

TAIWAN AND THE QUAD: CHALLENGING CHINA'S DOMINANCE IN SOUTH AND SOUTHEAST ASIA

by

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Introduction

As China ramps up its onslaught of pressure on Taiwan, Taipei has increasingly looked beyond its gargantuan oppressor and toward South Asia. India has emerged as an unlikely partner for Taiwan, which has rattled Beijing. So much so that [China has labeled](#) India's support of Taipei as a violation of its 'One China' policy after a third representative office of Taiwan was opened in Mumbai, India in October. To counter Beijing, India is deliberately exerting its own pressure on China through a burgeoning relationship with Taiwan, in what has become known as the "[China plus-one](#)" strategy.

Semiconductors: Electrifying India-Taiwan Diplomacy

At the forefront of deepening India-Taiwan diplomacy is the [semiconductor industry](#). Aware that China's technological dominance threatens India's global power projection, New Delhi has turned to Taiwan, where it has grown to be the predominant industry behemoth. Indian assembly firms are growing in breadth, and offer revenue via [production-linked incentive](#) (PLI) schemes, meaning Taiwanese investments are likely to see healthy returns. Additionally, imports of semiconductors to India have [risen by 92 percent](#) in three years, indicating an expanding sector. India is also keen to make products domestically under the '[Make in India](#)' initiative.

To this end, Taiwanese companies have bypassed China and focused their investments on Indian product development as a result of a tense security landscape and rising costs. Taiwan aims to vary its manufacturing foray outside of the Chinese mainland, and a vitalized partnership with India enables efforts to maximize self-reliance for both New Delhi and Taipei. India's digital ambitions are enabled by a strategic partnership with Taiwan, leveraging a

counter-strategy to China's dominance over the technology supply chain in Asia and beyond.

Forging Closer Ties Under the Act East Policy

India's efforts to diversify its economic and diplomatic engagements are further exemplified by the Act East Policy, which is New Delhi's long-term effort to build stronger strategic relations with South-East Asia. Adopted from the Look East Policy of 1991, India has long sought to adjust its regional outlook. While initially focused on economic outputs, the Act East Policy has evolved to focus also on political stratagem. As such, the Act East Policy represents a new and improved framework for India's ambition to rise above China. While primarily focused on South-East Asia, the Act East Policy might also include Taiwan to bridge the geopolitical gap in the Indo-Pacific and South China Sea.

Indian Prime Minister Narendra Modi's [new 10-point plan](#) for enhanced connectivity, unveiled at the 21st ASEAN-India Summit, typifies India's ambition to challenge China in the emerging '[Asian Century](#).' ASEAN, or [the Association of Southeast Nations](#), is likely to be strengthened under New Delhi's new framework, particularly with Modi also meeting with the new Japanese leader Shigeru Ishiba along the sidelines of the summit. For Taiwan, this project represents a great opportunity to exert pressure against China's jingoism in the Global South.

India, Taiwan, and the Quad

For India, the sovereignty of Taiwan includes the provision of key trade pathways. In [2023 alone](#), Indo-Taiwanese trade stood at USD 8.2 billion, with a growth estimate of 26.6 percent. Further, Taiwan's geopolitical security [affords billions of dollars](#) in trade with Japan and South Korea via the Taiwan Strait. If China were to take over Taiwan, India's economic output would be severely [cut by](#) as much as 9 percent of its total GDP.

In an effort to challenge China's burgeoning influence in the Indo-Pacific, the Quad was formed to ensure a rules-based order in the region, resting on a foundation of economic cooperation and freedom



of maritime movements within internationally recognized borders. While the Quad members, comprising Australia, India, Japan and the United States, do not formally recognize Taiwan, Taiwan's disposition is viewed as strategically important. The Quad has previously teetered on collapse and suffered from domestic changes in political power positions, but experts believe the forum is here to stay as a result of US President Joe Biden's remarks during the September 2024 Wilmington Declaration.

However, despite the Quad and its supplementary 'minilateral' agreements encapsulating a multi-stakeholder approach to China, India has moved cautiously. This is the Quad's weak point – New Delhi's ambivalence could be the group's downturn, and AUKUS and the Philippines' minilateral agreement with the United States could overtake India's insipidness.

In the Quad's [plan for enhanced maritime collaboration](#), member-states have been cautious about affirming that their cooperative engagements are focused on China. This will affect regional interoperability; China's aggressiveness will not cease if it is not matched and thwarted appropriately. A buildup of international maritime strategy will surely weaken Beijing's flag-waving but it must be affirmed as such. As Naiyu Kuo, Dan Spinelli and Jennifer Staats write for the United States Institute for Peace (USIP), China's multifaceted pressures are [unlikely to cease](#) unless Beijing faces strong consequences. China's [gray-zone tactics](#), including military, economic and maritime coercion, continue to mount against Taiwan.

Arising from the September 2024 Wilmington Declaration, a new maritime legal dialogue was formed to engage with regional maritime law enforcement agencies, promising to enhance interoperability and Coast Guard logistic capabilities. Under the newly launched [Quad Indo-Pacific Logistics Network](#), airlift capacity will be increased and rapid rescue response will become ingrained in regional cooperation in the event of natural disasters or weakened maritime infrastructure.

Also announced was the development of the [Quad Ports of the Future Partnership](#). Perhaps in an effort to combat China's expansive Digital Silk Road (DSR) policies toward Indo-Pacific nations like the Maldives, the Quad Ports project serves as a collaborative project to enhance infrastructural reliability and sustainability. Also in an attempt to meet China's high-tech DSR projects is the [Quad Partnership for Cable Connectivity and Resilience](#), aiming to magnify the breadth of sub-oceanic cable networks for technological prowess and security.

New Southbound Policy

Created by former Taiwanese President Tsai Ing-wen, the [New Southbound Policy](#) (NSP) is a foreign relations project that uses trade and economic exchange to [strengthen diplomatic](#) ties with fellow Southeast Asian states. At its onset, the goal was to create service centers within regional powers to [promote](#) a "five innovative industries policy". These states [included](#) Singapore, Vietnam, Australia, India, and Pakistan. Additionally, President Tsai Ing-wen authorized the [creation](#) of a financial services office designed to support foreign-based Taiwanese businesses. In mid-2024, the [NSP was recalibrated](#) to better align with broader regional strategies like ASEAN's [Outlook on the Indo-Pacific](#) and India's Act East Policy, hoping to foster mutual benefits through mutual socio-economic success.

Although similar policies have historically been deployed to decrease dependence on mainland China, the current iteration of the project is [designed](#) to break Beijing's attempts at diplomatic isolation. However, the plan's perimeters are not limited to just economic integration. In 2016, Taiwan's Sports Administration Secretary-General [announced](#) that Taipei would invest over 2 million in promotions and marketing campaigns to encourage international sports competition.

However, the plan has not been without its fair share of controversy. Shortly after the project's announcement, Taiwanese semiconductor executive Morris Chang expressed concern that the plan did not utilize existing industries enough: "it must not



overlook industries – such as the semiconductor industry – that have been promoted by previous administrations,” he [said](#) in 2016. Overall, the project is not without its failings, but it’s a concrete step in the right direction for Taiwanese security. The post-Cold War order has demonstrated that avoiding conflict necessitates economic and political regional integration. By encouraging diplomatic relations, particularly with the nations currently quarreling with Beijing over the South China Sea, Taipei is positioning itself as a valuable neighbor and potential ally.

An Improved Path Forward

As it currently stands, the Taiwan-India relationship largely rests on economic cooperation and ultimately, Taiwan’s freedom. While India carefully masquerades its movements as not China-focused, Beijing is well aware it is being quietly strategized against. At its core, Taiwan’s survival is built on a foundation of bilateral and multilateral support. As such, ASEAN, the Quad and NATO-IP4, NATO’s Indo Pacific grouping, are all means for India to commit to Taiwanese security without having to overtly seem anti-China. While this has worked fairly well up until now, the decision that New Delhi faces is imminent: will it move full-force toward readying itself against China or will ambivalence continue to nullify its desire for geostrategic power?

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