

## India-Japan-US Trilateral Dialogue: A Promising Initiative

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### **Summary**

There certainly exists some logic behind India, Japan and the US working together, and that too in a region that lacks solid security architecture. China's increasingly belligerent posture in the South China Sea and the perceived 'decline' of overall US influence is likely to have driven both India and Japan to sculpt a reformed partnership with the US. In view of a fiscally restrained environment, the US on its part also appears keen on sharing the burden of securing the region.

In the wake of converging interests and deepening relations between India and the US, and India and Japan, on both economic and political fronts, the idea of an India-Japan-US trilateral dialogue has been gaining traction among elites. The first round of trilateral dialogue that was tentatively planned for October 7-8 this year could not materialise. Though no explanation has been offered so far, it is generally believed that lack of consensus over certain issues caused the postponement.

However, there has been some forward movement in this regard as there are indications that the first trilateral will be held before the end of 2011. One of these was the confirmation by the US State Department on November 4 that it was working with the governments of India and Japan to schedule this "important gathering to discuss regional issues."<sup>1</sup> Given India's fiercely independent foreign policy stance, it had reservations about the trilateral dialogue process lest it comes at the expense of its other relationships. Therefore, India was previously in disagreement with the US on international issues such as interventions in Libya and Syria. The US seems to have addressed some of India's concerns in this regard. The US Deputy Secretary of State William Burns recently stated that India's 'Look East' policy, which has a comprehensive vision for the East Asian region, was developing into an "Act East" approach.

In 2010, India and the US launched a Strategic Dialogue on the Asia-Pacific "to ensure that the world's two largest democracies pursue strategies that reinforce one another."<sup>2</sup> The new India-Japan-US trilateral consultation on regional issues followed from the discussions during the Strategic Dialogue, and represents a significant development in the strategic calculus of the region in which both India and Japan are willing to play active diplomatic roles.

In particular, the US feels that India's participation would strengthen Asia's regional institutions, such as the East Asia Summit (EAS) and Association of South East Asian Nations (ASEAN). India's economic and trade ties with the ASEAN are as important as its ties with the US. The US, therefore, feels that free trade and investment that connects India to Southeast and East Asia would have profound impact on global trade and economic growth.

As regards Japan, its economic interests are entrenched deeply with the countries of the region. The economic slowdown and experience of two "Lost Decades", exacerbated by the triple disaster of March 11, has not deterred Japan from strengthening existing alliances and building new ones, such as with India. The significance of Burns' observations on the official trilateral dialogue should be noted in this context.

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<sup>1</sup> Narayan Lakshman, "India-U.S.-Japan trilateral likely this year", *The Hindu*, November 5, 2011, at <http://www.thehindu.com/news/national/article2601230.ece>.

<sup>2</sup> "India-Japan-US dialogue likely by year-end: State Department", *India post*, November 5, 2011, at <http://www.indiapost.com/india-us-japan-dialogue-likely-by-year-end-state-department/>



Nevertheless, rather than overly-stressing US-China relations, which is often described as 'complex', the US preferred to continue working closely with its long-standing allies such as South Korea and Japan to support its interests in the region. Despite the differences, the US realises that it has a lot more to gain by working together than by working apart.

All three governments – India, Japan and the US – view China's rise with increasing anxiety. China has extended its 'friendly face' to the European countries enmeshed in economic crisis, but some states closer to its own shores, such as Vietnam, Malaysia, Brunei and Philippines, are concerned by China's assertiveness, particularly at sea.

However, developments in 2011 have set the stage for a trilateral dialogue. Japan unofficially floated the idea in mid-2010, but India was slow to respond. The US too, following the demise of the 'Quad' initiative, preferred a less confrontational approach *vis-à-vis* China. In January 2011, Secretary Clinton spoke about the future architecture of the region, and called for small dialogues following frustration with larger multilaterals. The idea of a US-Japan-China trilateral was also raised, but was quickly opposed by Beijing. The focus, thereafter, shifted instead on the India-Japan-US trilateral.

### **'Interests' over 'values'**

Though the first trilateral meeting is yet to take place, some conjectures on what issues would be discussed may be made. Among the issues to be raised, one can assume maritime security; strengthening regional institutions, such as the EAS; and discreetly checking China's rise to ensure Beijing plays a constructive and not a dominant role, will be on the table. Furthermore, in a fiscally restrained environment, the US is keen to share the burden of securing the region. The potential for greater disaster-relief cooperation has also been given greater prominence since the March 11 earthquake and tsunami when *Operation Tomodachi* (or Friendship) demonstrated the practical utility of close coordination.

Of overall significance is the emphasis of all parties on 'shared interests' as opposed to 'shared values'. Whilst some corners of Japan's political spectrum still frame Japan's relationship with India in ideological terms, Japan's bureaucracy and wider political class are stressing the logic of engaging with India.

### **Joining the triangle - closer Japan-India ties**

India-Japan relations have shown remarkable uptrend during the past decade. When both the governments agreed to establish a 'Strategic and Global Partnership' in October 2008, institutionalised mechanisms for bilateral dialogue were already in place. The long-awaited Comprehensive Economic Partnership Agreement (CEPA) was signed in February 2011 and came into effect from August 1, 2011 after the Diet's (Parliament) approval. Japanese FDI has since showed signs of increase, though it still remains below its full potential. Japan remains India's largest bilateral donor of Official Development Assistance

(ODA), maintaining commitments even after the tsunami destruction. Though Japan decided to impose cuts in its overseas aid programmes following the tsunami and nuclear disaster at Fukushima, it decided to exempt India from such cuts. This demonstrates the high priority that Japan accords to its ties with India.<sup>5</sup>

The exemption of aid cuts came ahead of the fifth round of the India-Japan Strategic Dialogue that was held on October 28-29, 2011 when the Indian Foreign Minister S. M. Krishna visited Japan for a meeting with his Japanese counterpart Koichiro Gemba. Japan's signal on ODA aid coupled with Krishna's discussions on strategic issues, including maritime security, set the stage for a visit by Defence Minister A.K. Antony on November 2-3, 2011. Both events focused on issues of maritime security in the East Asia region, including in the South China Sea.

Leaders from both countries have reiterated the pledge to hold annual summits and Prime Minister Noda Yoshihiko is due to visit India in December 2011. It is expected that security-related discussions during the summit meeting would coalesce into a vision on maritime security for the seas. What has been worthy of note is that political instability in Japan and the Fukushima nuclear accident have not affected the bilateral relations in any manner. The India-Japan ties may thus be regarded as immune to changes in government or the leadership in Tokyo.

### Civil nuclear pact

In the field of nuclear energy exports, Tokyo has shown willingness to engage India. During their meeting on October 29, Krishna and Gemba agreed to move forward with negotiations over a civil nuclear energy deal, akin to that signed in 2008 between India and the US. Following three rounds of negotiations, the prospects of a bilateral civil nuclear deal hit a major roadblock after the Fukushima radiation disaster in March 2011 as Japan began to debate the viability of nuclear power itself. An India-Japan nuclear deal is crucial for New Delhi as many US and French companies wishing to partner with India in the nuclear sector use critical components made by Japanese companies. However, top Japanese corporate chieftains are backing a civil nuclear pact with India as it would enable them to engage in nuclear commerce with India. The political sensitivity of the issue in Japan, heightened by the radiation leak, has led to the delay in negotiations.

However, there are indications that there is a political will to restart negotiations on this issue. Expectedly, therefore, Krishna made a renewed pitch for seeking Tokyo's support for its membership of top four non-proliferation international organisations, including

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<sup>5</sup> "Japan's aid diplomacy & India", *The Hindu*, editorial, October 17, 2011, at <http://www.thehindu.com/opinion/editorial/article2546625.ece>

the Nuclear Suppliers Group, the Australia Group, and the Wassenaar Arrangement, which are scheduled to hold meetings in the coming months.

Following events at the Fukushima nuclear plant and growing domestic unease in Japan with nuclear energy, several observers in Tokyo believed that the export of technology to India, a non-NPT member, was not possible. Yet the announcement by Gemba demonstrates the importance Tokyo's elite places on relations with Delhi. Prime Minister Noda has also taken a more favourable view of nuclear energy than his predecessor Kan Naoto and vowed to support deals with foreign governments who wish to benefit from Japan's advanced technological development. Japan's high-technology trade is likely to increase following its decision to remove seven Indian entities from its Foreign End User List, including Indian Rare Earths Limited.

Both Krishna and Gemba decided to spur the high-technology cooperation and collaboration in the development of rare earths between the two countries. While Krishna observed that India would "look forward to greater cooperation between Indian and Japanese firms in the rare earth sector", Gemba announced that the "two countries will move ahead with a joint development" of rare earth deposits in India. Indeed, Tokyo is seeking to diversify rare earth supplies as Beijing controls more than 90 per cent of global supplies.<sup>6</sup>

Despite such promising picture, there still seems to be some reluctance on the part of the Japanese government to take a more clear position *vis-a-vis* India on the nuclear issue. Such a perception stems from the fact that India was not mentioned in the detailed government response to a question by a member of the opposition Liberal Democratic Party on the government's stance on the nuclear policy. When the Japanese government requested the Diet to approve civil nuclear accords with Jordan, Russia, South Korea and Vietnam, India did not find a mention. This creates doubts in New Delhi on Japan's intent. Even the New Komeito Party, the second largest opposition party, has been opposed to the idea of exporting Japanese armament. But what encourages India is that though the civil nuclear talks have remained suspended since November 2010, Japan has affirmed to continue exporting nuclear power plants to India despite the crisis at the tsunami-hit Fukushima nuclear plant. India has also taken an optimistic view of the statements suggesting that diplomatic negotiations and relationship of trust on nuclear cooperation in the post-Fukushima scenario would pave the way for an eventual civil nuclear pact sooner than later.

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<sup>6</sup> "India, Japan to resume N-deal talks, to develop rare earths", *The Times of India*, October, 29, 2011, at [http://articles.timesofindia.com/2011-10-29/india/30336336\\_1\\_nuclear-negotiations-fukushima-nuclear-disarmament-and-non-proliferation](http://articles.timesofindia.com/2011-10-29/india/30336336_1_nuclear-negotiations-fukushima-nuclear-disarmament-and-non-proliferation)

## Security-related talks

The closing days of October and beginning of November 2011 witnessed heightened efforts by both Japan and India to deepen defence cooperation. Foreign Minister Krishna visited Tokyo from October 28-31, and Defence Minister Antony from November 2-3, 2011. Following these back-to-back meetings, it was announced that the Indian Navy and Japanese Maritime Self-Defence Force (MSDF) will conduct their first bilateral naval exercises in the Indian Ocean in early 2012.

Another recent positive sign from Tokyo has been the Noda administration's willingness to consider lifting ban on arms exports. Under current regulations, Japan is only able to export to the US, placing Japan's defence industry at a competitive disadvantage. The 'three principles on export controls',<sup>7</sup> however are a cabinet decision rather than a constitutional obstacle.

News of the likely lifting of ban on arms exports was announced in mid-October by Defence Minister Yasuo Ichikawa. During the previous Kan administration, the issue was debated briefly among politicians and academics and was ultimately buried when domestic consensus was required by the Democratic Party of Japan (DPJ) to push through the budget. The New Komeito Party has been opposed to the idea of exporting Japanese armament.

It is also not certain whether India would be interested in buying Japanese weapons - some commentators consider the quality to be poor, whilst others praise particularly Japan's maritime capability. Symbolically, if nothing else, the possibility of change in policy direction demonstrates a more internationally active Japan. The subject is likely to be discussed between Prime Minister Noda and President Obama during the forthcoming APEC Summit in November 2011 in Hawaii.

Both Antony and Ichikawa extensively exchanged views on regional and international issues of mutual concern when Antony visited Tokyo in November 2011. They also discussed issues pertaining defence cooperation and military exchanges between both countries, including maritime cooperation. A press release of November 2, 2011 by the Japanese Defence Ministry<sup>8</sup> observed that it was necessary to promote cooperation and exchanges, which are as follows:

1. Continue to carry out mutual exchange of high level visits. The Japanese Defense Minister will visit India in 2012;

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<sup>7</sup> For Japan's Policies on the Control of Arms Exports, see <http://www.mofa.go.jp/policy/un/disarmament/policy/index.html>

<sup>8</sup> Press Release, Ministry of Defense of Japan, November 2, 2011, at [http://www.mod.go.jp/j/press/youjin/2011/11/02\\_pr\\_e.pdf](http://www.mod.go.jp/j/press/youjin/2011/11/02_pr_e.pdf); and Press Information Bureau, Government of India, November 3, 2011, at <http://pib.nic.in/newsite/erelease.aspx?relid=76976>

2. Implement the Japan-India Defense Policy Dialogue (Vice-Minister level) in Tokyo at the earliest date;
3. Implement Staff Talks between GSDF and Indian Army in 2012. Staff Exchanges between ASDF and Indian Air Force will be held in 2012 and be developed to Staff Talks at the earliest date;
4. Carry out mutual visits of vessel and aircraft, as appropriate, and conduct bilateral exercise between MSDF and Indian Navy. In 2012, vessels of both sides will make mutual visits and MSDF aircraft will visit India. Bilateral exercise will be carried out on these occasions;
5. Implement exchanges on peacekeeping operations including exchanges between International Peace Cooperation Training and Exercise Unit of the Central Readiness Force of GSDF and Centre for United Nations Peacekeeping (CUNPK), India;
6. Cadet exchanges between the National Defence Academy of Japan (NDA) and the National Defence Academy of India (NDA);
7. Implement exchange of ideas aimed at concrete collaboration, such as joint training for humanitarian assistance and disaster relief.

In future, Japan is likely to be included in the Malabar series of India-US naval exercises in a big way. The last Malabar series exercise, which was held in April 2011 off the Okinawa naval base, was aimed at involving a strong Japanese SDF complement but the tsunami of March led to the SDF diverting ships for rescue and rehabilitation.<sup>9</sup>

Indeed, in the Japanese perception, the Indian navy is capable of playing a critical role in securing the sea lanes of communication. Former Japanese Prime Minister Abe Shinzo during a visit to India in September 2011 had called for a naval alliance of Asian democracies and the US to counter “autocratic” China’s growing influence in the Asian region.<sup>10</sup> When Abe visited India in August 2007 as prime minister, he had initiated the idea of a “broader Asia” alliance of democracies and continues to maintain that stance. This is significant because Abe still has a say in the shaping of Japanese foreign policy. In a lecture titled “Two democracies meet at sea”, delivered at the Indian Council of World Affairs on September 20, 2011, Abe remarked that “with plan to have an ocean-going navy that is capable of operating as many as three aircraft carriers and their battle groups”,

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<sup>9</sup> Sandeep Dikshit, “India, Japan to firm up strategic ties despite nuclear stalemate”, *The Hindu*, November 5, 2011, at <http://www.thehindu.com/news/national/article2331478.ece>

<sup>10</sup> “Japan call for navy tie-up”, *The Telegraph*, September 21, 2011, at [http://www.telegraphindia.com/1110921/jsp/nation/story\\_14533816.jsp](http://www.telegraphindia.com/1110921/jsp/nation/story_14533816.jsp)



India can “keep the ocean safe, and our sea lanes stable.” He added, such a step “can assure the Japanese, Koreans, Vietnamese, Indonesians, Australians and the Americans, if not the Chinese”.<sup>11</sup> Such an explicit endorsement for an Indian role in Asian waters came at a time when both India and Japan are deepening maritime security cooperation based on the agreement signed in October 2008 by way of regularising joint anti-piracy patrols, combat exercises and service exchanges. Abe urged India to shelve its American-shyness so that its realist-pragmatist side prevails. Abe termed the US as the oldest democracy and China as an autocracy, and urged India and Japan to work together to take a common side in this equation.<sup>12</sup>

## Looking ahead

Both sides also have to decide on the dates for the 2+2 dialogue involving their respective foreign and defence secretaries. The second India-Japan 2+2 dialogue, a rare format for India, will see Foreign Secretary Ranjan Mathai and Defence Secretary Shashi Kant Sharma leading the Indian side. On top of the diplomatic agenda is the proposed trilateral between India, Japan and the US, which was announced by former Indian Foreign Secretary Nirupama Rao during a trip to Japan shortly after the tsunami in March 2011. During his visit to Tokyo in November this year, Indian Foreign Minister Krishna clearly stated: “We also discussed the India-Japan-United States trilateral dialogue. We agreed that it will be held very soon. It will cover regional and international issues of concern to all three countries”.<sup>13</sup>

The significance of the trilateral initiative should also be assessed in the wake of Chinese assertiveness in South China Sea, over which Beijing claims full sovereignty. Therefore, it is expected that the trilateral initiative would cause jitters in Beijing. Significantly, the talks of the trilateral dialogue took place barely weeks before the EAS meeting was to take place on November 17-18, 2011 where the focus was expectedly on evolving an inclusive regional architecture in which both India and Japan would have high stakes.

China’s increasingly belligerent posture in the South China Sea and the perceived ‘decline’ of overall US influence is likely to have driven both India and Japan to sculpt a reformed partnership with the US. Both still see the US as the only power capable of deterring adversarial moves by China. From this perspective, the security partnership between India

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<sup>11</sup> “Two Democracies Meet at Sea: For a Better and Safer Asia”, Speech delivered by former Japanese Prime Minister Shinzo Abe on September 20, 2011 at the Indian Council of World Affairs, New Delhi, at <http://www.icwa.in/pdfs/KAddressjapan.pdf>.

<sup>12</sup> Press Release, n.8.

<sup>13</sup> Press Release, n. 8.

and Japan is underpinned by a larger geo-economic convergence of interests, which allows both to strive for a strategic economic structure that can enrich both sides while maintaining the Asian balance of power.<sup>14</sup>

However, there are concerns over Japan's known unwillingness to raise its defence expenditure in line with the security challenges that the region faces. Nevertheless, there certainly exists some 'logic' - a term often employed by diplomats - behind these three states working together, and that too in a region that lacks solid security architecture. The announcement of formal trilateral dialogue should thus be welcomed.

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<sup>14</sup> Saurav Jha, "India, Japan Reinforce Economic, Security Ties", *World Politics Review*, November 1, 2011, at <http://www.worldpoliticsreview.com/articlres/10503/india-japan-reinforce-economic-security-ties>