



INDO-JAPAN CHAMBER OF COMMERCE & INDUSTRY

India and Japan in Free and Open Indo Pacific



7th May 2022 - Speakers and a few IJCCI members at the Inaugural Session



8th May 2022 - Speakers at Plenary sessions



INDO-JAPAN CHAMBER OF COMMERCE & INDUSTRY

Symposium on
India and Japan in Free and Open Indo Pacific
May 7 & 8, 2022



7th May 2022 - Inaugural Function



8th May 2022 - Session I - Chair - Dr. Sridhar Krishnaswami



8th May 2022 - Session II - Chair - Dr. HORIMOTO Takenori

PREFACE

Dear Friends,

The current issue of the Resource Paper focusses on “India and Japan in Free and Open Indo Pacific”, a compendium of the proceedings of a two-day symposium conducted by Indo-Japan Chamber of Commerce and Industry with the support of the Consulate-General of Japan in Chennai. The Resource Paper is a compilation of presentations made by speakers at the symposium. A galaxy of eminent personalities from media, diplomatic community, security experts, top representatives from trade & industry and academics from India and Japan participated in the conference, covering a wide range of subjects.

Though the usage of ‘Indo-Pacific’ term has been in vogue in strategic circles for about a decade now, it has rapidly gained importance in recent years. The Indo-Pacific is one of the world’s most dynamic regions, accounting for more than 60% of the global GDP; almost 50% of the global merchandise trade passes through its waters; and with the engine of global economic growth shifting towards the east, the region assumes global importance. While discussing Indo-Pacific region, Japan-India relations are highly indispensable. The two countries are the pillars of a stable and secure Indo Pacific region, sharing a global vision of peace, stability and shared prosperity, based on sustainable development. India-Japan cooperation in the Indo-Pacific is currently focused on six areas : upholding the rule of applicable international law, especially for the freedom of navigation along sea lanes of communication; enhancing maritime security; operationalizing defence technology collaboration; creating connectivity; countering the threat from non-state actors; and integrating the eastern coast of Africa into the Indo-Pacific.

IJCCI is confident that this resource paper would be interesting and informative to readers.

June 2022

Suguna Ramamoorthy
Secretary General IJCCI

May 7, 2022 - Inaugural Session

Welcome Address	Mr. T.P. Imbichammad President IJCCI & Chairman Avalon Group
Address	Mr. TAGA Masayuki Consul General of Japan, Chennai
Keynote Address	Dr. HORIMOTO Takenori Visiting Professor, Gifu Women's University Topic: Peace and Stability of Indo-Pacific Region: What would be the functions of Japan-India Relations?
Chief Guest Address	Mr. M.K. Narayanan Former National Security Advisor & Former Governor of West Bengal Topic: Strategic and Political Challenges of the Indo-Pacific
Vote of Thanks	Mr. N. Kumar Chairman IJCCI & Vice-Chairman Sanmar Group

A cross section of the audience



Speakers at the Inaugural Session



Mr. T.P. Imbichammad

President IJCCI & Chairman Avalon Group



...Japan-India relations are value-based, deep-rooted, centuries old and both democracies are peace-loving and respect their neighbouring countries. The great powers have come together to establish peace and stability in the Indo-Pacific region...

I am extremely happy to welcome all of you to this special programme. Today and tomorrow there are a lot of presentations by scholars to make us wiser. It is a rare opportunity to have a galaxy of eminent speakers from Japan and India on this very important topic. I would even say this is a NEED OF THE HOUR SYMPOSIUM.

Today the world is going through a very tough and challenging time. We see our brothers and sisters in countries world over suffer even for basic requirements like clean water, food and medicines; there is hue and cry for security, safety and stability. Where are we and what are we heading for in the 21st century? It is the duty and responsibility of every one of us to contribute the best to arrive at solutions.

Japan-India relations are value-based, deep-rooted, centuries old and both democracies are peace-loving and respect their neighbouring countries. The great powers have come together to establish peace and stability in the Indo-Pacific region. Our two leaders - in Tokyo and New Delhi - contribute to the safety, security and prosperity for the Indo-Pacific region. I am sure the deliberations of the two-day symposium will set a new trend and provide new opportunities to counter the challenges of the region. I thank Taga-San for coming together with IJCCI and organising a symposium on this scale. I thank all the eminent speakers at the symposium.

I WISH THE EVENT A GRAND SUCCESS



Mr. TAGA Masayuki
Consul-General of Japan, Chennai



... Today we (India and Japan) are enjoying our strongest ever relations as ‘Special Strategic & Global Partners’ based on the universal values of freedom, humanism, democracy, tolerance and non-violence and working closely for a rule based and inclusive world order that respects the sovereignty and integrity of the nations, ensuring freedom of navigation and over flights as well as unimpeded lawful commerce and seeks the peaceful resolution of disputes with full respect of legal and diplomatic process, without resorting threat or use of force”.

It is my great honour and pleasure to address at this Inaugural Session of the Symposium ‘India and Japan in Free and Open Indo-Pacific’ organized by Indo-Japan Chamber of Commerce and Industry. This year marks the 70th anniversary of the establishment of diplomatic relations between Japan and India. Therefore, it is very timely and meaningful to have such a symposium to discuss how Japan and India can cooperate more closely in the era of Indo-Pacific. I would like to extend my utmost gratitude to IJCCI for preparing and arranging this symposium and inviting me to address participants at the symposium.

Let me look back to 70 years ago, on 28th April, the San Francisco Peace Treaty became effective, and Japan restored representation in the international community after her defeat in the Second World War. For Japan, rejoining the international community was the top priority in the national agenda, and India consistently supported Japan’s aspiration. The then Prime Minister Pandit Jawaharlal Nehru considered that honour and equality should be fully ensured for Japan and as a result, India did not sign the multilateral San Francisco Treaty and opted for concluding a bilateral treaty with Japan. Thus on the same day, Japan and India established the diplomatic relations and then concluded the Treaty of Peace on 9th June 1952.

Since then, in the last 70 years, Japan and India have been nourishing and strengthening our friendly and cooperative relations. Today we are enjoying our strongest ever relations as ‘Special Strategic & Global Partners’ based on the universal values of freedom, humanism, democracy, tolerance and non-violence and working closely for a rule based and inclusive world order that respects the sovereignty and integrity of the nations, ensuring freedom of navigation and over flights as well as unimpeded lawful commerce and seeks the peaceful resolution of disputes with full respect of legal and diplomatic process, without resorting threat or use of force. Last month, Prime Minister Kishida visited India for the 14th Japan-India Annual Summit. This was his first bilateral visit abroad as Prime Minister, which showed how Japan put the importance on India. Prime Minister Kishida and Prime Minister Modi appreciated the significant progress made in security, defence cooperation and affirmed their desire to further deepen it; reiterated that Japan and India would continue to contribute to global efforts to combat Covid-19 and protecting the livelihoods of the people; expressed their shared intention to realize 5 trillion Japanese Yen of public & private investment and financing from Japan to India over the next five years. There are many more things that two Prime Ministers agreed and shared a common vision on various issues.

While Prime Minister Kishida welcomed the Indo Pacific Ocean initiative announced by Prime Minister Modi in 2019, two Prime Ministers acknowledged the growing space for cooperation between Indo Pacific Ocean Initiative and Free and Open Indo-Pacific. On Indo-Pacific, I would like to recall a speech titled ‘Confluence of

the Two Seas' by then Prime Minister Abe at the Parliament of India in 2007 during his first visit to India as Prime Minister. And I quote from his speech, "The Pacific and Indian Oceans are now bringing about a dynamic coupling as seas of freedom and prosperity. Our two countries have the ability and responsibility to ensure that it broadens yet further and to nurture and enrich these seas to become seas of clearest transparency."

In 2014, when Prime Minister Modi visited Japan, Prime Minister Abe and Prime Minister Modi affirmed their shared belief that "at a time of growing turmoil, tension and transitions in the world, a closer and stronger strategic partnership between Japan and India is indispensable for a prosperous future for the two countries and for advancing peace, stability and prosperity in the world, in particular in the inter-connected Asia, Pacific and Indian Ocean regions."

And three years later, in 2017, during Prime Minister Abe's third visit to India the "Two Prime Ministers affirmed strong commitment to their value-based partnership on achieving a free, open and prosperous Indo-Pacific region, and underlined that India and Japan could play a central role in safeguarding and strengthening such a rule-based order." Ladies and Gentlemen, these are the declarations of 2007, 2014 and 2017 - 15 years ago, 8 years ago and 5 years ago, respectively. If we see today's international situation, it is obvious the importance and the necessity of this shared belief of two Prime Ministers is much more relevant. In such a situation, it is really needed and welcome to have the discussion on how Japan and India can cooperate and work together for the future of peaceful and prosperous Indo-Pacific and the world. Therefore, I am grateful to the speakers of this symposium, really a galaxy of prominent intellectuals who did kindly accept to speak and share their thoughts. I am sure this one and a half day symposium will be utmost meaningful and useful for deepening our idea, thought and vision as to how we can further strengthen our 'Special Strategic and Global Partnership' and materialize the peaceful and prosperous Indo-Pacific and the world.

I thank all those attending this Symposium for your interest in this symposium. I hope you will enjoy and deepen your understanding of the perception, the thought, the vision, and the policy, of the Governments and the peoples of Japan and India, and I am sure, you will be able to contribute to strengthening our 'Special Strategic and Global Partnership' in the era of Indo-Pacific.

Thank you very much



Dr. HORIMOTO Takenori

Visiting Professor, Gifu Women's University, Japan



Theme : Peace and Stability of Indo Pacific Region: What would be the functions of Japan-India Relations?

...Pax Americana is slowly being challenged by a China striving for a PaxSinica even as it is difficult to make predictions of the evolving environment but it is a matter of fact of a decline in American national power and the rapid emergence of China in the latter half of the 20th Century. Managing peace and stability in the Indo Pacific would depend on whether Washington and Beijing were able to shoulder all responsibilities.

Currently, it is more and more difficult to address the situation in the Indo-Pacific region. The knottiest factor is the Ukrainian issue which carries various ramifications depending upon the development itself and the involvement of major countries such as Russia, the EU, the US, Japan, India, and China, besides Ukraine itself. The repercussions of the issue would emerge gradually depending on how to proceed and shape of its termination. Therefore, any conclusions at the present stage might be premature.

Setting aside the above aspects, countries concerned in the Indo-Pacific and the Ukrainian issue overlapping, and interconnections of the Indo-Pacific regions and the European region where Ukraine is located, it might be somehow possible to speak of the Indo-Pacific region per se.

The Indo-Pacific region is thought to be the centre of the 21st century, as opposed to Asia-Pacific in the 20th century. Now China is emerging rapidly in economic strength, defence capability, and international presence. The US and others are trying to cope with this new development. It looks like the US managed to somehow retain its Pax Americana as in the latter half of the last century. China which dreams to head for PaxSinica has been implementing various measures including removing unfavourable circumstances to promote its dream.

At the moment, it is hard to make prompt predictions on how these two Pax would be going. The key would be ways to deal with China. Typical policies now under implementation are based upon the concept of multilateralism. To bring about peace and stability in the region, in tandem with them, it might be necessary to bring about a regional order in the Indo-Pacific. The close relations between Japan and India could be utilized. The two countries occupy a significant position in the region in 2020: in the GDP estimates by the World Bank, Japan is 3rd and India 6th; whereas in the 2020 military expenditure by the SIPRI, India is 3rd and Japan 9th.

Because of the USA's relative decline of national power and the rapid emergence of China, the Indo-Pacific lacks a regional order as existed during the latter half of the twentieth century. The USA and China have had strained relations since the 2010s as economic and hegemonic rivals. Although the two countries are desirous to play a role of an order manager of peace and stability in the Indo-Pacific, it remains to be seen if they are able to shoulder all responsibilities. Then what should be done? Perhaps, all problems could be boiled down to the China factor. For establishing necessary order, objectives and measures carry critical importance. The objectives should be the creation of a free, open, inclusive, and democratic Indo-Pacific. The means should be some mechanisms based on principles of multilateralism, for example, Quad-Plus, not only the four countries but like-minded countries to be involved. In this way, we can find a silver lining beyond COVID-19, to say nothing of the Ukraine aftermath.

Mr. M.K. Narayanan
Former National Security Advisor &
Former Governor of West Bengal, India



Theme: Strategic and Political Challenges of the Indo Pacific.

...maintaining global peace and world order is proving to be increasingly difficult. And the rapid developments in South Asia, Central Asia, West Asia and East Asia have only proved how the goal of peace and stability is increasingly becoming more and more elusive. Rivalries among countries and the surfacing of terror outfits have only cast a long shadow on the Asia Pacific.

...In East Asia there is challenge to the status quo by China on different fronts - growing authoritarianism, threat to Taiwan, hindering maritime traffic in the South China seas; and also the rising nuclear dangers of North Korea...The QUAD may be one of the direct outcomes to face the challenge of China, but even here there does not seem to a consensus on a common philosophy of how to counter Beijing.

No one can possibly dispute the fact that what we are witnessing today is nothing short of a breakdown of the global order. The 21st Century, once touted as the Century of hope has become anything but this. As recent events such as Ukraine demonstrate, maintaining global peace and world order is proving to be increasingly difficult.

This is also confirmed of late by developments in Asia. Over the past year and more, the Asian Continent has been wracked by a great deal of turbulence. In Afghanistan, the Taliban finally succeeded in taking over the entire country. This, in turn, has provided encouragement across the region to a host of existing and new terror groups, in addition to the Al Queda and ISIS. Elsewhere as in South Asia, there have been a series of political upheavals, including in Pakistan and Sri Lanka. The political geography in West Asia – the Abraham Accords notwithstanding – is also undergoing major shifts. Rivalries among different countries and groups in the West Asian region continue unabated. These events cast a long shadow over the Indo Pacific region.

I make bold to assert that of all the troubled areas that I just referred to, the Indo Pacific is the world's primary zone of strategic competition today. It entails both great power clashes as well as a struggle for pre-eminence. The reasons for this are not far to seek. The Indo Pacific region never before had so much 'hard power' and wealth. However, its ability to harness various tensions that come from such a situation had remained relatively untested. For the present, they seem to induce a rollercoaster effect.

Nowhere is this seen, almost on a day to day basis, than in East Asia. Here the status-quo is being contested on multiple fronts. At one level, what is most evident is China's growing authoritarian mien, accompanied by a display of anti-access/area denial capabilities. They pose a direct threat to Taiwan, as also to maritime traffic in the South China Sea. This has, in turn, brought a sharp response from the so called democratic world, led by the US, intent on challenging what they perceive as China's attempt at hegemony in Asia.

Alongside this, China is pursuing its own version of a Revolution in Military Affairs, driven by Artificial Intelligence Systems, which potentially can negate the strategic and operational advantages the US military

currently possesses. Separate from this, is the threat posed by North Korea's rising nuclear capabilities. These are only two of the many aspects that affect the security of countries abutting the South China and East China Seas.

Next, and for the first time in decades, the US possibly faces a strategic peer competitor, viz., China, in this region. The latter is now openly challenging US assumptions on being the sole superpower here, and possibly elsewhere as well. Countries in the region are, hence, confronting both the intensity of great power competition as well as the scale and pace of China's military modernisation. The truth is also beginning to dawn on many of these countries that the US is no longer an indispensable power as far as the region is concerned. More specifically, there are real concerns about the extent of US security commitment to the region.

Meantime, during his tenure as President, Chinese leader Xi Jinping's attitudes have steadily hardened. Strategic experts also point to the many caveats that have enabled China to establish its preponderance in Asian affairs, specially as far as the Indo Pacific is concerned. Among these are effecting a decisive change in the military power in China's favour, at least as far as Asia is concerned. There is again, China's 'escalation domination matrix', both in terms of nuclear weapons and new forms of hybrid warfare (including space based hybrid operations). All this is tending to give China an impression of omnipotence - an extremely dangerous attribute in terms of international and state to state relations.

This may possibly be the primary reason for catalysing some states in the region to come together and make a joint effort to strengthen their military capabilities. The Quadrilateral Security Dialogue (QUAD) involving US, Japan, Australia and India, and the AUKUS (Australia, US and UK), are a possible outcome of these concerns. However, the QUAD - with at least one nation, viz., India and possibly to a lesser extent Japan, not fully subscribing to a common philosophy on how best to counter China - is in no position as of now to act as a bulwark against Chinese expansionism in the region. The AUKUS seems better integrated in so far as its belief and philosophy is concerned, but is yet to demonstrate that it has both the capability and conviction to take on China in the region.

I may also refer here to the economic troubles that China has been confronting for some time. The real estate sector, a driver of GDP growth, is in trouble today. The technology sector is still to recover from the probes launched into technology giants such as Alibaba and Tencents. According to estimates, private sector sentiment in China is the lowest since the reform era began.

The situation could become more complicated by the after-effects of Russia's invasion of Ukraine. China's implicit support to Russia has exacerbated China's rift with the West, and there are deep concerns in China about further isolation and containment, as well as a possible embargo on China's exports.

Additionally, I would like to elaborate on the overall impact of what I have said. First, the current challenges in the Indo Pacific are not without precedent. Next, there is no indication as of now that China is likely to act more erratically than hitherto, a view held by leaders across the Western world. Absence of ideological flexibility, over centralisation of power by Xi and the Chinese economy not performing as well today as it did in the past decades, does not necessarily mean that China would throw caution to the winds. However, the combination of personalities of individual leaders and geo-political forces often shape the nature of relationship and conflicts. Poorly handled, crisis could devolve into a catastrophe. Any sign of a lack of resolve could act as a trigger for the forces of expansionism.

Finally, I have to say that there is little doubt that in the Indo Pacific region, India and Japan remain China's principal antagonists. Both have long standing disputes with China - the latter over the Senkaku Islands in the East China Sea and the former, vis-a-viz., the long undefined land border. Lately, China has attempted to move into the Indian Ocean region, and has expanded its Navy for this purpose.

For both India and Japan, the Indo Pacific is critical in terms of not only their future growth potential, but also their standing in the comity of nations. The welcome development is that both countries today understand

and recognise the criticality of warm relations between the two countries. The recent visit of Japanese Prime Minister, Fumio Kishida - the first in person summit since 2018 - and India's involvement more recently in QUAD is, hence, highly reassuring in this context. The 2009 Vision Document of the Prime Ministers of India and Japan, incorporating a Strategic and Global Partnership and the Tokyo Declaration, have since come of age and strict adherence to these documents are the best means to achieve peace and stability in the Asia Pacific region; safeguard maritime security; and achieve freedom of navigation in the South China Sea. Today, Japan is a regular participant in the Malabar Naval Exercises. Another welcome move is the revival of the 2+2 format for meeting of the Foreign and Defence Ministers of the two countries. Japan and India have also launched more recently a new initiative involving Japan's Air Self-Defence Forces and the Indian Air force.

Notwithstanding what I just said, concerns are mounting about China's enlarging activities, both in the Indo Pacific and the Indian Ocean regions - China's recent Security Agreement with the Solomon Islands in the Southern Pacific is a wakeup call to all nations in the Indo Pacific. Heightened vigilance is, hence, called for, and the main bulwark against the Chinese threat to the Indo Pacific is a united effort by Japan and India. It, hence, behoves India and Japan to devise a strategy that can blend with the needs of the entire Indo Pacific region to counter ongoing threats, given that the Indo Pacific has no comparable organisation to the Concert of Europe in the past, or to NATO today, and also given that there are many more divisions among nations in the Indo Pacific than pressures to unite.



Mr. N. Kumar
Chairman, IJCCI &
Vice President, Sanmar Group



...The optimism that the symposium will make a difference and promote more free and open trade in the Indo Pacific region. “The then Prime Minister of Japan Shinzo Abe even in the year 2007 had talked about the region and had hoped for a dynamic coupling”.

It is my privilege to have the last word today evening. We are sure that this symposium will make a difference and promote more free and open trade in the Indo-Pacific region.

The then Prime Minister of Japan Shinzo Abe even in the year 2007 had talked about the region and had hoped for a dynamic coupling. We have some outstanding speakers and experts from Japan and India to discuss this subject tomorrow. I would like to place on record our appreciation to the Consul General of Japan, Taga-San, for his vision and plan to put together this seminar. His efforts ensured prominent speakers from Japan and some eminent speakers in India, to make the seminar a success. I also want to thank the support from the Government of Japan for this seminar.

I am sure tomorrow will be a great day!

Thank you



Memento to Speakers



May 8, 2022 - Plenary Session - I

Theme: 'POLITICAL, SECURITY AND STRATEGIC DIMENSIONS OF INDO-PACIFIC'

CHAIR

Dr. Sridhar Krishnaswami

Former Special Correspondent, '*The Hindu*' at Singapore & Washington

Dr. M. Uma Maheswari

Prof. & HOD, Politics & Public Administration, University of Madras

Topic: **Managing Alliances and Friends**

Commodore R.S. Vasan

Director General, Chennai Centre for China Studies &

Regional Director, National Maritime Foundation, Tamil Nadu

Topic: **Rule based Order & Security Dimensions of Free and Open Indo-Pacific**

Dr. Swasti Rao

Associate Fellow, Europe and Eurasia Center,

Manohar Parrikar Institute for Defence Studies and Analyses, New Delhi.

Topic : **India's relations with the US and European Powers in the emerging Indo-Pacific dynamics : Strategising in Time to Counter China**

Dr. ITO Toru

Professor, Dept. of International Relations & Graduate School of Security Studies,

National Defense Academy of Japan

Topic: **The Effectiveness of Indo-Japan Cooperation in the Indo-Pacific and QUAD**

Q & A - Discussion

A cross section of the audience



Speakers at the Plenary Session - I



Dr. Sridhar Krishnaswami

Distinguished Professor, Dept. of Journalism,
SRM University, Sikkim &
Former Special Correspondent of *The Hindu* at
Singapore & Washington



Theme : Political, Security and Strategic Dimensions of Indo Pacific

...the current Indo Pacific security climate envelops a risky blend of nuclear distribution and unchecked arms control; There are several nuclear-armed nations in this area; the United States is a massive military power that has the ability to flex its muscles in several areas at one time; Russia has a massive armoury, including the largest inventory of nuclear weapons; China is rapidly modernizing its armed forces including its nuclear arsenal; North Korea, a nation that is propelling its nuclear capacities despite global penalties ; and the danger of territorial struggle among nuclear states: India and Pakistan...anything to do with the Indo Pacific has to involve the United States.

Indo Pacific is one broad area that has assumed tremendous significance in recent months and years. More than 50 per cent of the global population is accounted by the Indo Pacific; India and China together account for more than 2.5 billion people; India, China and Japan are heavily dependent on the Indo Pacific Sea lanes for trade and energy supplies; two-thirds of container trade passes through this area; and in 2018 the United States renamed its Pacific Command as Indo-Pacific Command.

The current Indo Pacific security climate envelops a risky blend of nuclear distribution and unchecked arms control; There are several nuclear-armed nations in this area; the United States is a massive military power that has the ability to flex its muscles in several areas at one time; Russia has a massive armoury, including the largest inventory of nuclear weapons; China is rapidly modernizing its armed forces including its nuclear arsenal; North Korea, a nation that is propelling its nuclear capacities despite global penalties; and the danger of territorial struggle among nuclear states: India and Pakistan.

The American Secretary of State in 1903, John Hay said “The Mediterranean is the Ocean of the past, the Atlantic is the Ocean of the present and the Pacific is the ocean of the future”. Today the strategic environment of the Indo Pacific is undergoing a tremendous change-- Look at Japan and the current strategic environment in East Asia; North Korea, a troublesome China with a new found belligerence over the Senkakus and a Japan-United States alliance that is fraught with uncertainties. Economically Japan finds itself strapped having to face stiff competition from South Korea, Taiwan and China with each one of these countries having an agenda of its own in the region and beyond.

New Delhi has had to deal with China over its String of Pearls strategy; the inroads of Beijing in Myanmar, Sri Lanka, Nepal and Indian Ocean States; Beijing’s continuous and ever growing nexus with Pakistan; the persisting border dispute with China; and the aggressive challenge of Beijing in international waterways such as the South China Seas. What is happening in the Indo Pacific is a source of interest and concern to India, a democracy in a region that is laced with dictatorships - dangerous and irrational ones at that. It is not only the increased belligerence of China but also Russia trying to bounce back and reclaim its status in the international system as evidenced in the recent military invasion of the Ukraine; and with the United States with an undefined role as yet in the Asia Pacific.

South Asia is a highly troubled region, not just on account of military rivalries and internal discontent. The region has at least one nearly failed state-Pakistan - constantly harping on the “loose” talk of use of nuclear

weapons. The same state is seen as the epicenter of global terrorism. The notoriety list in East Asia is the regime of Kim Jong Un of North Korea competing vigorously with Pakistan in the irrational talk of the use of nuclear weapons. The deliberate militarization of the South China Seas by China which has brought forth strong responses from countries like Vietnam and the Philippines, two of the six claimants to the chain. India is drawn to the area not only for the rights of freedom to navigate. It also has commercial prospects through association with Vietnam. The bottom line is one of freedom of navigation and protection of vital sea lanes through which much of oil passes through.

During the Cold War the Japanese were worried that they were going to be dragged into the anti-communist crusades of the United States. Due to the rising belligerence of China, the United States is now worried that it may be drawn into the problems of Japan. As a country that is facing an economic slowdown for many years, Japan will also be confronted or taunted with getting a “free ride” on defence spending - a faulty perception that dates back to the 1970s and 1980s! Fortunately for India, it was a good run of four years with a Republican administration under President Donald Trump. It was seen extremely supportive of New Delhi’s security and strategic compulsions. Bilateral relations was steady under President Trump. In the last twenty years bilateral relations have flourished in spite of occasional brushes on the economic and human rights front.

The Biden-Harris team will play by what is best for American national interests even while consciously factoring in the concerns of allies in the Indo Pacific. The strategic equation between India and the United States is bound to grow, much beyond the trilateral or the Quadilateral dialogues and military exercises. While strengthening political bonds could be a bilateral issue, fine tuning the strategic and economic components are essentially a multilateral business with Washington, New Delhi and Tokyo having to factor in each other’s interests and compulsions, bilaterally and multilaterally.

The zillion dollar question is that of China and in the extent to which President Biden is going to play the game that will factor in the interests of the United States and the Indo Pacific. The issue of China takes on a greater significance in the context of the China-Russia nexus over Ukraine and the extent to which Putin and Moscow will be “repaying” their indebtedness to Beijing by meddling in the Indo Pacific. Washington under President Trump had been so keen on punishing the Chinese economically that it practically gave Beijing a free ride on issues of security and strategic concerns prompting China to start border skirmishes with India in the Leh/ Ladakh/ Galwan Valley and needling Japan over the Senkakus.

The Biden administration will also be pressing Tokyo to define the role of its Self Defence Forces in the event of a military showdown. There is a perception in Washington that Japan is punching well below its weight when it comes to matters of defence. The problem for the government in Tokyo is not just internal opposition to abandoning the Peace Constitution but also of neighboring countries in East and South East Asia who remain wary of Japan given what transpired in the Second World War.

By way of conclusion it has to be borne in mind that anything to do with the Indo Pacific has to involve the United States. The regional projection of Washington will depend some extent on the kind of relationships the administration in Washington seeks to establish with individual states in the area. There was a time when the United States was a dominant actor in the area, politically and strategically; and even today it is perhaps the only power that has the extent and reach and in more than one theatre at a time.

Dr. M. Uma Maheswari

Professor and Head
Dept. of Politics and Public Administration,
University of Madras, Chennai



Theme : Managing Alliances and Friends

... Managing Alliances and Friends reveal critical components of what it takes to be in an alliance and what goes about to speak of successful alliances and partnerships drawing attention to Winston Churchill's famous comment at the time of the Second World War that "the only thing worse than having alliances was not having them". The drawing up of alliances in the Second World War may not have measured up to the realities of the post War era and hence the demise of grand alliances; but the Cold war itself reflected in competing paradigms as reflected in the Yalta and Potsdam conferences between the United States and the erstwhile Soviet Union. In a contemporary perspective what holds together alliances in the Indo Pacific has more to do with a common denominator of meeting threats to not just democracies but to challenges to rules based order in the international system.

Understanding Indo -Japan Relations as a back drop for forming Alliances & Friendship

India and Japan are two important democracies of Asia sharing numerous historical, economic and social links. At present both face national security, regional economic disparity and maritime problems and are concerned about how to tackle them. Moreover, the continued rising aspirations of superpowers to influence the Indo-Pacific region threaten its security, peace and prosperity. Japan, as a 'trilateral power' has long been regarded as an honorary member of the Western world but her geographic position, culture and economic interests make her a major component of Asia, leading to rapid development of her historic relations with India. Japan and India are poised for the better in the international realm. Not only are they steadfast bilateral partners, but their involvement in the multilateral sphere (the East Asia Summit, the Quadrilateral Security Dialogue, etc.) works towards creating a much better Asia and the Indo-Pacific at large. Between them, they engage in a number of bilateral mechanisms that have proven to be constructive. To reflect upon the past trends in their bilateral strategic relations it can be conceptualized as having evolved through three major phases since the end of World War II: 1945-1999, 2000-2005, and 2006 to the present day.

Japan and India signed a peace treaty and established diplomatic relations on 28th April, 1952. This treaty was one of the first peace treaties Japan signed after World War II. The Indian Delegation at the Far East Commission was sympathetic to Japanese concerns and proposed putting an end to reparations altogether, taking into consideration the fact that the burden of making such payments tolled heavily on the living standards of the Japanese people.

With regards to border disputes between India and China and wars between India and Pakistan, Japan preferred to follow the middle path and did not take any sides. The Japanese Prime Minister Yasuhiro Nakasone paid a visit to India in 1984. This was followed in quick succession by the visits of Prime Minister Rajiv Gandhi to Japan in 1985, 1987 and 1988. With the end of the Cold War, India launched its "Look-East Policy" in the early 1990s and opened up its economy.

When India conducted a series of nuclear tests in Pokhran, Rajasthan in May 1998, it took the world by surprise. Many countries including Japan reacted strongly to the tests. It suspended all political exchanges and even economic assistance was frozen for nearly three years. However, a turnaround in the damaged ties was achieved

in August 2000, when the then Japanese Prime Minister Yoshiro Mori paid a five-day visit to India. Mori and the then Indian Prime Minister Atal Behari Vajpayee called for a “global partnership.” From then on, relations have seen steady progress.

In the visit of the Indian Prime Minister Manmohan Singh to Tokyo in 2006 during the tenure of Shinzo Abe, the two Prime Ministers decided to go for a “strategic partnership.” He and the then Japanese PM Shinzo Abe affirmed that Japan and India are natural partners as the largest and most developed democracies of Asia, with a mutual stake in each other's progress and prosperity. Recognizing that Asia is emerging as the leading growth centre of an increasingly interdependent global economy, the two countries indicated their desire to pursue a comprehensive economic partnership in the region and nurture sustainable economic growth, social peace and political tolerance in open and cooperative regional frameworks. (2005–2014).

India and Japan have their own anxieties about China, illustrated by a Carnegie Endowment report ‘The G-20 in 2050’ that said China will become the world’s largest economy in 2032, which was reflected in the setting up of a new grouping - the Quadrilateral Initiative (QI) in May 2007, involving Japan, India, Australia and the United States - on the side-lines of an ASEAN Regional Forum (ARF) meeting in Manila.

Within this context, Prime Minister Abe addressed the Indian parliament on August 22, 2007 and remarked on, “The Confluence of Two Seas”, where he defined the Japan-India Strategic Global Partnership as “an association in which we share fundamental values, such as freedom, democracy, and the respect for basic human rights as well as strategic interests.” In October 2008, India and Japan signed a momentous security accord as Tokyo has such an agreement with only one other country, Australia.

During 2010 visit of Prime Minister Manmohan to Japan concluded a Comprehensive Economic Partnership Agreement (CEPA), agreed to speed up negotiations on a civil nuclear deal, simplified visa procedures, besides agreeing to work together to secure peace and stability in Asia. In 2013, the Emperor and Empress of Japan visit to India, followed by Prime Minister Shinzo Abe in 2014, signalled Japan’s intentions to further strengthen the relationship”. Shortly before returning as prime minister in December 2012, Abe authored an article, “Asia’s Democratic Security Diamond,” in which he revisited the theme that “peace, stability, and freedom of navigation in the Pacific Ocean are inseparable from peace, stability, and freedom of navigation in the Indian Ocean. Developments affecting each are more closely connected than ever.” Since mid-2014, Prime Minister Narendra Modi’s personal approach and his special relationship with Abe have been a significant accelerant to the India-Japan strategic relationship. Indian strategic thinking is broadly supportive of continuing to grow strategic bilateral relations with Tokyo.

Japan was a natural partner for India’s Look East policy, although relations between the two expanded only slowly at first during the 1990s as Japan took its cues from a cautious United States and India focused most intensely on relationships with Southeast Asian states. In November 2014, some 6 months after becoming prime minister, Narendra Modi announced that India would pursue an “Act East” policy, extending beyond India’s two-decade-old Look East policy. This announcement-which utilized a phrase first uttered in a policy speech by U.S. Secretary of State Hillary Clinton on her 2011 visit to India-aimed to create greater partnerships and activities to contend with what many in India’s elite perceive as the increasingly assertive and unilateralist approach of China in the Indo-Asia-Pacific region.

The zenith of the bilateral relationship was during the premiership of Abe Shinzo when Indo-Japanese ties entered a qualitatively new phase. Japan’s youngest-ever PM wrote in his book “Towards A Beautiful Society” that he will not be surprised if in ten years’ time, Japan-India relations overtake Japan-US and Japan-China relations. The challenge for both nations is to translate this ambitious vision into reality. Fumio Kishida during his recent visit to India had remarked the following, “Linked by universal values such as freedom, democracy, human rights, and the rule of law, which have been shared through a long history of exchange, Japan and India are “Special Strategic and Global Partners,” which share strategic interests.

However, there may be frictions in the ties since both the countries want to become permanent members of an expanded UNSC (United Nations Security Council). Japan and India also differ in their perceptions of how

close they would like to get to the United States. However, being mature partners, Japan and India should be able to overcome these pinpricks in their bilateral relations. Indo - Japan partnership can be examined through a set of nested strategic partnerships: bilateral (India-Japan), trilateral (India-Japan-United States) and quadrilateral (India-Japan-United States-Australia).

There are three major planks to Japan's alignment policy. First is the reinforcement and restructuring of its traditional bilateral alliance relationship with the United States; second are efforts to engage in the regional security architecture of the Asia-Pacific, such as APEC, ARF, ASEAN + 3, and by participating in dialogue and confidence-building measures.

During the 21st century, and especially during the third phase of their bilateral relationship (since 2006), Indian and Japanese leaders have stressed the unique cultural and religious ties between the two countries that go back centuries. National leaders have accentuated the role of common Buddhist traditions in annual joint statements and emphasized senior-leader visit activities to sites that showcase shared Buddhist culture and traditions. Both sides

One of the factors which has led to improved ties between India and Japan is the growing ties between India and the United States. Japan has always been a very close US ally and in the post-Cold War era, both India and the United States have shed their mutual apprehensions about one another.

Japan and India share a vision for the future of order in the Indo-Pacific that meshes well with the January 2015, U.S.- India Joint Strategic Vision for the Indo-Pacific Region. In turn, the context of the India-Japan partnership aligns strongly with a chief aim of the U.S. “Rebalance to the Pacific” framework: that of encouraging regional partners to do more for themselves and to work more closely in security relationships with other likeminded partners across the region.

A prominent example of alliance networking under FOIP is the renewed emphasis on the Quadrilateral Security Dialogue (the “Quad”) including Japan, the United States, Australia, and India. Though not explicitly focused on security, the Quad countries participated in the Malabar exercise in 2021, served as a mechanism to promote maritime security cooperation in the future.

The Quad countries are careful not to explicitly reference China’s assertiveness as a motivator for their activities, though Secretary of State Antony Blinken has suggested the Quad could strengthen maritime security cooperation to “push back against aggression and coercion in the Indo-Pacific region.” The Quad countries also stress the importance of engaging ASEAN, which has introduced its own “outlook” for the Indo-Pacific. Largely isolated from the regional networking trend is South Korea, which introduced the New Southern Policy in 2017, focused on cooperation with India and ASEAN to support regional economic prosperity.

Issues in Indo-Pacific Region Influencing India-Japan Alliance and Friendship

During the cold war, India adhered to non-Alignment policy not aligning with any major power blocs but implicitly relied on the Soviet Union for most of its arms imports. In 1971 the two countries signed the unity of peace, friendship and cooperation. India as a founding member of NAM (1961), for the first time was absent from the group’s 2016 summit, when PM Modi chose not to attend. This reflected his stance to strengthen relations with Japan and the US.

Hence in the post-cold war period, India shifted from non-alignment to strategic autonomy envisaging a continuing close relationship with US, Russia and China. India as a member of the BRICS embarked on a “special and privileged strategic partnership” with Russia for strengthening defence cooperation and economic trade. India is part of several trilateral groupings in the Indo-Pacific region – India-Japan-USA; India-Japan-Australia; India-Indonesia Australia and India-France-Australia – to ensure stability in the global growth theatre.

While the end of the Cold War led to a gradual improvement in India-US relations, these shifts plummeted in May 1998 when India (followed by Pakistan) conducted nuclear tests and the US imposed wide ranging sanctions. President Clinton visited India in the year 2000, the first visit by a US president in over 20 years.

Since then, India-US relations surged at an unprecedented pace, especially in the politico-military sphere. The terrorist attacks in the US in September 2001 further galvanised the growing closeness. The terrorist attack on

the Indian Parliament in December 2001 and the operations in Afghanistan were further evidence that the two countries faced similar threats to their security. The result has been an unprecedented cooperation on security issues. It is highly doubtful that the U.S. is ready to change its old habits and form an “alliance of equals” with India. If India aligns itself with the US, India may end similar to the plight of France.

The announcement of AUKUS in 2021 resulted in an unprecedented diplomatic crisis between Washington and Paris. Paris experienced AUKUS as a “breach of trust,” as stressed by the French foreign minister, because of the total lack of consultation from Washington, Canberra, and London over a partnership directly impacting and limiting France’s strategy in the Indo-Pacific region. Australia for the first time through AUKUS will build nuclear powered submarines using technology provided by the US. It is expected to supplement other existing partnerships such as ANZUS, ASEAN and QUAD. This agreement comes as relations between China and Australia have deteriorated in recent times. The Comprehensive Strategic Partnership between India and Australia has promoted Indo–Pacific Security. Further a memorandum of cooperation on space cooperation has connected Australia and Japan as a gesture to support Pacific and South East Asian Friends.

The United States’ is practicing a “hub-and-spoke” alliance system in Asia. It argues that the US enjoys a bargaining advantage in the current bilateral security relations with its Asian allies. In contrast to a multilateral alliance, the US can better prevent free riders and joint resistance in its bilateral relations. It can effectively restrain the behavior of its allies and compel them to accommodate American interests.

The hub-and-spoke system helps the US consolidate its policy influence over the Asian allies, supervise inter-alliance cooperation, and increase defense cooperation between allies and non-allies. This “hub-and-spoke” alliance system is unique in human history; it has evolved into an unprecedented set of institutions and collaborative patterns that undergird a higher degree of global stability among sovereign states than history might otherwise have predicted.

In February 2022, Mr. Putin and Xi made a sweeping long-term agreement and declared friendship between the two with “no limits and no forbidden areas cooperation. India also abstained from condemning Russia at the Security Council and stood apart from the 141 of 193 members of the General Assembly in denouncing Russia’s Aggression. India’s commitment to Non-Alignment is increasingly looked with suspicion. In all, the Soviets and Russia have used their veto power six times to protect India. India has not had to rely on Russia for a veto since the end of the Cold War. In large part, India’s close relationship with Russia stems from Cold War allegiances. India drifted into the Soviet orbit mostly as a counter to America’s strategic alliance with Pakistan, India’s sub-continental adversary.

Japan's most important relationship has been with the United States. Japan's mutual defense treaty with the United States is central to its security. The United States is committed to defend Japan and maintains military bases in Japan partially for that purpose. Despite Japan's defeat and its subsequent occupation by Americans, relations with the United States have been friendly and close except for intermittent bouts of trade friction beginning in the 1970s. The United States sponsored Japan's membership in various international organizations, including the United Nations, the Organization for Economic Cooperation and Development (OECD), and the General Agreement on Tariffs and Trade (GATT). Trade between the United States and Japan is very important to both countries. The United States is a major market for Japanese exports as well as a primary source of imports (including a large percentage of Japan's food imports).

In particular, Asian countries such as Australia, New Zealand and more recently Japan and South Korea display the same features as Western European countries do relative to the United States. This suggests that the debate over NATO becoming global should not only be about the increasingly international nature of the organization’s missions. To some extent, NATO’s prolonged presence in Afghanistan has solved this debate. This discussion also suggests that NATO could consider involving international partners, or even allowing Asian countries into NATO, given these proximities and the potential for a common strategic blueprint. The argument has been made elsewhere; the current analysis provides the missing roadmap to start NATO’s globalization process. All this necessitates a right alliance mix to sustain it in the long run. (Alliances in the 21st Century Implications for the

US-European partnership, Occasional Paper, Jeremy Ghez, Rand Corporation, 2011). Henceforth the distinct combination or orientation of alliances enclosing the Indo-Pacific region is a ground for interpretation and understanding of Indo-Japan relationship through the prism of global as well as geopolitics.

Conclusion - Way Forward

Winston Churchill once famously quipped, “There is only one thing worse than fighting with allies, and that is fighting without them.” So, it goes for the complex web of security relationships that the United States maintains with nations around the globe. Alliances and partnerships between sovereign states are often exasperatingly difficult to manage; domestic politics, burden sharing, and diverging strategic considerations create friction points that threaten to collapse them altogether.

Both India and Japan have to think independently of US policies that are also dictated by domestic political pressures. Recently Prime Minister Kishida welcomed the Indo-Pacific Oceans’ Initiative (IPOI) announced by Prime Minister Modi in 2019. The Prime Ministers acknowledged the growing space for cooperation between the IPOI and Free and Open Indo-Pacific (FOIP). India appreciated Japan’s participation as a lead partner on the connectivity pillar of IPOI. Prime Minister Kishida congratulated India on its successful Presidency of the UN Security Council in August 2021 including Prime Minister Modi’s chairmanship of the UNSC at the High-Level Open Debate on “Maintenance of International Peace and Security: Maritime Security.”

Prime Minister Modi reiterated India's support for Japan's candidature for a non-permanent seat at the UNSC for the term 2023-2024, to which Prime Minister Kishida expressed his appreciation. They concurred to continue to work closely on matters in the UNSC during the respective tenures of India and Japan. The Prime Ministers resolved to continue to work closely together for an early reform of the UNSC to reflect the contemporary realities of the 21st century.



Commodore R.S. Vasan
Director General, Chennai Center for China Studies &
Regional Director, National Maritime Foundation, Tamil Nadu.



Theme : Rule Based Order and Security Dimensions of Free and Open Indo Pacific

.. Rule Based Order and Security Dimensions of Free and Open Indo Pacific brings into focus the aspirations of China that would seem to have deviated from the set objectives of the great helmsman Deng Xioping in 1974 that pegged China to a rules based international order; whereas its “actions and behaviour have left no doubt that China cares very little about a RBO (Rules Based Order) which is a prerequisite for security, stability and engagement for prosperity”. It is only a matter of time before Beijing deploys its Carrier Battle Group that would flex its muscles beyond its shores including in the Indian Ocean the top strategic thinker of India said. The evolving dynamics in the Indo Pacific are such that India needs to take a careful look at what is changing, especially in the jockeying for space and power in the Pacific and Indian Oceans, a power play that would need to factor in economics and trade along with aspirations of smaller but significant groupings in the Indo Pacific like the Association of South East Asian Nations (ASEAN).

This paper attempts to see how the concept of Indo-Pacific¹ has evolved over decades and how the present stand-off under the Post-Covid scenario has brought about a new thrust to re-alignments, forging of new strategies affecting entire region of power play dynamics. There has been a paradigm change in the way things have developed and galloped post Covid in terms of how these relations have transformed more so in the context of Rule Based Order (RBO) which has become the fulcrum for power play in the region.

Much speculation was that this happened mainly because of the election year in the USA. Many policies pursued by Obama may have been temporarily on the back burner, like the withdrawal from Indo-Pacific or the TPP² (Trans-Pacific Partnership) which has been analysed in terms of its economic impact on the partners), climate change, etc. A lot of these were done or undone by Trump. With the return of Joe Biden, many of were expected to be reviewed for bringing about a conducive environment for rebalancing of the strained relations. The developments in Europe with the standoff between Russia and Ukraine has impacted not just the warring nations but the entire globe.

The paper also attempts to cover a conflict resolution and cooperation dynamics in Indo-Pacific based on the RBO and respect for international norms. This decade is characterized by a global order challenged with the post Covid fissures, developments in Europe pursuant to the Russia Ukraine standoff, the trans border aggression by China along the LAC, the contestations in the Indo-Pacific, the withdrawal from Afghanistan by the USA. Both individually and collectively, all the examples above portend a stressful future for the comity of nations irrespective of the location in a global village.

Till the Russian Ukraine standoff, there was a great focus on the developments in the Indo Pacific to examine options that could be exercised by the free world to implement a Rule Based Order (RBO). What was left unsaid was that it was also to contain China which had demonstrated its aggressive intent and behaviour in the South China Sea (SCS). China disregarded the verdict of the Permanent Court of Arbitration in Hague in 2016 when the PCA upheld the position of Philippines which sought to prevent China from arbitrary changes to the geographic features in overlapping Exclusive Economic Zones (EEZ) in the SCS.

The aggressive expansionist behaviour of China and the post Covid stresses around the world due to the spread of the virus from Wuhan brought about a paradigm shift in how the world wanted to deal with China. All the expectations that China would be part of a prosperous and peaceful world were belied and many nations who had healthy relations were compelled to review their actions vis-a-vis.

China. If it was the meddling of internal affairs in the case of Australia, in the case of India it had to do with the attempt to unilaterally change the status quo along the LAC in April 2020. This act while India was struggling to cope with the Covid fall out ensured that India resolutely decided to take on China in all forums.

There are hardly any doubts that a floundering unsure Quadrilateral association (QUAD) gathered steam thanks to China's actions which ensured that both India and Australia now had no illusions about the behaviour of China in bilateral relations and quickly embraced the QUAD as a useful platform to expand the scope of the partnership in many areas other than war. Thus one witnessed this forum which moved on to vaccine diplomacy, S & T collaboration, Exchange of students and researchers, Blue dot economy and many other initiatives which would have a bearing on the concept of rule based order and long term benefits for the four countries determined to work together for the common good.

The concept of Indo Pacific as a confluence of oceans was first mooted by then PM of Japan Abe in 2007. He visualized immense opportunities for the nations connected by the two oceans which housed more than 40 percent of global population and supported some 60 percent of trade. The Sea Lanes of Communication (SLOC) that moved from Middle East and Africa to East Asia through the Straits of Hormuz and the Straits of Malacca promoted trade, connectivity and prosperity. The SLOCs were also vulnerable to both traditional and non-traditional threats. The very first QUAD exercises took place in the same year but the subsequent years saw a lukewarm response to the initiative as both India and Australia were expanding their business relations with China.

China was a major beneficiary as the trade deficits largely helped China to consolidate its position as a major trading partner for the partners of the QUAD. It can be safely said that China was instrumental in upsetting the cart post Covid where its aggressive actions compelled the reluctant partners of the QUAD to now swear by what the QUAD can do to contain China and to support RBO (also described as bounding strategic competition so that it can take place "within the framework of international law - not winning through corruption, interference or coercion.")

The experience thus far as far as implementation of RBO is concerned it is more in the form of violations than in the form of compliance. Nation States have used military might, coercion, luring the weaker economies with investments and plain bullying when any form of resistance is demonstrated. The classic example in the context of Indo Pacific is all about the way China has dealt with its neighbours by using threat of force, economic sanctions and such like which has become the norm of behaviour.

The specific cases of violation of RBO specifically in the SCS have been quoted above and are indicative of the new norms with special characteristics as defined by China. China has not hesitated to distort historical records to buttress its claims. The nine dash line has no legitimacy as it seeks to demarcate the entire area within this line as Chinese territory. The rocks and reefs in the contested areas have been turned in to military fortress which allows China to push the defense lines outwards from its borders. All this is violative of the provisions of the United Nations Convention on the Law of the Seas (UNCLOS). However, the response of the free world has been limited to carrying out FONOPS and making statements which will not stop China from implementing its time bound plans. The use of the military militia to support Illegal Unreported and Unregulated fishing in the contested EEZs has ensured that Chinese fishers gain at the cost of its neighbours who are not in a position to challenge the military might of China.

In this context, analysis of why Deng Xiaoping made this statement on 10th October 1974³ is of great relevance: "if one day China should change her colour and turn into a superpower if she too should play the tyrant in the world, and everywhere subject others to her bullying, aggression and exploitation, the people of the world should identify her as a social-imperialism, expose it, oppose it and work together with the Chinese people to

overthrow it.” While this reinforced the expectations of a responsible China that would abide by international norms, the actions and behaviour have left no doubt, that China cares very little about a RBO which is a prerequisite for security, stability and engagement for prosperity.

Contours of Power Play

How are the contours of power play defined? There are external players of all descriptions both in the Indian Ocean and the Pacific Ocean region. There is a need to know who the major players are and their strategy and intentions are in the region. Major players in the area of interest are just China and USA with other powers joining one group or another. These are some of the milestones that China has set for itself (to be a major economic power, a military power to challenge the might of USA, a technological power by 2025 and a reasonably prosperous society by 2049⁴).

It has not deviated much from the prescription of bidding for time while building one's strength. A glimpse of it can be seen during the spread of Covid, while there are many theories⁵ on the origins traced to the Wuhan lab in the Hubei province of China. The last few weeks have seen a surge of Covid cases in China making it inescapable for even gig commercial centres like Shanghai being shut down. This will be a set back to China which appeared to have handled the spread of virus better in the last two years.

The post-Covid predatory tactics and arm twisting for vaccine diplomacy also indicate its long-term aspirations. So, what are the factors which change the rules of the game whether in the Indian Ocean or in the Pacific region? It has an empowered leader from the communist party. The United States of America has tried to drive an edge by differentiating between the party and the people. Xi Jinping, who is appointed as the core leader, has the complete command, including the military and the party at his disposal and therefore perhaps able to drive an agenda without internal opposition to realize the Chinese dream. Xi is emphatic about growth with Chinese characteristics⁶. In the military domain, it is about battlespace domination with the restructured command structure, better C4ISR structures using multi-dimensional technology and informatisation warfare.

This translates to better C4ISR structure, multi-dimensional strategy and, of course, strategic/military clout to protect the core interest in the Indian Ocean region or in the Pacific. In the South China Sea as clearly brought by the Congressional report⁷, it has been achieved by taking over many of the rocks and reefs which were converted as islands, and they have become military bases in total defiance of the provisions of (UNCLOS). By reinforcing the first and second line of defence and now by creating an ability to go beyond that by the new lines of defence, China is aiming to take the conflict beyond the traditional first and second lines of defence. It is only a matter of time before China starts deploying its Carrier Battle Group (CBG) beyond its shores including in the Indian Ocean. Xi has set targets for the party and military and will ensure that these are achieved in time. As envisioned, by 2025, it is a technology-enabled, moderately prosperous community⁸ - that is the goal, followed by being the number one, by 2049, the centenary years of the communist party's establishment.

The Indo Pacific Arena

One cannot look at Pacific in isolation of Indian Ocean because this is where the confluence of two oceans has been defined as a geographical and geo-strategic construct. The geographic area of Indo-Pacific includes the ASEAN, Australia, Western Pacific, east coast of Africa. India is a predominant player because of its geographical position right in the centre of the Indian Ocean region. Some of the interpretations from the past help to study the present-day scenario. In this context, the study of NSS 2017⁹ document, which is available in the open domain, is essential. It emphasizes that nothing much has changed since 2017 in terms of China's aspirations which needs to be countered in the assessment of the USA by this security document. The US Pacific Command¹⁰ covers the Asia Pacific, Southeast Asia, and the South Asian countries of Bangladesh, India, the Maldives, Nepal and Sri Lanka. The idea was mooted by USA navy secretariat Brathwaite business in the newspaper recently where they are already looking at having another designation for and Indo PACOM fleet, whether it comes from the existing fleet, whether they would redeploy assets or utilize partners is a different issue. However, there is news stating that they are taking it more seriously, complementing it to the NSSC 2017.

India includes the area from the east coast of Africa to the Australian coast end. China rejects the concept; Russia which is now engaged in a serious conflict with Ukraine does have reservations about the varied definition of the Indo-Pacific and wonders whether it has military overtones and whether economic engagements are related to this. Countries from South East Asia, South Korea and other players in the Indian Ocean region would like to see how this entire concept unfolds and how India China would play out this game with the USA taking the lead. Japan and Australia have become active partners. This aspect would be discussed later.

The confluence of two oceans

What are the different strokes of the different leaders in finding the common ground for cooperation in areas other than war? The confluence of two oceans¹¹ is often quoted to say that Japanese prime minister Abe talked about the confluence of the two oceans. Traditionally, Admiral Zheng he had forayed into the Indian Ocean region even from the Ming dynasty during the seven voyages¹² undertaken. He did so to establish the authority of the middle kingdom. His armada came here with junkets and troops with support vessels, The eunuch admiral went around visiting Sri Lanka, Indian courts and even ports in Africa to say that China continues to be the middle kingdom and the middle kingdom expects recognition from its subjects far and wide! This confluence continues to the present day, i.e., 21st century, an Asian century, which is the century of the seas. Here was another statement which said, 'these shared interests give India and the USA a powerful incentive to make sure that the regional architecture for the Asia Pacific is up to answering the questions and delivering results. Hillary Clinton then Secretary of State while addressing the gathering in a huge centenary library in Chennai on 20th July 2011,¹³ in Southern India. She talked about the India- USA shared interests in the Asia Pacific. The concepts of 'strategic autonomy' and 'inclusiveness' have been core to India's Indo-Pacific policies¹⁴ as proposed by PM Narendra Modi while examining the Indo-Pacific initiative.

The focused areas include creating partnerships among interest rates; enhancing maritime security, sustainably using maritime resources; disaster prevention and management. But as a corollary to this, one can also look at stability, security and growth for all in the region (SAGAR). Maritime neighbourhood first, blue economy initiatives, sustainable development goals. This was highlighted at the EAS summit in 2019, and not much deviation has been from these statements/assertions made by PM Narendra Modi¹⁵. On the contrary, the USA is trying to operationalize some of these concepts by engaging with partners. Covid accelerated the entire process because India and Australia were both hesitant and too worried about annoying China, a big neighbour. But slowly, it has dawned that closing up to China has helped neither India nor Australia. The realisation, therefore, that it requires a new way of handling China, a big neighbour has dawned on the countries who are dealing with China.

So, the Indo - Pacific strategy requires more Indian ocean because of India's position in the centre, just like the Pacific Ocean, which has many areas of interest to India. A lot of China's trade also passes through East - Asian countries, but with its active policies, the entire area, whether South - China Sea area or the Pacific or the countries located there are important to not just the QUAD partners but also those who have stakes in the region in one form or another.

When we look at the Indian Ocean and analyse interrelated cogs, the main findings reinforce that its geographical location blesses India with access to the Arabian Sea on one side and the Bay of Bengal on the other side. China also has an entire slew of sea lanes of communication passing around India. Therefore it gives an ability to monitor and even interdict adversaries when required with the enviable access to areas of interest from both coasts and also the off shore Islands. However, all the countries in the region are also challenged by asymmetric threats such as terror attacks, piracy attacks, poaching, illegal, unregulated, unreported (IUU) fishing¹⁶ as witnessed in the South China Sea and other Exclusive Economic Zones. These factors dictate the way India and its partners choose to respond in the maritime domain. On the part of India, it also has an active component of the government's new initiatives in terms of neighbourhood policies on the concept of 'Vasudaivakutumbakam' (The world is one family).

The developments in the maritime neighbourhood have brought in acute awareness of the need for enhanced maritime domain awareness. The Maritime Domain Awareness (MDA) in the context of India is knowing what is happening in the area right in the search and rescue region, which expands up to nearly 400 nautical miles

while the EEZ extends up to 200 nautical miles, the search and rescue region (SAR) expands to 4 million sq. kilometres, which is double that of the search and rescue region. This is an area that is of great importance to India. Traditionally India has always maintained that it can be a net security provider. But there are question marks on this ability as India or, for that matter, no country on its own has the wherewithal to be a provider. India has all the makings of a maritime nation that can facilitate net security in cooperation with others which is where the USA and other players come in. The Malabar, which is a regular exercise conducted in the Arabian Sea, is an example of collective action. However for the first time the Malabar phase II was conducted in the Bay of Bengal¹⁷ in 2021. The Chinese poaching in the traditional maritime neighbourhood countries has been an issue of concern. India needs to worry about China's engagement in India's backyard, whether it is economical, strategic or military. The increased activities affect the happenings in the Indian Ocean region and can destabilize existing equations.

In most cases, it has been analyzed that India is disadvantaged because economically¹⁸, India is only 20% of China. So China is a long way ahead for India, which wants to become a five trillion-dollar economy in 2025. India is at about three trillion dollars today, China is already at 14 trillion dollars. America, by the way, is 20 trillion dollars. So it is evident that India, which has significant differences with China on its border and other issues of relevance, has to align with other nations and like-minded players to apply pressure on China whenever there is violation of international norms. . Therefore, India is looking at the Indian Ocean Rim Association, Indian Ocean Naval Symposium and Milan as instruments that can facilitate more profound engagement with the partner nations who are part of these individual organizations.

Evolving Dynamics in the Indo Pacific

One needs to critically examine the emerging nature of power in the Indo-Pacific with China being central to the power equation dynamics in Pacific, and India in the centre of the Indian Ocean region. Also, both Pacific and Indian oceans are at the centre of geopolitical and economic space by extra-regional powers. So, even USA is an extra-regional player in the Indian Ocean region. So, this is where India needs to look at what is changing.

Belt and Road Initiative (BRI)

In this context, the mention of the Belt and Road Initiative is important. The BRI project¹⁹ was launched in 2013 there have been mixed responses on the success or failure of the project. A trillion-dollar project, it hopes to achieve connectivity, expand China's market share on the one hand, and provide it strategic leverages in the entire region of access, right from Asia, all the way to Africa and even right into Europe. India has chosen to abstain from it. India also kept away²⁰ from the BRF (Belt Road Forum). This is perhaps one major factor that has helped India keep away from China in these crises with the trans-Himalayan aggression. Though the Regional Comprehensive Economy Partnership²¹ has come in to being and, the neighbours are still wary of China's economic power, which buys out political leaders and partners.

The USA's redesignation of the Pacific command as the Indo-Pacific Command indicated the importance of this area. This has also evolved to a QUAD²² that has been in the making since 2007. Even China, as said by Braithwaite recently, perhaps even the USA, cannot do it alone and requires partners to contain China. So, the QUAD++, the Malabar and many other initiatives are all related to containing China. India cannot exclude itself from the power game that is going on because it is an active stakeholder, and likewise. At the same time, India is central to the Indian Ocean region; it also needs to acknowledge that ASEAN collectively and individually is also central to the Pacific. Unfortunately, India's engagement with ASEAN as a creative group has mixed results. It has done well with Vietnam, Singapore and some other members, but collectively, China has been able to get a lot more advantages. Even with the RCEP that has been signed, it appears that ASEAN will continue to do more business with China than with India.

That the pivot to Asia is nothing new. This is an old doctrine that was adopted even in Obama's time. Now it only becomes from Asia - Pacific to Indo-Pacific²³ to serve the interests of the USA and the interests of the democratic countries as it has been showcased. India has witnessed a resolve by PRC for total battlespace domination of

China. It has thrown a gauntlet using A2/AD to prevent the carrier battle groups from coming close to India. Moreover, China has created unsinkable carriers in terms of the converted islands, which will allow it to reach out to any aggressor in the Pacific. So, these are the factors driving the QUAD; they are behind the statement by Braithwaite²⁴ Secretary, Navy about forming another fleet just like the seventh fleet in Japan. To have another fleet that will perhaps provide these answers to the growth of China.

Evolving nature of Holistic Strategy in the Indo Pacific

It was Trump who chose to withdraw from the TPP. Some of the salience that will not be abandoned can be seen with Joe Biden's election as the President. The geopolitical competition between free and repressive visions of world order have come to the fore. Without naming China even once, the Indian prime minister Narendra Modi has indicated on several occasions has drawn the attention of the world to China's practices, including coercion, penalties, operation, economic assistance, and implied military threats to persuade all the states. The External Affairs Minister Mr. Jaishankar after the visit of Wang Yi, the Foreign Minister of China to India was quite emphatic that China was in the wrong and has to restore status-quo as of April 2020 if China wants "business as usual"

In the case of the Philippines, where a lot of money was poured in, and in Cambodia, Vietnam, everywhere, particularly post-covid, other weaker economies tried to challenge China, including Australia. They came in with many sanctions- banning of meat export, banning of barley, and many other things. It has many ways to try and control any opposition to its unilateral engagement with other nations on its terms. Coordinating quadrilateral cooperation with Japan, Australia, and India is part of NSS 2017, and one can only thank China for catalysing the process of the like minded countries coming together on different platforms. Australia, which kept on requesting for inclusion in the Malabar, has finally found the place. By operating on both coasts of India Malabar has sent the clear message that it has the potential to operate anywhere, either in the Indian Ocean region or in the Indo-Pacific, to serve the common interests of the players.

The strategic underpinning of economy and trade

According to Trump, it was to be pivoted on fair and reciprocal trade and infrastructural investment from the World Bank and the Asian development bank. The importance of the rule of law, individual rights, and freedom of navigation are central the concept of Free and Open Indo Pacific (FOIP). The economy and trade would suffer when one nation is seen as misusing the provisions of some of these fair practices. Secretary of state Rex Tillerson²⁵, when he came to India some time ago, he had placed heavy emphasis on working closely with India on defence and security across the Indo-Pacific and providing alternatives to the predatory economics of China's belt and road initiative. It is evident that all the nations have not benefitted from the BRI initial investments, and most of them have defaulted on the deadline. However, it is a win-win for China and not for others who have accepted investments from China through various instruments at heavy interest rates and also by not deriving the full benefits of a investment which provides for job for locals and adds to prosperity. Increased attention to the role of BRICS fund Asia and infrastructural development would be necessary as India is also a stake holder in the Asia Infrastructure Investment Bank (AIIB)

Power play based on trade and economy

This is related to the withdrawal of TPP, which created a power vacuum and a trade vacuum, and India has differed from joining RCEP again; there are views in support and in opposition of RCEP, and people are saying that India is going back to protectionism, but we can discuss this later. Fear was that China would use all the liberal policies in RCEP to dump various products in India. Predatory economics in BRI/MSR, cheque book diplomacy leading to debt trap and need for an alternative to BRI, we are looking at AAGC. However, not much has happened at the time; We require the US and some EU members to join the Asia Africa Growth Corridor (AAGC) to create a separate benign instrument to provide attractive terms for developing countries who would like to draw from a separate pool of money for infrastructure. Unless this is activated by pooling resources AAGC will have limited objectives being served. India is still denied entry into APEC. There are many issues on which China has not necessarily supported India; it has created issues for India and it is time to explore alternative systems to serve the long interests of India.

Power play and regional groups

There have been efforts to expand the membership of quad. However, given the changes in the geopolitical scenario, it could also be a counter quad that is developing because of Turkey, Iran, China, Russia, and Pakistan joining together, which will change the dynamics in the Straits of Hormuz (SOH) the North Arabian Sea. The centrality of ASEAN is important. Therefore, India needs to enhance its engagements by all means, and only then can India hope to enhance its clout in the changing global order.

Prognosis: Challenges of implementing a Rule Based Order and Power play dynamics

There is an ongoing power play that impacts everything, and this is very evident with the possibility of expanding scope of cold war 2.0. If at all the long drawn out war between Russia and Ukraine has accentuated the prospects of Cold War 2.0. Different forms of trade warfare and technology are already taking place in a post Covid scenario with evidence of breach of RBO in all these areas of engagements. Furthermore, many nations will be compelled to exercise the the hard option not just in Europe or in the west but across continents. New alignments will be forged. It also affects China as the domestic slow down and the economic and Covid stresses will challenge the determination of the leadership in China.

China did have a positive growth in the post covid era whereas most of the others are struggling with negative growth projections. The recent spike in China of Covid cases will impact the future trajectory of economic growth in China. Players like India and Australia are in the process to overcome 'the hesitations of history' and chart a new course and align without affecting strategic autonomy. It is time to take Deng Xiaoping's statement at UNGA 10th October 1974 seriously though. the statement was nicely masked to convey that China would be a responsible player. Most of the actions belie the expectation that China would now be a responsible power. Therefore, maybe it is time for the world to come together, expose it, oppose it and work together with the Chinese people to overthrow it. This may or may not be practicable. However, the free and open societies would need to come together to make it difficult for violators of RBO which would be the backbone of engagement in the civilized world and also minimize the chances of escalation.

¹ The concept has gained traction after then PM Abe made a reference in 2013 to the confluence of oceans namely the Indian Ocean and the Pacific Ocean that would hold the attention of the world for collective peace, prosperity, security and stability.

² The impact of Trans-Pacific Partnership agreement on the Canadian economy | Journal of Economic Structures | Full Text (springeropen.com) accessed on 16th Jan 2022

³ Why did Deng Xiaoping Advocate for the 'World to Overthrow China' in 1974? | JAPAN Forward (japan-forward.com)

⁴ <https://odi.org/en/about/our-work/global-china-2049-initiative/> Details of Chinese plans accessed on 12Feb 2022

⁵ <https://www.theguardian.com/world/2021/oct/09/sharri-marksons-book-on-covids-wuhan-lab-leak-theory-raises-more-questions-than-it-answers> Accessed from Guardian on 20-02-2022

⁶ <https://www.globalsecurity.org/military/world/china/xi-jinping-thought.htm> The idea of Socialism with Chinese characteristics has been propagated by Xi to convey that here is a system that is succeeding.

⁷ <https://csreports.congress.gov/product/pdf/IF/IF10607>

⁸ China's Grand Strategy: Trends, Trajectories, and Long-Term Competition | RAND

⁹ National Security Strategy 2017 – National Security Strategy Archive (nssarchive.us) The complete strategy has been elucidated in this document.

¹⁰ <https://www.usa.gov/federal-agencies/u-s-indo-pacific-command>. Full details of the US Pacific Command are contained in this document and it is clear that the command would be keeping a close watch on the developments in the Indo Pacific.

¹¹ <https://carnegieindia.org/2017/10/26/confluence-of-two-seas-pub-73560> Details of how PM Abe brought out the essence of the confluence of oceans that was central to security stability and prosperity in the Indo Pacific.

¹² <https://www.worldhistory.org/article/1334/the-seven-voyages-of-zheng-he/>

¹³ <https://2009-2017.state.gov/secretary/20092013clinton/rm/2011/07/168840.htm>

¹⁴ https://mea.gov.in/articles-in-indian-media.htm?dtl/32015/Indias_concept_of_IndoPacific_is_inclusive_and_across_oceans

¹⁵ https://mea.gov.in/Speeches-Statements.htm?dtl/32171/Prime_Ministers_Speech_at_the_East_Asia_Summit_04_November_2019

¹⁶ <https://www.seniatefrica.com/post/addressing-illegal-unreported-and-unregulated-iiu-fishing-in-the-south-china-sea>

¹⁷ <https://pib.gov.in/pressreleaseiframepage.aspx?prid=1762720>

¹⁸ Comparing China and India by Economy - StatisticsTimes.com

¹⁹ <https://in.boell.org/en/2019/02/25/chinas-belt-and-road-initiative-and-its-implications-india>

²⁰ <https://indianexpress.com/article/india/india-will-not-sign-off-on-bri-at-bishkek-modi-xi-jinping-meet-5779701/>

²¹ <https://rcepsec.org/> Full details accessed on 25th Jan 2022

²² <https://www.cfr.org/in-brief/quad-indo-pacific-what-know> accessed on 28 Jan 2022

²³ <https://www.swp-berlin.org/10.18449/2020RP09/>

²⁴ <https://thediplomat.com/2020/11/us-navy-secretary-proposes-new-indo-pacific-fleet/>

²⁵ Tillerson on India: Partners in a "Free and Open Indo-Pacific" | Council on Foreign Relations (cfr.org)

Q & A Session



Dr. Swasti Rao
Associate Fellow, Europe and Eurasia Center,
Manohar Parrikar Institute for Defence Studies and Analysis, New Delhi



**Theme: India's relations with the US and European powers in the emerging Indo-Pacific dynamics:
Strategising in time to Counter China**

... India's Relations with the United States and Europe in the emerging dynamics of the Indo Pacific and the imperative of strategizing in time to counter China has to be seen in the context of Europe's outreach to the Indo Pacific against the backdrop of what is taking place in the Ukraine as also in a realistic commitment of resources to protect vital security interests. "Putin's war in Ukraine is clearly a historic turning point with far reaching global implications that will reset the world order", Dr. Rao says stressing that conflict and trust deficit will impact investment and trade triggering a general retreat from international interdependence... enhanced European engagement is an established imperative but that the answer to whether the war in Ukraine has slowed down cooperation in the Indo Pacific cuts both ways!

Introduction

Although an independent ponderable in its own right, contextualizing Europe's outreach to the Indo Pacific with respect to the ongoing war in Ukraine provides a holistic narrative of Europe's engagement with the region, its cooperation with allies and partners like the US, India and Japan and a realistic commitment of resources to protect vital security interests in the Indo Pacific in view of heightened security expenditure back in the continent. Putin's war in Ukraine is clearly a historic turning point with far-reaching global implications that will reset the world order. Conflict and trust deficit is likely to impact investment and trade and trigger a general retreat from international interdependence, ironically at a time when the world needs interdependence to kick start a pandemic hit economy the most. Europe, especially Western Europe, is reeling under a big war that has fundamentally destroyed their security architecture after decades of stability and prosperity. And the continent (despite key divergences on tackling dependence on Russian oil and gas) has been united in the face of the Russian offensive. In this regard, the UK and the European Union, (especially France) have responded forcefully and firmly against the Russian invasion notwithstanding their own divergences over Brexit and Australia, the United Kingdom and the United States (AUKUS).

The paper takes a view that while enhanced European engagement with Indo Pacific is an established imperative, the real question is whether the Ukrainian war has slowed down cooperation in the Indo Pacific - answer to which is both - yes and no.

Let us look first at why it has diverted the world attention away from the Indo Pacific thereby slowing down cooperation in the region

Firstly, because it has shifted the focus of resources and deliberation away from US's attention on its real rival China which is also the substance behind the convergence of the four nation- Quad and similar plurilateral arrangements in the Indo- Pacific. From a rational point of view for the US, the West needs Russia against China. It is China that is the real threat to the United States and the western liberal order and not Russia which at

best is a diminishing military power. It is China that has the capabilities to challenge the US and its allies despite the sophisticated technology and the power that US has. Therefore US's predominant attention to countering Russia in Ukraine is likely to result in diverting its attention from tackling China and the strategies (like the US's Indo Pacific Policy) around that desideratum.

Secondly, the Ukraine war, initially, did seem to disrupt unity among Quad partners with respect to India's neutral stand on Russia. However, thanks to India's independent and pragmatic diplomacy and articulation of its vital national interests, the Quad-4 were quick to reconcile and offer statements understanding India's stand. In fact, the latest Quad joint statement of May 2022 laced with successful outcomes is testimony to that reconciliation and understanding.⁽ⁱ⁾

Thirdly, as European nations - alongside the US - have imposed unprecedented sanctions on Russia and stepped up military support to Ukraine, this war will further complicate the already limited ability of Europeans to play a meaningful security role elsewhere in the world.⁽ⁱⁱ⁾ Analysts have argued that given limited resources, the current war could pontificate that a 'tilt' to the Indo-Pacific can no longer be sustained economically. However, this is an extreme position that does not stand factual analysis.

Now, lets us look at why the Ukrainian war has not slowed down burgeoning multilateralism in the Indo Pacific and on the contrary has provided it with an impetus

Firstly, Russia's actions in Ukraine have definitely united the West. The war has made Germany taper down its energy dependence on Russia, overhauled the German approach to defence spending and is likely to see NATO's expansion in the Nordics by Sweden and Finland formally applying to join the NATO.⁽ⁱⁱⁱ⁾

Secondly, it has also provided the much needed impetus for the Europeans to act on their strategy documents and reach out to countries like India that can prove trustworthy in protecting Europe's vital interests in the Indo Pacific. The string of high profile visits to and fro from Europe,^(iv) alongside a successful 2+2 talks with the US proves that India is indeed a strategic partner and an ally for the West.

Thirdly, arguments have been made around the merging of the two theatres - the Euro-Atlantic and Indo-Pacific, especially if China and Russia are further drawn closer and as both regions depend on US security guarantees.^(v) Tangible European involvement in the Indo-Pacific is even more crucial to avoid complacency.

Hence, following could be summarized as the West's reasons to focus on the Indo Pacific even more forcefully:

- 3/4th of World trade and 40% of the EU's trade pass through the vital Sea Lanes of Communication (SLOCS) in the Indo-Pacific.
- This region has seen a growing aggression and assertiveness by China in recent years and the freedom of navigation and upholding a rules based international order is in the interest of each player involved.
- This is where the world's biggest superpower (although weakening but still the most powerful country in the world)US's attention is focussed as proven by initiatives like the Blue Dot Network,^(vi) Build Back Better world initiative,^(vii) AUKUS,^(viii) and the recently announced Indo Pacific Economic Framework,^(ix) Indo Pacific Partnership on Maritime Domain Awareness.^(x)
- It is also a region where shared democratic values aid in economic and strategic convergence.
- It is a region where the biggest economies of the west, notably, the US, UK and the other European powers, and other industrialised countries like Japan and Australia can be bound together with a very important factor in sustaining the resilience of multiple supply chain initiatives- that is TRUST.^(xi)

Complex Crowded space of Indo- Pacific

Indo Pacific is a space enmeshed with several policies to promote a variety of issues and counter growing challenges notably from China. This paper will be analyzing the Indo Pacific desiderata of the E-2(UK and France) and that of the EU, in growing conjunction with Japan who is also a big player in the Indo-Pacific and supports many of EU's policies in the region.

The web of policies looking at improving cooperation in the region may be analysed as follows:

The Focus on Indo Pacific is a Result of a Changing EU

The EU has launched a document called the “Strategic Compass” in 2021 whose goal is “to develop a sovereign, European security strategy.”^(xii) Strategic Compass is not a stand-alone act. Since 2017 the European Commission has established an EU defence Fund (EDF).^(xiii) As part of the EU’s Multiannual Financial Framework (MFF), 2021–2027, the EDF is intended to financially empower the EU’s autonomy in defense technology and industry and its research and innovation capacity in future-oriented and disruptive defense technologies. The Strategic Compass and the EDF together provide the foundation for a stronger EU with policies and budget to address its security concerns, something that is reflected in its Indo-Pacific policy.^(xiv)

EU’s Indo Pacific Policy (2021) sets out the EU’s intention to reinforce its strategic focus, presence and actions in this region of prime strategic importance for EU interests. The aim is to contribute to regional stability, security, prosperity and sustainable development, at a time of rising challenges and tensions in the region.^(xv)

Economic push to EU’s Indo Pacific Policy rests on the EU’s Global Gateway which was introduced in December 2021 and has emerged as a cornerstone for the implementation of EU’s Indo-Pacific strategy by focussing on sustainable and trusted connections.^(xvi) Together with the EU’s industrial policy which was introduced in 2020 for resilient and sustainable post-pandemic recovery, the Global Gateway aims to deepen Europe’s outreach to other regions of the world, especially the Indo Pacific.^(xvii)

Add to above the recently concluded India-EU Trade and Technology Council (TTC), a strategic mechanism that will give New Delhi access to advanced technologies and allow the two sides to set standards in crucial areas such as 5G and artificial intelligence.^(xviii) This is the first time India has agreed to set up such a trade and technology council with any of its partners. For the EU, it is only the second such body, following the first one set up with the US. TTC is a “strategic coordination mechanism that will allow both partners to tackle challenges at the nexus of trade, trusted technology and security, and thus deepen cooperation in these fields between the EU and India”.

It is important to note that from both sides, there is also a realisation that China is exploiting each lead to extend domestic repression and expand surveillance over other countries, which can disrupt supply chains.

Japan’s role in complementing the various EU policy initiatives

Indo Pacific is also a key strategic interest for quad member Japan with its own robust Free and Open Indo Pacific (FOIP) strategy. Japan has been a long-standing investor in infrastructural development in the Indo-Pacific region through both the Asian Development Bank and joint financing with the United States. Interesting to note that it even surpasses China’s infrastructure investments in Southeast Asia with a total of \$259 billion in unfinished projects compared to China’s \$157 billion.^(xix)

Therefore, as rightfully argued by analysts, as new players like the European Union (EU)—via its recently launched €300 billion Global Gateway hard and soft infrastructure connectivity strategy—look set to meet Asia’s \$22.6-\$26 trillion infrastructure needs through 2030, Japan’s role as a tech giant and a stable regional player in connectivity and infrastructure development becomes even more critical.^(xx)

The European Commission (EC) has also pointed out that the Global Gateway strategy builds on the “2018 EU-Asia Connectivity Strategy” and the connectivity partnerships with Japan (2019) and India (2021).^(xxi)

The above is supported by the EU-Japan Partnership on Sustainable Connectivity and Quality Infrastructure (2019) that inked Brussels’ first connectivity partnership with a third country.^(xxii) Furthermore, in October 2021, the European Investment Bank (EIB), the financing arm of the EU, and Japan Bank for International Cooperation (JBIC) signed an extended MOU to strengthen co-financing opportunities in areas such as carbon neutrality and infrastructure.^(xxiii)

However, for the above to harness the full potential of cooperation in the Indo Pacific, the cleavages within Europe need to be tackled first.

E-2 and their Internal Chasms

Before embarking upon harnessing the full potential of the confluence of strategies and policies mentioned above, the region needs a coherent strategy to set aside their respective differences.

The real fault line in terms of resources and ambitions has been between France and the UK on the one hand, and the rest of Europe on the other.

The good news is that the new German government led by Olaf Scholz has pledged significantly more defence spending on Europe's security.^(xxiv) This may allow France and the UK to free up resources to lead a European contribution to Indo-Pacific security, which makes it even more important for the two countries to resolve some of their differences.^(xxv)

However, it will be a folly to assume that Germany has changed its attitude to China despite increased defence spending and willingness to confront Russia. The reasons stem from Germany's reliance on China for its manufacturing sector, especially the automobile industry. After the pandemic, the Russia- Ukraine war and now increased responsibility to cater to European security, it is reasonable to assume that Germany would be even more risk averse in the rest of the world than it was in pre-Ukraine times. Germany's support to a more militarised Europe will be calibrated and not an all-out front against Russia.

Therefore, France and the UK should have limited expectations of what other European countries, especially Germany, are now willing and able to contribute to Indo-Pacific security.

Setting Realistic Objectives Based on Convergences

Despite the problems listed above, UK and France have somewhat similar strategic interests at play which differentiate them from other Indo Pacific enthusiasts in Europe like Germany whose prime driver is protecting its economy. France's case is the most pronounced one with more than 1.5 million citizens and five permanent military bases in the region which explains its direct interest in the region which will not be altered by the conflict in Ukraine.^(xxvi) On the contrary, France will attempt to reiterate its grip and position in the Indo Pacific given the rising prominence of the region.

Brexit, national posturing and defence-industrial competition have been the main reasons why cooperation between UK and France has remained limited. The AUKUS agreement between Australia, UK and US has led to an almost complete breakdown in bilateral relations between France and the UK that will take time to mend.

Further, post AUKUS, it is also evident that UK is more at ease integrating with US-led security architecture in the region. But France sees its role - and the EU's - as divergent from that of UK's and aims to add value by providing regional partners with a different and less confrontational set of options in order to lower the risk of confrontation with China.

Does that mean that British and French approaches are incompatible? This paper takes the view that despite the divergences, these two approaches to Indo Pacific could be complementary as far as providing stability, security and engagement with other regional partners like Japan, India, South Korea and ASEAN countries is concerned.

Finding a Pareto Optimal solution

If the E-2 are to play an increasing role in Asian security, given the wide range of challenges in that region - the time is ripe for a more structured modes vivendi.

Both France and the UK have to look for convergences and similarities in their respective statuses as global security providers, as nuclear powers and permanent members of the United Nations Security Council. Not only that, during last five years or so, they have both deepened security cooperation with key regional partners. The UK is already involved in Asian security through the Five Eyes - which could be developing intelligence sharing matrices with India and Japan already and through the Five Powers Defence Arrangements, with Australia, Malaysia, New Zealand, and Singapore.^(xxvii)

There is also scope for increased intelligence sharing and a possible division of labour whereby France could focus on the south-west Pacific and the UK in south-east Asia. Together with other Europeans, particularly

Germany and the larger set of policies that the EU has been approaching the Indo-Pacific region with; France and the UK can work together in making contributions to Asian security in other ways such as capacity-building in cyber and 'lawfare' or around issues of climate security.

Here again, the role of Japan needs to be outlined as both UK and France have increased bilateral cooperation with Japan through 2+2 meetings of foreign and defence ministers, Acquisition and Cross-Servicing Agreements, and military exercises. They have also both carried out regular presence operations in the South China Sea, and the HMS Queen Elizabeth and Charles de Gaulle aircraft carriers will each deploy to the region – Pacific Ocean for the former, Indian Ocean for the latter - in 2021.

France and the UK should also go further in coordinating deployments of naval and air assets which would ensure a more 'persistent' European military presence in the Indo-Pacific.

While both France and the UK each have strong existing bilateral ties with countries in the region based on interests and histories, but what lacks is an in-depth joint assessment of their respective convergences.

Most definitely, in the current scenario and with the Russian actions in Ukraine to push them together in the backdrop of China's assertiveness to disrupt a rules based order; France (and the EU) and UK need to realise that cooperation is the Pareto optimal strategy in the Indo-Pacific engagement as time is a factor that is running out fast.

Conclusion

Given the wide range of policy areas such as security, tech, economics and trade, infrastructure, and climate, and with the UK now outside of the EU, it is likely that such discussions will happen in different platforms - bilateral, EU, NATO, E3 - and must aim to be complementary.

Apart from coordinating more among themselves, Europeans also need to deepen cooperation with regional partners particularly via the Quad framework of Australia, India, Japan, and the United States, which is itself becoming a tighter group. This could ultimately lead to discussions in a Quad + E2 format or, if Germany seems prepared to go further in increasing its contribution to Asian security, a Quad + E3.

What does it mean for India?

India's position

India's response to Ukraine crisis has been a good balancing act of our strategic requirements: these may be summed up thus: Developing close strategic partnership with the US and the Quad despite maintaining strong ties with Moscow given our large defence procurement (close to 60-80%) from Russia, securing India's outreach to Central Asia, maintaining our relevance in Taliban controlled Afghanistan, getting the maximum returns to North South Maritime Corridor alongside engaging Tehran, and of course balancing the China factor. India also values Russia's support at the multilateral level, especially in multilateral groups of which China is also a part, such as BRICS and the Shanghai Cooperation Organization.

But here comes the caveat: in doing all the above – the real challenge before India is to do so without giving the perception of co-opting the emerging Sino-Russian axis. India is wary of accepting an Asia that is led by China and does not share any covert ambition to change the liberal global order like the authoritarian regimes of Russia and China.

That is what India needs to convey to its western allies and especially to Europe, something that it has done rather successfully in the last three months in a careful calibrated manner that has made the Europeans reiterate their trust in India when focussing on their Indo-Pacific engagement.

Ukraine Crisis and India's dealing of it has been reiteration of our multi vector foreign policy where we need constructive engagement with major global powers simultaneously and not with one at the cost of the other. Basically there is an implicit need for a more dynamic and accommodative foreign policy that prioritises our national interest, engages plurilaterals, and definitely focuses on the Indo-Pacific.

The world's largest economies are looking for a "China-plus-1" supply chain and perhaps with the geopolitical alignments changing-trade is increasingly being done amongst like-minded countries. Indo-Pacific is and will

remain to be a theatre of increased geopolitical and geo-economic engagement especially among the adherents of the liberal international order.

-
- (i) Quad Joint Leaders' Statement | The White House
 - (ii) In Search of EU's Grand Strategy: How Ukraine Will Change Europe's Indo-Pacific Ambitions | EuBulletin.Com
 - (iii) NATO - News: Finland and Sweden submit applications to join NATO, 18-May.-2022
 - (iv) India to see high-profile visits (dailypioneer.com)
 - (v) Bridging U.S.-Led Alliances in the Euro-Atlantic and Indo-Pacific: An Inter-theater Perspective | Center for Strategic and International Studies (csis.org)
 - (vi) Blue Dot Network - United States Department of State
 - (vii) FACT SHEET: President Biden and G7 Leaders Launch Build Back Better World (B3W) Partnership | The White House
 - (viii) AUKUS: An Asian and European perspective | ORF (orfonline.org)
 - (ix) Filling In the Indo-Pacific Economic Framework | Center for Strategic and International Studies (csis.org)
 - (x) Quad Joint Leaders' Statement | The White House
 - (xi) Indo-Pacific: Building islands of trust, not tension (smh.com.au)
 - (xii) The Strategic Compass of the European Union (strategic-compass-european-union.com)
 - (xiii) The European Defence Fund (EDF) (europa.eu)
 - (xiv) Diplo_01-Jan_2022-34-35.pdf (idsa.in)
 - (xv) Indo-Pacific: Council adopts conclusions on EU strategy for cooperation - Consilium (europa.eu)
 - (xvi) Global Gateway | European Commission (europa.eu)
 - (xvii) Can Europe's Global Gateway Offset China's Belt and Road? | The National Interest
 - (xviii) EU-India: Joint press release on launching the TTC (europa.eu)
 - (xix) A glimpse into Japan's understated financial heft in South-East Asia | The Economist
 - (xx) Japan Is Vital to Europe's Global Gateway | The National Interest
 - (xxi) Global Gateway: up to €300 billion (europa.eu)
 - (xxii) Japan Is Vital to Europe's Global Gateway | The National Interest
 - (xxiii) JBIC Signs MOU with European Investment Bank | JBIC Japan Bank for International Cooperation
 - (xxiv) Germany to increase defence spending in response to 'Putin's war' - Scholz | Reuters
 - (xxv) In Search of EU's Grand Strategy: How Ukraine Will Change Europe's Indo-Pacific Ambitions | EuBulletin.Com
 - (xxvi) The Indo-Pacific region: a priority for France - Ministry for Europe and Foreign Affairs (diplomatie.gouv.fr)
 - (xxvii) 'Global Britain': The UK in the Indo-Pacific – The Diplomat



Memento to Speakers



Dr. ITO Toru

Dept. of International Relations & Graduate School of Security Studies,
National Defence Academy of Japan



An Online Presentation

Theme : The Effectiveness of Indo-Japan Cooperation in the Indo Pacific and QUAD

...India was not an enemy but an estranged country during the Cold War and that the deepening strategic relations between Tokyo and New Delhi has come about as a result of the assertiveness of China; and India's acceptance of the Indo Pacific itself is because of the growing assertiveness of Beijing and its increasing influence in the region. The "trial" of the Quad may have been in 2007; but it was not until 2017 that Quad 2.0 formalised with all eyes now on the Third Summit meeting of the four leaders in Tokyo in the last week of May. However the strengthening of the Quad framework has led China to dub the group as an Asian NATO... (there are) limitations of India-Japan cooperation including in the differences of Chinese aggression, Japan's constitutional and legal system as well as India's "traditional and close" relationship with Russia. All this is not to forget the "great potential" in non-military cooperation that would include democratisation and stabilisation in India's neighbourhoods.

1. From estranged to close relations

The bilateral relations between India and Japan have been upgraded to the level of the Special Strategic and Global Partnership. We have very close political, economic, and security relationship now.

However, the situation was completely different before the beginning of this century. India and Japan might have long historical and cultural bonds even before India's independence. But during the cold war era, India adopted the policy of non-alignment and pro-Soviet policy especially after 1970's while Japan chose the alliance with the US. As a result, Indo-Japan bilateral relations were very estranged so long although each nation did not regard the other as an enemy. So, the collapse of the Cold war structure was good news for the bilateral relations. Nonetheless, during the 1990s, the relationship did not develop so much, mainly because of Japan's indifference to India in terms of economy and security, and India's nuclear tests in 1998.

In my view, the most important turning factor is the rise and the assertiveness of China, which both India and Japan see as a big threat or challenge. In Japan, China threat theory has been supported widely since 2005 when more massive anti-Japanese riots occurred throughout China, and later, in 2010's China stepped up its offensive against the Senkaku Islands under the valid control of Japan in the East China Sea. In India too, since around 2009, it has been reported that more and more Chinese PLA troops transgressed the Line of Actual Control, unresolved border, and later China seems to encircle India strategically by building close relations with India's neighbouring countries. As a result, since around 2010's, both India and Japan have had the same motive to deepen the strategic bilateral relations against more assertive and aggressive China.

2. Development of the Indo-Pacific and Quad

In addition to the bilateral relations, India and Japan have boosted their relationship in the multilateral framework including the U.S. and Australia. Japanese Prime Minister Abe, in his first term, regarded India as a counterweight to growing Chinese influence, and he emphasized the shared values between India and Japan when he made a speech, "Confluence of the two seas" at the Indian Parliament in August 2007. Based on his idea, he proposed the four-nation alliance among the democratic powers. This quadrilateral initiative crystallized as the first official-level security consultation on the sidelines of ASEAN regional Forum security

policy meeting in Manila in May 2007 and the massive Malabar exercise by the four nations plus Singapore in the Bay of Bengal.

This trial of Quad 1.0 attracted strong protests from China. Chinese side doubted the Japanese nationalistic leader was fashioning a China containment strategy involving India. Indian Prime Minister Manmohan Singh had become cautious about making China uncomfortable by overemphasizing a China threat. As a result, the Quad 1.0 has disappeared with the fall of power of the conservative trio of US President Bush Jr., Australian PM Howard and Japanese PM Abe.

However, in the interval, China increased its influence and assertiveness in the East China Sea, South China Sea and LAC with India. The BJP government established in 2014 led by Modi began to show its growing interest in the Indo-Pacific region. India started to approach boldly to advocate for Indo-Pacific concept. PM Modi selected Japan as his first foreign trip outside South Asia, and declared “Special Strategic and Global Partnership.” We should note that PM Modi agreed to add the term of “special” to the strategic and global partnership. For PM Abe in his second term had elevated the strategic partnership with Australia to the same “special” level just 2 months before. Moreover, Modi government decided to strengthen its relations with Australia which is shown as the PM Modi’s first visit to Australia by an India Prime Minister in 28 years. Both the leaders declared “framework for security cooperation”. Regarding the U.S., PM Modi invited President Obama as the chief guest of Republic Day for the first time as US President in 2015. At that time both leaders released the “Joint Strategic Vision for the Asia-Pacific and Indian Ocean Region.” In September 2015, US, Japan India, trilateral foreign ministers gathered in New York for the first time to discuss security issues. At that meeting, India agreed to use the term of “Indo-Pacific” officially. Since that year, Japanese Maritime Self-Defence Force has become a regular member in Indo-US Malabar exercise.

India’s perception of China as a threat has gradually sharpened since around the end of 2000’s. Above all, under the Xi Jinping regime, India has faced more and more offensive Chinese behaviour as for India’s application for NSG, to list JeM chief Masood Azhar as a terrorist designated by the UN, CPEC and Belt & Road and border issue, Doklam standoff in 2017. Since then, India has leaned greatly to the Quad. In November 2017, the quad meeting came back after 10 years back in the same place, Manila. In January 2018, India invited navy chiefs of quadrilateral countries to its Raisina Dialogue, New Delhi. Re-lunched the framework of Quad consultations has been upgraded to foreign minister level since September 2019.

Reborn Quad 2.0 has been strengthened since then. Some people expect or suspect the Quad might become Asian NATO, military alliance. In my view, I don’t think so. But on the other hand, the reborn Quad will not disappear, now that China has great confidence to fight US and India at the same time. The clash in Galwan valley in June 2020 and protracted military standoff over LAC under the COVID-19 pandemic occurred at the time of US-China tension. This incident was a fatal blow to the fragile Indo-China relations. External Minister, Jaishankar paid a visit to Tokyo in order to join the face-to-face foreign minister meeting in spite of pandemic. Modi government made up its mind to invite Australia to Malabar exercise and to approve Biden’s proposal to convene the Quad summit meeting. At the first online summit meeting in March 2021, joint statement. “Spirit of the Quad” was released. And half a year later, second summit, first face-to-face summit meeting was held in the White House.

3. India’s expectation and the role of Japan

What does India expect from the framework of the Quad? In my view, first of all, India has an ulterior motive to check China diplomatically and politically by hinting at the possibility of building its stronger relationships with the other Quad members by building the “Coalition of Democracies.” The message to Beijing is that “we would permit the Quad to become a hard balancing mechanism against you if you assumed the offensive to us”. And related to that, India seems to intend to use the Quad as leverage against China to extract concessions on the border negotiations and so on. However, that is getting difficult because China knows the weakness. That is to say, China believes that India will never give up its strategic autonomy. Then, India will not be able to check

China if China is assured that India will never tilt to the consolidation of the Quad. This is Indian dilemma regarding the Quad and strategic autonomy.

The other expectation is an economic one. There is serious debate in India about economic security and how to get out of supply chains that are dependent on China. And how does India counter Chinese Belt & Road infrastructure projects in India's neighbourhoods? This should have become an important issue for the medium to long term. But the recent realities have shown that it's not so easy as I will explain later.

Compared with military cooperation, I think there is huge potential in the cooperation on non-military fields.

First is the cooperation on connectivity infrastructure building within India and India's neighbourhoods, which will countervail Chinese Belt & Road. Ongoing India's Northeast projects are very hopeful in that emerging South Asia including India and Bangladesh will be connected with South-East Asia (ASEAN) in which many Japanese companies have invested so long. If that goes well, South Asia will not become so far from Japanese viewpoint.

North South Transport Corridor (NSTC) is the project Modi government has endeavoured to push. It will be possible for India to get access to Afghanistan and central Asia without going through Pakistan. At first, Japan showed a positive attitude toward the cooperation on the development of Iran's Chabahar port which is the entry port of NSTC. But unfortunately, the US sanctions on Iran imposed by former President Trump and not lifted yet by Biden have hampered Indo-Japan cooperation in Iran.

More ambitious project is Asia Africa Growth Corridor (AAGC) which Prime Minister Modi launched its vision document in collaboration with Prime Minister Abe just after boycotting Chinese Belt & Road summit meeting in 2017. It is expected that greater synergy between Japan's technology and capital and India's strong network and experiences in Africa will emerge as Japanese former Ambassador to New Delhi Hiramatsu said.

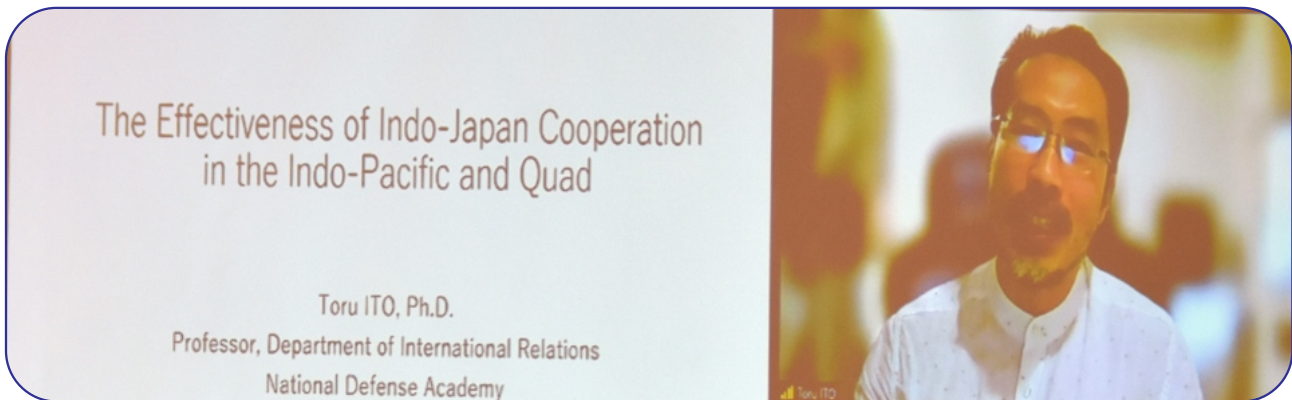
In addition to the infrastructure, it is very important to cooperate to restructure and build alternative and resilient supply chains independent of China. Japan, India and Australia have already started "Supply Chain Resilience Initiative (SCRI)." And at the first online Quadrilateral summit meeting last year, new working groups on "Critical and Emerging Technology" and "Vaccine Partnership" were set up. The cooperation on these policy areas was welcomed by India. Especially, for the Modi administration, which launched its vaccine diplomacy, vaccine cooperation is something that they must consider a good opportunity. However, because of the "Second Wave" of COVID-19 in April 2021, India couldn't act at the moment in order to prioritize domestic demand. Another concern is that when India asked the world for medical provisions and vaccine support at that time, the responses from Japan, the US, and Australia seemed a bit slower than those of Europe, China, and Russia. Inside India, there were even those questioning the point of the Quad meeting agreement and the significance of the Quad itself. And according to the reports, India's trade with China in 2021 crossed \$125 billion, with imports from China nearing a record \$100 billion in spite of Modi administration's efforts to reduce dependence on imports from China amid an increased emphasis on self-reliance as well as escalating tensions along the border. It is also reported that India has had no choice but to receive medical supplies also from China via Hong Kong. Although it might want to break free from China-dependent supply chains, reality has shown that it's not so easy. That is why it is very important for India to build alternative and resilient supply chains in cooperation with Japan.

Financial support to India's neighbourhoods is also important because some small countries in South Asia are caught in China's debt trap. It is reported that India is extending its helping hands to Sri Lanka and Maldives, but that is not enough. In my view, Japan should offer more financial support to help India's neighbourhoods escape China's debt trap. Such cooperation would contribute to counter Chinese expanding influence in the region.

Last, I'd like to emphasize the Japanese diplomatic and political roles. When you see India's neighbourhoods there are tendencies for authoritarianism, military rule or chaos. Sri Lanka under the authoritarian rule of pro-China Rajapaksa family, the island nation is in the crisis of economic meltdown. Myanmar under the military junta which is strongly criticized by the US and Europe might deepen relations with China. We are afraid after the US withdrawal and resurgent Taliban regime, Afghanistan is getting more unstable, which would create

hotbeds of extremism and terrorism., in which China and Pakistan might expand their influence in South and Central Asia. India has interest in stabilizing its neighbours in terms of security and regional strategy.

In this regard, Japan has a strong point. For Japan has maintained friendly relations with all these countries. So, we should contribute more actively to democratizing and stabilizing in the region. Looking around India's smaller neighbours, we can find almost all the countries in political turmoil and transformation - Myanmar, Bangladesh, Nepal, Sri Lanka, Maldives, Pakistan, Afghanistan. These countries stand on a threshold between democracy and authoritarianism, as well as between national existence and failed state. As you know, it is China that is approaching and deepening the relations with these countries. Democratized and stabilized region would be desirable and beneficial to both Japan and India, in terms of economy, politics and security. We can and should cooperate much more in this regard.



May 8, 2022 - Plenary Session - II

Theme: 'DIMENSIONS OF ECONOMY AND COMMUNICATION IN INDO-PACIFIC'

CHAIR

Dr. HORIMOTO Takenori

Visiting Professor, Gifu Women's University

Mr. M.M. Murugappan

Chairman, Carborundum Universal Ltd.

Topic: The Role of Japan in the Development of India & Asia

Dr. Sanjaya BARU

Distinguished Fellow United Services Institution of India &

Media Advisor to Former Prime Minister Mr. Manmohan Singh

Topic: India's Economic Policy, Diplomacy and Political Economy of Indo-Pacific

Mr. NAKAYAMA Yukihide

Director General, JETRO, Chennai

Topic: Outlook on Japanese Investments in India Post-Pande

Mr. N. Ravi

Chairman, Kasturi & Sons Ltd., the Holding Company of 'The Hindu' Group of Newspapers

Topic: Role of Media and India's Engagements in the Indo-Pacific

Q & A - Summing up

Closing Remarks : **Ms. Suguna Ramamoorthy,**

Secretary-General IJCCI

A cross section of the audience



Speakers at the Plenary Session - II



Mr. M.M. Murugappan
Chairman, Carborundum Universal Ltd., Chennai.



Theme: The Role of Japan in the Development of India and Asia

... a top industrialist of India outlining the different facets of Japan's involvement in global affairs: its own economic miracle, contribution to the world, the economy of Asia, Japan's role in the continent, in India and finally the opportunities for Japan in India... In the economics of Asia of 51 nations, the success stories were the Japanese economic miracle, the rise of the four Asian Tigers, the Chinese economic reforms, the economic liberalisation of India and the Rise of the Tiger Cubs - Vietnam, Indonesia, Thailand, Malaysia and the Philippines. On the other side there were challenges as well like internal conflicts and instability, protectionism, geo-political tensions, risks to human rights and environmental deterioration.

There are opportunities in India...in Human Resources capital; increasing share of outsourcing in IT and financial services; expanding the scale of present businesses and entering new businesses; leveraging the country as a global supplier as well as in the realm of pharmaceuticals and generic drugs. Japan's continued development assistance across Asia will be indispensable for the future economic and social development of the region...

A power point presentation at the symposium....

Agenda

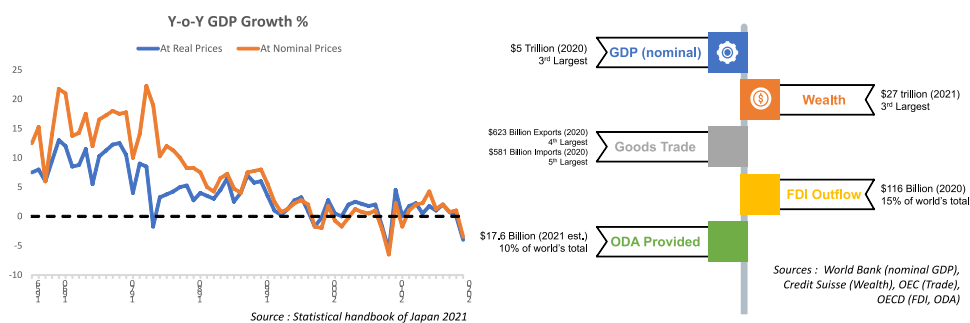
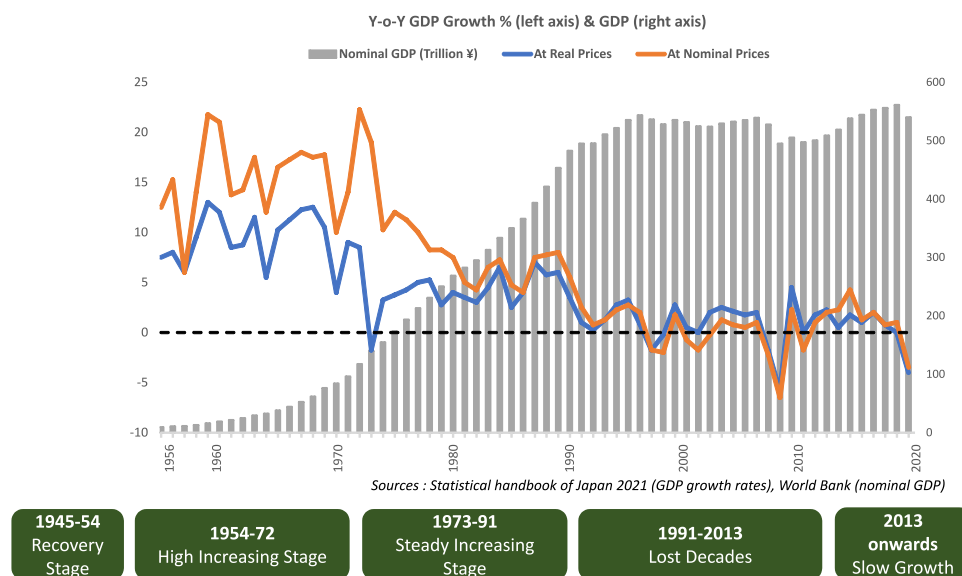
- The Japanese Economic Miracle
- Japan's Contribution to the World
- The Economy of Asia
- Japan's role in Asia
- Japan's role in India
- Opportunities for Japan in India

The Japanese Economic Miracle

Major Events

- | | | |
|------|---|-----------------------------|
| 1945 | - | End of WW2 |
| 1973 | - | Gulf Oil Crisis |
| 1991 | - | Burst of the Bubble |
| 2011 | - | Tohoku Earthquake & Tsunami |
| 2013 | - | Introduction of "Abenomics" |
| 2020 | - | Covid-19 Pandemic |

Japan's Economic Growth Story



From a nation ravaged by World War 2 to becoming a manufacturing and financial powerhouse shaping the regional as well as world economies

Japan's Contribution to the World

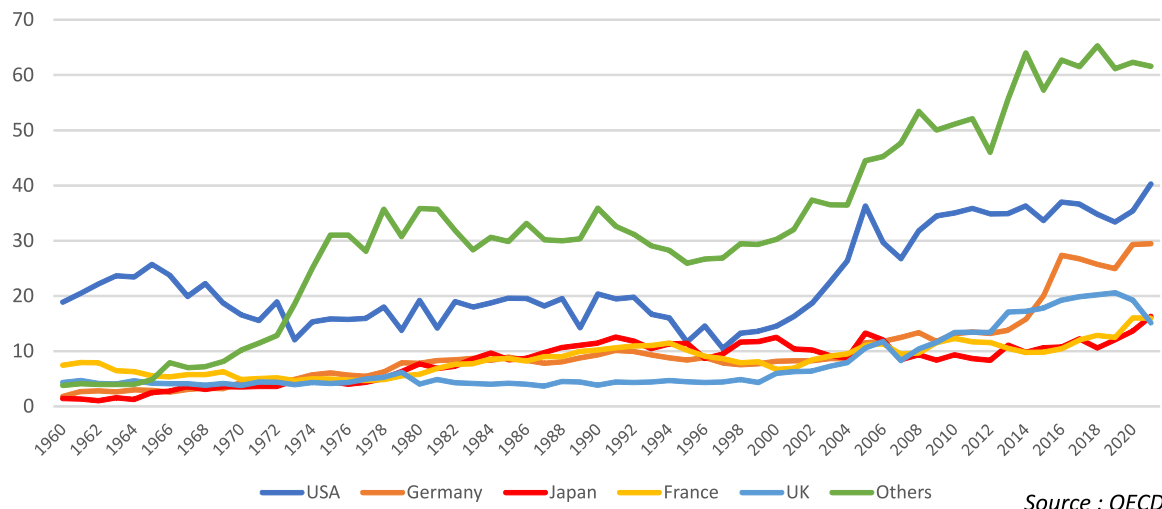
Official Development Assistance

- ODA from official donors rose to an all-time high of US\$ 178.9 billion in 2021, up by 4.4% compared to 2020
- At 0.33% of combined GNIs of all donors, their total ODA contribution is still below the UN target of 0.7% of GNI
- Japan is among the top 3 ODA donors in the world as of 2021 with a contribution of US\$ 17.6 Billion or 0.34% of its GNI

Top Recipients in Asia

Country	Amount (US\$ Billion)	Proportion of World Total
Syria	10.3	6.1%
Bangladesh	4.5	2.7%
Yemen	4.4	2.6%
Afghanistan	4.3	2.6%
India	2.6	1.5%

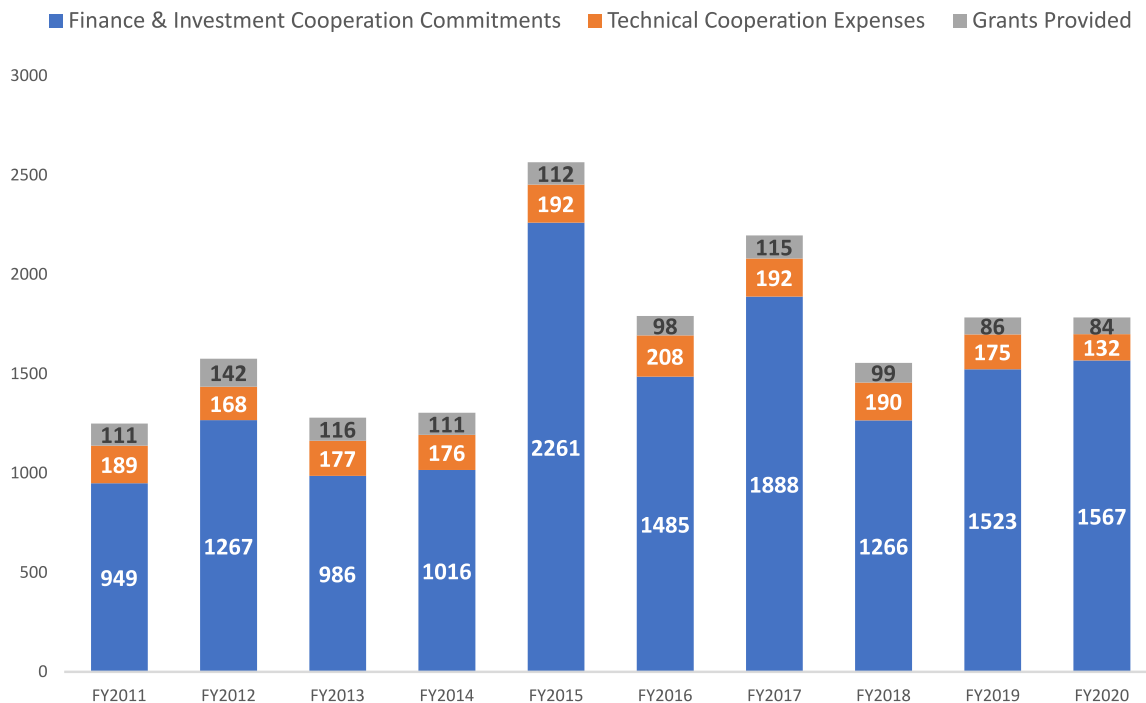
Annual Net ODA by biggest donors
(US\$ billion, constant 2018 prices)



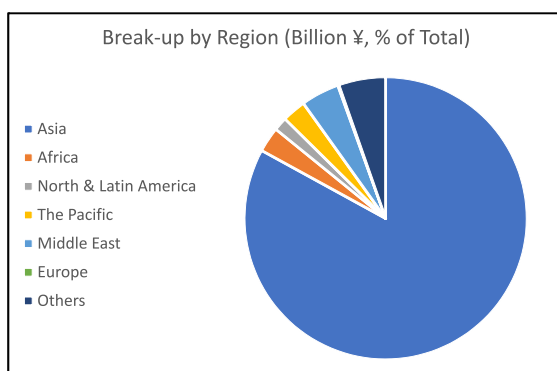
ODA through JICA

- Japan International Cooperation Agency is one of the world's largest bilateral aid agencies, and is the Japanese government's sole agency to implement ODA
- It uses various assistance methods to support the resolution of issues in developing nations in alignment with the Sustainable Development Goals

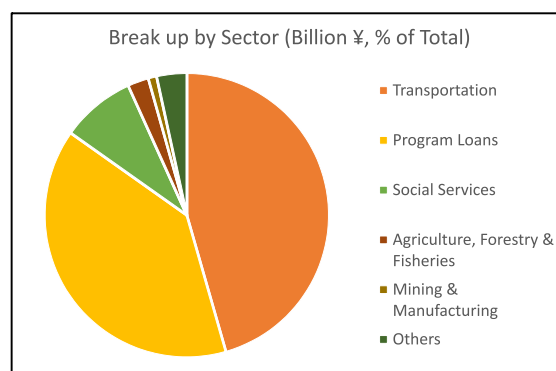
Trend in JICA ODA across categories (Billion ¥)



Finance & Investment Cooperation* Commitment in FY20 ¥1566.6 Billion



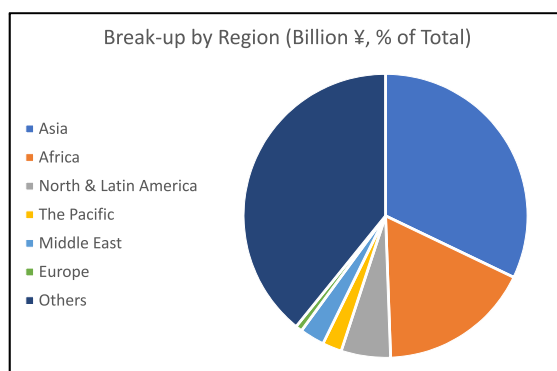
Source : JICA Annual Report 2021



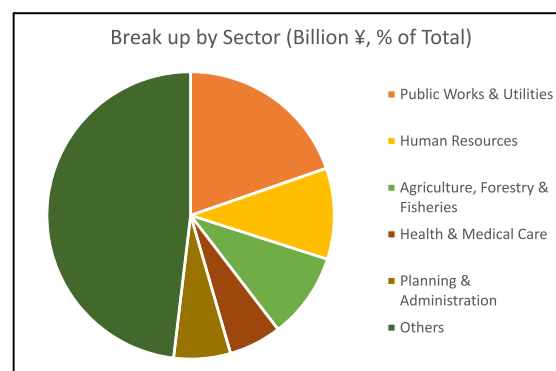
Source : JICA Annual Report 2021

**Lending or investing of funds under concessional terms such as long repayment periods and low interest rates, to developing countries for developing infrastructure or supporting the private sector*

Technical Cooperation* Expenses in FY20 ¥131.6 Billion



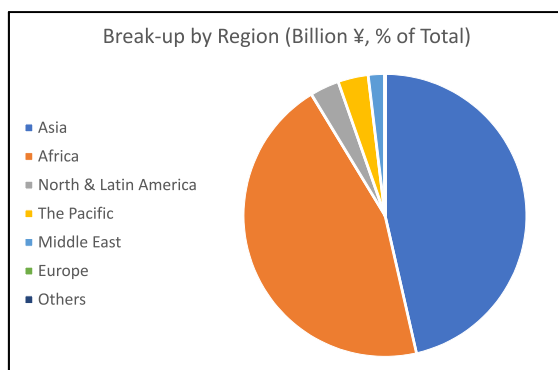
Source : JICA Annual Report 2021



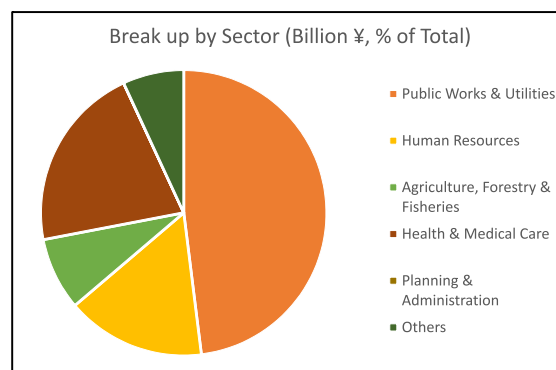
Source : JICA Annual Report 2021

**Supporting the development of Human Resources to promote socioeconomic development and establish effective administrative systems in developing countries*

Grants* Provided in FY20 ¥83.9 Billion



Source : JICA Annual Report 2021



Source : JICA Annual Report 2021

**Funds to low income developing countries without expectation of repayment for constructing core facilities necessary for social and economic development and procurement of equipment & other supplies*

The Economy of Asia



51 nations

Population **4.6 bn**

\$33 tn Nominal GDP (2020)

Real GDP growth in 2021 (est.) **6.5%**

Sources : Worldometer, IMF

Success Stories



Japanese Economic Miracle

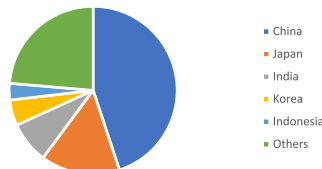
Four Asian Tigers*

Chinese Economic Reform

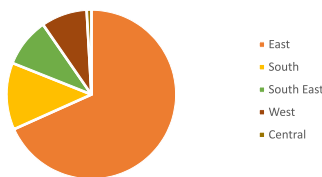
Economic Liberalization In India

Rise of the Tiger Cubs#

Nominal GDP of Asia by Countries (2020, Trillion US\$)



Nominal GDP of Asia by Region (2020, Trillion US\$)



Source : World Economic Outlook Report (IMF), Oct'21

Challenges

Internal conflicts & instability

Protectionism

Geopolitical tensions

Risks to Human Rights

Environmental deterioration

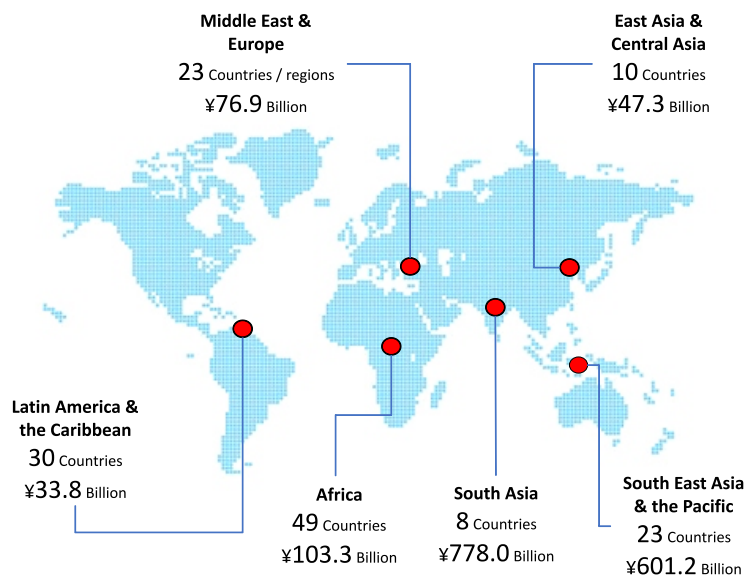
*Refers to Hong Kong, Singapore, South Korea, Taiwan

#Refers to Vietnam, Indonesia, Malaysia, Philippines, Thailand, Vietnam

Japan's Role in Asia

JICA – An Overview

Quantum of Projects by Region (FY'20)



Regional Priorities in Asia and total value of programs

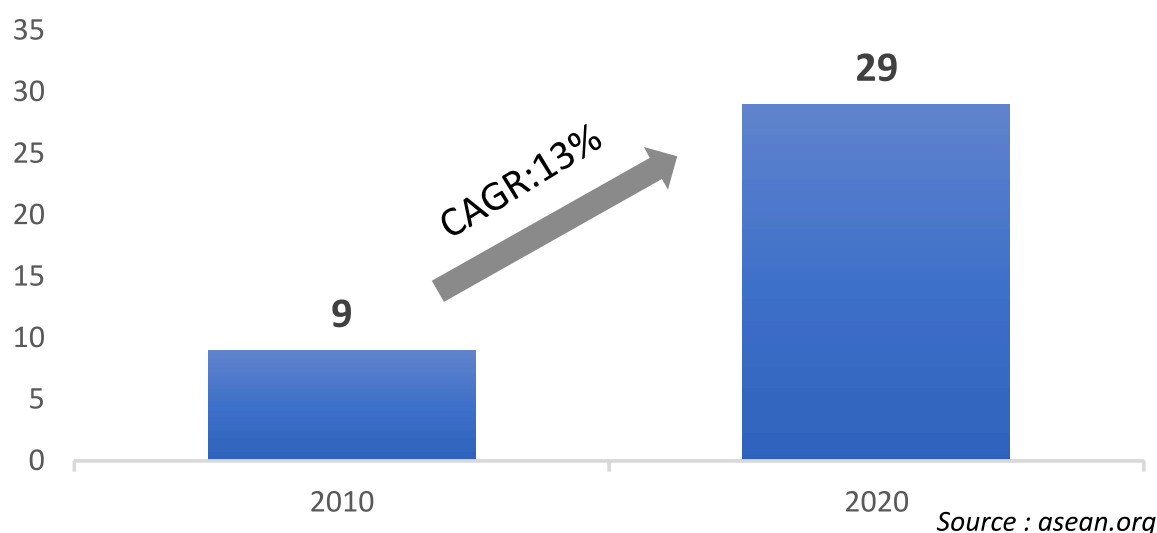
South East Asia	Land, Maritime & Air Connectivity Climate change measures Human Resource Development Quality growth Human security	¥ 553.56 bn
East & Central Asia	Strengthening Governance Industrial Diversification Human Resource Development Infrastructure Development	¥ 47.33 bn
South Asia	Improving access to basic human needs Strengthening health systems Strengthening connectivity Regional peace, security & stability Economic growth & employment stability	¥ 778.02 bn

Source : JICA Annual Report 2021

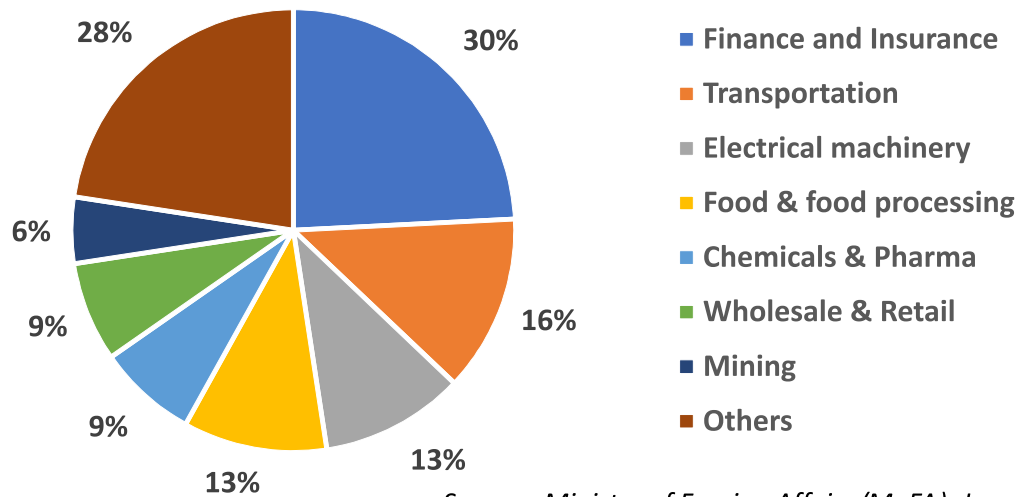
Japan's FDI in ASEAN

- ASEAN remains an attractive investment destination as the region's share of global FDI inflow rose from ~6% in 2015 to 14% in 2020
- In 2020, Japan accounted for ~12% of total FDI inflows to ASEAN
- Japan's outstanding project investments in the South East Asia are valued at US\$ ~270 Billion, compared to China's US\$ ~160 Billion • Finance & Insurance and Manufacturing sectors remain the largest recipient industries of FDI in ASEAN accounting for >50%

FDI from Japan to ASEAN (in US\$ billion)



Industry-wise share of Japan's total FDI outflow



Source : Ministry of Foreign Affairs (MoFA), Japan

Cooperation in the post-pandemic era

- Building resilient supply chain
 - Improving attractiveness of the region as a hub of Global Supply Chain
- Digital innovation
 - Creating innovation to enhance sustainability & solve social challenges
- Green energy transition
 - Maximizing energy conservation, use of renewable energy, & energy management to achieve carbon neutrality

Building on Research Collaboration

Energy transition

- Japan has pledged US\$ 10 Billion to finance renewable energy projects in ASEAN
- Ongoing research coloration between India and Japan to promote research on hydrogen-based fuel as a potential replacement to conventional fuel
- Japan and India have agreed to extend Clean Energy Partnership towards achieving sustainable economic growth and ensuring energy security

Sustainability

- Japan's Clean Ocean Material Alliance, or Cloma, has set a goal of 100% recycling of plastic containers and packaging by 2050.
- 'Cloma' could help in tackling sustainable growth in developing economies across Asia.
- India and Japan have pledged to strengthen their collaboration and share scientific research and knowledge as part of a joint effort to reduce marine pollution.

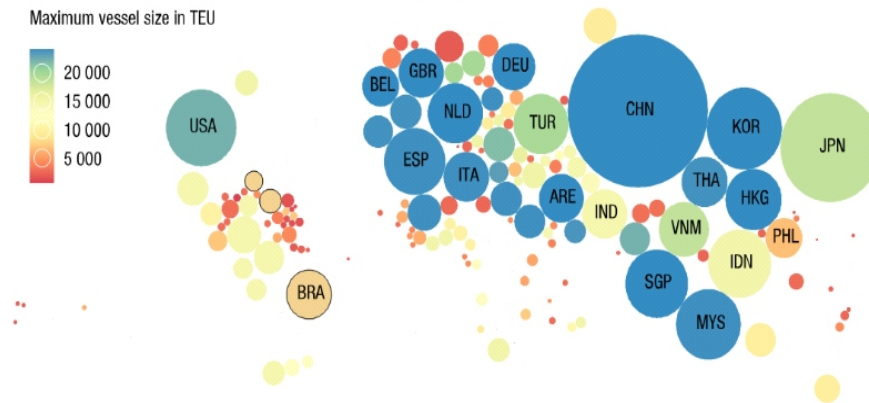
Food Processing

- ASEAN-JICA Food Value Chain Development Project: The initiative envisages to improve production efficiency and develop value added agricultural products in ASEAN through technical cooperation.

Leveraging ASEAN as a Logistics Hub

- Asia accounts for 41% of total goods loaded
- Pandemic has accelerated deep reconfiguration of supply chains to reduce single supplier dependency
- This diversification of supply chain presents opportunities to ASEAN where Japan's aid in terms of investment, knowledge and human resource training could be immensely valuable and rewarding

Container ship port calls and maximum ship sizes, 2020 (for illustration purposes country size proportional to the number of container ship port calls)



Source: UNCTAD, based on data provided by MarineTraffic.

Note: Ships of 1,000 GT and above. Labelled countries had more than 5,000 container ship port calls in 2020. For the complete table of all countries see

- Japan has already been involved in port capability development initiatives across ASEAN:
- Strategic partnerships between India and Japan in Andaman Nicobar Islands to strengthen strategic presence in Indo-Pacific region
- Japan's investment in developing Patimban deep sea-port in Indonesia
- Participation of Penta-Ocean Construction Co Ltd in development of Tuas Terminal port, Singapore
- JICA's acquisition of majority stake in Sihanoukville Autonomous Port (PAS), Cambodia

Japan-ASEAN Connectivity Initiative

- An initiative through which Japan would help strengthen land, sea, and air corridor connectivity through infrastructure and human resource development across ASEAN.

ASEAN-Japan Transport Partnership

- AJTP was launched to strengthen cooperation between Japan and ASEAN in transport facilitation and infrastructure development.

Japan has been actively involved in the development of port infrastructure and capability development in Indian Ocean countries such as Myanmar, Sri Lanka and Bangladesh.

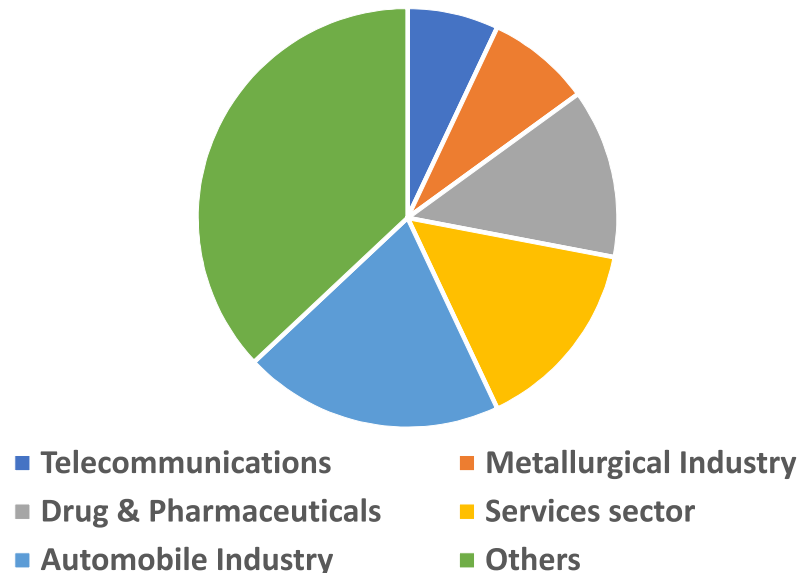
Japan's Role in India

Japan's FDI in India

- FDI equity inflow from Japan has grown by 11% over the last decade. However, FDI inflows from Japan declined to US\$ 2.7 Billion in 2021 from peak levels of US\$ 4.2 Billion in 2016.
- Key sectors of investment – Automobiles and Pharmaceuticals
- In 2020, India ranked 2nd in JBIC's 'Promising Countries for Overseas Business over the next 3 years', after China, for Japanese investment

- Number of Japanese companies registered in India doubled over the past decade. Currently, about 1,455 Japanese companies have branches in India
- Top 4 states with Japanese business establishments are Maharashtra (811), Haryana (626), Tamil Nadu (589) and Karnataka (519)

% Share of top 5 sectors attracting FDI Equity from Japan (cumulative inflow 2000-2019)



Source : Department for Promotion of Industry and Internal Trade (DPIIT)

Recent Investments across Industries in India

AUTOMOBILES

- Suzuki to invest INR 10,000 Cr (US\$ 1,330 Million) in domestic manufacturing of EVs
- Honda Motorcycle & Scooter India (HMSI) plans to launch e-scooters in India
- As part of their Global EV strategy, Nissan plans to enter EV segment in India

GREEN ENERGY

- Mitsui recently announced its acquisition of 49% stake in ReNew Power (a green energy solutions company)
- Orix Corporation, a Japan based financial services company, is set to acquire a 20% stake in Greenko, at US\$ 980 Million
- Japan's New Energy & Industrial Technology Development Organisation (NEDO) is allocating US\$ 892 Million to develop new fuels for India and help the latter achieve carbon-neutrality by 2050

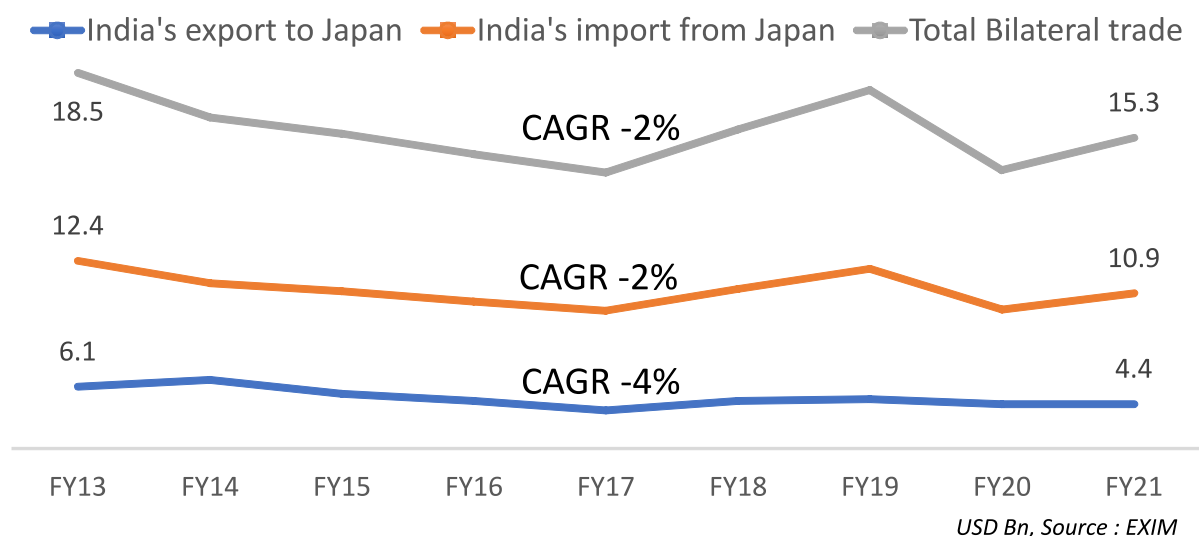
IT/ELECTRONIC SYSTEMS

- Johnson Controls Hitachi Air Conditioning India Ltd. plans to invest INR 100 Cr (US\$ 13 Million) under PLI scheme, while Daikin India and Panasonic has pledged INR 539 Cr (US\$ 72 Million) and INR 350 Cr (US\$ 47 Million) respectively
- In 2021, NTT Global pledged to invest US\$ 2 Billion over the next four years to expand its data centre operations

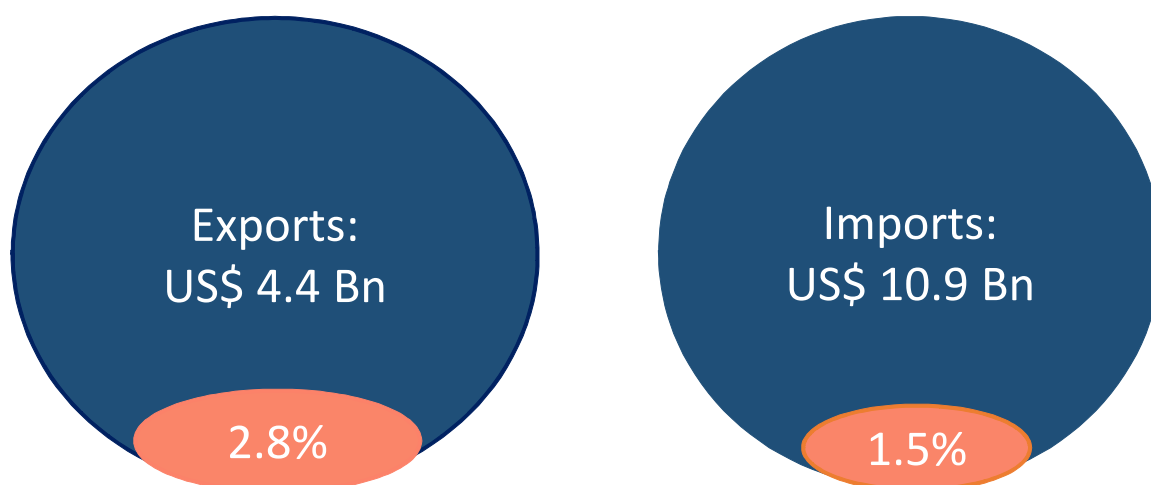
India's Trade Scenario with Japan

- In 2020, India was the 18th largest trading partner for Japan, and Japan was the 12th largest trading partner for India.
- India stands as a dependable option for China plus one strategy, in helping create a more resilient and cost-effective supply chain. However, the bilateral trade between both the countries needs to improve to benefit from this opportunity.

India-Japan trade	Details
Primary exports to Japan	Refined Petroleum (11%), followed by crustaceans (8%) and Diamonds (6%)
Primary imports from Japan	Refined copper (8%), followed by precious metal compounds (6%) and Vehicle parts (3%)



Japan's share of India's trade (FY21)



Source : EXIM

Challenges to be Addressed

- In 2021, India has sought a review of the India-Japan Comprehensive Economic Partnership Agreement (CEPA) to improve market access for Indian goods and address the growing bilateral trade imbalance.
- Due to FTAs with Japan, other Asian countries have more duty-free rates both in the agricultural and non-agricultural sectors compared to India
- Although India has improved its overall ranking in ease of doing business from 130th in 2016 to 63rd in 2020, it falls behind some of the Asian peers such as China and Thailand which rank 31st and 21st respectively.
- Lack of single clearance approval system that can facilitate approvals and inadequate last mile connectivity are the major issues for Japanese manufacturers in India.

Japan's preferential tariff regime with respect to India and other key economies of Asia, in 2019 (as per Regional Trade Agreements)

Country / Bloc	Total		Agriculture		Non-agriculture	
	Average (%)	Duty-free lines (%)	Average (%)	Duty-free lines (%)	Average (%)	Duty-free lines (%)
Malaysia	3.1	86.3	13.8	54.4	0.5	94.3
Thailand	3.1	87.2	13.8	56.3	0.5	94.9
Indonesia	3.3	85.9	14.6	54.7	0.5	93.8
ASEAN	3.2	85.8	14.3	54.5	0.5	93.6
Philippines	3.0	88.8	13.6	60.3	0.4	96.0
Vietnam	3.2	86.5	14.3	55.3	0.4	94.3
India	3.5	78.4	15.0	39.7	0.7	88.1

Source : WTO

Japan's ODA to India

- Since the 1st ODA granted in 1958, ¥5.73 trillion committed (as of FY19-20)
- From 2003 onwards, India is the largest recipient of Japanese ODA every year
- Traditional focus areas are infrastructure (mainly power & transportation), poverty alleviation, environment protection, and healthcare
- Recent 14th India-Japan Annual Summit saw the commitment of 7 more JICA loans amounting to US\$2.7 billion, mainly for health & medical care, transportation, power & energy, urban environment management, and agricultural & rural development



Dedicated Freight Corridor Project

Mumbai –
Ahmedabad High
Speed Rail Project



Delhi Mass Rapid
Transport System
Project

Bangalore Water
Supply & Sewerage
Project



Tamil Nadu
Afforestation
Project



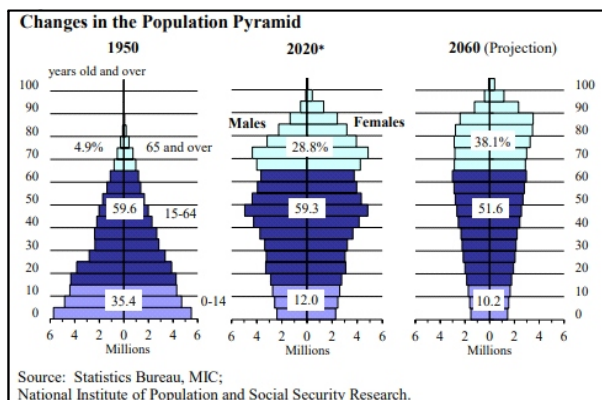
Yamuna Action Plan

Opportunities for Japan in India

Leveraging India as a Hub for HR Capital

Japan

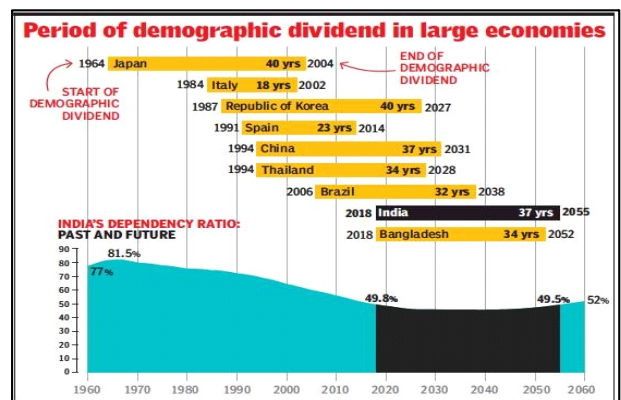
An ageing & declining population leading to a labor deficit and slowdown in the economy



*Dependents – Any person falling in the age groups of 0-14 years or 65 years & above.
Dependency Ratio gives an idea of the proportion of population that will not typically be part of the labour force*

India

Employment opportunities needed to exploit the favorable demographic dividend and achieve rapid economic growth



Source: the Economic Times - July 22, 2019

Leveraging India as a Hub for HR Capital

Advantage India

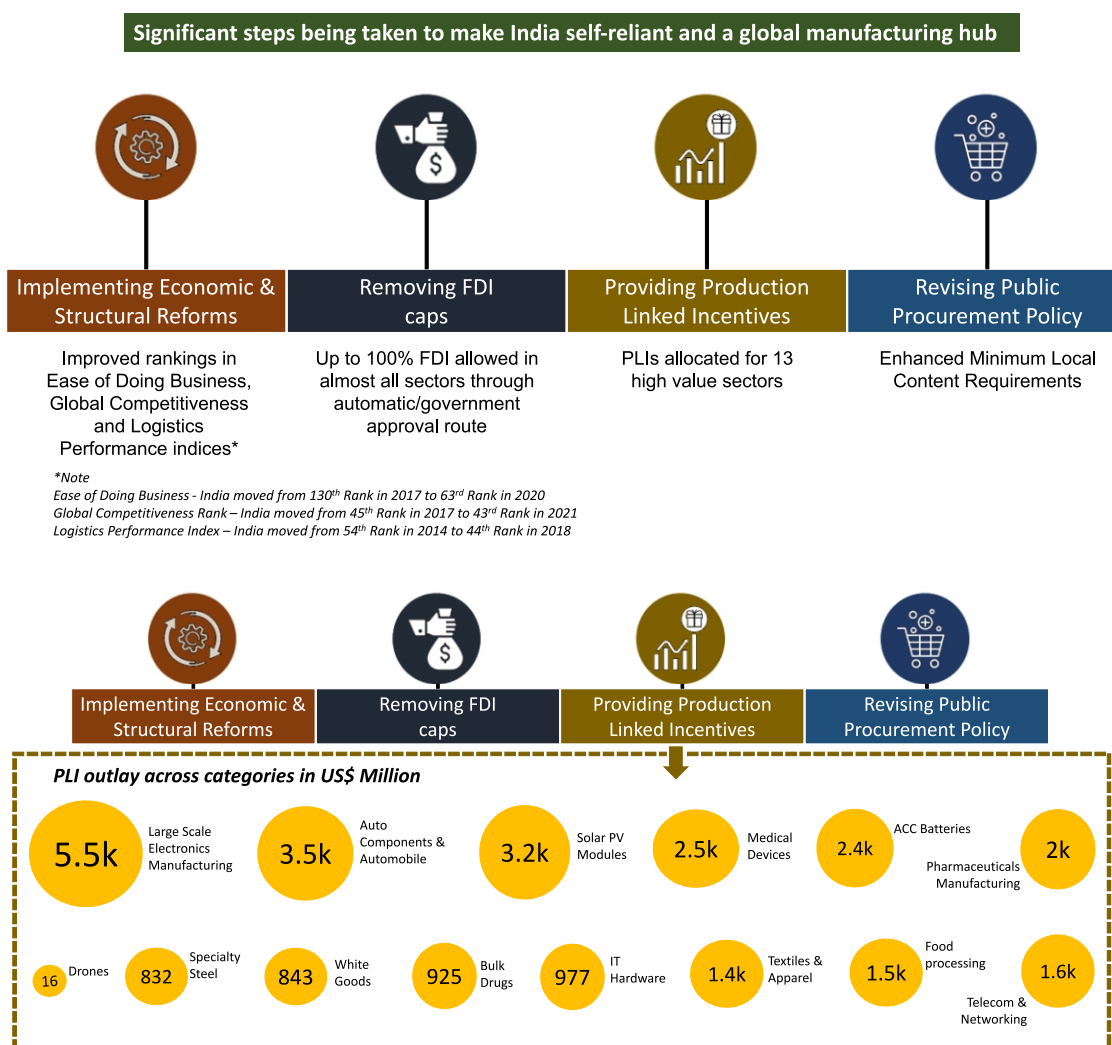
- Availability of a large workforce across the spectrum of skills
- Significant labour cost benefits compared to developed and other newly industrialized economies*
- Increased focus on upskilling led by ongoing structural transformation towards high-value manufacturing and services
- Large domestic market\

Opportunities for Japan

- Increasing the share of Outsourcing to India - especially IT & Financial services
- Expanding scale of existing businesses in India - automobile, pharmaceuticals, telecom
- Increasing business footprint through new businesses in India – electronics, renewable energy, EV

**As per the ILO, average monthly wages in Japan, China & India in 2018 were JP¥336,700, CN¥6,872 & ¥13,143 respectively. Basis the average exchange rates for the same year, Japan's wages were 16x India's and 3x China's*

Leveraging India as a Global Supplier

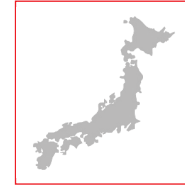




“Make for World”

India’s aspirations to become a global manufacturing hub

- Favourable economic, political & diplomatic climate
- Geographic advantage to access African, Central Asian, West Asian and other South Asian markets
- Development of a large pool of productive and skilled workforce



Sogo Shosha

Japanese general trading companies

- Extremely diversified business lines
- Ability to provide significant capital at low cost
- Captive demand & supply
- Extensive risk management capabilities through trade in multiple markets
- In-house market information systems



With high economic complementarities, Japan – a wealthy nation with a matured economy & India – a rapidly growing nation in pursuit of equitable growth, can reap significant mutual benefits through increased engagement

Leveraging India for supplying APIs and Generic Drugs

- Japan is the world’s second largest pharmaceutical market worth US\$ ~100 Billion
- Presently, India exports only US\$ ~100 Million worth of pharmaceutical products to Japan primarily consisting of APIs and generics
- While Japan has strong global presence in advanced drugs, India can step-in to fulfil the domestic demand for generics
- Japan could benefit by tapping the existing manufacturing expertise of India as a “generic giant” to cater to its growing domestic demand
- **India’s competitive advantage:**
 - India supplies 20% of worldwide supply of generics, indicating knowledge capital in pharma sector
 - US FDA and EU regulatory preparedness by the Indian pharmaceutical manufacturers
 - Conducive Government’s policies such as PLI to incentivize bulk drug production
 - Drugs and Pharmaceuticals sector is already one of the top five recipients of Japanese FDI in India
 - Abundant availability of labour capital

Conclusion

- The structural changes globalisation is undergoing presently offers India and Japan new areas of co-operation under the auspices of the respective Governments
- Tapping the synergy between Japan’s financial capital and technical know-how with India’s labour capital and market opportunities will be a win-win proposition
- Japan’s continued development assistance across Asia will be indispensable for the future economic and social development of the region

Dr. Sanjaya Baru
Distinguished Fellow, United Services Institution of India &
Media Advisor to Former Prime Minister Dr. Manmohan Singh, New Delhi



Theme : India's Economic Policy, Diplomacy and Political Economy of Indo Pacific

... it is necessary for India and Japan to peg the bilateral relationship in a “wider and mutually beneficial bilateral framework” that invariably had deep roots in history, culture and geography. Prime Minister Shinzo Abe, in speaking of the confluence of the two seas to the Indian Parliament in 2007 may have “unwittingly” given a geo-political dimension to a relationship that was only predominantly geo-economic... the broad contours of the present relationship has to be seen in the context of the travel of Swami Vivekananda to Japan in 1892 to be followed by the industrial giant Vishweshvariya and Rabindranath Tagore. Japan's victory over Russia in 1905 inspired Indian national leadership... “we seek Japan's friendship not merely because it is just another country within the Indo Pacific but because it is an inspirational Asian nation”...

India-Japan relationship should be based on the extant bilateral synergies rather than only the Indo Pacific framework. “The synergy in the relationship derives from the demographic, economic and technological structures of both countries”...

The contemporary relationship between India and Japan is increasingly viewed within the emerging geopolitical and geo-economic architecture of the so-called Indo-Pacific region and the Quadrilateral Security Dialogue. I believe it is necessary for us, both in India and Japan, to frame our relationship in a wider and mutually beneficial bilateral framework that has deep roots in history, culture and geography.

When Prime Minister Shinzo Abe reminded both nations of the 'confluence of the two seas', in his historic and visionary address to the Indian Parliament in August 2007, he may have unwittingly given a geopolitical dimension to what was till then a largely geo-economic relationship. For us in India, through much of the 20th Century Japan was a model of modernisation and industrial development to be imitated, not just an ally with shared security concerns.

The roots of the India-Japan relationship go back to the beginning of the last century. It was in 1892 that Swami Vivekananda travelled to Japan and drew the attention of the Indian people to this Asian island nation's drive to modernization and its relevance to India. What impressed Swami Vivekananda in particular was Japan's adoption of modern science and technology as the vehicle of development. Close on his heels one of India's great engineers, a builder and promoter of industrialization, Mokshagundam Vishweshvaraya, travelled to Japan in 1898.

Vishweshvaraya was one of the founders of the Institution of Engineers and the Mysore Chamber of Commerce. He gave the Indian national movement the slogan “industrialise or perish”. After his tour of Japan Vishweshvaraya wrote extensively on the lessons India must learn from the modernization of Japan. He was impressed by Japan's development of schools, transport and communication and their role in Japan's industrial development. He was convinced that investment in education was the key to economic development.

Two decades later, in 1916, Rabindranath Tagore travelled to Japan. He was going there a decade after Japan's famous victory over Russia in 1905. That was a landmark event in the history of the world because Japan was the first Asian nation to defeat a European nation. Japan's victory inspired India's national leadership and Tagore wrote lyrically about Japan's rise.

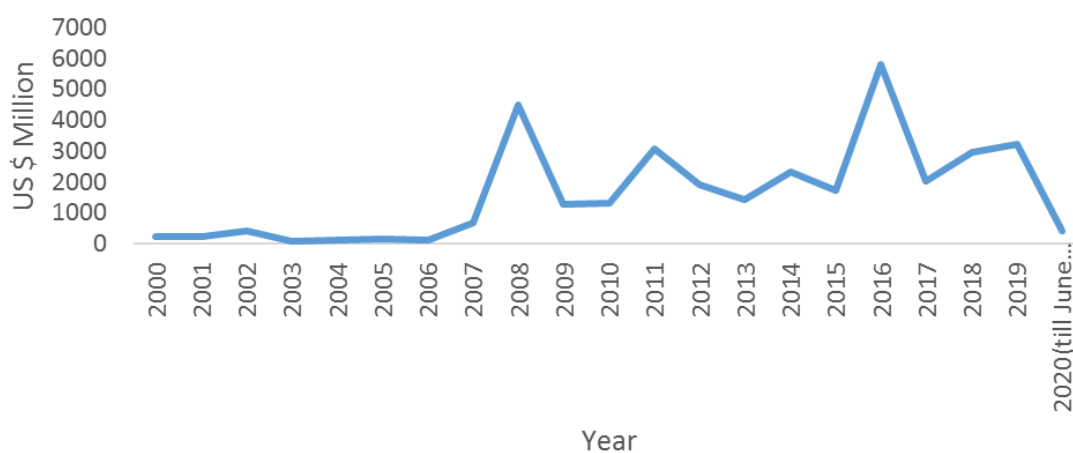
“Modern Japan has come out of the immemorial East like a lotus blossoming in easy grace, all the while keeping its firm hold upon the profound depth from which it has sprung. It has also fearlessly claimed all the gifts of the modern age for herself. She has shown her bold spirit in breaking through the confinements of habits, useless accumulations of the lazy mind, seeking safety in its thrift and its locks and keys. This it is which has given heart to the rest of Asia.”

In the current global context it is also useful to recall that Jawaharlal Nehru drew pointed attention to the fact that Japan was the first Asian nation to defeat a European power when, in 1905, it vanquished Russia. I refer to these views of Vivekananda, Vishweshvaraya, Tagore and Nehru, expressed over a century ago, only to highlight the point that the leadership of the Indian national movement viewed Japan within the prism of the 'Rise of Asia' and its return to the centre-stage of the global economy, after Europe eclipsed it for over two centuries. Japan's modern economic development based on investment in education, science and technology, and industrial development inspired Indian leadership. I believe we seek Japan's friendship not merely because it is just another country within the Indo-Pacific but because it is an inspirational Asian nation.

While India was early to establish diplomatic relations with post-War Japan, it was only in the 1980s that economists in both countries began paying attention to each other's growth experience. The India-Japan Study Committee constituted in 1980 by the two governments enabled policy makers in both countries to explore avenues for bilateral economic cooperation. The India Committee of the IJSC was chaired by Dr Manmohan Singh, at that time secretary in the ministry of economic affairs. The report of the committee played an important role in raising India's profile as a recipient of Japanese aid. Japan also became an important member of the Aid India Consortium. However, it was only in 2003 that India overtook China as the biggest recipient of Japanese aid.

While aid remained in focus through the 1980s and into the 1990s, trade began to play an increasingly important role as India became a destination for Japanese FDI. With its high profile investment in the automobile industry Japan emerged as an important investor in India. Even so, China remained a key destination for Japanese FDI till the end of the first decade of the 20th century. (Chart 1)

Chart 1: FDI equity inflows from Japan into India



The low level of economic engagement till the early part of this century is also reflected in data on government to government contacts. As Chart 2 shows, it was only during Prime Minister Manmohan Singh's and Prime Minister Junichiro Koizumi's terms in office that there was a sharp rise in official interaction between the two countries. Clearly, both had begun to pay greater attention to each other for a variety of reasons, including the sustained growth of the Indian economy after 1991 and the decision of Japanese investors to spread their risks and diversify their portfolio away from excessive dependence on China.

Chart 2: High Level Bilateral Visits		
Period	Japan to India	India to Japan
1980s	5	10
1990s	4	14
2000-2004	4	9
2004-2009	25	32
2010-2014	20	26
2014-2020	22	21

Source: External Affairs Ministry

While the vision of Strategic and Global Partnership shared by Prime Ministers Mori, Vajpayee, Singh and Koizumi placed economic and business relations at the centre of renewed engagement between the two, the fact also is that the current phase of our relationship has been within a certain geopolitical context. Despite the economic focus given to the bilateral relationship in the 1980s, till the turn of the century the bilateral relationship remained weak despite all the hope invested in it. So much so, that when India chose to conduct nuclear tests and declare itself a nuclear weapons power, Japan summarily imposed economic sanctions on it.

It was the strategic dialogue that the two engaged in since then that created the political basis for the current economic engagement. The vision statement issued by Prime Ministers Koizumi and Singh in April 2005 outlined an 'eight-fold initiative' for enhanced cooperation that included: (i) enhanced and upgraded dialogue architecture, including strengthening of the momentum of high-level exchanges, launching of a High Level Strategic Dialogue and full utilization of the existing dialogue mechanisms; (ii) comprehensive economic engagement, through expansion of trade in goods and services, investment flows and other areas of economic cooperation, and exploration of a Japan-India economic partnership agreement; (iii) enhanced security dialogue and cooperation; (iv) Science and Technology Initiative; (v) cultural and academic initiatives and strengthening of people-to-people contacts to raise the visibility and profile of one country in the other; (vi) cooperation in ushering a new Asian era; (vii) cooperation in the United Nations and other international organizations, including cooperation for the early realization of U.N. reforms, particularly Security Council reform; and (viii) cooperation in responding to global challenges and opportunities.

This bilateral vision acquired a wider geopolitical dimension when Prime Minister Abe situated the India-Japan relationship within the strategic framework of the Indo-Pacific. It is true that in many ways India and Japan are the real pillars of the Indo-Pacific region, however their bilateral relationship should be defined *sui generis* rather than in a regional geopolitical context. The geo-economic synergy between Japan - a high-tech but an ageing, labour deficient economy - and India - a developing economy in need of technology and saddled with a young labour force - is obvious.

The Suzuki-Maruti model of industrial development is an excellent example of 'Make in India - Make for the World' model of industrialisation that India has since reaffirmed as its preferred model of industrial development. It has a role for foreign direct investors, is linked both to industrial and trade policy. It is a model that can in fact be extended to a wide range of industries including electronic hardware, pharmaceuticals, chemicals and food processing. The new initiatives that have been launched for bilateral cooperation in skills and technology development are relevant in this context. Aerospace, maritime and cyber offer new avenues for industrial collaborations within the evolving strategic framework.

The Japan-India relationship should, therefore, be based on the extant bilateral synergies rather than only within the regional framework of Indo-Pacific. In the public discourse there is far too much emphasis on Quad as a framework for India-Japan relations. In my judgement, this is wrong and does not do justice to the long-term historic, cultural, economic and strategic relationship between the two countries. While Quad is an important forum for both nations and while the Indo-Pacific is a relevant regional reference point, the India-Japan

relationship must stand on its own feet without reference to any third party. After all, the Mori-Vajpayee and Manmohan-Singh- Koizumi and Singh-Abe joint statements, as well as the Modi-Abe and Modi-Kishida statements have all emphasised the 'global' nature of the relationship rather than a purely regional one. The synergy in the relationship derives from the demographic, economic and technological structures of both economies.

In short, the Japan-India relationship has to stand on its own feet and be defined by mutual interest, and not just be viewed only in the context of the Indo-Pacific region and its security concerns. In this context, it is necessary to build greater trust about the relationship among the people, positioning Japan as a 'natural' strategic partner for India. Prime Minister NarendraModi did say recently that, "Be it the strategic field or the economic field, Japan is one of the most trusted friends of India today. Our friendship is considered to be one of the most natural partnerships in the entire region."

However, a recent survey showed that Japan lagged behind US, Australia, Russia and UK in terms of public trust. Ideally Japan should enjoy the highest level of trust in India as an Asian nation. This trust can only be built on the foundation of our Asian personality and our civilizational connect.

Chart 3: Most Trusted/ Distrusted Countries		
Country	Trusted	Distrusted
US	77	7
Australia	67	8
Russia	64	16
UK	61	10
Japan	60	17
France	58	14

Source: Foreign Policy Survey, 2021. Observer Research Foundation, New Delhi.

The recently signed joint statement of Prime Ministers Modi and Kishida for 'A Peaceful, Stable and Prosperous Post-COVID World', is wide-ranging in scope and it in fact, does emphasise the bilateral personality of our relationship within a 'global' context and not just confined to the Indo-Pacific region. Prime Minister Kishida has announced a Y5 trillion programme of investment over the next five years. This comes on top of a Y3.5 trillion assistance that Prime Minister Abe offered. The scope of bilateral engagement has widened including trade and trade policy, investment and investment facilitation, technology transfer and development, defence cooperation, energy saving technology, development of MSMEs, building resilient supply chains, and a bilateral currency swap agreement of US\$75 billion. The India-Japan Comprehensive Economic Partnership Agreement (CEPA) addresses the interests of both countries. Cooperation in the fields of digital technology, cyber security and ICT, including in development of 5G net and funding of Indian start-ups will help boost technology development in India.

It is not a happenstance that successive Prime Ministers of Japan and India have chosen to define the relationship between the two Asian countries as a 'global and strategic' partnership. They have not defined the partnership only within the framework of the Indo-Pacific, even though both recognise the strategic importance of the Indo-Pacific region. Japan and India have been the bookends, so to speak, of Rising Asia. But both their footprints are today global in scope and scale. Both are among the world's top four economies. Both need to build a closer relationship of trust based on economic, political, cultural and social interaction. To build this trust, both our Asian nations must pursue an independent strategic and foreign policy. Going forward into the 21st century we must develop our own personality based on greater strategic trust and synergy, not being viewed merely as extensions of western powers, remaining prisoners of the East-West conflict of the 20th century.

Mr. N. Ravi
Chairman, Kasturi and Sons Ltd.
(Holding Company of The Hindu Group), Chennai, India



Theme : Role of Media and India's Engagements in the Indo-Pacific

...even during the dormant state of relationship there was a fund of goodwill for the Japanese never did forget the gestures of India—whether it was Justice Radhabinod Pal being the sole Judge who refused to convict Japanese leaders and Generals of war crimes during the Tokyo Trials or the gift of an elephant by Nehru. Such goodwill may not have led to a deeper engagement but the tendency “towards polite and courteous exchanges than rhetorical excesses has been carried forward from the early period to the present” ... In recent times too the past continues to provide the backdrop for the evolution of the relationship in economic and strategic spheres but given Beijing's strong opposition to the Quad, New Delhi and Tokyo have to walk a “thin line” and in a preference on strengthening bilateral agreements than in multilateral avenues.

Professor Horimoto has through his familiarity, his numerous visits to Delhi and interaction with policy makers and strategic policy experts in both Japan and India has spoken of the different periods in the history of India-Japanese relations. He has characterized the first period until the early 1990s as one of mutual incompatibility.

This was in large part due to their differing foreign policy orientations and differing economic ideology. Japan was firmly in the American camp during the period of the Cold War with US security guarantees and the nuclear umbrella. India on the other hand was following the policy of non-alignment that was interpreted in the West and in Japan as being pro-Soviet. India's dependence on Soviet support in the United Nations and its dependence on Soviet arms supplies gave its policy a pronounced pro-Soviet tilt. This was brought out most strongly during the Bangladesh crisis of 1971 when the warnings from the United States loomed large in the presence of the aircraft carrier Enterprise and the task force of the Seventh Fleet in the Bay of Bengal. The Soviet Union had provided India some security assurance by bringing in two of its attack submarines and two ships to the Bay of Bengal, shadowing the US fleet.

The other aspect of mutual incompatibility was the ideological difference. India was a closed economy with Soviet-style planning, focussing on import substitution rather than trade with the outside world. Japan in contrast was an open economy with growing private industry exporting to the world.

In the public perception in India this period of mutual incompatibility was largely one of benign neglect, with pressing domestic economic issues including food shortages and a foreign policy focussed on Pakistan and China. Economic relations, most significant of which was Japanese overseas development assistance, marked India-Japan ties in this period. There were also cultural exchanges and the beginnings of Japanese investments including most famously in the entry of Suzuki into collaboration with Maruti in 1981.

Let me digress a bit to what I consider an important aspect of India-Japan relations, which is friendliness and courtesy. The 18th century philosopher Montesquieu wrote famously that commerce softens manners. He said, “Commerce is a cure for the most destructive prejudices; for it is almost a general rule, that where ever we find agreeable manners, there commerce flourishes; and that wherever there is commerce, there we meet with agreeable manners. Let us not be astonished, then, if our manners are now less savage than formerly. Commerce has everywhere diffused knowledge of the manners of all nations; these are compared one with another, and from this comparison arise the greatest advantages”.

This may not always be applicable. For instance, China has perhaps the largest trading network globally but its relations with other nations can hardly be termed pleasant as Montesquieu assumed. However, it is definitely true of India and Japan where disagreements have never led to strong rhetoric, much less to a near breakdown of relations. They have always been marked by courtesy, a desire to side step deeply divisive issues for the moment and seek to address them at the appropriate time. The desire to solve problems rather than aggravate them by argument has been a marked feature of the relationship.

There was of course a fund of goodwill even during the period when relations were largely dormant. For instance, Justice Radhabinodh Pal, a judge of the Calcutta High Court who was part of the Tokyo war crimes tribunal was the only member who voted to acquit the Japanese leaders who were charged with war crimes, arguing that it would be victor's justice. His role was widely appreciated in Japan even as he stood on the losing side, with the Japanese leaders convicted by the tribunal and many of them hanged. The gift of an elephant to Japan by Nehru also caught the popular imagination in Japan. Such goodwill, however, did not lead to a deeper engagement.

This tendency towards polite and courteous exchanges than rhetorical excesses has been carried forward from the early period to the present. Even disagreements were expressed without rancour and with an understanding of each other's positions. This came to the fore in the aftermath of the 1998 Pokhran nuclear explosions that stunned the Japanese. Japanese ODA was cut off even as the Japanese government made it clear that as a country that had been the victim of nuclear weapons, its policy was a total opposition to nuclear weapons. The Indian reply in substance was that India lived in an insecure and quite a dangerous neighbourhood while Japan was under the American nuclear umbrella.

We saw this politeness most recently in the way the contrasting approaches of India and Japan to the Ukraine war have been addressed. On this issue, Japan is firmly on the side of the US and Europe and has taken a strong stand. "The killing of a large number of innocent civilians by the Russian forces in Ukraine is a grave breach of international humanitarian law and war crimes. It is absolutely unacceptable and Japan vehemently condemns it. The truth about these atrocities must be uncovered and Russia must be held strictly accountable for war crimes", said the Government of Japan in a statement.

India's stand on the Ukraine war is based more on self-interest than on principled opposition to war or invasion. Thus India has not even named, much less condemned Russia for the invasion but has stressed the inviolability of the sovereignty and integrity of nations and the importance of settling disputes through negotiations and maintaining world peace. It has, however, condemned the killing of civilians in Bacha and has demanded an enquiry. Indian External Affairs Minister Jaishankar was most forthright when he spoke very recently at the Raisina Dialogue and pointed out that the West did not respond with the same sense of concern during several crises in Asia, as for instance, in Afghanistan. Without referring directly to the problem on the India-China border, he went on to say, "When the rules-based order was under challenge in Asia, the advice we got from Europe was 'do more trade'." Placing India's policy in context, he went on to say, "different countries have evolved a combination of values, interests, history, experience and culture to approach conflicts and specific situations."

It is interesting to see how these divergent views were handled in the joint statement issued after the meeting of Prime Minister Modi with the Japanese Prime Minister Kishida on March 19 and 20 in New Delhi. Reflecting the Japanese position, the Japanese Ministry of Foreign Affairs said "Prime Minister Kishida strongly condemned Russia's aggression against Ukraine as it clearly violates the international law. He also stated that, as a Prime Minister from Hiroshima, the city which suffered from an atomic bombing, he considered neither the threat nor the use of nuclear weapons should ever be tolerated. Prime Minister Kishida also emphasized the need for the international community to be united and respond to this matter resolutely."

However, the joint statement issued at the end of the summit reflected India's minimalist position. "The Prime Ministers expressed their serious concern about the ongoing conflict and humanitarian crisis in Ukraine and assessed its broader implications, particularly to the Indo-Pacific region," the statement said.

It went on to add, “They emphasized that the contemporary global order has been built on the UN Charter, international law and respect for sovereignty and territorial integrity of states. They underscored the importance of safety and security of nuclear facilities in Ukraine and acknowledged active efforts of the IAEA towards it. They reiterated their call for an immediate cessation of violence and noted that there was no other choice but the path of dialogue and diplomacy for resolution of the conflict. The Leaders affirmed that they would undertake appropriate steps to address the humanitarian crisis in Ukraine.”

Going back to the development of India-Japanese relations, India’s economic liberalisation of 1991 marked a take off stage. Even before this period, Japan’s reputation as an industrial powerhouse had been growing in the 1970s and 1980s, with management experts in the United States speaking of the Japanese miracle. The period of India’s ideological shift also saw a marked shift in its foreign policy, particularly after the break-up of the Soviet Union, moving it closer to the United States and the West.

The 1990s were a period when most countries were seeking to redefine their foreign policy goals for the post-Cold War period. This was also the beginning of India’s Look East Policy that turned its attention to Japan and South East Asia. For India, while closer ties with the United States would have meant a total reversal of policy, closer ties with Japan were free of such complications. In the earlier dormant phase of the relationship, high level visits and summits were few and far between. There could be a gap of a decade or more separating prime ministerial visits - Indira Gandhi’s visit to Japan in 1969 came 10 years after the visit of the Japanese Prime Minister to New Delhi. It is a measure of how much the relationship has traversed since that the two countries have moved to annual prime ministerial summits since 2006. The holding of the 2 plus 2 meetings of the foreign ministers and defence ministers is a measure of the widening and deepening of the engagement.

India-Japan ties in the more recent period have been described as the fastest growing relationship in Asia. Japanese Prime Minister Mori’s visit to New Delhi proved to be the decisive turning point when the two countries established a ‘Global Partnership.’ This was transformed in 2006 to a ‘Strategic and Global Partnership’ and upgraded in 2018 to a ‘Special Strategic and Global Partnership’. The vision statement issued after the visit of Prime Minister Modi to Japan in 2018 stated, “Prime Minister Modi recognised that the India-Japan relationship has been transformed into a partnership with great substance and purpose and is a corner stone of India’s Act East Policy. Prime Minister Abe underscored the basic importance of India-Japan relationship for the regional order and is determined to advancing the “new era in India-Japan relations” so as to further cooperate for peace, stability and prosperity of Indo-Pacific.”

While the relationship has become multidimensional, the economic aspect remains the cornerstone of the relationship and an area that has been receiving the maximum focus in summits. Within the economic sphere, Japanese investment has replaced ODA as the main driver. The 3.5 trillion yen Japanese investment target set in 2014 has been achieved this year, and in the March summit the two prime ministers set a target of 5 trillion Japanese yen to be realised over the next five years. The Comprehensive Economic Partnership Agreement to promote trade, the Japan-India Industrial Competitiveness Partnership, Japan-India Initiative for Sustainable Development of the North Eastern Region of India illustrate the range of issues covered in the partnership. In addition, there is the Clean Energy Partnership for ensuring energy security, in areas such as electric vehicles (EV), storage systems including batteries, electric vehicle charging infrastructure (EVCI), solar energy, clean including green hydrogen/ammonia and wind energy.

Japanese loans and investments in infrastructure form a major component of the growing economic relationship with the Mumbai-Ahmedabad High Speed Rail Corridor being the flagship project. There are around 5000 Japanese companies operating in India, of which 600 are in Tamil Nadu while the companies in the IT sector are concentrated in Bengaluru.

China continues to provide the backdrop for the more recent evolution of the relationship in both the economic and the strategic spheres. The uncertainty over supplies from China following the disruption of supply chains and possible denial of supplies has spurred both the countries to develop alternative sources of supply. While there has not been any large scale move out of China, the beginnings of diversification to countries of South East Asia and India are visible.

Defence and strategic ties, once unthinkable in both Japan and India, are growing substantially. For India that has a blue water navy, maritime security in the Indo-Pacific is a matter of deep interest. For Japan, in addition to keeping the sea lanes of the Indo-Pacific open, Chinese activity in the South Chinese Sea also is a matter of concern. India has joined this specific concern of Japan in the joint statement of the Prime Ministers that calls for countries to respect the UN Convention on the Law of the Sea.

Given China's suspicion - it voiced fierce opposition to the Quad comprising the United States, Australia, Japan and India as a gang up against it-- both the countries have to walk a thin line here. Their preference has been strengthening bilateral agreements rather than multilateral forays. The Quad had a rather hesitant start but now it seems firmly in place. At the latest meeting of the Indian and Japanese prime ministers, Mr Modi accepted Mr Koizumi's invitation to visit Japan for the Quad summit to take place shortly. The Quad has emerged as basically a security cooperation organisation focussing on maritime security and navigation in the Indo-Pacific.

Japan-India defence ties have been growing with joint air and naval exercises including the Malabar exercises. Technical collaboration is in place for developing an unmanned ground vehicle and in the area of robotics. The India-US nuclear agreement of 2008 has opened the doors to India-Japan nuclear cooperation that is on the anvil.

In all, India-Japan relations have truly entered a new era of friendship and cooperation in multiple areas and the relationship has been characterised as the best in the 70-year period after the establishment of diplomatic ties in 1952. This has been facilitated by a change of ideology, the changed world situation including the emergence of China and a new realism that has come to characterise the foreign policies of the two countries. Economic relationship has continued to be the centrepiece of this relationship and the traditional friendship and courtesy have enabled both the countries to navigate any differences that have arisen over strategic and perception issues.



Interaction with Speakers





7th May 2022 - Speakers and Students



8th May 2022 - Speakers and Students



INDO-JAPAN CHAMBER OF COMMERCE & INDUSTRY

No. 21, Kavignar Bharathidasan Road, Teynampet, Chennai 600 018.

Tel: 91-44-2435 4779 / 4855 6140 E-mail: indo-japan@ijcci.com Website: www.ijcci.com