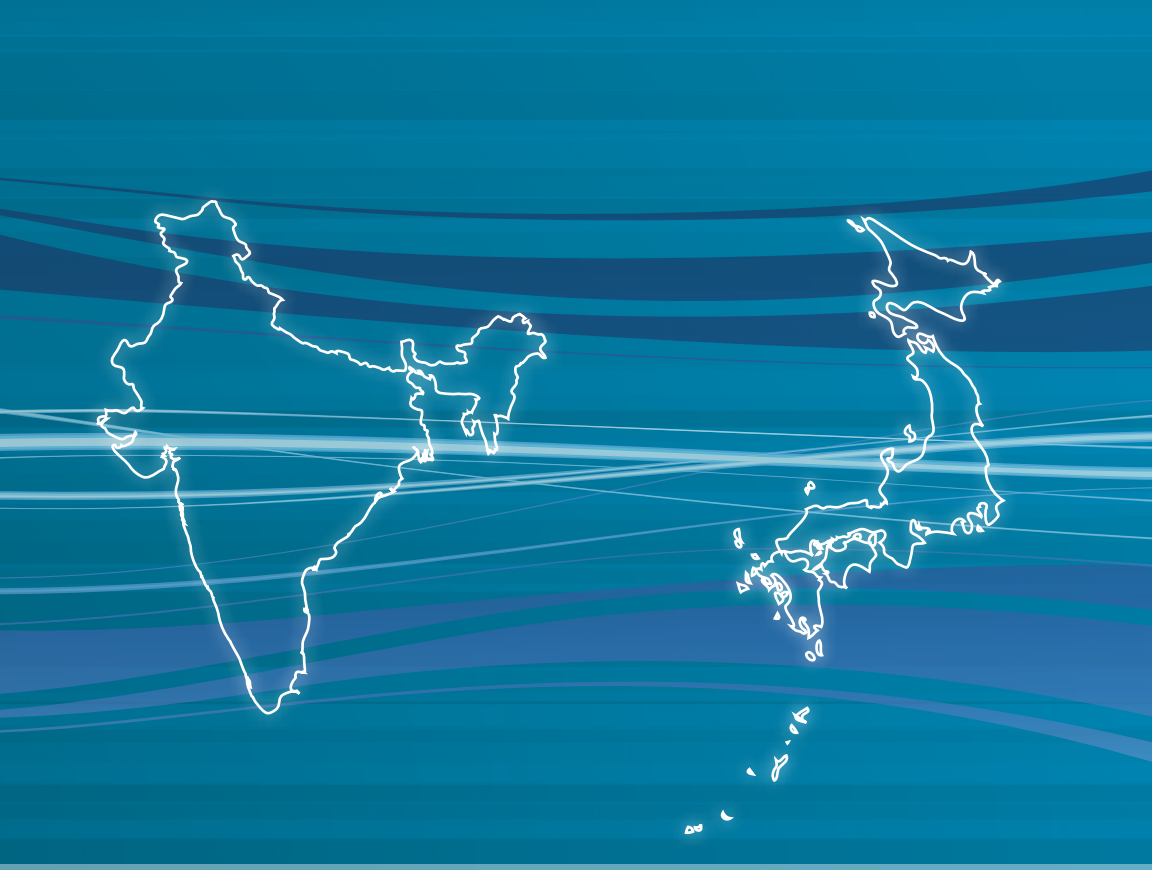

THE REBALANCE WITHIN ASIA:

The Evolution of Japan-India Relations

EDITED BY
Shihoko Goto

Wilson Center

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Contents

Introduction

Shihoko Goto

As two of the biggest democracies in the most populous and dynamic region in the world, the many values that Japan and India share are crucial to ensuring stability in the Asia-Pacific and beyond. As conflict over territorial expansion, securing resources, and interpretation of history continue to raise tensions among Asian nations, the shared ideology between Japan and India has been regarded as the basis of a strong partnership to promote regional growth. In fact, growing ties between the two countries is increasingly viewed as a counterbalance to the shifting power dynamics in Asia. The question, though, is to what extent their mutual concerns can lead to a lasting partnership.

The list of common interests undoubtedly runs long, and certainly is not simply limited to addressing the rise of China's military as well as its economic and political might. How the United States can continue to be engaged in the Asia-Pacific region amid increasing pressure to address concerns worldwide amid growing budgetary constraints is also an ever-looming issue for both Japan and India. While Washington reaffirms that its rebalance to Asia will press ahead, unease about continued U.S. engagement has drawn Tokyo and New Delhi closer together. The personal rapport between Japanese Prime Minister Shinzo Abe and Indian Prime Minister Narendra Modi was made clear in early September 2014 when the two leaders met in Japan for their first summit meeting. The question, though, is to what extent the interests of Japan and India can converge in the face of mutual concerns confronting a rapidly changing Asian landscape.

As Modi seeks to revamp India's "Look East" policy and puts economic expansion at the top of his policy agenda, Indo-Japanese relations

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have been further strengthened under the bilateral "Special Strategic and Global Partnership" agreement. Under the deal, Japan has agreed to invest $35 billion in India over the next five years in infrastructure development and other large-scale projects. Japanese public and private investments is expected to enhance India's abilities to meet the development needs of economic growth in the 21st century, from boosting the rise of "smart growth" cities to enhancing transportation networks nationwide. Clearly, New Delhi can benefit tremendously from Japanese financial commitment, as Japan remains the fourth-largest investor in India. For Japan, boosting India's economic potential is in its own national interest. In addition, reaching an agreement to tap into India's rare earth minerals supply which is critical for the technology sector has been a significant development under the partnership agreement, given China's overwhelming dominance in the market.

But it is in the realm of security where the evolution of Indo-Japanese relations is most apparent. By reaffirming their shared concerns about maritime security as well as freedom of navigation, in addition to stressing the need for international law to prevail in resolving international disputes, the two sides made clear their mutual concern about China's rise and its expansionist policies in particular. At the same time, however, Japan's national security depends foremost on its alliance with the United States, while India has adhered to its neutralist, non-alignment approach to foreign policy. Moreover, India's accommodating stance toward China contrasts sharply with that of Japan's. Given New Delhi's foremost focus on economic growth, it is hardly surprising that India would jeopardize relations with Beijing for foreign policy gains.

So how can Japan and India move forward in cooperating on the economic, security, and political fronts? Will there be greater incentives to forge an alliance, either formally or informally? Days after Japanese Prime Ministers Abe and Modi met in Japan in the autumn of 2014 amid much public fanfare and positive media coverage, the Woodrow Wilson Center hosted a conference on the outlook for Japan-India relations. This book, which derives its name from the title of the conference, is a collection of essays based on discussions from the conference held on September 11, 2014 that assessed prospects for bilateral relations between Japan and China.

Makoto Kojima of Takushoku University discusses the evolution of economic relations between Japan and India. In particular, he emphasizes the mutual interest the two countries have in developing ever-closer economic ties, not least to promote reforms that will encourage both sides, but also in light of common security interests. He argues that Japan and India need to strengthen bilateral ties to enhance their respective bargaining power with China, which is a major trading partner for both countries.

Chinese assertion for territorial expansion is increasing the need for further cooperation between Japan and India, argues **Satoru Nagao,** an associate at the Tokyo Foundation and lecturer on strategy at Gakushuin University. He stressed the need not only for Japan and India, but also the United States and Southeast Asian nations to increase their defense spending in addition to cooperating further, but added that even such moves would not be enough to counterbalance China's military rise. Further military cooperation between Japan and China would enhance regional security, especially as both democratic countries would eschew using military force, Nagao added. He also stressed the role Japan in particular can and must play in order to maintain peace in a region fraught with tension, given that Tokyo has proved itself as a trustworthy and reliable ally to the United States over six decades, and has developed solid relations with India over the years.

There is no doubt that relations between Japan and India have much potential to grow further, but there are also undeniable limitations to bilateral ties. In assessing the impact of U.S. relations on Indo-Japanese ties, **Tomoko Kiyota,** a resident Sasakawa Peace Foundation fellow with the CSIS Pacific Forum, notes that so long as the U.S.-Japan security alliance continues, Tokyo's strategic relations with New Delhi will be based on Japan's strategic relations with the United States. At the same time, she argues that given the growing threat of China, it is no longer sufficient for Japan to depend solely on U.S. military force, which in turn has spurred Japanese efforts to enhance its defense capabilities. At the same time, there are many restrictions that the Self-Defense Force continues to face, and cooperation with Indian armed forces would make it easier to counterbalance some of those restrictions. Kiyota concludes that such cooperation between Tokyo and New Delhi in turn would be welcomed by Washington as well.

As for **Sourabh Gupta,** senior research associate at Samuels International, he stresses that while the two countries can be compelling security partners in ensuring stability across Asia, Tokyo needs to avoid trying to push New Delhi into exclusive initiatives. Rather, Gupta calls for Japan to take a multilateral approach to security together with India in order to avoid being overtly anti-China. He also pointed out that need for Japan and India to agree upon how to define Asia in the broadest sense, which he views spanning across the Pacific and Indian Oceans. In order to protect the democratic ideals shared by the two countries, Gupta noted the need for a bilateral military information exchange accord as well as an agreement to share equipment and supplies for UN-led peacekeeping operations. Such an agreement could then become the basis for further traditional as well as non-traditional security initiatives in the future.

Finally, the Wilson Center's senior associate for South Asia **Michael Kugelman** discusses how stronger Indo-Japanese relations may be able to deliver what Washington needs, namely regional stability, more economic opportunities, and provide a counterbalance to China. He concludes that bilateral relations between Asia's two biggest democracies will not be strong enough to offset Chinese influence, due largely to India's non-alignment policy and its adherence to developing a foreign policy of its own. That view was echoed by **Pratap Mehta,** president and chief executive of the New Delhi-based Centre for Policy Research, who participated in the September 2014 conference. Kugelman pointed out that New Delhi's neutralist approach continues with regards to Beijing too, and that it ultimately does not share the views of Tokyo and Washington when it comes to China.

At the same time, there is no denying that Japan and India share a common ideology based on democratic principles that should offset the potential of aggressive militarism that continues to hang over the Asia-Pacific. Those shared values of freedom, political stability, and commitment to ensuring continued economic prosperity in the region should be welcomed by Washington and the world at large.

Washington D.C.
October 2014

The Evolution of Japan-India Economic Relations

Makoto Kojima

Before World War II, India had been Japan's major trade partner. Both countries had a long history of economic interaction as natural partners, but they became economically estranged from each other during the mid-1960s. They were highly complementary economies that had yet to exploit each other.

Since the mid-2000s, a new tide has been observed in Japan-India relations. Bilateral trade began to rise, and was followed by a vigorous expansion of Japanese investment into India. The expansion of Japanese FDI into India is highly anticipated to bolster the Indian manufacturing sector. Japan-India IT collaboration has so far been quite limited, but under the pressure to globalize their business, Japanese companies have increasingly tapped Indian IT capabilities. Japan has heightened its commitment to infrastructure development in India. Japan's Official Development Agency (ODA) has already left its footprint in the Delhi Metro. The Delhi-Mumbai Industrial Corridor (DMIC) project, with the Dedicated Freight Corridor (DFC) as its core backbone, serves as an important symbol of advanced bilateral collaboration regarding Indian infrastructural development.The DFC is already under construction.

In 2006, Japan and India entered into the Strategic and Global Partnership, which provided a framework for long-term cooperation in economic and security related fields. The annual summit meeting has been instrumental in implementing bilateral collaboration in Indian infrastructure. Under the auspices of the Strategic and Global Partnership, India and Japan have collaborated on a rare earth development project and discussed the sale of US-2 amphibious aircrafts to India.

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The formation of the Modi government provided the momentum for accelerating Japanese FDI and financing to India, but there are still some challenges ahead for realizing the full potential of the Strategic and Global Partnership.

COMPLEMENTARY ECONOMIES AS NATURAL PARTNERS

Both Japan and India have shared values in culture and liberal democracy. Buddhism was introduced in the late sixth century. Since then, Japanese people have long been influenced by India's Buddhist way of thinking (philosophy). Both countries share values in freedom of speech and rule of law. Japan and India are the only countries to have maintained a parliamentary system of democracy in Asia for more than sixty years in the postwar period. Although Japan-India bilateral relations have been cordial, it has had occasional instances of misunderstanding and neglect. On the other hand, Japan-India relations have been free from any historical misperceptions. In particular, the Japanese appreciate India for their warm friendship in the aftermath of World War II. Japanese Emperor Akihito and Empress Michiko's visit to India in late 2013, followed by the invitation of Prime Minister Shinzo Abe as the chief-guest for the India's Republic Day celebration in January 2014 is an affirmation of Japan and India's indispensable partnership. The fact that visits by the Japanese emperor are extremely rare is a testament to Japan-India bilateral relations. Japan and India are highly complementary economies that have yet to be fully exploited. Japan has abundant capital and is highly advanced in technological skills and product development, whereas India is endowed with a huge market and abundant human resources. Japan has outstandingmanufacturing abilities, whereas India has advantages in IT services and bioinformatics. Given its huge domestic market, abundant talented human resources, and promise as a destination for production and export bases, India is becoming more important for Japan. Correspondingly, Japan is expected to play an indispensable role in upgrading Indian manufacturing skills and infrastructure development. Japan is also expected to be a potential market for India's IT services exports.

BRIEF REVIEW OF BILATERAL ECONOMIC RELATIONS

Before World War II, India had been Japan's major trade partner, accounting for 10–15 percent of Japan's foreign trade up until 1937. India's major imports were cotton and pig iron. Japan and India were competitors in the textile and steel industries. Notably, both Japan and India were not only competitors, but also good partners. Tata, an Indian conglomerate, and Nippon Yusen Kaisha (NYL Line) collaborated in launching regular services between Bombay and Kobe in 1892, enabling Japan to import raw cotton at a reasonable cost.

Even after World War II, India remained an important trade partner of Japan, accounting for 2–4 percent of trade until around 1965. In the post-war era, iron ore replaced pig iron as the major import from India, and it played a critical role in the remarkable post-war development of the Japanese steel industry until Japan started to import iron ore on a large-scale from Australia and Brazil. Since the mid-1960s, under the closed inward-looking regime, India has struggled with industrial stagnation and has been largely left behind by the global tide. Japan, on the other hand, joined the Organisation for Economic Co-operation and Development (OECD) in 1964 and has ridden on the track of high economic growth, becoming an economic superpower. Japan's economic relations within Asia became increasingly focused toward East Asian countries. Since then, Japan and India became economically estranged from each other.

Along with the introduction of economic reforms in 1991, India adopted an outward-looking policy to make its own economy by utilizing the tide of globalization. Japan-India economic relations showed signs of expansion in the 1990s, but was setback in 1998 due to Japan's sanctions against India over its conduction of nuclear tests. Thereafter, India became the largest recipient of Japanese ODA since 2003.

TRENDS IN RECENT BILATERAL ECONOMIC RELATIONS

Bilateral trade

Despite pursuit of the "Look East" policy, Indian trade with Japan has remained stagnant. It was only in 2003–04 that bilateral trade started to

show an upward trend, increasing from US$5.36 billion in 2004–05 to US$ 18.51 billion in 2012–13. Improved bilateral trade, however, has been largely overshadowed by other bilateral trading relations such as those of India-ASEAN, India-China and India-Korea. India-Japan bilateral trade was surpassed by India-China trade in 2002–03, and even by India-Korea trade in 2005–06. From 2013–14, India-China and India-ASEAN trade had quadrupled relative to Japan. Japan's share in all Indian trade has decreased from 5.9 percent to 2.3 percent from 1997–2013, along with a significant decline of Japan's rank in terms of total amount of trade from third to sixtieth. In contrast, India's share of Japan's total amount of trade remained only one percent during 2013.

The Japan-India CEPA/EPA came into effect in August 2011. Tariffs on 90 percent of Indian and 97 percent of Japanese goods have been scheduled to be eliminated over the course of ten years. It is too early to appraise the effects of the CEPA on the status of Japan-India trade, but its impact has so far been modest. Prior to the Japan-India CEPA, the India-ASEAN FTA had come into effect in January 2010. India has gradually incorporated itself into the East Asian regional production network where large quantities of machine-parts are imported and exported within the region. The formation of a production network covering Japan and India through vigorous Japanese FDI into India would be the key to expanding the bilateral trade between the two countries.

JAPANESE FDI INTO INDIA

It is in investment rather than trade where Japan-India economic relations have experienced a more dynamic trend. Japan ranked fourth, accounting for eight percent of the total accumulated volume of FDI inflows into India from April 2000 to March 2014. Since 2007, Japanese FDI into India began to show conspicuous expansion. Japanese FDI into India increased from US$ 1,562 million in 2010–11 to US$ 2,972 million in 2011–12, but declined slightly to US$ 1,718 in 2013–14, ranking fourth after Mauritius, Singapore and UK.

Japanese companies used to be reluctant about investing into India, having a negative image of India's investment environments that constituted a

sense of 'psychological distance' from India. Faced with stagnant markets in economically advanced countries and aggravated investment environments in China where wages are rising and industrial policies are becoming more restrictive and unpredictable for foreign companies, India has become more attractive in Japanese business circles. In addition, Korean companies' successes in gaining a large share of consumer electronics markets indicates that Japanese companies' areas of concern, e.g. adverse investment environments, are not necessarily critical factors.

Convinced, at long last, that India offers a huge domestic market and that it will emerge as a leading economic power, Japanese companies have become increasingly committed to India. From January 2008 to October 2013, the number of Japanese companies in India increased from 438 to 1072.

In the past, Japanese FDI into India had been geared toward the automobile industry. Major Japanese assemblers, including Suzuki, Nissan, Toyota, and Honda have marked India as the strongpoint for the production of small cars and sport utility vehicles (SUVs) in their global strategy, and have recently released remarkably low-priced cars specifically for emerging countries. Japanese automobile assemblers and auto part manufacturers' firm presence strongly induces other companies engaged in steel production and logistics to come to India.

Regarding the electronics appliances sector, Panasonic and Sony have made strenuous efforts to catch up with LG and Samsung, and have been backed with strong commitment from top management. Japan has also forayed into sectors such as pharmaceuticals, foods, stationary, cosmetics, and sanitary goods.

Japanese financial institutions have also made aggressive ventures into the Indian financial market. Given that infrastructural development projects require a huge amount of capital and knowing that Indian companies actively fund raise in global capital markets, Japanese financial institutions have recognized the Indian market as an important target, and have furnished funds to Indian companies.

Last but not least, Indian infrastructure development has experienced a substantial increase of Japanese FDI. Poor conditions in infrastructure used to pose a formidable barrier to Japanese investment in India, but recent developments have allowed Japanese companies to find major business opportunities there.

As is shown by the track record of Marti Suzuki, the expansion of Japanese FDI into India is highly expected to bolster the Indian manufacturing sector by bringing a high-quality production base and upgrading the skill-level of labors. As of now, six industrial parks dedicated to Japanese companies are being constructed in Rajasthan, Gujarat, Maharashtra and Tamil Nadu.

IT OFFSHORING

Japan is globally ranked as the second largest IT services market with an estimated annual turnover of $100 billion. However, Japan accounts for less than 2 percent of total Indian IT service exports. Leading Indian IT companies have come to Japan since the early 1990s, but they are still struggling to penetrate the Japanese market.

The lack of Japan-India integration can be attributed to several reasons, including language barriers and cultural misunderstanding, Japan's lack of Indian residents and human resources, and different software development styles. Japan's software development has been characterized as an integral approach and is more ambiguous about required specifications as opposed to the modular approach, the style that Indian companies are accustomed to. Even despite the numerous advantages of Indian IT capabilities, including high quality management, a wide range of IT skills (covering open to mainframe environments and global expertise), and more reliable intellectual property regulations, Japanese companies prefer to turn to China for IT services.

Under pressure to globalize, and faced with a stagnant domestic market due to declining birth rates, it is becoming an increasingly natural choice for Japanese companies to partner with Indian IT companies or tap Indian IT capabilities directly.

Despite the numerous advantages of Indian IT capabilities, Japanese companies prefer to turn to China. India has a reputation for high-quality control/management capability, widely various IT skills covering open to mainframe environments, and rich global experience. Its intellectual property regulations are more reliable than those of China.

While Indian IT companies are struggling to expand their activities for customers in Japan, new trends have emerged in Japan-India IT relations. Under pressure to globalize and faced with a stagnant domestic market due

to declining birth rates, it has become an increasingly natural choice for Japanese companies to partner with Indian IT companies or tap Indian IT capabilities directly by setting their captive centres in India. Japan's second largest automobile assembler, is already highly committed to tapping Indian IT capabilities. In July, TCS and Mitsubishi announced an ambitious joint venture that is expected to enable TCS to penetrate the Japanese market and facilitate the Mitsubishi's global business.

BILATERAL COLLABORATION IN INDIAN INFRASTRUCTURE

Japanese contribution to Indian infrastructure development

From 2003–2013, Japan provided as much as 1,934 billion yen to India. The top industries receiving Japanese ODA were transport (49 percent), water (21 percent), energy (18 percent), and forestry & agriculture (12 percent). Japanese ODA has been instrumental in improving Indian infrastructure as well as encouraging Japanese FDI in the field of infrastructure.

Japan has already left its footprint in Delhi Metro, which is credited for its punctuality and alleviating Delhi's severe traffic congestion. Japan's collaboration in Delhi Metro has contributed to the introduction of a new construction work culture, based upon the concept of 'safety' and 'the appointed time of delivery'. Japan has already been committed to ODA metro railway projects not only in Delhi, but also in Kolkata, Bangalore, and Chennai. Japan-India collaboration can be expected in future projects, as a increasing number of large cities receive the Metro rail system.

India has expressed its intention to construct six major industrial corridors, which will be the cornerstone of the strategy to drive India's growth in manufacturing and urbanization. The six industrial corridors are Delhi-Mumbai, Amritsar-Kolkata, Chennai-Bengaluru, Bengluru-Mumbai and Vizaag-Chennai. Of the above six industrial corridors, Japan is already committed to the Delhi-Mumbai Industrial Corridor (DMIC) and the Chennai-Bengaluru Industrial Corridor (CBIC). Civil engineering work on the DMIC project have already started

High-speed passenger corridors are another promising area for Japan-India collaboration. According to the Ministry of Railway's Vision 2020,

India has a plan to introduce high-speed trains to provide services at 250–350 km/h at six corridors: Delhi-Amritsar, Pune-Mumbai-Ahmedabad, Hyderabad-Chennai, Howrah-Haldia, Chennai-Trivandrum, and Delhi-Patna. The Ahmadabad-Mumbai route within the DMIC is most likely to be India's first high-speed line from the standpoint of marketability, reflecting its high population density across high-income region. Japan faces stiff competition from other countries in bidding for the project. This is shown in the fact that a feasibility study was already conducted by a French consulting company. Nevertheless, the Indian government places a high confidence on the safety and punctuality of the Japanese Shinkansen, or bullet train. Following the summit meeting in May 2013, Prime Ministers Singh and Abe, of India and Japan respectively, signed the MOU in October between Indian Railway and JICA to conduct a joint feasibility study on the Ahmadabad-Mumbai route.

THE DELHI-MUMBAI INDUSTRIAL CORRIDOR

The Delhi-Mumbai Industrial Corridor (DMIC), with the Dedicated Freight Corridor (DFC) as its core backbone, is among the propriety areas of Japanese sponsored investment into India, along with the now mooted Chennai-Bengaluru Industrial Corridor (CBIC) in southern India. The idea of promoting the DMIC was endorsed at the Japan-India summit meeting in December 2006. It is an ambitious infrastructure project valued at US$ 90 billion, with financial and technical assistance from Japan. The vision of the DMIC is to build 24 industrial cities with world-class infrastructure across six states along Western India by 2040. Seven of them will be built for phase-1 by 2019.

At the 2008 summit meeting, Japan pledged to provide a 450 billion yen loan to the first construction phase of DFC and a US $4.5 billion loan to the DMIC project during the 2011 summit meeting. Japan has already presented 18 potential projects for constructing environmentally friendly smart communities, including projects for power supply, railway (metro), water supply and IT (logistics data bank business plan). Among them, the project for water desalination and water supply to Dahej in Gujarat was finalized in January 2013.

The DFC between Dadri in NCR of India and Jawaharlal Nehru Port (JNPT) will be a safe and efficient transportation system, and span a distance of 1490 km with double line electric track. The DFC will greatly enhance freight transportation of bulk/heavy materials between Delhi and Mumbai, and reduce transportation time from three days to one day, while increasing freight volume per train by 3.6 times. Japanese companies play the role of prime contractors for each contract package under the Special Terms for Economic Partnership (STEP) loan[1]. After a long period of preparation, the civil engineering work for Phase 1 (Rewari—Vadodra: 920km) started September 2013. The DFC is scheduled to be partially open by 2017, and in its entirety by 2020.

STRATEGIC AND GLOBAL PARTNERSHIP

Formation of strategic and global partnership

It was Prime Minister Mori's visit to India that marked a starting point for subsequent improvement of bilateral relations. The 'Global Partnership between Japan and India' was launched, which confirmed that the two countries would work together by pooling their strengths and expertise not only for their mutual benefit, but the rest of the world as well.

Prime Minister Koizumi visit to India in April 2005 marked the launch of the "Japan-India Partnership in a New Asian Era," which aimed to reinforce the strategic focus of the global partnership between the two countries. At the Tokyo summit meeting in Decemer 2006, Prime Ministers Singh and Abe announced the "Joint Statement towards Japan-India Strategic and Global Partnership." It was confirmed that both prime ministers would visit each other every other year. India is the first country for Japan to make an official promise to visit, while India had previously promised to visit Russia. Since then, the prime ministers' mutual visitation and annual ministerial dialogues have been institutionalized. Even against the backdrop of geopolitical change triggered by China's emergence, the Japan-India Strategic and Global Partnership has gained much importance.

The "Joint Declaration on Security Cooperation between Japan-India" signed at the 2008 summit meeting is noteworthy for providing a

comprehensive framework for enhanced security cooperation between the two countries. It was followed up by the "Action Plan to Advance Security Cooperation" in December 2009. The action plan outlined strategic and defence cooperation, including annual strategic dialogue between foreign ministers, annual subcabinet/senior official 2+2 dialogue and annual bilateral naval exercises.

CONSOLIDATING BILATERAL COLLABORATION

Under the Strategic and Global Partnership, Japan and India have established a framework for long-term economic and security cooperation. Bilateral strategic dialogues covering security issues are steadily advancing *pari passu* with the expansion of bilateral economic relations. Both security and economic relations exerts a marked synergy effect on consolidating bilateral Japan-India relations as a whole.

The annual summit meeting has been instrumental in fostering bilateral collaboration in Indian infrastructure. It is no exaggeration to say that a gigantic project such as the DMIC/DFC project could not have taken shape had it not been for the Japan-India Strategic and Global Partnership.

Japan has been eager to diversify its sources of rare earth minerals after China withheld rare earth exports to Japan following the Senkaku incident in September 2010. The Japanese government has reached an agreement with India, the second largest producer after China, to launch a collaborative development project which will help Japan alleviate the negative effects of overdependence on China. Supply of rare earth minerals from India to Japan will start February 2015, and will account for 15% of Japan's total demand. After Japan established a new policy on overseas transfer of defense equipment and technology in April 2014, negotiations over the sale and technology transfer of US-2 amphibious rescue-search aircrafts to India is likely to accelerate.

THE DAWN OF A NEW ERA IN BILATERAL RELATIONS

Converging of mutual economic interests

As two of Asia's largest and oldest democracies, both Japan and India share the belief that they will serve as key anchors for advancing peace, stability and prosperity in Asia. Japan has an interest in an emerging India. Japan regards its strong partnership with India as important for its own growth strategy under the auspices of Abenomics. The Modi government is strongly committed to enhancing manufacturing and infrastructure, which Japan has already left a footprint upon. Naturally, India regards Japan as the key partner to upgrade its manufacturing and infrastructure.

Prime Minister Modi, accompanied by a strong delegation of corporate leaders, visited Japan from August 30 to September 4 and drew much attention in Japan. Modi's high regard for Japan and close personal bond with Mr. Abe has left a good impression upon the Japanese people. Mr. Modi interacted well with Japanese corporate leaders, and appealed to them to "come and make in India." Japanese corporate leaders harbor high expectations for his ability to execute and improve the investment climate in India.

Prime Ministers Abe and Modi adopted the Tokyo Declaration, elevating India and Japan's bilateral relationship to the Special Strategic and Global Partnership. While stressing further progress in bilateral security, its main focus was in consolidating bilateral economic tie-up through further expansion of Japanese investment into India. Both Japan and India set a target of doubling Japanese FDI and the number of companies in India within five years, and pledged to provide 3.3 trillion yen (U.S. $35 billion) in public and private financing to India over the next five years.

As for security partnership, both countries affirmed the importance of regular bilateral maritime exercises and Japan's continued participation in the India-US Malabar exercise series. They also decided to discuss elevating the official trilateral dialogue between Japan, India, and the United States to a dialogue among their foreign ministers.

PROSPECTS AND CHALLENGES AHEAD

As Asia's second and third largest democratically based economies, the Japan-India Strategic and Global Partnership not only benefits Japan and India's mutual interest but also provides a cornerstone for stability and prosperity in Asia. There are still challenges ahead for realizing the full potential of the Japan-India Strategic and Global Partnership.

First, Japanese FDI into India has recently expanded into many areas, and has been accompanied by government-sponsored investment into Indian infrastructure. However, to ensure the expansion of Japanese FDI into India, the Modi government should make a concerted effort to reduce red tape and implement long pending economic reforms, including the introduction of the unified indirect Goods and Services Tax, labor market reforms, speeding up of land acquisition and modernization in agricultural marketing.

Second, both Japan and India have a mutual interest in dealing with an assertive China, who happens to be the most important trading partner for both countries. China is more likely to engage India in order to stave off the Japan-India strategic partnership. Both countries are required to consolidate bilateral relations by balancing their security needs with economic interests.

Third, Japan-India people-to-people exchanges are still quite limited, and constitute the missing link for elevation in bilateral relations. To consolidate Japan-India collaboration further and induce huge benefits, people-to-people exchanges should be promoted through every possible channel.

NOTE

1. The conditions of the STEP loan require that at least 30 percent of Japanese funding be used for the import of equipment and goods from Japan. STEP loan offers more favourable terms of 0.1 percent interest with 40 year repayment period including 10 year grace period, compared with 1.4 per cent interest of general terms. The STEP loan is expected to raise the visibility of Japanese ODA in both recipient countries and Japan through best use of advanced technologies and know-how of Japanese firms.

India as the Key for the Japan-U.S. Alliance

Satoru Nagao

Military cooperation between Japan and India is progressing rapidly. Japan and India have agreed to start a vice ministerial level 2 + 2 dialogue. Since 2012, and India and Japan have participated in an annual exercise called the Japan-India Maritime Exercise (JIMEX), to name but two examples. Japan also participated in the Indian Ocean Naval Symposium (IONS) for the first time in 2012. The Japanese emperor's visit to India in November 2013 was the first ever such visit in history. The India prime minister visited Japan between August 30th and September 3rd, 2014.

This latest trip is historic because it is the longest trip to Japan by an Indian prime minister. In addition, Japan will export US-2 amphibious planes to India. This transaction will be Japan's first big arms export since World War II. The friendly relationship between India and Japan has produced a congenial atmosphere in which many historical and present day events have been able to take place.

It is important to bear in mind that Japan has not entered into a similar kind of deep security relationship with any other country except the United States and Australia. This makes military ties between Japan and India a very important and exceptional case.

Indo-Japanesemilitary relations are gaining importance in Asia. From the viewpoint of the current power game in Asia, there are four important questions to this analysis, namely: what kind of security situation is Japan facing? Why has China's assertiveness worsened? Why is Japan focusing on India? And finally, what is Japan's role in US-India relations?

Satoru Nagao is an associate at the Tokyo Foundation and lecturer of strategy at Gakushuin University.

WHAT KIND OF SECURITY SITUATION IS JAPAN FACING?

East China Sea

From a security perspective, we cannot overlook the China factor because Japan-China security relations have been gradually worsening. According to one survey conducted by Gerron NPO and China Daily on July and August 2014 respectively, 93 percent of Japanese respondents had an unfavorable impression of China. On the other hand, 86.8 percent of Chinese respondents had an unfavorable impression of Japan.[1] These figures indicate a serious low-point in Japan-China relations. Why are Japan-China relations so poor? From a military perspective, this poor situation is a reflection of China's assertiveness.

China has begun expanding their military activities around Japan. For example, in 2004, a Chinese nuclear submarine violated Japan's territorial waters. In 2008, China began conducting naval exercises on Japan's eastern seaboard. China's naval exercises have expanded from the first to the second island chain, and constitute China's defensive line. Later, in August 2013, five Chinese warships that had participated in a Russia-China joint exercise travelled around Japan. This was the first time that the Chinese navy moved around Japan (Figure 1).

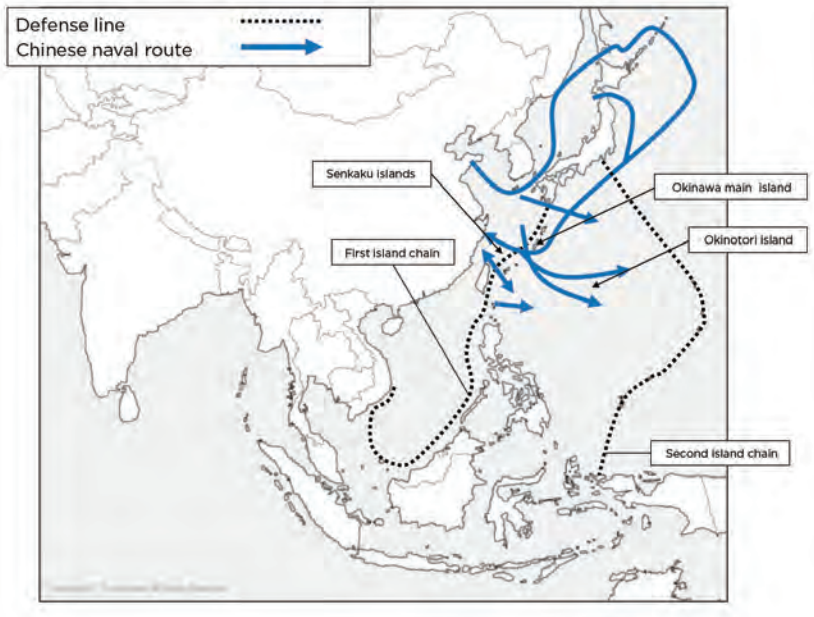
The Chinese air force has also expanded their activities. Japan's Ministry of Defense published a white paper that pointed out that "In FY 2012, … the number of scrambles against Chinese aircrafts exceeded the number of those against the Russian aircrafts for the first time" (FY=Fiscal Year) (Figure 2).[3]

On November 2013, China established the Air Defense Identification Zone (ADIZ). This is ostensibly so that the Chinese air force can give cover to Chinese naval ships, and expand the range of Chinese military activities.

South China Sea

The South China Sea is also vital to the security of Japan because of three geographical reasons, the first being that Southeast Asia is a strategically important place. Southeast Asia is situated on key sea line of communications (SLOCs) between the Middle East and Northeast Asia, which includes Japan. In addition, Southeast Asia is a resource rich region. Secondly, Southeast Asia

Figure 1: Chinese naval activities around Japan[2]

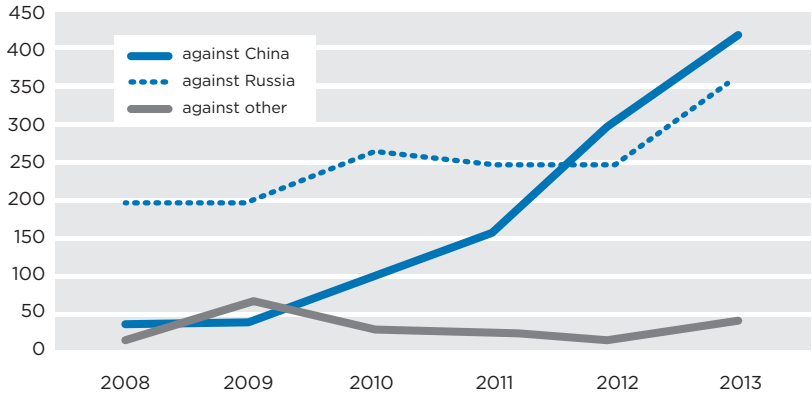


Source: Ministry of Defense of Japan, *Defense of Japan 2013* (White Paper), Digest part I, p.3 (http://www.mod.go.jp/e/publ/w_paper/pdf/2013/02_Digest_part1.pdf) (accessed on 31August 2014).

is not an integrated region. Thirdly, Southeast Asia is surrounded by great powers like China, Japan, the United States, Australia and India. Parallels can be made between contemporary Southeast Asia and Central Europe during the Cold War. During the Cold War, Central Europe became a battleground for U.S.-Soviet contestations of power. If Southeast Asia becomes the theater of a similar great power game and degenerates into instability, it is likely that Japan's SLOCs could be in a serious crisis (Figure 3).

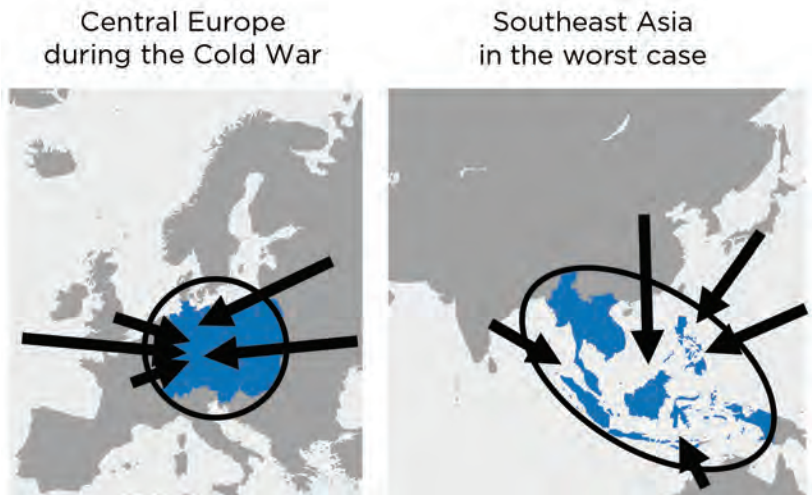
At present, China's military activities have also been very aggressive in the South China Sea. Under their claim of "nine-dotted lines," China declared almost 90 percent of the South China Sea as their own sea. Vietnam and the Philippines are other victims of China's aggressiveness.

Figure 2: Times foreign airplanes forced Japan to be in scramble mode.



Source: Ministry of Defense of Japan, *Defense of Japan 2013* (White Paper), Digest part III, p.1 (http://www.mod.go.jp/e/publ/w_paper/pdf/2013/04_Digest_part3.pdf) (accessed on 22 January 2014).

Figure 3: In a worst case scenario, Southeast Asia will be the theater for a great power struggle.



WHY HAS CHINA'S ASSERTIVENESS GOTTEN WORSE?

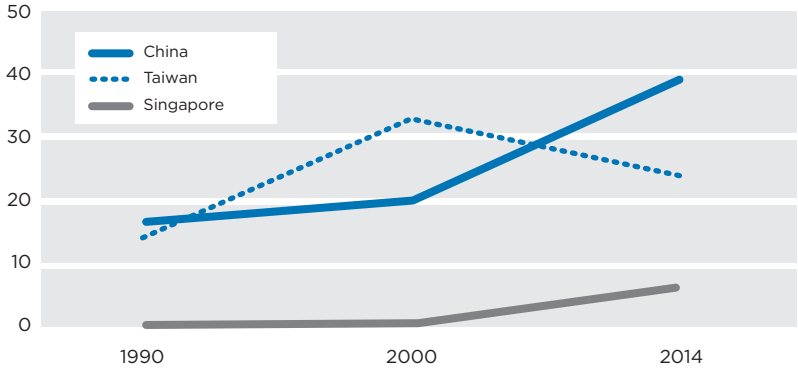
Japanese Defense Minister Itsunori Onodera made an important point during a symposium in Tokyo in August 2013. He reiterated that "China has made more and more advancement into the seas. When it did not have as much military capability, China tried to promote dialogue and economic cooperation, setting territorial rows aside. But when it sees a chance, any daylight between a nation and its ally, it makes blunt advancements. This is what is happening and what we should learn from the situation in Southeast Asia."[4] This statement clearly supports the notion that Southeast Asian countries lack the military power to deter China and its growing assertiveness.

History shows that China's maritime expansion has tended to be situational and hinge upon power relations. For example, when the United States withdrew from Southeast Asia at the conclusion of the Vietnam War, China began occupying the Paracel Islands in 1974. After the Soviets withdrew from Vietnam, China attacked the Spratly Islands in 1988, which was then controlled by Vietnam. After the United States withdrew from the Philippines, China occupied the Mischief Reef, which both Vietnam and the Philippines claimed. Currently, the military imbalance has allowed China to claim most of the South China Sea and occupy the Scarborough Shoal, which the Philippines also claim.

The conclusion of the Cold War prompted a major power shift within the South China Sea. A good example is the increased procurement and possession of "big surface combatants," ships which have a displacement capacity of more than 3000 tons. In 1990, the only countries to possess big surface combatants were China and Taiwan, who had 16 and 14, respectively. At present, China, Taiwan and Singapore possess 39, 24, and six, respectively. As of 2014, Thailand has acquired four big surface combatants, whereas in 1990 they had none.

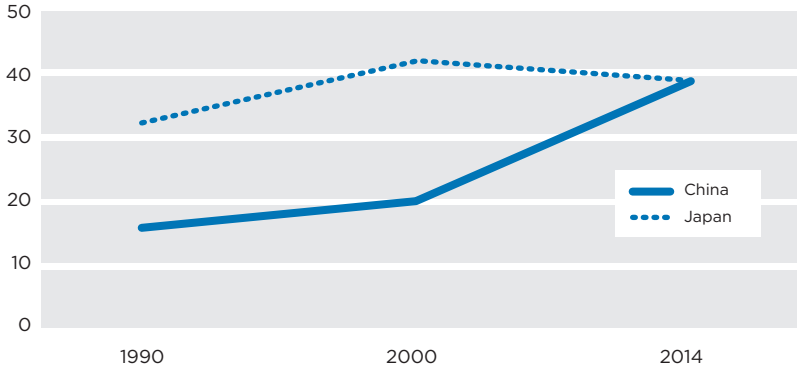
Similarly, the military balance between Japan and China has also been changing rapidly because "The nominal size of China's announced national defense budget has grown approximately 40-fold over the past 26 years and almost quadrupled in size over the past ten years."[5] Comparatively, Japan's fleet has only experienced a marginal increase, from 36 to 39 big surface combatants. (Figure 5)

Figure 4: The number of "big surface combatants" of China and countries around the South China Sea



Source: International Institute for Strategic Studies, *The Military Balance*

Figure 5: The number of "big surface combatants" of Japan and China



Source: International Institute for Strategic Studies, *The Military Balance*

Regarding the security situation of Japan and other East Asian countries, it is evident that the United States is a key player in maintaining power balance in the region, even despite its underwhelming military presence. The caveat is that the United States power is declining.

In 1990, the U.S. Navy possessed 230 big surface combatants. However, in 2014 the U.S. Navy consisted of only 101 big surface combatants. In light of recent budgetary constraints, there is also the possibility that the U.S. might further reduce the number of big surface combatants (Figure 6).

At the annual Shangri-La Dialogue, U.S. Secretary of Defense Leon Panetta stated, "By 2020, the navy will reposture its forces from today's roughly 50-50% split between the Pacific and the Atlantic to about a 60-40 split between those oceans." Despite that, the number of American warships in the Pacific Ocean will be nearly the same in 2020 due to the decline in total number of warships.

Moreover, the United States cannot concentrate all of its military power in Asia because it needs to deal with contingencies in other parts of the world as well. Due to the likelihood of the United States being involved in conflicts in Eastern Europe, the Middle East, Central and South America, and Africa, it is unlikely it can provide enough military support to support allies in the South China Sea.

China's military is modernizing at an alarming speed. Japan must increase our defense budget and promote cooperation between Japan, the United States, Australia, and countries around the South China Sea. Due to the speed of China's military modernization, Japan is concerned about the future as well. To maintain military balance, the countries around China need something more. In 2013, Japan's National Security Strategy pointed out that "Japan will strengthen cooperative relations with…India[6]."

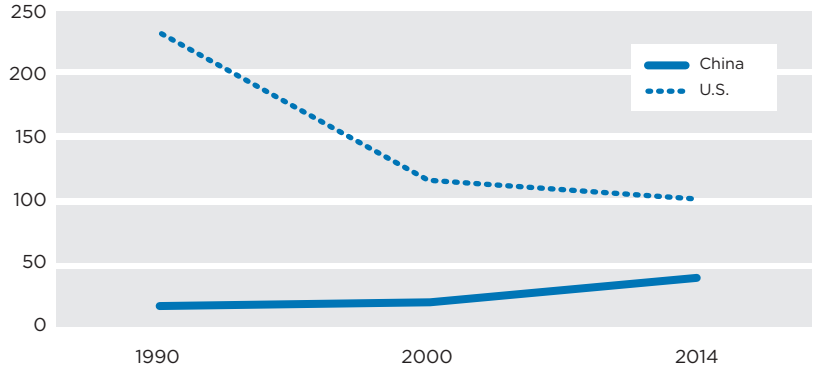
WHY JAPAN SHOULD FOCUS ON INDIA?

Why is India so important for Japan? There are three factors which prove India will be crucial in deciding the future of Asia.

(1) Indo-China border

Firstly, India faces a similar territorial dispute with China in the Indo-China

Figure 6: The number of "big surface combatants" of the United States and China



Source: International Institute for Strategic Studies, *The Military Balance*.

border area. In the Indo-China border area, China's rapid military infrastructural modernization has already altered the India-China power structure. This is demonstrated by each side's relative ability to deploy troops. Currently, Indian forces are inhibited by the lack of roads and need one week to prepare and deploy. In contrast, Chinese forces merely need 48 hours.[7] China is also capable of moving around 30 divisions (each with over 15,000 soldiers) to the border within 30 days. This means that Indian forces could potentially face a Chinese force more than three times larger than them.[8]

The situation is similar in the air. In 2009, Air Chief Marshal P.V. Naik had conceded that India's "aircraft strength is inadequate and is just one third of China's air force."[9] The possibility that China could use ballistic missiles or other cruise missiles to destroy India's air base can also not be overlooked.

In addition to rapid military modernization, the area of China's military activities has also been widening. Over the last three years, India recorded nearly 600 incursions. And from April to May 2013, Chinese troops set up tents and stayed for about three weeks in Ladakh inside

Indian borders. In addition, China is deploying troops in the Pakistan-administered region of Kashmir.

However, India is also a rising power, and correspondingly increased resources to tackle the situation. For example, India is raising new mountain divisions to defend the mountainous Indo-China border to close the military gap with China. Until 2010, India possessed only 10 mountain divisions. In 2011, India established two more divisions. Likewise, in 2013 India decided to establish the Strike Corps (17 Corp) which consists of two new divisions on the border. These divisions are capable of conducting offensive-defense operations in Tibet if required. In addition, the Indian Air Force is planning to procure about 800 fighter airplanes. In the border area, India is modernizing strategic roads, tunnels, railroads, helipads and airports despite harsh conditions. These improvements will allow the Indian Army and the Indian Air Force to deploy more forces in the region.

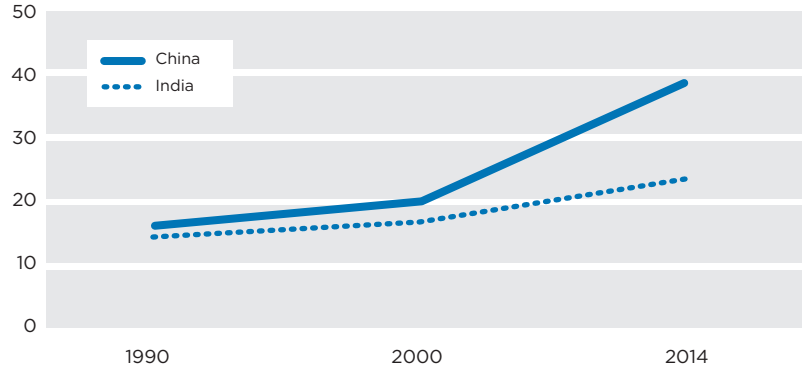
India's military development is significant for Japan. By cooperating with India, Japan can make up for its numerical inferiority. For example, if India cooperates with Japan, India will not need to deal with the entire Chinese military because China will have to deploy forces on its eastern front against Japan.

(2) The Indian Ocean

Because China is concerned about its overdependence on its SLOCs running from the Middle East (through the Strait of Malacca), they have tried to construct an alternative route via Pakistan or Myanmar. China's strategy will undoubtedly incorporate the Pacific and Indian Oceans. China has started to resume military activities in the Indian Ocean as well.

Since the early 2000s, China's military activities in the Indian Ocean have been expanding. In 2012, China stole several classified documents from the Eastern Naval Command of the Indian Navy[10]. There are currently a large number of Chinese fishing boats in the Bay of Bengal.[11] In 2012, at least 22 contacts were recorded with vessels suspected to be Chinese nuclear attack submarines patrolling in the Indian Ocean. On December 3 2013, as a demonstration of "respect for India," the Foreign Affairs Office of China's Ministry of Defense informed India's military attaché in Beijing about the two month deployment of their nuclear submarines.[12] The activities of

Figure 7: The number of big surface combatants of India and China



Source: International Institute for Strategic Studies, *The Military Balance*

these submarines indicate that China's area of influence will expand in the Indian Ocean due to China's ability to attack India's nuclear ballistic missile submarines and SLOCs anytime they want.

In addition, China exports weapons to countries around India. Submarines are a critical element in India's strategy. Bangladesh is expected to import two submarines from China. It follows that the Indian Navy will need to have enough ships to keep a regular watch over the location and purpose of other countries' ships. Until then, submarines will restrict India's activities. Additionally, there is the possibility that Pakistan, India's hostile neighbor, may also be attempting to acquire nuclear submarines as part of its constant effort to counter India's growing influence. Since Pakistan does not possess the necessary technology, it is likely that China will support such "indigenous" nuclear submarines to counter India.

A weak point in China's strategy is they lack a naval port in the region, but this merely indicates China is more willing to conduct military and paramilitary operations short of war.

For example, the Chinese navy has dispatched anti-pirate missions since 2008. The navy used Seychelles as its base. Following that, Chinese hospital ships came to Maldives in 2011. Reports indicate that China is building a submarine base in Maldives[13]. As part of the "String of Pearl Strategy," China is developing ports in Pakistan, Sri Lanka, Bangladesh and Myanmar. If the Chinese navy uses civilian ports for the purpose of resupplying, they could account for their lack of naval ports in the Indian Ocean.

However, India's potential as a maritime power is also quite promising. Firstly, India is located at the northern centre of the Indian Ocean. This means that India can access all sides of the Indian Ocean relatively easily. Secondly, India is one of the only countries in the region to possess a strong navy. India's efforts have been quite successful. Presently, India is acquiring more than 100 warships, 45 of which are being constructed in India. In the next ten years, India is planning to increase its number of warships from 136 to 200.[14] By 2030, India may even possess three aircraft carrier battle groups and nine nuclear submarines. Thirdly, India has respected every country's freedom of navigation of SLOCs near India for a long time. India's has been nothing but a responsible maritime power.

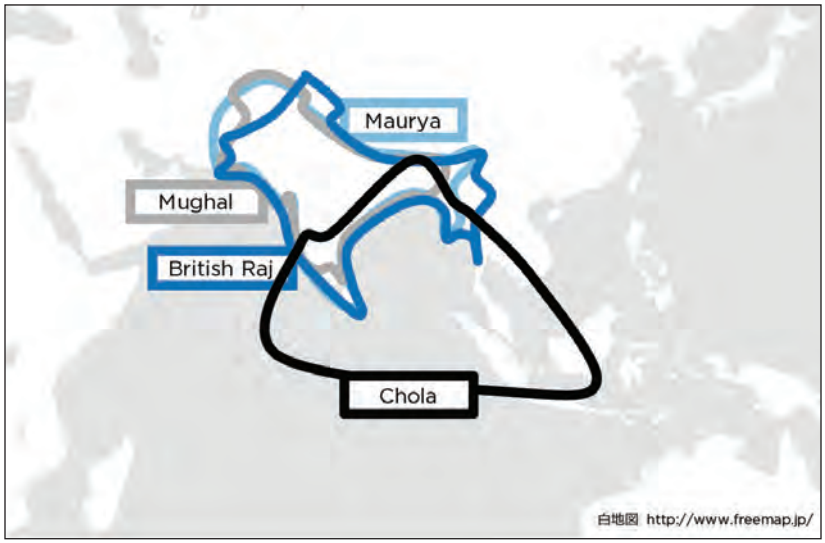
Consequently, if India acquires the will and military capability, cooperation between India and Japan could increase substantially. Japan and the United States would be relieved of the burden of safeguarding the Indian Ocean, and could deploy additional forces to the East China Sea and West China Sea to maintain the military balance in Asia.

(3) South China Sea

To correct military balance and ensure stability in the South China Sea, Southeast Asian countries will need to act as one integrated power and seek allies to provide Southeast Asian countries the necessary military support.

Geographically, India has had strong relations with Southeast Asian countries. The history of India illustrates this fact. Historically, three centers of power have dominated the sub-continent: the Maurya Empire, the Mughal Empire and the British Raj. Due to the high mountains surrounding India, these three empires were never able to project their power beyond South Asia. Because those empires constructed the current geographical image of India, we have forgotten the connection between India and

Figure 8: Geographical potentiality of India[15]



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Southeast Asia. However, the Chola Empire exerted influence as far as Southeast Asia. The history of the Chola Empire hints at India's potential as a maritime power, given India can acquire enough ships. (Figure 8).

In addition, as part of the "Look East Policy," India has already started to support armed forces in Southeast Asia. India has trained the crews of Thai aircraft carriers, and submarine forces and fighter pilots in Vietnam. India has also trained Malaysian pilots and the land crew for 28 of Malaysia's 36 fourth generation fighter airplanes. Furthermore, India agreed to train and provide maintenance for the Indonesian Air Force. Singapore is currently using India's land and air bases for training.

CONCLUSION: JAPAN'S ROLE FOR U.S.-INDIA COOPERATION

To summarize, Japan and countries around the South China Sea are facing aggressive maritime expansion from China. There is a high possibility that the changing military balance is an important element regarding China's military maneuvers. Japan, Southeast Asian countries, and the United States should increase their respective defense budgets and promote cooperation. However, that may be insufficient to combat the rapidity of China's military modernization.

There are three reasons why Japan wants to cooperate with India. Firstly, because India also shares a border dispute with China, dividing China's military forces is in Japan and India's mutual interest. Secondly, India has the potential to become a great security provider in the Indian Ocean. Thirdly, India is also an important security provider in Southeast Asia. Japan-India cooperation would account for the gap in military capabilities in Asia. Japan-India cooperation could benefit not only Japan and India, but also the United States, Australia, and countries around the South China Sea.

In addition, Japan holds India in high regard because India is democratic and has a long history of strategic restraint, or restraining itself from using military force. Moreover, India actively cooperates with other countries. India is an important friend of the United States, and is becoming an important friend for Japan.

Finally, Japan-U.S.-India cooperation will be mutually beneficial. However, Japan's role is especially important. Historical events have resulted in uncertainties between the United States and India. For the United States, Pakistan has been important for dealing with Soviet and Islamic extremism. Simultaneously, India is uncomfortable with the United State's support of Pakistan. Conversely, the United States is concerned about India's independent foreign policy. India cooperates with not only the United States, but Russia as well. Despite the fact that both countries are democratic and share a similar view of China, they are uncertain about one another. The worst case would be that both the United States and India need another country to play a role similar to Pakistan's in the 1970s. During that period, Pakistan maintained good relations with both United States and China, therefore allowing the United States to access China via Pakistan and the contain Soviet Russia.

Japan would resolve those uncertainties and fill the role convincingly. Japan has been a trustworthy ally of the United States for more than 60 years. Japan-India relations have been progressing very fast too. This means that Japan is a trustworthy ally of both the United States and India. If and when the United States and India encounter problems with one another, Japan may act as a messenger or mediator for both. In addition, Japan can enhance the efficacy of trilateral cooperation due to its influence, financial power and advanced technology. Consequently, friendly and stable Japan-U.S.-India relations are in the best interests for both India and the United States, with regards to their strategic interests. The time has come to proactively further this trilateral cooperation to ensure peace and stability in Asia.

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Love and Hate: India's Anti-Americanism and Its Impact on Japan-India Relations

Tomoko Kiyota

Narendra Modi's inauguration as Indian Prime Minister in May 2014 and his visit to Tokyo at the end of August marked a new phase in Japan-India relations. After their meeting on September 1st, the two leaders announced the "Tokyo Declaration for Japan-India Special Strategic and Global Partnership" at a joint press conference. The relationship between Tokyo and New Delhi is at its best since Japanese Prime Minister Yoshiro Mori's visit to New Delhi in August 2000. At the same time, Japan-India relations are still not as mature as the U.S.-Japan alliance. Japan's degree of affection toward India varies with the character of Prime Ministers, and probably vice versa. Misconceptions as well as expectation gaps between the two governments still exist.

India's anti-Americanism as an intervening variable in Japan-India relations plays a significant role in defining relations between the two major Asian powers. Although India-U.S. relations have improved in the post-Cold War period, anti-Americanism remains strong among the Indian strategic community. While Japanese policy-makers emphasize the U.S.-Japan alliance, Indian establishments tend to be cautious of Tokyo's reliability if it depends on Washington too much. Since Japan is not willing to dissolve the alliance in the near future, Japan-India relations depend on Indian

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anti-American sentiment and India-U.S. relations. This paper analyzes how this sentiment has changed following Modi's rise to power and how it will impact Japan-India relations.

THE U.S. FACTOR IN JAPAN-INDIA SECURITY COOPERATION

Modi and Japanese Prime Minister Shinzo Abe called their meeting on September 1, 2014 in Tokyo "the dawn of a new era in Japan-India relations."[1] If we call this new era a third phase, the first phase could be from India's independence to 1999, and the second phase would be from 2000 until Modi's election as prime minister.

During the first phase, Japan and India maintained a harmonious relationship with several symbolic warm episodes, such as the mutual visit between Indian first Prime Minister Jawaharlal Nehru and Japanese Prime Minister Nobusuke Kishi in the 1950s. However, New Delhi and Tokyo were actually politically distance during this period. While Tokyo prioritized relations with the United States, New Delhi led the Nonaligned Movement and gradually enhanced relations with the Soviet Union, which was not welcomed by Washington. Moreover, this phase came to a bad end because of India's nuclear tests in 1998 and Japan's subsequent decision to impose economic sanctions against India.

The second phase started in 2000 when Japanese Prime Minister Yoshiro Mori visited New Delhi. It seems that Mori's main motive for this trip was economic. The drastic economic reform after the Gulf crisis in 1990–1991 made the Indian market more attractive. Although the boom paused for a while after the nuclear tests, the huge Indian market was too attractive for many governments and business leaders to keep their sanctions. Tokyo was also looking for an opportunity to improve relations with New Delhi, while sympathizing with India's domestic anti-nuclear sentiment. The opportunity came in March 2000 when Bill Clinton became the first U.S. President to visit New Delhi in over 20 years. Soon after Clinton's visit, Mori visited New Delhi in August 2000 and inked the 'Global Partnership in the 21st Century' with Indian Prime Minister Atal B. Vajpayee. In addition, the Japanese government removed most of its sanctions against India after the U.S. government decided to do the same due to the War on Terror.

However, during the second phase Japan-India relations gradually became more political due to China's rise. This was obvious during the first Abe cabinet from September 2006 to September 2007 and the Taro Aso cabinet from September 2008 to September 2009. During his first term, then Prime Minister Abe worked aggressively to organize the so-called "Quadrilateral Initiative" with his American, Australian and Indian counterparts. Although this initiative ended because of Chinese backlash and Abe's resignation, Japan and India signed the "Joint Declaration on Security Cooperation between Japan and India" during the Aso cabinet in 2008.

During this current phase, security cooperation between Japan and India has been more than symbolic. The Indian Coast Guard and the Japanese Coast Guard began annual joint exercises and exchange visits at the Directors-General level in 2000 after the Alondra Rainbow incident in 1999. Japan Maritime Self-Defense Force (JMSDF) has joined several multilateral exercises with the Indian navy since 2007, including the Malabar exercise. In July 2012, the first Japan-India naval exercise "JIMEX 12" was held at the Bay of Sagami, followed by the second JIMEX in the Bay of Bengal in December 2013.

In May 2014, Modi was sworn in as India's prime minister after a month-long election. Before Modi's victory, Shinzo Abe returned to power in Japan in December 2012. The two leaders have nurtured a friendship that began before they became prime ministers. In August and September 2014, Modi followed through on his promise to visit Japan and meet Abe within his first 100 days. During the visit, Abe gave the new Indian prime minister a gracious reception. Under these two leaders, it is quite certain that the third phase of Japan-India relations will be stronger than the other phases.

On the other hand, it should also be noted that Japan-India relations still depend on the leadership's preferences. The Japan-India relationship is not as stable as the U.S.-Japan alliance. Especially in Japan, the degree of affection toward India varies with the character of prime ministers.

Mike Mochizuki's classification of Japanese strategic thoughts might be helpful to understand current politics. According to Mochizuki, there are four schools of strategic thought in Japan: political realism, unarmed neutralism, Japanese Gaullism, and military realism. The majority of Japan supported unarmed neutralism, or traditional pacifism, but pacifism has

suffered a series of setbacks since the 1970s. Japanese Gaullism seeks the amendment of Article 9 in order to build up a strong military force, and it doubts America's commitment to Japan. Mochizuki described followers of the Yoshida Doctrine as Political Realists who emphasize economic development, and consequently appreciate the U.S.-Japan alliance. The strategy of military realists is to meet the most likely military threat, thus supporting closer military cooperation between Japan and the United States.[2] Just as Mochizuki predicted the rise of military realists in the 1980s, they are now the center of Japanese politics. Abe or Aso could be military realists, and they tend to emphasize relations with India as they consider that the U.S. alliance may not be sufficient for Japanese security. However, political realists are still the majority in Japan. If they come back to power instead of military realists, Tokyo's India policy is likely to lose its impetus because they believe the U.S.-Japan alliance is enough for Japanese security.

Even if military realists could hold power for a while, the perception/expectation gaps between India and Japan will remain important obstacles for further cooperation in the domain of security. One of the gaps between New Delhi and Tokyo is China. As many experts and media point out, the main reason why Japan and India have become closer is due to the rise of China.[3] Both countries have territorial disputes with China and its aggressive military actions. According to a survey by the Center for Strategic and International Studies (CSIS), experts in both India and Japan are concerned with China's negative impact on regional security.[4] However, New Delhi hesitates to provoke Beijing unnecessarily and to be seen as a part of the "encirclement of China." During his visit to Japan, Modi also avoided sending any message to raise Abe's expectations regarding policy toward China.[5]

In addition, relationships with the United States could be another gap between the two countries. Indian establishments do not like to be seen as America's junior partner and part of the United States' "encirclement of China". This feeling comes from anti-Americanism. The aforementioned survey by CSIS also showed the different perspectives of the future of Asia between Japan and India. While more than 80 percent of Japanese respondents think a U.S.-led regional order would be in the best interests of Japan, more than 60 percent of Indian respondents prefer a regional community based on multilateral institutions.[6]

The problem is that Japanese policy-makers do not realize Indian sentiment. While military realists might expect that India could complement the U.S.-Japan alliance, they are not willing to sacrifice the U.S. alliance for Japan-India relations. Therefore, they try to incorporate India into the framework of the U.S.-Japan alliance without realizing it might result in an adverse effect.

As the following section explains, anti-Americanism is still present among the Indian strategic community. It is possible that Japanese leaders would cultivate a sense of distrust in New Delhi if they overemphasize the U.S.-Japan alliance. At the same time, India does not understand how the alliance is important for Japanese national security. Even though New Delhi prefers an independent Japan, Tokyo is not willing to dissolve the alliance. Therefore, how the Indian government manages relations with the United States is important for Japan-India relations.

ANTI-AMERICAN SENTIMENT IN INDIA

After President Clinton's visit, and the resultant rapid expansion of trade, cultural exchange, and security cooperation between India and the United States, Indians' feelings toward Washington improved, especially in relation to the Cold War period. According to a poll by the Lowy Institute, 75 percent of Indians want U.S.-India ties to strengthen over the next 10 years.[7]

A Pew Research Center poll conducted in October 2010 poll showed 66 percent of Indians viewed the United States favorably, while 51 percent, 36 percent, 34 percent have a positive opinion of Russia, the European Union (EU) and China respectively. The same survey showed that 83 percent of Indians thought that the United States takes into account the interests of countries like India when making international policy decisions. In 2002, only 51 percent held this view.[8]

The expansion of cultural and interpersonal exchanges has had a particularly positive effect on Indians' image of the United States. According to the Ministry of Overseas Indian Affairs, as of May 2012 2.24 million Indians were living in the United States.[9] In 2008/09, the number of Indian students in the United States reached one hundred thousand.[10] Those who live in the United States might tell people in India good impression of America.

Even for Indians who have never been to the United States, American pop culture, Hollywood movies, and fast food restaurants like McDonald's, KFC and Subway are increasing in India beyond big cities like Delhi and Mumbai. The companies demonstrate the ability of soft power in changing the image of the United States.

However, the same opinion polls also indicate that "anti-Americanism" remains, or "reflexed" in India.[11] The Lowy Institute's *India Poll 2013* shows that 31 percent of Indians still think the United States poses a threat to India, and nine percent see the United States as a major threat.[12] Considering the size of the Indian population, nine percent cannot be overlooked. Another survey from the Pew Research Center shows this sentiment is fluctuating, as 13 percent (2008), 9 percent (2009), and 24 percent (2010) think the US is an enemy of India.[13]

"Anti-Americanism" became ingrained especially during the Cold War period. For Indians who fought against the British Empire, Americans' leadership in the international arena appeared imperialistic. Jawaharlal Nehru never trusted American arms sales with political strings attached, except for a few years after the humiliating disaster in the Sino-India War of 1962. Successive leaders in New Delhi have been irritated more by Washington's military assistance to Pakistan. American rapprochement with China by Nixon and his chief aide, Henry Kissinger in the early 1970s drove Indira Gandhi, then Prime Minister of India, to strengthen relations with the Soviet Union. The United States' dispatch of aircraft carrier USS Enterprise to the Bay of Bengal during the third India-Pakistan War in 1971 frightened New Delhi and caused the "Enterprise Syndrome" among the Indian Strategic Community.[14] Due to Washington's nonproliferation initiative, the Nuclear Suppliers Group and Missile Technology Control Regime, Indian scientists and the Indian military faced difficulties in procuring weapons and military technologies. Considering those experiences, it is unsurprising that anti-American sentiment grew in India.[15]

More importantly, relatively well-educated people close to the Indian establishment tend to be averse toward Washington because they know history better. Sumit Ganguly, one of the leading experts on Indian foreign policy, wrote in the *World Policy Journal* in winter 2003/04 that certain key members of the Congress Party and India's Communists remained hostile

to the idea of a United States dominated world order. Political commentators ranging from prominent university professors to well-known columnists expressed deep misgivings about overweening American power. He explained that certain mindsets were deeply ingrained in the organizational culture of the Indian foreign policy bureaucracy, and could not be easily discarded.[16] In 2011, Deba Mohanty and Uma Purushothaman admitted that Indian policy makers hesitated to adopt a policy that would benefit the Americans both directly and indirectly, though anti-Americanism is weaker relative to during the Cold War.[17] Ganguly also had the same impression when interacting with people in the Indian strategic community, which included retired government officials, retired military officers, scholars and journalists.

Subsequent to the end of the Cold War, the Indo-U.S. Civilian Nuclear Deal epitomized "anti-Americanism." The negotiation over civilian nuclear cooperation between New Delhi and Washington began during the mid 2000s and gained momentum after mutual visits between Indian Prime Minister Manmohan Singh and American President George W. Bush in July 2005 and March 2006, respectively. The two leaders announced a joint statement in 2005 and signed the Civil Nuclear Cooperation Agreement in 2006, which agreed to seek civilian nuclear cooperation. The negotiations between New Delhi and Washington resulted in the 123 Agreement in 2007. However, during this process, the two governments had to contend with their respective domestic opposition to the agreement. Singh's task was to persuade the Indian Parliament, which was cautious about cooperation with the United States. India's extreme left wing parties, such as the Community Party of India and the Samajwadi Party, opposed the agreement mainly because of anti-American sentiments. The media reported that party members called the United Progressive Alliance government "American stooges."[18]

On the other hand, Indian sentiments toward the United States are not entirely negative. This author assumes that this stems from admiration of American power and status. Although Indian people dislike the United States' expansionist and imperialistic attitude, the United States has what India desires, such as great power status, international respect, economic power and wealth. However, India cannot even feed its own people. It is

either due to the population, socialistic economic policy, or British colonization. Nonetheless, India has shown its will to be a hegemon in South Asia on a few occasions, an example being the Indian Armed Forces' peacekeeping operation in Sri Lanka in the 1980s.[19] Indians' mixed feelings toward the United States and its power make India-U.S. relations complex.

As mentioned above, anti-Americanism in India has been weaker in recent years. This may be evidence that Indian people have the confidence to be a world power world and equal to the United States. As more Americans treat India as a great power, more Indians will show a positive attitude toward the United States.

Essentially, if Washington does not appreciate India, anti-Americanism is sure to rise. The case of Indian diplomat Devyani Khobragade is a prime example. In December 2013, Khobragade, who was then a deputy consul general in New York, was arrested by U.S. authorities for committing visa fraud and underpaying her maid. The arrest, which included a controversial strip-search, prompted outrage in India and riled U.S.-India relations. The Indian government, in return, removed concrete traffic barriers around the American Embassy in New Delhi and revoked diplomats' ID cards. When Khobragade was ordered to leave the country by the State Department, the Indian government asked Washington to withdraw a diplomat from the U.S. Embassy in New Delhi.[20] For the majority of Indians, the problem was not what she did but how the manner of her treatment by the American people.

THE U.S.-INDIA RELATIONS UNDER THE NARENDRA MODI GOVERNMENT

While basic Indian foreign policy is characterized more by continuity than by change, India-U.S. relations have run hot and cold in the last 20 years.[21] Whether it will change or remain ambivalent depends on Modi. It could depend on how Modi prioritizes India's relationship with Washington.

The beginning of relations between Modi and the U.S. government is not very well. The most important impediment is the treatment of Modi related to the 2002 Gujarat riots in India. Over 1,000 Gujarati Muslims were killed during the communal riots after a train full of Hindu pilgrims

caught fire in February 2002. Modi, who was Gujarat Chief Minister, was criticized for failing to stop the riots, and possibly even encouraging the massacre. Although India's Supreme Court's special investigation could not find any evidence of wrongdoing, U.S. authorities revoked Modi's travel visa in 2005 on the grounds of alleged human rights violations. Despite reports of Modi's victory in the 2014 Indian general election, U.S. authorities refrained from responding to direct questions on his visa issue. It was only after Modi was selected as new prime minister that U.S. President Barack Obama sent him an invitation to the White House.[22]

Nevertheless, Modi will try to improve relations with Washington as much as he can because his priority is to revive the Indian economy. He became popular because of successful economic policies while he was Gujarat Chief Minister. During his speech on Indian Independence Day, he called for investment from around the world.[23] Moreover, he is interested in strengthening the Indian Armed Forces and acquiring American state-of-the-art weapons.[24]

Relations between Obama and Modi cannot worsen unless American policy makers treat Modi as a junior partner. India-U.S. relations was reportedly identified as one of the top four priorities by both President Obama and Secretary of State John Kerry.[25] Since Modi became prime minister, Kerry, U.S. Secretary of Commerce Penny Pritzker, and U.S. Secretary of Defense Chuck Hagel have visited New Delhi and shown their interest in India. Although the visits did not produce any major agreements, their intent to improve U.S.-India relations was clear.[26] The White House's invitation to Modi was also a good sign. Following the General Assembly of United Nations, President Obama will welcome Modi between September 29th and 30th, which is exceptional for American foreign relations. It is reported that Modi and Obama will discuss "ways to accelerate economic growth, bolster security cooperation, and collaborate in activities that bring long-term benefits to both countries and the world" during the meeting.[27] Ahead of his visit, Modi stated that ties between the world's oldest and largest democracies should not only be for the benefit of the two countries, but as a powerful force of good for peace, stability, and prosperity in the world.[28]

CONCLUSION: THE FUTURE PERSPECTIVE OF JAPAN-INDIA RELATIONS

So long as the U.S.-Japan alliance continues, Tokyo's security cooperation with New Delhi will be based on U.S.-Japan relations. Considering China's rapid military modernization, Tokyo cannot contemplate a security policy without the U.S. alliance. Japan is in the process of reforming the country's security policy, with military realists, such as Abe, leading the way. However, this is not intended to decrease dependence on the United States. This is for further security cooperation with the United States and other countries like India, because military realists think that depending on U.S. armed forces alone is not enough to counter China. The reform has just begun and the Self-Defense Force (SDF) still has many restrictions. Security cooperation with Indian armed forces will develop with those restrictions. In this regard, it is easier for Ministry of Defense (MoD) and SDF to expand cooperation with India along with the achievements of the U.S. alliance. In addition to that, both MoD and SDF in Japan are dominated by political realists, thus the incentive for further security cooperation with India is weak.[29] Therefore, the healthy India-U.S. relations are essential for Japan-India relations.

The relationship between Japan and India is not fully mature. There are no strong feelings such as "love" or "hate" toward one another. In that sense, India's feelings toward the United States are stronger than its feelings towards Japan. If this feeling becomes "love," Japan-India relations may potentially improve. However, if it becomes "hate," the relations between New Delhi and Tokyo will be affected by U.S.-India relations. In order to achieve a "love" relationship, there needs to be more understanding between Washington, New Delhi, and Tokyo.

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Article 9 Reinterpreted: Can Japan and India Collaborate in a "Broader Asia"?

Sourabh Gupta

Japan-India relations have come a long way since the August 2000 visit to New Delhi by Prime Minister Yoshiro Mori. In New Delhi, Mori drew a line under the controversial nuclear tests conducted by India in May 1998 and proceeded to inaugurate a Japan-India Global Partnership in the 21st Century initiative with Prime Minister Atal Bihari Vajpayee. Significant momentum was imparted to bilateral ties a few years later when Prime Minister Junichiro Koizumi paid a visit in April 2005. In New Delhi, Koizumi and Prime Minister Manmohan Singh declared a Japan-India Partnership in a New Asian *Era* and laid out an eight-fold initiative to strengthen bilateral ties. In December 2006, the relationship was elevated to a strategic and global partnership by Prime Ministers Shinzo Abe and Singh. A roadmap to realize this strategic partnership was unveiled in August 2007.

To embed a strategic dimension to Indo-Japanese cooperation within the larger bilateral partnership, Prime Ministers Aso and Singh issued a joint declaration on security cooperation in October 2008. To reinforce the notion that the landmark change in party fortunes in Tokyo had in no way negatively impacted the Japan-India relationship, Democratic Party of Japan (DPJ) Prime Minister Hatoyama and Prime Minister Singh drew up

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an action plan in December 2009 to advance security cooperation based on the 2008 joint declaration. At the October 2010 Japan-India annual summit meeting, Prime Ministers Kan and Singh drew up a vision statement of their strategic partnership for the next decade—an enhancement to which was agreed upon by Prime Ministers Noda and Singh in December 2011.

Since reassuming office in December 2012, Prime Minister Abe has held three summit meetings with Indian prime ministers. At the most recent summit meeting in September 2014, Abe and Prime Minister Narendra Modi issued the Tokyo declaration which elevates Japan-India ties to that of a 'special' strategic and global partnership. Tokyo and New Delhi have thus engaged each other actively. Prime ministerial visits have been exchanged on an annual basis since 2005 and each has supported the other's candidature for a permanent seat on an expanded United Nations Security Council.

Prime Minister Abe's three summit meetings with Indian prime ministers since his return to power have also revealed the limits to Japan-India strategic cooperation in Asia. Despite the best of intentions as well as repeated attempts, the two sides have failed to close out negotiations on a bilateral civil nuclear cooperation agreement as well as the terms of transfer of a search-and-rescue amphibian aircraft to be operated by the Indian navy. More pointedly, a chasm in their conceptions of China within the constellation of their respective national interests appears to have opened up. For Tokyo, New Delhi is a key node in a proposed network of maritime democracies which, linked together, will keep Asia stable and the likelihood of China's rise peaceful. For New Delhi, on the other hand, China is a key pivot in India's multi-aligned foreign policy strategy and successive governments have seen greater wisdom in operating in the slipstream of Beijing's meteoric rise than by aligning against it. To what extent, then, the two countries are capable of engaging in functionally-joined common actions in the Indo-Pacific strategic arena remains in some doubt.

To address this area of uncertainty, this essay will first seek to identify the guiding strategic precepts of modern Indian and Japanese foreign policies. Thereafter, it will lay out the operational and geographic confines that limit the scope for scenario-relevant Indo-Japanese practical cooperation on the ground and at sea. And finally it will conclude with a review of Prime

Minister Abe's active security policy, including his government's reinterpretation of Article 9 of the Japanese peace constitution, to assess whether that door to scenario-relevant cooperation—especially during a contingency—has been prised open sufficiently widely to facilitate a qualitatively deeper level of Indo-Japanese strategic and defense engagement in a 'broader Asia'.

JAPAN AND INDIA—GUIDING STRATEGIC PRECEPTS

A rhetorical harmony of Indo-Japanese purpose in Asia, with the two countries situated at opposite edges of the great oceans, has never been absent from grand strategic assessments of Asian geo-politics. Thematic allusions to arcs and crescents have repeatedly surfaced in such assessments.

In testimony to the Senate Foreign Relations Committee during the earliest days of the Cold War, Secretary of State, Dean Acheson, noted that the United States' "real center of interest" in Asia needed shifting to that "crescent or semi-circle" of nations situated between Japan at one end and India at the other. To this end, the U.S. State Department and the Foreign Operations Administration sought to jumpstart sound economic development in this arc running from Japan to India, atop which would be grafted U.S. defense commitments to Southeast Asia that would contain the expansion of communism on the Asian mainland. Within this arrangement, Japan would serve as the arsenal of Free Asia, supplying equipment and weapons to Southeast Asia with capital provided through mutual security aid, while finding an commercial outlet for its goods. Fifty years on, in the afterglow of the U.S.-India civil nuclear agreement and a burgeoning U.S.-Japan-Australia-India strategic equation, the U.S. Embassy in New Delhi euphorically proclaimed a "squaring [of] the circle in the Asia-Pacific region, bringing [together] a geometric and geopolitical connection for democracy that spans nearly half the globe."

On the Japanese side too, the allusion to arcs, crescents and pegs has not been far from the surface. On his state visit to India in 1961, Prime Minister Hayato Ikeda observed that Tokyo and New Delhi were the natural pegs of a security system in Asia. Four decades later, Prime Minister Koizumi unveiled an "arc of advantage and prosperity" to complement his Japan-India Global Partnership. Not to be outdone, Foreign Minister Taro

Aso, in a November 2006 speech aimed at laying out an expansive 'values-oriented' vision of the first Abe government's diplomatic strategy, revealed his own "arc of freedom and prosperity" that spanned India and beyond.

The reality of Japan-India foreign policy cooperation in Asia has been rather more mundane and their mutual interests rather less congruent. Particularly with regard to their respective bilateral relationships with China, the lack of policy congruence has been noticeably stark. Although their outlooks on China have often-times overlapped during much of the past six decades, their policies have rarely converged and their outreach to China has remained strictly individual. On the rare occasion, their policies have even diverged markedly—none more so than five years after Prime Minister Kishi's visit to New Delhi in 1957 to forge the economic basis of an 'anti-domino' cordon against communism in Asia. Citing border provocations and encirclement in October 1962, China's Mao Zedong unleashed a short, sharp attack on Indian border positions along the disputed Sino-Indian boundary line, inflicting a lightning-quick military defeat on New Delhi. At this very moment of attack, representatives of the Ikeda government were inaugurating a ground-breaking quasi-official trade channel, the so-called *'L-T (Liao-Takasaki) trade'* channel with Beijing—the memorandum of trade relations being signed precisely between the two phases of armed conflict on the Sino-Indian border in early-November 1962.

Fast forward to four decades later, the cyclicality of ebb and flow in India's and Japan's relations with China during the decade of the 2000s has been marked by a strikingly inverse conjunction. As India's relations with China was casting off its chill during the first half of the decade and was capped off by a landmark agreement on political parameters to resolve their long-festering boundary dispute, Japan-China relations under the Koizumi government took a nose-dive. As Sino-Indian relations took a turn for the worse thereafter, Japan-China ties under Prime Ministers Abe and Fukuda perked upwards, capped off by a creative framework agreement to jointly develop sea-bed oil and gas resources along their disputed median line in the East China Sea. As Japan-China relations have soured again over the Senkakus and the history issue, China-India relations have charted a secular, albeit halting, upward path over the past five years.

Beyond the China factor, a considerably wider gulf separates the guiding strategic precepts of modern Japanese and Indian foreign policies.

Though swayed by competing currents of Asia-centered or autonomy-oriented ideals, modern-day Japan has rarely been able to successfully postulate a geopolitical order independent of a western-led diplomatic and alliance framework. For much of this period dating back to its Meiji opening, Tokyo has chosen to explicitly identify itself with the emerging western trend in the international system—be it attachment to industrialism, nationalism and imperial expansion during the Meiji era, 'openness, fairness and humanitarianism' by Japan's first ever 'commoner'-led and cabinet-driven government in the immediate aftermath of World War I, pluralism and open markets after the Second World War, or a 'universal values'-centric diplomacy by revived cabinet-centered governments in the post-9/11 age. Within this scheme of things, Tokyo's relations with extra-regional Asian actors has been something of an afterthought, resting in part on the need to compensate and rebalance for its inability to forge durable diplomatic relationships with its immediate neighbors (for a variety of reasons) dating back to its Meiji opening.

Post-independence India's foreign policy, by contrast, has never sought to articulate an identity within the framework of an alliance system—be it Western or any other. A United Nations-centered diplomacy that privileges non-bloc identities and non-interventionist ideologies has been a staple of New Delhi's worldview. Though having moved away from its Cold War platform of non-alignment, anti-colonialism and global redistributive justice, Indian foreign policy continues to remain conspicuously committed to a non-Western pluralistic model of a cooperative security order. Strategies of statecraft too appear to have exchanged non-alignment for multi-alignment while retaining the kernel of non-alignment—strategic autonomy—intact. Deepening its strategic partnerships with all the major power centers of the world while disallowing any one set of great power relations to be advanced exclusively to the detriment of another, has been the essence of strategy. Within this scheme of interest, its identification of Japan continues to rest on a more independent-minded partner assuming a more balanced role within the global and Asian order, and more amenable to emerging partners like India and less attached to the West.

SECURITY COOPERATION AT THE 'CONFLUENCE OF THE TWO SEAS'

On August 22nd, 2007, in a speech to a joint sitting of the Indian Parliament, Prime Minister Shinzo Abe, laid out an evocative vision of a 'broader Asia'- one that would span the entirety of the Pacific and Indian Oceans and bind all within in an immense network of free people, goods, capital and knowledge flows. Much before the term 'Indo-Pacific' had been coined and subsequently gained a measure of influence, Mr. Abe called for the coupling of the Indian and Pacific Oceans into a sea of freedom and prosperity. In the speech titled "Confluence of the Two Seas," he went on to state:

> *"Now, as this new 'broader Asia' takes shape at the confluence of the two seas of the Indian and Pacific Oceans, I feel that it is imperative that the democratic nations located at opposite edges of these seas deepen the friendship among their citizens at every possible level."*

Over the next two years, Japanese and Indian prime ministers proceeded to issue a Joint Declaration on Security Cooperation and lay out an accompanying Action Plan to implement the Joint Declaration. The declaration and action plan cover a wide set of interests and activities across the canvas of 'broader Asia', ranging from regular defense policy and service-to-service exchanges to maritime constabulary cooperation to collaboration across a variety of non-traditional security threats. Crucially however, Japan-India bilateral defense ties, unlike their Japan-Australia counterpart, are premised on a lack of logistics sharing, intelligence exchange, formulation of joint contingency plans, and combined exercises premised on a joint response to a conventional security contingency.

Beyond this inherent handicap to the scope of cooperation within their bilateral defense framework, both India and Japan appear to operate independently within a set of self-imposed functional and geographic constraints.

On the Indian side, the limits appear to be more informal. As a matter of principle, New Delhi is reluctant, if not opposed, to participating *within* (U.S.-led) 'coalition of the willing' operations of common interest. Its recent record of support for such selective multilateral initiatives has been to

cooperate with such missions while simultaneously calling for their explicit authorization by the United Nations. Particularly in its Indian Ocean zone of core interest, it has displayed a visible disinclination to be appended to American and allied 'coalition of the willing' purposes—be it with regard to non-proliferation (Proliferation Security Initiative), anti-terrorism (Indian Ocean refueling operations) or non-traditional security (anti-piracy). Its principled preference for participating in only U.N.-flagged missions or those that come under broad-based umbrellas, such as the ASEAN Regional Forum, with non-Indian Ocean states will only be underscored in the years ahead—the vivid exception of the four-party December 2004 tsunami humanitarian mission notwithstanding. Maritime strategy in the Indian Ocean Region (IOR) during this period will stay geared to cooperating with most, aligning with none, keeping the seas open to free passage, and closed to great power contestation.

New Delhi's geographic ambitions east of Malacca, meantime, remain something of a mystery. Although having participated in multinational exercises with Washington and Tokyo in the Sea of Japan and the western Pacific Ocean, it is by no means clear that India sees itself as a security partner—*and envisages any extension of security obligation*—in these extra-regional waters. Rather, a willingness to trade its footprint in these seas for recognition of its privileged vital interests in maritime South Asia is vaguely evident. New Delhi's disinclination to politically upgrade its annual strategic dialogue with Japan and its western partners to a ministerial 2+2 (foreign and defense ministers) format does not make the task of harmonizing interests with extra-regional partners any easier.

On the Japanese side, the limits are more formal. The geographic range of Japan's self-defense responsibilities has remained statutorily circumscribed since the late-1960s to a fan-shaped area of the northwest Pacific Ocean that extends south of the main islands, east of the Philippines, and west of Guam. Maritime transportation routes which link Osaka to the Bashi Channel between Taiwan and the Philippines and Tokyo to points north of Guam have been the focus of defense planning. Despite American exhortation in the late-1990s to Tokyo to double its geographical area of responsibility in the event of a regional conflict, the whole of the South China Sea resides firmly outside the statutory limits of Japanese Self Defense Force

(SDF) responsibilities. Authorization to conduct 'out-of-area' missions is dependent on the passage of ad hoc security legislation (which come with sunset clauses), given the lack of a permanent overseas dispatch law.

A slew of constitutional and political restraints, further, limit the operational scope for cooperating with foreign partners like India in the conduct of international missions. The prohibition to exercise the right to collective self-defense limits the ability of Japanese forces to provide logistical support—let alone partnering in frontline action—to state actors in combat zones, even in the case of U.N.-mandated missions. The restrictive weapons use rules of its peacekeeping activities law, as currently written, disallows Japanese personnel from providing even modest armed assistance to host state as well as fellow participating multinational peacekeeping partners. Its extant anti-piracy special measures law disallows the refueling of foreign vessels, although MSDF patrols are in this instance permitted to provide security to foreign state and non-state vessels. The inability of Tokyo to lend support—let alone be joined in any form in the use of force—with a fellow state actor in a combat zone, even in the case of a contingency in 'areas surrounding Japan', has hitherto severely limited the scope for practical bilateral defense cooperation.

It is in this context that the second Abe government's hyper-activity in redefining the legal framework of Japanese security policy, including the reinterpretation of Article 9 of the Japanese peace constitution to enable the exercise of the right to collective self-defense, assumes considerable interest. Whether this redefinition will be sufficiently extensible to open the door to functionally-joined practical cooperation in a 'broader Asia' is examined below.

JAPAN'S LEGAL FRAMEWORK OF SECURITY POLICY REDEFINED

In the twenty-odd months since assuming office in December 2012, the second Abe government has set in motion what might become the most far-reaching revision to Japanese security policy in a generation—perhaps even since the signing of the U.S.-Japan security treaty in 1960. Whether some of the proposed changes are instituted and realized within the body of

Japanese domestic law remains as yet to be seen. Legislation to breathe life into these revisions is expected to be placed on the Diet floor in the months ahead. That said, some of the other alterations to the legal framework of security policy, such as the three principles on transfers of defense equipment, are within the authority of the executive branch and Prime Minister Abe has moved expeditiously to revise them.

On December 17, 2013, the Abe government released Japan's first-ever National Security Strategy (NSS) which elaborates its policy of 'proactive contribution to peace' based on the principle of international cooperation. On the very same day as the release of the NSS, a new National Defense Program Guidelines (NDPG), which sets out a five-year defense strategy and personnel and equipment planning horizon, was also issued. The NDPG envisages the build-up a dynamic joint defense force structure to realize its policy of 'proactive contribution to peace'.

On April 1st, 2014, the Abe government replaced the existing three principles on arms exports with its new three principles on transfer of defense equipment. Implementation guidelines issued the same day suggest a significant widening of the scope for weapons transfers such that Japan can now participate in international joint development and production of defense equipment as well as provide overseas maintenance and servicing of U.S.-licensed, Japanese-manufactured equipment. A particularly intriguing opportunity that could potentially open the door to Japan-India defense industrial base cooperation is the priority accorded to equipment exports in marine-related areas—monitoring and surveillance, sea rescue, minesweeping, etc.—to countries facing sea lanes through which Japan imports crude oil.

On July 1st, 2014, the Abe government issued a cabinet decision which affirmatively reinterprets the existing Article 9 exercise of the right to self-defense to also include the exercise of the right to collective self-defense under constrained circumstances. A further key innovation in the cabinet decision is the narrowing of the prohibited area of self-defense responsibilities such that the Self Defense Forces (SDF) can now provide logistics support that is 'integrated with the use of force' to allied partners in all but the most extreme combat locations.

Finally, later this December, the Abe government is expected to revise it overseas development assistance (ODA) charter to permit a case-by-case

approval of non-military, non-combat, technical aid to foreign militaries. Aside from enabling greater synergy between SDF activities and Japan International Cooperation Agency (JICA) operations, it opens to door to potentially intriguing opportunities for ODA support in India's port and harbor infrastructure as well as in the area of disaster relief activities.

There are two running threads that weave through the Abe government's revision of the legal framework of security policy. First, the functional protection of oil transportation routes from the Japanese archipelago all the way to the Persian Gulf is explicitly denoted as being integral to the security of Japan. Consequently, countries located along these sea lines of communications are deemed to be natural security partners for Tokyo. This opens up avenues of cooperation in the area of weapons transfers, including minesweepers, as well as the provision of development aid towards strategic infrastructure that is not exclusively intended for military usage. The three principles on defense transfers and the impending revision of the ODA charter are expressions of this intent. Japan's energy import mix is in a state of flux though with hydrocarbon resources increasingly sourced from Australia, Russia and from across the North Pacific. To the extent that it reduces the dependence of oil flows from the Middle East, it also reduces the salience of partner countries, including India, situated along the oil-line to the Gulf within the sanctum of Japanese defense planning.

Second, the geographic scope of operationally tightly-knit force posture activities is to be confined to Japan's core 'Far East' area of strategic interest—defined as the region north of the Philippines and extending to the disputed Russian-held islands north of Hokkaido. Japan's horizons overall in this regard appear to be retreating away from Southwest Asia and the Indian Ocean region and back to the Western Pacific. The National Defense Program Guidelines (NDPG) envisages India primarily as a *stabilization*-related partner for purposes of international peace cooperation activities. Defense exchanges, capacity-building exchange, maritime security-related exercise and training are foreseen; New Delhi is not foreseen as a *deterrence* partner, especially in a trilateral format. This status is reserved for valued allies further east, such as the U.S., Australia and—if willing—South Korea.

More importantly, the July 1st cabinet decision which reinterprets the exercise of the right to collective self-defense was a missed opportunity to

conceptually incorporate India within the future ambit of Tokyo's contingency-relevant scenario planning in the Indo-Pacific. In May 2014, Prime Minister Abe's hand-picket panel of security experts, the advisory panel on reconstruction of the legal basis of security, had reported back a sufficiently flexible reinterpretation of the proposed exercise of the right to collective self-defense. As per the panel's final recommendations, this right was to be exercisable: (a) when there was a high possibility that a situation could lead to a direct attack against Japan; (b) when not taking action could significantly undermine trust in the Japan-U.S. alliance, thus leading to a significant loss of deterrence; (c) when international order itself could be significantly affected; (d) when the lives and rights of Japanese nationals could be harmed severely; and (e) when there could otherwise be serious effects on Japan.

Under the weight of the Liberal Democratic Party's pacifist-oriented coalition partner, the New Komeito Party, however, the permissive elements that would have enabled Japan to come to the aid of a non-allied, fellow security partner (such as India) when Japan is not directly under attack have been whittled down beyond recognition. As per the decision, the current and future Japanese government may come to the (non-frontline) defense of a foreign government under armed attack "only when [such actions] are taken as measures for self-defense which are inevitable for ensuring Japan's survival and protecting its people, in other words for defending Japan." Hence, that armed attack must be against a foreign partner country which is in a close relationship with Japan and, furthermore, the attack must pose a clear danger to fundamentally overturning the people's right to life, liberty and pursuit of happiness and threaten the survival of the Japanese people. This is an impossibly-high threshold for actualizing Japan-India collective self-defense cooperation in any realistically conceivable scenario or eventuality. Although Abe is controversially attempting to smuggle-in minesweeping cooperation on the high seas within this restrictive redefinition of Article 9 self-defense competencies, it is totally unlikely that any country other than the U.S. (and perhaps Australia in an actual trilateral contingency) will qualify as a worthy candidate for collective self defense cooperation in the Indo-Pacific.

CHARTING A PATH FORWARD NEVERTHELESS…

Going forward, Japan and India must ensure that the 'Indo' and the 'Pacific' do not depart on separate paths on the grand canvas of 'broader Asia'. A "broader Asia that takes shape at the confluence of the two seas of the Indian and Pacific Oceans" and which seamlessly enfolds the maritime periphery with the rising continental core on the basis of the principles of pluralism and openness, remains a brilliant ideal. On the security and defense cooperation front, Japan and India must plan for actionable exchanges. As a first step, the two countries should initial a basic military information exchange accord as well as an agreement to share equipment and supplies during U.N. blue-helmeted operations. Gradually, such logistics and equipment sharing can be extended across the board to cover a range of other non-traditional as well as traditional security missions. Secondly, Tokyo should eschew trying to shoe-horn New Delhi into exclusivist initiatives and instead frame bilateral security cooperation horizontally within the emerging practice of Asian security multilateralism. Endeavoring to endow a modicum of autonomy from U.S. input so as to not lend an overt anti-China coloration will also enable Japan-India cooperation to mature independently of the U.S.-Japan and U.S.-India equations.

Japan and India remain compelling security partners in a 'broader Asia'. They must bring greater creativity to their efforts so that the region's future can remain peaceful, prosperous and stable.

How Washington Views the Japan-India Relationship

Michael Kugelman

On November 17, 2011, Barack Obama announced in a speech to the Australian parliament that the United States "will play a larger and long-term role in shaping this region and its future, by upholding core principles and in close partnership with our allies and friends." He pledged to work together with Asia to promote stability, prosperity, and "the fundamental rights of every human being."[1]

Over the next few years, however, Washington provided little tangible evidence of its intention to follow through on Obama's promise of a pivot, or rebalance, to Asia.

And then came 2014.

Over the course of the year, the White House has repeatedly sought to dispel the suspicion residing within some Asian capitals that Obama's 2011 pledge was nothing but rhetoric. The rebalance, Washington appears to be insisting, is very much alive.

In April, Obama made a much-awaited week-long trip to Southeast Asia. The trip was originally scheduled for the previous fall, but was cancelled due to the U.S. government shutdown. He insisted that Washington is deepening its commitment to Asia, and made sure to reference his own family ties to the region. The Asia Pacific, he declared while in Malaysia, "is part of who I am. It helped shape how I see the world."[2] As of this writing, another presidential trip to Asia—with stops in Australia, Burma, and China—was scheduled for the fall. Meanwhile, in August, a fleet of U.S. Air Force F-16 fighter jets participated in Exercise Pitch Black, a prestigious annual air

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combat exercise in Australia that features "a full spectrum of scenarios that make up modern air warfare."[3] The event also featured Australia, Singapore, Thailand, and New Zealand. It was the first time in 18 years that U.S. Air Force F-16s had participated in this exercise.

WHAT THE UNITED STATES WANTS FROM ITS ASIA REBALANCE

Obama's 2011 speech in Australia clearly laid out the objectives of Washington's Asia rebalance: To help achieve more stability, prosperity, and human rights in a region that on the one hand is blessed with peace, affluence, and democracy—and on the other is threatened by war, plagued by poverty, and mired in dictatorship.

To be sure, there are other goals too. The United States also hopes that by engaging more deeply with its Asian allies, it will strengthen them—and consequently create a regional counterbalance to China's rising military and economic might. In essence, Washington wants Asia to be not only more stable and prosperous, but also less unipolar. From the perspective of official Washington, this will entail deeper security cooperation between Asian states, greater intraregional economic partnerships, and a more robust regional role for India—the "other" rising Asian power.

Achieving these objectives will be no easy feat. Fraught negotiations over the Trans-Pacific Partnership trade deal provide a sobering example. Additionally, the challenge is compounded by an inconvenient truth: Despite all the talk in 2014 about rededicating itself to the rebalance, Washington's commitment to the region will likely remain far from robust—thereby confirming the long-held suspicions of many of its Asian friends that the United States simply isn't ready to fully reorient itself strategically to the region.

A COMMITMENT UNFULFILLED?

The U.S. military withdrawal from Afghanistan by the end of 2014 was originally envisioned to free up more strategic space and resources to focus on the Asia Pacific. However, Washington has become increasingly consumed by

a flurry of new crises elsewhere in the world—including war in Ukraine, a dangerous Ebola epidemic in Africa, and, above all, the Islamic State terrorist group in the Middle East.

In September 2014, Obama declared war on Islamic State. He authorized the use of air power in Iraq and Syria, while also pledging to arm Syrian rebels opposed to the group. Today, whispers abound within some Washington circles that should such measures fail, ground troop deployments may not be completely out of the question. Either way, it will be difficult to redistribute military assets and personnel to Asia so long as the United States is bogged down in a fresh Middle East war.

This new U.S. war effort will also make the country more cautious about the extent to which it deepens its security engagement with the Asia Pacific. Washington will need to be very careful not to get dragged into the island territorial disputes to which many Asian states are a party. If conflict were to break out, Washington could face very difficult questions about how to support and protect close allies such as Japan and South Korea, and nations such as the Philippines with which Washington enjoys deep military cooperation. Given its new military commitments in the Middle East, Washington may find its hands tied.

In short, competing priorities elsewhere will complicate U.S. efforts to follow through on—much less complete—a rebalance to Asia.

This all suggests that Washington will greatly value the efforts of Asian partners that not only share its objectives in the region—stability, prosperity, and above all a greater balance of power—but that can also make substantial progress toward achieving these objectives, despite what may well be a more modest U.S. rebalancing policy than originally planned.

And herein lies the significance of the Japan-India relationship.

WHAT THE UNITED STATES WANTS FROM THE JAPAN-INDIA RELATIONSHIP

Ever since 2006, when they announced a new strategic partnership, relations between these two democracies and key economic players have deepened rapidly. There has been a free-trade accord, an agreement to jointly develop rare earths, scores of high-level diplomatic meetings, and joint

military exercises. No wonder the partnership has been described as today's "fastest-growing bilateral relationship in Asia."[4]

In the coming months, Japan-India ties can be expected to deepen even more rapidly. Consider Indian Prime Minister Narendra Modi's trip to Japan in late August and early September of 2014—his first outside the Subcontinent after taking office in May. Modi's visit produced many achievements—from more than $30 billion in Japanese assistance for Indian development projects over the next five years to wide-ranging new agreements on clean energy, defense exchanges, and health care. The two sides also pledged continued security cooperation through more frequent military exercises and technology collaborations.

Significantly, each country offers what the other's struggling economy arguably requires the most. Japan can provide cash to cover India's mammoth infrastructural needs, while India—and especially its large, growing middle class—can provide ready markets for Japan's sluggish exports.

The United States has made little secret of its strong support for this relationship, which it believes can contribute to regional peace and prosperity—and also, perhaps most critically, provide a counterbalance to China, a country whose growing regional clout has troubled both New Delhi and Beijing. December 19, 2011—just weeks after Obama's speech in Australia—marked the launch of a new U.S.-Japan-India trilateral. In the gushing words of one U.S. official, the first meeting, held in Washington, "seemed like a very natural conversation among friends. The amazing thing about our governments is that we really have shared values. That's the foundation of it all. That's the glue that binds us together."[5]

Washington has continued to emphasize the importance of the Japan-India partnership, and subsequent trilaterals have focused on the core themes of commercial partnerships, regional security, and multilateral cooperation.[6] In July 2014, the three countries all participated in the Malabar maritime exercises near a Japanese naval base—a major development given that the annual exercise has mainly been a bilateral affair involving the American and Indian navies. For their part, Tokyo and New Delhi also appear enthusiastic about the trilateral arrangement; in fact, in September 2014, they expressed their interest in upgrading it to the foreign minister level.[7]

The question, however, is if the Japan-India relationship can deliver in the ways that Washington would like it to. Will it help enhance commercial connectivity? Will it help contribute to regional stability? And perhaps most significantly, will it provide a counterbalance to China?

WHY THE UNITED STATES MAY NOT GET WHAT IT WANTS

Unfortunately for Washington, there is no indication that this deepening bilateral cooperation will lead to broader regional outcomes that serve U.S. interests—and particularly to a check on China's regional clout. To be sure, there have been some encouraging signs. Tokyo and New Delhi have each launched diplomatic offensives in countries that have also been courted by China. Additionally, Tokyo's decision in 2014 to amend its constitution to allow its Self-Defense Forces to aid allies under attack will enhance Japanese military capacities. Still, if Washington truly hopes for India and Japan to push back against China within Asia, then it will likely be sorely disappointed. And it will largely have New Delhi to blame.

THE INDIA CONUNDRUM

The notion that India will band together with Japan, and, by extension, the United States to counteract China is a questionable one, and for four reasons.

First, such a scenario would fly in the face of India's foreign policy orthodoxy. For decades—ever since New Delhi led the formation of the Cold War-era nonalignment movement—India has eschewed alliances and the idea of taking formal sides in its foreign relations.

Some may contest this assertion, pointing to recent strategic agreements inked not just with Japan, but also Afghanistan (additionally, India once signed a Treaty of Friendship with the Soviet Union). Yet these represent exceptions more than the norm. New Delhi has largely continued to blaze an independent foreign policy trail—a position sharply illustrated in its relations with the United States. "Nonalignment 2.0," an influential policy paper published by a group of prominent Indian strategic thinkers in 2012, puts it best: "Both India and the U.S. may be better served by being friends rather than allies."[8] Indeed, since the early 1990s, New Delhi has pursued better relations

with Washington even while refusing to close ranks with the United States on numerous core issues—including global trade and climate negotiations.

This neutralist position helps explain why India enjoys cordial relations with both Israel and Iran, and why it has maintained strong ties with Russia even as Moscow has increasingly become a global pariah. And it helps explain why India ultimately wishes for a decent political relationship with Beijing—an official position maintained for much of India's history (many within India's security establishment take a more hawkish view of Beijing, though the country's strong civilian control over statecraft ensures that such views are not translated into policy).[9]

Such conciliatory sentiment toward Beijing is particularly strong today. And this gets to the second reason why India can't be expected to serve as a foil to China's rise: Modi likely has no interest in playing this role. India's premier has frequently expressed his admiration for China, and particularly for its economic model. He made several trips to the country when in his previous position as chief minister of Gujarat state. Modi is intent on deepening trade with Beijing, which in terms of volume is already four times larger than that of Japan-India trade. Additionally, the security interests of China and India are converging in more and more ways—including in Afghanistan and Pakistan, where Beijing and New Delhi are both alarmed about rising militancy and fearful that it will intensify, and spill on to their soil, after the departure of most international troops from Afghanistan.

The third reason why Washington can't count on India to balance out China is that the Modi government's chief objective—one that trumps any foreign policy goal—is to improve the country's floundering economy. India's much vaunted "growth story" has come to a screeching halt, and Modi is intent on getting the economy back on track. This was the major basis of his election campaign, and he now has a huge mandate from India's voters to spark a recovery. Geopolitics and foreign policy will play second fiddle for quite some time.

The fourth reason to be skeptical about India playing a counterbalancing role is the troop withdrawal from Afghanistan, which will likely have destabilizing consequences that require immediate and sustained attention from New Delhi. In recent years, Pakistani anti-India militant groups such as Lashkar-e-Taiba have been active in Afghanistan to fight foreign troops.

With the international troop departure, these militants will likely redirect their focus to India—portending a new wave of terror strikes there. Modi, a conservative nationalist, would not sit quietly if terrorists in some way tied to archenemy Pakistan were to launch attacks on Indian soil (many anti-India extremist groups in Pakistan have traditionally received support from the country's security establishment, and particularly from the intelligence community). Under such circumstances, other external matters, including China, would be relegated to India's policy backburner.

These scenarios underscore once again the converging security interests of India and China in South Asia. Just as New Delhi fears Pakistani terrorists will abandon the Afghanistan theater for India, Beijing fears that Uighur militants will exploit security vacuums in Afghanistan to establish large sanctuaries from which to stage attacks on China.

CONCLUSION

Washington has good reason to be pleased about the Japan-India relationship, which brings two U.S. partners in Asia closer together and helps strengthen their capacities on many levels. Additionally, as Alyssa Ayres, a former top India official at the State Department, has pointed out, many of the relationship's anchors—democracy, defense ties, economic diplomacy, science cooperation, technology exchanges—mirror those of the U.S.-India relationship, which Washington (despite various bumps in recent months) regards as a critical one.[10] Furthermore, Japan and India can help each other in ways that the United States cannot or chooses not to. A recent example is Japan's pledge of more than $30 billion in development assistance for India—a sum well above what the United States typically provides for individual economic support projects.

Beyond these advantages, however, there is reason to be skeptical that the relationship can help deliver on the broader strategic goals that Washington wants achieved in Asia—particularly efforts that balance China's rise. The United States, which is unlikely to make as deep of a commitment to Asia as originally envisioned, must not make the mistake of looking to the Japan-India relationship to achieve American goals on Washington's behalf. Pivot by proxy would not be good policy.

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Competing Visions for East Asia

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