



TOWARDS A NEW ASIAN SECURITY ARCHITECTURE? **INDIA AND JAPAN**



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Prime Minister Manmohan Singh concluded a three-day visit to Japan from 27 to 30 May 2013 as a continuation of the annual summit meetings that leaders of both the countries have been having since 2006. Though previous summit meetings laid the groundwork for deepening bilateral ties through several mechanisms, this latest visit has injected real substance to the bilateral ties.

Coming soon after Chinese Premier Li Keqiang's visit to India and in the wake of frosty ties between Japan and China, the warm embrace between India and Japan has caused considerable discomfort to China. Barring Pakistan and North Korea, the rest of Asia is unhappy with China's assertiveness in many territorial issues and claims for the whole of South China Sea. While China has disputes with Japan over the Senkaku islands, it has border disputes with India and the recent standoff took India-China ties to its lowest level.

How does this matter in the context of

India-Japan relations?

Recent developments between Japan-China and India-China relations have only brought India and Japan to a new understanding on how to meet the China challenge. As it transpired from the Joint Statement issued on 29 May 2013, India is a clear gainer in the process. Hereafter Japanese companies will start shifting factories from China to India. With signals coming from the government, a sizable chunk of Japan's \$954 billion foreign exchange reserves are expected to come to India by way of investment in the coming years.

Unlike its ties with China, Japan does not have any competing national interest, no simmering rivalry in the background and no historical baggage.

I **INDIA AND JAPAN: THE CHINA FACTOR**

China is paranoid that India and Japan are finding common grounds and sees



their friendship as ganging against it. Piqued over warming of ties between the two, the mouthpiece of China's ruling Communist Party The People's Daily on 28 May said New Delhi's wisdom lies in dealing with its disputes with Beijing calmly undisturbed by "internal and international provocateurs". The paper lashed out at Japanese politicians, terming them as "petty burglars" on China related issues. China is locked in a maritime dispute with Japan.

The article titled "Sino-Indian diplomatic miracle embarrasses Japanese politicians" said that before Chinese Premier Li Keqiang's visit to India, the international media was hyping up the Chinese-India border standoff that supposedly threatened the diplomatic ties between the two but was just greatly exaggerated. They surprised the media by "properly solving" the issue in that short time and coming up with "strategic consensus and cooperation" between the leaders of both countries. The article concludes by saying that they trust that India has the wisdom in dealing with their issues with China "undisturbed by internal and international provocateurs," of course obviously referring to Japan. The editorial referred to Japan's Prime Minister Abe calling for Japan, India, Australia and the US to form a "Democratic Security Diamond" that they believe seeks to compete with China's ascending economic and military power. They say the terms used like "Strategic Diplomacy" and "Values Diplomacy" seem very strategic but in fact just shows the

"narrow-minded diplomatic thoughts" of Japan.

II STRATEGIC CONTENT TO ECONOMIC TIES

Japanese companies are upbeat about India's economic growth story. Though the growth rate dropped slightly, Prime Minister Singh's promise to introduce more economic reforms will only motivate more Japanese companies to shift base to India. From India's point of view, the time is opportune to welcome more investment from Japan since global financial institutions such as the IMF and the World Bank are diverting money to debt-ridden euro zone.

As of now, there are over 80,000 Japanese companies doing business in China compared to about 900 Japanese companies in India. Even if 16,000 Japanese companies shift base to India, it will help India's manufacturing sector, create more jobs and contribute to India's growth. The economic component in the bilateral ties has given a stronger spine.

With the CEPA in place, some of the big-ticket Japanese investments in projects like the Delhi metro, Delhi-Mumbai Industrial Corridor and the Dedicated Freight Corridor will introduce a new strategic content to the bilateral relations. Also, Japan pledged in the Joint Statement that it will provide a loan totaling 71 billion yen for the Mumbai Metro Line-III Project as well as the Yen loan of the fiscal year 2012 totaling 353.106 billion for eight projects. Singh also appreciated the pledge made by Abe for the Campus Development Project of the Indian Institute of Technology Hyderabad Phase 2 for 17.7 billion yen and the Tamil Nadu Investment Promotion Programme for 13 billion yen.

Whether the China factor is pushing India and Japan closer cannot be conclusively

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said. In an unambiguous signal to China, on 28 May, in Tokyo Prime Minister Singh asserted India's strategic preference as he described Japan as a "natural and indispensable partner" and framed the Indo-Pacific as a new axis for cooperation in the region. Singh also laid out a three-pronged approach to take this strategic cooperation forward, and in doing so, endorsed his Japanese counterpart Shinzo Abe's vision articulated in an address to the Indian Parliament in 2007. Singh said that Japan is a natural partner in the "quest for stability and peace in the vast region in Asia that is washed by the Pacific and Indian Oceans". The last time the PM used the term Indo-Pacific was at the India-ASEAN meet in Delhi in December.

Shared Values

In an indirect rebuke to China, Singh endorsed that maritime disputes must be settled according to international law. While that has been India's stated position, the fact that he included this in his three-point prescription for the Indo-Pacific is significant because Japan, like many smaller countries in the region, is in the middle of a tense territorial dispute with China over the Senkaku Islands.

Outlining his approach in an address to the Japan-India Association, Singh identified three key areas of cooperation to strengthen the idea of an Indo-Pacific strategic confluence: (a) forge greater regional interaction to "develop habits of consultation" and "evolve commonly accepted principles for managing differences"; (b) promote regional economic integration and connectivity for a "more balanced regional architecture; and (c) ensure maritime security in the Indo-Pacific by upholding principles of "freedom of navigation and unimpeded lawful commerce in accordance with international law and resolve maritime issues peacefully", while addressing common challenges like piracy.

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While New Delhi may still be reluctant to move in these specific areas, this time Singh gave the first clear signal that India is now prepared to politically explore the broader idea. In the process, the PM underlined that for New Delhi, the India-Japan commercial relationship is a strategic objective and must be treated in the same way. He also addressed the business community at the Nippon-Keidanren and said: "A stronger commercial partnership between our two countries should be the cornerstone of our relationship. It would not only contribute to each other's economic growth, but will also be in the strategic interest of India and Japan." He summed up by making it clear that India, like the rest of the world, has a large stake in

Japan's revival, calling it the "locomotive of Asian renaissance". This echoed Abe's 2007 parliament address when he had said that "a strong India is in the best interest of Japan, and a strong Japan is in the best interest of India".

Sale of military planes

Both the countries stepped up defence ties and Japan offered India to supply US-2 amphibious aircraft. This would be the first sale of hardware used by the military since a weapons export ban was imposed. The US-2 is a domestically developed aircraft by Japan and used by Japan's armed forces. Once this happens, the sale would be the first of a finished product made by Japan's homegrown defence industry since rules were imposed restricting the export of weapons system and other equipment.

Both the countries are keen to strengthen ties between them as both see rising China as a threat to regional stability. According to experts, the aircraft must be classed as for civilian use if it is to comply with Japan's 1967 self-imposed ban on arms exports, part of the post-World War II anti-militarist drive. The US-2 has both military and civilian applications. It was developed by ShinMaywa Industries and has been sold to the Japanese navy at a price tag of roughly 10 billion yen (\$99 million), has a range of 4,700 kilometres (2,900 miles) and can land in seas with waves of up to three metres (nine feet). If Japan exports US-2 to India for civilian use, it would be the first case of exports of

Japanese-developed weaponry used by the defence ministry for civilian use.

ShinMaywa opened a sales office in New Delhi in 2012 and has been promoting the plane. First reported in Nikkei business daily about the existence of some demand in India with estimated acquisition of 15 such aircraft, the company is yet to reach any purchase contract. In view of the sluggish economy, Japan has sought to expand the market for its defence industry. It has previously exported technology or parts of military hardware, but has not sold any finished products. The plane could be deemed to have a non-military - for example, search and rescue - purpose if "friend-or-foe" identification systems were disabled, making it eligible for export. In 2011, Tokyo eased the decades-old ban on arms exports, paving the way for Japanese firms to take part in multinational weapons projects.

According to Professor Takehiko Yamamoto of Wasada University, the reported talks on sales "are based on policy decisions made a few years ago that Japan has to support its defence industry by diverting military technology to civilian use for export". Otherwise, major Japanese firms such as Mitsubishi Heavy Industries and Kawasaki Heavy Industries "will not be able to maintain their pool of engineers to develop military technology that is essential for the defence of Japan". Boosting exports from Japan's manufacturing behemoths is a key part of Prime Minister Shinzo Abe's plan to revive the economy.

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Defence cooperation

As a part of deepening defence cooperation, both the countries held their first bilateral naval exercises off the coast of Japan in June 2012 and decided to conduct such exercises on a regular basis with increased frequency. That was a major step forward. In 2013, there has been a series of exchanges between the armed forces of both the countries. India's chief of army staff General Bikram Singh was in Japan in March end. Similarly, India received the chief of the Japanese Self Defence Forces soon after.

Prime Minister Singh told in Tokyo that India attaches particular importance to intensifying political dialogue and strategic consultations and progressively strengthening defence relations, including through naval exercises and collaboration in defence technology.

Civil Nuclear Cooperation

While in Tokyo, Singh made a strong pitch for elevating strategic ties and push for a bilateral pact on civil nuclear energy cooperation. India is also interested in Japanese technology that could help extract fuel from frozen methane deposits on the ocean floor. Both sides have already agreed on joint industrial activities on rare earth materials, which is crucial raw material needed in hi-tech industries and advanced weapons systems and most of whose supplies are controlled by main global producer China.

Bilateral negotiations for the civil nuclear cooperation agreement started as early as in 2010 but could not make much headway since Japan was struck by Fukushima nuclear disaster in March, 2011. While Japan has backed the Indo-US nuclear deal and the exemptions given to India from international technology sanctions, successive governments in Tokyo have found the going tough in garnering political support

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for it in the face of stiff opposition from the non-proliferation lobby. Sale of nuclear equipment and technology by Japan to India have been hit by Tokyo's sensitivity over India's past atomic tests and persistent refusal to sign the Nuclear Non-Proliferation Treaty and the Comprehensive Test Ban Treaty on the ground that these were discriminatory.

Though India has put a moratorium on further nuclear testing, Japan is insisting on a clearer commitment from it. One of the aspects being debated is the consequences should India decide to carry out another test. There are a number of stages both countries shall have to go through before fixing signature. But the negotiations have received some impetus recently.

However, Prime Minister Abe recognizes India's sound non-proliferation record. Both sides expressed their commitment to continue to work to prepare the ground for India to become a full member in the international export control regimes: the Nuclear Suppliers Group, the Missile Technology Control Regime, the Australia Group and the Wassenaar Arrangement.

Safety is one of the key issues for both the sides in the negotiations for such a pact. In the wake of widespread concern about the safety of Japan's nuclear power – mainly because of the Fukushima disaster – Abe holds the view that Japan has learned its lessons and ensure the safety of all exported nuclear technology.

The Indian government has “expressed strong hope for a nuclear agreement with Japan even after the nuclear accident.” “As a country having experienced a disaster, Japan is responsible for contributing to the improved safety of atomic energy by sharing knowledge and lessons with the world.” Both the Prime Ministers directed their officials to accelerate the negotiations of an Agreement for Cooperation in the Peaceful Uses of Nuclear Energy towards an early conclusion.

Part of Prime Minister Abe’s work to boost Japan’s struggling economy is to promote exports of atomic and other infrastructure to the developing world. In early May 2013, Japan tied down nuclear projects with the United Arab Emirates and Turkey, when Abe visited the region. Japan is also looking to help out Myanmar and boost the developing Southeast Asian nation with agreements to export technology and infrastructure knowhow.

There are no signs that suggest that China’s rise is going to be peaceful. Confrontation is however not in any country’s national interests. But a peaceful and stable regional environment is indispensable, which China by its actions threatens to disturb. It is natural, therefore, for India and Japan to come together to take measures that aims to check and balance China.

Without any consideration of India’s sensitiveness, China evoked the concept of sovereign states and transferred missile and nuclear related technology and encouraged later its ally North Korea to do the same to Pakistan in the 1990s. By applying the same logic, what India and Japan are doing to reach out to each other for mutual benefits as sovereign states, China should have no reason to feel paranoid and accuse India and Japan of ganging against it.

III CONCLUSIONS

From the way China reacted, it transpires that Beijing is clearly in discomfort that India and Japan are reaching out to each other for reaping mutual dividends from their cooperative and collaborative projects. India’s economic growth story has attracted Abe’s notice and the civilizational advantages are only contributing to their efforts. Abe has already brought new dynamism to the economy to put Japan in growth trajectory.

The Abenomics is the new buzz word. If Japan sees India as a partner to work together for mutual prosperity, China should have no reason to ring alarm bells.

