

## ***India–Japan Relations: Dawn of a New Relationship?***

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India and Japan are both important players in Asian political scene. During the Cold War era, ideological differences and alignments perhaps prevented both countries from closely honing their economic and strategic complementarities. After India liberalised its economic policies in the early 1990s, this equation changed noticeably, and moved towards a stronger relationship in economic and strategic domains. Though the growth momentum was not at the desired level - as compared to India's economic engagement with, for example, China, South Korea and Australia - recent political changes in both the countries is expected to pave the way towards greater cooperation. Moreover, the strategic factor seems to have emerged as the prime driver in the bilateral ties between the two countries.

This seems to be in response to China's emergence as a regional Hegemon, and its assertion of sovereignty over disputed territories in its neighbourhood. China's military modernisation and enhanced power projection capabilities have triggered new alignments in the power equations among Asian countries. President Barack Obama's Asia 'pivot' strategy seems to provide some sense of reassurance and encourage stronger security and defence bonding between India and Japan. This essay does not discount the importance of the economic relationship, but primarily focuses on the security/defence and strategic component of the bilateral ties between the two countries.

The recent shift in defence and security policy under Prime Minister Shinzo Abe's leadership - the attempt to reinterpret Article 9 of the peace constitution, the revision of arms exports rules, and the emphasis on collective self-defence make it imperative to examine the emerging ties between Japan and India. The leadership change in India, with massive mandate given to the BJP in May 2014 national elections and Narendra Modi's rise as the popular

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new Prime Minister, has raised expectations about a more dynamic Indo-Japan cooperation. Though Prime Minister Modi's decision to make Japan his first travel destination abroad has had to be slightly delayed, when it does materialise in late August / early September 2014, it will still be his first bilateral visit to a country outside India's immediate periphery - thus retaining its original importance. The visit holds the promise of more robust bilateral ties encompassing economic, security and political cooperation.

Another important component of the bilateral relations is the issue of civil nuclear cooperation that has been stalled for some time. The inherent anti-nuclear sentiment in Japan, compounded by the Fukushima nuclear accident of March 2011 did not prevent Abe to revisit the country's Basic Energy Policy - released in April 2014. The Abe government did modify the policy of the Democratic Party of Japan (DPJ) government - which wanted to completely phase out nuclear power as an energy source, and has moved towards restarting nuclear power generation, after putting them through stringent safety regulations. This renewed emphasis on nuclear energy by the Abe administration is likely to facilitate the on-going Indo-Japan negotiations over civil nuclear cooperation.

### **Abe's India Strategy**

Prime Minister Abe has been a great admirer of India. When he visited India in August 2007, during his first term as Prime Minister, he addressed the Parliament and spoke of the 'Confluence of the Two Seas', a phrase he drew from the title of a book written by the Mughal prince Dara Shikoh, in 1655.<sup>1</sup> He visited Kolkata to meet the relatives of Justice Radha Binod Pal, the sole member of the International Military Tribunal for the Far East, who gave a dissenting judgement, virtually exonerating individual Japanese officials of war crimes. As a tribute, Justice Pal's picture is engraved in stone, and finds a pride of place at the Yasukuni Shrine. It is indeed a mark of Japanese gratitude.

Abe's observations resonate even more strongly today than in 2007, as freedom of navigation in high seas is back in focus. Japan is heavily dependent on sea transport of its cargo for both import of raw materials and the export of finished products. India's expanding sea trade and Japan's over dependence on the sea make it imperative for both to play a greater role in preserving this freedom in the High Seas.

Abe is keen on investing substantial political capital in forging closer ties with India. He is convinced that these relations hold the greatest potential of any bilateral relationship. In his book *Towards a Beautiful Country: My Vision*

*for Japan* (2007),<sup>2</sup> Abe writes that it would not surprise him if ‘in another decade, Japan–India relations overtake Japan–US and Japan–China ties’.

It was Abe who promoted the ‘Strategic and Global Partnership’ with India during the early days of his first term. Bilateral ties have since steadily strengthened. During his visit to India in September 2011, during the interim between his first and second terms as Prime Minister, in a speech at the Indian Council of World Affairs, in New Delhi, titled ‘Two Democracies Meet at Sea: For a Better and Safer Asia’, Abe observed that: ‘A strong India is in the best interest of Japan, and a strong Japan is in the best interest of India’.<sup>3</sup> Noted commentator Brahma Chellaney commented: ‘Today, no other leader of a major power underlines the centrality of building strategic bonds with India as Abe does.’<sup>4</sup>

It is to be seen how Japan and India will manage growing Chinese assertiveness in the South China Sea and East China Sea. The South China Sea (SCS) has emerged as the new theatre of Great Power competition. It is an area believed to possess abundant resources, parts of which are claimed by over half a dozen littoral countries, whereas China claims the whole of it as its own territory. In pursuance of its expansionist policy, China seems to be converting the SCS as ‘Lake Beijing’—something similar to what the Sea of Okhotsk was to Soviet Russia.

Japan also has territorial disputes with China over the Senkaku Islands (Diaoyu Islands in Chinese) in the East China Sea. China has been deploying naval assets in Japan’s contiguous and territorial waters in a subtle move to establish its jurisdiction in the waters surrounding the islands. If China is allowed to achieve its objective of controlling the two China Seas, which have so far been international waters, it will have huge implications for Asian countries. Japan has responded by taking tough measures to meet the Chinese challenge.<sup>5</sup> But the periodic spat between China and Japan has the potential to flare up and disturb the prevailing peace in the Pacific.

It is here both India and Japan seem to have a role to play as champions of navigational freedom across the seas. The relentless surge in Chinese strategic overreach beyond its border demands that India and Japan expand their strategic horizons. To counter Chinese aggrandizement at sea, Abe has proposed “a strategy whereby Australia, India, Japan, and the US State of Hawaii form a diamond to safeguard the maritime commons stretching from the Indian Ocean region to the western Pacific...[Japan is] prepared to invest, to the greatest possible extent [its] capabilities in this security diamond.”<sup>6</sup>

Ever since Abe outlined his India strategy in his address to the Indian parliament in 2007, successive governments led by the Democratic Party of Japan (DPJ) have endorsed the same, and sought to strengthen ties with both India and Australia. While it is natural for Abe to take the lead in forcefully implementing this strategy, India's strategic outlook beyond her shores is often seen as meek, unclear, and passive. The new dispensation under Prime Minister Modi, it is felt, may take a fresh look and redefine the country's strategy, whose only benign intention will be to achieve peace and stability in the region.

Japan recognises the strategic advantage that India enjoys in the region. India's Andaman and Nicobar Islands at the western end of the Strait of Malacca - through which about 40 per cent of world trade passes - gives it the necessary strategic advantage. Both India and Japan are engaged in regular bilateral service-to-service military dialogues. Both have joined the USA to start official trilateral talks, of which few rounds have already taken place. Even the newly launched trilateral talks between India, Japan and South Korea, *albeit* at the Track II level, do have a China angle. Japan is pleased that India agreed to sign an agreement to provide rare earth minerals - a vital component in many manufacturing processes - after China chose to use its supplies of rare earths as a diplomatic tool. The fact that neither could take full advantage of this agreement and Japan, remains still reliant on Chinese rare earths does not diminish the importance of this possible linkage.<sup>7</sup>

### **Abenomics, the Neighbourhood, and India**

Besides Abe's desire to overcome the difficulties arising out of mounting Chinese assertiveness, his economic goals too have the potential to bring Japan and India closer. During a visit to Washington in early 2013, Abe declared 'Japan is back!'<sup>8</sup>, meaning thereby that his new economic policy, dubbed as Abenomics, would lift Japan from two decades of economic stagnation. In less than two years of his second term, of the three 'arrows' of Abenomics, the first two - loose monetary policy and fiscal stimulus - have already proved successful. The economy has rebounded; the stock market has surged; the yen has depreciated to the tune of almost 13 per cent, thereby boosting exports; and the consumption tax increase has helped reduce the budget deficit. The implementation of the third arrow - productivity enhancing structural reforms - is going to test Abe's economic policy in the coming months.

That Japan was able to replace the 25 per cent of its energy supply adversely affected by the disabled reactors at the Fukushima and the

announcement that Tokyo will host the 2020 Olympics Games have visibly boosted public confidence. Given the surge in Indo-Japan friendship and cooperation and potential of a robust strategic partnership, Japan's revival as an economic giant will almost certainly enhance Indo-Japan trade and investment relations.

### **The Strategic Dimension**

That India is scaling the diplomatic ladder smoothly and steadily is discernible from a series of high level leaders that it has hosted in the recent past, and is scheduled to host in the near future. The visit of the Chinese Prime Minister Li Keqiang in May 2013; the visit by the Japanese Emperor and Empress in December 2013; followed soon by Prime Minister Abe in January 2014 as the chief guest during the Republic Day celebrations; and the planned visit by the Chinese President Xi Jinping in late 2014 are all visible examples of the changing international dynamics that evokes keen interest across the world. While the Emperor's visit may be seen as a signal to Japanese businesses to make India their next biggest investment destination (as was the case during his visit to China in 1992),<sup>9</sup> Abe's visit needs to be seen more in strategic terms. With the image of being a hawk, rightly or wrongly, Abe is not shy of making his intentions clear: that of stitching a broader alliance in Asia, with the perceived objective of balancing China's ascendance as a regional bully.

Abe's visit came just a month after India hosted the Emperor and the Empress. It was a historic visit, and the most important gesture from Tokyo towards India's new-found centrality in Japan's foreign policy scheme. In between the two visits, Japan's Defence Minister, Itsunori Onodera, also paid a visit, underscoring the convergence of strategic interests between the two countries.

At home, Abe is re-working on the country's pacifist Constitution to serve his twin purposes: to protect the country's strategic interests with a view to coping with the region's changing security paradigm; and secondly, to re-invigorate the moribund Japanese economy by expanding the country's highly advanced defence industry.<sup>10</sup> Abe's attempts to smartly package these policy measures within nationalist narratives have caused some concern in the neighbourhood, as the shadows of history do not disappear so easily.

As earlier stated, in December 2012, Abe had articulated his vision when he spoke of Democratic Security Diamond. He wrote: "Japan is a mature maritime democracy, and its choice of close partners should reflect that fact."<sup>11</sup>

Thus, as was expected in the context of the rising tensions between Japan and China over the Senkaku/Daiyou Islands, and the latter's assertiveness in the South China Sea, one key element of the India–Japan statement during Abe's January 2014 visit was preserving maritime freedom and respect for international laws in Asia. Para 43 of the joint statement "reiterated the commitment of Japan and India to the freedom of navigation, unimpeded commerce and peaceful settlement of disputes based on the principles of international law, including the 1982 United Nations Convention on the Law of the Sea (UNCLOS)."<sup>12</sup>

In 2007, when Abe proposed the India–Japan–Australia–USA quadrilateral initiative, China saw it as an anti-China grouping, and protested vehemently. At that time, the initiative did not advance further. Since then, the situation has radically changed. With Prime Minister Modi's scheduled visit to Japan, the time seems to be ripe to revive the idea.

When Japan, Australia and Singapore conducted joint maritime exercises, in 2007, Beijing protested. However, recently, when India invited Japan to participate in the annual Exercise Malabar held between the US and the Indian navies, Beijing's response was subdued and more measured. The Chinese Foreign Ministry spokesman, Qin Gang, told the media 'We hope that development of defence cooperation between both countries will be conducive to peace, stability, and security of the whole region'.<sup>13</sup>

Other Asian countries—such as Vietnam, South Korea, the Philippines and smaller nations in Southeast Asia – have been closely watching the deepening India–Japan strategic linkages, and have also been strengthening their own ties with India. Most of them appear to have high expectations of India playing a role in counterbalancing Beijing. While India would not like to lead a front to against China, some strategic analysts feel that a forward looking position by India under Prime Minister Modi would contribute to maintaining strategic equilibrium in Asia.<sup>14</sup>

Abe's active diplomatic foray was also triggered by China's decision to enforce an Air Defence Identification Zone in the East China Sea in November 2013. His goals seems to be 'step up efforts for a pan-Asian architecture to keep China in check given that the US has showed a reluctance to take China on directly, despite its much-discussed pivot to rebalance Asia'.<sup>15</sup> Beijing saw Abe's visit to India for the regular annual summit meeting as an attempt to form 'an anti-China alliance'.<sup>16</sup> Beijing also considers Abe's proposal to establish a 'democratic security diamond', as an effort to contain China.

After Abe assumed power, his government has been keen to revise the arm exports laws, both to resuscitate the ailing economy as well as to respond to changing regional security dynamics. Abandoning a long-standing policy that in principle prohibited Japanese exports of weapons, on 1 April 2014 Prime Minister Abe introduced a new three-point rule that would remove restrictions on weapons exports. 'The new arms export policy could alter the pacifist posture of Japan under its war-renouncing constitution by creating a Japanese footprint in international conflicts, some critics note.'<sup>17</sup>

In continuance of his efforts to deepen defence cooperation between India and Japan, Abe offered to sell India the Shin Maywa US-2i amphibious aircraft. This was immediately seen by Beijing as a violation of Japan's stated policy on arms exports. If India does buy the multi-role amphibious aircraft, this will be the first Japanese defence export since World War II. It is learnt that India is seriously considering the offer.

India is seeking an investment of US\$1 trillion for its infrastructure sector, and sees Japan as a key source of investment. Japan is already involved in the construction of the 1483 km long US\$90 billion flagship joint Delhi–Mumbai Industrial Corridor project which will traverse as many as seven states. It is a mega infrastructure project costing US\$ 90 billion that will connect India's political capital New Delhi with its financial capital Mumbai. Japan is equally ready to fund the second industrial corridor between Chennai and Bangalore.

### **Maritime Security**

As stated earlier, securing the sea lanes under UNCLOS, for smooth maritime commerce is a major foreign policy plank of India. India seeks a peaceful resolution in accordance with international law, as opposed to the use of threat in resolving competing claims. Both India and Japan have a great deal of convergence in terms of strategic interests, especially on maritime issues. As the economies of both the countries are heavily dependent on imports of oil from the Persian Gulf, dependence on sea-based transport provides the trigger for forging closer naval cooperation in order to secure critical energy supply routes. The Constitutional limitation inhibits Japanese Maritime Self Defence Forces (MSDF) to deploy its navy in international waters and, therefore, cooperation with the Indian Navy is important for Japan.

Its geographical location endows India with an opportunity to play a critical strategic role in ensuring security of the sea lanes. India's strategic positioning between two choke points for global oil supplies—the Straits of

Malacca to its east and the Strait of Hormuz to its west—is of interest to the major economies in Asia whose energy supplies must pass through these two Straits. It is estimated that as much as 33 per cent of international trade and 50 per cent of world’s oil pass through these sea lanes. 90 per cent of Japan’s oil requirements come from the Persian Gulf, securing the sea lanes of communication (SLOCs) is critical to Japan’s economic future.

Of late, China has been increasingly asserting its claims in a more aggressive manner. It has indicated and demonstrated that it would not hesitate to take unilateral action to change the status quo. This has the potential of adversely affecting the interests of, not only India and Japan but all the countries in East and South East Asia. As Chaturvedy notes: “The sea lane running between the Paracel and Spratly Islands is used by oil tankers moving from the Persian Gulf to Japan as well as by warships en route from the Indian Ocean to the Pacific. Security in the SCS is a concern both for regional countries such as China, Vietnam, Philippines, Malaysia, as well as the extra-regional countries, including India, due to their strategic and economic interests in this region. Any conflict in the SCS will pose a threat to regional and international security.”<sup>18</sup>

India has its own economic stakes in the SCS as well. The ONGC Videsh (OVL) acquired three oil blocks in the SCS off Vietnam in 2011. In a major assertion of maritime power, the outgoing naval chief, Admiral D.K. Joshi, was categorical in asserting that the Indian Navy is prepared to defend Indian assets in the SCS. He observed: Not that we expect to be in those waters very frequently, but when the requirement is there for situations where the country’s interests are involved, for example ONGC Videsh (OVL), we will be required to go there, and we are prepared for that.<sup>19</sup> The Indian Navy had so far restricted its sphere of influence to the Indian Ocean region from the Gulf of Aden to the Malacca Straits. The navy chief’s statement could mark a shift in that policy, particularly in view of an assertive China. Though the navy chief thereafter refused to be drawn into further discussion, he was categorical in saying that ‘freedom of navigation is the concern of the whole world, not just ours’, and asked ‘If the navy is not to protect national assets, then what are we there for?’<sup>20</sup>

Though China has been claiming the whole of the SCS as its own since 2009, every other nation has rejected this claim. China has objected to India’s presence in the SCS, particularly in the oil exploration blocks acquired by OVL. Therefore, Admiral Joshi’s assertive stance could not be music for Beijing; but it would surely be comforting for Japan and the other Asian nations.



### **Civil Nuclear Cooperation**

One area in which both have not succeeded in clinching a final deal is the civil nuclear cooperation. Three rounds of negotiations were held before the Fukushima disaster. These could not progress in the aftermath of this development, given the sensitivities on the subject that came to the fore. Notwithstanding the same, the desire of the Japanese leadership to push the same continues to evade a solution. There was an expectation that an accord could be clinched during Abe's January 2014 visit. Two weeks prior to his arrival, Abe dispatched Natsuo Yamaguchi - the head of his pacifist-leaning coalition partner of the New Komeito - to New Delhi to reiterate Tokyo's limited window of compromise. The accord continues to elude a final solution – as the vaguely phrased mention in the joint statement released during Abe's visit. It merely said:

The two Prime Ministers reaffirmed the importance of civil nuclear cooperation between the two countries, while recognizing that nuclear safety is a priority for both Governments. They welcomed the substantial progress made since their last meeting in negotiations between India and Japan on an Agreement for Cooperation in the Peaceful Uses of Nuclear Energy and directed their officials to exert further efforts towards an early conclusion of the Agreement. Modi's forthcoming visit, it is hoped, will help in finding a solution.

### **Conclusion**

Over the past decade, India–Japan relations have acquired a degree of robustness and both have found reasons to build and consolidate deeper economic and security/strategic relations. The 'strategic and global partnership' of 2007 was, in 2008, upgraded through a Joint Declaration on Security Cooperation, which was modelled on Japan's 2007 defence cooperation accord with Australia, the only other country with which Japan, a US military ally, has a security cooperation arrangement. This in turn also spawned a similar India–Australia accord in 2009. As Chellaney rightly notes, 'the budding alliance between Japan and India holds the potential to redraw the Asian geopolitical map.'<sup>21</sup>

### **Notes :**

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<sup>1</sup> 'Confluence of the two Seas', Speech by Shinzo Abe, Prime Minister of Japan, in the Indian Parliament on 22 August 2007. See, <http://www.mofa.go.jp/region/asia-paci/>

pmv0708/speech-2.html

- <sup>2</sup> Shinzo Abe, *Utsukushii Kuni I* (Towards a Beautiful Country), Bunshun Shingo, Bungei Shunju, 2006, 232 pp (in Japanese).
- <sup>3</sup> See the video of Address by Shinzo Abe at the Indian Council for World Affairs, 2011, [http://icwadelhi.info/index.php?option=com\\_seyret&Itemid=0&task=video\\_directlink&id=12](http://icwadelhi.info/index.php?option=com_seyret&Itemid=0&task=video_directlink&id=12)
- <sup>4</sup> Brahma Chellaney, 'http://www.rediff.com/news/column/brahma-chellaney-how-india-and-japan-can-redraw-asias-geopolitical-map/20140206.Htm
- <sup>5</sup> 'China-Japan tensions increase as Tokyo building radar near disputed islands', RT, 20 April 2014, [http://www.eurasiareview.com/20042014-japan-china-tensions-increase-as-tokyo-building-radar-near-disputed-islands/?utm\\_source](http://www.eurasiareview.com/20042014-japan-china-tensions-increase-as-tokyo-building-radar-near-disputed-islands/?utm_source); also see, Nobuhiro Kubo, 'Japan to arm remote western island, risking more China tensions', 18 April 2014, <https://in.news.yahoo.com/japan-arm-remote-western-island-risking-more-china-055719995.html>
- <sup>6</sup> Ibid.
- <sup>7</sup> Mayumi Terashima and Yuya Yokobori, 'Japan still reliant on China rare earths', *The Yomiuri Shimbun*, 29 March 2014.
- <sup>8</sup> [http://www.mofa.go.jp/announce/pm/abe/us\\_20130222en.html](http://www.mofa.go.jp/announce/pm/abe/us_20130222en.html)
- <sup>9</sup> See, Rajaram Panda, 'Significance of Royal Visit and India–Japan Relations', *C3S Paper No. 2042*, 5 December 2013, <http://www.c3sindia.org/japan/3801>; see also, Rajaram Panda, 'A Royal Opportunity', *The Deccan Herald*, 5 December 2013, <http://www.deccanherald.com/content/372838/a-royal-opportunity.html>
- <sup>10</sup> Mayuri Mukherje, 'Our friends across the oceans', *The Pioneer*, 23 January 2014. <http://www.dailypioneer.com/columnists/oped/our-friend-across-the-oceans.html>
- <sup>11</sup> 'Asia's Democratic Security Diamond', n.5.
- <sup>12</sup> Joint Statement on the occasion of Official Visit of the Prime Minister of Japan to India (January 25–27, 2014), 25 January 2014, <http://www.mea.gov.in/in-focus-article.htm?22772/Joint-Statement-on-the-occasion-of-Official-Visit-of-the-Prime-Minister-of-Japan-to-India-January-2527+2014>
- <sup>13</sup> Quoted in Ananth Krishnan, 'China hopes India–Japan ties will be “conducive to peace”', *The Hindu*, 27 January 2014, <http://www.thehindu.com/news/international/world/china-hopes-indiajapan-ties-will-be-conducive-to-peace/article5623041.ece>
- <sup>14</sup> Nitin Gokhale, 'Tokyo's courting of New Delhi brings strong defence ties', *Global Times*, 18 February 2014, <http://www.globaltimes.cn/content/843271.shtml#.Uw1etCDrbIV>
- <sup>15</sup> Ibid.
- <sup>16</sup> 'India uncertain as Abe looks for anti-China alliance', *The Global Times*, 18 February 2014, <http://www.globaltimes.cn/content/843272.shtml#.Uw1d0iDrbIV>
- <sup>17</sup> 'A risky weapons-export policy', *The Japan Times*, 6 April 2014, editorial, <http://www.japantimes.co.jp/opinion/2014/04/06/editorials/a-risky-weapons-export-policy/>

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<sup>18</sup> Rajeev Ranjan Chaturvedy, 'India's maritime gateway to the Pacific', *The Hindu*, 22 February 2014, <http://www.thehindu.com/opinion/op-ed/indias-maritime-gateway-to-the-pacific/article5714122.ece?homepage=true>

<sup>19</sup> Sandeep Unnithan, 'Indian Navy prepared to defend its interests in South China Sea, says Admiral DK Joshi', 3 December 2012, <http://indiatoday.intoday.in/story/india-prepared-to-intervene-in-south-china-sea-navy-chief/1/235881.html>

<sup>20</sup> Ibid.

<sup>21</sup> 'How India and Japan can redraw Asia's geopolitical map', n.4

