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Towards a Future-Oriented India-Japan Partnership

The Prime Ministers of India and Japan have now signed a Memorandum confirming an iconic agreement on civil nuclear cooperation, leaving for the final stretch a legal scrubbing and ratification of the accord by both countries. They have also strengthened their “Special Strategic and Global Partnership” by enlarging the scope of their economic cooperation, and exploring co-development and co-production in the defence sector. Far from drawing any new battle-lines in the Indo-Pacific region, the latest India-Japan annual summit has reinforced the contours of the existing diplomatic landscape and sent out an implicitly reassuring message to China.

P S Suryanarayana¹

A blend of substance and ceremony is increasingly becoming the hallmark of India’s Prime Minister Narendra Modi’s exercises in summit-level diplomacy towards the leaders of major powers of much significance to New Delhi. Viewed in this perspective, Mr Modi’s meetings with Japanese Prime Minister Shinzo Abe in New Delhi and Varanasi from 11 to 13 December 2015 match a few previous summits. Easy to classify in this category are the splendour and substance of Mr Modi’s parleys with Chinese President Xi Jinping in Xian and Chinese Premier

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Li Keqiang in Beijing in May. Memorable, too, are the pomp and politics of United States President Barack Obama's visit to India as the Special Guest at its Republic Day celebrations in January.

Indeed, such an emerging trend-line was evident in the pleasant atmospherics of Mr Xi's visit to Ahmedabad and New Delhi in September 2014, at the height of a non-lethal but very grim standoff between the troops of the two countries in the Ladakh sector of the Line of Actual Control along their disputed border. In a sense, however, Mr Abe's earlier gesture of hosting Mr Modi in Kyoto and Tokyo in August-September of the same year heralded this kind of feel-good summitry in the wake of India gaining a stable government in parliament after a hiatus. Leaders of India and Japan meet regularly under the rubric of formal annual summit meetings between the two countries, in addition to any bilateral meetings on the margins of multilateral conferences on issues in the global commons, such climate change etc.

Mr Modi appeared to have been enchanted by Japan's Buddhist treasures in Kyoto. He now laid out an elaborate Hindu ceremony for Mr Abe along the Ganga River in Varanasi on 12 December 2015 after the two spelt out a "Japan-India Vision 2025" following their talks in New Delhi earlier on the same day. Describing the ceremony in Varanasi as "tremendously magical and beautiful", Mr Abe said he "could feel the wishes for a peaceful life in the prayers of the [assembled] people".² While Varanasi had already been identified as a potential beneficiary of the City of Kyoto's best practices, Japan has indeed commenced "a preparatory survey for Ganga rejuvenation" with focus on "Varanasi and neighbouring cities".³

Weaving a Web of Old and New Links

Looking beyond the "magical" ceremony in Varanasi on this occasion, Mr Abe and Mr Modi must have felt happy that their efforts to weave a web of new and old connections between Japan and India, both neighbours of the ascendant China, do not seem to have ruffled it very much. One reason is surely the relative inability of any major power (China) to influence the

² Japanese Prime Minister's comments, http://japan.kantei.go.jp/97_abe/actions/201512/12article1.html (Accessed on 14 December 2015)

³ Ministry of External Affairs, Government of India, Fact Sheet: India and Japan, Working Together for Peace and Prosperity, http://www.mea.gov.in/bilateral-documents.htm?dtl/26179/Fact_Sheet_India_and_Jap... (Accessed on 14 December 2015)

actions of its determined peers or competitors (Japan and India). Another reason may well be Beijing's resolve to plan its own strategy, without getting ruffled, with an eye on India's burgeoning civil-nuclear market in the present ambience of a global emphasis on clean energy.

Of considerable interest to China are a few key aspects of the Joint Statement issued after the latest Modi-Abe summit, especially those relating to Japan-India defence cooperation. The Joint Statement is known, expansively, as "Japan and India Vision 2025: Special Strategic and Global Partnership: Working Together for Peace and Prosperity of the *Indo-Pacific Region* and the World". (Emphasis added). The "special" nature of this Partnership was actually agreed upon during Mr Modi's visit to Tokyo in August-September 2014 itself.

More important, now, is the latest significant document that Mr Abe and Mr Modi actually signed on 12 December 2015 – "Memorandum concerning the Agreement on Cooperation in the Peaceful Uses of Nuclear Energy". Almost equally important is an agreement signed by India's Foreign Secretary S Jaishankar and Japanese Ambassador to India, Kenji Hiramatsu – the "Agreement concerning transfer of Defence Equipment and Technology Cooperation".

Post-imperial Japan's engagement with Independent India is dotted with a number of projects and initiatives of economic cooperation between the two countries – almost invariably Tokyo being New Delhi's benefactor, except for a more recent reverse flow of some benefits from an increasingly information-technology-savvy India. Viewed through such a prism, the latest memorandum of cooperation on Japanese "financial and technical assistance" for launching the US\$ 12-15-billion Mumbai-Ahmedabad high-speed rail-corridor is but the latest in Tokyo's economic munificence towards India.

Surely, this project, as now finalised, is verily a commentary on the proverbial extra mile that Japan is willing to travel (by high-speed train, as it were) in placing India through its modern paces in its colonial-legacy of the railway sector. India has now decided to deploy Japanese high-speed rail-technology known as *Shinkansen*, almost a by-word for excellence in this domain. The Japanese offer of a package to India in this regard is "a highly concessional loan, with repayment over 50 years, with a 15-year moratorium, at an interest rate of 0.1 per cent". The feasibility study of this project shows that this particular Mumbai-Ahmedabad link could be completed in seven years' time, and Japan has, in principle, agreed to allow a transfer of high-speed rail-technology, too, under Mr Modi's "Make in India" canopy, Jaishankar

indicated.⁴ An interesting sidelight is Mr Abe's confidence in Mr Modi's India. The Japanese leader quipped: "Prime Minister Modi's speed [of work] rivals that of a *Shinkansen* ... his policies can steadily and safely carry forward people and things".⁵

An impressive array of new Japanese-aided projects, proposals and initiatives in various spheres of the Indian economy, including those that could be financed through Tokyo's Official Development Assistance, has been outlined after the Abe-Modi talks on this occasion. These projects, ranging from railways and ports to freight corridors and industrial corridors in India, are expected to fulfil, or even surpass, Mr Abe's earlier commitment of US\$ 35-billion worth of Japanese private and public investments in India over five years from 2014. This commitment was spelt out after the Abe-Modi talks in Tokyo in September of that year. A very India-friendly gesture that Mr Abe made during his visit to New Delhi in December 2015 is that of a US\$ 12-billion contribution towards a Japan-sponsored "Make in India Fund".⁶ Another is Mr Abe's "intention" to establish a "Japan-India IoT Investment Initiative" to spur Indian investments in Japan in the "Internet of Things" (IoT). However, most of these details are of purely bilateral, rather than international, interest.

Full-Spectrum Strategic Interests

A caveat, though, is of Japan's own extraordinary full-spectrum strategic interest in India, in its economic, political and defence sectors. Significantly, Mr Abe's "belief is that a strong India is good for Japan, and a strong Japan is good for India".⁷ Emphasising that Japan and India "share universal values and strategic interests", he said "the two largest democratic countries in Asia working hand in hand for development will lead to peace and prosperity for this [Indo-Pacific] region and the world".⁸

Interestingly, Japan began reaching out to India in the mid-2000s following a frosty phase of Tokyo's angry sanctions on New Delhi for its nuclear-weapons tests in 1998. The reasons were

⁴ http://www.mea.gov.in/media-briefings.htm?dtl/26182/Transcript_of_Media_Briefing... (Accessed on 14 December 2015)

⁵ Same source as in Note 2

⁶ Same source as in Note 4

⁷ Same source as in Note 2

⁸ Ibid

specific on both occasions. In April 2005, the then Japanese Prime Minister, Junichiro Koizumi, who gave an exclusive written interview to this author through diplomatic channels, said: “I recognise that India is stridently emerging as a global power, aided by a robust economic growth, and that it has become a major country essential for peace, stability and prosperity of Asia and beyond. It is good to note that Japan and India are bound by shared values and principles, such as democracy, as well as the convergence of strategic interests. Therefore, Japan and India need each other as a strong, prosperous and dynamic partner”.⁹

Tokyo has a troubled relationship with Beijing now, despite post-imperial Japan’s economic ‘wooing’ of China sometime after the Second World War. Of considerable interest to Beijing and the wider international community, therefore, is Mr Abe’s latest diplomatic outreach towards India, which has a deeply sensitive and somewhat-fragile relationship with China at this time. Two aspects of the latest Abe-Modi summit talks stand out in this perspective: the Memorandum they have signed on Japan-India civil nuclear cooperation, and the new accord relating to defence equipment transfer and related matters.

Given the nuclear-bombing of two Japanese cities in the Second World War, and given post-imperial Tokyo’s sensitivity about military and civil nuclear issues, the latest Japan-India civil nuclear Memorandum can potentially change the diplomatic game in the Indo-Pacific region. Having earlier conceived of the geopolitical “confluence” of Indian and Pacific Oceans, Mr Abe has now chosen to adopt the terminology of an Indo-Pacific region, which will extend from Japan to India and Australia, with China occupying a pivotal position of geo-power.

The potential beneficial spin-off for India from the latest Abe-Modi civil nuclear Memorandum is the possibility of the flow of Japanese knowhow and equipment to the Indian nuclear energy or electricity sector (not to be confused for India’s nuclear-weapons programme). On several inter-related issues, Mr Jaishankar has clarified as follows: “We [India and Japan] have concluded the negotiations ... The two Prime Ministers signed a Memorandum stating that there has been a substantive agreement. ... So [what remain are] the legal scrubbing, the technical details, and then the internal procedures [of ratification in both India and Japan]. ... [T]he Japanese side was assured of the efficacy of the liability solutions that we [the various

⁹ <http://www.thehindu.com/2005/04/29/stories/2005042906481100.htm>

branches of the Indian Establishment] had found earlier in the year [with reference to the liabilities of the various parties concerned in the event of a disaster at a nuclear power plant in India]. ... They [the Japanese negotiators] have seen that ... there is a credible ... market-based mechanism which will address [Japanese] industry concerns ... [On the issue of India's possession of nuclear weapons], we put [it] behind us with Japan's help in 2008 itself when in fact the Nuclear Suppliers Group [a watchdog and an inter-state cartel] decided to make an exception for India [for civil nuclear supplies from anywhere in the world] and Japan supported making that exception. ... So, I do not think the NPT [the Nuclear Non-Proliferation Treaty, which India has not signed] is a particular obstacle to this [India-Japan] negotiation. [On the tracking of the entire nuclear-fuel cycle], we [the Indian authorities] have today [i.e., by now] produced a template which satisfies all major nuclear suppliers [from anywhere in the world]”.¹⁰

It is evident from Foreign Secretary Jaishankar's exposition that India and Japan have now struck *diplomatic synergy* which is necessary but not sufficient for *actual synergy* in this sensitive civil nuclear domain. This sector is sensitive on account of issues of *safety* of the power plants and, more importantly, because of *safeguards* or the prevention of diversion of knowhow and material to nuclear-weapons production. However, both India and Japan reckon that there is a high degree of probability that their latest civil nuclear agreement will be ratified through their respective political processes, given the current 'stability' of the Abe- and Modi-governments. If this process reaches fruition on both sides, two American companies, which have critical links with Japanese firms, will also be able to supply nuclear reactors for use at two planned power plants, one each in Gujarat and Andhra Pradesh states, in India.

In China's Perspective

A logical question in this elaborate context of Japan-India civil nuclear cooperation is whether China is deeply concerned about this development. While some may be surprised at Beijing's cool reaction, the Chinese leaders know that the Japan-India civil nuclear deal is not directed against China's core national interests *per se*. China's Foreign Ministry Spokesman has struck a matter-of-fact line as follows: “[T]he Chinese side always believes that under the premise of

¹⁰ Same source as in Note 4

honouring international nuclear non-proliferation obligations, all countries are entitled to make peaceful use of nuclear energy and conduct relevant international cooperation in a way that uphold the authority and effectiveness of the international nuclear non-proliferation regime”.¹¹ While there is no specific Chinese acceptance of the Japan-India civil nuclear deal, the Spokesman has also not denounced either India or Japan or both in this context. Indeed, China and India, too, are engaged in exploring the possibility of their cooperation in the civil nuclear domain. This was indicated, among a host of other pointers to the future, during Mr Modi’s visit to Xian and Beijing in May 2015. Interestingly, the Chinese Spokesman’s comment on the latest Japan-India civil nuclear Memorandum and Joint Statement includes this reminder that China, too, is active in India’s marketplace: “China and India are also cooperating in the high-speed railway sector. We stand ready to move forward [the] relevant cooperation together with the Indian side”.¹²

The latest defence-related Agreement between Japan and India and the relevant passage in their Joint Statement of 12 December 2015 have *not* been preceded or punctuated by any China-specific comment from Mr Modi of the kind he made during his visit to Tokyo in 2014. On that occasion, he had spoken of the need for *vikaasvaad* (Hindi, for the ideology of enlightened progress) over *vistaarvaad* (Hindi, for the ideology of expansionism) in international relations.¹³ It was clear to those who knew that he was implicitly criticising China for “expansionism”, something he had said earlier, pointedly referring to China, during his electoral campaign that eventually catapulted him to power in India. Against this background, the Chinese Spokesman’s comment on the latest Japan-India defence Agreement is one of selective displeasure rather than concern.

Of no direct interest to China at this time is the fact that Japan has not yet decided to transfer and/or co-produce the high-tech ‘US-2’ amphibious aircraft which is capable of land-sea-use as well as civil-military-use. Equally, an issue of no immediate interest or concern to China is the fact that Japan and India have not so far outlined any specific project for co-development and co-production. Collaborating with Russia, India has already co-developed and co-produced

¹¹ http://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/t1324127.shtml

¹² Ibid

¹³ P S Suryanarayana, ISAS Brief No. 344 – 5 September 2014, Beyond the Japan-India Symphony of Sentiments

Brahmos supersonic cruise missiles. India and the US have also identified some projects for co-development and co-production in the defence domain. Should India and the US co-develop and co-produce some or all aspects of technology for the next-generation aircraft carrier and jet engines, already envisioned as an exploratory proposition, it is possible that China will sit up and take a deep note. At the moment, though, Japan and India, as also India and Singapore, have not laid out, in the public domain, any roadmap for defence-related co-development and co-production. The Japan-India defence cooperation acquires additional meaning in the relatively new context of Japan's recent "Legislation for Peace and Security" – an enactment which Tokyo's critics see as a smokescreen for future "militarisation" of a "pacifist" country.

In these circumstances, the Chinese Spokesman has had this to say on two other aspects of the latest Japan-India defence-related cooperation, as spelt out in their Joint Statement and in their Agreement: "As for the South China Sea-related contents in their Joint Statement, I would like to point out that China respects the navigation and overflight freedom in the South China Sea that all countries are entitled to in accordance with international law. The construction activities that China undertakes on the ... islands and reefs in the South China Sea fall completely within China's sovereignty. They are justified, reasonable and lawful, targeting no country and impeding in no way the freedom of navigation and overflight in the South China Sea. We hope countries outside the region would respect the efforts of regional countries in maintaining peace and stability of the South China Sea, instead of doing the opposite. As for Japan's participation in the [US-India 'Malabar'] military exercises [on a regular basis from now on], China's position is very clear. Relevant countries should not provoke confrontation and create tension in the region".¹⁴

To annotate these Chinese comments with reference to the Japan-India context, it should be noted that Mr Abe and Mr Modi have treated South China Sea as an area of global commons for international commerce and energy supplies. But India and Japan have now stopped well short of Mr Modi's and Mr Obama's "Vision Statement" of January 2015, in which they spoke expansively about taking steps to ensure peace and stability in the Indo-Pacific region inclusive of South China Sea in particular. So, if the Chinese Spokesman's statement cited above is essentially defensive in character, it should also be noted that Japan and India have not really gone on the offensive in their Statement with regard to South China Sea. As for the Chinese

¹⁴ Same source as in Note 11

Spokesman's cautionary note that Japan and India should "not provoke confrontation and create tension" through their collaborative military exercises with the United States, Beijing knows full well that these three countries have already held "episodic" joint exercises under the 'Malabar' category which entails sophisticated war-games. So, if the Chinese Spokesman has not gone beyond a diplomatic soundbite on this issue now, Beijing knows that its own sophisticated military exercises with Russia can also be seen by other countries in similar light. In sum, therefore, India and Japan have, on this latest occasion, managed to widen their relevance to each other and to China, in a manner that reinforces the emerging realities of diplomatic initiatives and political cross-currents, as different from battle-lines, among major powers at this stage.

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