

India's Changing Relations with Taiwan

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Summary

As the crisis in the Taiwan Straits escalates, and the military stand-off in the Ladakh region of the Sino-Indian frontier persists, New Delhi and Taipei are inching closer to each other. The new engagement between India and Taiwan involves more military consultations and deeper commercial engagement.

Few countries have held onto a more rigid one-China policy than India. Even after New Delhi established formal contacts with Taipei after the Cold War, India remained more than cautious in its engagement with Taiwan and deferential to Chinese policy sensitivities. That policy began to change during the second term of Prime Minister Narendra Modi, which started in 2019. India's deteriorating relations with China, the changing Indo-Pacific geopolitical environment and economic security considerations are giving a fresh impetus to India's relations with Taiwan.

Outlined when India shifted its diplomatic recognition to the People's Republic of China in 1950, Delhi's 'One-China' policy left little room for practical engagement with Taipei. Most countries that adopted the 'One-China' policy maintained commercial and low-key political contacts with Taiwan. Beijing lived with this situation so long as there was no recognition of Taiwan as a separate country.

India was adamant in its refusal to explore this political and diplomatic room for engagement. Despite the 1962 conflict with China and Beijing's unacceptable positions on India's territorial integrity, especially in relation to Kashmir and Pakistan, New Delhi remained reluctant to open formal engagement with Taipei.

The end of the Cold War, the imperatives of economic reform and the overhaul of Indian foreign policy in the early 1990s saw India open formal ties with Taiwan within the framework of its 'One-China' policy. Yet, Delhi remained quite conservative in its dealings with Taiwan. While Taiwan was eager to expand its bilateral engagement with India, New Delhi remained reluctant. The election of Modi as India's prime minister with a full majority in the Lok Sabha (Lower House) for his Bharatiya Janata Party (BJP) in 2014 raised hopes for major changes in India's Taiwan policy. The strong nationalist orientation of the BJP and its rejection of Nehruvian ideology seemed to set the stage for a new approach. However, Modi's foreign policy settled back into a more familiar groove soon enough.

Three factors have begun to drive important changes in India's policy towards Taiwan. The first was the steady deterioration in India's relations with China, despite Modi's strong commitment to advancing bilateral relations with Beijing. The military crises on the China border during Modi's tenure – 2014, 2017 and 2020 – created the grounds for fresh thinking on China and related issues.

Modi successfully defused the 2014 crisis that occurred during Chinese President Xi Jinping's visit to India. However, the 2017 and 2020 crises made it clear to New Delhi that it had a serious China challenge. The gravity of the Galwan confrontation in 2020, which saw the first deadly clashes between the Indian army and the People's Liberation Army in decades, was a clear tipping point in India's relations with China.

New Delhi took several steps after 2020 against Beijing, including restrictions on Chinese investments and the banning of digital applications. One of these steps was to also cautiously raise the level of engagement with Taiwan. The results of that shift are slowly coming into view.

A second factor was the changing triangular dynamic between New Delhi, Washington and Beijing. The deterioration of India-China relations coincided with the growing tensions between Washington and Beijing. In 2018 (soon after the 2017 crisis in Doklam), Modi embraced the Indo-Pacific framework in the teeth of opposition from China.

India and the United States (US) moved rapidly towards the revival of the moribund Quadrilateral Security Dialogue (Quad) that brings together Australia, India, Japan and the US. India and the US also intensified their bilateral political, economic and military cooperation under the Joe Biden administration and elevated the Quad to the summit level.

Even as India warmed up to the US to balance China in the Indo-Pacific, New Delhi seemed hesitant to be drawn into the main flashpoint of the region – Taiwan. As China rattled the sabre against Taiwan and the US stepped up its support for Taipei, New Delhi seemed quite detached. There was widespread criticism and resignation in Washington that New Delhi will not contribute to securing Taiwan against China.

The definitive conclusion on India turning its back on Taiwan is being tested by recent Indian discourse on Taiwan. Sections of the Indian establishment have called for a new look at the Taiwan issue. There is also a growing awareness of the profound structural changes that could unfold in Asian geopolitics if Taiwan falls to China's aggression. There is also a realisation that if Beijing triumphs over Taipei, its full military attention might turn to redeeming Beijing's historic territorial claims against New Delhi in the high Himalayas.

As a sign of new thinking, the Chief of Indian Defence Staff, General Anil Chauhan, has ordered a study of the implications of a military conflict in the Taiwan Strait. In an interesting development, August 2023 also saw three former chiefs of the Indian armed forces – General M M Naravane (Army), Admiral Karambir Singh (Navy), and Air Chief Marshall R K S Dhanua (Air Force) – travel to Taiwan to attend a forum on Indo-Pacific security. These steps suggest an intensifying internal debate on India's options in a conflict involving China, Taiwan and the US.

Finally, as India embarks on a more determined policy to promote manufacturing in India, Taiwan is emerging as an important partner. Meanwhile, Taiwan is trying to reduce its economic exposure in China and explore new possibilities elsewhere. The Taiwanese company, Foxconn, is ramping up its manufacturing activity in India.

As Taiwanese manufacturing in India grows, New Delhi has acceded to a long-standing Taipei request to open a new mission in Mumbai. Until now, Taiwan had its main representation in New Delhi and another trade office in Chennai. Together, new trends in geopolitics and geoeconomics are laying the foundation for the long-overdue expansion of India's relations with Taiwan.

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