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Asia's Changing Power Dynamics

How Japan and India can Partner for Peace

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The changing global power equations are reflected in new or emerging realities. These include the eastward movement of power and influence; the waning relevance of the international structures the United States helped establish after its World War II triumph; and Asia's rise as the world's main creditor and economic locomotive. While the world is not yet multipolar, it is no longer unipolar, as it had been from the time of the Soviet Union's collapse to at least the end of the 1990s — a period during which America failed to fashion a new liberal world order under its leadership. What we have today is a world still in transition.

Asia, the world's largest and most-populous continent, is also the world's most economically dynamic region. The ongoing power shifts are primarily linked to Asia's phenomenal economic rise, the speed and scale of which has no parallel in world history. How far and rapidly Asia has come up can be gauged by reading the 1968 book, *Asian Drama: An Inquiry Into the Poverty of Nations*, by Swedish economist and Nobel laureate Gunnar Myrdal, who bemoaned the manner impoverishment, population pressures and resource constraints were weighing down Asia. Today, the story of endemic poverty has turned into a tale of spreading prosperity, even though Asia still has many poor people.

Once the economic power structure changes internationally, shifts in military power will inevitably follow, even if in stages. Seen against the ongoing changes, the trans-Atlantic order of the past six decades will have to give way to a truly international order. The new order, unlike the current one founded on the ruins of a world war, will

have to be established in an era of international peace and thus be designed to reinforce that peace. That means it will need to be more reflective of the consensual needs of today and have a democratic decision-making structure. So far, though, the discussion has been on internal democratization of states, not on international democratic decision-making.

Seat of ancient civilizations and home to the majority of the world's population, Asia is bouncing back after a relatively short period of decline in history that had been precipitated by its own internal weaknesses and by European colonial interventions over two centuries. Asia's share of the world's economy, in purchasing power parity (PPP) terms, totaled 60 percent in 1820, at the advent of the industrial revolution, according to an Asian Development Bank study. Asia then went into sharp decline over the next 150 years. Today, it is seeking to regain the preeminence it had for most of 2,000 years before the industrial revolution allowed the West to vault ahead. In other words, what we are witnessing is not Asia's rise, but Asia's reemergence on the world rise.

The shifts in economic and political power indeed foretell a much different world — a world characterized by a greater distribution of power, but also by new uncertainties. As history testifies, tectonic shifts in power are rarely quiet. Such shifts usually create volatility in the international system, even if such instability is short-lived. The new international divisiveness may reflect such a reality. Indeed, with the pace of technological change becoming revolutionary in the past three decades, we live in a world of rapid change. But unlike in past history, the



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qualitative reordering of power now underway is due not to battlefield victories or military realignments but to a peaceful factor unique to the modern world: Rapid economic growth.

The ongoing global shifts in economic power are manifest from the changes occurring in the energy and materials sectors, with the growth in demand moving from the developed to the developing world, principally Asia. Slaking the tremendous thirst of the fast-growing Asian economies and meeting the huge demands of the old economic giants in the West are at the core of the great energy dilemma facing the world in this century. Finding an energy "fix" has become imperative if the Asian and other emerging economies are to continue to grow impressively and if the prosperous countries are to head off a slump. Asia also faces another resource challenge: Growing water shortages. Unlike mineral ores, hydrocarbons and other resources like timber, water cannot be sustainably imported in bulk because the cost is prohibitive.

Asia's challenges

The specter of a power imbalance looms large in Asia. At a time when it is in transition, Asia is troubled by growing security challenges, which are manifest from the resurfacing of Cold War-era territorial and maritime disputes. Asia also symbolizes the global divide over political values. At a time when a qualitative reordering of power is reshaping international equations, major powers are playing down the risk that contrasting political systems could come to constitute the main geopolitical dividing line, potentially pitting an axis of autocracies against a constellation of democracies. The refrain of the players is that pragmatism, not political values, would guide their foreign-policy strategy. Yet regime character constitutes a key element in the geopolitical competition that is in progress.

With the Asia-Pacific region becoming more divided in the face of conflicting strategic cultures, major democracies are likely to be increasingly drawn together to help advance political cooperation and stability through a

community of values. It can hardly be overlooked that China's best friends are fellow autocracies, including pariah states, while those seeking to forestall power disequilibrium in the Asia-Pacific happen to be on the other side of the values-based divide. In that light, political values could easily come to define a new geopolitical divide.

The sharpening geopolitical competition in Asia shows that it was a mistake to believe that greater economic interdependence by itself would improve geopolitics. In today's market-driven world, trade is not constrained by political differences, nor is booming trade a guarantee of moderation and restraint between states. Better politics is as important as better economics.

Moreover, Asia's continued rise is contingent on several factors, not automatically assured. Asia thus must avoid hubris. The world is entering a new phase of globalization. And this new phase is introducing new challenges for Asia.

For example, when one examines natural endowments — such as arable land, water resources, mineral deposits, hydrocarbons, and wetlands — the picture that emerges is not exactly gratifying for Asia. Bounteous natural capital is critical. It is, of course, not the only factor. After all, in the absence of able leadership and good governance, abundant natural resources can even be a curse. But ample natural capital, powered by able leadership and a high level of autonomous and innovative technological capability, is a key factor in achieving national greatness on the world stage. Asia would have been better placed if it had a better balance between population size and available natural resources for development.

Asia's natural allies

Japan and India have cemented a fast-growing relationship between two natural allies. The path has been opened to adding concrete strategic content to their ties, including by building close naval collaboration.

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Although China now has displaced Japan as the world's second biggest economy, Japan will remain a strong power for the foreseeable future, given its \$5.5 trillion economy, Asia's largest naval fleet, high-tech industries and a per-capita income still eight to nine times greater than China's. As Asia's first modern economic success story, Japan has always inspired other Asian states. In fact, Japan's rise as a world power during the Meiji era was widely seen as ushering in an era of Asian resurgence and marking the beginning of the end of the European colonial era.

As for India, its growing geopolitical weight, high GDP growth rate and abundant market opportunities have helped increase its international profile. It is widely perceived to be a key "swing state" in the emerging order. Given the greater political and financial volatility in the world, geopolitical risks today are higher. As a "swing" geopolitical factor, India has the potential to play a constructive role to help mitigate those risks by promoting collaborative international approaches. It is obvious that new thinking and approaches are needed to bridge the Asian fault lines and build great inter-state cooperation and consensus on the larger geopolitical issues.

It has claimed by some in Japan that India is too diverse and thus too complex for a homogenous Japan. Some analysts in Japan have also contended that the main reason Japan and India have good relations is not because they are natural allies but because they are geographically distant and thus not involved in disputes.

First, cultural and social similarity does not necessarily bring states together, as is evident in East Asia and South Asia. Japan, in fact, has been closer to a distant and culturally diverse power, the United States, than to next-door China or South Korea. Second, geographical closeness or distance hardly matters. What matters is whether Japan and India perceive a convergence of key strategic interests. After all, the main drivers of any inter-country relationship are political and strategic interests.

The balance of power in Asia will be determined by events principally in two regions: East Asia and the Indian Ocean. Japan and India thus have an important role to play to advance peace and stability and help safeguard vital sea lanes in the wider Indo-Pacific region, marked by the confluence of the Indian and Pacific Oceans.

The coastal regions of Asia are the economic-boom zones. While nearly two-fifths of the world's population lives within 100 kilometers of a coastline, a much larger portion of Asia's population lives by the coast. Southeast Asia, for example, has 3.3 percent of the global landmass but more than 11 percent of the world's coastline. Asia's coastal boom zones are highly vulnerable to natural disasters, with the 2011 Great East Japan Earthquake and Tsunami serving as a reminder.

The fact is that Asia's booming economies are bound by sea, and maritime democracies like Japan and India must work together to help build a stable, liberal, rules-based order in Asia. As Indian Prime Minister Manmohan Singh told the East Asia Summit (EAS) meeting in Bali in November 2011, Asia's continued rise is not automatically assured but "dependent on the evolution of a cooperative architecture."

Whereas 97 percent of India's international trade by volume is conducted by sea, almost all of Japan's international trade is ocean-borne. As energy-poor countries heavily dependent on oil imports from the Persian Gulf region, the two are seriously concerned by mercantilist efforts to assert control over energy supplies and transport routes. For both Japan and India, the safety and security of sea lanes of commerce and communication is of high importance. The maintenance of a peaceful and lawful maritime domain, including unimpeded freedom of navigation, is thus critical to their security and economic well-being. While India is the largest democracy, Japan is Asia's oldest democracy. In cooperation with other democracies of the Asia-Pacific and by co-opting China, Japan and India could work together to try and promote an Asian community.

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In more recent years, there have been important shifts in the foreign policies of Japan and India. Long used to practicing passive, checkbook diplomacy, Tokyo now seems intent on influencing Asia's power balance by reassessing its traditionally passive security stance and signaling its willingness to play a greater role while staying within the bounds of its Constitution's pacifist provisions. A series of subtle moves has signaled Japan's aim to break out of its post-war pacifist cocoon. One sign is the growing emphasis on defense modernization.

India, for its part, has progressed from doctrinaire nonalignment to geopolitical pragmatism. And India's "Look East" policy has graduated to an "Act East" policy, with the original economic logic of "Look East" giving way to a geopolitical logic. The thrust of the new "Act East" policy — unveiled with U.S. blessings — is to reestablish historically close ties with countries to India's east but also to contribute to building a stable balance of power in Asia.

The important point is that Indian and Japanese foreign policies are evolving in parallel — and in the same direction. The further evolution of their policies in next one decade will bring them more close together. The rise of an increasingly assertive China, of course, has hastened Japan-India cooperation. After all, China has made not-so-subtle efforts to block the rise of Japan and India, including by opposing the expansion of the United Nations Security Council to bring in India and Japan as new permanent members.

India-Japan relations are singularly free of any kind of dispute — ideological, cultural or geopolitical. If anything, the brave role played by an Indian judge, Radha Binod Pal, in the post-World War II Tokyo Trial, in which he gave a dissenting judgment, is fondly remembered by many Japanese. There is neither a negative historical legacy nor any outstanding political issue between them. If anything, each country enjoys a high positive rating with the public in the other state.

The fact is that Japanese and Indian interests converge, not diverge. Not only is there no conflict of strategic interest, the two countries also share common strategic goals in Asia, including the need to build institutionalized cooperation and stability. The mutual affinity between Japan and India, of course, is not new but rooted in history dating back to sixth century A.D. In the contemporary world, Japan and India are not just natural partners, but natural allies whose core strategic interests converge. In this light, they need to move from emphasizing "shared values" to seeking to jointly protect "shared interests."

The evolution of Japan-India political ties

Today, the fastest-growing bilateral relationship in Asia is between India and Japan. That is a positive trend, given the fact that the two countries need to make up for decades of neglect in building a strong, mutually beneficial relationship. Despite each country being viewed positively by the citizens of the other country, there is much room for developing an improved understanding among the peoples of Japan and India so as to promote closer economic, political and business relations.

In spite of their common Buddhist heritage, Japan and India are culturally distinct. Their cuisines, for example, are diametrically opposite. While the Japanese prepare food in a way to maximize natural taste, the Indians love to nicely cook (some would say "over-cook") and spice their dishes.

India and Japan, although dissimilar economically, have a lot in common politically. They are Asia's largest democracies, but with messy politics and endemic scandals. In both Japan and India, the prime minister may not be the most powerful politician in his own party. Fractured politics in Japan and India crimps their ability to think and act long term. Yet, just as India has made the jump to geopolitical pragmatism, Japan — the "Land of the Rising Sun" — is moving toward greater realism in its economic and foreign policies.

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Since Junichiro Koizumi was in office, a succession of Japanese prime ministers has maintained a priority on closer engagement with India — a trend that has continued under the governments of the Democratic Party of Japan (DPJ). India and Japan have since 2006 entered into a “Strategic and Global Partnership.” Earlier in 2000, the “Global Partnership in the 21st Century” was laid by Atal Behari Vajpayee, the then prime minister of India, and the visiting Japanese Prime Minister Yoshiro Mori. The upgraded Strategic and Global Partnership between India and Japan is based on five pillars of cooperation: (i) Political, Defense and Security Cooperation; (ii) Comprehensive Economic Partnership; (iii) Science and Technology Initiative; (iv) People-to-People exchanges; and (v) Cooperation in Regional/Multilateral forums.

A shared vision of Asian peace, stability and shared prosperity, based on democratic values and a commitment to human rights, pluralism, open society, rule of law and sustainable development, underpin the global partnership between the two countries. Since they unveiled their Strategic and Global Partnership” in 2006, their political and economic engagement has deepened remarkably.

Their growing congruence of strategic interests led to the 2008 Joint Declaration on Security Cooperation, a significant milestone in building Asian power stability. A constellation of Asian states linked by strategic cooperation and sharing common interests has become critical to ensuring equilibrium at a time when the ongoing power shifts are accentuating Asia’s security challenges. The Joint Declaration on Security Cooperation was signed during Prime Minister Manmohan Singh’s visit to Japan in October 2008. An “Action Plan” to advance the Security Cooperation Declaration was unveiled in December 2009 during Japanese Prime Minister Yukio Hatoyama’s visit to New Delhi.

It is important to note that the 2008 Joint Declaration on Security Cooperation was modeled on Japan’s 2007 defense-cooperation accord with Australia — the

only country with which Tokyo has a security-cooperation declaration. Japan, of course, is tied to the United States militarily since 1951 through a treaty that was designed to meet American demands that U.S. troops remain stationed in Japan even after the American occupation ended. Today that treaty — revised in 1960 — is a linchpin of the American forward-military deployment strategy in the Asian theater.

The India-Japan security agreement, in turn, spawned a similar India-Australian accord, which was signed when Australian Prime Minister Kevin Rudd traveled to New Delhi in November 2009. The Indo-Japanese and Indo-Australian security agreements have added two additional pillars to the idea of building quadrilateral strategic cooperation among the four major democracies in the Asia-Pacific region — Australia, India, Japan and the U.S. Of course, Australia, Japan and the U.S. have a trilateral strategic-dialogue mechanism.

India, Japan and the U.S., for their part, held their first trilateral naval maneuvers near Tokyo in April 2007, and the three then teamed up with Australia and Singapore for major war games in the Bay of Bengal five months later. Furthermore, the close coordination that was established among the Indian, Japanese, Australian and U.S. military contingents in rescue operations triggered by the December 2004 Indian Ocean tsunami has helped spawn a disaster-relief mission in their relationships.

The launch of trilateral strategic consultations among the United States, India and Japan from late 2011, and their decision to hold joint naval exercises periodically, signals efforts to form an entente among the Asia-Pacific region’s three leading democracies. These efforts also have been underscored by U.S. President Barack Obama’s new strategic guidance for the Pentagon, issued in January 2012. The new U.S. strategy calls for “rebalancing toward the Asia-Pacific” and support of India as a “regional economic anchor and provider of security in the broader Indian Ocean region.”

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Growing trade, investment and technology cooperation

A free-trade accord between Japan and India, formally known as the Comprehensive Economic Partnership Agreement (CEPA), has entered into force just in August 2011. By covering more than 90 percent of the trade as well as a wide range of services, rules of origin, investment, intellectual property rights, customs rules and other related issues, CEPA promises to significantly boost bilateral trade, which remains small in comparison with Japan's and India's trade with China. At a paltry \$15 billion, the bilateral trade in 2010 was less than 5 percent of Japan's commerce with China.

But now trade is picking up momentum. CEPA is the most comprehensive of all the free-trade agreements concluded by India. Japanese companies are increasingly viewing India as a long-term play, with a large and youthful population set to drive growth in coming years. As former Japanese Prime Minister Shinzo Abe told his Indian audience in a New Delhi speech in the fall of 2011: "The Japanese need your market and human power; the Indians need our technology and investment." Such is the potential to expand economic cooperation that it has been said that the sky is the only limit.

In response to China's use of its monopoly on rare-earths production to punitively cut off such exports to Japan during the fall of 2010, Japan and India have agreed to the joint development of rare earths, which are vital for a wide range of green energy technologies and military applications. Deng Xiaoping remarked in 1992 that while "the Middle East has oil, China has rare-earth minerals," implying that Beijing could leverage international supply of rare earths the way the Organization of the Petroleum Exporting Countries has sought to do so with oil.

The governments of Japan and India have pledged to assist the joint enterprise between Japanese corporations and the state-run India Rare Earth Limited in achieving progress on joint production of rare earths. The Joint Statement issued by the two

countries during Japanese Prime Minister Yoshihiko Noda's New Delhi visit in December 2011 said: "Recognizing the importance of rare earths and rare metals in industries of both countries, the two Prime Ministers decided to enhance bilateral cooperation in this area by enterprises of their countries. They decided that Indian and Japanese enterprises would jointly undertake industrial activities to produce and export rare earths at the earliest."

India has been the largest recipient of Japan's Official Development Assistance (ODA) since 2003-04, when it overtook China, which long had benefited from generous Japanese aid. Today, all the major city-subway projects in India (the Delhi, Kolkata, Chennai and Bangalore metros) have an important component of Japanese ODA. In fact, ODA to India is expected to go up further with the Japanese commitment to fund the entire Dedicated Freight Corridor (West) project, the Delhi-Mumbai Industrial Corridor (DMIC), and a high-speed railway project.

Japan is working closely with India to build a 1,483-kilometer industrial corridor stretching from New Delhi to the financial hub of Mumbai in the west. This corridor is likely to help transform India's economic landscape and give its choked, teeming cities room to breathe. The corridor includes plans for 24 new cities. As a project involving an investment of more \$100 billion, DMIC has been conceived as a global manufacturing and trading hub, to be supported by world-class infrastructure.

In late 2011, noting the significant progress in the corridor project and India's contribution of a 175 billion rupee fund for development of trunk infrastructure, Prime Minister Noda announced his government's intention to make available Japan's public and private finance totaling 4.5 billion dollars in the next five years for the DMIC project. Prime Minister Noda also pledged that the government of Japan would extend loans totaling 134.3 billion yen to two new Indian projects, namely, the "Delhi Mass Rapid Transport System Project Phase III" and the

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"West Bengal Forest and Biodiversity Conservation Project."

India is already beginning to emerge as a favored destination in Asia for Japanese foreign direct investment (FDI). Japanese FDI into India has mainly been in automobile industry, electrical equipment, trading, and telecommunications sector. Japan currently ranks the sixth largest in cumulative FDI flows into India. Japanese companies had made actual investments of \$4.63 billion in India (4% of total FDI inflows) between April 2000 and November 2010. Now, Japanese investment flows to India are increasing, and expanding to new sectors.

Modest technology cooperation between Japan and India began after a formal science and technology agreement was signed in November 1985. To implement that accord, the India-Japan Joint Committee (IJJC) on Cooperation in S&T was set up. However, India's 1998 nuclear tests resulted in Japan severely restricting fresh scientific cooperation and imposing technology sanctions on New Delhi, along the lines of those clamped by the U.S. and the European Union. But while the United States and Europe started easing their various sanctions against India within a couple of years of the nuclear tests, Japan took much longer to follow their lead.

In recent years, as bilateral trade and investment have taken off, the Japanese government, business and academia have revived interest in technology cooperation with India. In fact, science and technology collaboration is an important component of the Japan-India Strategic and Global Partnership, whose roadmap was unveiled during Prime Minister Abe's 2007 visit to New Delhi.

The India-Japan Science Council, established some 15 years ago, remains an important vehicle to promote S&T cooperation between the two countries. In addition, a 2006 memorandum of understanding (MOU) between the Japan Science and Technology Agency (JST) and India's Department of Science and technology (DST) has initiated a new program to jointly fund Indian-Japanese joint research projects in mutually

agreed fields to achieve world-class scientific results.

India and Japan have S&T capabilities that complement each other. India has a large pool of scientific manpower and excellent scientists who can collaborate with their Japanese counterparts for the advancement of science, while Japanese technology can help accelerate technological development in India. Also, S&T cooperation can serve as the building blocks of long-term successful industrial and economic cooperation between India and Japan.

However, not all obstacles to high-technology trade have been dismantled. Through the consultation mechanism they have established, the two countries need to address pending matters relating to export-control systems to facilitate bilateral high-technology trade.

New impetus to strategic and defense ties

Today, the level and frequency of India-Japan official engagement is extraordinary. The two countries are also beginning to add strategic content to their relationship, as underlined by their agreement to start holding joint naval exercises from 2012. This is just one sign that they now wish to graduate from emphasizing shared values to seeking to jointly protect shared interests.

It has been rightly said that the Japan-India relationship has the largest potential for development of any bilateral relationship anywhere in the world. Both Tokyo and New Delhi agree that a strong India is in the best interest of Japan, and a strong Japan is in the best interest of India.

The two countries are committed to hold an annual summit meeting of the prime ministers. More important, Japan and India now have a series of annual minister-to-minister dialogues: a strategic dialogue between their foreign ministers; a defense dialogue between their defense ministers; a policy dialogue between India's commerce and industry minister and Japan's minister of economy, trade and industry; and separate

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ministerial-level energy and economic dialogues.

Supporting these high-level discussions is another set of talks, including a two-plus-two dialogue led jointly by India's foreign and defense secretaries and their Japanese vice-minister counterparts, a maritime security dialogue, a comprehensive security dialogue, and military-to-military talks involving regular exchange visits of the chiefs of staff.

To top it off, Japan, India and the U.S. have initiated a trilateral strategic dialogue, whose first meeting was held in Washington on December 19, 2011. Getting the U.S. on board can only bolster the convergences of all the three partners and boost India-Japan cooperation. As Japanese Foreign Minister Koichiro Gemba put it in late 2011, "Japan and the U.S. are deepening a strategic relationship with India," and the trilateral dialogue is "a specific example of collaboration" among the three leading Asia-Pacific democracies.

Besides agreeing to strengthen cooperation in the field of maritime security including counter-piracy operations, Japan and India have now chalked out plans for periodically holding joint naval exercises between the Maritime Self-Defense Force of Japan and the Indian Navy. For example, it was agreed that in 2012, naval vessels of both countries will make mutual visits and MSDF aircraft will also visit India. Bilateral exercise will be carried out on these occasions. The decision to hold their first-ever joint air force exercise in 2012 was taken during Indian Defense Minister A. K. Antony's visit to Tokyo in November 2011. Such naval and air exercises, when conducted on a periodic basis, will help elevate bilateral defense cooperation to the role of a primary national-security tool.

As the Japan-India Joint Statement of December 2011 recorded, "Recognizing the growing security and defense cooperation between the two countries, the two Prime Ministers welcomed the bilateral exercise between the Indian Navy and the Japan Maritime Self-Defense Force to be held in

2012 ... The two Prime Ministers reaffirmed the commitment of India and Japan, as two maritime nations in Asia, to the universally-agreed principles of international law, including the 1982 United Nations Convention on the Law of the Sea (UNCLOS) and other relevant international maritime law. They affirmed expansion of cooperation in maritime security including safety and freedom of navigation and anti-piracy activities, by promoting bilateral and multilateral exercises, and through information sharing, as well as dialogues. In this context, they also welcomed the joint exercise between the Indian Coast Guard and the Japan Coast Guard to be held in January 2012."

In addition, they have agreed to implement joint training for humanitarian assistance and disaster relief and to speed up negotiations on an Agreement for Cooperation in the Peaceful Uses of Nuclear Energy. After the 2005 U.S.-India civil nuclear deal, a similar deal between Japan and India has become necessary for a major expansion of the commercial nuclear power program in India. After all, American and European reactor builders, including General Electric, Westinghouse and Areva, source many of their critical components from Japan.

Looking ahead

Japan and India need to strengthen their still-fledgling strategic cooperation by embracing two ideas, both of which demand a subtle shift in Japanese thinking and policy. One is to build interoperability between their naval forces. These forces — along with other friendly navies — can undergird peace and stability in the Indo-Pacific region.

As former Japanese Prime Minister Abe put it in his speech in New Delhi, the aim should be that "sooner rather than later, Japan's navy and the Indian navy are seamlessly interconnected." Presently, Japan has naval interoperability only with U.S. forces.

Another idea is for the two countries to co-develop defense systems. India and Japan have missile-defense cooperation with Israel and the U.S., respectively. There is no rea-

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son why they should not work together on missile defense and on other technologies for mutual security. Their defense cooperation must be comprehensive and not be limited to strategic dialogue, maritime cooperation, and occasional naval exercises.

There is no ban on weapon exports in Japan's U.S.-imposed Constitution, only a longstanding Cabinet decision, which in any event was relaxed in late 2011 just before Prime Minister Noda left for his India visit. That decision, in fact, related to weapons, not technologies. It dated back to 1967, when Japan established its so-called "three principles" prohibiting arms deals with Communist countries, or countries subject to United Nations sanctions, or countries embroiled in international conflicts. Several years later, Japan tightened the principles in 1976 into a de facto ban on all arms exports, although in 1983 it exempted exports of weapons technology to the U.S.

The relaxation of the 1967 Cabinet decision in late 2011 was designed to boost Japan's ailing defense companies and create new opportunities for international projects. The change reflected concern in Tokyo that Japan has fallen behind in weapons development, with its major companies unable to mass-produce and sell their technology abroad. The relaxation — welcomed in Washington — allows Japan to take part in joint development projects on everything from fighter jets to missile defense systems. It also allows Japan to export military equipment for humanitarian purposes.

Tokyo and New Delhi must take their partnership to a higher level by drawing up new collaboration and investing in closer economic and strategic bonds. The defense cooperation with India, although still fledgling, is important for Japan not only because of its national-security benefit, but also because it helps broaden its strategic horizon beyond its immediate neighborhood. Such defense cooperation with India also can allow Japan to look beyond its longstanding security reliance on the United States. The joint naval and air exercises with India thus are a testament to Japan's broadening security approach.

Slowly but surely, Japan and India are laying the groundwork for the type of close, mutually beneficial military cooperation that has long characterized Japan's relationship with the United States. The path has been opened to establishing cooperation that extends beyond joint initiatives on maritime security, counterterrorism, counterproliferation, disaster management and energy security.

In the future, Japan and India could think of even signing a mutual security treaty, under whose unpublicized terms if either country comes under military attack, the other will be obligated to come to its aid. But such a pact will be possible only if Japan first amends Article 9 of its Constitution — a difficult proposition at present. Although India's Constitution was drafted by Indians after independence and Japan's Constitution was drafted and imposed by the U.S., Japan has not amended its Constitution even once, while in the same period India has enacted at least 114 amendments to its Constitution.

In this light, Japan and India must at present concentrate on what is practical. Building interoperability between their naval forces, for example, is within the ambit of what is possible for the two countries to do. Building true military interoperability, however, may not be easy in view of their forces' different weapon systems and training. Yet, given that no formal military alliance is sought to be established, limited interoperability may mesh well with their political and security objectives. Military contingents of the two countries already work closely in the United Nations Disengagement Observer Force (UNDOF) on the Golan Heights, thus serving as an example of how the Japanese and Indian militaries can collaborate bilaterally.

The Japanese navy is engaged in anti-piracy operations in the western rim of the Indian Ocean. In fact, Japan now has a small naval base at Djibouti in support of its anti-piracy operations off the Horn of Africa coast — its first overseas base after World War II. Indian and Japanese naval ships must seek to meet more often in international waters for

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joint security drills, including operating in formations. The Indian navy could also take advantage of the new Japanese base at Djibouti. The base is strategically located near the airport in the capital, Djibouti City. In return, the Japanese navy could send officers and ships on regular visits to India's tri-service base in the Andaman and Nicobar Islands, which overlook the Strait of Malacca.

More broadly, given their commonality of interests, Japan and India must work closer together to encourage the evolution of the East Asia Summit (EAS) into a forum that can build common norms and values in Asia and promote cooperation on maritime issues and peace and stability. They also need to work together on other issues of common interest.

This includes the reform of the United Nations Security Council and other international institutions that were fashioned by the victors of World War II. By working together, Japan and India should seek to make the 20th-century international institutions and rules more suitable for the 21st-century world. As two legitimate aspirants to new permanent seats in the UN Security Council, India and Japan must work together to persuade existing veto holders to allow the Council's long-pending reform. They could try to convince China that Asian peace and stability would be better served if all the three major powers in Asia are in the Council as permanent members.

India and Japan also share common approaches on several Asian issues, including those that relate to Myanmar, North Korea, China, and the Afghanistan-Pakistan belt. So, they must cooperate more closely on these issues. On climate change negotiations, Japanese and Indian positions may not be fully in sync. Yet, while acknowledging their differences in the international negotiations, the two countries can strengthen bilateral cooperation on climate-change adaptation and mitigation.

The imperative for closer Japanese-Indian strategic and economic collaboration is being underlined by major geopolitical devel-

opments, including China's rapid accumulation of power, its expansive claims in the South China Sea, its refusal to accept the median line in the East China Sea, and the erosion in America's hegemonic power. The U.S. no longer can do things on its own; it needs not only its traditional allies but also new partners.

China covets primacy in the South China Sea, the meeting point between U.S. and Japanese forces in the Pacific Ocean, and between Indian and U.S. forces in the Indian Ocean. If China prevails in establishing primacy the South China Sea, it will cut off the convergence of other forces from the Western Pacific and the Indian Ocean. Washington's decision to base U.S. Marine forces in Australia is thus intended to allow these forces to bypass the contested waters of South China Sea and yet outflank China.

If China, India and Japan constitute a strategic triangle in Asia — a scalene triangle with three unequal sides — with China representing the longest side, Side A, India Side B and Japan Side C, the sum of B+C will always be greater than A. If this strategic triangle is turned into a strategic quadrangle with the addition of Russia, it will create the ultimate strategic nightmare for China that will box in that country from virtually all sides. Japan plus Russia plus India, with the U.S. lending a helpful hand, will extinguish not only any prospects of a Sino-centric Asia, but would amount to a strategic squeeze of China.

However, it will be simplistic to see Japanese-Indian cooperation one-dimensionally as aimed at countervailing China's growing might. Beijing itself is pursuing a range of bilateral and multilateral initiatives in Asia to underpin its strategic objectives and help shape Asian security trends — from weapon sales to countries stretching from Iran to Indonesia and port-building projects in the Indian Ocean rim, to the Shanghai Cooperation Organization and strategic corridors through Pakistan and Myanmar.

Against this background, few can begrudge the efforts of Asia's two largest and most-established democracies to work together.

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Never before in history have China, India and Japan been all strong at the same time. Today, they need to find ways to reconcile their interests in Asia so that they can peacefully coexist and prosper. But there can be no denying that these three leading Asian powers and the U.S. have different playbooks: America wants a unipolar world but a multipolar Asia; China seeks a multipolar world but a unipolar Asia; and India and Japan desire a multipolar Asia and multipolar world.

Still, the discussions among the U.S., Japan, and India are aimed at strengthening trilateral coordination. Over time, this trilateral initiative could become quadrilateral with Australia's inclusion. A parallel Australia-India-US initiative, however, is likely to precede the formation of any quadrilateral partnership, especially in view of the earlier failure to launch such a four-party coalition.

In view of America's dire fiscal challenges, the Obama administration has announced plans for a leaner military and greater reliance on regional allies and partners. This demands that the U.S. transcend its Cold War-era hub-and-spoke system, whose patron-client framework is hardly conducive to building new alliances (or "spokes"). India for example, cannot be a Japan to the U.S. Indeed, the U.S. has worked to co-opt India in a "soft alliance" devoid of treaty obligations.

The hub-and-spoke system, in fact, is more suited to maintain Japan as an American protectorate than to allow Japan to contribute effectively to achieving the central U.S. policy objective in Asia: a stable balance of power. A subtle U.S. policy shift that encourages Tokyo to cut its overdependence on America and do more for its own defense can more effectively contribute to that equilibrium. Such a shift is likely to be dictated by the U.S. imperative to cut defense expenditure further, in order to focus on the comprehensive domestic renewal needed to arrest the erosion in its relative power. If the U.S. is to rely less on prepositioned forward deployments and more on acting as an offshore balancer, it will need to make fundamental changes in its post-1945 security

system.

Japan and India, for their part, should remember that the most-stable economic partnerships in the world, including the Atlantic community and the Japan-U.S. partnership, have been built on the bedrock of security collaboration. Economic ties that lack the support of strategic partnerships tend to be less stable and even volatile, as is apparent from Japan's and India's economic relationships with China.

Through close strategic collaboration, Japan and India must lead the effort to build freedom, prosperity and stability in the Indo-Pacific region. Their deepening cooperation can help to strengthen maritime security in the Indo-Pacific region — the world's leading trade and energy seaway — and shape a healthy and stable Asian power equilibrium.