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## Dynamism Must Drive Indo-Japan Ties

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(This editorial is based on the article “Dynamism Must Drive Indo-Japan Ties” which appeared in BusinessLine on 1st January 2019.)

Recent visit of Indian Prime Minister to Japan as part of the 13th Annual Summit in 2018, has shed light on the evolving dynamics of the Indo-Japan bilateral relationship against the backdrop of a changing but volatile global order. Both India and Japan are confronting similar challenges in the Indo-Pacific region. Therefore, cooperation between them, and that too on multiple fronts, is both obvious and desirable.

### Indo-Pacific Region

- Indo-Pacific came into trade half a century ago when Japan rose to prominence. Today, the entire Indian Ocean region has grown economically powerful.
- The global power axis has shifted from the Pacific-Atlantic to this region. Half of the world’s submarines will roam the Indo-Pacific region in the next two decades — at least half the world’s advanced combat aircraft, armed with extended range missiles, supported by sophisticated information networks, will also be operated by countries here.
- After the Trans-Pacific Partnership fiasco, it is likely that the role of the US in the region is going to significantly diminish under Trump. Although Trump talked tough about China, that was largely in the context of the US economy and jobs.
- With America’s role diminishing in the region, China can emerge as a powerful leader now. It has already built several new regional alliances through projects like One Belt One Road (OBOR), Maritime Silk Road, Asian Infrastructure Investment Bank (AIIB) and Shanghai Cooperation Organisation (SCO).
- Significantly, the rule-based global order is also coming under tremendous pressure in the region with countries violating established norms with impunity. Multilateral institutions like UN seem utterly helpless while countries continue with activities detrimental to regional peace. North Korea’s nuclear programme, developments in the South China Sea and increasing cyber violations are examples of this trend.

- Apart from the emotional acrimony that has festered between them for decades, Japan and China continue to spar over islands in the East China Sea which are competitively called Senkaku by Japan and Diaoyu by China.
- Under the circumstances, India can no longer remain a withdrawn nation in regional and global politics. India has recently started showing more interest in the UN's affairs. It has played a crucial role at the Paris Climate Summit and became increasingly assertive about its rights in the Nuclear Suppliers Group, UN Security Council, etc.
- QUAD and growing relation with Japan is also one of the example of dynamism in Indo-Pacific Region.

## Key Agreements

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During the 13<sup>th</sup> Annual Indo-Japan Summit, some crucial agreements were signed

- A joint high speed rail project for which the first instalment of ₹5,500 crore was released by Japanese Industrial Cooperation Agency (JICA) a month before; increased naval cooperation between the Indian Navy and the Japan Maritime Self-Defense Force (JMSDF) in the Indo-Pacific region;
- A currency swap of \$75 billion, which is expected to bring a sigh of relief amidst the looming threat of trade war and rapid depreciation of the rupee vis-à-vis the dollar; 2+2 agreements on the lines of the US;
- Commencement of negotiations to finalise Acquisition and Cross-Servicing Agreements (ACSAs), which would allow both navies to access each other's military bases for logistical purposes (India will be able to access the Japanese base in Djibouti and the Japanese navy could dock at Andaman and Nicobar).

## Indo-Japan Relation

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- In addition to the strategic sphere, Japan is India's third biggest economic investor.
- Between 2000 and 2017, Japan invested \$25.6 billion in domains including infrastructure, retail, textiles, and consumer durables. Tokyo is involved in big-ticket projects like the Delhi-Mumbai Industrial Corridor (DMIC), the Mumbai-Ahmedabad bullet train, and setting up around 12 industrial parks across different States.
- Together, they have constituted the Japan-India Act East Forum (JICA), where the objective is to spearhead development cooperation in north-eastern States bordering China, Bangladesh, and Myanmar. JICA has signed a \$610-million pact with the Centre for phase I of the North-East connectivity projects.
- Recent visit assumed greater importance, particularly for India, because it followed a rather unexpected meeting between Chinese President Xi Jinping and Japanese counterpart Shinzo Abe. Abe visited China for the first time in seven years and the fanfare on display was in stark contrast with the usually tensed China-Japan

relationship.

- In the Asia-Africa Growth Corridor (AAGC), the leaders of the two countries have combined their respective countries' "Act East" Policy and "Free and Open Indo Pacific" aspirations. The AAGC is envisioned to provide a renewed opportunity for partnership where both regions can complement each other's development and growth. The AAGC will bring out the economic gains for Africa through its integration with India, South Asia, Southeast Asia, East Asia and Oceania. It is also a roadmap for creating new channels for production of goods and services, and for connecting institutions and people in Asia and Africa.

## Way Forward

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- The Japan-China rapprochement is governed by multiple factors. Japan needs access to China's market. To quote Abe himself, "China is an indispensable country for Japan to keep growing."
  - While for China, whose ambitious BRI project is facing hurdles and opposition over the issues of transparency and is constantly being reviewed by successive governments, partnering with Japan will be a much-needed boost to its image.
  - China's economy and currency are facing tough times owing to trade sparring with the US, and is willing to partner with other regional powers. Notwithstanding the diplomatic niceties, the contentious political issue between them remains. The Japan-America-India (JAI) trilateral summit on the sidelines of G-20, reiterating a free and open Indo-Pacific, hints that the Sino-Japan rapprochement could be "tactical" at best.
  - However, these recent developments negate the typical "cold war" dynamics between China and the so-called democratic "Quad" that is increasingly being used to analyse the international politics in Asia.
  - Major Asian powers are engaging with each other guided by economic rationale. Therefore, Asia is witnessing a strategic flux where power is diffused and demarcation of geopolitical interests are blurred.
  - Given the scenario, it is pertinent for New Delhi to not adopt a zero-sum game approach and objectively contextualise the Indo-Japan strategic partnership amidst interchangeable variables of the emerging strategic equation.
  - The India-Japan engagements are not just focused on economic issues, but they also include a wide range of interests encompassing regional security, maritime issues, energy security and United Nations reforms. Both are formulating a strategic partnership to mitigate the risks and vulnerabilities arising out of the current transition of power in Asia. By closely cooperating on matters pertaining to Asian security, India and Japan are now investing in a long-term strategy to balance China's hegemonic policies.
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