India-Japan Axis: Can it be widened?

By Dr. D.K. Giri - November 28, 2019



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Day after the conclusion of the G-20 Foreign Ministers meeting in Japan's Nagoya, the Secretary General of National Security Services of Japan was in New Delhi to oversee the preparation for the first '2+2' meeting between India and Japan along-with the India-Japan Summit between the two Prime Ministers next month.

Notably, the '2+2' meeting between both countries Foreign and Defence Ministers is only the second such mechanism India has made with Japan after the US. Thereby underscoring the importance both countries attach to bilateralism whereby the Summit is an annual feature of their relationship.

Importantly, the issues to constitute the agenda of the Summit would have been cleared in Japanese NSA's meetings with Prime Minister Modi, Foreign Minister Jaishankar and India's NSA Ajit Doval.

Reflecting on the GMM at Nagoya, G-20 consists of 19 countries plus the European Union. Recall, this Group of Twenty was formally known as the Summit on financial markets and world economy. Representing more than 80% of the global GDP, G-20 has made sustained efforts at robust global economic growth. As a part of its features, the Group of Ministers also meets to push the agenda.

Pertinently, the Foreign Ministers at Nagoya had three themes to handle. One, promotion of free trade and global governance. Additionally, there were discussions on reforming the world's apex trade body World Trade Organisation.

Two, to achieve the SDGs by 2030. In the G-20 Hangzhou Summit in 2016, the Leaders had committed to SDGs. Their communiqué said, "We are determined to foster an innovative, invigorated, interconnected and inclusive world economy to usher in a new era of global growth and sustainable development, taking into account the 2030 Agenda for sustainable development, the Addis Ababa Action Agenda and the Paris Agreement".

Three, to take up Africa's development. Remember, Japan had held the 7th International Conference on Africa's Development in Tokyo and is the co-host for such conferences along with UNDP and the UN Office of Special Advisor on Africa (UN – OSSA). The GMM deliberated on three strategies to promote development in Africa —- One, economic transformation through innovation, two, comprehensive approach to development and lastly, support for Africa-led security and peace efforts.

Against this backdrop, certainly India-Japan relations are on an upward swing, however, is it enough to checkmate the military and economic expansionism of China? There is no gainsaying that both New Delhi and Tokyo are deeply concerned about China's hegemonic approach in the region.

India is the largest recipient of Japanese Official Development Assistant (ODA) in automobiles, railways, infrastructure and development finance. But their bilateral trade is dismally low compared to Japan-China trade. India's trade with Japan stood at US\$16 billion is expected to touch US\$ 50 billion this financial year. On the other hand, Japan-China trade is at whopping US \$350 billion. If both nations are serious about countering China's aggrandizement in the India-Pacific region, and clearly, they have no alternative to coming closer, they will have to triple or quadruple trade and investment between India and Japan.

Further, Modi and Shinzo Abe will have to focus on three key areas for deepening their co-operation. One, defence. It is in order that they have joint exercises between all the three forces – Dhama Guardian land exercise, Japan-India maritime exercise, and Shinyuu Maitri exercise. India and Japan are also engaged in trilateral exercise Malabar along with the America.

Yet, there are a few pending issues to be settled. Japan is yet to deliver the Shinmaywa amphibious aircraft to India to bolster the latter's naval attack. They are yet to sign the ACSA – Acquisition and Cross-Serving Agreement to share logistics, like New Delhi has with France and US. India and Japan will have to expedite trilateral capacity building with countries like Sri Lanka, Indonesia, and Vietnam.

In fact, Sri Lanka, becomes a priority as the new Sri Lankan President Gotabaya Rajapaksa is perceived to be pro-China. Although contrary to popular perception, both the Rajapaksas Prime Minister Mahinda and President Gotabaya had not signed off the Hambantota port to China and are planning to bargain it back. The immediate requirement in trilateral exercise is to enhance maritime domain awareness and training of military officers. The other key area is technology. Japan has been the technology leader in the world, yet New Delhi has not been very impressive in tapping Japanese technological repertoire. Take for example, the introduction of 5G in India. Despite India's reservations and grudging Chinese companies like Huawei, it remains the leader in this area. The extrainvestment needed to switch to 5G could be extended by Japan to ease the pressure of India's telecom companies. Only three companies remain in the Indian market, as many others have been beaten away in the completion.

There is limited structural collaboration between India and Japan, one of them being the agreement between Japan's Advanced Institute of Science and Technology and Indian Institute of Technology, Hyderabad. Other notable collaboration is the undersea cabling from Chennai to Andaman and Nicobar Islands. Such collaborations need to be expanded soon. Japan used China to tap its cheap labour and contributed to making it the manufacturing hub of the world. It is time to develop India as the new hub for world manufactures.

The third key area is the infrastructure. Admittedly, Japan is helping India to modernise its railways with metro and bullet trains etc. But, for India to emerge as a regional countervailing force to China, New Delhi has to do a lot more inside the country and outside.

Prime Minister Modi's promise of making India a five trillion economy by 2024 is too good to believe, given the state of the economy at present. If he succeeds in doing so, it would be nothing sort of an Indian miracle, like the East Asian Miracles by the turn of the century. Japan could play a big role in helping India achieve the target. This in turn, could meet Japan's geo-political objectives in the region.

In pursuance to the common objective *vis-a-vis* China, India and Japan will have to move fast on the Asia-Africa growth corridor (AAGC), in response to China's 'string of pearls' strategy which aims at building ports at strategic locations in the Indian Ocean. It appears that Tokyo and New Delhi have somewhat divergent approaches to Africa. Japan has a structural approach through a cluster of high-growth countries, whereas New Delhi focuses on riskier trade options. Also, it may be that New Delhi could not put the money into this project.

At the end of the day, Japan and India will have to find common ground to hold on to China. India has to soon embrace a disciplined democracy, focus all its strength on the economy, carry out pending reforms, make its market and products competitive. Only a new political-economic approach will make India competitive and an attractive destination for investment. Modi will have to lead in this radical change. Will he or can he?

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