



Chietigj Bajpae
Research Associate, CSIS,
Washington DC

The Samurai and the Swami Rediscover Each Other

Institute of Peace and Conflict Studies

India's relationship with Japan has emerged as a microcosm of its foreign policy approach toward East Asia with an emphasis on overlapping interests complementing shared values. Coming on the heels of the 60th anniversary of India's independence, Japanese Prime Minister Shinzo Abe's visit to India and the multi-nation naval exercise in the Indian Ocean involving the navies of Australia, India, Japan, Singapore, and the United States have confirmed that India's 'Look East' policy is in full swing.

India's rapprochement with Japan has emerged as the most significant achievement in India's 'Look East' policy given the minimal engagement between both states during the Cold War. Both states were on opposite ends of the Cold War divide with Japan in the US camp and India oscillating between non-alignment and the Soviet camp. Japan also vehemently opposed India's nuclear tests in 1998. Today, both states have discovered a number of shared interests and values although a number of contentious areas remain in the bilateral relationship, notably on the environment, nuclear proliferation, nascent economic cooperation and translating their shared values into a common foreign policy approach.

Overlapping Interests

First, both states have recognized the potential for increased economic interdependence. India needs as much as US\$500 billion in investment in its infrastructure and Japan has expressed interest in diversifying its investment beyond China. India is the leading recipient of Japanese overseas development assistance (ODA), receiving over

US\$1 billion in 2005. While there have been a number of Japanese investments in India, most notably in New Delhi's Metro and Maruti, the best is yet to come. One third of the 475 Japanese companies in India set up shop after Abe took office. The Japanese government and corporate sector will provide one-third of the financing for the US\$100 billion, 1,500km Delhi-Mumbai freight and industrial corridor, which is set to begin construction in 2008 and be completed by 2012. The delegation of senior executives that accompanied Prime Minister Abe to India included representatives from Toyota, Canon, Mitsubishi, Matsushita Electric, Hitachi, Fujitsu Ltd, Suzuki Motor Corp, Japan Airlines, and the Japan Bank for International Cooperation. Discussions are also proceeding on reaching a bilateral currency swap agreement and a comprehensive economic partnership agreement (CEPA), which aims to increase bilateral trade to US\$20 billion by 2010.

As major energy consumers and importers both states also have converging interests in ensuring stable energy prices, safe passage of energy resources to demand centres, investment in exploration and production of hydrocarbon resources, and research and development of alternative energies. India and Japan are the world's third and fifth largest energy consumers and the third and sixth largest oil consumers. India depends on imports for over 70 percent of its oil consumption while Japan imports over 90 percent of its oil needs. Notably, more than 50 percent of India's trade passes through the Strait of Malacca while more than 80 percent of Japan's oil imports transit the strait. Given their significant dependence on resource imports, both states have a shared interest in securing sea-lanes of communication. Japan, as a leader in energy

efficiency, conservation and technologies also has much to offer India in the field of energy security. For instance, at the East Asia Summit in January 2007, Japan offered US\$2 billion in aid to help developing countries in the region adopt greener, more energy-efficient technologies.

Both states are also adopting increasingly convergent positions on counter-terrorism and maritime security. India's struggle against Islamic extremism in South Asia has been complemented by Japan's role as Asia's leading and the world's second-largest provider of foreign aid and growing international peacekeeping role. For example, Japan has pledged significant aid to bring an end to the civil war in Sri Lanka and in its first deployment under its new Ministry of Defence, Japan also sent peacekeepers to Nepal in March to monitor the ceasefire between the government and Maoist rebels. With respect to maritime security, both states were members of the tsunami relief Regional Core Group in 2004 along with Australia and the United States. As part of the US-led 'War on Terror' Japan has also sent refuelling ships to the Indian Ocean although this is now under threat with the ruling Liberal Democratic Party losing its majority in Japan's upper house of parliament. Aside from the "Malabar-07-2" naval exercises US-India joint naval exercises in the Bay of Bengal in September, which included the navies of Japan, Australia and Singapore, both states along with the United States held a trilateral naval exercise off the Boso peninsula in central Japan in April 2007.

Indo-Japanese rapprochement appears to be a long-term strategic development rather than a short-term tactical trend given that India's growing economic interdependence and military cooperation with Japan is complemented by their long-standing historical linkages and shared culture and values.

relatively "safe" region politically for Japan to increase its presence, unlike Southeast Asia where the memories of Japanese imperialism are still alive or the Middle East and Africa where numerous international players – such as the US, the European Union and increasingly China – are

already prominent players. The failed bid by the G4 countries – Brazil, Germany, India, and Japan – for permanent seats on the UN Security Council in 2006 also demonstrates the potential for greater coordination and a more strategic approach by these states going forward.

Shared Values

Furthermore, Indo-Japanese rapprochement appears to be a long-term strategic development rather than a short-term tactical trend given that India's growing economic interdependence and military cooperation with Japan is complemented by their long-standing historical linkages and shared culture and values.

The leadership in both states remain enthusiastic about improving India-Japan relations. Shinzo Abe is the third successive Japanese Prime Minister to visit India after Yoshiro Mori in 2000 and Junichiro Koizumi in 2005 and India is the only country with which Japan will have annual Prime Ministerial level talks. Prime Minister Singh's visit to Japan in December 2006 culminated in the signing of the Joint Statement "Towards Japan-India Strategic and Global Partnership."

The rhetoric surrounding the rapprochement highlights the enthusiasm for improving bilateral relations. In his book, *Towards a Beautiful Country: A Confident and Proud Japan*, Prime Minister Abe noted that "It will not be surprising if in 10 years' time, Japan-India relations overtake Japan-US and Japan-China relations." Prime Minister Abe's address to a joint session of India's parliament was an honour that neither Hu Jintao nor George Bush was able to achieve given the climate of mistrust that still permeate Indian views of China and the US. In his speech, entitled the "Confluence of Two Seas," Abe refers to India as part of "broader Asia" that spans "the entirety of the Pacific Ocean, incorporating the US and Australia." These states comprise an "arc of freedom of prosperity" of "like-minded countries" that "share fundamental values such as freedom, democracy and respect for basic human rights as well as strategic interests."

Cultural exchanges between Japan and India date back to the sixth century when Buddhism was introduced to Japan from India. India's cordial relations with Japan date back to Japan's

support for Subhash Chandra Bose's short-lived Indian National Army during the Second World War and Justice Radhabinod Pal's opposition to punishing Japan at the Tokyo trials, which continues to draw goodwill in Japan as seen by Prime Minister Abe's meeting with the son of Justice Pal during his recent visit to India. Jawaharlal Nehru also expressed pride in Japan's victory in the Russo-Japanese War in 1905 as part of his vision of pan-Asian solidarity.

Both states have also been brought closer together by broader strategic trends such as the India-US rapprochement and quadrilateral meetings between Australia, India, Japan and the US on sidelines of ASEAN Regional Forum (ARF) meetings, which are forming the basis for a Quadrilateral Initiative beyond the Trilateral Strategic Dialogue that already exists between Australia, Japan and the United States. The US-Japan alliance and Japan-Australia Joint Declaration on Security Cooperation, which was concluded in March also raises the potential for India to conclude a security treaty with Japan as the "missing piece of the puzzle," although such a move will be unlikely as New Delhi attempts to maintain its strategic autonomy in the US-led alliance structure in Asia.

Areas of Contention

There continue to be a number of areas of disagreement in the Indo-Japan bilateral relationship. For one, the rhetoric in the relationship tends to outpace the realities. For instance, on the economic front, relations continue to lag. Japan accounted for only 6 percent of India's total FDI between 1991 and 2006 totalling approximately US\$2 billion; far less than the US\$57 billion that Japan has invested in China. China has emerged as Japan's and India's second-largest trading partner with Sino-Indian trade exceeding US\$25 billion in 2006; Meanwhile, Japan-India trade amounted to US\$7 billion, just 4 percent of Sino-Japanese trade that stands at more than US\$207 billion.

India and Japan also remain on opposite sides of the debate on nuclear proliferation and the environment. India remains undecided on supporting Japan's "Cool Earth 50" proposal to cut global emissions of greenhouse gases by 50

percent from the current level by 2050 given New Delhi's reluctance to adopt any environmental policy that imposes caps on carbon emissions, which would limit growth and development.

There continue to be a number of areas of disagreement in the Indo-Japan bilateral relationship. For one, the rhetoric in the relationship tends to outpace the realities. For instance, on the economic front, relations continue to lag. India and Japan also remain on opposite sides of the debate on nuclear proliferation and the environment. Meanwhile, Japan remains undecided on supporting the US-India civilian nuclear cooperation agreement at the 45-nation Nuclear Suppliers Groups (NSG) and at the International Atomic Energy Agency (IAEA), although as a leader in nuclear power there are significant business opportunities for Japanese companies in India's civilian nuclear power sector.

Meanwhile, Japan remains undecided on supporting the US-India civilian nuclear cooperation agreement at the 45-nation Nuclear Suppliers Groups (NSG) and at the International Atomic Energy Agency (IAEA), although as a leader in nuclear power there are significant business opportunities for Japanese companies in India's civilian nuclear power sector. The business delegation accompanying Prime Minister Abe to India in August included leaders in the civilian nuclear power industry, including Toshiba (which owns Westinghouse Electric), Hitachi and Mitsubishi.

The Role of Values in Foreign Policy

However, the most notable long-term disparity between both states is in their divergent views on the role of values in foreign policy. While India, Japan and the United States share a preference for democracy, the rule of law, human rights and free markets, how these values translate into foreign policy differ. Japan and India have undergone a role reversal. While India's Cold War foreign policy was embedded in principle over pragmatism as espoused by Gandhian non-violence and Nehruvian non-alignment, Japan's Cold War foreign policy was non-politicized and

guided by practical interests given its pacifist constitution and the protection of the US nuclear umbrella. In the post-Cold War period, India has put pragmatism before principle as its Cold War ally, the Soviet Union collapsed and India's economic liberalization accelerated. Meanwhile, Japan prompted by US pressure, the "rise" of China and its own relative decline in the economic sphere, has developed an increasingly proactive and value-oriented foreign policy.

These differences have been most visibly manifested over the role of democracy in foreign policy. India has emerged as an inward-looking democracy – while Indian policymakers believe that a democratic system is best suited for India given its history, ethnic, linguistic and religious heterogeneity and culture of tolerance and debate, it will not necessarily base its foreign policy on these values or actively export them. Meanwhile, the US and increasingly Japan are outward-looking democracies that are attempting to actively spread their values and form alliances and friendships on the basis of their values.

This clash is most visibly manifested over India's cordial relations with repressive or non-democratic regimes such as Iran, Sudan and Myanmar (Burma). In Myanmar, New Delhi has moved from voicing its opposition to the military junta's crackdown on pro-democracy activists to a more pragmatic policy of engagement with the regime, fueled by India's desire to gain access to Myanmar's energy resources and Southeast Asia's markets as part of its 'Look East' policy, as well as balancing China's influence in the region and obtaining Yangon's support in countering insurgent groups in India's northeast.

Similarly, while India has developed an increasingly close relationship with democratic Taiwan, New Delhi is unlikely to intervene in cross-Strait hostilities, which would risk India's burgeoning economic relationship with China. India hosted Taiwanese presidential candidate and opposition leader Ma Ying-jeou in June 2007, the first senior KMT official to visit India since Chiang Kai-shek in 1942. Nonetheless, India is unlikely to come to the defense of Taiwan's democracy in an overt way as Japan and the US have done by highlighting the "peaceful resolution" of the Taiwan Strait

dispute as a "common strategic objective" in their 2+2 (US-Japan Security Consultative Committee) statement in 2005.

Ironically, India's foreign policy increasingly resembles that of China as it is "value-free" or as the Chinese say, with "no strings attached," which contrasts with the US' and Japan's "value-oriented" foreign policy. Thus, despite their overlapping interests, shared values, history and culture, and converging strategic trends, differences in their views on translating their shared values into a common foreign policy approach are likely to remain impediments to India-Japan cooperation.



**INSTITUTE OF PEACE
AND
CONFLICT STUDIES**

B 7/3 Safdarjung Enclave,
New Delhi 110029 INDIA