

The Japan-India New Partnership

Mr Yasukuni Enoki

INTRODUCTION

I wish to begin by sketching Japan's growing interest towards India in all respects.

In March 2004, I went back to Japan to participate in the Japanese Heads of Missions Meeting for Asia. The highlight of the meeting was the choice of "Emerging India" as the main subject of discussions, which, to my knowledge, was the first time for such a meeting. Some 30 Japanese ambassadors of the region deliberated upon this topic from various angles, such as India's "Look East" policy viewed from the Association of South East Asian Nations (ASEAN) perspective, a comparative analysis of the economic growth models of India and China, and the strength of the Indian information technology (IT) industry in relation to the US outsourcing drive, among many others. After the meeting, in keeping with the usual practice, a dialogue was also arranged with the Japanese Prime Minister, the Liberal Democratic Party, and Japanese business representatives, respectively. Here again, the entire attention was focused upon India and China.

The *Asahi Shimbun*, one of the representatives of high quality newspapers in Japan, has been publishing since 2003 a series of feature articles about India and China, under the sub-title of "Dragon vs Elephant". In addition to this, many other articles and reports have appeared in the Japanese media, introducing India's economic dynamism and its social and political effects. The Goldman Sachs Brazil, Russia, India and China (BRICs) report, which has forecasted India's ascendance as the number three economic power of the world by 2050, may also have had a certain impact on the Japanese media attention towards India.

The shift in Japanese Overseas Development Assistance (ODA) policy may have added another effect to stimulate the public

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interest in India. In March 2004, I have signed the exchange of notes for extension of ODA loan assistance worth more than one billion US dollars (equivalent to about 125 billion yen) to the Indian Government, thus upgrading India as the number one recipient of Japanese ODA, surpassing China, which has been holding that position for many years.

The unexpected results of the latest Lok Sabha polls also naturally provided Japanese media with precious ingredients to feed the reader's appetite. Some newspapers, in their over-enthusiasm, even reported Mrs Sonia Gandhi as the new Prime Minister. Though diversified in their respective views, the main essence of major Japanese media reports can be summarised in three points. The first point relates to the reasons of the unexpected poll results. They raised two points in this respect, the first being a revolt by the poor against the "Shining India" campaign and a counterbalancing reaction against the rising power of Hindutva. The second point is an observation that the economic and diplomatic policy of the new Government would basically remain more or less on the same lines, since the existing policy line had also been initiated by the Congress Government in the early 1990s. The third and most important point is an expression of high appreciation for the proper functioning of democracy in India, and the belief that the Indian way can be a good lesson for other countries of the "South" to follow.

"UPS AND DOWNS" OF THE BILATERAL RELATIONS

Before moving to the point of a new positioning of India in the Japanese diplomacy, it may be worthwhile to briefly touch on the ups and downs in our relations to this date.

The first and brightest period in Indo-Japan relations was the period from India's independence till 1961. This period was initiated by the arrival, in 1949, of a female elephant named 'Indira', which was gifted by Prime Minister (PM) Jawaharlal Nehru in response to fervent requests by Japanese children. Upon its arrival in Japan, 'Indira' made a 3500 kilometre long *Yatra* from Tokyo to Hokkaido, visiting virtually every city on the way and lifting up the spirits of demoralised people who were severely devastated by the war. 'Indira' peacefully completed her 64 years of life in 1983. In 1957,

PM Nobusuke Kishi made an official visit to India, which was the first by a PM of Japan. His speech made at the Lal Qila in Old Delhi, to tens of thousands of Indian audience, was translated from Japanese to Hindi. This visit was reciprocated by Mr Jawaharlal Nehru in the same year. Then, in the year 1960, the Japanese Crown Prince and Princess, who are the current Their Majesties Emperor and Empress, made an official visit to India. In 1961, another visit was made by PM Hayato Ikeda. However, Mr Ikeda was reportedly a little disappointed at not receiving a good response to his wooing of India for closer economic ties, as India had already assumed a socialist economic policy by then.

The period during the 1960s and 1970s was marked by a lull in our bilateral relations. No spectacular events were recorded except for Mrs Indira Gandhi's visit to Japan in 1969. An opportunity to give further momentum to our relations was lost.

We had to wait for another 23 years before the next visit by a Japanese PM took place in 1984, when PM Y Nakasone visited India. I myself joined this visit as an official in charge of development assistance. While Mr Nakasone was well known as a political leader with a strategic vision, he recognised the strategic importance of India. After Mr Nakasone's visit, PM Rajiv Gandhi visited Japan three times during the 1980s, thus revitalising our relations.

Though this trend was sustained in the 1990s, regrettably the Indian nuclear tests in 1998 froze our relations, which eventually melted only after PM Y Mori's visit to India in 2000. PM Vajpayee made a return visit to Japan in 2001, when both sides announced a joint declaration to consolidate the Japan-India Global Partnership.

This is a rough sketch of our post-war bilateral relations. While there have been ups and downs, India has been regarded by Japan more or less as a local power, always hyphenated with Pakistan. But I believe that now it is time for Japan to position India on a different paradigm and establish a new relationship, with a clear recognition that India is one of the three major powers of Asia, together with Japan and China. In this sense, there should be a clear distinction between our relations in the past and those in the future.

A NEW POSITIONING OF INDIA

India is one of the three major powers of Asia. This is a self-explanatory fact. The size of its population, its military strength and its economic might are among the many other criteria that prove this. India enjoys the third largest gross domestic product (GDP) in Asia. The combined GDP of Japan, China and India constitutes six trillion US dollars out of the total Asian GDP of seven trillion US dollars.

Let me elaborate more about the need for a new positioning of India in Japan's Asian diplomacy. What are the changes that have taken place in India between the past and the present? There are changes on the Indian side as well as on the Japanese side.

To begin with the changes on the Indian side, the first change is her high economic profile and, more importantly, the future prospect of a robust economic growth. While a little less than six per cent annual economic growth of India in the 1980s and 1990s is already an encouraging performance, India is now believed to be entering into a higher economic growth phase, possibly with a seven to eight per cent annual growth rate. Various attempts to legislate an outsourcing ban in the US Congress are paradoxically demonstrating India's high competitiveness and technological standard in the information technology (IT) industry. The Goldman Sachs' BRICs report impressed us with its forecast of the world economy in 2050, wherein India is expected to become the third largest economic power in the world, only after China and the USA, surpassing Japan as the fourth largest. India's approach towards ASEAN under its 'Look East Policy' has also contributed to making the psychological distance between Japan and India much closer, and fostering the sentiment that "My neighbour's neighbour is also my neighbour".

The second is a paradigm shift in Indian diplomacy. We observe that India is now attempting to shift in her diplomatic stance of a 'labour union leader' to that of an 'executive of the world management' status. The demise of the Cold War has drastically changed the structure of the international community.

The erstwhile Soviet Union, with which India had special relations, has collapsed. Besides, the Non-Aligned Movement (NAM) has also lost its significance with the dissolution of the East-West confrontational structure. India may now be more interested in joining in the world management rather than claiming to be a non-alignment leader outside of the executive room. Under the Cold War structure, there was a psychological fence separating Japan from India, which was standing on the other side, namely, a non-alignment leader vs a western ally, or a friend of the erstwhile USSR vs a friend of the US. Now, this invisible fence between our two countries has disappeared, and both of us have much in common to collectively discharge our responsibility for the stability and prosperity of Asia and the world.

At the same time, there have been changes on the Japanese side as well. The first of these is the return of Japan to Asia. As the only developed nation in the region, Japan has been engaged, over many decades, in developing relations with the rich countries' club, and overcoming trade frictions with the USA and other developed countries. Benchmarks of this process were, for example, Japan's entry into the Organisation for Economic Cooperation and Development (OECD) in 1964, and participation in the launching of the Industrial Countries Summit in 1974, followed by numerous trade frictions with the USA and the European Union (EU) in various industrial sectors such as semiconductors, automotives, finance, and so forth. Though this process has been uneven, Japan could harmonise its economic system more or less with the global system by the early 1990s, thus overcoming external trade frictions. Parallel with this development, Japan has also strengthened inter-dependent relations with the emerging East Asian economies. The volume of Japan's two-way trade with East Asia exceeded its trade volume with North America, and currently Japan is engaging itself in the Free Trade Area (FTA) networking exercise, which is rapidly linking respective countries of the region. This enhanced regional cooperation can be seen not only in the economic fields but also in the politico-security areas such as the development of ASEAN Regional Forum (ARF) dialogue. Thus, Japan has returned to Asia.

Besides this, the scope of Asia for Japan has also undergone a change. For many decades, Asia has been, to the Japanese mind, almost identical with East Asia, roughly covering the area until the Arakan Mountains in Myanmar. South Asia has been somewhat of a different world. The globalisation process is gradually unifying more and more Asian economies into one single entity. The India-ASEAN FTA networking is a good example. Today, it has also become meaningless to consider the Asian economy without taking into account the huge Indian market. Turning to regional security, the proliferation of nuclear technology from Pakistan to North Korea has convinced us of the need to consider the issue of regional security with the perspective of Asia as a whole. The dispatch of Japanese Self Defence Forces vessels to the Arabian Sea for providing logistical support to peace keeping operations activities in Afghanistan has also reminded us of the fact that, west-bound beyond the Malacca Strait, India is the only country with a reliable navy. Thus, Asia for us now literally means the entire Asia, including of course India, as well as other South Asian countries.

These factors amply justify the new positioning of India in Japan's Asian diplomacy.

AREAS FOR THE NEW JAPAN-INDIA PARTNERSHIP

The first area is to deepen dialogue and make earnest efforts to share views on all important issues concerning the region, because this is the very foundation for the two countries responsible for the stability and prosperity of Asia to discharge their roles in close collaboration with each other. The prerequisite for achieving this is to constantly maintain a high-level political dialogue, preferably at the Prime Ministerial level. Since the last summit-level visit was made by the former PM AB Vajpayee in 2001, the next visit should be by the Japanese side. It is expected that PM J Koizumi would make this visit at the earliest possible opportunity, and bring with him a clear political message to strengthen our bilateral relations.

The second item should be the United Nations (UN) Security Council Reform. It is needless to state here again that the existing

size and composition of the Security Council does not fairly reflect the reality of the international community, which is presently composed of almost 200 countries. Accordingly, the imperative is to increase the number of both permanent and non-permanent members of the Council. The majority view of the international community is that countries such as Japan, Germany, India and Brazil are natural candidates for permanent membership, as and when the Security Council is enlarged in size. In fact, it is undeniable that both Japan and India are making a considerable contribution in every respect towards the fulfillment of the UN's cause. It is, therefore, unfair to exclude Japan, which shares 20 per cent of the total UN budget, as well as India, whose population of 1.1 billion constitutes one-sixth of the total world population. These are only a few of the many other criteria justifying the entry of Japan and India as permanent members of the UN Security Council. It is envisioned that the UN reform exercise would gather more and more momentum towards next year, though many uncertainties still exist. Thus, I believe, it is time for both of us to work together closely to make a breakthrough to this end. This is why Japan proposes for the UN consultations to be held at senior officials' level, and India is reacting positively to this.

The third point pertains to defence cooperation. Japan certainly attaches great importance to the security of the Indian Ocean sea-lanes on which Japan depends for 90 per cent of its crude oil imports from the Gulf area. Besides this, Japan's peace keeping cooperation in the Middle East region such as in Afghanistan and Iraq has given another significance to the Indian Ocean. It is noteworthy that Japan has dispatched, over the last two and a half years, a total of some 36 maritime defence forces vessels to the Arabian Sea for providing logistical support. Once the Japanese vessels cross the Malacca Strait and navigate westbound, they find that India is literally the only country that has a reliable navy. Thus defence cooperation, in particular navy-to-navy cooperation, has been strengthened in the past few years. In May 2003, Mr Ishiba made an official visit to India, which was the very first visit by an incumbent Defence Minister of Japan. This triggered off various military-to-military exchanges between the two countries. As part of this process, the Japanese Defence Vice-Minister,

Mr Moriya, also visited India recently to hold consultations with his counterparts.

The "Alendra Rainbow" incident has convinced Japan of the need for closer coast guard-to-coast guard cooperation. In 1999, a cargo ship named "Alendra Rainbow" was seized by pirates in the Malacca Strait along with 7000 tons of aluminium ingots on board. However, this ship was very luckily captured by the Indian Coast Guards soon after. Since then, the two Coast Guards have been undertaking friendly joint exercises once a year.

The fourth area of cooperation should be nuclear non-proliferation. After the Indian nuclear tests, our bilateral relations experienced a rather difficult time. With the Nagasaki and Hiroshima atomic bomb tragedy in its national memory, Japan will continue to flag the Non Proliferation Treaty (NPT) and Comprehensive Test Ban Treaty (CTBT) and appeal to India for its acceptance, while being well aware of the Indian position. I believe, however, that both of us should not just confine ourselves to only exchanging our respective principle positions in this regard. A good common ground should be found between Japan's bare minimum request and India's maximum offer. I believe that key elements for such a common ground should be a moratorium on nuclear tests, as well as non-proliferation. If we could identify such a common ground, we can pursue cooperation with each other in the area of non-proliferation. The horrible case of nuclear technology proliferation from Pakistan to North Korea has taught us the pressing need to undertake non-proliferation cooperation in Asia. India should be an indispensable partner for Japan in this venture. The proposed consultations by export-control experts between India and Japan will only serve as the beginning of a series of mutual cooperation measures in this field.

The fifth area is to outline together a future picture of the Asian economic system where FTA networks are being set up among many economic players of the region. While the ASEAN is playing the hub function of this network, time has come for both of us to explore the feasibility of FTA between the largest Asian economy and the third-largest one.

JAPAN, CHINA AND INDIA

At a press conference held a couple of months ago, I had defined two thoughts the first that Japan should establish a new partnership with India with a clear recognition that India is one of the three major countries of Asia, together with Japan and China; and second that Japan's Asian policy should be structured by two vectors, namely, North to South "East Asia cooperation", and East to West "cooperation among Japan, China and India". Given that Japan, China and India are the three major countries of Asia, it seems to me a logical consequence to hold and deepen dialogue and cooperation among these three who should share the prime responsibility for the stability and prosperity of the region. As you may be aware, this statement evoked vivid reactions from various corners of Asia including not only Delhi but also Singapore and Beijing. I believe that these reactions prove the existence of a mature environment for all of us to consider seriously this possibility. Some of the print media used as a headline an expression "Japan, China, India Axis". The term "Axis" is a very misleading word, commonly associated with World War I or World War II type of coalition of nations. Of course, this is not what I described.

It is rather strange, to my mind, that there exists no dialogue forum for these three major countries to exchange views and discuss together all the important issues concerning the region. To name a few, regional security matters, weapons of mass destruction (WMD) non-proliferation, prevention of piracy against ocean cargo, and FTA networking are among many other topics for this kind of dialogue. Exchange of views on our respective relations with non-Asian powers such as the USA and the EU should also be a relevant subject for such discussions.

Besides the substance of dialogue content, we should recognise the synergy effect of the tripartite dialogue. Since there exists a negative historic legacy of World War II between Japan and China, this legacy overshadows our bilateral dialogue. Likewise, the memory of the "1962 humiliation" sentiment seemingly still subsists between India and China. It is noteworthy, however, that there is no such negative history between Japan and India. We have only had positive historic memories such as interaction

between Tagore and Tenshin Okakura, association between Japan and Subhash Chandra Bose, or the great anecdote of Judge Pal, the Indian member at the World War II War Criminal Tribunal. By constituting a tripartite dialogue, it is expected that the three of us can engage in more cool-headed and objective discussions without unnecessarily complicating the deliberations.

I sincerely hope that policy makers of the three capitals, Tokyo, Beijing and New Delhi, would give serious thought to this idea of a tripartite dialogue. Once agreed in principle, the modalities of how and when to hold it can be sought out pragmatically. For example, the ASEAN Plus meeting or Asian Cooperation Dialogue (ACD) may serve as a good occasion for launching such a dialogue at the Foreign Ministers' level, to begin with. Under such circumstances, the participation of another ASEAN Plus country, the Republic of Korea, should be welcome. For this, it is essential to have a pragmatic arrangement, to start with.

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