



RSTV Summary: The Big Picture: India - Japan Cooperation

Context:

- Recently Indian and Japanese warships conducted exercises in the Indian Ocean.
- The Japanese Maritime Self-Defence Force described the manoeuvres as designed to “promote mutual understanding” and consisted of four warships, two from each country.
- This was the 15th such exercise in three years.

Background

- **Beginning:** Relation between Japan & India is said to have begun in the 6th century when Buddhism was introduced to Japan.
- **Cultural impact:** Indian culture, filtered through Buddhism, has had a great impact on Japanese culture, and this is the source of the Japanese people's sense of closeness to India.
- **Strength of Relation:** Throughout the various phases of history since contacts between India and Japan the two countries have rarely been adversaries except in 1998.
- **Conflict:** 22 years ago in 1998 when India had conducted its nuclear tests, Japan was at the forefront to criticize India.
- But over the years, the two countries have built upon values and created a partnership based on both principle, pragmatism and shared interest.

Relevance of recent Naval Exercise

- It indicates how like-minded countries can come together to protect their interest.
- Both countries are facing threat from rising Chinese influence in the South China Sea and the Indian Ocean.

Area of cooperation

- **Economic**
 - The India-Japan **Comprehensive Economic Partnership Agreement (CEPA)** that came into force in August 2011 is the most comprehensive of all such agreements concluded by India.
 - CEPA covers not only trade in goods but also services, movement of natural persons, investments, Intellectual Property Rights etc.
 - Japan has been **extending bilateral loan and grant assistance to India** since 1958, and is the largest bilateral donor for India
 - Japan has invested in the \$90 billion **Delhi-Mumbai Industrial Corridor** & backing the Ahmedabad-Mumbai bullet train service
 - Japan is the **third-largest source of FDI** investment into India.
 - In FY 2017-2018 India-Japan bilateral trade reached US\$ 15.71 billion with India having trade surplus of about US \$ 5 billion.
 - Japan had pledged Rs 33,800 crore in government and private sector investments.
 - Japan Offered \$75 billion **currency swap** to India
- **Defence**
 - India and Japan face a **common security threat** from China. Both can help each other to remain secure.
 - India and Japan have initiated **bilateral exercises** between all three components of their defence forces.



- **Shinyuu Maitri**-Joint Air Force Exercise, **Dharma Guardian**- joint military exercise & **JIMEX** -Bilateral Maritime Exercise.
- Both take part in **Malabar exercise**.
- **Strategic**
 - Both India and Japan are members of the **Quad** to counter China in Indo-Pacific region.
 - Both share common interest in **securing International Sea Lines** for free flow of trade.
 - Both countries have established a “**Special Strategic Global Partnership**”.
 - Both are G4 countries who aspires for permanent membership of the U.N. Security Council.
- **Science & Technology**
 - Bilateral S&T cooperation began in 1993 with the establishment of the **India-Japan Science Council**.
 - Recent initiatives include establishment of three **India-Japan Joint Laboratories** in the area of Information and Communication Technology (“Internet of Things, Artificial Intelligence and Big Data Analytics”).
- **Other**
 - **Asia-Africa Growth Corridor** - economic cooperation agreement between the governments of India, Japan and multiple African countries.
 - **There are growing links** between Indian states and Japanese prefectures.
 - **MoUs**: As of now 7 Indian states and 3 sister cities/regions have partnered with Japanese prefectures and cities through MoUs to cooperate under diverse sectors
 - **Investment in north east**: Japan promises to undertake several projects in the region under North East Forum.
 - **Energy**: Agreement for cooperation in peaceful use of **nuclear energy**.

Concern:

- **Low trade**: Trade between India and Japan is very low at around US \$ 15 billion while it is US \$300 billion between Japan and China.
- Given the deep economic ties between Japan and China, policy of countering China have limitations
- **Minimal exchange of defence technology**: Japan has offered neither military hardware nor technology to India. Japan refused to sell sophisticated Soryu-class submarines to India.
- **Excess to market**: India is struggling to penetrate the Japanese market as a result of language barriers, high quality and service standards.
- Japan, while highlighting its own security concerns in the East and South China Seas, is seen to **pay less attention to the multiple threats that India faces** from China. But this scenario is changing slowly.
- **India’s pulling out of RCEP** citing uncompetitiveness to India’s export has made Japan disappointed.

Future of Quad

- Quad is **now dropping is hesitation**, quad countries are realising that only together they can contain China and containing China is becoming necessary.
- China has picked a **fight for every country** in, whether it is Australia, Japan, ASEAN region, whether now Myanmar, India. And every time it has done that, it has made unfounded claims. This is **worrying quad members**.
- Despite deep economic engagement between Australia and China **Australia has acknowledged Chinese aggression** because security, and integrity of the nation is non-negotiable.
- India is asserting that **Quad is a strategic preposition** as India’s maritime interest is being increasingly threatened by China.



- Quad dialogue recently involved New-Zealand, Vietnam and South Korea and in future it may involve Indonesia and France which will strengthen the Quad more.
- So all these things make the future of Quad strong and promising.
- **What can Quad do?**
 - Quad can create an Indo-Pacific Infrastructure fund to fund critical infrastructure in Indo-Pacific region as an alternative to China's Belt and Road Initiative.
 - Join development of defence technology among Quad nations.

China's concern for Malacca strait

- No matter how much land infrastructure China can build to reduce its dependence on Malacca strait which **can be choked by India, Japan and US** in time of conflict, till 2053 more than 50% Chinese oil supply will be through Malacca strait only. This makes **China nervous and worried**.

Way forward

- India **must leverage Japan's strengths** in areas such as technology, medical equipment and hospitals.
- India and Japan must endeavour to **work together for a rules-based** and inclusive world order especially in Indo-Pacific region.
- Both countries should put **effort to increase the bilateral trade** which is much below the potential
- Both countries should put effort into **enhancing communication and connectivity** for unimpeded trade and flow of people, technology and ideas for shared prosperity.

Conclusion

- 21st century will be Asia's century and Indo-Japan ties will play a key role in shaping it.

Sources:

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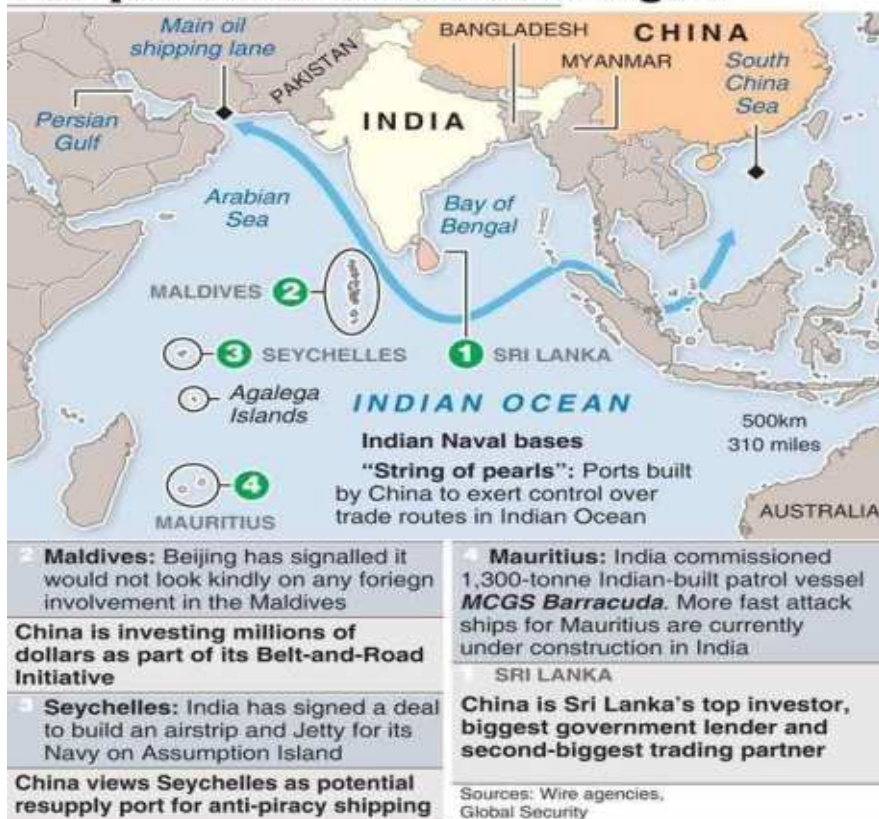
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Geo-politics of Indo-Pacific region





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