Japan and India in a Rising Asia

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Introduction

Let me begin by expressing my deep gratitude to Ambassador Satoh San of the Japan Institute of International Affairs and the authorities of the Fukuoka prefecture for making my visit to one of Japan's oldest cities possible. I believe Fukuoka is also now a twin city with India's capital, Delhi, where my home is. Given the facts that Fukuoka is Japan's traditional gateway to mainland Asia and is at the crossroads of one the world's most dynamic economic regions, it is entirely appropriate that I should focus on the future of Asia. The theme of my speech this afternoon is the role Japan and India could play together in stabilising an Asia that is being transformed within and has the potential to restructure world politics as a whole.

The idea of India and Japan building a new Asia is unlikely to have been on any one's mind, say even a couple of years ago. For many decades, India and East Asia were considered two very different entities without much of a relationship between them. It was quite common place some time ago, to suggest that India did not merit a place even in South East Asia, let alone East Asia. Much, however, has changed in the way the world thinks about India and Asia in recent years. Amidst the new awareness of the emergence of India as a major power, the world wide interest in the rise of Asia and its implications for the international system, the current dynamics in favour of Asian economic integration, and the unfolding debate on the construction of a new security architecture for the region, it is very reasonable to discuss the new importance of Japan-India relations.

At the very outset, I would like to underline that regions, much like nations, are imagined communities. Attempts to define regions always tend to be political constructs rather than

precise geographic expressions. In the formation of the East Asia Summit process two years ago, an old question came back to the fore. What is Asia, and who belongs to it? While that debate is never bound to be conclusive, India is now very much a part of the East Asia Summit process. The attempts to exclude India from the EAS did not succeed thanks to Tokyo's determination to bring New Delhi into the construction of a new Asia. This new found warmth between India and Japan reminds us that it was two great thinkers, one from Japan, Okakura Tenshin and another from India, Rabindranath Tagore, who nearly a century ago articulated the vision of a re-emerging Asia. Together they championed the rediscovery of Asia's shared past and a redefinition of its future destiny. If Tagore's five visits to Japan during 1916-29 opened the minds of modern India towards Japan, Tokyo's victory over Russia in the 1905 inspired the Indian national movement and inculcated an enduring sense of Asian solidarity.

Coming back to the present, the issue is not whether India "belongs" to East Asia. The important question is whether it matters to the region. That brings me to two important factors that shape and reshape regions. One is the nature of the internal and external orientation of the great powers in and around the region. When China and India turned inward in the late 1950s and early 1960s, they became relatively marginal to Asia that they naturally dominate in terms of size of population, physical connectivity and historic relationships. Their influences in Asia for a few decades during the Cold War were negative rather than positive. As China, starting in the late 1970s and India from the early 1990s embarked on an outward orientation and rapidly grew their economies, their weight in East and South East Asia has begun to grown. So has their political interest and impact. A second factor is the nature of the distribution of power. Political realism tells us that changes in the distribution of power constitute the principal driver in recasting regional and international relations. As China and India seek to re-capture their past economic centrality in Asia and regain their strategic influence, many traditional notions of what constitutes the region are bound to alter. Meanwhile the changing distribution of power—amidst the rise of China and India and the reassertion of Japan—will also define a new political geometry for Asia and the world.

The main objective of my lecture this afternoon is to give a sense of where India is coming from and how it would fit into the evolving Asian economic, political and security structures. I propose to divide my presentation into six parts. I will begin with an assessment of India's historic attitudes to collective endeavours in Asia. The second and third parts deal with rapidly changing nature of India's relations with China and the United States, which in turn are bound to have the greatest impact on the future of Asia. The fourth section of my presentation would examine Indian conceptions of a potential security order in Asia. Finally, I conclude with an assessment of the importance of cooperation between India and Japan to build peace and prosperity in the emerging Asia.

India and Asian Unity

The Indian nationalist movement, which evolved nearly over a century from 1857 to 1947, was like a mighty river of ideas enriched by very diverse intellectual traditions—from spiritualism and anarchism to nationalism, socialism and communism. Their influences on modern India have ebbed and flowed over the last 60 years. But one big idea that continues to animate India is the emphasis on a shared Asian destiny. As India's new identity emerged from the struggle against European colonialism, a number of ideas fed into its vision of Asia. One was the new awareness of the religious and spiritual inheritance among the major Asian peoples. Another stemmed from the rediscovery of India's own past history of cultural interaction with Asia. A third was the felt need to help and assist the struggles of the fellow Asian peoples against the European colonizers. Months before its independence, India took the lead in organising an Asian Relations Conference in 1947 to focus on regional political cooperation. Jawaharlal Nehru, India's first prime minister, often talked about an "Eastern Federation" encompassing India, China, Japan and a number of Asian nations to the East and West of India. We all know how the idea of Asian unity collapsed amidst the impact of the Cold War on the giant continent. But we also know that some big ideas never really die. Today the idea of Asian unity is back with a bang, as Asian nations flourish and economic integration is on top of regional agenda. Some of us are looking beyond economic integration to the construction of a political community and regional security architecture.

India ended its self-imposed economic and political isolation from Asia at the turn of the 1990s by embarking on economic globalisation domestic liberalisation. At the same time, India also launched its "Look East" policy befriending the Southeast Asian nations. Through the decade, India steadily became a part of the ASEAN institutions, including the ARF. By the turn of the new millennium, India was expanding the ambit of its Look East policy. In geographic terms, India was now including China, Japan, Korean Peninsula and Australia and South Pacific in its single most important post cold war diplomatic initiative. Once it became part of the ASEAN structures, India began to emphasise the restoration of physical connectivities with the neighbouring regions in Asia. And finally looking beyond the economic, India has begun to focus on security cooperation with the East Asian countries. Within a decade and a half, India's trade and investment linkages with East began to outpace the more established ties with the West.

India and China: Between Rivalry and Cooperation

The ties between India and China are extraordinarily complex and are misunderstood both within the two nations and in much of the world. Oscillating between romanticism, underscored by bouts of rhetoric on mutual solidarity and an intense mutual wariness of each other's intentions, Sino-Indian relations have tended to defy easy predictions. But one thing appears certain, the future direction of Sino-Indian relations would be a key element of the incipient balance of power system in Asia. Even before the two nations emerged as modern states in the middle of the last century, the competing impulses were increasingly visible. In the early decades of the twentieth century, British India recognised that the emergence of China was inevitable and tried to work out a mutually satisfactory arrangement with China on Tibet and the boundary in 1914. Even a weak China, with very little real control over Tibet, was not prepared to cede ground. Meanwhile the Indian national movement expressed powerful emotional support for China's own resurgent national movement. For all their solidarity, the two national movements could not see eye to eye on a range of international issues that confronted them. These differences persisted in the middle of the century after the communists took charge in Beijing and the Indian nationalists in New Delhi.

For much of the world, the rise of China is a more recent phenomenon. For India the resurgence of China in the middle of the last century and its emergence as a neighbour by its renewed control over Tibet made it central to Indian strategic calculus. Even as they proclaimed high principles of friendship the two giants drifted towards inevitable conflict. Distrust over Tibet resulted in India concluding bilateral security treaties with Nepal, Bhutan and Sikkim during 1949-50. Since then balancing China in Asia has been a recurring theme in Indian foreign policy. Whether it was India's alignment with Moscow from the late 1950s, or New Delhi's support to Hanoi's intervention in Cambodia in the late 1970s, economic and political competition in Burma, or India's Look East policy, India has constantly competed against China over the last six decades. China too has sought to balance India, by extending nuclear, missile and conventional military assistance to Pakistan and by undercutting India's traditional influence in the smaller countries of the Subcontinent.

This behaviour of mutual balancing has been partly mitigated in recent years as India and China construct a cooperative relationship. After a tentative rapprochement that began at the end of the Cold War and a brief chill in bilateral relations following India's nuclear tests, India and China are today in the process of building an expansive relationship. Bilateral trade between the two countries is booming and China is all set to become India's largest trading partner in a few years. The two countries are indeed embarked on a dialogue to resolve their long-standing dispute over the Indo-Tibetan boundary. For the first time in centuries, the peoples of the two nations are on the verge of an explosive mutual interaction. Sino-Indian relations are in their best ever phase, since the two Asian giants emerged on the world scene nearly six decades ago. That however, does not in any mean, the sources of competition between the two countries have dried up.

China today serves a number of functions in the Indian political discourse. For one, China's economic miracle achieved in barely one generation is a constant spur of optimism about India's own economic future. If China can lift up its billion plus population into a mighty super power in the making so too can India. Put another way, India can emulate China into acquiring larger economic and political profile on the world

stage. The Indian reformers constantly use the Chinese example to beat back left wing opponents against economic change. As China begins to unveil elements of its new great power behaviour, there is growing domestic pressure to match China and balance it. Both nations are expanding their strategic reach, from the maritime domain to outer space. And in some areas, like Southeast Asia, especially in Burma, their competition is open and vigorous. The Sino-Indian relationship is likely to see enduring elements of both rivalry and cooperation. It is also equally certain that India will not accept a secondary role to that of China in Asia.

India and the U.S.: Natural Allies?

While Sino-Indian relations are torn between the impulses of cooperation and rivalry, Indo-U.S. relations are moving from a prolonged estrangement during the Cold War to a conscious effort to build a strategic partnership. India's own recent attitudes towards the U.S. have swung wildly between the expectations of a natural alliance to the fears of ceding autonomy in a potential embrace with the world's sole superpower. Since the visit of U.S. President Bill Clinton to India in 2000 and the advent of the Bush Administration, which has taken an empathetic view of India's regional and global aspirations, there is one big question that confronts us. How far is India willing to go in partnering the United States? Is India in fact ready for an alliance like relationship with Washington. The traditional assessments of India's foreign policy and its world view suggest that a "non-aligned India" would never want to get too close to the United States. Underlying this conventional wisdom is the proposition that India is opposed, as a matter of national principle to alliances. A careful reading of India's foreign policy, however, suggests a more complex behaviour on New Delhi's part. India's close ties with the Soviet Union, in particular during the 1970s and 1980s, as an alliance for all practical purposes. It is also necessary to remember that while India was in fact prepared to embark on alliances as it did with the Soviet Union, it was not prepared to become a junior partner to Moscow. This suggests that India, while seeking alliance-type relationships when convenient or necessary, has found ways to protect its broader space for autonomous action and escape the rigours of a tight embrace that an alliance warrants.

This would indicate India is not necessarily opposed to a future alliance like relationship with the United States. Since 2001, under President Bush, India has gone much farther than in the previous decades in instituting political cooperation with the United States. Whether it was the consideration of sending a division of troops to Iraq in the summer of 2003, or in working with the U.S. navy in providing Tsunami relief at the end of 2004, or in signing an expansive ten year framework for military cooperation with the United States in 2005, or in agreeing to work with the United States for stability in the Subcontinent, India has broken free from many of the past inhibitions on military/strategic engagement with the United States. But the consolidation of the Indo-U.S. partnership might have wait three important developments.

First is the implementation of the historic nuclear deal signed by Prime Minister Manmohan Singh and President George W. Bush in July 2005. The agreement seeks to end nearly three and a half decades of nuclear disputes between India and the United States, and clear the way for stronger bonds of political cooperation. Under the agreement, the U.S. has promised to change its domestic non-proliferation law and persuade the international community to modify the current regime to facilitate civilian nuclear cooperation with India. While the U.S. has indeed changed the domestic law at the end of 2006, the two sides are finding it difficult to hammer out a legal framework that defines the terms of resumed nuclear cooperation. The Indian atomic energy establishment has deep concerns that the U.S. might continue to impose unacceptable constraints on its freedom of action.

Second, the Indo-U.S. defence cooperation has to graduate from service to service exchanges and expansive joint military exercises to actual cooperation in weapons supplies and technology transfer. While the American arms industry is hoping to secure some major defence contracts in India, the Indian defence bureaucracy is worried about the reliability of the U.S. as a defence partner and doubts whether Washington would genuinely loosen its controls on defence technology transfers.

Third, India and the U.S. have some way to go in harmonising their interests where they intersect in the Subcontinent and the larger region of Asia. India's traditional resistance to external involvement in its immediate neighbourhood is slowly yielding place to a form of security cooperation with other major powers, especially the U.S., E.U., and Japan in managing the regional security challenges. This has been especially visible in Nepal and Sri Lanka where New Delhi and Washington have increasingly worked together. But the same cannot be said about Pakistan and Afghanistan. While the U.S. has welcomed Indian role in the reconstruction of Afghanistan after the ouster of the Taliban, it is hesitant in accepting a political and security role for India, for the fear of offending Pakistan. Meanwhile the triangular relationship between New Delhi, Islamabad and Washington has become less tension prone in the final years of the Bush Administration. But Washington remains extremely wary of working together with India in promoting a politically moderate Pakistan. In the broader region, there is an increasing convergence of Indian and American interests in Southeast Asia and the Indian Ocean. But they find it difficult to forge a shared understanding on the Middle East. India, with its 150 million Muslim population is hesitant to identify with increasingly unpopular American policies in the Middle East. India is also reluctant to take sides in the growing confrontation between Washington and Tehran.

If these differences get narrowed in the coming years, would it be possible to conceive of a formal alliance between New Delhi and Washington? Two broad propositions might be stated here. First, India's main objective is to emerge as an indispensable element in Asian balance of power. Given its history and location, India is likely to pursue this objective irrespective of an alliance with the United States. Second, while strategic cooperation with the United States could immensely strengthen India's future options, India is unlikely to become a junior partner in an alliance with the United States.

India and the Asian Security Order

As its pace of economic growth accelerates and its ability to make a difference to Asian balance of power begins to be understood in New Delhi and felt around the region, India will increasingly be called upon to define its attitude towards the new Asian security

architecture. India's preference will be for an inclusive arrangement, rather than an exclusive one. China's seemingly exclusivist approach had not only targeted the U.S. but also India. Despite its continuing trilateral strategic dialogue with Russia and China, and participation as an observer in the Shanghai Cooperation Organisation, India has no interest in joining Moscow and Beijing in driving the United States out of Asia. For India has no desire to play second fiddle to Beijing. There are many in the world who argue that China's emerging dominance over Asia is merely a restoration of the "natural order" in the region. Neither India nor I believe Japan would want to subscribe to such a theory. Both New Delhi and presumably Tokyo would find themselves more attracted to the notion of "multipolar Asia" where all powers of the region, including Japan and India would find their rightful place.

The idea of a multipolar Asia, the need for a stable regional balance of power, and the importance of promoting shared political values are drawing India, Japan, the United States and Australia together. This idea, put forward by Prime Minister Shinzo Abe and pursued with great vigour by the Japanese government in recent months, has emerged as single big new idea in the security debate of Asia. The rapid progress on this concept was reflected in the first ever joint naval exercises between India, Japan and the United States in April 2007 off the island of Guam. This was quickly followed by a meeting of the senior officials from the four countries on the margins of an ASEAN meeting in May 2007. The new power play involving New Delhi, Tokyo and Washington comes amidst their growing unease at the rapid rise of China.

The first ever India-Japan-U.S. military exercises underline not just the recasting of Japan's security framework but also an end to India's past military isolationism. Like Japan, India too is departing from the foreign policy tradition to hedge against the rise of China. To be sure, the strengthening of the U.S.-Japan security alliance and the launch of a triangular security dialogue between Washington, Tokyo and Canberra had been initiated during the stewardship of Abe's predecessor, Junichiro Koizumi. Abe's personal political achievement, however, lies in drawing India into the ambit of the new Japanese grand strategy. Even before he became the prime minister last September, Abe signaled

his strong commitment to building a new partnership with India. New Delhi will hope that the current Japanese commitment to transform relations with India go deeper than the individual preferences of either Koizumi or Abe.

India and Japan: Building a Partnership

After years of mutual neglect, reinforced by the Cold War, India and Japan have the opportunity to fundamentally redefine their political and relationship and contribute to the construction of a stable and prosperous Asia. However, both New Delhi and Tokyo have a lot of catching up to do.

On the trade front, Japan has fallen way behind China and even South Korea in taking advantage of India's economic reforms. India's period of reform also coincided with the period of stagnation in Japan. In 2005 for example, Japanese trade with India stood at US $ 6.5 billion in comparison to China's US $ 18 billion. More importantly rate of growth of Sino-Indian trade is far higher than that between India and Japan and is expected to cross US$ 40 billion by 2010.

All that, however, is beginning to change. In the last two years Japan has taken a conscious decision to promote economic cooperation with India. New Delhi has now replaced China as the largest recipient of Japanese Overseas Development Assistance. Japanese direct investment in the Indian industry as well as the stock market have begun to show acceleration in recent years. Bilateral trade volumes have acquired a new pace, growing at 27 per cent in 2006. The two nations are also negotiating a more liberal trading arrangement. Even more important the quality of the economic relationship is likely to alter with the initiation of the gigantic project to build a Delhi-Mumbai industrial corridor with Japanese assistance. Japan has also agreed to build a few major new world class ports in India. From all indications, Japan is now all set to help India rapidly modernise its infrastructure. Japanese assistance and investments helped Southeast Asia and China grow rapidly in the 1980s and 1990s respectively. A similar strategic approach to investments in India by Japan is likely to accelerate Indian growth and create solid economic partnership between the two nations.

But the people to people contact remains rather low and needs urgent attention. Indian tourist inflows into Japan stood at the low number of 14,000 in 2005. In the same year, China sent 200,000 of them. Only 525 Indian students are in Japan in comparison to 70,000 Chinese in 2005. While about 5000 Indians are learning Japanese language every year, there are 300,000 of them in China. Flight connections between the two countries are just about 11 a week in comparison to 670 with China. All these point to the stark imbalance in Japan's relations with India and China.

For the first time in decades, the leaders of India and Japan are committed to rapidly transforming this relationship at all levels. I believe the coming decade is going to be an exciting one for the bilateral relationship between India and Japan. I also believe Fukuoka will also emerge as a gateway to India as it is to the rest of Asia today. The only thing that limits India and Japan today is the capacity to imagine a future that will be different from the past. After a period of endearment in the 1950s, India and Japan turned away from each other through the Cold War. But destiny is now pushing India and Japan closer. As they begin to build on their many shared interests and common political values, India and Japan are bound to redefine the future of Asia.

I thank you all for your attention.

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