The India – Japan Security Declaration:
an enduring security partnership?

In October 2008, the Indian and Japanese Prime Ministers signed the India-Japan Joint Security Declaration, asserting that the strategic partnership between the two countries would become “an essential pillar for the future architecture of the region.”¹ The Declaration represents an important symbolic step in the evolution of the India–Japan strategic relationship.

This article will use the Security Declaration as a basis for evaluating strategic perceptions in Japan and India towards a bilateral security relationship. It will consider whether a security partnership between the two is likely to be both enduring and substantive. It will argue that there are numerous strategic perspectives in both Japan and India in favour of such a relationship. This suggests that the relationship is likely to be long term and develop further. However, there is not yet any clear understanding between Japan and India as to what substance the relationship will have.

This article is structured in the following way: It will first explain the approach behind examining perceptions in Japan and India about the relationship and the theoretical foundations behind those perceptions. Second, it will examine the development of the strategic relationship between India and Japan in recent years. It will then analyze the terms of the Security Declaration and its implications. Fourth, this article will consider how the relationship, at least in concept, is consistent with various underlying streams of strategic thinking in each country. For Japan the relationship potentially serves a goal of strengthening Japan’s core alliance with the United States,

while also giving Japan a measure of diplomatic freedom and allowing it to partially hedge its relationship with the US, particularly in maritime security. For India, the relationship is a part of India’s strategic reach into East Asia and consistent with India’s desires to achieve a multipolar security order. The Japan relationship is also viewed as a key part of India’s ambitions in the Indian Ocean. This article will then examine the key outstanding issues that are likely to inhibit a deepening of the bilateral security relationship, including Japan’s prohibitions on nuclear and defense technology cooperation with India and an extremely thin underlying economic relationship between the two. The extent to which Japan and India are willing to work together to address these issues will be an important indicator of the long term direction of the relationship.

1. Strategic perceptions behind the Japan-India relationship

In seeking to understand the India-Japan security relationship, this article will not seek to characterize it by applying the “jealous god”\(^2\) of a single universalist theoretical paradigm. It is submitted that such an approach often conceals more than it reveals in seeking to understand the multifaceted – and sometimes inconsistent – motivations involved. Rather, this article will employ the proposition that the starting point for understanding any relationship is the perceptions of the participants in that relationship. In this case, the strategic perceptions of key state actors in Japan and India will be used to discern the likely future directions of that relationship.

In seeking to understand these perceptions, this article will use something analogous to what has been called “analytical eclecticism,” an approach which acknowledges that elements of different strategic paradigms may be operating simultaneously in strategic relationships without a

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single paradigm providing a comprehensive understanding of that relationship.³ This approach is not merely an attempt to place theoretical analysis of the relationship in the “too hard” basket - quite the contrary. Rather, it is an acknowledgement that strategic relationships are generally viewed by decision-makers through a multiplicity of lenses and rarely in accordance with a single theoretical perspective. Attempts to apply a single theoretical perspective of whatever paradigm have consistently failed to provide to fully explain the regional security policies of both Japan⁴ and India.⁵

Perceptions underlie both materialist and non-materialist explanations of international relations.⁶ The perceptions used in making foreign policy decisions are both a reflection of underlying strategic circumstances and a causative element in the future strategic behaviour.⁷ As Robert Jervis has shown, such perceptions come from the application of data by decision-makers to existing theories about international relations and images of other states. The application of data to different theories and images will often result in the same set of data being perceived or understood

⁵ C. Raja Mohan, Crossing the Rubicon: The Shaping of India’s New Foreign Policy (New York: Palgrave Macmillan, 2003)
⁶ For example, the “balance of threat” theory, now broadly accepted by neorealists, is inevitably a balance of threats as perceived by decision-makers. See Stephen M. Walt, The Origins of Alliances (Ithica: Cornell University Press, 1987).
⁷ For the use of strategic perceptions to analyse the Japan-China security dilemma, see, for example, Thomas J. Christensen, “China, the U.S.-Japan Alliance and the Security Dilemma in East Asia” International Security, Vol. 23, No.4 (Spring 1999), pp.49-80.
in different ways, including perceptions of threats and of shared interests. In order to properly understand those differing perceptions, one must therefore also understand the theories and images being applied by relevant decision-makers. As will be seen in this article, the India-Japan security relationship is variously perceived in Japan and India through the application of balance of power concepts, Pan-Asian and regional identity politics, as well as strong elements of geopolitical thinking. Of significant interest is how the application of several of these theories have led to generally positive perceptions of the Japan – India relationship.

2. The developing strategic partnership between Japan and India

The Security Declaration is a significant, if largely symbolic, step in the evolution of the Japan-India relationship over the last decade. After many years of indifference towards each other both Japan and India now seem to have recognized the importance of building a strong and comprehensive bilateral relationship.

During the Cold War, Japan and India found themselves in different strategic alignments and were, in strategic terms, profoundly indifferent to each other. Japan considered it unnecessary to form security relationships beyond its alliance with the United States. India’s strategic posture of non-alignment and its relationship with the Soviet Union precluded it from forming security relationships with U.S. allies. Importantly, in strategic terms, Asia was often not seen as operating as a single region: instead the security dynamics and concerns of Northeast Asia and South Asia were

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seen as operating quite independently. In short, neither Japan nor India had cause to see each other as potential security partners. However, the end of the Cold War and the rise of China has led to a convergence of Japan’s and India’s strategic perspectives. Both are concerned about the rising economic and military power of China and wish – at least in a generalized sense – to balance that power. Both are keen to extend their security reach beyond their historic confines – for India, beyond the boundaries of its traditional preoccupations in South Asia, and for Japan beyond the boundaries created by the US alliance.

The great shift in the relationship started in 2000 after the Japanese realized that their assertive stance against India over its 1998 nuclear tests had failed utterly, risking leaving Japan isolated. In August 2000, Japanese Prime Minister Yoshiro Mori visited New Delhi to declare that Japan and India had become “global partners.” The political relationship between India and Japan has improved steadily since then, including a so-called “strategic partnership” announced in 2005. The relationship began to assume a real security dimension following a visit by Indian Defense Minister Pranab Mukherjee to Tokyo in 2006, including agreement on the significant expansion and formalization of defense ties, particularly in the area of maritime cooperation. This process moved into top gear in 2007 under the leadership of Japanese Prime Minister Shinzo Abe and his Foreign Minister, Taro Aso. Abe, in particular, had a strong belief in the key role of India in Japan’s future, claiming that the India-Japan relationship “will be the most important bilateral relationship [for Japan] in the world.” Aso also sought to provide an ideological basis for the relationship through

12 K. Venugopal, “Japan’s guarded, positive response on nuclear issue,” The Hindu, December 16, 2006. Abe, in his 2006 political manifesto Utsukushii kuni e: jishin to hokori no moteru Nihon e [Towards a beautiful country: A confident and proud Japan] includes a lengthy discussion of how Japan should strengthen ties with
his “Arc of Freedom and Prosperity” initiative which proposed that Japan should pursue “value-oriented diplomacy,” justifying closer cooperation by Japan with others holding “shared values” such as India, Australia and NATO states.

Over the course of 2007 there was a flurry of developments in both Japan’s and India’s security relationships. After years of steady improvements in political, economic and security relations between India and the United States, in July 2007 the two concluded negotiations on the so-called 123 nuclear agreement, which signaled a significant expansion of military and security relationships between them in the years to come. India also moved to further improve its security relationships in the region, including with Singapore and other ASEAN states. Japan took steps to further develop a direct security relationship with Australia, leading to the Australia-Japan Security Declaration in March 2007.

In early 2007 Prime Minister Abe proposed the so-called “Quadrilateral” initiative, under which India would join a formal security dialogue with Japan, the United States and Australia. In April 2007, the first ever trilateral naval exercises were held between the United States, Japan and India in the Western Pacific (a trilateral format repeated in those waters in April 2009). In August 2007, the annual India-US Malabar naval exercise was transformed into large-scale multilateral exercises in the Bay of Bengal involving three carrier battle groups and other ships from the United States, India, Japan, Australia and Singapore. These developments reached a sort of crescendo with India, stating: "It will not be a surprise if in another decade, Japan-India relations overtake Japan-US and Japan-China ties."

13 The 123 agreement effectively recognized India as a de facto nuclear weapons state and allowed India access to civil nuclear and other sophisticated technology from the United States. Implementation of the agreement was delayed until October 2008, primarily due to significant domestic opposition in India. For a discussion of the 123 agreement and India-US security relations generally, see K. Alan Kronstadt, “India-US Relations,” Congressional Research Service Report RL33529, August 12, 2008.
the visit of Abe to India in August 2007, when in an address to Indian parliament he spoke of a "broader Asia" partnership of democracies and suggested that the India-Japan partnership would "evolve into an immense network spanning the entirety of the Pacific Ocean, incorporating the US and Australia." These initiatives, taken together, were seen by some as the beginnings of a formal four-way security alliance between the United States, India, Japan and Australia, aimed at balancing or containing a rising China.

However, this was not to be and by late 2007, much of the impetus of these developments had faded. Reactions from Chinese official and semi-official sources to the Quadrilateral initiative and naval exercises in 2007 were highly negative, leading to criticism that the initiatives resurrected “a cold-war mentality” and marked “the formation of a small NATO to resist China.” In May 2007 China issued diplomatic demarchés to India, Japan, the United States and Australia requesting explanations about the Quadrilateral proposal and in the following month Chinese President Hu Jintao pressed home the point by seeking “clarification” of India’s position in a face to face meeting with Indian Prime Minister Singh. During the course of 2007, Australia, India and even the United States had become increasingly hesitant about the Quadrilateral initiative. The Indian government also faced significant domestic political pressure against any perceived alliance involving the United States. In Japan there was significant criticism of the Quadrilateral proposal from within the governing coalition, the bureaucracy and the opposition, with many considering a formal multilateral

political coalition as “too provocative” towards China.\(^{18}\) The resignation of Abe as Japanese Prime Minister removed the strongest proponent of a security relationship with India and by the end of 2007 proposals for a formal multilateral security relationship involving Japan, India, and the United States had, it seemed, been quietly shelved.

It is within this context in October 2008 that Japan and India signed the Joint Security Declaration aimed at strengthening the bilateral security relationship between the two. The Security Declaration represents the third security declaration made by Japan (after declarations involving the United States in 1996 and Australia in March 2007) and is the first such declaration made by India. Both Japanese and Indian leaders made repeated denials that the Declaration was not “aimed at” China\(^{19}\) and Japanese Prime Minister Aso downplayed suggestions that Tokyo was still pursuing the idea of a security relationship involving India, Japan and the United States. China’s reactions to the Security Declaration have been restrained.\(^{20}\)

3. **What does the Security Declaration say?**

The Security Declaration is much more symbolism than substance. The declaration identifies shared security interests, so-called “elements of cooperation” in nine specified areas and outlines consultative mechanisms to be implemented between them, the so-called “mechanisms of


\(^{19}\) Siddhart Varadarajan, "India, Japan say new security ties not directed against China," *The Hindu*, October 23, 2008.

cooperation.” Although its form was new for India, a close analysis indicates that much of its content merely repeats previous joint statements of Indian and Japanese leaders, including in particular the May 2006 joint statement of the Indian and Japanese foreign ministers.21

Key areas of cooperation identified in the Security Declaration (and the accompanying Joint Statement of the Indian and Japanese leaders) include cooperation in the creation of a new Asian security order, bilateral cooperation within multilateral regional frameworks, a continuing defense dialogue, cooperation between coastguards, transport safety, the fight against terrorism and transnational crimes, sharing of experiences in peacekeeping and peace-building, disaster management and disarmament and non-proliferation.

One of the more interesting aspects of the Security Declaration is its emphasis on political cooperation between Japan and India within existing regional multilateral frameworks and in the creation of a new Asian security order. This indicates an intention to focus on cooperation at the political level in seeking to create a new security order in East Asia, although there is no guidance as to what that new security order might look like. Its emphasis on political (as opposed to military) cooperation is an inevitable consequence of Japan’s inability under the current interpretation of its Constitution to engage in anything that smacks of collective defense. Although the preamble to the Declaration recites a common commitment of Japan and India in safeguarding sea lanes of communication in practice the commitment is likely to be asymmetrical as Japan expects India to provide maritime security in the Indian Ocean as part of the arrangement. Japan is largely precluded from directly contributing to regional maritime security beyond its immediate environs.

The so-called “mechanisms of cooperation” in the Declaration provide an unusually detailed list of consultation and cooperation mandated at numerous levels. This gives an interesting indication of the expected depth and breadth of engagement between the two. This ranges from consultation among Foreign and Defense Ministers (although not in the so-called 2+2 format as currently occurs between Japan and the United States and Australia), the respective permanent secretaries and national security advisors. The Declaration also prescribes a range of military to military cooperation and exchanges, navy to navy staff talks, coast guard cooperation, a Joint Working Group on counterterrorism and cooperation on money laundering. The level of detail devoted to this portrays an apparent determination of both to undertake a prolonged and multi-faceted engagement and to build a broad-based relationship across multiple agencies. One of these consultative mechanisms, an apparently innocuous reference to cooperation between Japan Aerospace Exploration Agency and Indian Space Research Organisation in the field of disaster management, has led to speculation that it is may presage more broad-based cooperation in space-related affairs, including even cooperation in the field of ballistic missile defense. However, some experts remain skeptical that there will be any significant advance in India-Japan space cooperation any time soon, with one noting that due to the consensus-driven decision-making everything in the Japanese space program “moves at a glacial pace.” Nevertheless, this reference may have been intended, like others, to be the thin end of the wedge of more substantive cooperation between various agencies.

A comparison of the India-Japan Security Declaration with the 2007 Australia-Japan Security Declaration (which provided the template for the Indian Declaration) provides an interesting

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perspective on how both Japan and India have sought to position their relationship. On paper the Indian Declaration represents a somewhat paler counterpart to the Australian version. Despite significant similarities between the two declarations, the language used in the Indian Declaration was watered down in several respects, perhaps reflecting a heightened sensitivity towards China. For example, the preamble to the Australian Declaration talked of “shared security interests,” while the Indian Declaration talks of “similar perceptions of the evolving [regional security] environment.” Further, there is no reference in the Indian Declaration of “new security challenges and threats” (understood by many to be code for China), which appears in the Australian Declaration.

An interesting absence from the India-Japan Security Declaration is any reference to Northeast Asian security issues. In contrast, the Australian Declaration included commitments by Australia to cooperate with Japan on North Korea, citing the issues of nuclear weapons, ballistic missiles and abduction of Japanese citizens, all clearly matters of great significance to Japan. Despite Japanese requests, India refused to include similar commitments in the Indian Declaration, reflecting a desire to avoid taking a role in security issues on the Korean peninsula and Northeast Asia. In an apparent continuation of its Cold War era policy of “equidistance” between North and South Korea, and much to the frustration of those in Japan who hoped for greater support, India withheld criticism of North Korea over its April 2009 ballistic missile tests and gave highly muted criticism over North Korea’s nuclear test in May 2009. Despite the rhetoric from some quarters, it seems that India is not yet comfortable in playing a security role in Northeast Asia or giving real political support to Japan in connection with its immediate security concerns. It is also a reminder

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24 While Australia has been traditionally leery of security involvement in Northeast Asia, this has now changed as demonstrated by the Australia-Japan and Australia-South Korea security declarations.
25 Siddharth Varadarajan, “India in dilemma over North Korean satellite launch” The Hindu, 6 April 2009, and “India urges N Korea to return to talks” Indian Express, 24 June 2009. The DPRK thanked India for its stance on the missile tests.
that a purely issues-based foreign policy that some in India still dream of is not ultimately consistent with a long-term security partnership.

While the Security Declaration has been greeted enthusiastically in both Japan and India (but particularly in New Delhi), since October 2008 little progress was made in giving substance to the relationship, including progress in implementing the mechanisms of cooperation detailed in the Declaration.26 What are the underlying perceptions and expectations in Japan and India about the relationship?

4. Japanese perspectives on a security relationship with India

It is useful to first consider Japanese perspectives on security relations with India. Japan has largely been at the forefront of pressing forward with the relationship, although perhaps in a sometimes hesitant fashion. This inconsistency to a large extent reflects a general lack of consensus on security issues in Japan. There are widespread anxieties about Japan’s alliance with the United States, although it is still generally assumed that it will remain core to Japan’s security. This has led to attempts to draw closer to the United States simultaneously with a desire to reduce Japan’s reliance on the US. Japan’s post-war pacifist military posture and nuclear taboos have also become political battlegrounds. Despite broadly-held fears in Japan about a China “threat” and the relative decline in Japan’s strategic position, there is little consensus about an appropriate response or about Japan’s relationship with the rest of Asia. Among this discord about Japan’s strategic posture, Japanese thinking about the substance of a relationship with India remains relatively underdeveloped.

Some streams of Japanese strategic thinking relevant to the India relationship

Since at least the end of the Cold War, Japan’s security policy has been a domain that is hotly contested among various streams of thinking which have been tagged variously as normal nationalists, middle-power internationalists, new autonomists, neo-revisionists, realists, globalists, mercantilists, Asianists and pacifists. This lack of consensus has significantly contributed to a lack of direction in Japanese security policy and, according to Katzenstein, resulted in a high degree of policy rigidity. Although these ideas are present within the political system, bureaucracy and military decision-makers they are not necessarily delineated along clear party or ideological lines. As a result, while changes in Japanese government may lead to a change in emphasis of perspective, there is often no clear change in direction in security policy. Further, according to Katzenstein, Japanese security policy is formulated within an institutional structure that biases policy strongly against a forceful articulation of military security objectives, making it more difficult to discern significant changes in policy direction. Nevertheless, amidst the underlying contestation on security policy, the Japan-India relationship is perhaps unusual for the degree to which it is seen as a positive (if not always of central importance) among several “streams” of Japanese strategic thinking, simultaneously fulfilling several different (and perhaps, not always wholly consistent) external policy objectives.

Japan’s security environment is dominated by two central factors: its security alliance with the United States and its relationship with China. In mainstream strategic thinking the US alliance is


28 Peter J. Katzenstein, Rethinking Japanese Security: Internal and external dimensions (London: Routledge, 2008), p.3-4

generally regarded as core to Japan’s security. However, Japan is also painfully aware of the decline in its relative power in comparison to China and perceives potential risks in the maintenance of the US alliance in face of China’s rise.30 Comments such as those made in 2008 by the now US Secretary of State Hillary Clinton that the US relationship with China “will be the most important bilateral relationship in the world this century”31 have only served to heighten these fears. In broad terms, a relationship between Japan whose relative power is in decline and India whose relative power is on the rise, is seen as one response to this dilemma, although perhaps for several different reasons.

Some in Japan see the relationship with India, as part of developing better security relationships with key US security partners both inside and outside the region. It is hoped that this would help strengthen the US security relationship through better embedding Japan in the broader Western alliance system. An explicit goal of improving Japan’s relations with US strategic partners was first articulated as a specific strategic objective by Japanese Prime Minister Koizumi in May 2003 and was reaffirmed in the 2004 Araki Commission Report and Japanese National Defense Program Guidelines.32 Aso (then Foreign Minister and later Prime Minister) also expressly advocated strengthening relations with NATO as a means of strengthening Japan’s relations with the United States and developments in Japan’s relationships with Australia and to a lesser extent India should be understood within this context.33 To a significant extent Japan’s relationship with India has

30 Japan’s views on the Chinese threat has been described as “something approaching panic.” Aurelia George Mulgan, “Breaking the Mould: Japan’s Subtle Shift from Exclusive Bilateralism to Modest Minilateralism,” Contemporary Southeast Asia Vol.30, No.1 (2008) pp.52-72 at p.60.
improved in recent years (often with US encouragement) as a consequence of improvements in US-Indian strategic relations after India's 1998 nuclear tests. Elements of the US Administration played a significant role in encouraging Japanese proposals for the Quadrilateral, which the Abe government seemed glad to pursue. The idea had been proposed within the track 1.5 US-Japan-India trilateral strategic dialogues first held in June 2006 and then supported in the so-called Second Armitage-Nye Report issued in February 2007. It was then pressed by Vice President Dick Cheney during his March 2007 visit to Tokyo. While the Quadrilateral initiative did not have receive the wholehearted support in the Bush administration (with Secretary of State Condoleezza Rice reportedly opposed to it), the United States is, it seems, supportive of the 2008 Security Declaration and a closer security relationship with India as part of extending Japan's regional security role.

A relationship with India is also consistent with a long-running stream in Japanese strategic thinking, what might be called a “Pan-Asianist” school. Pan-Asian ideas are found among nationalists and historical revisionists who had some influence in the previous LDP administrations over the last decade or so. Related ideas about Asian regionalism (albeit with an anti-militaristic bent) can be found among those of a liberal orientation who are influential in the current Hatoyama government. The Pan Asianism prevalent in Japan in the years up to the Pacific War was a loose set of ideas positing egalitarianism among Asians (in opposition to the West), at the same time as

35 The US-Japan Alliance: Getting Asia Right through 2020, co-authored by former US Deputy Secretary of State Richard Armitage, which asserted the importance of cooperation by Japan with Australia and India founded on “common values.” Despite its unofficial status, the report was considered in Japan as intended as a policy guide for the then current and next US administrations.
Japanese superiority.\textsuperscript{38} It grew as an idealistic/romantic antithesis to the realist foreign policies pursued by Meiji-era Japan in pursuing relationships with Western great powers. Although suppressed in post-war Japan, ideas of an Asian nationalism have experienced somewhat of a revival. In broad terms Pan-Asian thinking favours close relations with Asia over exclusive reliance on the US alliance and is seen by some as potentially undermining the alliance and a role for Japan as a bridge between the US and Asia.\textsuperscript{39} Others see it as not necessarily inconsistent with a simultaneous desire to continue or even strengthen the US alliance. Pan Asian thinking in Japan has traditionally been confined to the Sinic world (Japan, China, Korea and Vietnam) and more generally East Asia, although for some years the concept of “Asia” has gradually expanded westwards to include South Asia. A particular attachment to India could be found during Prime Minister Nobusuke Kishi’s administration during the late 1950s, which was continued by his grandson, Prime Minister Abe in 2007, then leader of the Kishi faction within Japan’s Liberal Democratic Party. Abe was particularly fond of sentimental examples of solidarity between India and Japan against the West during the 1940s. Thus Abe on his visit to India in August 2007 made a public visit to the home of Subhas Bose, the wartime leader of the Indian National Army, a group of captured Indian soldiers who collaborated with the Japanese in fighting the British during the Pacific War.\textsuperscript{40} Abe also met with the family of Radhabinod Pal, an Indian judge who in 1949 dissented from the conviction of


\textsuperscript{40} In celebrating Japan’s sponsorship of the INA, Abe conveniently forgot that in early 1942 Nehru and the great majority of the Congress Party leadership had firmly resolved to assist the British in resisting Japanese imperialism. Nehru threatened “guerrilla warfare” and “a scorched earth policy” should the Japanese ever try to invade India. See Murthy, \textit{India and Japan: dimensions of their relations: historical political} (New Delhi: ABC Pub.House, 1986) at p.162.
Japanese leaders in the Tokyo War Crime trials. In highlighting these episodes Abe sought to legitimize Japan’s war time role and Japan’s and India’s supposed legacies of pan-Asian co-operation.

A security relationship with India would also find support among Japanese nationalists who hold significant (though often non-public) influence throughout Japan’s political, bureaucratic and military systems. The nationalist or rightist movement is essentially revisionist in terms of Japan’s foreign policy, advocating a militarily strong, assertive and independent Japan and generally strongly identifies China as Japan’s key threat. Although some nationalists find Japan’s reliance on the US security umbrella “humiliating” they do not necessarily oppose the US alliance though generally advocate an alliance on more equal terms. In neorealist terms, nationalists are attracted to a relationship with India in terms of finding common cause in forming a military balancing coalition against the perceived China threat and an opportunity for Japan to partially hedge against a perceived risk of the United States abandoning Japan in its relations with China. Nationalists are likely to identify India as a particularly important security partner of a future Japan shorn of its current legal and political constraints on the projection of military power and having the ability to act outside the US security umbrella.

Overlaying these streams of Japanese thinking are questions about whether Japan may be about to make a major change in strategic direction. Kenneth Pyle, a long-time observer of the historical development of Japanese strategic practice, believes that Japan is currently in the process of making one of its periodical revolutionary changes of course in its foreign policy strategy in response to the new strategic environment in Asia and a generational change in Japan’s leadership. According to Pyle, this may involve Japan completely abandoning the Yoshida Doctrine which

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41 The Japanese defendants in the Tokyo trials almost included Abe’s grandfather, Kishi Nobosuke. He had been armaments minister in Japan’s wartime cabinet, but was released from prison by the Americans in 1948 in somewhat obscure circumstances.
anchored Japan to the US security relationship during the Cold War. This will not necessarily involve a loosening of the US alliance, but is likely to involve Japan seeking to rebuild its ties in Asia and promoting multilateral institutions in Asia where it can establish leadership and compete with China for influence.  

The new government elected in August 2009, headed by Prime Minister Yukio Hatoyama, adds some uncertainties over Japanese perspectives on the development of the India relationship. Some believe that given the breadth of the ideological coalition between centre-left Democratic Party of Japan and other minor parties, it is unlikely to be revolutionary or develop a coherent foreign policy direction that differs significantly from previous LDP governments. However the new government seems to have a stronger regionalist emphasis than previous administrations. While the government has made general comments on pushing for greater “equality” in the US alliance (while retaining it as the “cornerstone” of Japanese security) and a more “Asian focused” policy it has given little indication of its views on the India relationship. The new government is inclined against the projection of military power (such as its token maritime role in the Indian Ocean in support of the Afghanistan campaign) and against any relaxation of restrictions on the export of nuclear and defence technology. The new government also appears keen to take a more active role in the development of regional institutions such as the East Asian Community (which would include India but not the United States), although it is not yet clear what role India will play in Japan’s calculations.

**Japanese thinking on future directions of an Indian security relationship**

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While a security relationship with India has conceptual support among several different streams in Japanese strategic thinking, there is less consensus as to how the relationship should be developed in practice. Japan’s ability to develop the India relationship is limited by both the central fact of Japan’s security alliance with the United States and by Japan’s self-imposed limitations on its ability to project military power. This means that in the current security environment few, if any, would advocate a security relationship with India as any kind of alternative to Japan’s reliance on the United States beyond perhaps a specific regional role. Under its current Constitutional arrangements, Japan is effectively unable to extend military cooperation with India much past the level of regular joint naval and coast guard exercises, anti-piracy operations, joint disaster management and multi-layered consultations as provided in the Security Declaration. Despite these limitations, as will be seen below, India could still play an important role in Japan’s evolving security posture in at least two key respects.

First, as reflected in the Security Declaration, the key area of cooperation between Japan and India over the coming years is likely to be political and diplomatic cooperation in regional fora. It is not difficult to see Japan’s past efforts to include India in regional multilateral political and economic structures such as the East Asian Summit as using India to maintain a political balance with China within those fora. This would involve seeking to develop a regional balance of power favourable to Japan, although more in the nature of a balance of power contemplated by some classical realists (i.e. the development of a preferred distribution of power) than the type contemplated by neorealists (i.e. the formation of coalition to balance against a perceived military

44 The Japanese and Indian Coast Guards have held annual joint search and rescue and anti-piracy exercises since 2000 and signed a Memorandum on Cooperation in 2007. The Japanese Coast Guard is administered separately from the Japanese Self Defence Forces and are subject to the same Constitutional or political limitations as the Self Defence Forces.

45 Such as co-operation demonstrated between India and Japan during the December 2004 Indian Ocean tsunami.
In this sense, developing a relationship with India may serve simultaneously as part of a political balancing strategy in relation to China and, potentially, a political hedging strategy with respect to the United States. It is arguable that, in conjunction with India, Japan might carve out for itself a greater political role in Asia-Pacific security and play a greater role in security agenda-setting so as to potentially strengthen Japan’s political hand within the US alliance. This could help to ensure that Japan’s interests were not overlooked by the United States as was sometimes perceived to be the case in the past (for example, the North Korean nuclear issue where Japan has sometimes felt sidelined by the United States). Developing this theme further, some have argued that India might also be a useful partner in helping to bring about a “strategic convergence” between the United States and its allies and a future institutionalized East Asian economic community which would include China and India. This reasoning rejects attempts to cast India as merely a defensive balancer against China (political or otherwise), a role which, it is claimed, India would refuse to take in any event. Instead this approach casts India in a potential role in working in political partnership with Japan to promote multilateral political and economic institutions (such as the Asian economic community) in a way which allows for the inclusion of China in a way that is acceptable to Japan and the remainder of the region.

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49 See, for example, Takenori Horimoto, “The World as India sees it” *Gaiko Forum* (Fall 2006) p.3-10.
The other key role of an India relationship is in maritime security. Many in Japan identify the India relationship primarily as a maritime coalition, particularly in connection with the security of Japan’s sea lanes to the Middle East. The title of Prime Minister Abe’s 2007 address to the Indian Parliament, “The Confluence of Two Seas”, provides an insight into Japanese thinking about the relationship, that is, a meeting of maritime powers of the Pacific and Indian Oceans. For Japan, a key concern is the ability of India to provide maritime security to Japan in the Indian Ocean in combination with or, potentially, as a partial alternative to Japan’s reliance on the United States in that region. While Japan has been keen to maintain some naval presence in the Indian Ocean it seems clear that for the foreseeable future this will be not be more than token. As the former Chairman of Joint Staff of the Japanese Defence Agency, Admiral Natsukawa, commented in 2006, “Only India has the capability and intention for security cooperation in [the Indian Ocean] this huge sea area, the west side of the Malacca Strait.” Similarly, the Japanese National Institute of Defense Studies has called India “the sole dominant power” in the Indian Ocean. Given the current pre-eminence of US military power in the Indian Ocean region these views are significant and suggest that Japan may wish to partially hedge its reliance on the United States for maritime security. Japanese views on an Indian security role inside the Malacca Strait (which joins the Pacific and Indian Oceans) may be less enthusiastic, although it is arguable that Japan, like the United States, may see India as playing a useful role as an external security provider in the Strait given local political sensitivities towards the United States and Japan. However, there seems to be little desire in

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51 Including the Japanese resupply support to coalition vessels engaged in the Afghanistan campaign and a Japanese contribution to Somalian anti-piracy operations (although to protect Japanese ships only).  
52 Kazuya Natsukawa, Opening Address, Indo-Japan Dialogue on Ocean Security, Tokyo, 12 October 2006.  
54 According to the Chairman of the US Joint Chiefs of Staff, General Pace, the United States was “very comfortable with the fact that India has offered its assistance” in providing maritime security in the Malacca Strait. “Indian Navy awaits regional nod for patrolling Malacca Straits” www.india-defence.com, 7 June 2006.
Japan for the Indian navy to play a material role north of Singapore, among other reasons, as it would unnecessarily complicate an already complex regional balance.\textsuperscript{55} One might characterize this as a practical division of labour in a balancing coalition against China or, in geopolitical terms, as the potential demarcation of Japanese and Indian maritime spheres of influence north and west of the Malay peninsula. In any event, a tacit division of responsibilities between Japan and India to provide maritime security in the Pacific and Indian Oceans is not wholly unfeasible from Japan’s standpoint, particularly if the United States is perceived to have a reduced presence or reliability in the Indian Ocean.

The unanswered question in all this is the extent to which Japan would realistically be prepared to develop a substantial security relationship with an India that is not prepared to act substantially in coordination with the United States. Some in Japan would prefer to see India as occupying a strategic role of something akin to a “France in Asia”\textsuperscript{56} (i.e. generally within the US strategic sphere while maintaining a degree of political autonomy), in which India could cooperate closely with a Japan that is still deeply embedded in the US security relationship. However it is not at all clear that India would allow itself to be cast in those terms.

5. Indian perspectives on a security relationship with Japan

Since the turn of the century, there has been a significant degree of consistency in Indian policy towards Japan, largely reflecting a consensus within the Indian political elite on the desirability of India enhancing its security relationship with Japan. Like Japan, India has relatively high threat perceptions of China. However, unlike Japan, these perceptions are not fed by concerns of a relative decline in power, but by perceptions of increased rivalry with China fed by the relative rise in India’s

\textsuperscript{55} Author interviews with Japanese security analysts, June 2009.

\textsuperscript{56} Ibid.
power in the region. The growth in economic power and confidence of India over the last decade or more is also providing India with an opportunity to push for what it sees as its rightful place in international affairs. However, there is also an understanding that India will need to develop good strategic relationships in the region in order to compete with China. There is a broadly-held view that Japan could play an important role in both these objectives.

India has shown a considerable degree of patience in developing its relationship with Japan. New Delhi is sensitive towards Japan’s limitations and as a result has generally allowed Japan to set the pace in developing security aspects of the relationship. The only real hesitancy that New Delhi has shown over the relationship is the extent to which it might ultimately be incorporated into a multilateral security relationship led by the United States. While India initially agreed in principle to a multilateral strategic dialogue with both Japan and the United States, the Indian government later retreated from Abe’s Quadrilateral proposal in the face of Chinese hostility and domestic opposition to a perceived alliance involving the United States. It is clear that New Delhi is very comfortable with a bilateral security relationship with Japan and acted with uncharacteristic speed in September 2008 when a new Japanese government under Taro Aso proposed the Security Declaration. As Indian Foreign Minister Shiv Shankar Menon commented at the time, the Security Declaration was signed largely at the initiative of Japan and its form was largely driven by Japanese considerations.

Some themes in Indian strategic thinking relevant to a Japan relationship

57 See the joint statement of Japanese and Indian leaders during Indian Prime Minister Singh’s Tokyo visit in December 2006: “Joint Statement Toward Japan-India Strategic and Global Partnership” December 15, 2006.

58 The Security Declaration was apparently pressed on Aso by LDP’s Kishi faction (on which Aso depended) and seen as a “low cost” diplomatic achievement.

For India, the development of a security relationship with Japan is one outcome of the revolution in Indian strategic thinking since the end of the Cold War in which India has discarded its old Nehruvian certainties and sought to create a new role for itself in the international security order. This change in strategic thinking since the 1990s has included several key themes or goals, all of which are in one way or another consistent with the development of an India-Japan strategic relationship.

A major goal of Indian strategic thinking is “strategic autonomy,” what Varun Sahni has called the “holy grail” of Indian security policy. This is a goal that stretches back to Indian independence and through the Nehruvian period of Indian history and is shared almost universally among Indian strategic commentators. Related to this is India’s long-standing desire for a multipolar security order both in the region and worldwide which would elevate India’s status and maximize its freedom of action. This goal means that India is keen to cooperate with other major regional powers in order to balance against potential Chinese hegemony in Asia.

India’s potential role in an East Asia balance of power has also become important theme in Indian strategic thinking. Although somewhat at odds with India’s traditional commitment to liberal internationalist ideas, Indian political discourse seems to have largely come to terms with realist concepts of the balance of power and indeed some argue that India has the objective of making itself an indispensable element in the Asian balance of power. As part of its Look East policy, India has signaled a desire to play an active economic, political and security role in East Asia and has

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pursued bilateral security engagements with key states in East Asia, including Japan. While
infrequently articulated at an official level, balancing against China is a significant underlying
factor.63

A further theme in Indian strategic thinking is the evolution in Indian perspectives from a
purely “continentalist” geopolitical mindset (focusing solely on land-based threats from India’s north
and west) towards a more mixed outlook in which India is also able to pursue its destiny as a
maritime great power. Indian strategic thinking contains strong geopolitical elements, including in
what has been called “Mahanist visions” of India as a maritime great power. There is reportedly a
“well established tradition” among the Indian strategic community that the Indian Ocean is, or
should be, “India’s Ocean” and Indian maritime strategists commonly advocate that India must carve
out a role as the leading maritime power in the Indian Ocean.64 The Indian navy has arguably come
to see itself as destined to become the predominant maritime security provider in a region
stretching from the Red Sea to Singapore (including the Malacca Strait) and having a significant
security role in areas beyond, including the South China Sea. This is an area which the former Indian
Foreign Minister Jaswant Singh called India’s sphere of influence65 and which the current Prime
Minister calls India’s strategic footprint.66 In light of India’s limited resources this ambition, at least
in the medium term, may require India to form security relationships with the United States and
other regional maritime powers in the Indian and Pacific Ocean regions. Arguably India’s
geopolitical reorientation could also reflects a deeper strategic reorientation away from a
“continental state” that some characterize as tending towards authoritarianism and economic

Cooperation (Carlisle PA: Strategic Studies Institute, 2005).
64 See generally, David Scott, “India’s “Grand Strategy” for the Indian Ocean: Mahanian visions” Asia-Pacific
65 Times of India, 13 April 2001

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illiberalism and towards a “maritime state” that might be characterized as politically and economically liberal.67

Finally and by no means least, is the development over the last decade or so of a new strategic relationship with the United States. One could view the relationship as an informal coalition to soft-balance against a rising China,68 although it could also be characterized it ideological terms as part of a more general return by India to enlightenment values against authoritarianism..69 However characterized, this fundamental change in India’s strategic posture has both prompted and facilitated a concomitant deepening of ties with regional allies of the United States.

Japan, as a key US ally, an Asian great power and a maritime state, stands at the intersection of all these themes in strategic thinking. As will be seen below, many of these themes can be identified as underlying the mix of Indian thinking on the relationship.

**Indian thinking on future directions of a Japan security relationship**

Although there is broad consensus in the Indian security community about the desirability of an India-Japan relationship, there is a divergence of views in India about the future direction of the relationship and how it might fit within India’s evolving strategic posture. To a significant extent this reflects tension between a perceived need of India to form strategic relationships with the United

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States and its allies on the one hand and on the other a goal of maintaining strategic autonomy and promoting the development of a multipolar region. While there is a broad understanding in New Delhi of Japan’s strategic limitations, these are not generally seen as a major impediment to India’s immediate goals except as they affect India’s immediate desires to gain access to Japanese nuclear and defence technology. Paradoxically, Japan’s limitations also make it a desirable partner in helping to legitimize India’s great power status regionally and particularly in the Indian Ocean.

While it is generally understood in New Delhi that the immediate trigger for improvement in relations with Japan over the last several years was the development of India’s security relationship with the United States, Indian analyses tend to place significant emphasis on the independent nature of the India-Japan relationship. The Security Declaration is generally viewed not merely as a bilateral layer on US-backed multilateral arrangements, but as an agreement between equals. This is often contrasted with the India-US relationship where there is a perceived risk of the United States building India as a junior alliance partner.70

A long term goal of strategic autonomy might suggest that India would prefer to deal with perceived rivals (principally China) on its own or, perhaps, as the first among equals of a coalition of smaller states and would wish to avoid any formal multilateral coalition including the United States and or its allies. Indian security managers would clearly prefer not to participate in any US-led anti-China alliance. According to Ashley Tellis, even if such an anti-China coalition led by the United States were to eventuate in the future, New Delhi’s intuitive preference would be to assert its strategic autonomy even more forcefully. Short of the most extreme threats, India would wish to

deal with Beijing independently. However, despite these strategic preferences there is also a widespread understanding that India is not now in a position to go it alone, especially vis-à-vis China, and that a relationship of some type with United States and its allies is a necessary or desirable feature of Indian security in the present circumstances.

Many in India see a security relationship with Japan as highly consistent with a strategically (semi) autonomous India. Although a US ally, Japan is generally not seen as threatening India’s freedom of action. Many Indian commentators see the Security Declaration as an important step in the process of India and Japan becoming “key stakeholders” in East Asian affairs, noting the apparent emphasis in the Security Declaration for policy coordination on regional affairs in the Asia-Pacific region and on long-term strategic and global issues. The Security Declaration can also seen as a step in the development by India of a series of separate bilateral relationships in East Asia which might co-exist with India’s relationship with the United States. As part of India’s Look East policy, India has also sought to develop other bilateral security relationships in East Asia, including with Vietnam (a long-standing political relationship, and one which has been given increasing substance in security and economic dimensions), Singapore (which has become India’s economic, political and security gateway into Southeast Asia) and South Korea (largely economic, but with political and security aspects). Japan, by virtue of its economic and military power would be a key anchor to these bilateral relationships.

Some go further, seeing the Japan relationship as potentially part of an Indian-centered “constellation” of Asian states linked by strategic cooperation and sharing common interests,


72 GVC Naidu, “Indo-Japan relations: Emerging Contours of Strategic Partnership.”
including in counterbalancing China. Chellaney, for example, sees the India – Japan relationship as forming the potential foundation of overlapping security relationships in Asia. The Japan relationship would provide India with a link into the US security sphere, forming the foundation or axis of a quadrilateral relationship including the United States and Australia. The relationship could even form the foundation of an India-Japan-Russian trilateral relationship which, according to Chellaney, is the way to get a “true counterbalance to China,” because it “would effectively contain China on all sides.” Others even hope that Japan (with India’s encouragement) will ultimately cast off its US strategic umbrella to join with India as a new global power centre and that China will thereby afford them both “strategic space.” According to these perspectives, the Japan-India relationship is potentially of fundamental importance to India, possibly helping to place India at the pivot of any future Asian security arrangements.

Other commentators are less enthusiastic about any suggestion that India might attempt to sponsor a separate Asian security system, but nevertheless see Japan as a significant strategic partner. These include the modern-day successors of the non-alignment school who believe that India is likely to be destined to be a fence-sitter in Asia, relatively equidistant and non-aligned between two poles of China and a US-led coalition. Nevertheless, both Japan and Russia are often seen as important long-term strategic friends that India should make significant efforts to cultivate.

73 Ibid.
Others see the possibility of India occupying a middle ground of partial attachment to the United States while retaining significant autonomy. Mohan believes that while there will be many issues on which there is scope for significant cooperation with the United States, there will also be limits to that cooperation. As a result, India’s emphasis must be on issue-based coalitions that will give it flexibility to join different groupings at different times. The relationship with Japan could well form the basis of such an issue-based coalition. According to this view, while India and Japan will have significant interests in assisting each other in East Asia and elsewhere, although neither will Japan abandon the US alliance nor will India become a “deputy” for the United States in Asia. Mohan believes that a bilateral relationship between India and Japan (as opposed to a multilateral security relationship including the United States) would avoid alienating China, allowing India and Japan to “create a new magnet in Asia; not a wall of separation.”

One area in which India recognizes a strong alignment of interests with Japan is on the need to integrate India into various East Asian political and economic institutions. Japan along with others such as Singapore can provide India with crucial diplomatic support in gaining entrance to these groupings potentially against the resistance of China. This included Indian membership of the East Asian Summit in 2005 which at the time was seen as a potential basis for an Asian economic community. New Delhi believes that it is imperative that India be integrated into the economic engine of East Asia (naturally, on New Delhi’s preferred terms) and avoid being locked out of regional economic and political fora as had often occurred in the past (including, for example, membership of APEC and ASEM). Japan is seen as a key ally in ensuring that not only India not only

participates in these regional arrangements, but that it is seated at the “top table” in the
negotiation of an Asian economic community and in any future regional security arrangements.

Throughout these debates on how Japan might fit with India’s strategic posture, a bilateral
security relationship with Japan per se is almost universally seen as non-threatening to India’s
strategic autonomy. The lack of perceived threat presented by Japan reflects a long-running
separation of security dynamics between East Asia and South Asia, meaning that Japan has until
recent times had only a peripheral interest and involvement in South Asian strategic affairs.80 Even
during World War II, at the height of its military successes, Japan showed little strategic interest in
India other than neutralizing it as a potential base for British attack on the new Japanese empire in
East Asia. After taking Burma in early 1942, the Japanese Army stopped at the Indian border and its
minor, if hard fought, incursions over the border in 1944 appear to have been motivated more by a
desire to cut Allied supply lines to China rather than to take and hold significant Indian territory.81
This lack of strategic or historical baggage, together with Japan’s non-assertive and hesitant stance
in regional security affairs since the end of World War II, has contributed to a view in India that
Japan is unlikely to act as a strategic competitor.

Like Japan, many in India see the relationship primarily in terms of maritime security. It is
recognized in New Delhi that Japan’s present ability to contribute to regional maritime security is
limited. Many Indian maritime strategists hope to see the creation of Indian naval pre-eminence in
the Indian Ocean as well as a possible (though undefined) naval role in the Western Pacific82 and

80 See Barry Buzan and Ole Waever, Regions and Powers: The Structure of International Society (Cambridge,
Massachusetts, United States: Cambridge University Press, 2003).
81 See generally, Milan Hauner, India in Axis Strategy: Germany, Japan, and Indian Nationalists in the Second
World War (Stuttgart: Klett-Cotta, 1981) and Joyce C. Lebra (ed.), Japan’s Greater East Asia Co-Prosperity
82 Scott,”India’s“Grand Strategy,””
Japan is seen as playing an important role in legitimizing in India’s ambitions. While Japan is recognized as a significant (if partly inchoate) naval power in the Western Pacific, it also has few pretensions about projecting significant naval power into the Indian Ocean or in challenging the Indian navy’s vision of having a leading role in providing maritime security in the Indian Ocean. Japan preparedness to accommodate itself to a leading role for India in the Indian Ocean (on the expectation that India will provide maritime security for Japan interests) serves to legitimize India’s great power ambitions. As Kesavan puts it “Indo-Japanese cooperation could become a core component of the entire Indian Ocean security mechanism” (One might add, in an Indian Ocean security mechanism which recognizes Indian naval pre-eminence.) Not surprisingly, the Indian navy has been at the forefront of advocating the Japan security relationship, and is keen on building strong ties with the Japanese Maritime Self Defence Force and Japanese Coastguard as part of a coalition of maritime powers. Despite suggestions that India and Japan could enter into reciprocal security arrangements in their respective maritime zones (e.g. allowing escorts of each other’s vessels on request, or cooperation in maritime interdiction), there have been few indications of concrete Indian expectations of a Japanese role as a maritime security provider. On the contrary, some in India are keen on projecting Indian naval power into the South China Sea, according to Indian Defence Minister George Fernandes in 2000, “…to see that the sea lanes are not disturbed and that conflict situations are contained.” Others advocate an Indian naval presence in the South China Sea as a response to perceived Chinese naval incursions into the Indian Ocean. It is arguable that India may currently find Japan’s legal and political constraints on power projection as

85 Nayan Chanda, “After the Bomb: India is Forging Ties with Japan and Vietnam as it Seeks to Establish Itself as a Player in Regional Security,” Far Eastern Economic Review, 13 April 2000.
86 See, for example, Bharat Karnad, Nuclear Weapons and Indian Security: The Realist Foundations of Strategy (Delhi : Macmillan India, 2005 ).
convenient to its own ambitions. However, as has been noted previously, the extent to which Japan would ultimately welcome a significant role for the Indian navy north or east of Singapore is questionable.

6. Giving substance to the Security Declaration – issues to be addressed

While the Security Declaration may be an important symbolic step in the development of the Japan-India security relationship, it is also worthwhile considering what issues exist in the relationship that will need to be addressed in order to give the relationship greater substance beyond consultation and political cooperation. The most obvious issue inhibiting a properly symmetrical security relationship is the restrictive Article IX of Japan’s Constitution which, as it is currently interpreted, prohibits Japan engaging in collective defense arrangements. Although Japan is currently seeking to do what it can to cooperate with India it is arguable that without such a change, Japan will lack any real credibility as a true security partner. However, there are several issues on which India has significant expectations of Japan including the willingness of Japan to meeting India’s needs in civilian nuclear cooperation and defense technology cooperation. Underlying all of this is an extremely weak economic relationship in terms of both trade and investment, which begs the question of whether any long-term security relationship will be undermined or limited by a lack of alignment in the economic dimension.

While both sides seem to have taken the view that these issues will be resolved in the fullness of time, until resolved they are likely to place further limitations on the extent of strategic cooperation between the two. India has indicated that it is prepared to be patient, essentially while Japan resolves these issues, however their resolution will inevitably be seen in India as a test of Japan’s seriousness to further developing the relationship.
The supply of civilian nuclear technology to India

The issue of the supply of nuclear generation technology by Japan to India is a significant issue in bilateral security relations and seems likely to remain so for some time to come. For India, Japanese cooperation is an important factor in the development of its nuclear industry. However, while Japan has shown some flexibility in recognizing India’s anomalous nuclear status, India’s refusal to accede to the Nuclear Non-Proliferation and Comprehensive Test Ban Treaties represents a major political obstacle to allowing the supply of Japanese nuclear technology.

India requires a huge investment in electricity generation over the next several decades in order to support economic development, including plans to install around 12-16 GW of additional nuclear generating capacity by 2020.87 An agreement with Japan allowing the provision of nuclear technology to India will be an important factor in these plans. Japan ranks third in installed nuclear capacity worldwide and Japanese companies (primarily Toshiba, Hitachi and Mitsubishi) rank among the largest suppliers of nuclear technology in the world, with Toshiba alone representing some 30% of total worldwide nuclear reactor building capacity. Japanese companies are at the forefront of, or have proven competencies in, the utilization of advanced mixed oxide fuels and the construction of light water reactors, advanced boiled water reactors and fast breeder reactors, each of which India has hopes to deploy.88 Japan is not absolutely essential to India’s plans for its civilian nuclear industry as India can still access such technology from such suppliers in the United States, France, Russia and South Korea. However, the absence of key Japanese technology would significantly

88 Ibid.
restrict India’s options and, according to Indian experts, would prevent India from achieving planned technology standards in developing India’s nuclear industry.

Japan, as a leading campaigner against nuclear proliferation, remains extremely sensitive about India’s nuclear status. The role of Japan in leading international condemnation of India over its Pokhran II nuclear weapons tests in 1998, including blocking bilateral and multilateral development assistance, caused significant (although as it turns out, short-lived) damage to the bilateral relationship.\textsuperscript{89} Japan has significantly moderated its rhetoric since that time, tacitly accepting India’s status as a nuclear weapons status a \textit{de facto} nuclear weapons state outside of the NPT system, and in September 2008 gave its grudging approval to India’s 123 nuclear deal with the United States in the multilateral Nuclear Suppliers Group. The Japanese waiver was given on the condition that India observes all its commitments, including its pledge not to conduct further nuclear tests. According to Japan, if India resumes tests, “the logical consequence is to terminate trade” under the NSG waiver.\textsuperscript{90} Japan’s position remains that India should become a signatory to the Nuclear Non-Proliferation Treaty and ratify the Comprehensive Test Ban Treaty.

The Japanese nuclear industry (with the support of the Ministry of Economy, Trade and Industry) is placing significant pressure on the government to allow Japanese companies to participate in India’s nuclear program. Toshiba has the ability to trade indirectly with India through the supply of US technology by its US subsidiary, Westinghouse. However, Hitachi, which supplies complementary technology together with its US joint venture partner, GE, is effectively locked out of the market and is said to be “desperate” to be allowed to access the Indian market.\textsuperscript{91} However, the


\textsuperscript{90} “Worrisome NSG agreement,” \textit{Japan Times}, September 14, 2008.

\textsuperscript{91} Author interview with senior Japanese government advisor, June 2009.
issue remains one of extreme domestic political sensitivity for Japan, with one official commenting that the Japanese government decision to allow the NSG waiver “met much more opposition from the public than we anticipated.” The Japanese are unwilling to even commence negotiations on nuclear cooperation, with Japanese Prime Minister Aso stating in October 2008 only that he “urged India to fulfill its promises including extension of the nuclear test moratorium.” While the Indians have stated that they propose to “move at a pace which the Japanese government and people are comfortable with,” they nevertheless pressed Japan on the point during discussions on the Security Declaration, making a formal request for an agreement on the issue.

It is not clear how this circle will be squared. India has already declared a voluntary moratorium on nuclear testing and is unable to join the NPT regime as it is. It has been suggested that a coordinated international campaign by Japan and India to strengthen the international non-proliferation regime or to make progress in nuclear disarmament (an objective reiterated in the Security Declaration) could possibly provide the Japanese government with sufficient domestic political coverage to come to a nuclear supply agreement with India. However, the Indians have not so far shown a willingness to help the Japanese out of their political predicament. It is likely that the Indians consider that following the NSG waiver they are now in a strong bargaining position with Japan and that the Japanese nuclear suppliers will inevitably force a change in government policy. With the election of the DPJ to government it seems unlikely that there will be any change in Japan’s position on export of nuclear technology to India in the near future.

Cooperation in defense technology


94 Author interview with senior Japanese government advisor, June 2009.
Another important issue on which little progress has been made is the supply of defense technology by Japan to India. While India has access to defense technology through its supply relationships with Russia and Israel\(^95\) (and more recently through its relationship with the United States), Japan could have a particular role in the establishment by India of a Ballistic Missile Defense system. It has been suggested that because of the co-development by Japan and the United States of BMD technology, trilateral co-operation in technology may be highly desirable or even necessary for the roll-out of that technology by India.\(^96\) The ability of Japan to supply defense technology to India formed a key issue in the visit of Indian Defense Minister Mukherjee to Tokyo in May 2006\(^97\) and in March 2007, Japanese Prime Minister Koizumi agreed to the creation of a so-called bilateral Japan-India “Consultation Mechanism for High Technology Trade” to give consideration to relaxing Japan’s restrictive rules regarding arms exports to India on a case by case basis.

Like the nuclear issue, any easing of the longstanding restrictions on arms exports and sharing of defense-related technology by Japan represents a major domestic political taboo.\(^98\) Although this prohibition was loosened slightly following the North Korean nuclear crisis in 2003 to allow the joint development of ballistic missile technology with the United States, any further loosening of the restrictions faces opposition across the Japanese political spectrum. Nevertheless,

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\(^98\) It is argued that the prohibition on arms exports forms a key part of the Japanese “security identity.” Andrew Oros, Normalizing Japan: Politics, Identity and the Evolution of Security Practice (Stanford: Stanford University Press, 2008).

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there have been a number of influential calls to loosen Japan’s defense export controls\textsuperscript{99} and in June 2009 the LDP’s National Defense subcommittee recommended relaxation of defense technology rules to allow joint research and development.\textsuperscript{100} While primarily aimed at allowing Japan to participate in the US-led Joint Strike Fighter project, such a relaxation may also extend to cooperation with India in BMD development.

\textbf{The underlying economic relationship}

The most glaring structural weakness of the India – Japan strategic relationship is in the economic dimension. Tokyo’s courting of a security relationship with India despite the lack of significant economic links has been called “a remarkable case of the Japanese flag preceding trade and investment.”\textsuperscript{101} Despite persistent attempts by the Japanese government to encourage Japanese private investment in India since the early 1990s, Japanese business is, and seems likely to continue to be, wary of doing business in India. While the theoretical literature indicates that a close economic relationship is not an absolute prerequisite to a good political and security relationship,\textsuperscript{102} one might argue that a closer economic relationship would at least assist in avoiding a misalignment of interests, particularly in dealing with China. An anemic economic relationship between Japan and India when placed against the overwhelming economic significance of China to Japan and the


\textsuperscript{100} “It’s time to relax rules on arms export, R&D,” \textit{The Daily Yomiuri} 10 June 2009.


burgeoning trade relationship between China and India could place significant limitations on the alignment of Japan and India's interests, particularly in seeking to develop “balanced” regional political and economic institutions. The lack of a substantial economic relationship could lead to fragility in the security relationship to the extent there is a disjunction between political and economic interests.

India has had high hopes of an India-Japan economic partnership since the early 1950s, when Nehru identified Japan as a potential key driver of India's industrial development. The Japanese too, identified India as a major market and in 1958, on the decision of Nobusuke Kishi, India was the first country to receive Japanese Official Development Assistance (ODA). Despite periodic declarations of good intentions over the last 50 years bilateral trade between Japan and India has stagnated and Japanese investment in India remains negligible. The failure of Japan and India to develop an economic relationship through the Cold War can to a significant extent be attributed to India’s policies of economic autarchy. Severe legal restrictions on foreign investment, high trade barriers and bureaucratic hostility, together with widespread corruption and inadequate infrastructure, were successful in deterring most foreigners who wished to do business in India. As a result of these obstacles, Japanese investment during the 1960s, 70s and 80s, as part of its “flying geese” strategy, was largely directed to Southeast Asia and then towards China. By 1991 cumulative Japanese investment in India represented only 0.1% of all Japanese foreign investment.¹⁰³

The lack of economic links can also be attributed to a major disconnect between the Indian and Japanese business cultures. Japanese business, apparently able to adapt very well to business conditions in developing countries in East Asia, has consistently found it difficult to adapt to the more fluid Indian business environment. Japanese business has clearly not been successful in

adapting its assembly/export business model that was so successful in Southeast Asia and China to the Indian business environment. The reported “frustrations”, “bafflement” and mutual incomprehension felt by Japanese in trying to do business in India in the 1950s were little different from problems reported by a different generation of Japanese businesses decades later.¹⁰⁴ This contrasts with other foreign investors in India, including notably the South Koreans which, after the liberalization of the Indian economy since the early 1990s seem able to better adapt to the local business environment.¹⁰⁵

The focus on developing Indian economic links by Japanese political leaders since the early 1990s, and particularly since the turn of the century has largely failed to reverse this situation. While Japanese investment in India has increased significantly in absolute terms, it remains extremely small relative to other Japanese investment destinations. Japanese investment in India from 1997 to 2007 represented a mere 0.7% of all Japanese foreign investment over that period (as compared with 26% invested in China). Bilateral trade too is insignificant. Bilateral trade between India and Japan represented a mere 0.8% of Japan’s total bilateral in goods in 2007 (as compared with around 20% for China).¹⁰⁶ Numerous studies have despaired at the lack of economic engagement between India and Japan, each proposing ways in which the economic relations can be nurtured.¹⁰⁷

¹⁰⁵ See David Brewster, “Developments in India’s relations with South Korea: a useful friend in East Asia?” Asian Survey (forthcoming).
The picture for private trade and investment between Japan and India contrasts with Japanese ODA to India, where in recent years the Japanese government has made a concerted effort to give priority to the relationship. India overtook China as the largest destination of new Japanese ODA loan commitments in 2003. The Japanese government continues to use its ODA program in an attempt to expand economic ties. Simultaneous with the signing of the Security Declaration, Japan announced an ODA package of US$4.6 billion in loans to help build a Mumbai-Delhi rail freight connection, the largest amount ever provided under Japanese ODA for a single project. However, suggestions that ODA should be directed towards security-related projects such as the upgrading of port and maritime infrastructure have not been implemented.\textsuperscript{108} While an impressive indication of political commitment from the Japanese government, the focus on ODA-driven investment underlines the lack of major private Japanese investment in India as compared with Japan’s economic competitors.\textsuperscript{109}

Both India and Japan have sought to encourage greater economic links through a bilateral Comprehensive Economic Partnership Agreement intended to encourage trade and investment. Although negotiations on an agreement began in early 2007, progress has stalled on lowering tariff and non-tariff trade barriers on certain products and nor is there an agreed target date for its finalization. It is understood that sales of Indian agricultural and pharmaceutical products to Japan and Japanese automobiles and chemical products to India remain significant issues. Meanwhile, India has finalized free trade and investment agreements with key competitors of Japan such as Singapore, South Korea and ASEAN and Japan has finalized its own free trade agreements with Malaysia, Indonesia and ASEAN. Given the history of the economic relationship over the last 60 years there may be doubt whether a free trade agreement would make a major difference to

\textsuperscript{108} “Manmohan Singh’s Visit to Japan: Recent Trends, Historical Perspectives,” Hitachi Research Institute, 7 February 2007.

\textsuperscript{109} Including, for example the announced $12 billion investment by the South Korean POSCO steel company.
economic relations between India and Japan. Nevertheless, it may be an interesting test of political resolve of both in overcoming powerful domestic constituencies that would be opposed to such a deal.

The continuing weakness in the economic dimension of the relationship has led to the India-Japan relationship being described as having a “top heavy security component (albeit, at present, more in intent than content).”\(^{110}\) Indian Prime Minister Manmohan Singh made no bones about this problem in the October 2008 summit, reminding his hosts of the paucity of Japan’s economic links with India in comparison with its competitors. Singh pointed out that the increase in India’s bilateral trade with China in the past one year alone is more than the whole of India’s total trade with Japan. Indian Foreign Minister Menon described security and political cooperation as the “second leg” of the bilateral relationship and made it clear that the first leg, economic cooperation, was yet to realize its full potential. The apparent reliance on ODA in the economic relationship has also been criticized by the influential Japanese Forum on International Relations, which also commented that despite official proclamations of strategic partnership with India, if there is no agreement on how to encourage Japanese business activities in India “such a partnership will lack the decisive measures required to support it and its effect will be limited.”\(^{111}\)

It is arguable that the anemic economic relationship between Japan and India, compared with the strong relationship between Japan and China and fast-growing trade links between India and China could potentially give China an opportunity to create a wedge between Japan and India, certainly in developing regional institutions. However, given the long-running cultural factors that


apparently inhibit the expansion of business relationships between Japan and India, it does not seem that this conundrum will be resolved any time soon.

7. Conclusion

Although a security relationship between Japan and India has developed in fits and starts in recent years, it seems likely to endure and develop further. A bilateral security relationship has strong conceptual support within several constituencies in both Japan and India and has the potential to fulfill multiple strategic goals for each. It perhaps because of these differing goals that there is less consensus as to how the relationship should be developed.

China looms large in the relationship and mutual perceptions of a “China threat” are clearly a significant motivation to develop the relationship as a regional balance. However the United States looms equally large. For Japan, developing a relationship with India could help deepen its US alliance as well as potentially provide it with greater bargaining power within that relationship. For India, developing a relationship with Japan is part and parcel of a closer relationship with the United States. However, a security relationship with a Japan, either embedded in the US security relationship or, as some dream, loosened from it, can potentially increase India’s influence and help in achieving India’s objective of a multipolar region.

As indicated by the Security Declaration, in coming years much of the focus of the India-Japan relationship will be on political coordination, particularly in developing structures aimed at political and economic integration of the region. The other area of focus is maritime security in the Indian Ocean. In practice this is likely to mean Japan helping to legitimize India’s leading role as a maritime security provider west of Singapore and diversifying Japan’s reliance on the United States
for maritime security. However, any attempt by India to develop anything more than a minor maritime security presence in the Pacific would likely be discouraged by Japan.

A further deepening of the security relationship faces several immediate hurdles, including Japan’s prohibitions on civil nuclear cooperation and cooperation in defense technology, both part of Japan’s pacifist post-war posture. Underlying this is an anemic bilateral economic relationship which could contribute to a lack of alignment in dealings with China and Southeast Asia. India may take the view that the balance of power between it and Japan will change in its favor and that time is therefore on its side in overcoming these hurdles. India has shown considerable patience in allowing Japan to set the pace in developing the relationship and will need to show much more in order to secure further benefits from the relationship.

Given the multiple strategic goals that the bilateral relationship can satisfy it seems likely that the relationship will be given increasing substance over time. One hopes that a greater consensus will develop within both Japan and India as to how such a partnership might play a positive role in regional security in the context of rivalry between the United States and China.