

Japan-India cooperation requires objective view

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Illustration: Luo Xuan/GT

India and Japan are getting closer. Japanese Prime Minister Shinzo Abe recently paid a visit to the Indian industrial city of Ahmedabad, where he attended the groundbreaking ceremony for the high-speed railway that will link the city to Mumbai.

In November last year, during his visit to Japan, Indian Prime Minister Modi discussed with Abe the establishment of the Asia-Africa Growth Corridor (AAGC), which aims to create the world's future economic growth center by integrating the regional economies of Southeast Asia, Oceania and Africa. The frequent interactions between India and Japan have become very controversial in China's domestic media. Some have exaggerated the influence of rising Japan-India cooperation on China, while others are ignoring the potential challenges it may pose for China. I think we need to be more objective in dealing with the pressure that India-Japan cooperation may bring.

India's choice of Japan to build a high-speed rail link is relatively objective. India's railways carry 22 million passengers a day, but most of the equipment is outdated, leading to many fatal accidents. Japan has long conducted international promotion of its "Shinkansen" railway technology and management experience, stressing decades of operation without fatalities. That was exactly what India wanted to hear.

Also, Japan offered a loan with impressive terms: 50 years at an interest rate of 0.1 percent, which also delighted India as the country is eager to pay a low price.

Usually, Japan only offers a 1.5 percent interest rate for no more than 25 years. The highly favorable terms for India, beyond Japan's constant emphasis on the South Asian market, is more probably because the competition between China and Japan in the international high-speed rail market is increasingly fierce. We see the rise of China's high-speed rail technology makes competitors nervous.

We should also be aware of Japan's legendary prowess at international brand building, experience in operations and marketing. Japan is also eager to open up the infrastructure markets in South and Southeast Asia. These factors should not be ignored.

Obviously, India-Japan cooperation is likely to put pressure on China. What's more, the AAGC is seemingly intended to compete with the **Belt and Road** (B&R) initiative.

On the one hand, Japan hopes to promote close relations with India through cooperation on high-speed rail projects, as well as making use of both countries' territorial disputes with China to impose geopolitical checks and balances on China.

On the other hand, India has always had a very strong sense of itself as a regional overlord, and it has been not willing to see China's influence in Asia and the Indian Ocean region become too strong. This fear comes from India's perception that the Indian Ocean is its backyard. With this logic, India ignored the B&R for a long time.

Also, after cultivating its influence in East Africa for many years, India does not want China to exceed its activity and influence in Africa. That continent is undoubtedly the world's new economic development point, with several countries enjoying economic growth rates of 7-10 percent annually. As China is currently very popular in Africa, one of the main objectives of the AAGC is to balance this impact. Both India and Japan hope that this strategy can bring them better market shares in Africa.

But the AAGC is unlikely to have too much adverse impact on the B&R, and it might even be incorporated into the framework of the B&R.

In addition to India, which has openly questioned the B&R, other major countries, including the US and Japan, have all shown a positive view of the initiative. With strong support from different countries, regions and institutions, the B&R has achieved a number of good results.

The ultimate purpose of the B&R, as proposed by China, is to provide global public goods, rather than obtaining benefits for some countries or serving political purposes. It is not a set of pure economic cooperation projects but a determination to realize policy coordination, connectivity, unimpeded trade, financial integration and people-to-people bonds.

As for the AAGC, if its goal is to promote certain interests and join forces in the geopolitical suppression of other countries, the backers should change their attitude. They should instead follow global development trends, actively respond to the UN 2030 Agenda for Sustainable Development and give more importance to the common development of mankind.

The author is an associate professor with the School of Government, and director of the BRICS Cooperation Center, at Beijing Normal University. bizopinion@globaltimes.com.cn

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