

Japan in the Infrastructure Sector of Northeast India

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Summary

In the last couple of years, Japan has been investing in India's north-eastern region in a big way. This paper analyses the growing cooperation between Japan and India in the infrastructure sector in Northeast India and the challenges which both the countries face in this arena.

Introduction

Of late, Tokyo has been getting involved in a big way in India's northeast in the infrastructure sector. This is in keeping with both Tokyo's "Free and Open Indo-Pacific Vision", which aims at the unimpeded movement of goods and services in the Indo-Pacific region, and its "Partnership for Quality Infrastructure Initiative", which aims to develop high-quality infrastructure.

At the same time, New Delhi has gone in for a massive infrastructure-building drive in its north-eastern region. The inauguration of the 4.94 kilometre-long Bogibeel Bridge in Upper Assam by Prime Minister Narendra Modi on 25 December 2018 is just a case in point. This bridge will go a long way in ameliorating the infrastructure bottlenecks in Upper Assam and the eastern part of the neighbouring state of Arunachal Pradesh. The bridge is India's longest rail-road bridge and is situated very close to the India-China border in Arunachal Pradesh, which China is claiming. For long, the north-eastern part of India has lagged behind other parts of the country in most economic development indicators. This was due to many factors-one of which was the fact that the Northeast suddenly became landlocked in 1947, with the formation of East Pakistan, which later on became Bangladesh.

Fortunately, things seem to be changing now. In May 2017, India's longest bridge, the 9.15 kilometre-long Bhupen Hazarika Setu (Bridge) over the Lohit river in Assam was inaugurated by Modi. A series of other infrastructure projects have also been launched, including efforts to convert the Guwahati airport in Assam into an aviation hub. The state government of Assam has indicated that it would be providing subsidy for foreign carriers to fly into Guwahati under the UDAN (Ude Desh Ka Aam Nagrik) scheme and the central government has already sanctioned money for the expansion of the Guwahati airport. The Bhutanese Airline Druk Air is already flying directly between Guwahati and Singapore. Meanwhile, Japan has evinced a keen interest in the region. In addition, the Japanese agency, Japan International Cooperation Agency will be financing the construction of India's longest bridge between Dhubri in Assam and Phulbari in Meghalaya.

Infrastructure Drive in Northeast India

One of the main reasons for New Delhi's infrastructure building drive in Northeast India is its 'Act East' policy, through which India is reaching out to the ASEAN region and beyond. Northeast India is the bridge between India and the Southeast Asian region, given the fact that some of the north-eastern states share an almost 1600-km long border with Myanmar.

Second, one of the biggest challenges for India is how it has to deal with Beijing and its growing assertiveness. New Delhi has a disputed border with Beijing and, although relations with Beijing have cooled down in the aftermath of the standoff between the two sides following China's road construction activities in the Doklam region of Bhutan in 2017, there are still many issues which bedevil the ties between the two, especially New Delhi's refusal to join the Beijing-led Belt and Road Initiative (BRI). An Indian Ministry of External Affairs statement on the BRI notes that India is "of firm belief that connectivity initiatives must be based on universally recognized international norms, good governance, rule of law, openness, transparency and equality, and must be pursued in a manner that respects sovereignty and territorial integrity."¹

Third, the ruling Bharatiya Janata Party (BJP) and its regional allies have been able to make inroads into the northeast using their infrastructure development plank whereas the region had not seen much development in the period after India's independence in 1947. Given that the general elections in India are around the corner, the ruling BJP-led alliance would be keen to continue with its infrastructure push in the region.

Fourth, from a security perspective, Northeast India is very critical for New Delhi, since it shares borders with Nepal, China, Myanmar and Bangladesh. As the Doklam crisis in 2017 showed clearly, it would be foolish to underestimate the threat from China, especially now, given the fact that India has not joined the BRI, which has already ruffled quite a few feathers in Beijing.

Fifth, the extended neighbourhood in South Asia demands New Delhi's attention as China has been rapidly making inroads into what New Delhi has traditionally seen as its own backyard. Though there has been some push against China's growing influence in countries like Maldives and Sri Lanka, New Delhi faces huge challenges in these countries as a cash-rich Beijing increases its clout in the region, especially in the light of its BRI.

However, things are slowly picking up pace. Last year, the Assam government organised the first Global Investors Summit in Guwahati. It is also building a 65-storey Twin Towers in Guwahati. In the immediate neighbourhood of Northeast India, things seem to be working out with regard to countries like Bangladesh and Myanmar. The re-election of Sheikh Hasina in Bangladesh has made New Delhi's task easier, as she has been a strong ally to India in economic cooperation and the fight against terrorism. In Myanmar, things are proceeding much faster under a civilian government. India, Myanmar and Thailand are engaged in the construction of the India-Myanmar-Thailand trilateral highway, while New Delhi is engaged

¹ Ministry of External Affairs, Government of India, <https://www.mea.gov.in/media-briefings.htm?dtl/29768/Official+Spokespersons+response+to+a+query+on+media+reports+regarding+possible+cooperation+with+China+on+OBORBRI>. Accessed on 14 March 2019

in a series of infrastructure development projects in Myanmar. In addition, in 2018, the Heads of State of all the 10 Association of Southeast Nations (ASEAN) attended India's Republic Day celebrations in New Delhi, reflecting India's proactive desire to engage the region.

Then, there is the tourism factor. The north-eastern states of India are breathtakingly beautiful. The Mawlynnong village in Meghalaya has been listed as the cleanest village in Asia by BBC Travel, among others. Tourism can be a big draw to the region, especially given the deep Buddhist heritage in some parts of Northeast India. Besides, tribes like the Nagas are found across both sides of the border, in India as well as in Myanmar. Meanwhile, two land border crossings were opened last year between India and Myanmar (in the north-eastern states of Manipur and Mizoram).

Major Japanese Projects in Northeast India

Japan has played a very important role in many infrastructure projects in Northeast India. As part of its Official Development Assistance (ODA) commitment to India, it has contributed ODA loans for the North East Road Network Connectivity Improvement Project (which includes the National Highway 51 in Meghalaya and the NH54 in Mizoram). Among others, this will support the expansion and upgradation of the Shillong-Dawki strip in the north-eastern state of Meghalaya and the construction of a new bridge in Dawki (on the border with Bangladesh).

In addition, private Japanese organisations, such as the Nippon Foundation, have financed the construction of the Imphal War Museum in Manipur in Northeast India, in memory of the nearly 70,000 Japanese soldiers who perished in the Battles of Imphal and Kohima during the Second World War.² In addition, in a significant development, India and Japan have also established the India-Japan Act East Forum and the first meeting of the forum in December 2017. This meeting was co-chaired by the former Indian Foreign Secretary S Jaishankar and Japan's Ambassador to India Kenji Hiramatsu.

Why is Japan a Critical Partner?

For Japan too, investment in Northeast India gels well with its 'Free and Open Indo-Pacific' strategy. In addition, Japan has also not joined the China-led BRI.

Japan has a long involvement in this region dating back to World War II. However, the two countries moved away from each other during the Cold War. It was only after the end of the Cold War and the launch of India's 'Look East' policy that the two countries started becoming closer again. Their relations nosedived in light of India's nuclear tests in 1998, but picked up since then-Prime Minister Yoshiro Mori visited India in 2000.

² "Japan to build war museum in Manipur", The Hindu, 21 May 2017, <https://www.thehindu.com/news/national/other-states/japan-to-build-war-museum-in-manipur/article18519330.ece>. Accessed on 7 March 2019.

Japan and India now have an annual summit at the prime ministerial-level with Japan being the second country (besides Russia) with which India has such an arrangement. The ties have improved even further after Shinzo Abe took over as the Prime Minister in Japan for a second term in December 2012.

When Prime Minister Shinzo Abe visited India in September 2017, the two countries “welcomed the India-Japan cooperation on development of India’s North Eastern Region as a concrete symbol of developing synergies between India’s ‘Act East’ policy and Japan’s ‘Free and Open Indo Pacific’ strategy.”³

Under Prime Minister Abe, Japan has embarked on the ‘Free and Open Indo-Pacific’ strategy. It actually builds on Abe’s landmark speech before the Indian Parliament in August 2007 (during his earlier term in office) titled “Confluence of the Two Seas” where he noted “the Pacific and the Indian Oceans are now bringing about a dynamic coupling as seas of freedom and of prosperity.”⁴

China’s BRI, also called the One Belt One Road, has led to a flurry of efforts by other countries to come up with alternatives and Japan has been trying, in its own way, to increase its presence in the infrastructure sector in Asia and across the world with initiatives like the ‘Partnership for Quality Infrastructure’, which aims at collaborating with other countries in building high-quality infrastructure.

Japan has close economic ties with the ASEAN-member countries like Myanmar, a country that also serves as India’s land-bridge to the ASEAN region. Hence Northeast India’s physical proximity to ASEAN has naturally evoked interest from Japan. It is worth noting here that Japan is ASEAN’s third largest trading partner.⁵

Tokyo is already part of various big-ticket infrastructure projects in the rest of India, but this somehow was not the case in the north-eastern region of India, until recently, because of reticence on the part of both India and Japan. However, this has changed now as seen in the host of projects being carried out by the two countries in the region. It also symbolises the growing trust levels between India and Japan as New Delhi has been wary of allowing external parties to invest in India’s northeast, due to its strategic location. In addition, Japan will also be partnering with India to build a 15 MW diesel power plant in the strategically-located Andaman and Nicobar Islands. Even though these islands were under Japanese control for some time during World War II, Japan will be the first and only foreign country to be given access to the Andaman and Nicobar by India.

³ Ministry of External Affairs (India), India-Japan Joint Statement during visit of Prime Minister of Japan to India, 14 September 2017, <http://www.mea.gov.in/bilateral-documents.htm?dtl/28946/IndiaJapan+Joint+Statement+during+visit+of+Prime+Minister+of+Japan+to+India+September+14+2017>. Accessed on 3 March 2019.

⁴ Ministry of Foreign Affairs of Japan, “Confluence of the Two Seas”, 22 August 2007. <https://www.mofa.go.jp/region/asia-paci/pmv0708/speech-2.html>. Accessed on 25 March 2019.

⁵ Dandan Wan, “China and Japan rivalry in ASEAN”, 23 February 2018. http://www.eu-asiacentre.eu/pub_details.php?pub_id=233. Accessed on 6 March 2019.

Conclusion

However, the road ahead is not really a smooth one, given that the terrain in this part of India is difficult, with tall mountains and wide rivers cutting through the region. In addition, the region gets copious amounts of rainfall. Mawsynram in the north-eastern state of Meghalaya is the rainiest place in the world with an annual rainfall of 11,871 millimetres. There could also be problems in coordination between the state governments in this region, the central government and the Japanese government. Hence, the key issue will be to coordinate the efforts and interests of the key stakeholders as New Delhi and Tokyo join hands in the development of infrastructure in India's north-eastern region.

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