new economic strategies, which will focus on utilizing its domestic market by leveraging the economies of scale. China will definitely continue to produce things in large quantities, however, this time it will be for the people in China, rather than the world. If China follows through with this economic development strategy, one could expect the economic decoupling to be initiated by China itself.

There are many reasons for the change in Chinese economic development strategy, including increasing labor and environmental cost in China, the desire to upgrade itself to a high-technology producer and consumer, and to prepare itself for a prolonged trade war with the United States. However, understanding the power balance between the West and China, which according to the Chinese leadership is changing rapidly, is of particular importance. China was able to control the COVID-19 pandemic much faster in comparison to the majority of the countries, primarily due to harsher measures. The worsening of the pandemic in the advanced western democracies, has instilled confidence in Beijing, leading it to believe that the time for the "rise of the East and fall of the West" is near, and that China could overtake the United States to be the biggest economy in the world by as early as 2028. China figured that one of the consequences associated with the decline of the West is that, Western democracies will be less likely to cooperate with Beijing economically for fear of China's overbearing economic power. Thus, making it believe that China should pursue its own decoupling strategy, before it finds itself on the receiving end of such an outcome. The introduction of twin circles of economic development strategy, in which the domestic market will play the primary role, and be merely supplemented with foreign trade in order to shift China to a domestic market driven growth, seems to be the logical conclusion from this policy direction.

If China decides to reverse its economic development plan by relying primarily on its domestic market, Chinese external economic behavior could be very different from what it is today, and the underlying logic should also be understood in a different way. Taiwanese businessmen also need to come to grips with the reality that the 30-years long party is over, and that things made in China will also now be increasingly sought inside China. India could see Chinese products flooding the Indian market less, but would need to curb the enthusiasm of its business community when it comes to exploring the potential of the Chinese market.

### Strategic Dimension of the India-Taiwan Ties

Geopolitical shifts in both the Indo-Pacific region and the rest of the world, either facilitated or accelerated by the pandemic, will force us to appreciate the India-Taiwan relations in a new light. Both India and Taiwan have now become targets of Chinese military aggression. The twin demands for establishing supply chain safety and supply chain security have elevated both Taiwan and India's position global high-end manufacturing, be it in pharmaceutical industry, semiconductor enterprise or any other area of advanced technology.



Chinese adoption of the new economic development model prioritizing the domestic market could facilitate a new trend of reverse dependence on China, one that could be viewed less as the world factory but more as the world's leading market. Since markets always have more say in determining the roles and regulations on the engagement of the road, Chinese 'veto power' could be significantly increased to affect first the economy, then more on the general affairs in the Indo-Pacific region.

Policy makers looking for the advancements in India-Taiwan relationship will need to be cognizant of this view. That makes it necessary to think about improving the relations through strategic lens, i.e., one cannot expect merely people-to-people contacts and civil society interactions to lead to the advancement of the India-Taiwan relations. Even if it does, it probably will give us the unintended result such as strengthening the dependence for both India and Taiwan on the Chinese market, for example.

### Taking a Positive View of the Security Dimension

To advance the India-Taiwan relations, one cannot ignore the big elephant in the room- China. In the past, the concern for Chinese reaction has prevented the two sides from exploring certain areas such as the military cooperation. With China no longer concealing its military aggression against both India and Taiwan, the cooperation between the two countries should also shed this constraint.

India could gain much from Taiwan's experience in military intelligence relating to China, while Taiwan could learn a great deal from India's reading of Chinese military actions on land and on the sea. Although neither India nor Taiwan would expect military assistance from either during their respective conflicts with China, other actions such as the coordinated political signalling should be considered if contingency occurs. Taiwan's 'unofficial' defense attaché is already stationed in Taiwan's representative office in New Delhi. Reciprocal posting of India's defense attaché in Taiwan will help better facilitate information exchanges. Friendly ship visits to each other's ports and military academic exchanges could facilitate deeper cooperation and mutual benefit.

### Supply Chain Security with India-Taiwan Characteristics?

Since 2018, the world has started paying attention to Chinese ill-practices in high-tech manufacturing. The COVID-19 pandemic has further highlighted the

issue of manufacturing supply chain resiliency, particularly on the issue of over-dependence on 'Made in China'. The mode of production has also started changing from "just in time" to close-to-zero stocks, and now to "just in case" of multiplying source materials and production chains. Taiwan has been recognized as an important partner by countries wishing to establish a manufacturing base, and an alternative supply chain outside of China. India also has been mentioned as one of the potential countries as the next manufacturing giant, due to its abundant young labor pool. Companies like Apple already started to transfer some of its manufacturing operation for iPhones from China to India in 2019. The launch of the Supply Chain Resilience Initiative (SCRI) between Australia, India and Japan in April 2021 is a case in point.

Even though steps have been taken, several obstructions still exist. The labor unrest at the Foxconn's factory, one of Apple's major components suppliers in Chennai, lasted several weeks. The style of factory management and the discipline imposed upon workers irrespective of the cultural differences could be one of the reasons for this incident. But this case demonstrated the fact that re-establishing alternative supply-chains outside of China, won't be as simple as transferring Taiwanese factories from China or other places to India. There are many ingredients and tangibles associated with the local conditions which need to be considered in order to make this work.

Another important issue worth noticing in this episode is that this supply chain reorganization is not really undertaken by multinational companies in Taiwan or in India. The decision to move the supply chain out of China and re-establish it in India was largely influenced by Mountain View, California. New Delhi tries to grab the opportunity to house this production chain and Taipei is basically "watching" how this decision is impacting its partners. This speaks volume about Taiwan's role in the global supply chain across various sectors. It could be more meaningful if the decision for the movement of the supply chain is taken by Indians and Taiwanese together. In this case, not only will the decisions better accommodate the needs of both India and Taiwan, but also the two countries could play bigger policy roles in the outcomes that are significant to their respective economies.

For this to materialize, such a move needs to be supported by relevant policy infrastructure. For example, the 2018 India-Taiwan Bilateral Investment Treaty needs to incorporate other ingredients in order to generate the desired outcomes. If the components need to be imported from Taiwan or vice versa, face disadvantages in tariff rates, it could deter some Taiwanese companies with limited capacity to absorb the tariff loss and still continue to invest in India. Considering that mid- and

small-size manufacturers compose the majority of Taiwan's manufacturing base, this aspect cannot be ignored.

To make the "Make in India" initiative work more efficiently, and establish an alternative supply chain outside China, in addition to the existing bilateral investment agreement, talks for the India-Taiwan Free Trade Agreement could be initiated. It also makes sense to extend the SCRI and the various sectoral-based supply chain building in the Quad to include Taiwan. Both moves make both economic and strategic sense.

### **Reducing Reliance on Chinese Market: Increasing Market Potential for Taiwan and India**

Seemingly, Beijing will rely on its domestic market to propel its economy. We probably will start to see less "Made in China" goods flooding the world market, and more efforts will be made by Chinese officials to draw other countries to economically integrate further with China. This "reversal of dependence" although might lessen trade deficit pressure for some countries, could create different sets of security concerns as we know China is prone to use its market as a political weapon.

The Philippines experienced the loss of its banana export to China in 2010, Japan experienced a loss of rare earth material imports from China in 2012, Australia has been experiencing a denial of export of coal and lobsters to China since 2020, and several Taiwanese agricultural products such as pineapples, wax apples and sugar apples were banned for imports to China in 2021. Even for a country with limited direct economic interactions such as Lithuania, Beijing pressurized Lithuania's major trading partner in Europe (German companies in this case) to not use made in Lithuania components in their products that are to be imported to China. Although such actions were not imposed on India thus far, there are ample examples cautioning us to be vigilant against vindictive economic retaliation by China.

One way to better prepare for shielding Indians and Taiwanese from possible Chinese weaponizing its own market against both countries would be to increase market access between the two countries. We need to harness the untapped potential for the benefit of sustained economic growth for both India and Taiwan. It will be more pertinent now, as the Regional Comprehensive Economic Partnership (RCEP) is officially in action this year. India and Taiwan both are not parts of RCEP

and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) as of now. This situation makes it even more vital to explore initiatives aiming to open, grow and integrate markets of India and Taiwan.

### **Modernizing India-Taiwan Relations in the Post-Pandemic Era**

Although now the world is bracing another COVID-19 variant namely Omicron and the post-pandemic period does not seem to be in sight for now, it is important to focus on the structural changes. Many constraints in India-Taiwan relations in the past have been either removed or changed fundamentally. Both countries also see their respective places in in strategic, economic and technological spheres being lifted significantly. It is time to take initiatives to "modernize" the relations and recognize its critical importance and potential for both countries in order to better prepare for the coming challenges and opportunities of the post-pandemic era. ■

The background image shows a CH-47 Chinook helicopter in flight, carrying the flag of Taiwan (the Republic of China flag) on a long pole. The helicopter is positioned to the left of the Taipei 101 skyscraper, which is the central focus of the image. The sky is overcast with grey clouds. The overall scene is a flag flyby during the Double Ten celebrations in Taiwan, 2021.

## India and Taiwan: Potential Areas of Security Cooperation

### Harsh V Pant

---

Director, Studies and Head of the Strategic Studies Programme at the Observer Research Foundation, New Delhi.

### Shashank Mattoo

---

Research Assistant with the ORF's Strategic Studies Program.

CH-47 Chinook helicopter carrying out a flag flyby during Double Ten celebrations in Taiwan, 2021



## India and Taiwan: Potential Areas of Security Cooperation

**Harsh V Pant**  
**Shashank Mattoo**

In an age of geopolitical flux and uncertainty, strategic alignments that were heretofore considered beyond the pale are attracting significant attention. Nowhere is this truer than for the India-Taiwan bilateral relationship. India's clashes with China in the icy reaches of the Himalayas in April 2020 shattered the delicately constructed consensus that had developed in the bilateral relationship since the late 1980s. At the same time, Taiwan's high-profile success in containing the COVID-19 pandemic and subsequent struggle with Beijing in its quest to secure a seat in the World Health Organization (WHO) brought the small island nation to global attention. While economic, educational and people-to-people ties between India and Taiwan have grown steadily over the past decade, the looming shadow of the One China Policy has thus far inhibited serious discussion of security cooperation between New Delhi and Taiwan. The deterioration of the understanding between India and China, India's increased willingness to adopt a more hardline position vis-a-vis Beijing and Taiwan's ongoing struggle with key security concerns necessitates a review of the possibilities for closer security cooperation.

At the outset, it is imperative to state that security ties between New Delhi and Taipei have remained stunted for a number of reasons. First, India's challenging but undoubtedly critical relationship with Beijing hangs Damocles-like over the relationship. While India has proven willing to more forcefully create strategic space for itself through initiatives like the Quad, security cooperation with Taiwan will run the risk of very publicly crossing the reddest of Beijing's red lines. Given this, New Delhi will be cautious about expanding security ties. Second, domestic politics in Taiwan remains somewhat fractured over the question of closer ties with India.[1] While 68 percent of the ruling DPP's supporters wish for closer ties with India even in the face of China's potential ire, that number drops to just 23 percent for supporters of the more China-friendly Kuomintang (KMT). In the absence of a clear consensus in Taiwan on closer ties with India, security ties may be perceived by Delhi as a bridge too far given that changes in administration may dampen enthusiasm for cooperation. Finally, while Taiwan's tussle with China over the WHO membership and incursions into the former's Air Defence Identification Zone (ADIZ) has garnered increased popular sympathy in India, a strong mutual understanding at the societal level does not exist in either country. A bold and undoubtedly controversial move to build enhanced security cooperation between both nations will undoubtedly require a degree of public support and understanding which is in short supply in present times.

With that said, there is much low hanging fruit that India and Taiwan can and should begin work on. Issue-based cooperation on a variety of security issues

remains in the interest of both countries. For example, both Taiwan and India face an unfavorable cybersecurity outlook. While the island nation suffers from close to 20-40 million cyberattacks a month on key infrastructure, an increasingly online India has also recorded an uptick in cyber-attacks.[2] Both nations also face challenges with countering disinformation and fake news that originates from both domestic and foreign actors with potentially devastating consequences for public trust and democracy. India's response to these crises is further complicated by a dilapidated and deficient cyber infrastructure that has seen only modest improvements in the years past. Yet, Taiwan's response to constant cyber-pressure and disinformation has been notably successful. By deploying a whole of society approach to countering disinformation that brings ordinary citizens, social media firms and the government together in a joint response, Taiwan has key lessons to offer India. The authors recommend that India joins Taiwan-led Global Cooperation and Training Framework (GCTF) that informally promotes joint cooperation on key issues between Taiwan and India-aligned powers namely the United States and Japan. By joining and co-hosting specific workshops on cybercrime and counter-disinformation strategy, India can not only acquire the knowhow it needs but can also lay the groundwork for closer relations between law enforcement agencies, diplomats and cybersecurity experts. Similar events and workshops on disaster resilience have attracted participation from the United Kingdom and Australia. Once again, India can work through the India-Taipei Association (ITA) and use the GCTF forum to informally advance discussion and cooperation on a range of key security issues confronting the relationship. Another key area for cooperation is non-traditional security concerns like Humanitarian Assistance and Disaster Relief (HADR). Both India and Taiwan are routinely beset by devastating natural disasters and have long since acquired key skill sets required to mitigate adverse consequences of such disasters domestically while deploying know-how to aid neighbouring powers afflicted by the same disasters. To boost cooperation in non-traditional security areas like disaster resilience, Taiwan can be accorded membership or observer status in India-led international efforts like the Coalition for Disaster Resilient Infrastructure (CDRI). The CDRI hosts a number of dialogues and networking events that would allow substantive discussion on areas of mutual interest and would also help build closer personal networks between Indian and Taiwanese officials.

Another facet of non-traditional security cooperation that has captured the attention of both the public and policymakers in a big way is health security. The onset of the COVID-19 pandemic and its very real consequences for human and economic security necessitate greater dialogue. Taiwan's highly efficient national health care apparatus offers a useful model for India's underdeveloped health infrastructure. Once again, utilizing the GCTF forum to discuss healthcare issues could help Taiwanese officials impart training and knowhow to their Indian counterparts. Internationally, India could consider voicing support for Taiwan's membership of the WHO. Indo-Taiwanese cooperation on New and Emerging



Strategic Technologies offers a blueprint for possible cooperation. A tightly knit consortium of government organizations like the Ministry of Science and Technology, universities and research labs have come together to jointly fund and develop key technologies of the future in Artificial Intelligence, Internet of Things (IoT) and nano-technology among others.[3] This relationship could be taken forward by involving India's Ministry of External Affairs' (MEA) fledgling New and Emerging Strategic Technologies (NEST) Division in the process that could help guide scientific research towards critical technologies for national security and competitiveness.

Relations between Indian and Taiwanese defense forces have also been quite restricted. While Taiwan maintains an informal defense attaché in Taipei Economic and Cultural Center (TECC), its representative office in New Delhi, India has not reciprocated with a similar gesture. Traditional methods of building ties between military establishments such as academic exchanges between defense universities and joint training at the Command and Staff Colleges have also been underdeveloped. While think tanks help facilitate informal dialogues, contacts between senior military commanders remain stunted given that participation by serving or retired military officers is unheard of. While bilateral military exercises may be perceived as a risky provocation, New Delhi and Taipei can lay the groundwork for increased defense cooperation with some immediate moves. First, MoUs can be concluded between Taiwan's National Defense University (NDU) and India's National Defense Academy (NDA). Taiwan's NDU represents a key center for strategic thinking on mainland China's strategic and military policy which would help the next generation of Indian defense service better understand what drives their northern neighbor's behavior. Academic exchanges between Taiwan's NDU and Indian think tanks can be made a more regular affair in place of the erratic engagement seen today. Secondly, Indian and Taiwanese think tanks can hold yearly Track 1.5 Summits that see participation of retired senior military officials, former Ambassadors and academic experts from both nations.

A crucial aspect of security cooperation will be constructing a domestic political consensus in both countries that will consistently defend deeper ties. To begin with, both countries can regularly exchange parliamentary delegations that will invariably raise awareness among key decision makers about the importance of the India-Taiwan relationship. Further, India and Taiwan's national political parties can sign MoUs that regularize exchanges and dialogue. Given that Taiwan's KMT remains somewhat skeptical about deeper India-Taiwan ties, political parties level dialogues can generate a better understanding within the KMT about the value of India-Taiwan ties. Following this, India and Taiwan can also resurrect the defunct India-Taiwan Cooperation Council that was established in 2006. Such an organization would bring together senior politicians, former diplomats and government officials, business leaders and scholars from both nations in an attempt to foster deeper understanding between the two countries. Such an

organization would also serve as a solid base of support for the relationship among the decision-making elite in both nations.

No discussion on India-Taiwan security relations can ignore the elephant in the room: China. Some of New Delhi's caution undoubtedly stems from the fact that any decision it makes on Taiwan must always cast a wary eye towards Beijing's reaction. While it may be argued that India's relationship with Taiwan should follow a strategic logic independent of Beijing, this is a view that carries little favor among India's foreign policy elite. However, there are some ways that New Delhi and Taipei can thread the needle and build security ties while managing Beijing. First, both sides can build ties through quiet diplomacy away from the glare of media scrutiny. In practical terms, both sides must frame its closer relationship as a natural consequence of the shared interests and values between New Delhi and Taipei. At all turns, both nations must downplay jingoism in the media and eschew high profile summits in favor of low profile but substantive institutionalization of the security relationship. Finally, India can also contemplate the creation of a "red line" in its security cooperation with Taiwan. Under such a policy, India can make clear that weapons transfers and joint military exercises are "red lines" that it will not cross in its relationship with Taiwan. However, issue-based cooperation in areas of mutual interest like cybersecurity and unofficial exchanges between retired government and military officials should be pursued.

The unsettled strategic environment around India and Taiwan has thrown up some rare opportunities that both sides must seize. Creative diplomacy and flexibility in strategic thinking are the need of the hour.

Harsh V Pant is Director, Studies and Head of the Strategic Studies Programme at Observer Research Foundation, New Delhi. Shashank Mattoo is a Research Assistant with the ORF's Strategic Studies Program. ■

#### Notes:

[1] Survey quoted in Timothy S. Rich, Andi Dahmer, Madelynn Einhorn, and Vasabjit Banerjee, "Taiwan's Relations with India : Partisan Divides", *The Diplomat*, January 25, 2020, <https://thediplomat.com/2020/01/taiwans-relations-with-india-partisan-divides/>.

[2] "How Taiwan Mitigates Cyber Might of China?", *Tech Observer*, July 25, 2021, <https://techobserver.in/2021/07/25/how-taiwan-mitigates-cyber-might-of-china>.

[3] For more details, see <https://www.most.gov.tw/india/en/detail/e119af15-e301-4716-b0c2-412ce373f658/>.



## Building Institutional Linkages with India: A Roadmap for Taiwan

### Jabin T. Jacob

Associate Professor, Department of International Relations and Governance Studies, Shiv Nadar University and Adjunct Research Fellow at the National Maritime Foundation, India.

The Statue of Unity, Kevadia,  
Gujarat, India



## Building Institutional Linkages with India: A Roadmap for Taiwan

Jabin T. Jacob

If Taiwan faces security challenges from China, and so does India, then it seems natural for the two countries to come together to find common grounds to address these challenges. But what is obvious need not always form the calculus in New Delhi. The prevailing wisdom has been that too close a relationship with Taiwan could have a negative impact on India's more important bilateral ties with China. It should not be surprising, therefore, that Indian diplomatic work with Taiwan has remained conservative over the years.

Under the circumstances, it might be Taiwan more than India that will need to do the initial heavy-lifting in order to progress the relationship beyond the casual rhetoric and episodic highs to a more sustained and sustainable as well as comprehensive partnership.

This essay begins by highlighting the need for identifying and using as foundation a set of principles that will drive the India-Taiwan relationship. It then turns to approaches Taiwan might adopt when dealing with India that are based on meeting India's interests both domestically and internationally. It is only a combination of both principles and the two-track approach that will enable Taipei to increase its value for New Delhi and, in turn, increase its diplomatic space both in India and elsewhere.

### A Matter of Principles

One of the weaknesses of the India-Taiwan relationship is that both sides have hitherto seen it as a largely transactional one. The Indians need Mandarin expertise and/or intelligence on China from Taiwan and the Taiwanese wish to both capitalize on India's large market and to use New Delhi as a source of greater diplomatic space and leverage for itself. However, such direct articulation of interests or quid pro quo approaches are seldom successful in international politics, in reality, certainly not in the short-run and certainly not when there is a considerable asymmetry involved as between India and Taiwan in terms of population size and diversity, economic strengths and regional diplomatic and strategic priorities.

However, the India-Taiwan relationship that first formally kicked into gear in the 1990s, has aged enough to come to some sort of a decision on where the two countries want it to go next. International circumstances are certainly propitious for them to scale up the relationship across sectors – the change in the tenor and texture of both the United States and India's ties with China as well as a general concern worldwide about the nature and consequences of economic engagement with China, for example.

However, it is crucial that the India-Taiwan relationship now be based on some common guiding principles that go beyond the transactionalism of security interests. In this context, the only way the relationship will achieve greater buy-in from across the political spectrum in these countries as well from their people is if it is based on their common political values. India and Taiwan need to both underline and practice their liberal, democratic identity in bilateral ties as well as in cooperation on regional and global issues.

### Identifying and Meeting India's Domestic Interests

How can Taiwan go about enlarging space for itself as well as its visibility in a country as large and diverse as India? One, it is important for the Taiwanese government to plug into official Indian narratives and priorities.

In interactions with central or state governments in India, the appropriate keywords are important such as, for example, 'Atmanirbhar Bharat' (self-reliant India), 'Make in India', or 'Smart Cities'. Equally important is to identify those programmes among the plethora of Indian central and state government projects where the most progress has been made – this is a way of figuring out what Indian government schemes work and what do not work – and focus Taiwanese capital and interest on supporting those most likely to succeed.

Two, Taiwan could focus on targeting Indian states. It needs to be underlined that Taiwan's efforts must devolve from targeting New Delhi to developing approaches for India's many and wide variety of states and other sub-national entities. Not only does each state deserve its own approach, it is necessary also to understand the political compulsions of individual states vis-à-vis the central government as well as each other. In the main, creating jobs is a top priority for all state governments. They are likely to be less constrained than the central government in terms of direct dealings with Taiwan and Taiwanese companies. This is an opportunity for Taipei to push its own companies to focus strategically not just in search of profits

but also by building and consolidating long-term relationships with specific states and the political leaders of these states, including the opposition leaders. These leaders could potentially have roles in the central government in the future.

Three, Taiwan should build up party-to-party ties. In democracies, all political parties matter, not just the one(s) in government. The two major political parties in Taiwan – the Democratic Progressive Party (DPP) [1] and the Kuomintang (KMT) – need to initiate 2+2 foreign and security policies dialogue with at least the two most important national political parties in India, the Bharatiya Janata Party (BJP) and the Indian National Congress (INC). This would build a culture and history of engagement and comfort doing so as well as eventually an identity of interests and certainly more than in the case of the more pro forma party-to-party ties that these two and other Indian political parties have with the Chinese Communist Party (CCP). Such 2+2 dialogue between Indian and Taiwanese political parties will also ensure that a party whether in government or in opposition will be more sensitive to the national interest concerns of the other country. If direct links with Indian political parties are difficult to get off the ground, then these interactions could start with the youth wings, labor wings or any other sectoral groupings within the Taiwanese political parties reaching out to their Indian counterparts.

### Identifying and Meeting India's External Interests

Next, what are those Indian foreign policy interests that Taiwan is best placed to support and to play an outside role while doing so?

An important example from the Cold War of a small country punching well above its weight is of Pakistan as a mediator between China and the United States. Pakistani diplomats often went to considerable lengths to get the two giants of international politics to come together and these efforts were finally successful in the United States opening up to the PRC in 1971 – an event, incidentally, of considerable negative impact on Taiwan.

There is no such power with which India will need Taiwan as an intermediary but there is an opportunity for Taiwan to promote and supplement India's image and role in not just major partners like the United States and Japan but also in those parts of the world such as Central and Latin America or the Pacific Island states where India's diplomatic reach remains limited and where Taiwan retains many diplomatic allies.

The results might not be as spectacular as what Pakistan helped achieve in the case of the United States-China ties but many such individual efforts by Taipei can add up to substantial gains for both countries. A case in point is India's offering the COVID-19 vaccine supplies to Paraguay, a diplomatic ally of Taiwan's that was being enticed by Beijing with its own supplies. New Delhi agreed to Taipei's request for assistance while the latter defrayed the costs.[2]

Following this, Taiwan and India could target specific projects of geopolitical impact. Joint capacity-building in Central America and the Pacific Island states among Taiwan's diplomatic allies is important but joint infrastructure projects in more sensitive and, therefore, also visible geographies – South Asia and Southeast Asia – must follow these efforts. How quickly they will follow depends on the level of risk-taking and capital investment both countries are capable of. For India, it must be underlined, there is more to lose than Taiwan will by going public with or pushing these sorts of projects.[3] To reiterate, therefore, the opening efforts for several years at least must come from Taipei.

Similarly, consider, for instance, the establishment of diplomatic ties between Taiwan and Somaliland in 2020 and the potential for the Republic of China (ROC) Navy to return to the Indian Ocean. This leads to an important question : What can India and Taiwan do together in Somaliland that has the effect of offsetting Chinese influence in the Indian Ocean region?[4] Along similar lines, a more important effort would be India-Taiwan cooperation in the South China Sea – training for Indian midshipmen on board Taiwanese vessels and exchange of naval intelligence, for example.

A still easier approach for Taiwan might be the appointment of retired Indian military officials as visiting or adjunct faculty at Taiwanese military training establishments such as its National Defense University (NDU) or even hiring them for specific tasks in the Taiwanese armed forces – it would be a good opportunity for Taiwan to also reduce its dependence on the United States and is appropriate also from the point of view of the fact that the Quad where India and the United States are both members has seen a revival. There are several such retired Indian military personnel who already serve in friendly militaries around the Indian Ocean region to which the Indian government does not object, and which then is a form of military diplomacy among the parties involved. Over time, this could grow to Taiwanese faculty being similarly placed at India's defense training institutions and deeper linkages between the security establishments.



Finally, Taiwan and India could use their existing multilateral partnerships and linkages to promote their own ties. The Indian government and its institutions have multiple linkages with international organizations and groupings. Taiwanese parliamentarians, for example, could use legislative caucuses in India and other like-minded democracies not just bilaterally but also multilaterally to create occasions to meet, engage and work together on issues of common interest. Taiwan could consider joining or engaging with India-European Union parliamentary groupings or alliances of parties using parliamentarians in these countries supportive of Taiwan. This has the advantage of often being out of the control of the governments in these countries owing to the principle of separation of powers in democracies. Similarly, since India has a growing interest in green energy and has promoted the International Solar Alliance (ISA), Taiwanese authorities and companies can see what they can do to support this and other such international initiatives of the Government of India.

## Conclusion

Whether at the bilateral level or in a more multilateral setting, as important as issues of "high politics" may be for India and Taiwan, political dialogues on issues of "low politics" including of international trade, investment, technical standards and human rights will also be essential. These are issues where considerable numbers of institutions in the form of government departments and agencies, universities, research institutes and think tanks in both countries can play a more active role than they have hitherto. A primary objective is for the individuals and institutions involved to develop habits of regular engagement and cooperation in order to put the larger bilateral relationship itself on a stronger footing.

India increasingly has reasons to rethink its approach to ties with Taiwan. The central one is of self-interest but India will also find logic in keeping itself in step with recent developments in different parts of the world that have involved greater openness and engagement with Taiwan. For Taipei, it remains to lend such potential greater impetus with its own initiative. ■

## Notes:

[1] The DPP has already engaged in such a dialogue with Japan's Liberal Democratic Party at the latter's request in August 2021. For detail see, Wen Kuei-hsiang, Kuo Chien-shen, Chiu Kuo-chiang and Emerson Lim, "Taiwan, Japan Ruling Parties Hold First Security Talks", Focus Taiwan, August 27, 2021, <https://focustaiwan.tw/politics/202108270012>.

[2] "India helped Paraguay get COVID-19 vaccines despite China pressure : Taiwan", April 7, 2021, Channel News Asia, <https://www.channelnewsasia.com/news/asia/covid-19-coronavirus-vaccine-taiwan-china-paraguay-india-14573414>.

[3] This explains why India has denied helping Paraguay at Taiwan's behest. "India rejects report of Taiwan's Role in Arranging Vaccine Supplies to Paraguay", Hindustan Times, April 8, 2021, <https://www.hindustantimes.com/india-news/india-rejects-report-of-taiwan-s-role-in-arranging-vaccine-supplies-to-paraguay-101617900647486.html>.

[4] For more on this aspect, see Jabin T Jacob and Roger C Liu, "Returning to the Indian Ocean : Maritime Opportunities Arising from Taiwan's New Ties with Somaliland", National Maritime Foundation, July 22, 2020, [https://maritimeindia.org/taiwan\\_somaliland/](https://maritimeindia.org/taiwan_somaliland/).



## Synergies between the Act East Policy and the New Southbound Policy

**Srikanth Kondapalli**

Professor at the Centre for East Asian Studies at School of International Studies, Jawaharlal Nehru University, New Delhi.

Taiwan's renowned Dajia Mazu Pilgrimage, April 9, 2021





### Srikanth Kondapalli

Over the past decades, countries have proposed a number of policy initiatives reflective of changing balance of power at the global and regional levels. The relative decline of the United States and the rise of China in the international system have triggered a rethink among a number of countries on self-help measures and finding their moorings.

In 2013, China unveiled its Belt and Road Initiative (BRI) to project its party-state apparatuses and its state-owned enterprises for the dual use of "five connectivities" across Asia, Europe and Africa. However, the BRI projects have come under intense scrutiny for creation of indebtedness, encroachment on sovereignty rights of nations, opaqueness in transactions and negative environmental fallout.

The United States initially floated a Pivot to Asia/Rebalancing to Asia and Pacific strategy that was reconfigured as the Indo-Pacific in 2017 and the gradual unveiling of a Quadrilateral Security Dialogue (Quad) and the AUKUS (Australia, UK and the US security cooperation). The United States also took the lead in the B3W (Build Back Better World) initiative of quality and sustainable infrastructure projects. However, in recent years, the United States increasingly appears to be looking inwards, leaving the field wide open for new actors (such as China).

In the light of these larger dynamics, India and Taiwan are also attempting to contribute in establishing the rules-based order- the former, by pursuing the Act East Policy since 2014 (an updated avatar of the 1992 Look East Policy), while the latter launched the New Southbound policy (which is sometimes referred to as the next phase of the 1990s-2000s Go South Policy). India is also a part of the larger initiatives such as B3W (Build Back Better World), North South Transport Corridor, Asia-Africa Growth Corridor (AAGC), Supply Chain Resilience Initiative, International Solar Alliance (ISA) and others.

Both of these policy initiatives by India and Taiwan are significant, intended to protect and project their respective interests, overcome any marginalization trends and expand their influence further. Both Initiatives reflect their respective national objectives and showcase a new thinking of confidence and resurgence to take the initiatives in their own hands.

India announced the Act East Policy with commerce, connectivity and culture (3Cs) as focal areas in its engagement with the East and Southeast Asian countries. India also began connecting to its vast diasporic population abroad in mutually beneficial outcomes. It has also stepped up maritime and defence ties with the region given the militarization of the South China Sea and other areas.

As a result, today India's profile in the region has been enhanced, interactions at the bilateral and multilateral levels are intensified and trade and investments are expanded. India is a member of several multilateral initiatives such as the ASEAN Regional Forum (ARF), East Asian Summit (EAS), and has comprehensive economic partnerships with Japan, South Korea, and the ASEAN. It is potentially in talks with Taiwan on a free trade agreement but neither side has accepted or denied this yet. At the Shangri La dialogue in 2018, India's Prime Minister Narendra Modi committed to an inclusive Indo-Pacific architecture with the ASEAN unity and centrality at the core of India's Indo-Pacific vision.

India's trade and investments in the region also made significant strides with nearly half of its trade emanating with the countries in the region. In the maritime domain, it initiated port construction at Sabang in Indonesia and made arrangements for berthing at Na Throng and Hai Phong in Vietnam. India entered into defence cooperation with South Korea with which the latter is supplying minesweepers and other equipment, while with Japan it has a 2+2 dialogue (with foreign and defence ministers) on maritime, space, economic and technological cooperation.

India's Act East Policy is geared and flexible to overcome larger challenges in the region. More recently, killing of 20 Indian soldiers in June 2020 by the Chinese troops, who disregarded the border protocols of 1993, 1996, 2005 and 2013 between the two armed forces, and surfacing of Chinese submarines in the Indian Ocean, while imposing curbs on shipping in the South China Sea, will have to be factored into India's policy response.

In the case of Taiwan, China's frequent forays in the Taiwan Strait or even armed intrusions on the median line and beyond have created existential challenges to its security and economy despite Taiwan's investments in China and the contribution it has made to China's rise.

Overdependence on the Chinese market has also exposed Taiwan's vulnerabilities. Since the 1980s, Taiwanese business talent, companies (over 100,000), cutting edge technologies and investments (nearly US\$ 188 billion) have moved to China, taking

advantage of low wage labour and incentives offered since Deng Xiaoping's reform policies. Taiwan also toyed with the idea of an economic cooperation framework agreement with China. Example being the 2010 cross-Strait Economic Cooperation Framework Agreement (ECFA).

China's insistence on non-peaceful means of reunification, revival of "1992 consensus" (with the Kuomintang), and other measures have led to concerns in Taiwan. In the past year, China's armed forces have wilfully intruded into Taiwan's Air Defense Identification Zone (ADIZ), surrounded the island with the Liaoning aircraft carrier and launched over 3,000 sorties across the Taiwan Straits. In October 2021, China flew as many as 200-odd aircraft of different capabilities to intimidate Taiwan.

The September 2016 adoption of the NSP is aimed at a wide geographical space in 18 countries of Southeast and South Asian region, including the 10 ASEAN member states, Australia, New Zealand, and six South Asian countries. It also intended to expand regional connectivity, economic and trade cooperation, talent and resources exchanges.

### Synergies

Several prospects abound for the confluence of India and Taiwan in many fields that are mutually beneficial in nature. In recent times, there have been efforts to evolve synergies between India and Taiwan in a number of areas of mutual interest. In the past, India and Taiwan have had several missed opportunities where they could have worked with each other. Some examples include India's expectations of Taiwan's support during the Chinese war against India in 1962; India's request to Taiwan for a bail out during the 1991 India's economic crisis, and even during the nuclear tests in 1998. Taiwan, likewise, has sent feelers to India for support, during the phases of Chinese assertiveness, and during the growing intensity in cross-Strait tensions in recent years, which has so far been met with no major change in the Indian policy.

To evolve synergies, several commonalities should be explored and pursued. Both India and Taiwan are democracies – termed as largest and newest respectively, with Taiwan taking the plunge since the 1990s. Both have rule of law and transparent mechanisms verified and made accountable by an independent judiciary and free press. Both have separation of powers and checks and balances in governance structures. Both are members of the World Trade Organization (India since 1948 in

GATT and at WTO since 1995, while Taiwan is at WTO since 2002) and implement market economy principles of varying degrees.

India and Taiwan are members of several multilateral institutions. However, both are dissatisfied with the performance of these institutions. India, for instance, has recently called for revamping these institutions and usher in "reformed multilateralism" to keep up with the new challenges of the twenty-first century. Taiwan, likewise, barred as it were from the United Nations and other bodies, has called for "new internationalism" with focus on evolving sustainable and long-term friendly relations. This convergence in each other's positions need to be further explored.

However, despite these commonalities, bilateral relations have not exhibited spectacular growth owing to geopolitical constraints, lack of interest or initiatives by their respective leaderships, unnecessary fears of reprisal from Beijing or other problems. The common refrain is that geographically both are far apart – expressed in an exasperated manner as "tai yuan le". Of course, both do not consider each other as a challenge to their respective national security.

To be fair, both attempted to adopt several measures to synergize cooperation. In order to promote bilateral understanding, the two sides institutionalized the relations through the establishment of the form of India-Taipei Association (ITA) and Taipei and Taipei Economic and Culture Centre (TECC) in New Delhi since 1995, and TECC in Chennai since 2012. Bilateral Investment Treaty in 2018 and Double Taxation Avoidance Agreement (DTAA) in 2011 were signed. Both sides even attempted to study prospects for implementing a free trade area in 2011 but in vain.

Taiwan has invested over US\$ 2 billion in India and according to Foreign Minister Joseph Wu, with these investments, Taiwan has generated 65,000 jobs for Indians. Over a hundred Taiwanese companies have commenced business operations in India. Bilateral trade increased from US\$ 1.2 billion in 2001 to US\$ 7 billion in 2019, but then declined to US\$ 4.8 billion in 2020 owing to the spread of the pandemic and other reasons.

In talent build-up, over two thousand Indian students are studying in Taiwan in various disciplines. Nearly a million students from India go abroad for studies mainly in engineering, medical sciences and other disciplines. Hence, there is a huge potential in this sector. Collaborations with universities and think



tanks have increased with Taiwan setting up educational centres in at least 21 Indian universities to impart Mandarin language and other subjects. India has a demand for nearly 6,000 Mandarin language teachers and hence, this provides an opportunity for Taiwan in its talent strategy.

India has over 1.3 billion people with an estimated 520-million consumer market base. It consumes nearly 60 percent of consumer durables and other products in its GDP. Younger demographic profile at an average age of about 26 years offers huge opportunities. Its economic growth rates are increasing, barring the epidemic years. Its IT software and pharmaceutical industry is globally famous with the latter coming to the partial rescue of the pandemic affected world. With training programmes in the skilled labour force, Taiwan has a huge opportunity in the Indian market, which remains to be fully explored.

### Challenges for India and Taiwan

Despite such prospects for synergies, India and Taiwan are aware of the constraints in enhancing bilateral relations and integrating their respective Act East and New Southbound policies. Foremost is the challenge of China that binds most countries in a constraining embrace of the One China Policy. While the United States since 2019 has lifted self-imposed restrictions from its Taiwan policy, India is yet to take steps towards this direction.

Even though India has not reiterated the One China Policy since 2010, despite the active involvement of China in raising Kashmir issue at the United Nations Security Council in the past three years, support to insurgency in India's Northeast and the killing of 20 Indian soldiers at Galwan in June 2020, New Delhi is yet to adopt a revised Taiwan policy.

Although one of the focal areas of the NSP is to link up in a constructivist manner with non-governmental organizations and civil societies abroad, Taiwan's progress in this regard is much to be desired. While Taiwan fanned out into different directions and domains in India in recent times, the pace of such interactions also needs to be increased for the policy to yield positive results.

India is growing economically and despite the COVID-19 disruptions, most major predictions suggest to higher GDP growth rates owing to robust performance in the manufacturing index, stock exchange rebound, jumping several notches in the

ease of doing business, younger demographic profile, increased investment flows, fast growth in start-ups, massive vaccination drive across the country (with over 1.3 billion doses already administered) and the overall stability in the markets. Yet, despite this rebound, Taiwan's investment flows are just a small percentage in India, as with the trade figures. India's economic footprint in Taiwan is also miniscule and this needs to be radically changed for mutual benefit.

India's maritime policy considers the Indian Ocean as its primary area of responsibility while the Persian Gulf and the South China Sea are of secondary area of responsibility. In the light of the militarization of the South China Sea and the recent moves to implement territorial sea and restrict international commerce in violation of the international laws, India has been paying significant attention to this region. It has joined the Southeast Asian countries in implementing the ASEAN centrality and preserving their unity. It has also conducted several maritime exercises individually and jointly with countries at both regional and multilateral levels. However, the glaring weakness of such efforts is the lack of a base or a replenishment facility in the event of skirmishes in the region. Taiwan with its significant presence in Itu Aba Island is well-placed to evolve synergies with India in the maritime domain. Maritime surveillance is another area worth exploring.

All things considered, the prospects for India's Act East and Taiwan's New Southbound policies to complement each other are immense. While challenges abound in evolving synergies, the leadership in both countries need to think out of the box for further progress in this regard. ■

# India-Taiwan IT and Cyber Cooperation: Potential and Challenges

**Sameer Patil**

Senior Fellow at the Observer Research  
Foundation, Mumbai.

View of Taiwan's iconic  
skyscraper, Taipei 101, just  
before a typhoon, showing  
rarely seen colors





Sameer Patil

## Introduction

Globally, cyberattacks are the new normal in geopolitical ambitions and rivalries. Exploiting their adversaries' dependence on information, communication, and digital technologies, states have breached computer networks, stolen sensitive data and proprietary information, and disrupted critical infrastructure operations. In many cases, states have used non-state actors as proxies to carry out cyberattacks. This has blurred the distinction between state and non-state actors, making cyberwarfare the most significant new threat to international security. Moreover, adversarial states and cyber saboteurs have capitalized on the opportunity offered by the COVID-19 pandemic to expand their destabilizing activities in cyberspace.

## Shared Cybersecurity Outlook

For years, India and Taiwan have been at the receiving end of China's offensive cyber operations. They face similar threats- China-linked hacking syndicates have frequently targeted both the countries' government computer networks, financial sector, and critical national infrastructure. Given the cyber threats' transnational character and constant advancement, both countries cannot tackle them independently and require collaboration and support from other like-minded states. This makes it imperative for New Delhi and Taipei to initiate bilateral cybersecurity cooperation, even if informally.

China's offensive cyber operations have been an extension of its territorial disputes with India and Taiwan. In recent years, Beijing has adopted an increasingly confrontational attitude in asserting its territorial claims—as evident from the prolonged border standoff in eastern Ladakh between Indian and Chinese armies and the June 2020 violent Galwan clash as well as China's egregious and repeated violations of Taiwan's Air Defense Identification Zone (ADIZ).

China has used cyber warfare as a prominent element of its gray zone operations against its neighbors and has tweaked the intensity of cyberattacks to send political signals. For instance, during the Ladakh standoff, India faced an escalated offensive cyber campaign from China-based hackers. Recorded Future, a US-based cyber security firm, noted that since mid-2020, a China-linked hacker group called

the RedEcho had attacked the Indian power sector, two Indian ports, and some parts of the railway infrastructure.[1] Likewise, another report from a Singapore-based company, CyFirma, highlighted that a Chinese-state-backed hacking group had targeted computer networks of two Indian vaccine makers- Bharat Biotech and the Serum Institute- whose vaccines are part of not just domestic vaccination programme in India but also India's vaccine diplomacy initiative.[2] These attacks demonstrate that China has leveraged its offensive cyber capability as a tool of coercion.

## India's Expanding Threat Landscape

For the last few years, India has witnessed the remarkable persistence of China's offensive cyber operations. One of the most significant and sophisticated operations was the APT30 operation, carried out by a China-based hacking syndicate, most likely state-sponsored.[3] This decade-long espionage operation harvested information from Indian computer networks on geopolitical issues relevant to the Chinese Communist Party (CCP), including the India-China border dispute and Indian naval and maritime activity in the South China Sea. A related challenge is what all democracies face from authoritarian regimes- the disinformation campaigns. India saw this during the Doklam crisis of 2017 and the ongoing border standoff in eastern Ladakh.

Despite facing these sustained attacks, India has not publicly attributed them to China. But as noted earlier, there is enough technical and anecdotal evidence suggesting Chinese involvement. As the frequency and intensity of Chinese offensive cyber campaigns against India increases, India may have to revisit its position of not attributing attacks to China or China-backed hackers' syndicates.

## Taiwan's Enduring Cybersecurity Concerns

Taiwan faces similarly persistent and penetrating cyberattacks from China. According to one estimate, Taiwan faces 30 million cyber-attacks every month- an average of 700 attacks every minute, most of them emanating from China.[4] For instance, as compared to 2018, in 2020, cyberattacks against Taiwan's Ministry of Foreign Affairs increased 40-fold and most originated from the Chinese sources.[5] Moreover, as per media reports, the frequency of attacks was staggering - 2,100 per day, demonstrating the hackers' resolve to breach the ministry's cyber defenses at any cost.

Likewise, in August 2020, Taiwanese authorities had held Chinese government-linked hacking groups responsible for a two-year-long campaign against at least ten government agencies. Targets also included at least four tech companies that had been providing information services to the government.[6] In this campaign, hackers breached approximately 6,000 email accounts of the government officials to steal classified information. In addition, Chinese offensive operations have stolen data and disrupted the functioning of some critical business sectors. For instance, in May 2020, CPC Corporation, Taiwan's state-owned petroleum company could not process payments at fuel stations after China-based hacking syndicate Winnti Group breached the company's networks.[7]

Such confrontation in cyberspace is a critical element of China's hybrid warfare and intimidation campaign against Taiwan. As an American scholar, Ryan Hass from the Brookings Institution noted, Beijing has used many tools to pursue this strategy, including "squeezing Taiwan's economy to suffocate its connections to the outside world." [8] He adds, "Above all, Beijing seeks to persuade the people of Taiwan that they are isolated and vulnerable and that their future security and prosperity can only be assured by Beijing."

Just like India, Taiwan too faces China's disinformation and propaganda. For example, when Taiwan saw a spike in the COVID-19 infections earlier this year, China circulated false information regarding the virus' spread. The onslaught of this disinformation campaign forced the government to accuse China of engaging in cognitive warfare against Taiwan to spread distrust against the authorities and undermine social stability.[9] According to Taiwanese officials, an estimated one-fourth of pandemic-related disinformation is believed to have originated from China.[10]

### **Worsening Impact of Cyber Crimes**

Besides the state-sponsored cyberattacks, both India and Taiwan also face threats from the growing specter of cybercrimes. In one of the most significant cyber breaches in Taiwan's history, in July 2016, the First Commercial Bank reported that cybercriminals based in Russia and Eastern Europe had stolen more than US\$ 2.63 million from 41 ATMs at 22 of the bank's branches across the country.[11] This incident was linked to the Carbanak, a cybercriminal gang that targeted banks all over the globe between 2013-18 and profited to the tune of € 1 billion.[12] Ultimately, the bank recovered most of the money, approximately US\$ 2.44 million, but the incident brought to fore the advanced techniques employed by the cybercriminal

syndicates.[13] Moreover, Taiwan's lack of membership of Interpol, coupled with the absence of mutual legal assistance treaties with other countries, made investigators' job even more difficult in apprehending the foreign perpetrators of crime.

India's experience is no different. The country's rapid and greater adoption of digital payment systems in recent years has also brought with it an expanded threat of cybercrime.[14] India's financial sector and banks have remained the most sought-after target of hackers and cybercriminals. In 2016, a social engineering-enabled malware attack on the Union Bank of India's foreign exchange accounts allowed hackers to execute payment to the tune of US\$ 170 million. Fortunately, the breach was detected in time, which allowed the bank to prevent the fraudulent transaction. But in several other similar cases, the money has been lost without a trace. In investigating such cases of cybercrimes, Indian investigators have faced difficulties in accessing data stored on servers abroad. An emerging concern in cybercrime canvas is also the menace of ransomware. A recent study from Microsoft has revealed Taiwan to be one of the top five countries in the region, witnessing the biggest surge in ransomware attacks in the past 18 months.[15] As per a study from Sophos cybersecurity firm, India has been one of the top ransomware victims.[16]

### **Policy Priority Given to Cybersecurity**

Faced with such rampant cyber threats, Taiwan has created an extensive network of institutions, including the Information, Communications, and Electronic Force Command under the Ministry of National Defense and Cybercrime Investigation Unit under the Ministry of Justice Investigation Bureau.[17] The ministry had also set up a cyber forensics laboratory in 2006.[18] Similarly, India has established dedicated agencies to deal with cybersecurity's legal, security, technical, and defense elements. It operates under the Ministry of Home Affairs, the Indian Cyber Crime Coordination Centre, the lead agency for tackling cyber-crimes in India.[19] The country also operates a national Computer Emergency Response Team (CERT) and sector-specific CERTs, which function as specialized agencies to deal with cyber threats. In addition, India recently activated the Defense Cyber Agency, a tri-service command of the military to handle cyber threats.[20]

### **Potential for Robust Bilateral Cyber Collaboration**

Given the focus on tackling cybersecurity challenges, there are opportunities for the two sides to build on these shared threats and common synergies. For example,



Taiwan has established itself as a hub of technological innovation, and India has become an Information Technology and software hub. Therefore, cybersecurity presents an excellent avenue for hardware and software cooperation between the two countries. In addition, both sides can collaborate to reduce hardware dependency on China by leveraging Taiwan's know-how in semiconductor chip manufacturing. This will also contribute to the diversification of supply chains.

One critical area for more extensive bilateral cooperation is to create a "framework for attribution" for cyberattacks. This will comprise a technical analysis of threat vectors, the role of non-state actors, and applicable legal frameworks for cyberattacks. Globally, there has been a move towards delineating an attribution framework to bring some form of accountability in cyberspace. So, if India and Taiwan collaborate to evolve such a framework, it will bring to fore China's reliance on proxies for its offensive cyber operations. Another area for cooperation is encouraging informal collaboration between respective law enforcement and technical agencies like national CERTs.

Securing critical infrastructure from cyberattacks by sharing best practices and identifying opportunities for the industry to contribute to this endeavor can be another domain. Developing standards for incident reporting for critical infrastructure operators presents a promising avenue for potential collaboration between India and Taiwan. Both sides can also join hands to stress-test the resilience of their critical infrastructure to fine-tune their crisis management plans.

Combating cybercrime is another exciting avenue for bilateral collaboration by identifying opportunities for capacity building in cybercriminal investigations and digital forensics. To minimize opportunities for mischief for cyber saboteurs, it is critical to focus on cyber hygiene and increase cybersecurity awareness of the people against cyber threats, cybercrimes, and propaganda and disinformation campaigns. Moreover, as cybercriminals shift their focus from everyday internet to murky alleys of the darknet, raising people's awareness about deep web phenomenon, encryption, ransomware, crypto-currencies is necessary. India and Taiwan can explore this domain to devise ways to increase their population's resilience against these developing threats.

Another way that India and Taiwan can carve out potential collaboration is by utilizing multilateral forums. For instance, regionally, at the Asia-Pacific CERT level, both can address the technical dimensions of cybersecurity. Similarly, both can explore using the Financial Action Task Force forum to curb the instances of money laundering involving cybercrimes and ransomware attacks. Besides these, Taiwan

can consider upgrading India's involvement in the Global Cooperation and Training Framework (GCTF) forum to discuss issues related to cybersecurity and cybercrime.

Finally, under their respective policy frameworks of the Act East and New Southbound, both countries can explore potential opportunities to work together for cyber capacity building programmes in the Indo-Pacific region countries.

## Conclusion

Undeniably, there are certain political realities that this area of cooperation will encounter, like Taiwan's lack of membership from most global multilateral institutions and platforms, including Interpol. Moreover, any potential bilateral collaboration risks further escalating offensive cyber operations by the CCP against India and Taiwan. It is precisely this hostile Chinese attitude that such partnership seeks to counter. Thus, while hostility and dispute with China may define the urgency of this cooperation, it should not determine its endurance. ■

## Notes:

[1] Insikt Group, "China-linked Group RedEcho Targets the Indian Power Sector Amid Heightened Border Tensions," Recorded Future, February 28, 2021, <https://www.recordedfuture.com/redecho-targeting-indian-power-sector/>.

[2] "Chinese Hackers Target India's Serum Institute, Bharat Biotech : Report," NDTV, March 1, 2021, <https://www.ndtv.com/india-news/chinese-hackers-target-india-s-serum-institute-bharat-biotech-report-2381309>.

[3] "Threat Research: APT 30 and the Mechanics of a Long-Running Cyber Espionage Operation," FireEye, April 2015, <https://www2.fireeye.com/rs/fireeye/images/rpt-apt30.pdf>.

[4] Audrey Tang and Joseph Wu, "Why Taiwan Seeks Israel's Help to Combat Cybersecurity Threats – Opinion," The Jerusalem Post, July 26, 2021, <https://www.jpost.com/opinion/why-taiwan-seeks-israels-help-to-combat-cybersecurity-threats-opinion-674983>.

[5] Matthew Strong, "Cyberattacks on Taiwan's Ministry of Foreign Affairs Increased 40-Fold in 2020," Taiwan News, March 3, 2021, <https://www.taiwannews.com.tw/en/news/4164261>.

[6] Yimou Lee, "Taiwan Says China Behind Cyberattacks on Government Agencies, Emails," Reuters, August 19, 2020, <https://www.reuters.com/article/us-taiwan-cyber-china-idUSKCN25F0JK>.

[7] "Bureau Names Ransomware Culprits," Taipei Times, May 17, 2020, <https://www.taipeitimes.com/News/taiwan/archives/2020/05/17/2003736564>.

[8] Ryan Hass, "A Broad View Provides the Best Insight on Taiwan's Strengths and Vulnerabilities," Brookings, March 22, 2021, <https://www.brookings.edu/blog/order-from-chaos/2021/03/22/a-broad-view-provides-the-best-insight-on-taiwans-strengths-and-vulnerabilities/>.

[9] Sophia Yang, "Taiwan health official warns of China's 'cognitive warfare' ", Taiwan News, May 22, 2021, <https://www.taiwannews.com.tw/en/news/4208260>.

[10] See n. 4.

[11] "A Brief of First Commercial Bank ATM Heist Investigated by MJIB," Ministry of Justice Investigation Bureau, December 6, 2016, <https://www.mjib.gov.tw/EditPage/?PageID=ee95cdc2-ec2f-4c2f-be44-50e09a173ddb>.

[12] "Mastermind behind EUR 1 billion cyber bank robbery arrested in Spain," Europol, March 26, 2018, <https://www.europol.europa.eu/newsroom/news/mastermind-behind-eur-1-billion-cyber-bankrobbery-arrested-in-spain>.

[13] Shun-Yung Kevin Wang, Ming-Li Hsieh, Charles Kuang-Ming Chang, Pin-Syuan Jiang, and Douglas J. Dallier, "Collaboration between Law Enforcement Agencies in Combating Cybercrime : Implications of a Taiwanese Case Study about ATM Hacking," International Journal of Offender Therapy and Comparative Criminology, vol. 65, no. 4, March 2021, pp. 390–408.

[14] Sameer Patil and Sagnik Chakraborty, "A Cybersecurity Agenda for India's Digital Payment Systems," Gateway House, Paper no. 20, September 2019, [https://www.gatewayhouse.in/wp-content/uploads/2019/10/Digital-Payments\\_FINAL.pdf](https://www.gatewayhouse.in/wp-content/uploads/2019/10/Digital-Payments_FINAL.pdf), 10.

[15] "Taiwan Ransomware Attacks Spike," Taipei Times, July 7, 2021, <https://www.taipeitimes.com/News/biz/archives/2021/07/07/2003760401>.

[16] "The State of Ransomware 2021," Sophos White Paper, April 2021, <https://www.sophos.com/en-us/medialibrary/pdfs/whitepaper/sophos-state-of-ransomware-2021-wp.pdf>.

[17] Huang Ming-chao, "Taiwan is Crucial to the Global Fight Against Cybercrime," The Diplomat, December 3, 2020, <https://thediplomat.com/2020/12/taiwan-is-crucial-to-the-global-fight-against-cybercrime>

[18] "Cyber Crime Prevention and MJIB Cyber Forensics Laboratory," Ministry of Justice Investigation Bureau, accessed December 6, 2016, <https://www.mjib.gov.tw/EditPage/?PageID=a10a8c07-73c4-44b8-ac6c-e85a3911eec6>.

[19] "Details about Indian Cybercrime Coordination Centre (I4C) Scheme", Ministry of Home Affairs, Government of India, [https://www.mha.gov.in/division\\_of\\_mha/cyber-and-information-security-cis-division/Details-about-Indian-Cybercrime-Coordination-Centre-I4C-Scheme](https://www.mha.gov.in/division_of_mha/cyber-and-information-security-cis-division/Details-about-Indian-Cybercrime-Coordination-Centre-I4C-Scheme).


[20] "Raksha Mantri Reviews Defence Cooperation Mechanism", Press Information Bureau, Ministry of Defence, Government of India, June 6, 2019, <https://pib.gov.in/Pressreleaseshare.aspx?PRID=1573610>.



# India-Taiwan Economic Relations under Taiwan's New Southbound Policy

**Kristy Hsu**

Director of the Taiwan ASEAN Studies Center at the Chung-Hua Institution of Economic Research and Non-Resident Fellow at TAEF.



Aerial view of a typical Taiwanese night market, an important part of Taiwan's economy and an indispensable part of its cultural landscape



## Kristy Hsu

2020 marked the twenty-fifth anniversary of the establishment of the representative offices of India and Taiwan in each other's capitals. In the last quarter of a century, both sides have collaborated in a wide range of areas. India and Taiwan have signed bilateral agreements in areas such as trade and investment, aviation, agriculture, higher education, small and medium enterprises, customs affairs, Information and Communications Technology (ICT), double taxation avoidance agreement and investment protection agreement.

Bilateral economic relations between India and Taiwan are mainly driven by bilateral trade and investment along with increasing exchanges in education, technology and services, which in general support an enhanced economic partnership of mutual interest and benefits. The updated India-Taiwan Bilateral Investment Treaty was the last agreement that was signed on December 18, 2018 and went into effect on February 14, 2019. The agreement is expected to encourage Taiwanese businesses to further invest in India. Furthermore, the numbers of Indian students receiving higher education in Taiwan, in particular in engineering and ICT, and Indian software engineers and professionals working in Taiwan, are both rapidly increasing, reflecting the growing importance of human resource development and technology in bilateral collaboration of the two countries.

The New Southbound Policy (NSP) was launched by President Tsai Ing-wen in 2016 as part of Taiwan's regional strategy to become more closely integrated with the Indo-Pacific economy. Since 2016, by attempting to strengthen multifaceted partnerships with 18 countries, including 10 ASEAN countries, six South Asian countries, New Zealand and Australia through trade collaboration, talent exchange, sharing of resources and regional linkages, Taiwan has established a new model of collaboration with a strong sense of economic community. India is prioritized as one of the most important partners under the NSP policy.

With the purpose of centralizing resources and strengths while deepening ties with the NSP partner countries, the NSP consists of five flagship projects (regional agricultural development, medical and public health cooperation and supply chain development, talent cultivation, industry innovation and collaboration and youth exchanges and policy forums), and three innovative fields (e-commerce, tourism and infrastructure). The NSP has been in place for five years now. The government

has also proposed the 5+2 Industrial Transformation Plan to upgrade and accelerate the pace of industry transformation, hoping to spur innovation, create employment opportunities and facilitate a more balanced regional development for Taiwan. The 5+2 pillar industries include Asia-Silicon Valley, biomedical, green energy, smart machinery, defense, high-value agriculture and circular economy.

According to the World Trade Organization (WTO), Taiwan is an outward-looking and trade-oriented economy, ranked sixteenth in total trade volume in 2020. Taiwan's main export competitiveness derives from the manufacturing industry. This is vastly different from India's domestic consumption driven economy. India-Taiwan economic relations demonstrate changing dynamics as the NSP policy is implemented. First, according to International Trade Centre (ITC) statistics, with a trade volume of US\$ 4.8 billion, India was Taiwan's 17th largest trading partner in 2020, accounting for 0.76 percent of Taiwan's total trade; whereas, India was Taiwan's sixteenth largest export partner, with US\$ 2.61 billion in export volume, accounting for 0.752 percent of Taiwan's total exports. India ranked 22nd on Taiwan's import country list, with a total volume of US\$ 2.21 billion, accounting for 0.77 percent of Taiwan's total imports.

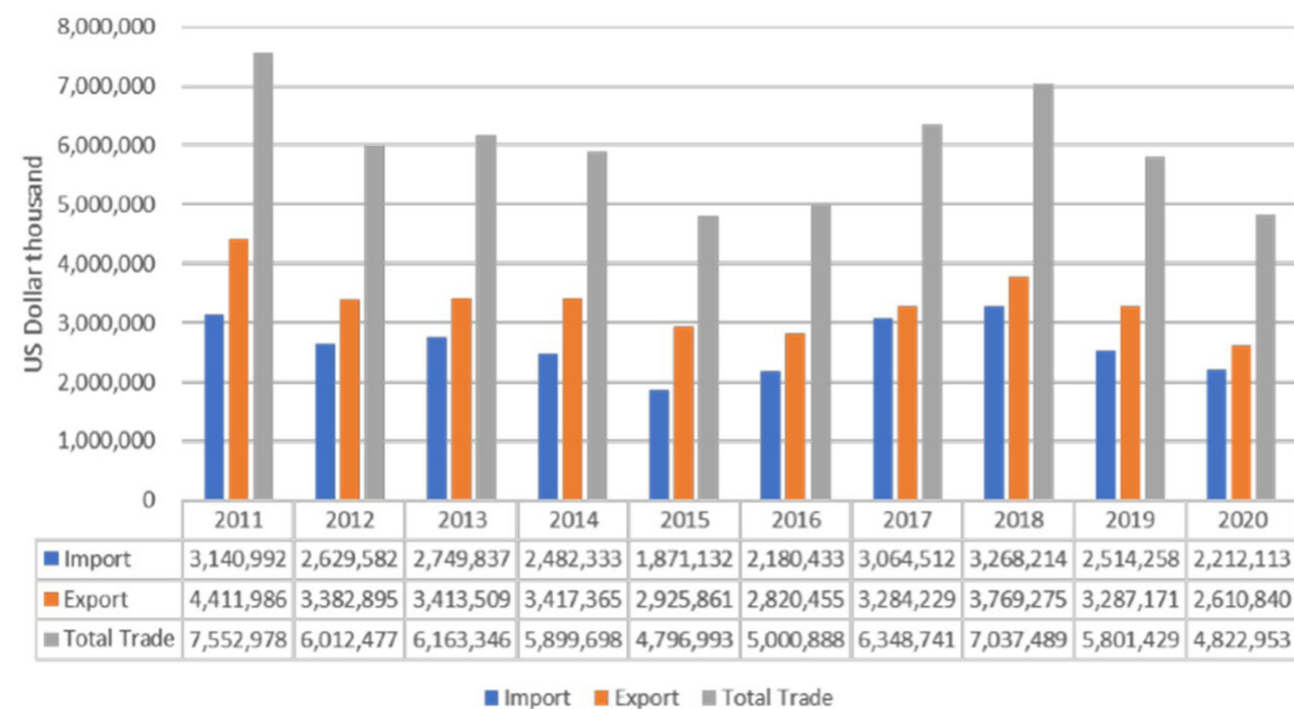
However, bilateral trade volume has fluctuated with international trends. Total bilateral trade increased to US\$ 7.553 billion in 2011, but declined again. From 2016, it started showing an upward trend for three years and then declined again in 2019 and 2020 due to the negative global trade environment and the COVID-19 pandemic. In terms of India's share of Taiwan's external trade, the share once reached up to 1 percent in 2012, but has declined and dropped to 0.76 percent in 2020. Both sides are looking to put forth more efforts to create new growth momentum in the future.

It is worth noting that the "Make in India" initiative, launched by the Indian Prime Minister Narendra Modi, has contributed significantly to bilateral economic relations between India and Taiwan. The initiative greatly emphasized the development of manufacturing and ICT sectors in India, which in turn increased the import of electronic components, mechanical equipment and chemical raw materials from Taiwan. The high complementarity between two sides shows great potential for further cooperation. For example, India's global trade saw a sharp decrease of up to -19.8 percent in 2020 due to the pandemic, but the total trade with Taiwan only decreased by -8.6 percent, signalling close ties between two sides, which could achieve greater growth after the pandemic recedes.



**Figure 1: Total Trade between Taiwan and India, 2011-2020**

Source : ITC Trade Map



As home to ICT technology and a technology island, Taiwan is not only a major global supplier of ICT products and semiconductors, but also a leading manufacturing hub for intermediate goods such as metal fasteners, functional fabrics, optical panels, machinery, and petrochemicals and chemicals. In this regard, Taiwan can play a more important role in India's vision of building a self-sufficient manufacturing sector. If both sides fully open up and gradually reduce tariffs, it is estimated by Taiwanese research institutions that India and Taiwan can save US\$ 65.15 million and US\$ 250 million respectively compared to the current tariff.

Another pillar of enhanced India-Taiwan economic relations is investment. Taiwan started investing in India in the early 1990s, and there has been significant investment growth after 2000. Total investments in India reached a historic high of US\$ 361 million in 2018. It is noted that, despite the COVID-19 pandemic in 2020, investments still totaled US\$ 153 million in the year, the second highest on record. As of the end of 2020, Taiwan cumulative investment in India amounted to US\$ 888 million, making India the twentieth largest foreign investment destination for Taiwan.

According to Taiwan's Ministry of Economic Affairs (MOEA), there are 78 Taiwanese investment plans in India. According to India's Ministry of Commerce and Industry (DPIIT), Taiwan is the 32nd largest source for investments in India, with an

accumulated investment total of US\$ 579 million from 2000-March 2021. However, actual total investment is estimated to be a lot higher than the official data from the two sides, as some businesses have invested through third countries, such as Mauritius, Cayman Island, Singapore, and Thailand. According to Taipei Economic and Cultural Center (TECC), Taiwan's Representative Office in India, it is estimated that all FDI made by Taiwanese businesses in India should total up to US\$ 2.3 billion, which is roughly equivalent to India's twentieth largest FDI source country.

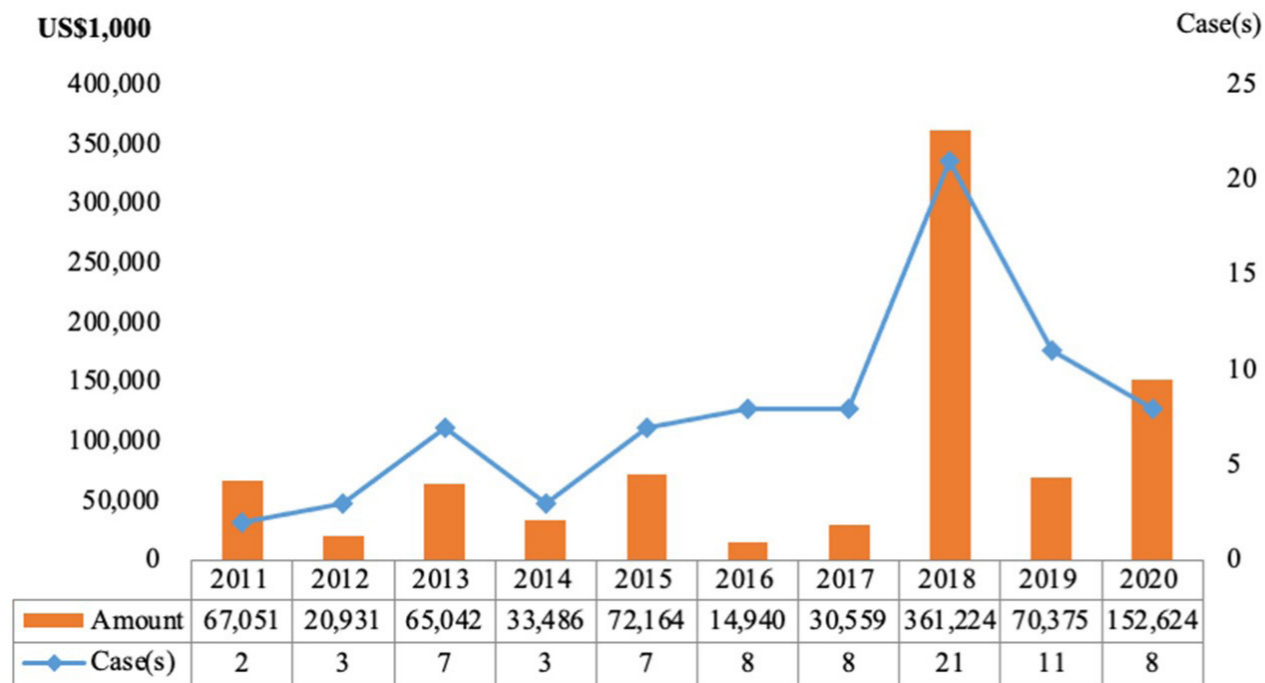
Among Taiwanese investments in India, around 70 percent are in the manufacturing industry, including base metal manufacturing, chemical feedstock, plastic and rubber raw material, artificial fiber manufacturing and medical equipment manufacturing. The largest investments have been made in the electronics and ICT industries in recent years.

Since 2018, an increasing number of Taiwanese businesses have relocated their manufacturing capacities from China to Southeast Asia and India in order to respond to the United States-China trade conflicts and to diversify their investments in China. Different from some Southeast Asian countries that attracted manufacturers in labour intensive industries such as textile and garment, footwear, furniture, bicycle and parts, Taiwan's recent investments in India are mainly in electronics and ICT sectors, notably smartphone and other electronic communication products manufacturing. Many large electronics businesses either have established or are planning to establish or expand their assembly lines and manufacturing plants in India.

India and Taiwan are natural partners in investment and industrial development. While Taiwan seeks to look beyond China to diversify overseas investments, Taiwanese investments in India complement India's vision to become a technology manufacturing hub and to realize a more integrated participation in the global supply chain.

**Figure 2: Taiwan's Investments in India (2011-2020)**

Source : Investment Commission, MOEA (Taiwan)



Regarding human resource developments, India and Taiwan should continue to advocate cooperation on higher education to produce more talents for their industries. There are opportunities for cooperation in the ICT industry and smart cities as well. Furthermore, the pandemic led to a demand for medical and disease prevention supplies. Taiwan can enhance its cooperation with India under NSP's "One country, One Center" medical program. ■

**Notes:**

[1] Some Taiwanese companies, such as Continental Engineering Co., have terminated business operations in India.

Large Taiwanese businesses that have established presence or offices or have made major investments in India include TSRC Co., Foxconn Technology Group, Continental Engineering Co., Mei Ta Industrial Co., LTD, CTCL, China Steel Co., Delta Electronics, Feng Tay Group, Apache Footwear Ltd., Lorom Industrial Co., Ltd., China Airlines, Evergreen Airlines, Sentec E&E Co., LTD., Cheng Shin, MediaTek, D-Link, Acer Group, BenQ, Evergreen Marine Corp., YangMing Marine Transport Corp., Wan Hai Lines, Ltd., Compal Electronics, Inc. Wistron Corporation, ADATA Technology Co., Ltd., ASUSTek Computer Inc., CTBD Bank, etc.[1] In addition to trade and investment, education exchanges have also significantly increased since the implementation of the NSP in 2016. Furthermore, there has been an increase in the number of Indians working in Taiwan.

To sum up, India is a democratic state and a potentially important trade partner of Taiwan in the Indo-Pacific region. With the combination of India's Act East Policy and Taiwan's NSP, bilateral relations hold the potential of reaching new heights. Both governments should promote and facilitate cooperation on various aspects, including higher education, human resource development, Mandarin language education, semiconductor industry, ICT industry, medical and healthcare industry, smart cities, industry connections and supply chains.





## Attracting Taiwanese Businesses to India

### Santosh Pai

A partner at Link Legal, an Indian law firm. He is also a member of Confederation of Indian Industry's Core Group on China, and Honorary Fellow at the Institute of Chinese Studies, New Delhi, India.

Long exposure aerial shot of a major freeway interchange in New Taipei City, Taiwan



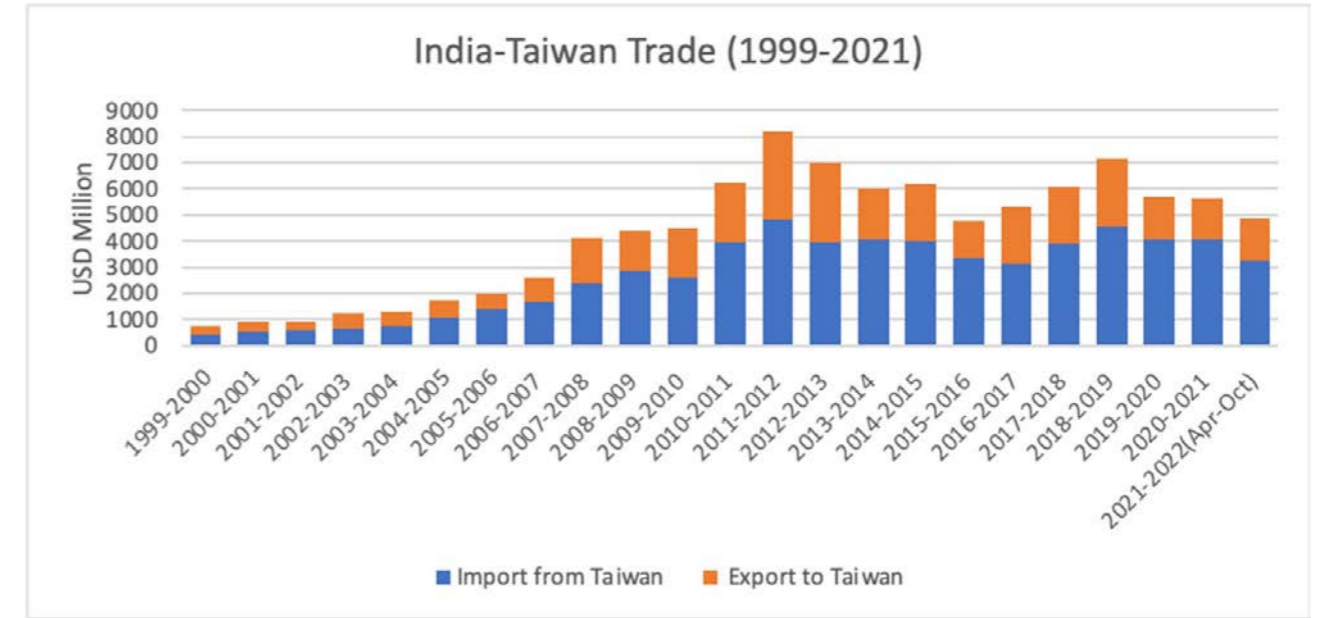
# Attracting Taiwanese Businesses to India

Santosh Pai

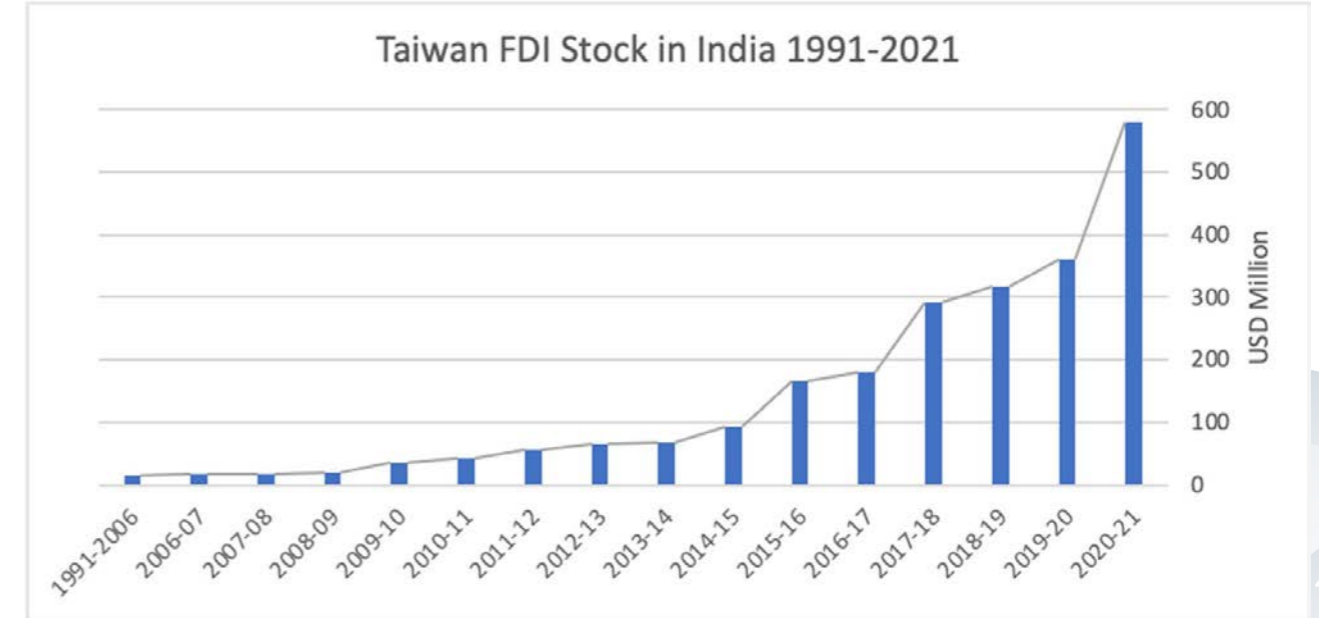
Taiwan's industry has been hitting above its weight in the global economy for several decades. In addition to the US\$ 345 billion of exports [1], entrepreneurs from Taiwan have established factories in coastal provinces of China like Fujian and Guangdong [2] to amplify their industrial footprint beyond its borders. With increasing friction in cross-Strait politics it appears that this investment corridor has run its course.[3] Taiwan's New Southbound policy is one reflection of this reality. Taiwanese industry needs to diversify both manufacturing destinations and markets for its industry to hedge against its tumultuous political ties with China. The chip shortages during the COVID-19 pandemic brought new geopolitical heft to Taiwan which controls over 60 percent of the global semiconductor industry. It also accounts for 45 percent of semiconductor manufacturing equipment exports from the United States.[4] The United States-Taiwan Economic Prosperity Partnership Dialogue (EPPD), announced in November 2021, is a testimony to the trustful relationship that Taiwan enjoys with the United States.

With India joining the long line of countries seeking to reduce dependency on Chinese imports, synergies with Taiwan have surfaced prominently on the radar of decision makers in New Delhi. Production Linked Incentive (PLI) schemes across 13 sectors are the main plank of India's roadmap to self-reliance.[5] In addition to this, a proposed US\$ 760 billion (76,000 crore) incentive package for the semiconductor industry will be the icing on the cake for Taiwanese companies.[6] Several other ingredients for a more productive economic relationship already exist.

Efforts at attracting Taiwanese investments into India have been underway for a decade already. India and Taiwan signed a Double Taxation Avoidance Agreement (DTAA) and a Customs Cooperation Agreement to strengthen bilateral trade and investments as far back as 2011.[7] Bilateral trade which is often a precursor to investments has increased from US\$ 2 billion in 2006 to US\$ 5.7 billion in 2020. [8] Unlike India's bilateral trade with China that is plagued by an unmanageable deficit, its trade with Taiwan is more balanced. This makes dialogue about enhanced economic partnerships more palatable to both sides.



More recently, India and Taiwan signed a landmark Bilateral Investment Agreement in 2018.[9] The Agreement seeks to ensure protection for Taiwanese investments and investors in India. FDI stock from Taiwan in India has almost doubled in the last three years from US\$ 316.97 million in 2018-19 to US\$ 579.51 million in 2020-21.[10]



More than 100 Taiwanese companies are active in India.[11] After India imposed restrictions on investments from China, it is certain that they will find more opportunities to expand manufacturing facilities in India, both for exports and domestic sales. Taiwan has been excluded from the purview of India's investment curbs.[12] In 2020 alone, several industrial giants from Taiwan unveiled ambitious plans for India. In July 2020, Pegatron, Apple's second-largest contract manufacturer, registered a subsidiary in India to expand the manufacturing capacity



of iPhones in the country.[13] At around the same time, Foxconn Technology Group announced its intention to invest US\$ 1 billion to set up a manufacturing unit in Sriperumbudur, Tamil Nadu. The investment will take place over three years and is expected to add 6,000 jobs at the plant.[14] Wistron announced a joint venture that will hire 11,000 workers [15] in addition to its plan of investing US\$ 165 million for expansion of its factory in Narasapura near Bengaluru.[16] Outside the electronics industry, Taiwanese tyre major Maxxis has made India central to its goal of becoming a global top five tyre maker by 2025. It plans to invest US\$ 400 million on its first manufacturing plant at Sanand in Gujarat, where it is working to hike output to 60,000 units of two-wheeler tyres per day from the current 20,000 units a day [17].

The need of the hour is to identify more opportunities and develop a playbook that will help many more Taiwanese companies to enter the Indian market. There are three broad strategies that could be considered each with a distinct set of pros and cons. First one is the supply chain approach where Taiwanese companies can enter the market as part of an existing supply chain network to serve South Korean, Japanese, German or American customers with an established presence in India. This can cover several major industries such as electronics and automobiles. The advantage of this approach is that recognition of Taiwanese manufacturing capabilities can be leveraged to provide for a soft-landing in a market perceived to be difficult for the new entrants. Most of the recently announced investment plans by Taiwanese companies cited above belong to this category.

Second is the joint venture approach. India's thrust towards self-reliance is prompting domestic companies to localize their product development and manufacturing. A staggered approach in this direction might begin with a technology licensing arrangement that guarantees relatively risk-free royalties from Indian companies with no prior experience that are looking to establish manufacturing units. It can then progress towards an equity or contractual joint venture where each partner contributes different inputs, shares risk and profits commensurate with their contributions. The advantage with this approach is that investment plans can be customized to suit the risk appetite of each Taiwanese company and it allows for trust building in a measured manner.

The third possible approach could be to tap India's public procurement market which is valued at US\$ 71 billion.[18] This offers the flexibility of initially exporting products from Taiwan or other markets with limited localization and then gradually increasing the proportion of domestic content. It can also be undertaken as part of a consortium

with domestic partners. The advantage of this approach is that it guards companies from the vicissitudes of the market such as brand building, distribution, etc. and reduces payment risk since the customer is always a government entity.

Alongside the opportunities one should also be mindful of the challenges faced by foreign companies in India so that adequate risk mitigation can be employed. One common refrain among foreign investors is that land procurement in India is a formidable challenge. Around 61 percent of the Special Economic Zones (SEZs) in India cater to the manufacturing sector,[19] so unlike China these are not natural choice for manufacturing units. Additional options like private industrial parks and government sponsored industrial zones need to be considered. The decision making can be quite complex involving factors such as price, infrastructure, availability of labor, logistical links and so on. A thorough due diligence exercise is required before suitable land is identified. The idea of an exclusive industrial park for Taiwanese companies has been tried in the past.[20] The main shortcoming of this idea is that it is an untested model and most industrial clusters in India are sector-specific and so it will be a tall order to convince Taiwanese companies from diverse sectors to converge in a single location. Another challenge is negotiating incentives with multiple state governments. It is often the case that the states that need investments the most offer the huge incentives to the largest investors. This also means that such states are likely to have underdeveloped industrial ecosystems and in the absence of a substantial investment plan the outcome of such negotiations is often underwhelming. Finding good quality managerial talent with multilingual skills is yet another challenge for foreign investors from East Asia. Hiring Taiwanese managers who have experience with Chinese companies in India might offer a possible solution. Offering vocational training is another tool to attract and retain a loyal workforce.

There is no doubt that the famed Taishang community will experience a steep learning curve in India. However, India's newfound appetite to sign a slew of Free Trade Agreements should assuage the doubters who were disappointed when India chose to stay out of the Regional Comprehensive Economic Partnership (RCEP) in 2019. India will also need to make more political overtures towards Taiwan in its quest to attract semiconductor players that are considered the island's national jewels. However, incremental steps such as a government-led sourcing initiative for semiconductors, boosting logistics and travel links and vocational training partnerships between India and Taiwan lead to an early harvest and lay a strong foundation for a more robust economic partnership in the post-COVID-19 pandemic era as geopolitics and economics become inseparable. ■

**Notes:**

[1] Hilton Yip, "Taiwan's COVID-19 Success Is Worryingly Smug", Foreign Policy, April 5, 2021, <https://foreignpolicy.com/2021/04/05/taiwan-covid-19-success-china-military-threat/>.

[2] Shelly Rigger, "Taiwanese Business in Mainland China : From Domination to Marginalization?", in Paul Irwin CrookesJan Knoerich (eds.), Cross-Taiwan Strait Relations in an Era of Technological Change, England : Palgrave Macmillan, 2015 pp. 61-76.

[3] JoAnn Fan, "Congressional Testimony : Cross-Strait Economic and Political Issues", Brookings, June 5, 2014, <https://www.brookings.edu/testimonies/congressional-testimony-cross-strait-economic-and-political-issues/>.

[4] Stephen Ezell, "The Future of Taiwan : Semiconductors Alone Make the Island's Continued Freedom Crucial to the U.S.", Discourse, April 16, 2021, <https://www.discoursemagazine.com/politics/2021/04/16/the-future-of-taiwan-semiconductors-alone-make-the-islands-continued-freedom-crucial-to-the-u-s/>.

[5] "Production Linked Incentive (PLI) Schemes in India", Invest India, <https://www.investindia.gov.in/production-linked-incentives-schemes-india>.

[6] Anandita Singh Mankotia, "India Plans a 76,000-cr Red Carpet for Semiconductor Companies", Economic Times, December 10, 2021, <https://economictimes.indiatimes.com/industry/cons-products/electronics/india-plans-a-76000-cr-red-carpet-for-semiconductor-companies/articleshow/88196754.cms>.

[7] "Taiwan-India Relations", Taipei Economic and Cultural Center, [https://www.roc-taiwan.org/in\\_en/post/39.html](https://www.roc-taiwan.org/in_en/post/39.html).

[8] Suhasini Haider, "Worldview with Suhasini Haider | Should India be worried about China-Taiwan tensions?", The Hindu, October 9, 2021, <https://www.thehindu.com/news/international/worldview-with-suhasini-haidar-should-india-be-worried-about-china-taiwan-tensions/article36906227.ece>.

[9] Stacy Hsu, "Taiwan, India Sign Updated Bilateral Investment Pact", December 19, 2018, Taipei Times, <https://www.taipeitimes.com/News/taiwan/archives/2018/12/19/2003706400>.

[10] For more information, see Department for Promotion of Industry and Information Technology, <https://dpiit.gov.in/fdi-publications>.

[11] N. 7.

[12] Kritika Suneja and Deepshika Sikarwar, "New FDI Rules not for Taiwan Inflows", April 30, 2020, Economic Times, <https://economictimes.indiatimes.com/news/economy/policy/new-fdi-rules-not-for-taiwan-inflows/articleshow/75479443.cms?from=mdr>.

[13] Himanshi Lohchab, "Pegatron may Start Local Production by September", March 25, 2021, Economic Times, <https://economictimes.indiatimes.com/industry/cons-products/electronics/pegatron-may-start-local-production-by-september/articleshow/81682232.cms?from=mdr>.

[14] Yu Nakamura, "Foxconn Set to Make iPhone 12 in India, Shifting from China", Nikkei Asia, March 11, 2021, <https://asia.nikkei.com/Business/Technology/Foxconn-set-to-make-iphone-12-in-india-shifting-from-china>.

[15] Sankalp Phartiyal, "Wistron Partners with India's Optiemus in Boost for Electronics Manufacturing", Reuters, August 24, 2021, <https://www.reuters.com/business/wistron-partners-with-indias-optiemus-boost-electronics-manufacturing-2021-08-24/>.

[16] Megha MAndavia, "Wistron has \$165m for India Plant Expansion", Economic Times, May 14, 2020, <https://economictimes.indiatimes.com/small-biz/startups/newsbuzz/wistron-has-165m-for-india-plant-expansion/articleshow/75729604.cms>.

[17] "Maxxis Bets Big on India as it Eyes to Enter Top 5 Global Tyre Maker List", Economic Times, March 1, 2020, <https://auto.economictimes.indiatimes.com/news/tyres/maxxis-bets-big-on-india-as-it-eyes-to-enter-top-5-global-tyre-maker-list/74424050>.

[18] "India- Country Commercial Guide", International Trade Administration, <https://www.trade.gov/country-commercial-guides/india-selling-public-sector#:~:text=India's%20central%20and%20state%20governments,portal%20selling%20over%20191%2C000%20products>.

[19] "SEZs Role in Indian Manufacturing Growth", India Brand Equity Foundation, <https://www.ibef.org/download/SEZs-Role-in-Indian-Manufacturing-Growth.pdf>.

[20] "Karnataka Offers Help to Set up Taiwanese Industrial Township in Tumakuru", Economic Times, June 23, 2020, <https://economictimes.indiatimes.com/news/economy/policy/karnataka-offers-help-to-set-up-taiwanese-industrial-township-in-tumakuru/articleshow/76534941.cms?from=mdr>.





## Complement to Succeed: A Case for India-Taiwan Collaboration on Semiconductors

### Arjun Gargeyas

Researcher of the High-Tech Geopolitics Programme at the Takshashila Institution, an independent, non-partisan centre for research and education in public policy.

### Pranay Kotasthane

Researcher of the High-Tech Geopolitics Programme at the Takshashila Institution, an independent, non-partisan centre for research and education in public policy.

Aerial view of a traditional fair in Bhopal, Madhya Pradesh. Such fairs are held across the country to create a short economic spur for the local community.



Arjun Gargeyas  
Pranay Kotasthane

## Introduction

Since the 1970s, the Taiwanese government and the private sector have together developed its semiconductor industry. In 2021, the country's two prominent contract foundry companies, the Taiwan Semiconductor Manufacturing Company (TSMC) and the United Microelectronics Corporation (UMC), jointly accounted for over 60 percent of the total global revenue semiconductor manufacturing.[1] Taiwan also houses companies like ASE, Siliconware Precision, and Powertech, which are leaders in the assembly, testing, and packaging segments of the semiconductor value chain.

India, over the years, has attracted major semiconductor firms to set up their R&D centres for chip development in the country. Of the ten largest fabless semiconductor companies by revenue in 2019, as many as seven have design houses in India (including the Taiwanese firm MediaTek). With a vast pool of skilled human talent, a world-class semiconductor design services industry has also emerged. Many engineers in this cohort have handled the entire Integrated Chip (IC) design cycle over three and half decades. India also has expertise in the downstream assembly of electronic components, with top Taiwanese contract manufacturers such as Wistron and Foxconn and South Korea's Samsung setting up bases in India.

Given these complementary strengths, semiconductors can become a crucial driver for the India-Taiwan relationship. Not only is this collaboration essential, but the supply chain vulnerabilities exposed by the COVID-19 pandemic and the ongoing geopolitical turmoil have made diversification of the supply chain an urgent matter. A resilient semiconductor supply chain will benefit not just India and Taiwan but the world at large.

In this article, we provide a brief overview of the history of India-Taiwan technology ties, identify critical drivers for the partnership, and propose tangible recommendations for collaboration between the two nations.

## A Brief History of India-Taiwan Technology Ties

Although technology trade between the two countries has blossomed in information technology (IT), solar cells, and electronics in recent years, bilateral trade is dominated by metals, minerals, and chemicals. In 2018, India exported US\$ 38.34 million worth of apparatus for communications equipment while it imported US\$ 71.12 million worth of integrated circuits.[2]

The picture is much brighter when it comes to technology investments. In 2015, the electronics manufacturing firm Hon Hai (also known as Foxconn) had expressed interest in constructing twelve factories in India to manufacture Apple's iPhones. Foxconn started manufacturing Gionee phones in India back in 2016. In March 2021, news reports claimed that Foxconn's Tamil Nadu plant would assemble Apple iPhone 12, making it the first flagship product made outside China.[3] The Taiwanese semiconductor design firm MediaTek has a prominent presence, with the firm deciding to triple its Indian workforce back in 2019. MediaTek's investment in India also includes a subsidiary in Noida, an R&D centre in Bengaluru, and a stake in the e-commerce company PayTM.[4]

Initiatives like the 'Make in India' scheme have also improved Taiwan's technology engagement with India. A US\$ 200 million investment deal between the Indian telecommunications firm Optiopus Infracom and the Taiwanese company Wistron Corporation was struck in 2018 to initially manufacture telecommunications equipment in India over the next five years.[5] Additionally, the Taiwan Electrical and Electronic Manufacturers' Association (TEEMA) and the Chinese smartphone manufacturer Oppo jointly proposed an 'electronic manufacturing cluster' in Noida in 2019.[6]

Foxconn and Wistron have also been approved under the Production-linked Incentives (PLI) for IT hardware. They stand to receive incentives for increasing manufacturing in their India plants. Subsequently, in August 2021, Wistron signed an agreement with Optiopus Electronics to make mobile devices in addition to IT hardware, and telecom products.[7]

With deepening partnerships between companies in electronics assembly, semiconductors serve as a perfect step for deepening this collaboration. Taiwan's New Southbound Policy (NSP) and India's Act East Policy provide the impetus to strengthen technology ties.



## The Key Drivers

Three key global drivers are necessitating a particular focus on semiconductors: geopolitical, economic, and technological.

Geopolitically, semiconductors have become an area of confrontation between the United States and the People's Republic of China (PRC). The pandemic has further exacerbated the situation leading to an acute shortage of chips for automobiles, medical devices, and other sectors. A hyper-globalized semiconductor supply chain with inherent dependencies has been a critical driving force for the rapid improvements in the performance capabilities of electronics devices around us. This supply chain structure prevents even the most technically advanced states from achieving complete self-resiliency, hence making partnerships between like-minded nations to secure the semiconductor supply chain an absolute necessity. Recognising this, the Quad countries — United States, Japan, Australia, and India — announced a Semiconductor Supply Chain Initiative in the first in-person Summit meeting in September 2021.[8] Taiwan, home to over 60 percent of the world's contract chip manufacturing, is a crucial player in the race for building a robust semiconductor supply chain. By involving Taiwan in this Semiconductor Supply Chain Initiative, all five countries will be able to address the weaknesses they possess in the semiconductor value chain and reduce dependence on strategic adversaries.

Economics-wise, it is not straightforward to scale the manufacturing supply to meet the increasing demand. Taiwan and its foundries alone cannot meet the increased demand for the 8-inch and 12-inch wafers. There has been a capacity override for different chipsets, with the utilisation for the eight and 12-inch wafers reaching 100 percent.[9] The capacity increase rate remains slower than the demand increase rate, with foundries reluctant to expand the 8-inch wafer capacity and companies taking almost 1.5-2 years to build a 12-inch wafer fab. Further delays caused by power outages and accidents due to fires, storms have effectively discouraged firms from scaling up operations. Hence, foundries like TSMC have signed contracts to build fabs on international soil, such as the upcoming 12-inch fabrication facility in the Arizona state of the United States. Major foundries are looking to expand their operations to different countries which can provide them with facilities to meet the future demands for semiconductor chipsets. As a semiconductor design powerhouse, India has the potential to be one of the favourable destinations for Taiwanese semiconductor manufacturing firms to set up fabrication facilities for meeting global demands.

Third, emerging technologies need high-performance semiconductor chips with ample computing power (specifically those less than 7 nanometre technology). The telecommunications infrastructure to be deployed for 5G will include satellites and mobile edge computing technology that require advanced chips.[10] Artificial Intelligence (AI) deployment needs new computational architectures to handle increased in-chip data flows. As these technologies evolve, the semiconductor design and manufacturing processes also need to grow to meet customers' needs. These developments offer another area for cooperation between the two semiconductor industries.

## Potential Collaboration Areas

There are significant opportunities for India-Taiwan collaboration across the entire semiconductor supply chain. We list a few ideas below.

### Semiconductor R&D

The two governments could set up centres of excellence (CoE) for new design architectures, new technical standards, or composite semiconductors research. [11] The CoE can bring together universities and companies from both countries. Research in these critical areas will help not just India and Taiwan but the world at large.

### Semiconductor IC Design

The two governments can play a significant role in enabling strategic cooperation between the companies of both countries. Whether it is licensing agreements, cross-licensing agreements, technology exchange, visitation and research participation, or joint development, each of these modes of cooperation needs government support. For instance, easing restrictions on capital flows could facilitate more licensing agreements between companies. Faster visa processing and lowering cross-border employment barriers can fasten technology exchange and joint development. Taiwan itself became an industry powerhouse due to a favourable trade and technology transfer regime.

Moreover, Taiwan also has a thriving fabless industry, with design firms like MediaTek dominating the landscape in the country. India, a dominant force in

the semiconductor design services market, can offer an extremely well-equipped workforce to help Taiwanese IC design companies. More Taiwanese companies setting up their design shops in India can have mutual benefits.[12]

### Semiconductor IC Manufacturing

Given the semiconductor supply crunch, the United States, European Union, and Japan are courting Taiwanese companies to set up new leading-edge semiconductor manufacturing facilities. The opportunity for India-Taiwan collaboration here is a complementary one. Instead of focusing on the leading-edge nodes, India and Taiwan can look towards specialized analog fabs built on older technology nodes (such as the 65-nanometre feature size). Focusing on the older technology nodes will reduce the economic risk of failures.

Further, semiconductor manufacturing is a capital-intensive stage requiring billions of dollars of upfront and recurring investment.[13] Therefore, lowering import tariffs or customs duties on products and equipment necessary for semiconductor manufacturing are critical for attracting investment from Taiwan.

### Semiconductor IC Assembly, Testing, and Packaging

There is a lot more promise in the Outsourced Assembly and Test (OSAT). These plants test the manufactured chips for defects and ensure protective packaging for all finished chips. This stage requires high capital investment, though not of the same order as the manufacturing stage requires. Further, this stage requires large numbers of relatively low-skilled labour, whereas the manufacturing stage requires a sizeable high-skilled workforce. With low-skilled labour better available in India, Taiwanese firms like ASE Technology and Powertech Technology can benefit by offshoring these operations to India.[14] The Indian government has also announced several incentives in this area that Taiwanese companies can avail themselves. [a]

Besides these bilateral initiatives, the two countries can also do more on multilateral initiatives. The complexity of the semiconductor supply chain means that multilateralism is a necessity and not a choice. Even a Quad Semiconductor Supply Chain Initiative cannot by itself eliminate all bottlenecks in the supply chain. Thus, it would be beneficial to make the Quad Semiconductor Supply Chain Initiative a platform that, over time, brings onboard Taiwan and other major powers in this arena.

### Conclusion

Semiconductors are a meta-critical technology that will drive many other critical and emerging technologies in the future. The economics of this hyper-globalised industry is such that no country can afford to become fully self-reliant. India and Taiwan have complementary strengths in this area and stand to benefit by implementing the recommendations highlighted in this article. ■

### Notes:

[1] Yen Nee Lee, "2 charts show how much the world depends on Taiwan for semiconductors", CNBC, March 15, 2021, <https://www.cnbc.com/2021/03/16/2-charts-show-how-much-the-world-depends-on-taiwan-for-semiconductors.html>.

[2] "India-Taiwan Bilateral Trade Statistics, Period of 2017-18", India-Taipei Association, <https://www.india.org.tw/>.

[3] Yu Nakamura, "Foxconn Set to Make iPhone 12 in India, Shifting from China", Nikkei Asia, March 11, 2021, <https://asia.nikkei.com/Business/Technology/Foxconn-set-to-make-iPhone-12-in-India-shifting-from-China>.

[4] "Taiwan's MediaTek to Triple India Workforce to 1,500 Within Three Years." Reuters, October 6, 2016, <https://www.reuters.com/article/us-mediatek-india/taiwans-mediatek-to-triple-india-workforce-to-1500-within-three-years-idUSKCN1260TV>.

[5] Ronendra Singh, "Optimus Joins Hands with Taiwanese Firm Wistron for Telecom Infrastructure", Hindu Business Line, November 24, 2015, <http://www.thehindubusinessline.com/info-tech/optimuswistron-form-jt-venture-to-invest-200-mn-over-next-5-years/article7912322.ece>.

[6] Vandana Keelor, "TEEMA and OPPO to Work Jointly in Greater Noida", The Times of India, December 20, 2016, <https://timesofindia.indiatimes.com/city/noida/teema-and-oppo-to-work-jointly-in-greaternoida/articleshow/56089807.cms>.

[7] Surjeet Das Gupta, "Indian firm Optimus, Taiwan's Wistron Sign Deal to Make Mobile Devices", Business Standard, August 25, 2021, [https://www.business-standard.com/article/companies/indian-firm-optimus-taiwan-s-wistron-sign-deal-to-make-mobile-devices-121082400463\\_1.html/](https://www.business-standard.com/article/companies/indian-firm-optimus-taiwan-s-wistron-sign-deal-to-make-mobile-devices-121082400463_1.html/).

[8] Raghu Krishnan, "Quad Alliance Joins Hands to Secure Semiconductor, 5G Tech Supply Chains", The Economic Times. September 26, 2021, [https://economictimes.indiatimes.com/news/india/quad-alliance-joins-hands-to-secure-semiconductor-5g-tech-supply-chains/articleshow/86522479.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](https://economictimes.indiatimes.com/news/india/quad-alliance-joins-hands-to-secure-semiconductor-5g-tech-supply-chains/articleshow/86522479.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst).



[9] Ian Lankshear, "Shift from 8" Wafer Fabs to 12" Could Ease IC Shortages", EE Times, May 18, 2021, <https://www.eetimes.com/shift-from-8-wafer-fabs-to-12-could-ease-ic-shortages/>.

[10] Alex Yoon, "5G and AIoT will Need New Semiconductor Materials", 5G Technology World, September 13, 2021, <https://www.5gtechnologyworld.com/5g-and-aiot-will-need-new-semiconductor-materials/>

[11] "Silicon Handshake- Forming Tech Alliances, Panellists : Dr VK Saraswat, Dr Wen Kuan-Yeh, Mr Kai-An Cheng, and Mr K Krishna Moorthy", India-Taiwan Cooperation & Friendship Forum, July 29, 2021, <https://www.youtube.com/watch?v=QAwqZQRqFCo>.

[12] Misha Lu, "MediaTek Continues Expansion in China, But Not Without Challenges", Tech Taiwan, August 10, 2021, <https://techtaiwan.com/20210810/mediatek-china-market/>.

[13] Yashoda Kapur, "Setting Up a Semiconductor Fabrication Plant in India : What Foreign Investors Should Know", India Briefing, June 21, 2021, <https://www.india-briefing.com/news/setting-up-a-semiconductor-fabrication-plant-in-india-what-foreign-investors-should-know-22009.html/>.

[14] Tim Culpan, "India's Chip Dreams Aren't Crazy, They're Just Misguided", Bloomberg, October 4, 2021, <https://www.bloomberg.com/opinion/articles/2021-10-03/india-s-chip-dreams-with-taiwan-aren-t-crazy-they-re-just-misguided>.

---

[a] The Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECs) by the Ministry of Electronics and Information Technology (MeitY), India will provide financial incentive of 25% on capital expenditure for the identified list of electronic goods that comprise downstream value chain of electronic products, i.e., electronic components, semiconductor/ display fabrication units, ATMP units, specialized sub-assemblies and capital goods for manufacture of aforesaid goods, all of which involve high value-added manufacturing.

The Scheme will be applicable to investments in new units and expansion of capacity/modernization and diversification of existing units. Application under the Scheme can be made by any entity registered in India. The capital expenditure will be total expenditure in plant, machinery, equipment, associated utilities and technology, including for Research & Development (R&D).

## Prospects of India-Taiwan Science & Technology Cooperation

### **Bhaskar Balakrishnan**

Science Diplomacy Fellow, Research and Information Systems (RIS) and former Ambassador of India.



Source: TECC Website



# Prospects of India-Taiwan Science & Technology Cooperation

**Bhaskar Balakrishnan**

## Introduction

India-Taiwan cooperation in the field of science and technology has gained traction in recent years, and there is ample scope for building on this for deepening the bilateral relationship. Owing to rising tensions between China and countries such as India, the United States, Australia, and Japan, the need for engaging Taiwan has assumed greater importance. Recent events have fueled the perception that China is posing a threat to the rules-based international order in the Indo-Pacific. This has led countries in the region to curtail their economic dependence on China. Quad leaders, during the first in-person summit on September 24, 2021 in Washington D.C., agreed on several important initiatives on science and technology cooperation. While these are some obvious push factors, there are several pull factors as well which incentivise building long-term science, technology and innovation (STI) cooperation between India and Taiwan.

## Taiwan's Science and Technological Progress

Taiwan's gross expenditure on research and development (GERD) has risen to 3.49 percent of its total gross domestic product in 2018 from 1.91 percent in 2000, making it the third highest in the world, exceeded only by the Republic of Korea and Israel.[1] In comparison, India's GERD dropped to 0.7 percent in 2019 from 0.8 percent in 2005.[2] The world average has risen from 1.51 percent in 2000 to 1.72 percent in 2017. Another important indicator is the human resources for R&D. The number of researchers per million population was 8,180 in Taiwan in 2017 and 255 in India in 2020. These indicators show that Taiwan has made significant strides in the field of science and technology. Taiwan has scored impressive results in innovation, being ranked as having the fifth-greatest potential for economic innovation in the world, according to a new index released by Bloomberg Economics.

Taiwan's high-tech sector development has been fueled by its government's generous funding of applied scientific development. Institutions such as the Industrial Technology Research Institute (ITRI), National Applied Research Laboratories and Institute for Information Industry (III), which conduct research, and aid Taiwan's private enterprises with R&D and exploring new technologies, are at the helm of these advancements. Several prominent companies have grown in

this ecosystem, including Taiwan Semiconductor Manufacturing Company (TSMC) and United Microelectronics Corp., which are among the world's top producers of integrated circuit chips. Eight national research centers cover four major areas of science - earth and environment, information and communication technology, biomedical technology and technology policies. III leads in digital transformation, advancing ICT development, policy making and promoting talent cultivation. The Taiwan Tech Arena is a hub for innovation and startups attracting young entrepreneurs from around the world. Taiwan's network of science parks is a home to clusters of companies pursuing breakthroughs in fields such as biotechnology, personal computing and peripherals, integrated circuits, nanotechnology, optoelectronics, precision machinery and telecommunications.

## Charting Out India-Taiwan Science and Technology Cooperation

India ranks third among the most attractive investment destinations for technology transactions in the world. It is one of the top five nations in the field for space exploration. India has developed its capacity for R&D in all aspects of the nuclear fuel cycle and reactor technology and has a major programme for expansion of nuclear energy and applied nuclear technology. In the energy sector, India has embarked on a major programme to shift to renewable energy, especially solar energy. Along with France, India has set up the International Solar Alliance (ISA), a global collaborative platform for solar energy. Other important areas are in earth and ocean sciences including polar region science, nanomaterials, biotechnology, AI and quantum computing, cybersecurity, and aerospace. These are all areas for fruitful cooperation between India and Taiwan.

The Government of India is extensively promoting research parks and technology business incubators (TBIs), which would promote innovative ideas till they become commercial ventures. The Council of Scientific and Industrial Research runs 37 national laboratories and 39 outreach centers. Advances are taking place in sectors such as agriculture, healthcare, space research, and nuclear power. India has a major and growing capacity in the field of production of drugs, vaccines and medical devices. It has not only pioneered ICT applications in diverse fields such as financial services, healthcare, education, and governance, and citizen services, but also applied them on a massive scale. The COVID-19 pandemic has brought into sharp focus the need for stronger international collaboration to deal with current and future pandemics. This is another fertile field for India and Taiwan to cooperate.

India has been engaged in pursuing the Sustainable Development Goals (SDGs) through the application of Science Technology and Innovation (STI) in various sectors such as food and agriculture, water and sanitation, health, energy, environment, ICT for development, etc. The resulting technologies and frugal innovation could be of value across the developing world. In this effort, Taiwan could offer some important contributions based on its own experience in progressing towards the SDGs.

India's New Education Policy 2021, and the draft Science Technology and Innovation Policy (STIP) 2020 envisage a major qualitative and quantitative jump in R&D activity. This includes increases in R&D funding, stepping up human STEM resources, STEM diaspora integration, strengthening the Indian STI ecosystem, building stronger international cooperation with partners, participation in mega and big science projects, and tackling global challenges through STI. These developments will open up more possibilities of building cooperation.

There is an India-Taiwan Joint Committee on Cooperation in the field of Science and Technology held at the senior officials' level. Under this Joint Committee, there is an Indo-Taiwan S&T cooperation Programme which extends financial support through joint calls for proposals to researchers in India and Taiwan to carry out research and scientific projects. Several priority areas have been listed like renewable energy, clean energy, IoT, big data, cybersecurity, micro/nano-electronics, embedded systems & sensors, biotechnology, health care including functional genomics, drug development and biomedical devices, etc under the programme. Under the Digital India initiative, the two sides can accelerate work on the "South Asian Silicon Valley" development project.

In July 2019, Taiwan's National Chung Cheng University (CCU), with the support of the Ministry of Science and Technology (MoST) established a research center at IIT-Ropar to work in the field of AI and related industries. Under Taiwan's New Southbound Policy, Taipei seeks to boost STI exchanges among Indian and Taiwanese academic and research institutions. According to recent pronouncements, Taiwan is keen to further advance talent exchanges through short term fellowships and work in Taiwan's science parks. The two sides also held a virtual exhibition on India-Taiwan exchanges under the New Southbound Policy in December 2020. There is huge scope for widening and deepening such exchanges.

Several Track II interactions have been held between Indian and Taiwanese sides on cooperation in science, technology and innovation. In February 2021,

the Research and Information Systems (India) and the Prospect Foundation (Taiwan) had organized a webinar focused on Sectoral cooperation in ICT and Semiconductors, Smart Manufacturing and Industry 4.0, and Cooperation with Science Parks in Taiwan. The webinar brought together stakeholders on both sides to discuss cooperation possibilities. It was suggested that India must provide an enabling ecosystem to foster market dynamics and supply chain needs to facilitate Taiwanese companies to set up their units in India. India's strength in IC design can initiate collaborative endeavors between the two countries and also offer India immense potential to develop and strengthen its ICT industries and increase its footprint in the global supply chain. Investments and infrastructural support by the Government of India for the development of ICT industries will be critical. The present crisis in China's financial system offers opportunities to attract greater investment flows into India if some necessary reforms are carried out.

In the semiconductor industry, Taiwan occupies a leading role. TSMC is a global giant in semiconductor manufacturing and technology that has an equity base of US\$ 53 billion with over 56,000 employees and substantial in-house R&D capabilities. TSMC plans to start production of three nanometre chips in 2022. India is at present at the 180-nanometre level, which was developed in 1999. The technology has advanced rapidly from 90 nm in 2003 to 5 nm in 2020. Semiconductor fabrication facilities require very large investments typically of the order of US\$ 20-50 billion. Such large investments in India will require major government support, but can be of strategic value. Can both sides work together and become a reliable global supplier of semiconductor chips? This is indeed a challenge.

### The Way Forward

Cooperation in Agricultural research could be explored between the Indian Agricultural Research Institute and the Taiwan Agricultural Research Institute on basic and applied research for agronomic and horticultural crops, biotechnology, soils fertility and plant nutrition, diseases and pest managements, farm machineries, meteorology, agricultural economics, and extension. Taiwan is a leader in high quality rice production and produces a wide variety of fruits and vegetables of interest to Indian consumers.

In the field of space research, the Indian Space Research Organization (ISRO) and Taiwan's National Space Organization (NSPO) could work together in areas such as launch vehicle development, satellite payloads, remote sensing and space



applications, and tracking of space objects. Taiwan has recently passed legislation in 2021, opening up the space sector to private participation, similar to what India has also done.

In the field of atomic energy, Taiwan has a special status as a non-party to the NPT, but is covered under a trilateral agreement with the United States and the International Atomic Energy Agency (IAEA) to safeguard its nuclear facilities. 10 percent of Taiwan's electricity is generated by nuclear power with three nuclear plants operating at present, with several others shut down or cancelled in view of the Fukushima Daiichi Nuclear Power Plant accident of 2011. The official policy is to phase it out by 2025. Interestingly, in December 2021, a referendum proposing to restart work on Taiwan's fourth nuclear power plant failed to pass.

Taiwan's main agencies dealing with nuclear energy, the Atomic Energy Council (AEC) and the Institute of Nuclear Energy Research (INER), could cooperate with their Indian counterpart. Cooperation with some Indian research institutions such as the Indian Institute of Science and Tata Institute of Fundamental Research could be mutually beneficial. There is some potential for cooperation with India in areas such as nuclear safety and monitoring, applications of radioisotopes in medicine, agriculture and food preservation, etc. The National Center for Theoretical Sciences (NCTS) in Taiwan carries out frontier research in physics, including areas such as particles and fields theory; condensed matter physics; atomic molecular and optical physics, and Soft Matters, Bio-Physics and Complex Systems.

Cooperation in the fields of biotechnology and nanomaterials between institutions on both sides could also be explored. Both sides are heavily dependent on imported fossil fuels and have ambitious targets for cutting greenhouse gas emissions. This includes ramping up renewable energy and the associated energy storage systems. It also naturally includes going in for hydrogen-based energy systems, involving massive production of hydrogen from renewable energy excess generation, storing and reconvertng hydrogen into energy when needed. This is a complex effort requiring dovetailing of various sectors of the economy. India has launched a National Hydrogen Mission in August 2021, while Taiwan has also launched a Hydrogen Energy Promotion Alliance with similar objectives. These initiatives can lead to increased cooperation in the Hydrogen energy sector.

In the field of biotechnology, some notable institutions in Taiwan are Agricultural Biotechnology Research Center (ABRC) of Academia Sinica, Taiwan which does basic research in agricultural biotechnology; National Biotechnology Research

Park (NBRP) which provides an ecosystem platform for biomedical research; Institute of Biotechnology, National Taiwan University. These institutes specialize in bioinformatics, nano-biomedical research, tissue engineering and regenerative medicine, genomics and proteomics. These are all areas of interest to R&D institutions in India's biotechnology sector, and cooperation could be pursued.

In medical research, Taiwan's National Health Research Institutes (NHRI), a non-profit foundation established by the government conducts mission-oriented medical research in basic biomedical sciences, as well as specific diseases. These range from the common problems such as ageing, cancer, infectious diseases, mental disorders, occupational diseases, to health policy. This organization could be a useful partner for the Indian Council for Medical Research (ICMR)

In nanomaterials science, some important institutions in Taiwan are - (1) Taiwan Nanotechnology Research Center (of the University system of Taiwan) (2) Taiwan Nanotechnology Industry Development Association (TANIDA) (3) Center of Applied Nanomedicine (National Cheng Kung University), and several other research laboratories working in a wide range of areas. This offers a rich scope for collaboration with Indian institutions.

In conclusion, there is a vast scope for building cooperation between India and Taiwan in the field of science and technology, for mutual benefit and for tackling global challenges. ■

#### Notes:

[1] "Gross Domestic Spending on R&D, 2021", OECD, <https://data.oecd.org/rd/gross-domestic-spending-on-r-d.htm>.

[2] Research and Development Statistics 2019-20, Department of Science and Technology (DST), Ministry of Science and Technology, Republic of India, 2020, [https://dst.gov.in/sites/default/files/Research%20and%20Deveopment%20Statistics%202019-20\\_0.pdf](https://dst.gov.in/sites/default/files/Research%20and%20Deveopment%20Statistics%202019-20_0.pdf)



## COVID-19 Pandemic Provides an Opportunity to India and Taiwan

**Shambhavi Naik**

Research Fellow with Takshashila's  
Technology and Policy programme.

Taiwan's Aid to the Indian  
Red Cross Society when  
the second wave of the  
COVID-19 pandemic hit India

Source: TECC



## COVID-19 Pandemic Provides an Opportunity to India and Taiwan

**Shambhavi Naik**

The experience with the COVID-19 pandemic has demonstrated that addressing public health concerns cannot be limited to any single country. At the same time, the slow decision-making and political undermining of multinational organizations such as the World Health Organization (WHO) has illustrated the challenges of behemoth organizations to deal swiftly with emerging infectious outbreaks. Consequently, smaller groups of nations and bilateral agreements tailored to take advantage of local expertise and catering to specific requirements are better poised to create long-lasting mechanisms for health cooperation. In this context, there is great potential for India and Taiwan to cooperate for improved health outcomes in both countries. This was made apparent by the initialization of health cooperation between the two countries during the COVID-19 pandemic.

### Cooperation during the COVID-19 Pandemic

As the COVID-19 pandemic initially spread across the globe, the Taiwan model for disease control attracted attention. The lessons, derived from its experience from the 2003 Severe Acute Respiratory Syndrome (SARS), prepared Taiwan for quickly responding to the pandemic. A mixture of evidence-based rapid response, early capacity building and transparency in decision-making allowed Taiwan to curb the spread of the disease, without the accompanying strict lockdowns that have characterized the response of other countries. A key facet of this response was to make self-assessments on necessary measures, even before the WHO declared the COVID-19 as a public health emergency of international concern on January 30, 2020,[1] and pandemic only on March 11, 2020.

Particular emphasis on quarantining and mask wearing – key lessons learnt during the 2003 outbreak of the SARS – helped Taiwan quickly rein in the outbreak at home. Taiwan simultaneously increased production of masks and other medical supplies. This allowed Taiwan to strengthen domestic supply and subsequently offer aid to other countries. In 2020, Taiwan donated over 51 million masks to more than 80 countries, contributing to their pandemic-fighting effort.[2] Taiwan was, thus, at the forefront of health cooperation right from the beginning of the outbreak.

Further, Taiwan supported India's healthcare response as the COVID-19 pandemic cases surged in mid-2021. In May 2021, Taiwan sent a shipment of 150 oxygen

concentrators and 500 oxygen cylinders.[3] The Taipei Economic and Cultural Center (TECC), Taiwan's representative office in New Delhi, stated this as an expression of "strong friendship with India in its fight against a new wave" of the pandemic. [4] On April 27, Taiwan's President Tsai Ing-wen conveyed solidarity with India's fight, tweeting, "On behalf of all Taiwanese people, I would like to express my serious concern over the rapid spread of COVID-19 in India. Taiwan stands with India in this difficult time, and we are ready to provide help".[5]

Taiwan also shared its best practices of dealing with the disease with India, training over 10,000 Indian medical personnel.[6] The sessions covered important aspects of the COVID-19 pandemic response including analysis of cases and treatment of positive cases.[7] Similarly, India also sent medical supplies for combating the COVID-19 pandemic to multiple countries during 2020.[8] This was followed by extensive deployment of the COVID-19 vaccine doses under the Vaccine Maitri (Vaccine Friendship) initiative, though this had to be halted as India grappled with a devastating COVID-19 wave last year.[9]

Though there is no overt evidence, it appears that India helped Paraguay, Taiwan's diplomatic ally, obtain critical vaccine doses at Taiwan's request.[10] While India has denied that the aid to Paraguay was at the behest of Taiwan[11], this action may have contributed to stymieing China's influence on disassociating Paraguay from Taiwan.[12] This kind of indirect diplomatic assistance may also contribute to establishing support mechanisms between India and Taiwan.

There are additional avenues for India and Taiwan to cooperate over the COVID-19 pandemic. For example, India can learn from Taiwan's experience of using technology to underpin COVID-19 communications.[13] Given India's population and variety of languages in use, the innovative use of technology will be key to deliver communications swiftly and respond to further outbreaks. Communication will be important in breaking vaccine hesitancy, redirecting resources if required in future waves and conveying resource availability to the needy population. India can use the current time to build these systems to ensure smooth communication during any subsequent waves.

Another important area for health cooperation is governance of emerging outbreaks. Taiwan established the National Health Command Center (NHCC) in 2004, unifying a central command system including the Central Epidemic Command Center (CECC), the Biological Pathogen Disaster Command Center, the Counter-Bioterrorism Command Center, and the Central Medical Emergency Operations Center.[14] A unified inter-ministerial response is key to responding to outbreaks

such as the ongoing pandemic that impact all aspects of public life. Shared knowledge on this governance mechanism would be useful for India to create a similar one tailored for the Indian context.

Conversely, India has tremendous vaccine expertise– from indigenous research, manufacture and deployment that can be shared with Taiwan. This exchange of expertise can form the basis for long-term partnerships that can go beyond the COVID-19 vaccines. India-Taiwan collaboration can help in creating better vaccines for existing neglected diseases and a long-term partnership can be leveraged to rapidly create vaccines against emerging diseases.

The COVID-19 pandemic has thus shown the potential for collaboration between India and Taiwan, but the scope for this partnership can be extended to other areas of healthcare as well.

### Avenues beyond the COVID-19 Pandemic

The two countries have been attempting to advance cooperation in traditional medicine. India took a first step to concretize healthcare ties with Taiwan by donating US\$ 20,500 (NTD 570,000; 1.5 million) to the National Research Institute of Chinese Medicine for work on traditional medicine.[15] India, through its own Ayurveda, Yoga, Naturopathy, Unani, Siddha, and Homoeopathy (AYUSH) ministry, is encouraging research on traditional medical systems being practiced in India. Cooperation in this domain, particularly on the understanding of traditional medicines and the development of analytical tools to test their utility can help in their adoption and use across the world. Key areas of collaboration are identifying ways of standardizing traditional medicines, testing their utility and standardizing manufacture. Further, training in traditional medicine can also be a focus area of cooperation.

India can also extend its concept of regulatory sandboxes in healthcare to Taiwan for trial of their emerging healthcare technologies. This will expose India to the latest in medical technology, while utilizing its vast diversity effectively. The presence of a strong health regulator is key to achieve this goal, while protecting the rights and health of any vulnerable populations. Particular areas of collaboration can be point of care diagnostics, wearables, assistive devices – these can be developed and tested across Taiwan and India and then deployed across the world.

An exciting new avenue for collaboration for scientists in India and Taiwan is prosthetics and biomechanical suits. With applications from military to rehabilitation, prosthetics made using biomaterials can revolutionize the healthcare industry, particularly as the world faces an ageing population.

Taiwan's increased thrust on precision medicine can also be a potential area of collaboration with India. Precision medicine is based on the application of technological tools to the analysis of massive genetic data. Taiwan's technology strength coupled with India's data strength can be used to harness this important emerging technology, transforming India and Taiwan into world leaders in this field. Further, the targeted use of precision medicine on relevant diseases can help health outcomes and increase productivity in India and Taiwan.

Finally, India can learn from Taiwan's impressive healthcare system that includes digitized patient records, universal healthcare access and affordable insurance models. Working with India, Taiwan can solve challenges on tailoring this system to a high population, heterogeneous country in a resource-starved environment. Such a system can then form a template for improving health outcomes in other countries as well.

### The Way Forward

Both India and Taiwan are geopolitically positioned to cooperate in the health sector. India is one of the 18 target countries under Taiwan's New Southbound Policy (NSP).[16] Public health and medicine is an important area of cooperation for Taiwan under the NSP framework. Two approaches proposed in the policy include creation of training programmes for medical staff and building of medical supply chains.

Similarly, Taiwan could be a collaborative partner for India under its Act East Policy. It is important to devise creative channels for India and Taiwan to work together while balancing any geopolitical concerns. One approach would be to consider cooperation in health to be beyond geopolitical issues: the COVID-19 pandemic has made it apparent that public health threats do not recognize political boundaries and do not pay heed to diplomatic understandings. Thus, public health security is one sector where collaboration may need to trump geopolitical underpinnings.

One way to boost collaboration between India and Taiwan is to set up more institutional frameworks that can facilitate exchange of ideas and resources.



For example, through the facilitation of the two representative offices, centers for cooperation in traditional medicine systems from both countries could be established.

Similar centers built to aid exchange can help identify areas of collaboration between the two countries and facilitate mobility of people and resources. For example, if sharing vaccine knowledge is identified as a key area of collaboration, these centers can facilitate the identification, travel and necessary documentation to ease connections between manufacturers and researchers in India and those in Taiwan. Similarly, programmes with specific outcomes can be devised for Indian medical personnel or policy makers who want to study Taiwan's advanced medical systems and governance structures.

Building on these lines, individual institutions – academic, private companies and think tanks – can work with each other to achieve mutually beneficial outcomes. The two governments can work together to reduce barriers for this collaboration, without any overt role to play themselves. This can be done in the form of specific visa programmes for health personnel, language training, creation of scholarships, amongst other measures. Offices such as the Taiwan External Trade Development Council (TAITRA) can aid in making these connections;<sup>[18]</sup> however, individual institutions should take the lead in identifying collaborators.

A low-hanging fruit in resource development is setting up student exchange programmes – such programmes can lead to cultural exchanges, increased travel and trade and increased awareness about opportunities in both countries. Two important factors that can underscore student exchange are easy availability of language training programmes and the availability of work opportunities, including work visas post-course completion, for the visiting students.

Further, even if the central government in India is still hesitant with Taiwan, the state governments can take the lead in technology and resource exchange. Individual states can set up collaborative projects with Taiwanese entities by facilitating availability of land, finance, labor and other required resources.

Finally, India can work with Taiwan through minilateral platforms. Some of the Quad members have already shown interest in supporting Taiwan. The United States, Australia and Japan have promised aid to Taiwan in multiple ways. The United States has streamlined and elevated interactions with Taiwanese diplomats, and included support for Taiwan in its Interim National Security Strategic

Guidance.<sup>[19]</sup> Australia has also demonstrated support to Taiwan amid China's growing aggression against Taiwan.<sup>[20]</sup> Similarly Japan has also recognized Taiwan's importance for "Japan's own security and the stability of the international community", and begun party-to-party talks addressing security cooperation.<sup>[21]</sup> India can utilize platforms such as the Quad to further its own collaborative efforts with Taiwan – such as sending vaccines. India can also offer indirect aid by partnering with countries that have diplomatic connections with Taiwan. Further, India can also use its diplomatic position to support the recognition of a wider role for Taiwan in multilateral organizations such as the WHO.

### Conclusion

The COVID-19 pandemic has demonstrated the need for furthering health cooperation across the world. Public health security cannot be ensured by any one country alone and India needs to explore partnerships that can help build capacity and expertise in protecting its citizens. Taiwan with its technological and healthcare expertise can be one such partner. Conversely, India can offer its strength in research, abundance of resources and diplomatic connections to Taiwan. Together, India and Taiwan can strengthen each other's healthcare programmes to improve health outcomes and innovate new solutions for existing and emerging health issues. ■

### Notes:

[1] SC.Chen, "Taiwan's Experience in Fighting COVID-19", *Nature Immunology*, vol. 22, 2021, p. 393-394.

[2] "Taiwan Donates Over 51 Million Masks to Countries Worldwide", *Business Wire*, July 2020, <https://www.businesswire.com/news/home/20200722005405/en/Taiwan-Donates-Over-51-Million-Masks-to-Countries-Worldwide>.

[3] "Taiwan's First Batch of COVID-19 Aid Leaves for India", *The Hindu*, May 20, 2021, <https://www.thehindu.com/news/national/taiwans-first-batch-of-covid-19-aid-leaves-for-india/article34462658.ece>.

[4] Rezual H. Lasker, "Taiwan, Uzbekistan Send Support for India's Covid-19 Response", *The Hindustan Times*, May 2, 2021, <https://www.hindustantimes.com/india-news/taiwan-uzbekistan-send-support-for-india-s-covid-19-response-101619945937995.html>.

[5] Twitter account of Taiwan's President Tsai Ing-wen, <https://twitter.com/iingwen/status/1386938260362915842?s=20>.

[6] Sidhant Sibal, "COVID-19 : Taiwan Shares Coronavirus Response Strategy with 14,000 Indian Medical Staff", DNA, April 12, 2020, <https://www.dnaindia.com/india/report-covid-19-taiwan-shares-coronavirus-response-strategy-with-14000-indian-medical-staff-2820631>.

[7] Supriya Modi, "Taiwan lends a hand to India in the fight against Covid-19", Invest India, April 24, 2020, <https://www.investindia.gov.in/team-india-blogs/taiwan-lends-hand-india-fight-against-covid-19>.

[8] Nayanima Basu, "India to Export Critical Drugs Like Hydroxychloroquine to More Than 20 Countries for Covid-19", The Print, April 11, 2020, <https://theprint.in/diplomacy/india-sends-drugs-medical-supplies-to-13-nations-as-govt-shifts-covid-aid-focus-to-africa/413757/>.

[9] "Vaccine Supply", Ministry of External Affairs, Government of India, <https://mea.gov.in/vaccine-supply.htm>.

[10] "Taiwan Says India Helped Paraguay Get Vaccines after China Pressure", Reuters, April 7, 2021, <https://www.reuters.com/article/us-health-coronavirus-taiwan/taiwan-says-india-helped-paraguay-get-vaccines-after-china-pressure-idUSKBN2BU0NH>.

[11] "India Rejects Report of Taiwan's Role in Arranging Vaccine Supplies to Paraguay", The Hindustan Times, April 8, 2021, <https://www.hindustantimes.com/india-news/india-rejects-report-of-taiwan-s-role-in-arranging-vaccine-supplies-to-paraguay-101617900647486.html>.

[12] Harsh V. Pant and Premesha Saha, "India's Vaccine Diplomacy Reaches Taiwan", Observer Research Foundation, April 21, 2021, <https://www.orfonline.org/research/indias-vaccine-diplomacy-reaches-taiwan/>.

[13] Heidi Tworek, "Lessons learned from Taiwan and South Korea's Tech-Enabled COVID-19 Communications", The Brookings, October 6, 2020, <https://www.brookings.edu/techstream/lessons-learned-from-taiwan-and-south-koreas-tech-enabled-covid-19-communications/>.

[14] C. Jason Wang, Chun Y. Ng, Robert H. Brook, MD, "Response to COVID-19 in Taiwan Big Data Analytics, New Technology, and Proactive Testing", Jama Network, March 3, 2020, <https://jamanetwork.com/journals/jama/fullarticle/2762689>.

[15] "India Sends Funds to Taiwan to Boost Cooperation on Traditional Medicine: Report", The Hindustan Times, February 28, 2021, <https://www.hindustantimes.com/india-news/india-sends-funds-to-taiwan-to-boost-cooperation-on-traditional-medicine-report-101614475503085.html>.

[16] New Southbound Policy Portal, Ministry of Foreign Affairs, Republic of China (Taiwan), <https://nspp.mofa.gov.tw/nsppe/>.

[17] Tanvi Madan, "The India Opportunity for Taiwan", Brookings, April 15, 2019, <https://www.brookings.edu/articles/the-india-opportunity-for-taiwan/>.

[18] TAITRA New Delhi, <https://newdelhi.taiwantrade.com/aboutTaitra>.

[19] Derek Grossman, "Biden Administration Shows Unwavering Support for Taiwan", TheRandBlog, October 20, 2021, <https://www.rand.org/blog/2021/10/biden-administration-shows-unwavering-support-for-taiwan.html>

[20] "Australia vows to help US defend Taiwan from Chinese attacks", Financial Times, November 13, 2021, <https://www.ft.com/content/231df882-6667-4145-bc92-d1a54bccf333>

[21] Ryan Ashley, "Japan's Revolution on Taiwan Affairs", War on The Rocks, November 23, 2021, <https://warontherocks.com/2021/11/japans-revolution-on-taiwan-affairs/>.



## Prospects of India-Taiwan Cooperation in the Health Sector

### Madhurima Nundy

Fellow, Centre for Social and Economic Progress, New Delhi & Visiting Fellow, Institute of Chinese Studies, Delhi.



A symposium titled Global Disease Challenges of Traditional Medicine in the 21st Century: The Best Opportunities for Taiwan and India was organized by the National Research Institute of Chinese Medicine, Ministry of Health and Welfare and National Pingtung University of Science and Technology to commemorate the International Ayurveda Day on November 11, 2021.

Source: ITA Facebook page

## Prospects of India-Taiwan Cooperation in the Health Sector

**Madhurima Nundy**

The COVID-19 pandemic, a devastating health crisis, has occurred that is felt locally, but shaped by global factors. The nature of this disaster has reinvigorated interest in bilateral and multilateral health cooperation. This has also paved the way to think differently about global health sector cooperation that needs to move beyond incremental aid to a more sustained response. In this context, this article focuses on the prospects of health cooperation between India and Taiwan in the coming years. At the bilateral level, there is limited cooperation in this area but there are several potential areas that could be explored for advancing interests in the health sector.

### Aid and Donations

Assistance in the form of aid and donations is one of the most common tools in health cooperation. This comes into effect mostly during a health crisis as in the recent pandemic. During the pandemic, aid has usually been provided in the form of medical supplies - face masks, personal protective equipment (PPE), testing kits, oxygen concentrators and eventually, supply of vaccines. Taiwan donated medical supplies to several countries including India. During the second wave in India in May 2021, Taiwan donated oxygen concentrators and cylinders to India.[1]

### Strengthening R&D in Medical Technology, Drugs and Traditional Systems of Medicine

An area of sustained cooperation could be Research and Development (R&D) for medical technology, biotechnology and drugs (allopathy and traditional medicines). While Taiwan has strength to conduct research in drugs, biotechnology, medical devices, equipment and software, India has its strengths in its generic pharmaceutical industry. India's R&D capacities are rather weak, and this is where the two countries could work together. India imports a substantive volume of the Active Pharmaceutical Ingredient (API) from China which has been a point of contention on the aspect of trade deficit, which is tilted towards China.[3] As noted, Taiwan has comparatively more high-value API biologics for its size.[4] Given

the respective strengths and weaknesses, there are several areas of collaboration here. While developing its own capacities, India could import APIs from Taiwan. This could lead to greater collaboration and major learnings from innovations and development in technology, drugs, vaccines and knowledge sharing in this area. Developing these capacities would also entail negotiating with aggressive patent regimes so that medicines are accessible to people in the region and other low-income countries across the world.

While R&D in allopathic medicine is of immense significance for providing cure and treatment, the rich presence of traditional medicines and their knowledge systems in South Asia and East Asia cannot be ignored. These systems do not restrict themselves only for cure and treatment but have an important role in preventive care and well-being. In early 2021, India donated US\$ 20,000 to Taiwan's National Research Institute of Chinese Medicine (NRICM) to boost cooperation in traditional medicine. This has come about after years of exchanges between two sides and India's setting up of an 'AYUSH Information Cell', a database of medicines under AYUSH[5] and engaging with the traditional Chinese medicine community in Taiwan. [6] There is scope for cooperation in knowledge sharing and use for alternative medicines in both regions. Both countries also have a rich history of local health traditions (folk-based) that are non-codified but have been passed down over generations. Research and documentation of these practices are important for alternate remedies.

### Prospects of Policy Research and Dialogues on Emerging Infectious Diseases in the Region and Health Concerns of the Population

Outbreaks of infectious diseases are not new to the Indo-Pacific region. Severe acute respiratory syndrome (SARS) is a case in point. Taiwan is being applauded for managing the COVID-19 pandemic effectively through means such as surveillance, wide-spread testing and contact tracing without having to go for a complete lockdown. Sharing the best practices in public health management is important for the region. This should be well integrated in health cooperation frameworks ensuring better preparedness towards managing future epidemics and pandemics. Dengue, Malaria, Tuberculosis are rampant in the region and there is a need for more dialogues on the management and responses to these health concerns. India and Taiwan can play an important role in the region for working together to develop better protocols and mechanisms to prevent, detect, diagnose, treat and manage infectious diseases. There are several ways in which these engagements



can occur. A broader sustainable policy on health security in the region to mitigate spread of infectious diseases must be integrated within the cooperation framework.

Comparative policy research is another area of cooperation. This can be conducted in collaboration between research institutions in India and Taiwan. One of the areas is drawing lessons from Taiwan on attaining universal health coverage. Universal health coverage is a global mandate within multilateral institutions as part of global health policies and even high-income countries struggle to achieve it. Taiwan attained universal health coverage in 1995, by providing equitable health services to all — one of the first in the East Asian region through its public-private mix of health services. Areas of research could include lessons and learnings from structures of health provisioning, financing and governance in Taiwan towards attaining universal health coverage. Another important area of research could be the rapid demographic transition in the Indo-Pacific region. As the world is ageing, there is a need to recalibrate healthcare to cater to the needs of older people in a society. This is true for East Asian, Southeast Asian and South Asian societies that are mostly middle-income to low-income countries. This region is growing old before getting rich. There is an urgent need for regional collaboration and discussions on healthcare for older people. Societies like Taiwan are important reference points in East Asia from where lessons could be drawn on integrated health services for older people in the region. An Indian think-tank, the Institute of Chinese Studies (ICS) is leading a project on ageing population, that is funded by the Asia-Pacific Observatory on Health Systems and Policies (under the aegis of the World Health Organization).[7] The project studies the above-mentioned areas and echoes the urgent need for policy level dialogues in the region. The policy recommendations from the report could be used in this context.

### Medical Education

A study conducted by the ICS showed that Indian students studying medicine abroad were mostly going to China among other Asian countries.[8] As of 2020, there were 23,000 Indian students studying medicine in China. China is an attractive destination for students who are unable to secure a medical seat in India. Such students secure admission at a much lower cost in Chinese universities. China recognizes 45 medical colleges across provinces for foreign students seeking admission giving a wider choice to students travelling from India. The findings showed that this is fraught with challenges. The stream of medicine for international students in China runs parallel to the one for the Chinese students.

This is largely a market-driven process which has implications for the quality of education and the future of the students who are aiming to be doctors. Students return disheartened and are stigmatized by society.[9] There are few thousand students who go to Taiwan for various courses including language, humanities, social sciences and the sciences. Taiwan could collaborate with India on the aspect of Indian students aspiring to study medicine and provide more opportunities for quality medical education in their medical colleges – these could be in modern medicine or traditional medicine but would require proper streamlining between the two sides so as to keep commercial interests at bay.

### Conclusion

At the global level, Taiwan's participation in multilateral agencies for global health is limited due to the political impasse and this ambiguous position needs resolution through different means. Earlier this year, the G7 countries advocated for Taiwan's observer status at the World Health Assembly.[10] Given that diseases do not respect borders or political views, Taiwan's representation and participation are as important as any other country in the global scenario. Taiwan has a lot to offer and contribute at the global and regional levels, given its steady progress and development in the health and medical sector. At the bilateral level, there is ample scope to have dialogues and cooperation in the sector. There is a need for mutually recognizing the importance of health security for human development and prioritizing it.

Therefore, both India and Taiwan need to collaborate further in the area of health and medical care. For Taiwan's New Southbound Policy, India is a key focus country. It is time that India starts looking at the prospects of collaboration in the health sector seriously rather than keeping it incremental. This is the right time to take this forward and strengthen cooperation in this area. ■

### Notes:

[1] Ananth Krishnan, "India Receives COVID-19 Aid from Taiwan, Places Commercial Orders with China", The Hindu, <https://www.thehindu.com/news/national/india-receives-aid-from-taiwan-places-commercial-orders-with-china/article34464800.ece>.

[2] Harsh V. Pant and Premesha Saha, "India's Vaccine Diplomacy Reaches Taiwan", Foreign Policy, April 20, 2021, <https://foreignpolicy.com/2021/04/20/india-vaccine-diplomacy-china-taiwan/>,

[3] Shreya Nandi, "India's Trade Deficit with China Widening Continuously : Foreign Secretary", Business Standard, October 21, 2021, [https://www.business-standard.com/article/economy-policy/india-s-trade-deficit-with-china-widening-continuously-foreign-secretary-121102101472\\_1.html](https://www.business-standard.com/article/economy-policy/india-s-trade-deficit-with-china-widening-continuously-foreign-secretary-121102101472_1.html).

[4] "Taiwan Offers Advanced Pharma Manufacturing Potential", Pharmaceutical Technology, February 24, 2021, <https://www.pharmaceutical-technology.com/comment/taiwan-advanced-pharma-manufacturing/>.

[5] AYUSH, is acronym for the traditional medicinal systems in India that includes Ayurveda, Yoga, Unani, Siddha and Homeopathy. There is a separate AYUSH ministry in India

[6] "India Sends Funds to Taiwan to Boost Cooperation on Traditional Medicine: Report", Hindustan Times, February 28, 2021, <https://www.hindustantimes.com/india-news/india-sends-funds-to-taiwan-to-boost-cooperation-on-traditional-medicine-report-101614475503085.html>.

[7] Rama Baru et al, 'Integration of Health Services for Older Persons in Urban India - A Scoping Review', Economic and Political Weekly, September 11, 2021, Vol. 56, No. 37, p. 36-43.

[8] Madhurima Nundy and R.V. Baru, "Student Mobility for Higher Education : The Case of Indian Students Studying Medicine in China", NIEPA Occasional Paper No.53, 2019, [http://www.niepa.ac.in/download/Publications/Occasional%20Paper%2053\\_web.pdf](http://www.niepa.ac.in/download/Publications/Occasional%20Paper%2053_web.pdf).

[9] Ibid.

[10] Nike Ching. G-7 Countries Back Taiwan's Observer Status in World Health Assembly, VOA News, May 5, 2021, [https://www.voanews.com/a/east-asia-pacific\\_g-7-countries-back-taiwans-observer-status-world-health-assembly/6205478.html](https://www.voanews.com/a/east-asia-pacific_g-7-countries-back-taiwans-observer-status-world-health-assembly/6205478.html).



## India-Taiwan Media Collaboration: Challenges and Opportunities

**Rudroneel Ghosh**

Assistant Editor, the Times of India.



TECC Representative Bau Shuan Ger taking part in a cultural activity in India

Source: TECC

## India-Taiwan Media Collaboration: Challenges and Opportunities

**Rudroneel Ghosh**

There is no denying that interest about Taiwan in India has grown appreciably in the last few years. Compared to even a decade ago, there is much greater appreciation of Taiwan's separate identity from China today. However, that is only the first step. A huge gulf in understanding of Taiwan continues to exist in Indian society. Very little is known in India about Taiwanese culture, people, politics, music or society. In fact, a little information that the Indian public has about Taiwan relates to Taiwanese information and communication technology (ICT) consumer brands such as Asus and Acer. But here too the Taiwanese identity does not get full play due to most Taiwanese products being contract manufactured in China. In short, the 'Made in Taiwan' label hardly has any recall impact among Indians.

Meanwhile, India's presence in Taiwan's mindscape is better with yoga and Indian cuisine slowly gaining popularity among Taiwanese. But here too there is much scope for improvement. The full range of India's extraordinary diversity is yet to make its mark upon the Taiwanese public. In such a scenario, there is much scope for Indian and Taiwanese media to collaborate and facilitate better understanding about each other's nation among their people.

### Challenges and Opportunities

There are, however, structural challenges to achieving the desired level of India-Taiwan media collaboration. Most Indian media platforms – barring the exception of Zee Media Network's WION news channel – are extremely local in their focus. Even if we divide these media outlets into 'national' and 'local' categories, the overall situation does not change. In fact, news coverage of countries in India's immediate neighbourhood too remains limited and is mostly restricted to events that directly impact India's national security.

This is not surprising given the Indian media almost entirely runs on advertisement revenue. The exception being media outlets run by specific interest groups. Therefore, the aim often is to increase readership or viewership – and thereby advertisement revenues – by providing content that would suit the taste and interests of the consumers, rather than informing or educating the consumer.

And thanks to the changing news consumption patterns with the advent of online platforms, traditional media is moving more in the direction of 'clickbait' content that is designed to grab eyeballs. Against this backdrop of the Indian media environment, increasing coverage about Taiwan in India is bound to be a slow process. In other words, given that Taiwan's presence in the Indian mindscape is small, Indian media coverage about Taiwan remains suboptimal. This is the case even without considering other factors – such as the impact of advertisements by Chinese companies in Indian media – that could hinder coverage about Taiwan.

That said, the current tensions in relations between India and China have opened a window of opportunity for Indians to know about Taiwan. True, this is not ideal as any improvement in India-China relations in the future could easily stymie the interest in Taiwan. In any case, Taiwan should not be viewed solely through the prism of China given that it has so much to offer on its own. Nonetheless, this moment needs to be capitalized upon to highlight Taiwan more within Indian media and society.

### Taking Baby Steps

Here in India, we have already witnessed a small spurt in interest in Taiwan since 2020. This is due to two main factors – India's border clashes with China since the summer of 2020 and Taiwan's commendable handling of the COVID-19 pandemic. Needless to say, the common theme here is indeed China. Overall, the picture that has emerged is that India and Taiwan are two democracies that have been harassed by China on account of Beijing's aggressive territorial claims and irresponsible handling of the COVID-19 pandemic. Hence, the Indian media at this moment has the latitude to highlight Taiwan and make common cause. This is something that needs to be built upon to sustain Taiwan's presence among Indians.

### Semiconductors

One area that immediately offers scope for mutual media collaboration is the semiconductor industry. Given the future strategic implications of this vital industry, and Taiwan's status as a semiconductor powerhouse, Indian media outlets can work with Taiwanese media partners to track and report on this vital sector. In fact, the semiconductor industry can serve as a durable bridge between India and Taiwan given the former's desire to plug into the global semiconductor supply chain. Therefore, there is a strong case here to cultivate Indian journalists who



can be experts in reporting on the semiconductor industry by tapping Taiwanese media-cum-industry resources.

### **New Southbound Policy**

There is also much scope for media collaboration based on Taiwan's New Southbound Policy (NSP). In fact, very little is known about the NSP in India. Therefore, there is a real need for coverage of specific NSP collaborations. With the right encouragement, this can even go beyond the bilateral India-Taiwan dynamic. The NSP can actually serve as a vehicle for Indian media to plug into developments in Southeast Asia, which too lack consistent coverage in India. This would nicely dovetail with India's Act East policy. The Indian media can use Taiwan's NSP as a springboard into Southeast Asia. In this regard, perhaps the Taiwanese government may want to consider including media collaboration in the NSP to amplify Taiwan's voice through media exchanges with target countries.

### **The Way Forward**

#### ***Work From the Ground Up***

While a direct pathway for media collaboration may be stationing a good number of correspondents in each other's country, this is not easy in the case of India and Taiwan. This is again due to the fact that the Indian media – and to some extent even the Taiwanese media – have a limited geographic range of focus. Besides, as things stand, it simply does not make adequate commercial sense for an India media outlet to have a dedicated Taiwan correspondent. Given that China is India's main foreign policy and strategic-security concern in the East – in addition to the significant economic implications of the India-China relationship – it makes more sense for Indian media houses to station correspondents in China.

Plus, agreements between Indian and Taiwanese media organisations to share content too may not be helpful. As long as the drive to highlight Taiwan in India and India in Taiwan remains suboptimal, such agreements will serve little purpose.

To get around this issue, it would be helpful to take a bottom-up approach and first cultivate a network of Indian and Taiwanese journalists. This would not only be helpful in familiarizing the journalists about each other's country, but also provide the journalists with an excellent resource to get stories from each other's region, cross-check facts and perspectives, and even pitch stories ideas to each other.

Once this network of journalists matures, the journalists themselves can push their respective organizations to cover more informed stories about each other's country.

#### ***Overcoming Language Barriers***

Language is certainly a barrier in fostering India-Taiwan media collaboration. In this regard, it would be helpful to have more Taiwanese English-language platforms like the recently launched Taiwan+ that can bring Taiwanese stories to the world and serve as a veritable bridge for Taiwan. Such platforms have the potential to serve as one-stop-shops for Indian journalists to get the latest news and views from Taiwan instead of visiting different Taiwanese platforms. Of course, as media collaborations mature, we will see Indian journalists gain a more in-depth understanding of Taiwanese politics, society and culture. But till that happens, platforms like Taiwan+ can be a good entry point for Indian journalists to know more about Taiwan.

Taken together, India-Taiwan media collaboration has huge potential for growth. But converting this potential into something tangible will take concerted efforts as a natural drive for such collaboration remains subpar due to the structure of the respective media industries, language barrier and commercial logic of the media houses. Nonetheless, a grand opportunity has presented itself in the form of current tensions between India and China, and China and Taiwan. This has certainly made the Indian and Taiwanese sides more interested in each other, providing some impetus for media collaboration. But harnessing this will require sustained efforts, beginning with focussing on specific sectors such as semiconductors and cultivating a network of Indian and Taiwanese journalists who can support each other.

Taiwan needs to broad-base its engagement with India to counter China's squeeze and India needs to enhance its ties with Taiwan for both strategic and development objectives. However, if India-Taiwan relations are to blossom and become durable, they need to be driven by human connections and human stories. This is where Indian and Taiwanese media can collaborate to highlight each other's country and serve as a bridge between the two nations. It is with this huge responsibility that Indian and Taiwanese media must strive to achieve synergy, which in time should become commercially viable for scaling up, allowing for greater recognition of each other's country. ■



## Cultural Exchanges as a Bedrock of India-Taiwan Relations

### Kuan-Ting Chen

CEO of Taiwan NextGen Foundation. Prior to joining NextGen, Kuan-Ting served as the Chief Research Office and Deputy Spokesperson with the Taipei City Government. Chen also hosts Radio Taiwan International's program "Vision on China".



Spectrum Divas performance on Vande Mataram during 2021 Diwali Celebration in Taiwan.

Source: Indians in Taiwan - liT



## Cultural Exchanges as a Bedrock of India-Taiwan Relations

**Kuan-Ting Chen**

Despite the limitations brought about by Taiwan's exclusion from the United Nations system and less-than-savory actions of Beijing aimed at limiting Taiwan's international space, there is currently an upward trajectory in India-Taiwan relations. The ties between New Delhi and Taipei are firmly embedded in culture, commerce, and connectivity. Among these 3Cs, cultural exchanges play a particularly prominent role as - due to its impact on opinion-shaping and, by extension, improving relations in other realms, from economic cooperation to social exchanges of political elites - the promotion of mutual understanding and people-to-people ties constitutes the bedrock of strong relations between nations.

### Leveraging India-Taiwan Ties with Taiwan's New Southbound Policy

2021 marked the quinquennial of Taiwan's New Southbound Policy (NSP), the flagship foreign policy instrument of President Tsai Ing-wen's administration. As India is one of the target countries of the NSP, and a key partner of Taiwan in the nation's quest to diversify its foreign relations beyond the infamous Taipei-Beijing-Washington triangle, it is important to critically evaluate the status quo and potential future trajectories of cooperation between India and Taiwan in promoting cultural exchanges. To this end, the context of the NSP is particularly useful, as it is an inherently people-centric policy.

Along with supply chains and linking regional markets, people-to-people ties and soft power constitute the four key links of the NSP.[1] This people-centric approach marks an important difference [2] between the current southbound vision for Taiwan and its previous avatars implemented by the Lee Teng-Hui, Chen Shui-Bian, and Ma Ying-jeou administrations. Policy measures to enhance soft power engagement and people-to-people exchanges are important, because they represent a paradigm shift in Taiwan's approach to fostering closer cooperation with countries in South Asia, Southeast Asia and Oceania. Specifically, they are indicative of Taiwan's embrace of a whole-of-society approach, in which not only the government and private enterprises, but also academics, non-governmental organizations as well as artists and cultural practitioners are recognized as important stakeholders in deepening and broadening ties between target countries.

### Enhancing Cultural Aspect in India-Taiwan Relations

Consequently, the primary objectives of this paper are, first, to provide an overview of select key aspects of cultural cooperation between India and Taiwan, including enhancing awareness and knowledge of the two countries' cultures and languages in their respective academic institutions, and second, to present actionable policy ideas for deepening this cooperation.

Buddhism, which originated in India, has played a crucial role in shaping the lives and cultures across Asia. In Taiwan, Buddhism remains one of the most important religions, with over a third of the population self-identifying as Buddhist.[3] The Buddhist religious tradition, as practiced by such Buddhist groups as Fo Guang Shan, Tzu Chi Foundation, and Dharma Drum Mountain, not only shapes spiritual life in contemporary Taiwan, but also affects the country's economy, charity, and humanity.[4] With over eight million practicing Buddhists in India, Buddhism's influence remains present in Indian art, culture, and architecture.[5]

Recognizing this shared Buddhist legacy, it should not come as a surprise that the Southern Branch of the National Palace Museum (NPM) serves as an important nodal institution in India-Taiwan cultural cooperation. While the main branch of NPM in Taipei holds vast collections of Chinese art and antiques, and prides itself as the protector and inheritor of Chinese civilization,[6] the Southern Branch of NPM—inaugurated on December 28, 2015 in Taibao, Chiayi County—reorients the narrative about the sources of Taiwanese culture beyond China, and prominently features and effectively contextualizes artefacts from places including Japan, Republic of Korea, and, of course, India. In particular, the robust collections of Buddhist art housed at the Southern Branch of NPM effectively highlight the shared cultural roots between India and Taiwan.[7]

One of the largest annual events of the Southern Branch of NPM is its Asian Art Festival. Since 2017, this flagship cultural institution has sought to align its programming with the objectives of the NSP, and promote diverse cultures of the policy's target countries in the course of the month-long festival. The very first edition of this annual celebration was focused on India,[8] and included special art exhibitions, cultural shows, film screenings, seminars and workshops focused on the South Asian country. This unprecedented event not only highlighted the importance of India's contribution to Asia's diverse cultures, but also served as a unique opportunity to promote the diversity of India outside of the capital city

of Taipei. Importantly, the organizers of the event productively tapped into the resources of the Indian diasporic community in Taiwan by providing spaces for grassroots artistic collectives to showcase their work at NPM.[9]

Another flagship national arts institute, the National Theater and Concert Hall (NTCH), has also actively promoted Indian artists. During the 2017 Taipei International Festival of the Arts (TIFA), NTCH invited Shujaat Khan, one of the most important classical musicians in northern India, to perform for the Taipei audience. [10] While NTCH's engagement with India is clearly more episodic than that of the NPM, it is still worthy of a mention, given the institution's sheer importance in Taiwan's cultural scene.

Despite NPM's and NTCH's role in fostering cooperation between India and Taiwan, it is important to bear in mind that cultural exchange between the two countries is anything but a one-way street. Indian audiences have been developing an appreciation for Taiwanese cultural production, and, in particular, motion pictures.

The Taipei Economic and Cultural Center (TECC), Taiwan's representative office in India, has been at the forefront of promoting the works Taiwanese cinema. The Center organized Taiwan Film Festival in New Delhi in 2018; the selection of movies touched upon diverse social issues, including LGBTQ+ rights and labor migration, which served as an appreciable example of Taiwan's progressive values. [11] Organizers of Indian film festivals also actively engage the Center in boosting Taiwanese motion pictures among diverse audiences from Maharashtra [12] to Assam.[13]

The popularity of using film as a tool of cultural diplomacy for Taiwan also points to two issues. First, costs and logistical concerns behind movie screenings are lower than in the case of other media, such as performing arts or works of visual arts, rendering them an economical tool of cultural diplomacy in India. Second, the sheer geographic diversity of locations where Taiwanese movies were played points to the tremendous potential for the promotion of Taiwanese culture across India's national territory, and underscores the importance of crafting a soft power deployment strategy optimized for reaching publics outside of the capital region and major metropolises.

The aforementioned exchanges depend heavily on institutional support from public institutions in Taipei and New Delhi. Certainly, representative offices of both countries provide important financial and administrative contributions to cultural diplomacy, either as organizers of events or supporters of grassroots cultural practitioners in the locales they oversee. In that regard, it is important to highlight that Taiwan's Ministry of Culture (MoC) opened a liaison office[14] in New Delhi in February 2020, operating as the Cultural Division of TECC; this is only the fifth overseas office of MoC in Asia, which underscores the importance of the Indian market in Taiwan's strategy for global outreach in the realm of culture. At the same time, despite India's representative office in Taiwan, India-Taipei Association's sustained efforts to collaborate with cultural organizations in Taiwan,[15] including flagship institutions such as NPM, the absence of Indian Council of Cultural Relations (ICCR) on the ground in Taipei halts progress in cultivating mutual understanding and strengthening people-to-people ties between the two countries.

The establishment of an Indian Cultural Center (ICC) by ICCR would provide crucial institutional infrastructure for supporting targeted, country-specific projects fostering exchanges with Taiwan. It is important to highlight that dedication of cultural resources specifically to Taiwan would also contribute to establishing a higher degree of reciprocity in cultural cooperation between the two countries. India is one of the countries included under Taiwan MoC's West and South Asia Grant Projects scheme.[16]

The final aspect of cultural cooperation between India and Taiwan is language instruction. The nexus of language and culture cannot be overemphasized given that language is "a key to the cultural past of a society",[17] as well as a key to understanding "social reality." [18] Moreover, Mandarin, Hindi, and Bengali are all listed among the world's ten most spoken languages,[19] which points to numerous positive externalities resulting from language acquisition in these tongues. Unfortunately, access to Indian languages among Taiwanese students remains limited. While some institutions, including the Taiwan National University of Science and Technology, offer introductory courses [20] in Hindi, Indian languages and cultures are not taught systematically, including at the institutions with dedicated programs in South Asian Studies.[21]

Taiwan, on the other hand, has effectively capitalized on the so-called 'Mandarin Wave' in India. According to Fang Tien-Sze, a prominent scholar of Indian politics and formerly a Taiwanese diplomat in New Delhi, "With China's rise and the resulting



needs in terms of trade and national security, India has experienced a 'Mandarin wave' in recent years." [22] With the support of the Executive Yuan, Taiwanese universities established nine Taiwan Education Centers in India, [23] which, along with language training, also afford young Indian talents an opportunity to deepen their understanding of Taiwan through cultural exchange. [24]

### Policy Suggestions

As the expository part of this paper demonstrates, Taiwan and India have made considerable strides to bring their people closer together by promoting their respective cultures. As India and Taiwan celebrate 25 years of their partnership, both sides can benefit from the strong foundation for cultural exchange established by their governments and grassroots cultural practitioners. At the same time, to fully realize the tremendous potential of those cultural ties, it is important to reflect upon actionable policy ideas devised to propel the special relationship between New Delhi and Taipei.

#### Establish an ICCR-Led Taiwan Culture Center in Taipei

Constituting India's key institution responsible for the nation's public and cultural diplomacy, ICCR has an important role to play in strengthening cultural cooperation between India and Taiwan. While Taiwan's MoC operates one of its five Asia-based overseas offices out of TECC in New Delhi, the absence of ICCR in Taiwan is conspicuous and considerably limits India's soft power projection capabilities in the country.

In light of this suggestion, it is important to acknowledge that ICCR has not closed its doors to Taiwanese stakeholders, as it offers slots for Taiwanese students in its international fellowship programs [25] and has provided opportunities [26] for cultural practitioners from Taiwan to showcase their work in India. Additionally, a significant presence of diasporic Indians in Taiwan, who organically act as the "unofficial flag-bearers of India's culture," [27] provides an effective albeit informal framework for the promotion of India's soft power. Nevertheless, these should not be regarded as an ersatz for an ICC.

As important overseas arms of ICCR, ICCs play a significant role in promotion of India's soft power, but also signal the strategic importance of the target countries where they are established. [28] According to Arunima Gupta, Principal at Network of Indian Cultural Enterprises, "For Indian soft power to achieve its full potential, it is imperative to have [the] involvement of all stakeholders, including artists, entrepreneurs, academics, policy makers and civil society." [29] ICCs are perfectly equipped to explore synergies between these stakeholders and harmonize their cooperation.

Additionally, foreseeing potential pushback from China regarding India's deployment of diplomatic resources in Taiwan, it is crucial to stress that an ICC does not constitute a consular outpost, as it is formally an overseas branch of the ICCR, not the Ministry of External Affairs (MEA). [30]

#### Increase Resources for the Promotion of Indology and Indian Languages in Taiwan

The deepening of cultural cooperation between countries requires consistent and broad-ranging capacity building ventures, with a particular focus on cultivating talent with a high degree of cultural literacy. In the case of Taiwan's NSP, this human resource-centric need is recognized as a part of the "Market, Pipeline and Platform" approach guiding Taiwan's Ministry of Education (MoE) New Southbound Talent Development Program. [31] "Pipeline" refers to the interflow of talented people between Taiwan and New Southbound Policy countries and deepening deeper understanding of other nations' cultures and languages.

In the case of India-Taiwan cooperation, the potential for realizing the MoE-defined pipeline is limited due to extremely narrow offerings in Indology (Indian Studies) at Taiwanese academic institutions, and virtually non-existing resources for teaching Indian languages. NTHU is the sole institute with a Center for Indian Studies in Taiwan. [32] Apart from NTHU, National Chung Hsing University (NCHU) also has a Center for Studies on South Asia and the Middle East. However, neither of the institutions conduct instruction in Indian languages. The expansion of these academic offerings is thus sorely needed.

To this end, the establishment of ICCR's presence on the ground in Taiwan, in the form of an ICC, would be particularly conducive to the promotion of Indology. In 49

locations[33] around the globe, ICCR operates its flagship Indian Chairs program, aimed at the promotion of Hindi—a high priority for Indian diplomacy—and interdisciplinary research in Indian studies.[34] ICCR establishes Chairs based on a Memorandum of Understanding (MoU) signed between the Council and the host university.[35] NTHU and NCHU, as well as the National Chengchi University (NCCU), recognized for its strength in the social sciences and foreign languages, would all be feasible partner institutions for ICCR.

Additionally, recognizing Taiwan's established presence in Chennai[36] and the pressure[37] on the Indian MEA to promote other Indian languages beyond Hindi overseas, it would be highly beneficial for Taiwan to build capacity for Tamil language instruction. Taiwan has continued to expand its economic cooperation with Tamil Nadu,[38] and the time is ripe to expand activities related to the cultural pillar of the NSP in that state. This could be facilitated by cooperation with nodal institutions such as the Tamil University, or MEA's 2018 initiative Bharat Ek Parichay[39] aimed at promoting all Indian languages[40] in the international arena.

### Provide Dedicated Resources to Indian Filmmakers to Produce Motion Pictures in Taiwan

One specific area of cultural cooperation with considerable underutilized potential is film production. India might be best known for Bollywood, or its Mumbai-centric Hindi-language film industry, but film productions executed in southern India are also a tremendous source of nation's soft power—Taiwan's Foreign Minister Joseph Wu even named the Telugu and Tamil-language epic action film Baahubali (2015) as one of his personal favorites.[41] As there is an established link between film production and tourism, frameworks aimed at supporting Indian filmmakers in completing their works in Taiwan could be very beneficial to increasing mutual awareness and understanding between the two countries, and in furthering tourism-related goals of the NSP.[42]

Switzerland and Poland[44] benefited from increased tourist traffic from India after popular Bollywood movies were shot in those countries. After Dilwale Dulhaniya Le Jayenge (1995), one of the highest-grossing movies with the record of the longest running movie in the history of Indian cinema, was shot in Switzerland, the Alpine country became one of the most popular vacation spots for affluent Indian tourists. Similar is the story of another famous Bollywood movie Zindagi Milegi na Doba

(2011) that was shot in Spain. Following the commercial success of pictures such as Kunal Kohli's Fanaa (2006) and Sajid Nadiadwala's Kick (2014), whose production was supported by the Polish Tourism Organization, the first Indo-Polish film No Means No (set for release in mid-2022) is seen as an important tool for boosting tourism and reinforcing the cultural connection between India and Poland in the post-COVID era.[45]

The cases of Switzerland and Poland clearly demonstrate the tremendous potential of Indian cinema in strengthening culture-centric people-to-people ties between India and its partners. Taiwan should capitalize on this opportunity. The establishment of the Taiwan Creative Content Agency in June 2019 was a step in the right direction, as it provided an institutional framework for supporting international creative content producers, including Indian filmmakers, in producing works of film and television which will strengthen Taiwan's cultural brand in the world. ■

### Notes:

[1] "新南向政策綱領", Bureau of Foreign Trade, <https://newsouthboundpolicy.trade.gov.tw/PageDetail?pageID=10&nodeID=21>.

[2] Kristy Hsu Tsun-tzu, "A Review of Taiwan's Old and New Go South Policy : An Economic Perspective", Prospect Journal, 2017, vol. 18, pp. 63-77.

[3] "國際宗教自由報告：2019年台灣部分", American Institute in Taiwan, June 11, 2020, <https://www.ait.org.tw/zhtw/2019-report-on-international-religious-freedom-taiwan-zh/#:~:text=美國在台協會代表也與宗教領袖以及,會面,以提倡宗教包容%E3%80%82&text=美國政府估計台灣總,%自認是道教徒%E3%80%82>.

[4] Sumanto Al Qurtuby, "Buddhism and Worldliness in Modern Taiwan", Journal of Contemporary Religion, vol. 35, no. 3, 2020, pp. 543-564.

[5] "RGI releases Census 2011 data on Population by Religious Communities", Government of India, Ministry of Home Affairs, August 25, 2015, <https://pib.gov.in/newsite/PrintRelease.aspx?relid=126326>,

[6] Susan Shih Chang, "Representing Asia in the Southern Branch of the National Palace Museum in Taiwan", International Institute for Asian Studies, 2020, <https://www.iiias.asia/the-newsletter/article/representing-asia-southern-branch-national-palace-museum-taiwan>.

[7] "Imprints of Buddhas : Buddhist Art in the National Palace Museum Collection", National Palace Museum, <https://www.npm.gov.tw/Publications-Content.aspx?sno=04006878&l=2>.



[8] "NPM Southern Branch hosts Indian Festival of Light", Ministry of Foreign Affairs, Republic of China (Taiwan), 2017, <https://nspp.mofa.gov.tw/nsppe/news.php?post=123623&unit=381&unitname=Global-Exchanges&postname=NPM-Southern-Branch-hosts-Indian-Festival-of-Light>.

[9] "故宮亞洲藝術節！慶排燈節迎內心之光 穿印度服免費逛南院", SETN, October 17, 2017, <https://www.setn.com/News.aspx?NewsID=305081>.

[10] "Taiwan International Festival of Arts, 2017, [https://tifa.npac-ntch.org/2017/download/2017TIFA\\_booklet.pdf](https://tifa.npac-ntch.org/2017/download/2017TIFA_booklet.pdf).

[11] "Taiwan Film Festival to be launched at India Habitat Center September 10 to 17, 2018", Taipei Economic and Cultural Center in India, September 7, 2018, [https://www.roc-taiwan.org/in\\_en/post/3343.html](https://www.roc-taiwan.org/in_en/post/3343.html).

[12] "Taiwanese Films 'Bad Boy Symphony,' 'Missing Johnny' and 'Han Dan' to be Screened in Mumbai", Taipei Economic and Cultural Center in India, September 26, 2019, at [https://www.roc-taiwan.org/in\\_en/post/4096.html](https://www.roc-taiwan.org/in_en/post/4096.html).

[13] "Amb. Tien Invited to 3rd Guwahati Int'l Film Festival", Taipei Economic and Cultural Center in India, November 5, 2019, [https://www.roc-taiwan.org/in\\_en/post/4158.html](https://www.roc-taiwan.org/in_en/post/4158.html).

[14] "Cultural Division of the Taipei Economic and Cultural Center in India", Ministry of Culture, May 5, 2020, [https://www.moc.gov.tw/en/information\\_311\\_110541.html](https://www.moc.gov.tw/en/information_311_110541.html).

[15] "Indian Culture in Taiwan", India Taipei Association, at <https://www.india.org.tw>

[16] "文化部 111 年度亞西及南亞地區與臺灣文化交流合作補助專案 即日起受理申請", Ministry of Culture, November 10, 2021, [https://www.moc.gov.tw/information\\_250\\_138324.html](https://www.moc.gov.tw/information_250_138324.html).

[17] Irina-Ana Drobot, "Multilingualism and Awareness of Cultural Differences in Communication", July 31, 2021, <https://www.intechopen.com/online-first/77761>.

[18] James Stanlaw, Nobuko Adachi, Zdenek Salzmann, *Language (2018), Culture, and Society : An Introduction to Linguistic Anthropology*, (London: Routledge, 2018).

[19] "The most Spoken Languages Worldwide in 2021", Statista, March 30, 2021, <https://www.statista.com/statistics/266808/the-most-spoken-languages-worldwide>.

[20] "More than Just Language : Hindi Culture and Language Class at Taipei Tech", National Taipei University of Technology, <https://www-en.ntut.edu.tw/p/404-1006-69938.php?Lang=en>.

[21] "Center for Studies on South Asia and the Middle East", Graduate Institute of International Politics, National Chung Hsing University, at <https://cssame.nchu.edu.tw>.

[22] "Taiwanese Educators Ride India's 'Mandarin Wave'", Taiwan Panorama, February 2018, <https://www.taiwan-panorama.com/en/Articles/Details?Guid=61651c37-5a74-4f3b-8102-5e67f77d1cdc>.

[23] "Taiwan Education Center in India", <https://www.tecindianthu.tw/index.php?lang=en>.

[24] Pei-ying Chiang, "Taiwan Education Centers Deepen Academic, Cultural Exchanges with India", Taiwan Today, May 18, 2018, <https://taiwantoday.tw/news.php?post=134542&unit=11>.

[25] Prashant Kumar Singh, "India-Taiwan Ties : Can They Overcome Structural Challenges?", Eurasia Border Review, vol. 9. no. 1, 2018, pp. 1-28.

[26] "Ju Percussion to perform in India", Focus Taiwan, March 31, 2011, <https://focustaiwan.tw/culture/201103310042>.

[27] Anubhav Roy, "The Trouble with India's Soft Power Apparatus", The Diplomat, February 28, 2020, <https://thediplomat.com/2020/02/the-trouble-with-indias-soft-power-apparatus>.

[28] "Indian Cultural Centres Abroad", Government of India, Ministry of External Affairs, July 26, 2017, <https://pib.gov.in/newsite/PrintRelease.aspx?relid=169048>.

[29] Arunima Gupta, "Celebrating Indian Soft Power", USC Center on Public Diplomacy, November 9, 2020, <https://uscpublicdiplomacy.org/blog/celebrating-indian-soft-power>.

[30] See n. 27.

[31] "The New Southbound Talent Development Program", Ministry of Education, Republic of China (Taiwan), June 23, 2020, <https://english.moe.gov.tw/cp-48-17252-7F227-1.html>.

[32] Marcin Jerzewski and Sana Hashmi, "Time to Take Taiwan Studies Beyond America", The Diplomat, April 16, 2021, <https://thediplomat.com/2021/04/time-to-take-taiwan-studies-beyond-america/>.

[33] "Indian Council for Cultural Relations", <https://iccr.gov.in>.

[34] "26 Hindi Chairs Established in Foreign Countries to Promote it : MEA", Outlook India, January 2, 2019, <https://www.outlookindia.com/newscroll/26-hindi-chairs-established-in-foreign-countries-to-promote-it-mea/1450714>.

[35] "Indian Chairs Abroad", Indian Council for Cultural Relations, <https://iccr.gov.in/online-form/chairs/introduction>.

[36] "Taipei Economic and Cultural Center in Chennai", Ministry of Foreign Affairs, Republic of China (Taiwan), [https://www.roc-taiwan.org/inmaa\\_en/index.html](https://www.roc-taiwan.org/inmaa_en/index.html).

[37] "For Decades, MEA Has Promoted Only One Indian Language Abroad – Hindi", The Wire, April 11, 2018, <https://thewire.in/diplomacy/mea-hindi-indian-language-promotion-abroad>.

[38] "The Inaugural ceremony of the Tamil Nadu Global Investors Meet 2019 took place at the Chennai Trade Centre in the morning of January 23rd, 2019. The Director-General Charles Li of the TECC in Chennai was invited to attend the ceremony in which Taiwan was acknowledged as one of the major investors in Tamil Nadu.", Ministry of Foreign Affairs, Republic of China (Taiwan), January 23, 2019, <https://nspp.mofa.gov.tw/nsppe/news.php?post=149309&unit=409&unitname=Events-Abroad&postname=The-Inaugural-ceremony-of-the-Tamil-Nadu-Global-Investors-Meet-2019-took-place-at-the-Chennai-Trade-Centre-in-the-morning-of-January-23rd,-2019.-The-Director-General-Charles-Li-of-the-TECC-in-Chennai-was-invited-to-attend-the-ceremony-in-which-Taiwan-was-acknowledged-as-one-of-the-major-investors-in-Tamil-Nadu>.

[39] "Bharat Ek Parichay", Ministry of External Affairs, Government of India, <https://www.mea.gov.in/bharat-ek-parichay.htm>.

[40] "Question No.326 promotion of Indian Languages in Foreign Countries", Ministry of External Affairs, Government of India, December 13, 2018, [https://www.mea.gov.in/rajya-sabha.htm?dtl/30698/QUESTION\\_NO326\\_PROMOTION\\_OF\\_INDIAN\\_LANGUAGES\\_IN\\_FOREIGN\\_COUNTRIES](https://www.mea.gov.in/rajya-sabha.htm?dtl/30698/QUESTION_NO326_PROMOTION_OF_INDIAN_LANGUAGES_IN_FOREIGN_COUNTRIES).

[41] "Indian Films like 'Baahubali', 'Dangal' and 'Hindi Medium' are Very Popular in Taiwan: Joseph Wu Tells WION", WION News, October 22, 2020, <https://www.wionews.com/entertainment/indian-films-like-baahubali-dangal-and-hindi-medium-are-very-popular-in-taiwan-joseph-wu-tells-wion-337074>

[42] "New Southbound Policy Efforts Boost Tourism", Department of Information Services, Executive Yuan, December 2, 2016, <https://english.ey.gov.tw/Page/61BF20C3E89B856/ab2a0468-236e-4544-b04a-d1ba91f2fc58>.

[44] Krzysztof Iwanek, "Kracowood: Bollywood's New-Found Love Affair With Poland", The Diplomat, July 08, 2015, at <https://thediplomat.com/2015/07/kracowood-bollywoods-new-found-love-affair-with-poland>

[45] "The First Indo-Polish Film, to Boost Tourism, Reinforce Culture Connection", Hindustan Times, February 3, 2021, <https://www.hindustantimes.com/lifestyle/art-culture/the-first-indo-polish-film-to-boost-tourism-reinforce-culture-connection-101612352488730.html>.



## India-Taiwan People-to-People Ties: Role of Culture, Diaspora, Education, and Language

### Priya Lalwani Purswaney

An English, Chinese, Hindi interpreter and emcee who runs her own translation company. She is also the convener of the IIT Indians in Taiwan group and partner at the India Music and Culture Center.



Organizers, volunteers, performers and guests with Taiwan's Deputy Foreign Minister Tien Chung-kwang and ITA Director General Gourangalal Das at the Indian Spring Festival held in April 2021.

Source: Taipei India Music and Culture Center



Priya Lalwani Purswaney

People-to-people connections are the foundation of India-Taiwan relations. In the absence of formal diplomatic ties, people have played a crucial role. Some of the relatively underexplored areas of this relationship have been the role of diaspora, education, culture, and language. In this context, this paper explores the contribution of the Indian diaspora while also examining the role of culture, music, and language in advancing the relations.

## Culture as the Foundation

Melodious Indian music greeted the ears while the tantalizing aroma of tandoori dishes tempted the taste buds. The eyes got to feast on beautiful regional costumes and intricate handicrafts from India while the cooling sensation of henna designs on the skin felt nice on a warm spring day. All five senses are stimulated as over three thousand people enjoyed the performances, food, shopping, and mingling. This sounds like a description of a mela (carnival) in India, but this was rather the scene that greeted guests at the 2021 Indian Cultural Festival organized by Taipei India Music and Culture Center held at a historic site in Taiwan's New Taipei City (NTPC) on April 24, 2021. This event was made possible with the support from NTPC's Cultural Department, Taiwan's Ministry of Foreign Affairs (MOFA), and the India Taipei Association (ITA). Equally important was the support of all the participants who joined to showcase the diversity of Indian culture to Taiwanese audiences. Participants included local Indian residents from different walks of life, Taiwanese artists who are familiar with and trained in various Indian dance forms, and several volunteers (Indian and Taiwanese) from around the country who came to help at this annual event.

Now in its seventeenth year, the Indian Cultural Festival was conceptualized and organized by an Indophile, Jeffery Wu. The event that has become an annual tradition brings together various artists from around the world, to congregate in Taiwan and experience a glimpse of the rich culture of India. In past years, the festival has featured dancers, musicians, and singers from Taiwan, Japan, Hong Kong, China, United Kingdom, France, etc. Though they hail from different corners of the world, and may not have a direct connection to India, they all share a common love for Indian performing arts. The festival provides a stage for them to

showcase their art, while simultaneously bringing a deeper understanding of India to the people of Taiwan. Due to the ongoing pandemic, travel restrictions hampered participation from international artists at the 2021 festival, but it did not dampen the exuberance in the event. Yoga has also become an important part of events like these. As the host of the festival since 2004, I have noticed a deepening interest towards Indian culture among the people of Taiwan. These trends ignite the hope that the sharing of the rich Indian tradition will be continued in future.

This festival is just one example of efforts to increase people-to-people interactions between India and Taiwan. Other activities include regular events to celebrate important Indian festivals held by the Indian students at various universities around Taiwan. These events, which usually feature stage performances and culinary tradition, are attended by Indians and Taiwanese, providing a great setting for everyone to interact, thereby enhancing mutual understanding.

Since 1995, the establishment of representative offices of India in Taiwan and of Taiwan in India has also helped to further mutual understanding on both sides. The ITA regularly organizes events to introduce India in Taiwan. Similarly, the Taipei Economic and Cultural Center (TECC) in India also organizes events to introduce Taiwan to Indians. It is hoped that such initiatives continue on a wider scale to reach more people. Film is an important medium for culture, and Indian films are popular among Taiwanese.

Cinema has been one of the principal mediums of popular culture that has helped India's cultural outreach. Bollywood and regional Indian movies have immensely contributed in that regard. For instance, the Indian film *Three Idiots* has a devoted Taiwanese fan base of its own, and some of Amir Khan's movies were also screened in theaters after the success of *Three Idiots*. Taiwan's Culture Ministry has started an initiative to showcase Taiwanese films and books in India as well.

## The Growing Role of Indian Diaspora

The Indian diaspora in Taiwan has evolved since the 1970s. During the first decade, most of the Indians who came here were exporters, and they contributed to Taiwan's economic miracle, exporting goods made in Taiwan to destinations around the world. The next group that came around the 1990s were importers of precious stones. These two groups have stayed in Taiwan the longest. There have also been Indian expats working in multinational companies who are stationed



here for a few years. Since the 2000s, the number of Indian software engineers and students in Taiwan have seen a steady rise. Today, it is estimated that there are about 5,000 Indians and people of Indian origin in Taiwan working in varied fields. Of these, about 3,000 are in academia, either studying, doing research, or teaching. Indians in Taiwan hail from different states, and most have formed their own informal community-based associations. In order to have a common platform for all Indians in Taiwan to interact and disseminate information, a social media-based group named IiT-Indians in Taiwan was created in 2012. With a team of dedicated moderators, this group disseminates important information whenever the need arises. Since the group is private, a separate page called IiT-Indians in Taiwan was created to share public information.

Some regional associations also actively organize cultural events to celebrate various Indian festivals. Most of the events are for the members of that specific community, so that they can celebrate their traditions. However, a few are open to everyone, and are attended by members of other communities as well as Taiwanese and foreigners. The Taiwan Tamil Sangam's Pongal celebration is an example. In addition, organizations such as Vishva Hindu Parishad hold Hindi and music classes. Some Indian religious organizations such as Sathya Sai Centre organize service visits to deliver needed supplies to various homes for the underprivileged. The importance placed on doing seva (service) continues even when Indians reside overseas. In May 2021, when Taiwan witnessed the surge in the COVID-19 cases and faced a shortage in its blood banks, the Indians in Taiwan initiated a blood donation drive. Just prior to that, when India suffered at the hand of the pandemic, Taiwanese and Indians in Taiwan also collected funds to send relief supplies to India. This relationship of mutual support and assistance is a hallmark of our two civilized democracies.

On the other hand, the Taiwanese diaspora in India is quite small, estimated at around 300 people pre-COVID. They were mostly staff working in Taiwanese companies, Taiwanese spouses married to Indians, and Mandarin language teachers.

### **Education: Building Generational Linkages**

When my sister and I moved to Taiwan in 1987, there were no other Indian students in local universities. It was also unheard of for Indian children to attend local elementary or high schools, since foreign families usually chose to send their

children to one of the international schools. We took the courageous step to study in a local elementary school and university. From two young trailblazers more than three decades ago to the almost 3,000 Indian students currently studying in Taiwan, the scene has definitely changed. More Indian students are choosing to come to Taiwan for higher studies now. This is a testament to the high quality of education offered here. In recent years, few Indian parents have also started sending their children to local elementary and high schools. However, among the second-generation Indian children who have grown up in Taiwan, hardly any have attended universities here, choosing instead to go overseas for higher education. Nonetheless, today there are a sizable number of Indian origin youngsters who know and love Taiwan, and hence, can be encouraged to continue higher studies here.

The Taiwan government offers various scholarships for international undergraduate, masters, and doctoral students, as do the local universities. In fact, many Taiwanese universities are keen to attract talented Indian students into their programs. Potential employment opportunities also exist, either for postdoctoral research or teaching positions in universities, or jobs in the private sector, since more Taiwanese companies are interested in having trade or investment connections with India. Language is always a useful tool, and learning mandarin in Taiwan could provide Indian students a competitive advantage in their careers, anywhere in the world.

The majority of Indian students in Taiwan major in pure sciences, engineering, or technology. Only a few choose to major in social sciences, humanities, and arts. This is a gap that needs to be addressed in order to provide a more balanced and holistic understanding of Taiwan to prospective Indian students in the future.

As for the Taiwanese studying in India, there have been so far, who have travelled to learn yoga and meditation, dance and music, or pursue a degree in social sciences. They usually visit India for short periods, and leave after completion of their program. Very few Taiwanese working in India, have taken their children along, and those who have, send them to the international schools. I know of one such family, who sent their child to a boarding school in Dehradun. This may be an area India can develop in the future. One long-term Taiwanese resident of India hopes that in the future, more Taiwanese companies, restaurants, cafes and other services come to India, just like the Korean and Japanese. This way, Indians can know more about Taiwan faster.

Finally, it would be remiss to not mention a Taiwanese Professor who has been teaching at a Pune university for several years, and also the co-editor of this policy report who has been conducting her research on India-Taiwan relations at the Taiwan-Asia Exchange Foundation for a year now. It is crucial for the two sides to promote scholarly exchanges between Indian and Taiwanese scholars.

### Linking People through Language

Language plays the central role in establishing connections between individuals and communities and facilitates better mutual understanding. The students and employees on either side need to be encouraged to use the opportunity provided in either country to learn the local languages. Mandarin language fluency of even those Indians who have settled in Taiwan for several decades is still left wanting. When my sister and I started our education in Taiwan, there were no English programs. Everything was taught in Mandarin and that gave us an immersive crash course. It gave us the chance to learn and appreciate the Taiwanese people, food, music, beliefs, art and culture. Having a growth mindset really helped us to see things in a positive way, and that in turn helped us to turn struggles into opportunities. My language skills definitely have helped me, from the time we helped setting up the office at the ITA, the whole time I worked there, and even more so after that. Language has allowed me to enter a profession that I enjoy immensely and allows me to bridge communication gaps between different groups of people. Knowing their language is vital to understand the culture and habits of the people, and more importantly in daily and business negotiations. Thus, any deficiency in this department can easily trickle down to create bigger challenges for deepening ties.

Since Taiwanese companies are increasingly getting interested in India, some Taiwanese are making more efforts to understand India better. This can of course be done through learning the language and culture. However, India is such a diverse country that there is no one language and culture that people can learn to cover the entire country. This increases the difficulty for Taiwanese nationals who are planning to learn the language. But as they say, where there is a will, there is a way. For any Taiwanese considering a long stay in India, learning Hindi and other official languages concerning the area where they plan to settle will come in handy. Moreover, English also continues to be widely spoken and understood in India.

As for Mandarin teaching in India, Taiwan now has several language teaching centers at various universities all over India. Taiwanese teachers not only teach the

traditional Chinese characters, but also are exemplary ambassadors of Taiwanese culture. I hope such language centers continue to grow as more Taiwanese teachers go to India to teach Mandarin. Taiwan is also helping to train Indians in Teaching Mandarin as a Foreign Language program and has published Mandarin teaching books in India through the Taiwan Education Center.

India and Taiwan are a perfect match for each other, whether it is in terms of cuisine, music, culture, film, or even IT. With the complementarities of India's Act East Policy and Taiwan's New Southbound Policy, the future of India-Taiwan relations holds a lot of potential. The people-centric approach of the Act East and the New Southbound policies will surely bring in more synergies. ■

### Editors' note:

This article is a personal account of the experiences of Dr. Priya Lalwani Puruswaney, the first Indian student in Taiwan. She came to Taiwan from India in 1987 and made Taiwan her home. She has been working towards strengthening people-to-people ties between India and Taiwan for more than three decades.



## The Road Ahead



A bustling street in Hualien City decorated with lanterns during Lunar New Year

**TAEF**

Taiwan-Asia Exchange Foundation  
臺灣亞洲交流基金會



**Alan Hao Yang**

Executive Director at Taiwan-Asia Exchange Foundation (TAEF).



**Sana Hashmi**

Visiting Fellow at TAEF.



# The Road Ahead

**Alan Hao Yang**  
**Sana Hashmi**

In response to a parliamentary question on India's Taiwan policy, V. Muraleedharan, India's Minister of State, Ministry of External Affairs stated, "Our policy on Taiwan is clear and consistent and it is focused on promoting interactions in areas of trade, investment and tourism among others." If such statements by the Ministers and officials, and the efforts of India-Taipei Association (ITA), India's representative office in Taiwan, are any indication, India seems keen on advancing ties in the fields of economic, culture, technology, health, and education. Similarly, India has become a key partner country for Taiwan within the New Southbound Policy framework. Cooperation with India also aligns with its priorities in the Indo-Pacific.

In the past few years, there have been significant developments in the relations signaling a better future for India-Taiwan relations. It has long been established that engagement between India and Taiwan is mutually beneficial. To ensure that our two countries move ahead with the advancement in ties, underlying structural issues need to be addressed.

All the contributors to the report echoed the sentiment that there is much underutilized potential that remains to be tapped in a wide range of areas. The responsibility to upgrade the relationship and tap the potential lies with both sides, it is critical that the two sides urgently identify their respective interests and widen areas of cooperation accordingly. For this, the two countries must adopt a holistic approach cutting across domains of politico-cultural, socio-economic, strategic and science and technology.

For both India and Taiwan, the China threat looms large. This threat is not only confined to military and strategic areas but is also present in the form of cyber-attacks, fake news, and trade coercions. The One-China Policy also has constraints before the full blossoming of the relations. Nevertheless, the fast changing dynamics of the Indo-Pacific regional architecture has made it imperative for India and Taiwan to adopt a pragmatic approach that facilitates deeper cooperation.

To achieve this, a few semi-political steps could be taken :

- First, the India-Taiwan Parliamentary Friendship Forum was revived in 2020. The next logical step could be to initiate exchanges between the parliamentarians from both sides.
- Second, a dialogue among political parties could be established and institutionalized. Here, a cue could be taken from the Democratic Progressive Party (DPP)-Liberal Democratic Party (LDP) talks.
- Third, policy planning divisions of the Ministry of Foreign Affairs serve as an important outreach division between countries. Indian MEA's robust policy planning division could initiate a dialogue with its Taiwanese counterpart at director-level.
- Fourth, India's Ministry of External Affairs hosts an in-house think tank on China-Centre for Contemporary China Studies (CCCS). If CCCS begins to interact directly with the Taiwanese strategic community, it will lead to greater understanding of each other as well as common challenges.

That the New Southbound Policy holds immense potential in furthering India-Taiwan ties is acknowledged and highlighted by almost all the contributors. This is particularly significant in view of the fact that Taiwan's strategic culture is fast expanding its horizons. However, politics and diplomacy alone cannot make the India-Taiwan relationship robust. Other pillars viz. trade and economics, diaspora and culture, civil society and private sector, health, IT, science and technology, defence, and cooperation in higher education must also be given due emphasis. To achieve these multi-sectoral targets in their relationship, India and Taiwan must not only work together but also work individually for it.

Both India and Taiwan should be invested in accruing long-term dividends of this relationship, and not lose patience with the hiccups and hesitations that crop their relationship. The two countries must look beyond their short-term priorities and goals, and realize long-term successes. This is pivotal not just for India and Taiwan but also for other like-minded countries as the cooperation in the Indo-Pacific will remain incomplete without upgrading the India-Taiwan partnership. ■



TAEF Research Series 006

2022.02

## Taiwan and India *Strategizing the Relations*

**Publisher:** Hsin-Huang Michael Hsiao

**Editors:** Alan Hao Yang and Sana Hashmi

**Cover Design:** Chenguan Design Ltd.

**Photos:** Mayank Tiwari  
(a Taiwan-based Indian photographer)

**Published:** February 2022

---

### **Published by**

#### **Taiwan-Asia Exchange Foundation**

Room 1107, 11 F, No. 136, Section 3, Renai Road,  
Da'an District, Taipei, 10657, Taiwan

**Tel:** +886-2-2700-2367

**Fax:** +886-2-2700-2379

**Email:** [service@taef.org](mailto:service@taef.org)

**Printed by:** Chenguan Design Ltd.