

JAPAN AND INDIA: WORKING TOWARDS A MULTIPOLAR ASIA

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Japan and India have had historical ties dating back to the 7th century AD when Buddhism made inroads into Japan from its land of birth, India. The famous Indian poet Rabindranath Tagore had visited Japan in 1916, at the urging of a Japanese friend and came to admire the country's economic, industrial and scientific advances and its rich cultural and literary traditions. During India's freedom struggle, Japan helped Netaji Subhash Chandra Bose's Indian National Army as it sought to evict the British from India.

The victory of Japan over Czarist Russia in 1904 ¹ gave a great impetus to nationalist movements in Asia against the colonial powers. In his autobiography, India's first Prime Minister Jawaharlal Nehru mentioned the impact of the news of the Japanese victory. While writing to his daughter Indira, Nehru noted that "Japan's victory was seen to be due to her adoption of new industrial methods of the West. These so-called Western ideas and methods thus became more popular all over the East."²

After the end of World War II, in 1949, Prime Minister Jawaharlal Nehru donated two Indian elephants to the Ueno Zoo in Tokyo.³ This brought a glimmer of hope into the lives of the Japanese people who still had not recovered from defeat in the war. Japan and India inked a peace treaty and established diplomatic relations in April 1952 which was one of the first peace treaties Japan signed after the World War II. ⁴ India's iron ore played a big role in aiding Japan's recovery efforts. After Japanese Prime Minister Nobusuke Kishi's path-breaking visit to India in 1957, it started providing yen loans to India.

During the Second World War, Indian troops fighting under the British flag had fought Japanese troops while some Indians under the Indian National Army fought the British with Japanese support. After the end of the war, which ended with the defeat of Japan, Indian Justice Radha Binod Pal was the lone dissenting voice on the war crimes tribunal set up to try Japanese war criminals. India became independent in 1947 and expressed its support for Japanese interests. The Indian delegation at the Far Eastern Commission was sympathetic to Japanese concerns about rebuilding their nation and to encouraging Japanese industry and finance. In 1949, the Indian delegation decided to stop pressing the question in the Commission regarding its share of reparations from Japan and proposed putting an end to reparations altogether, taking into consideration the fact that the burden of making such payments told heavily on the living standards of the Japanese people. ⁵

Though the Japanese public responded favourably to India's stand, the positive perceptions of each other were not sufficient to prevent India and Japan joining the post- WWII community of nations with diametrically opposite standpoints. Hence the two countries moved slowly and cautiously with respect to each other.

During this period, while India tended to dismiss Japan as a camp follower of the US, the general opinion in Japan of India was that of a chaotic, dysfunctional, desperately poor country. Indian Prime Minister Jawaharlal Nehru paid a visit to Japan in 1957. India received its first Overseas Development Assistance (ODA) from Japan in 1958. With regards to border disputes between India and China and wars between India and Pakistan, Japan preferred to follow the middle path and did not take any sides.

The 1980s marked a turnaround in Indo-Japan relations. The highlight of Indo-Japanese cooperation during this phase was the joint venture between India and Japan – the Maruti-Suzuki plant to manufacture small cars in India. The Japanese Prime Minister Yasuhiro Nakasone paid a visit to India in 1984. This was followed in

quick succession by the visits of Prime Minister Rajiv Gandhi to Japan in 1985, 1987 and 1988.

THE NEW ERA IN THE TIES

With the end of the Cold War, India launched its “Look-East Policy” in the early 1990s and opened up its economy. It was designed to reinvigorate its ties with the Southeast Asian and East Asian countries as throughout the annals of its history, India has had deep cultural, economic, and political ties with the Southeast and East Asian nations. India supported the anti-colonial movement in Southeast Asia –the convening of the Asian Relations Conference in 1947, a special conference on Indonesia in January 1949, Chairmanship of the International Control Commission on Indo-China in 1954 and the sponsoring of the Bandung Conference –all these reflected India’s deep involvement in the freedom struggle being waged by the countries of the region. But the growing pro-Soviet tilt of India’s foreign policy drove a wedge between India and the Southeast Asian and East Asian nations. In the aftermath of its “Look-East Policy”, India economic links with the ASEAN countries have seen a constant improvement. In 2009- 2010, the trade amounted to US \$ 43.90 billion. India and the ASEAN have agreed to work towards meeting an ambitious trade target of US \$ 70 billion by 2012.⁶

When India conducted a series of nuclear tests in Pokhran, Rajasthan in May 1998, it took the world by surprise. Many countries including Japan reacted strongly to the tests. It suspended all political exchanges and even economic assistance was frozen for nearly three years. However a turnaround in the damaged ties was achieved in August 2000, when the then Japanese Prime Minister Yoshiro Mori paid a five-day visit to India. Mori and the then Indian Prime Minister Atal Behari Vajpayee called for a “global partnership.” From then on, the relations have seen steady progress. During the visit of the Indian Prime Minister Manmohan Singh to Tokyo in 2006 during the tenure of Shinzo Abe, the two Prime Ministers decided to go for a “strategic partnership.”

Japan has been attempting to 'normalise' itself by playing a more active role in international affairs, including military deployment overseas, even if it is in non-combat roles. This has meant that Article 9 of the "Peace Constitution" of Japan has come under pressure. While the Article disallows any kind of military buildup by Japan, this has been challenged almost from its inception with the creation of the Japanese Self-Defense Forces (SDF) in 1952, and the use of Japanese bases by US forces during the Korean War and the Vietnam War. Japan has since the end of the Cold War deployed its troops in peacekeeping operations under the UN mandate beginning with Cambodia in 1992 besides deploying them in non-combat roles in war zones like Iraq and providing logistics support such as refueling for US-led coalition ships in the Indian Ocean.

THE CHINA ANGLE

One of the most seminal developments of the 21st century has been the rapid economic and military rise of China. It is the fastest growing economy of the world ⁷ and has largely have come out unscathed from the world economic meltdown. India is not too far behind with the second fastest growing economy in the world. ⁸ The economic potential of China and India is aptly illustrated by a Carnegie Endowment report "The G-20 in 2050" which says "by 2050, the United States and Europe will be joined in economic size by emerging markets in Asia and Latin America. China will become the world's largest economy in 2032, and grow to be 20 per cent larger than the United States by 2050." ⁹

India and Japan have their own anxieties about China, which was reflected in the setting up of a new grouping-the Quadrilateral Initiative (QI) in May 2007, involving Japan, India, Australia and the United States - on the sidelines of an ASEAN Regional Forum (ARF) meeting in Manila. Though the Quadrilateral Initiative fizzled out soon as none of these countries wanted to antagonise China, something similar could be resurrected between the Japan and India in the near future.

Indian strategic planners have been voicing concerns over the so-called Chinese “string of pearls” strategy to enclose India in the Indian Ocean region. China has funded ports and refuelling stations in Pakistan (Gwadar), Sri Lanka (Hambantota), Bangladesh (Chittagong), and Burma (Sittwe and Kyaukpyu)¹⁰, much to India’s chagrin. Recent media reports from China indicate that it has developed its first stealth fighter-the Chengdu J-20 fighter and an anti-ship ballistic missile that could sink U.S. aircraft carriers. The newly-developed "D" version of China's DF-21 medium-range missile could potentially change the balance of power in the Asia-Pacific.

Maritime cooperation is one of the most important areas of cooperation between India and Japan. The Indian Navy in the post 9/11 period has participated in escort and joint patrolling activities in this region. India’s location places it adjacent to some of the most vital sea-lanes of the world stretching from the Suez Canal and the Persian Gulf to the Straits of Malacca through which around 55,000 ships and much of the oil from the Gulf region transit each year.¹¹ Conservative estimates suggest that annually US \$200 billion worth of oil passes through the Straits of Hormuz and US \$60 billion through the Malacca Strait.

There cannot be any doubts that China has been a factor in the emerging strategic relationship between India and Japan. Official denials notwithstanding, both countries have reasons to be concerned about the future role of China on the global scene. India’s national psyche still bears the scars of the 1962 war with China, despite the efforts to normalise Sino-Indian relations since 1988. China has proliferated missile and nuclear technology to Pakistan, and continues to be a major source of weaponry for that country. India and Japan are China’s next-door neighbours and worry that Beijing’s accumulating power could fashion a Sino-centric Asia.¹²

Buoyed by its booming foreign exchange reserves, China has adopted an increasingly belligerent posture in Asia, particularly towards Japan, with which it has had a fraught history. In the last few months, the relations between Japan and China have been marred by a series of unsavoury incidents.

When a Chinese trawler rammed into Japanese Coast Guard vessels near the disputed Senkaku islands on September 7, 2010, very few could have foreseen the diplomatic spat that ensued. China demanded that Japan release the trawler's crew which it had taken into custody. Though Japan initially refused to do so, it did so later only to be met with a Chinese demand for a formal apology and compensation (which Japan refused). It was during this crisis that China unofficially declared a ban on the export of rare earth materials to Japan, sending a shiver down the spine of many Japanese companies which depend on Chinese rare-earth supplies.

Again, when North Korea shelled the South Korean island of Yeonpyeong on November 23, 2010, China refused to haul up the Hermit Kingdom, in spite of being the only country that has an influence on the recalcitrant North and its leaders. Of late, China has also been upgrading its weaponry. Recent media reports from China indicate that it has developed its first stealth fighter-the Chengdu J-20 fighter. It has also developed an anti-ship ballistic missile that could sink U.S. aircraft carriers and Japanese navy vessels. The newly-developed "D" version of China's DF-21 medium-range missile could potentially change the balance of power in the Asia-Pacific.

During the visit of the Chinese Premier Wen Jiabao to India during December 15-17, 2010, China and India could not resolve many of the pressing issues plaguing their ties. First, unlike President Obama and French President Sarkozy, China chose to be ambiguous on the issue of India's quest for a seat in the UNSC (United Nations Security Council) and refused to openly back India. Second, India's protests over the issuing of stapled-visas by China for the residents of its province of Jammu and Kashmir went unheeded. There was no forward movement on the vexed border

issue as well. The 2,520-mile frontier between India and China is the only one of China's land borders that has not been demarcated.

In a significant development for the Asian and emerging global order, India agreed to speed up the mining of its rare earth reserves during the visit of its Prime Minister Manmohan Singh to Japan between October 24-26, 2010 for the annual bilateral summit. Rare earth materials find application in various niche areas like petroleum refining, wind turbines, fibre- optics transmission and missile-guidance systems. Though China leads the world in their production, currently supplying almost 97 per cent of the world's output, India has the world's fourth largest reserves of these materials. India's move was also intended to deliver a not-too-subtle message to China that India and Japan would in future synergise their energies towards preventing the emergence of a China-dominated Asia. During this particular visit, India and Japan concluded a Comprehensive Economic Partnership Agreement (CEPA), agreed to speed up negotiations on a civil nuclear deal, simplified visa procedures, besides agreeing to work together to secure peace and stability in Asia.

THE GROWING STRATEGIC CONVERGENCE

Japan is heavily dependent on energy supplies from the Middle East, and the safety of its sea lanes of communication (SLOCs) are a vital security interest. Given this scenario, Japan needs India's support to keep its SLOCs safe since the Indian Navy has a formidable presence in the region between the Straits of Hormuz and the Straits of Malacca. In the past, India has collaborated with other countries of the region in conducting joint patrolling in the Malacca Straits. India's Andaman and Nicobar group of islands lie close to the restive Indonesian province of Aceh. The southernmost of India's Andaman and Nicobar group of islands is barely 90 nautical miles from Indonesia's Aceh province.

India has also been steadily increasing its naval strength. It is acquiring the augmented and retrofitted 45,000-tonne displacement Kiev class aircraft carrier Admiral Gorshkov—renamed INS Vikramaditya while at the same time construction has already begun on India's indigenous 37,500-metric tonne displacement aircraft carrier and both these aircraft carriers are expected to join service before 2015. The indigenously built carrier is expected to operate nearly 30 aircraft including the Russian MiG-29Ks fighters, Kamov-31 helicopters and the indigenous Light Combat Aircraft (LCA). The Navy is also considering a plan to go in for a second indigenous aircraft carrier which will have a displacement of 50,000-tonne and will be equipped with CRATOBAR (Catapult Assisted TakeOff But Arrested Recovery) capability.¹³

There is scope for greater defence cooperation, intelligence-sharing and joint initiatives on maritime security, counter-terrorism, disaster prevention and management and energy security between India and Japan. Another area of cooperation between Japan and India is in Myanmar and Afghanistan. India has huge strategic stakes in both countries. Japan has committed considerable sums for reconstruction in Afghanistan. In Myanmar, it has not imposed sanctions against the junta preferring instead a policy of constructive engagement, including providing ODA(Official Development Assistance). As in the case of India, there is here, no doubt, an element of countering China.

Between the coast guards, combined exercises on anti-piracy, search and rescue have been conducted every year since 2000. Heads of coast guards of both countries visit each other almost every year. The two coast guards exchanged a Memorandum on Cooperation during commandant Ishikawa's visit to India in November 2006. The two countries have instituted multiple strategic dialogues involving their Foreign and Defence Ministers and national security advisers, as well as service-to-service exchanges including bilateral and multilateral exercises. The Indian and Japanese space agencies are also to cooperate as part of capacity-building efforts in disaster management.

Indian Prime Minister Dr. Manmohan Singh paid an official visit to Japan in 2006. He and the then Japanese PM Shinzo Abe affirmed that Japan and India are natural partners as the largest and most developed democracies of Asia, with a mutual stake in each other's progress and prosperity. Recognising that Asia is emerging as the leading growth centre of an increasingly interdependent global economy, the two countries indicated their desire to pursue a comprehensive economic partnership in the region and nurture sustainable economic growth, social peace and political tolerance in open and cooperative regional frameworks. ¹⁴ In October 2008, ¹⁵ India and Japan signed a momentous security accord since Tokyo has concluded such an agreement with only one other country, Australia. The India-Japan security agreement marks a significant milestone in building an Asian power equilibrium. The significance of the Indo-Japanese agreement truly parallels the 2005 Indo-U.S. defence framework accord, which marked a major transformation of the strained relationship between the world's most populous and most powerful democracies. Both those agreements focus on counter-terrorism, disaster response, safety of sea-lanes of communications, non-proliferation, bilateral and multilateral military exercises, peace operations and defence dialogue and cooperation.

A further fillip to the bilateral ties was given by the Joint Statement on Vision for India -Japan Strategic and Global Partnership in the Next Decade signed during the Annual Summit of October 2010 in Japan. India profile has also been growing on the international stage. Last year, especially the month of December, saw a succession of state visits by the top leadership of all the five permanent United Nations Security Council members to India, which is reflective of India's rising profile in the global arena and the desire of these countries to engage with India, especially given its huge economic potential. The British Prime Minister David Cameron was in India in late July (27-29), and the American President Barack Obama came calling in early November (6-8). President Sarkozy of France visited India in early December (4-7) while Chinese Premier Hu Jintao followed in mid-

December (15-17). Russian President Dmitry Medvedev came towards the end of December 2010(20-22).¹⁶

ECONOMIC TIES

Japan and India have close economic ties. There are several high-profile projects which have been funded by Japan which include the Western Corridor of the Dedicated Freight Corridor (DFC) and the Delhi-Mumbai Industrial Corridor (DMIC), both of which are to be partially funded by Japan. The DMIC is expected to attract foreign investment worth about US\$92 billion to India.

Bilateral trade during the financial year 2009-10 stood at US\$11.3 billion. India exports items like crude petroleum and products, gems and jewellery, marine products, iron ore etc. to Japan while it imports items like electronic goods, iron & steel, transport equipment and machine tools. Japan ranks sixth largest in terms of cumulative foreign direct investment flows into India and Japanese companies have made investments of US\$ 4.63 billion between April 2000 and November 2010.

THE US FACTOR

One of the factors which has led to improved ties between India and Japan is the growing ties between India and the United States. Japan has always been a very close US ally and in the post-Cold War era, both India and the United States have shed their mutual apprehensions about one another.

Although India's nuclear tests gave a temporary jolt to the relationship, US President Bill Clinton's visit to India in March 2000 signalled that the US-India relationship had come of age. India's location, strong economy and huge pool of highly qualified technical talent make it very important in the American scheme of things. The Indo-US civilian nuclear deal is ample testimony to the complete change in the dynamics of the relationship between the two countries. The signing of the

bilateral Agreement for Cooperation Regarding the Peaceful Uses of Nuclear Energy on October 10, 2008 marked the end of India's nuclear isolation.

In June 2010, the Indian and US governments held the inaugural Indo-US Strategic Dialogue in Washington, which focused on five major areas: strategic cooperation; energy and climate change; education and development; economics, trade and agriculture; and science, technology, health and innovation.¹⁷ Though the two countries would not like to admit it, there are obvious concerns about the rise of China, not only in Asia, but also on the global stage.

India and the US have been holding a series of joint military exercises, something which was unthinkable during the Cold War era. Earlier Russia was the supplier of choice for the Indian armed forces, which has of course changed in the last decade. Many American defence firms have now entered the lucrative Indian defence market. India has bought American military equipment including the C-130J, Harpoon missiles and maritime surveillance aircraft. It is noteworthy that American firms have bagged Indian military contracts worth nearly \$8.7 billion between March 2008 and October 2010. The Indian Air Force (IAF) has recently inducted its first Lockheed Martin C-130J Super Hercules at Hindon air force station, near New Delhi. Two American aircraft – Lockheed Martin's F-16 and Boeing's F/A-18 E/F are in the fray along with the European Eurofighter, Swedish Gripen, French Rafale and Russian MIG-35 for the IAF's \$ 11 billion medium-multirole aircraft (M-MRCA) deal for 126 fourth generation combat aircraft.

The events in the aftermath of the September 11, 2001 attacks on the United States have brought India and the United States together. Terrorism is one factor which has brought countries like the United States, Japan and India closer since all of them have a shared interest in fighting global terrorism. The American decision to lift the nuclear sanctions against India in the post-Pokhran II period and the emerging regional scenario after September 11 has helped to cement a “natural alliance” between India and the United States. The two nations have recognised the

prospects for cooperation in maintaining a stable balance of power in the Indian Ocean region and its periphery.

THE FUTURE OF THE STRATEGIC TIES

India stands to gain from Japanese high-end technology, especially in the field of nuclear energy. One of the essential prerequisites for India as it continues on its growth path is energy. Indeed, energy security is one of the key aspects of India's foreign policy these days. At present, coal accounts for more than half of the country's energy consumption. However the inferior quality of Indian coal and lack of modern technology to clean it makes it a major environmental hazard.

India is taking to nuclear power generation in a big way. Presently, India meets only 3% of its total energy needs from nuclear power. However it has ambitious plans to produce 20,000 MWe from the nuclear sector by 2020 from the measly amount of 3,700 Mwe at present. In a significant move which will help India achieve this target, the Nuclear Suppliers' Group (NSG) granted a country-specific waiver to India in September 2008, to conduct nuclear trade and commerce.

When Yukio Hatoyama came to power in 2009, some Indian observers expressed misgivings regarding his foreign policy commitment towards India since India did not find a mention in his party- the Democratic Party of Japan's (DPJ) election manifesto. However, such doubts were laid to rest when the Indian Defence Minister A.K. Antony visited Japan in November 2009. During this visit the two sides agreed to step up defence cooperation, which would include joint military exercises, bilateral and regional cooperation in peacekeeping and disaster relief.

After the NSG (Nuclear Suppliers Group) waiver granted to India in September 2008 and the conclusion of the Indo-US nuclear deal in October 2008, American and French companies have expressed their willingness to use high-end Japanese-made equipment in nuclear power plants which they plan to set up in India. Already,

during the visit of the French President Nicholas Sarkozy to India in early December 2010, an agreement was signed between the Nuclear Power Corporation of India Limited (NPCIL) and French energy-giant Areva for the construction of nuclear power plant (NPP) units at Jaitapur in India's Maharashtra state. Earlier in June 2010, the Japanese Cabinet had adopted a new growth strategy, which included the promotion of the export of nuclear power generation facilities, an area in which Japanese companies have expertise.

Japan and India indeed are natural allies with no negative historical baggage. However, Japan's wariness to conclude a civil nuclear deal with India has not been well-received in India, particularly when countries like the US, France and Russia have gone ahead and signed nuclear deals with India. India has an excellent non-proliferation record and has declared a voluntary moratorium on nuclear tests. However there may be frictions in the ties since both the countries want to become permanent members of an expanded UNSC (United Nations Security Council). Japan and India also differ in their perceptions of how close they would like to get to the United States. However, being mature partners, Japan and India should be able to overcome these pinpricks in their bilateral relations.

The people-to-people ties between India and Japan also demand attention. Unfortunately there has not been a regular flow of people between India and Japan. Japanese come to India mainly as businessmen or tourists. Like in the case of Indo-US ties, improving people-to-people ties would surely have a positive spillover effect on the bilateral ties. The studying of Japanese language should be promoted in India and vice-versa. India meanwhile should not shy away from dealing with Japan, just because it may annoy China. As a rising Asian and world power, India needs to engage Japan and should not have any qualms in doing so. It is in the mutual interests of both these countries to seize the initiative and take their strategic relationship to the next level. Since the enunciation of India's "Look-East Policy", it has been vigorously pursued by all subsequent governments, irrespective of the party in power. Japan commands a high priority in India's "Look-East Policy" and in

the days to come, it is going to increase in significance for India given their common concerns, including the desire to see a multipolar Asia and India's growing closeness to the United States.

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