

A large, faint, stylized globe graphic is positioned on the left side of the cover. It features a grid of latitude and longitude lines in shades of blue and green, set against a light brown background.

# India-Japan Partnership in the Asian Century

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Proceedings of Conference  
26 October 2015  
New Delhi

OBSERVER RESEARCH FOUNDATION, NEW DELHI

EMBASSY OF JAPAN, NEW DELHI

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## OBSERVER RESEARCH FOUNDATION (ORF)

**T**he Observer Research Foundation was established as a private, not-for-profit, think tank that seeks to influence public policy formulation. The Foundation brings together leading Indian economists and policy-makers to present an agenda for economic reforms in India. Since the Foundation's inception, ORF scholars have made significant contributions toward improving government policies.

ORF research projects have resulted in immediate and tangible impact on economic and strategic policies of the country. Today, ORF is known among policy-makers, both in India and overseas, as a place pulsating with fresh ideas that help shape public policy. At ORF, ideas are reflected in the projects and programmes that are undertaken by various institutes and programmes.

The Foundation's activities are divided into two categories: Projects and Events. Both are an intrinsic part of the Foundation's objective to shape and influence public opinion and create viable, alternative policy options in divergent areas ranging from strategic studies, climate change and energy.



# Programme Agenda

- 19.00-19.30 : Registration
- 19.30-19.35 : Welcome Address/Sunjoy Joshi, Director, Observer Research Foundation
- 19.35-19.45 : Opening Remarks by the Chair/Shashi Tharoor, Member of Parliament and Chairman of the Parliamentary Standing Committee on External Affairs, India
- 19.45-20.10 : Keynote Address: Japan's Perspective on Regional Peace/Mr. Yukio Okamoto, Former Special Adviser to the Prime Minister, Japan
- 20.10-20.20 : Asian Geo-Economics and India-Japan Partnership/N K Singh, Member of the Bharatiya Janata Party and Former Member of Parliament (Rajya Sabha), India
- 20.20-20.30 : Emerging Asian Geopolitics/Indrani Bagchi, Senior Diplomatic Editor, *The Times of India*
- 20.30-20.40 : Closing Remarks and Vote of Thanks/C Raja Mohan, Distinguished Fellow, Observer Research Foundation
- 20.40-22.30 : Dinner, Ballroom, Hotel Oberoi

# Introduction

This report documents the proceedings of the conference, 'India-Japan Partnership in the Asian Century', organised by the Observer Research Foundation (ORF) in association with the Embassy of Japan, New Delhi. As India prepares to welcome Japanese Prime Minister Shinzo Abe in a forthcoming visit, high expectations are palpable from both sides, and the emerging contours of global geopolitics have opened a host of subjects that will ensure that Japan and India find ever more increasing common ground in the years to come. Held on 26 October 2015, the gathering opened with a dinner session chaired by Shashi Tharoor, Member of Parliament and Chairman of the Parliamentary Standing Committee on External Affairs, India, and keynoted by Mr. Yukio Okamoto, Special Adviser to former Prime Ministers of Japan Ryutaro Hashimoto and Junichiro Koizumi. The panel, comprising eminent speakers, shared their thoughts on the various aspects of deepening India-Japan ties. The keynote address by Mr Yukio Okamoto highlighted Japan's perspectives on regional peace. Mr NK Singh, member of the Bhartiya Janta Party and former member of Rajya Sabha, spoke on Asian geoeconomics in the context of the India-Japan partnership. Ms Indrani Bagchi, Senior Diplomatic Editor of the *Times of India*, for her part dwelled on the emerging patterns in Asian geopolitics. The conference closed with remarks and observations from Dr C Raja Mohan, Distinguished Fellow, ORF.



# Speeches

## PRESENTATIONS



ORF Director Sunjoy Joshi laid the groundwork for the conference, by stating in his opening address, that “there could be no Asia without Japan.” He stressed the growing importance of Indo-Japanese ties in this 21st century, the Asian century. He called attention to the deep historical roots of both India and Japan spanning more than 1,500 years. Their bilateral relationship may be younger—all of 60-odd years—yet they are founded on a bedrock of shared values such as commitment to democracy and the supremacy of law. Director Joshi highlighted the fact that India and Japan share a common interest in working towards a new regional order, and both these countries can ensure that this order be open, inclusive, rule-based and free from the dominance of one single nation. And this is why, he said, India and Japan have both been working hard to participate in a number of international forums, both multilateral, bilateral, such as the ASEAN and the East Asian Summit.

# Opening Remarks

SHASHI THAROOR



Indo-Japanese friendship is a matter for celebration, with a long history rooted in spiritual affinity, strong civilisational ties and, in more modern times, by a shared belief in democracy, individual freedom, and rule of law. Today, India is the largest democracy in Asia and Japan, the most prosperous. India's earliest documented contact with Japan is related to the Tōdai-ji Temple in Nara. The construction of the towering statue of Lord Buddha was performed by an Indian monk, Bodhisena, in 752AD. In more contemporary times, various Indian giants of the 20th century have made important visits to Japan—including Swami Vivekananda and the Nobel Laureate Rabindranath Tagore. More famously, during and after the Second World War, Netaji Subhash Chandra Bose, the freedom fighter, visited Japan, as did Judge Radhabinod Pal, the only dissenting judge in the War Crimes Tribunal whose historic opinion on the issue of war crimes is still widely revered in Japan.

India and Japan have never been adversaries. In fact, India, even though it was part of the British Empire did not join the British in abiding with Japan's terms of surrender at the end of the second World War. Rather, India concluded a separate peace treaty with Japan in 1952 following the restoration of its sovereignty. Japan has been a friend to India in hard times: helping to bail India out

of the 1991 financial crisis. In more recent years, beginning with Mori's path-breaking visit in 2000, there has been an increasing convergence of views on a global partnership. Indeed, Prime Minister Shinzo Abe during his first term beginning in 2007, alongside his then Indian counterpart Manmohan Singh, came up with the India-Japan 'Global and Strategic Partnership' and agreed on annual prime ministerial summits. This was upgraded in 2014 by Abe and Prime Minister Narendra Modi to an India-Japan 'Special Strategic and Global Partnership'. Further, both nations initiated the annual 2+2 dialogue mechanism, wherein the Defense and Foreign Ministers from both countries meet yearly.

Ties have continued to grow, and most recently in September 2015 there was an inaugural US-India-Japan trilateral ministerial dialogue or trilogue, where these three countries together meeting for the first time identified a number of common principles and grounds for action: peace, democracy, prosperity and a rule-based international order. They highlighted a growing convergence of interest in the Indo-Pacific region, stressing in their statement the importance of international law, freedom of navigation and over flight and unimpeded lawful commerce included in the South China Sea. This trio of countries collectively represent a quarter of the world's population and economic production power; the world will do well not to take lightly their message.

Japan and India have also been strengthening their collaboration in the strategic sphere. Maritime security has been the first arena, with Japan joining the October 2015 Malabar Naval Exercise with the US and India. They also launched an experts group to discuss issues related to regional connectivity.

Japan has also been going through some significant national security reforms. Though politically controversial, Tokyo passed a new law on National Security in both houses of Parliament. It must be remembered that Japan has a proud military history before the Second World War, having not only defeated Manchu-ruled China in the 19th century but also becoming the first Asian country to defeat a European nation in war, the Czarist Russia. In my part of India we also celebrate the victory of the Travancore Navy over the Dutch Navy in 1792 but that was a fairly small skirmish by comparison with the huge war between Japan and Russia which still counts in many ways as the first major Asian victory over a European power. I remember reading Jawaharlal Nehru's letters to his father from High School in Harrow and how thrilled he was to feel the excitement of an Asian power defeating a European one in battle.

Japan's huge economic success story from the 1980s is also something that we are all extremely familiar with, and though subsequently there has been a certain amount of stagnation, Japan still has extremely high per capita income which has increased faster than those of the US and the UK in this century. It has the lowest unemployment rates amongst the wealthy economies, and the lowest income inequality in Asia—which is not something to be sneered at, given how China and India have both witnessed increasing income inequality.

Japan's post-war Constitution limited severely how much it could do in the security front. It only had self-defence forces, and did not actually have the right to wage war as constitutionally it is prohibited. Of course the experience of the Second World War, specifically the bombings of Hiroshima and Nagasaki, have created a strong peace constituency in Japan whose political and social influence should not be underestimated. At the same time, the rise of China—increasingly muscular, assertive and seemingly revisionist—has shaken many people out of their complacency in Japan. Chinese military spending now equals the combined defence expenditure not only of Japan but also of two

permanent members of the UN Security Council, the UK and France. Ten years ago Japan spent more than China on defence.

We do know that Japan has legitimate concerns about what is going on in its own backwaters. The People's Republic of China has built artificial islands and military outposts in the South China Sea. It has captured the disputed Scarborough Shoal from the Philippines, and in the East China Sea it has unilaterally declared an Air Defence Identification Zone (ADIZ) which is not something that Japan was consulted on. Thus there has been an increasing concern in Japan of the inadequacy of their existing national security policies and laws and therefore Japan finally established a National Security Council and has passed this new law to normalise its security posture, including lifting its long-standing, self-imposed ban on arms exports, increasing its defence spending. The law now permits participation in collective self-defence as well as more broad participation in overseas peacekeeping missions, all of which are significant new departures for Japan.



There are still restrictions in place on the deployment of offensive weapons and Japan remains a country whose Constitution embeds pacifism in it. Thus, voiding the question of Japan's re-emergence as a militaristic state. Indeed, a poll conducted by the American Pew Research Centre found that only 23 percent of the Japanese public want their country to play an increased role in international security and when asked if they were willing to defend their country, only 15.3 percent of the respondents said yes. In comparison, the same question was asked in China by the same polling organisation and 75 percent of respondents said yes. I do not know what the answer would be in India but it would certainly be closer to the Chinese number, than the Japanese number. These are very relevant issues.

It is important for us to understand that Japan still sees itself principally in a defensive light and largely it is interested in forestalling the emergence of a destabilising power imbalance in Asia rather

than asserting its own power. Definitely we in India would welcome a more confident and a more secure Japan. We certainly have no problem with what Prime Minister Shinzo Abe calls a 'proactive pacifism' which would make Japan a more independent military power. But, at the same time, we do not wish to see the region destabilised, either by uneven power balances or by arms races. Finally, I might add that I certainly do not think that any Asian country, including Japan, is in a position to match China's military might but to have the capacity to discourage any potential future military adventurism whether it is on the Indian border or whether it is on the Japanese waters, is something that both countries have a common interest in.



# Keynote Address

YUKIO OKAMOTO



I would like to start by stating that the India-Japan relationship is a very important one for Japan. India's growth and steady pace of development is extremely impressive. The structural changes that have taken place in the last ten years has been astonishing. In one or two more decades India will be surpassing Japan in terms of GDP and it is a natural cause of evolution.

However, it is difficult to be so optimistic about the future of Asia, due to the difficulties raised by the emerging security equation. In 2005, I had been more positive about the evolution of Asia's rise. We are now looking towards an increasing level of instability in this region. There are, of course, several fundamental reasons for that: Chinese and Russian nationalism interpreted into rather obvious expansionism, the unleashing of extreme Islamic fundamentalist ideas and an inactive United States and other countries who should be preserving the status quo against those forces who are trying to change it with force.

I may be making a rather provocative statement, but I do not feel that there is a drifting of Asia especially in the Eastern part of the region into maritime and continental Asia. Maritime Asia is Japan, Taiwan, the Philippines, Vietnam, Singapore, Indonesia, Australia and the United States, versus the Eastern part of the continent who are increasingly being drawn into the orbit of China.

We need a robust and democratic India at the heart of the Asian continent to be the anchor of stability in the region. For their part, Japan and India can do a lot together in this evolving power relationship, especially in working to create a security architecture in this region. Both countries have populations that encourage these growing bilateral ties. In fact, in the same Pew Research poll Dr. Tharoor had mentioned, 63 percent of people in Japan said they like India very much. A stark comparison to this is that only nine percent of the population answered that they liked China

China is an important neighbour for Japan and both countries must work to improve their relations. However, presently the outlook does not look so ripe. Seventy years have passed since the end of the second World War, and yet we still need a better prospect for rapprochement, and this is not easy task. In July I led a delegation from Mitsubishi to apologise to the Prisoners of War (PoWs) in the United States. We went to apologise but it was the representative, the Chairman of PoW Association who bowed his head to us. He said, this is the second time I am bowing my head to the Japanese. The first time was 70 years ago, when not bowing meant death, so I bowed out of fear. The second time is today, where I am bowing to pay respect to those Japanese who came with courage to apologize. Such a comment filled me with repentance, as it is us who are supposed to bow our heads. Why could we not have done this earlier when there were more survivors among the PoWs?

I believe that reconciliation can be most effectively made with the victims themselves, not their families or their children. Thus when the Chairman of the Association of PoWs speaking to the American public on television stated they hold no more grudges against Japan, this forgiveness helped enhance US-Japan relationship. It became a compelling message to the American people that now we have the real rapprochement at hand. So while the victims are still surviving as forced labourers in China or comfort women in Korea, Japan must redouble our efforts to come to conciliation and of course if there is a need, we have to apologise more.

However, that is not the only answer to the process of reconciliation. China and Korea must also come forward to forgive us. The story I told you about the American PoWs is a moving story but the reconciliation was made because our apologies were met by their forgiveness. In relation to this I am hoping that the tripartite summit talks of November 1, to be held in Korea among China, Korea and Japan, will yield some positive steps. It may take long because of the heightened nationalism, alongside certain political elements in those two countries who want to keep this issue alive.

Prime Minister Abe made a very good speech on August 14 summarising his view. He did not retreat from the previous apology we made, and he also expressed his strong sense of repentance. This degree of repentance for its invasions between 1931 and 1945 is symbolised in how Japan is educating its children. These narratives of pacifism are now deeply embedded in the Japanese DNA. Remembrance is important, too—to continue to share these stories from one generation to the next.

On the other hand, Prime Minister Abe took a very courageous step towards enacting a new set of laws. However, Japan is yet to convince its neighbors that despite its past history, this move is indeed a healthy development in Japan's security policy. Regarding the use of force, the Constitution has not changed. But flexibility has been introduced into the interpretation of the Constitution in order for Japan to engage more positively and more pervasively with international security requirements such as participating in peacekeeping operations, or providing safety and security to residents in areas of conflict.

It is no longer possible for states to defend themselves single handedly. A good example is protecting merchant fleet in the sea of Arabia from the menace of pirates. Japan has sent vessels and escort ships to this area, and has so far protected 660 Japanese ships and 2,700 non-Japanese vessels. Other navies are doing the same thing. It can be noted that Japan as a nation is able to do this as there are no legal problems due to the fact that this activity is regarded as policing. However, in a different scenario, if the ISIL or ISIS attacked a merchant fleet, and Japan defended this fleet, this would be interpreted as Japanese use of military action. Thus, until and unless Japan's Constitution is reinterpreted, it will infringe the general ban of the use of collective right of defence. This is just one such example where Japan is advancing into an area where it would be able to discharge our responsibility more effectively.

Regarding India-Japan cooperation, there are many areas where positive cooperation will lead to encouraging results, such as in protecting the freedom of navigation. Apart from now Japan involving itself as a regular member in the Malabar Exercise, there is still scope to do more to cooperate with India. Japan and India also share the view that China should not be contained, and in fact if China were to join the operation to keep the free passage of the navigation, it will be welcome. For that to happen, China would of course have to change their position in South China Sea where they are claiming all the islands within the so called 9-dash line, and also in the East China Sea where the islands that have been held by Japan without Chinese protest for 70 years, are now being claimed by China. Their aggressive maritime policy should be changed. In other words, the tripartite relationship between Japan, India and China should be to guard the three corners of Asia, not a linear relationship competing for the influence and power. Once we have succeeded in making this difficult issue of history more proportionate with the real nature of the issue, it will aid in the advancement in to a new field of cooperation.



Japan and India of course should cooperate in restructuring the world's decision-making mechanisms. India and Japan should always be at the Security Council with or without the veto



power. Despite this not being precisely the position of the Japanese government, realistic strategies are still needed. Further, it is also important to talk about enhancing how Japan and India can cooperate in the economic field, not only in economic assistance but also in the field of trade and FDI. Finally, it is important to state that Asia needs a robust and democratic India at its heart. The two great democracies in Asia will make the region more resilient and safer. After all, both nations have contributed to the betterment of the international community.

# Remarks

NK SINGH



When we look at Japan, my own sense is that the issue of abrogation of Article 9 of the Japanese Constitution has certainly been a controversial one. In light of the changing dynamics, especially the waning of the US footprint in this region, and China's resurgence, I believe that Japan was left with little option. Prime Minister Abe took these steps with confidence and has since sought to strengthen the Japanese military. This move will significantly benefit India, which has now opened up its defence sector significantly and is actively seeking Japanese collaboration in this sphere. Indeed the recent naval exercise in Malabar was actually an outcome of a foundation that had been laid several years ago, and this is likely to be further strengthened.

At the heart of Indo-Japanese relationship we cannot overlook the important dimension of what more can be done to strengthen the economic relationship. There is great concern regarding the direction in which the Japanese economy is headed, and a few questions come to the forefront regarding this – is Abenomics working? Is the third arrow in Abenomics working? The mandate given to the Bank of Japan in terms of pursuing a policy of what is now described as an unconventional monetary policy with quantitative easing to rekindle an inflation of about two

percent, and if the inflation rekindles at that, it will enable the realisation of a Japanese growth rate of around 1.3 percent or so, rising up to over two percent in the course of the next five years or so.

This, however, has run into enormous difficulties. The impact of the consumption tax which was raised in Japan from five to eight percent is not known. Additionally, it is also not known whether the next step of taking the consumption tax from eight to 10 percent would be implemented in the short term or is going to be left out for quite some time. The fact that there is urgency is being considered by more than one economic analyst. The debt-to-GDP ratio in Japan estimated by the OECD continues to be in the region of about 220 percent of GDP—which if it was not Japan would be considered by many other countries to be an impossible kind of a debt-to-GDP ratio. If the present fiscal trends continue, the debt-to-GDP ratio in the case of Japan would be exceeding 250 percent in the course of the next 10 years or so. Fiscal deficit continues to be high, at a tantalizing eight to nine percent. There is urgency to retire public debt. There is therefore urgency to implement the increase in eight to ten percent of consumption tax, as already approved by the Diet, the timing of this given the uncertainty of the upper house elections in Japan in the summer of 2016 leaves a lot of question marks. In this context, both the IMF and the World Bank have lowered Japan's growth estimates from what it was earlier to less than one percent in the very near term. There is also no great expectation that the target of two percent of inflation given to the Bank of Japan is likely to be realised any time in the near future.



Another overarching factor that is considerably worrisome is Japan's shrinking population. Indeed, in 2014, Japan's population in absolute terms shrank by 168,000. If the present trend continues, it will be by 2020, 700,000 people per annum, rising to a million people thereafter. By 2030 the number of Japanese people would have shrunk significantly and the percentage of people in the older age group would have gone up dramatically. True from the viewpoint of shortage of labour, and the mindboggling speed with which very efficient use of robots has been undertaken. Indeed if one

visits the Toyota plant, one can see what robots can do with remarkable efficiency in terms of enhancing total factor productivity and in terms of beating the need for any kind of labour shortage leading to increase in cost. However, apart from the issue of labour, another issue to consider would be the issue of demand and the issue of rekindling demand to sustain this massive production capability which Japan has really built up. This is going to be a challenge for the policy-makers.

On the contrary, one can see the sharp contrast as far as India is concerned. India's population is rapidly approaching the 1.3-billion mark, and is likely to become the largest perhaps in demographic terms by 2020. In the demographic profile of India, the average median age now is as low as 24. From this it can be understood that these are the two asymmetries at hand, and it is therefore important to figure out what kind of combination and symmetry can be achieved by these two economies which have huge potential, and which will play a huge role in the future.

There were two important hurdles which Japanese companies faced. First is the adversarial Indian tax regime. The new commitments which have been given by our finance minister with the cleaning up of India's tax system, or making India not only a competitive investment destination, but making India not a destination for treaty shopping or treaty arbitrage but a competitive tax destination, is an area which I am sure would please Japanese investors. The other important area on which the Japanese investors have found themselves increasingly hesitant is the issue of the enforcement of contract and the complex litigation process for alternative dispute resolution. Some of the recent measures which have been taken in terms of strengthening mechanisms for alternative dispute resolution and of trying to seek mechanisms which can make the judiciary increasingly more accountable are measures which would hopefully not only improve the ease of doing business in India but would hopefully be able to overcome some of these critical bottlenecks which for long Japanese investors have faced in seeking gainful investment opportunities in this country.



Structural reforms are the centerpiece of the third arrow of the Abenomics. The third arrow of Abenomics is also contingent on undertaking reforms of agriculture. Japan hopes that the early conclusion of the Trans-Pacific Arrangement and its ratification by the US Congress in 2017 would help modernise Japan's agriculture and also help modernise some of Japan's labour practices in order to give Japan greater efficiency. Japan is beginning to restructure its own economy. The Indian economy for its part should in the medium term continue to grow at eight percent and above, based on estimates of the IMF and the World Bank. Driven by the power of young demography, and the fact that the Indian government is increasingly looking at how to resolve difficulties in terms of improving the cost, quality and efficiency of its infrastructure is beneficial. This would not only improve education and skilling, but it will also result in the creation of gainful employment opportunities. Thus it can be seen that there are virtuous circles of congruence between what the Japanese are hoping to do and what India's economic planning and India's economic strategy is continuing to do.

As we look at Asia and some of the security complexions faced by it, we find that there are great virtues of congruence between India and Japan. Japan is developing itself in terms of defence capability and in terms of restructuring its own economic profile. There are symmetries between what India is seeking to achieve and what Japan is hoping to achieve given the constraints of demography and a somewhat ageing population. Will the third arrow of Abenomics succeed or not is an important question, to which I remain quite optimistic. Finally, both in the area of security and defence and in the areas of economic cooperation, the new synergies which exist between India and Japan need to be gainfully utilised.

# Remarks

INDRANI BAGCHI



I would like to talk a little more broadly about Asian geopolitics and what it looks like today. Not too long ago Asian geopolitics was centered around the question of oil – where would it come from? However, today with oil prices at a historic low, we are looking at geopolitics through other prisms. The first big prism is China. The second, and is related to the first, is connectivity which is driving whole new geopolitical equations all over Asia. The third is non-traditional security issues such as terrorism, and extremism in different parts of Asia.

China's growth may have slowed down in the recent months, but its military modernisation has not. More importantly, China's aggression or the stance that China takes in its neighborhood has propelled others in the region to hedge their bets in very different ways, resulting in the current scenario playing out. Initially, India, Japan and the US, who have now formed a trilateral dialogue, tried the quadrilateral initiative in 2007. But due to Chinese apprehensions, this idea got disbanded. In the October Malabar Exercise it seems that these states came back together, and in time I believe the Australian government will join it once again. As compared with 2007, it seems that these states are much stronger, and much more determined.

Trilateral groupings seems to be emerging rapidly: India, Indonesia, Australia; India, Australia, Japan; perhaps India, Japan, Korea; India, China, Russia regarding Afghanistan; India, America, China on a whole lot of other issues. We now see three nations coming together in an attempt to tackle a host of issues ranging from Humanitarian Assistance and Disaster Relief, terrorism, the future of Afghanistan, and trade. Australia, Indonesia and India, for example, recently worked together to apprehend one of the biggest criminal bosses that the Indian government has been seeking out for the last few decades. These are signs of the beginning of working together on non-traditional security issues.

However, the overarching picture is that many states are now dancing around China: working together, sometimes coming together, other times not, in building little coalitions of those that are willing to hedge against what we are looking at as a huge geopolitical opportunity and a challenge. India, for the first time after many years, has come out of the closet and voiced its concerns about the South China Sea and its assertions about freedom of navigation in South China Sea in a joint document with the US. In August 2014, India also expressed these concerns in a joint document with Vietnam. In January, India and the US together worked out what is called a strategic vision document for the Indo-Pacific.

It must be noted that a few years ago 'Indo-Pacific' was a term that was not considered to be particularly important. However, at present this term is one that is being used more naturally. What can be gauged from this is that a different kind of geopolitical equation in Asia is being formed. India, for its part, has moved much more enthusiastically towards building an Indian Ocean strategy. Such strategy was articulated by Prime Minister Modi, and before him by PM Manmohan Singh. Modi's efforts are further realised by his recent visits to Mauritius, Seychelles and Sri Lanka. An Indian Ocean strategy that straddles economics, the blue economy, and something that was even sanctified by the Indian Ocean Rim Association is working against non-traditional security threats like piracy. India has the second largest number of pirates in custody, and has worked relentlessly over the past few years to clean up the waters off Somalia. Very recently India was rewarded by the fact that the latitudes adjacent to India were declared to be out of the high risk area; this event has huge implications for shipping, insurance and other issues.

If one looks at what China is doing, it can be understood that this too has equal implications for geopolitics in the future. The One Belt One Road (OBOR) initiative aims to not only offset the US' rebalance to Asia, but it would also build a completely different dynamic with road/rail connectivity across Asia, all the way to Europe. Once complete, the OBOR would have huge implications for Chinese politics, for their economics, and for the region. For India, the fact that China made the China-Pakistan economic corridor a flagship project, the OBOR has put that particular project out of India's reach, and thus India's enthusiasm for this project would be slim. However, even if India takes a hands-off attitude to the One Belt One Road because of the Pakistan-China corridor, I would assume that in other parts of Asia, India will engage with the OBOR where it suits India's interests.

In the East of India, the OBOR is what is called the BCIM Corridor. Again, this is something that India is not always very enthusiastic about. This is where Japan comes in. Japan was one of the first countries that the Indian government invited to invest in the North East. This region of India is very important as it connects North East India with Asia, and this has now been recognised as an integral part of India's Look East Policy. I cannot imagine that it is an easy invitation and I cannot imagine that Japan will have an easy time with it. However, we look forward to a situation when both Japanese

investment, Indian investment and others can work to build connectivity in the North East region in a way that makes India, the heart of a connected Asia.



The second issue that would have huge implications for geopolitics is the Trans-Pacific Partnership. The signing of the TPP would have huge geopolitical consequences in this region going forward. Even though it has not been ratified yet, one can certainly see Japan and Korea facing off on the rice market not too long from now. Further, it would be very difficult for some states to meet the standards and that is something that India has to consider. India works towards giving itself a better place in the Asian geopolitics, yet one of the things that it cannot escape is to increase or enhance the standards of its production or management or its economy. If India does not acknowledge this issue today, eventually it will suffer and be completely left out of the two big economic political realignments that are happening, one of which is with the TPP. India is part of the RCEP, which is the alternative trading arrangement that has been worked on with China. Later this year one of the things that India could look forward to is India joining the APEC.

At present Japanese and Indian security interests coincide in both the South China Sea, the Straits of Malacca, and the Indian Ocean. One of the big security dreams of India has been to build the Andaman Nicobar Islands as an economic, commercial and a security hub, sitting at the mouth of the Indian Ocean. Though a logical step, more work needs to be done regarding this. Whether it happens today or five years down the line, India and Japan working together to develop something like the Andaman Nicobar Islands is an inevitability.

One of the big moves that India is making right now is to work with the Gulf Arab countries to work on more economic-oriented relations, which is always an underpinning of a security relationship. The closer security cooperation that we are looking at between India and Saudi Arabia, between



India and the UAE, all have very interesting implications especially in light of the emergence of threats like ISIS which as we know does not need contiguous geography to expand as its recruitment began across the Internet. Malaysia is feeling the heat in a way that it had not imagined and the Maldives as well. In Bangladesh it has become expedient for political killings to be given an ISIL flavor, and in Afghanistan we are looking at ISIL battling Taliban or ISIL battling the Al-Qaeda. Security threats that we did not imagine existed 10 years ago have come to dominate geopolitical considerations in this region.

# Concluding Remarks

DR C RAJA MOHAN



It is always difficult for one to talk about the India-Japan partnership, especially in light of how different both nations are. In Japan, order is the norm; in India, it is anything but the norm. Despite these differences, there has been a long tradition of cooperation, and of historical and cultural engagement and I believe that this is bound to draw both these nations together. In India we do not see any need for Japan to be defensive. Seventy years after the Second World War, Japan has shown extraordinary good citizenship, giving Japan a rightful place in any construction, in any order in Asia.

A good guide to the Japan and China relationship, and how Asia as a region should move forward can be sought from Jawaharlal Nehru. At the end of the Second World War, Nehru proposed two interesting things: firstly, while the West was trying to isolate China, Nehru believed that China could not be isolated. He stated that China must become a part of the Security Council, and that the world would have to deal with China as it was. Secondly, about Japan, Nehru insisted that Japan was not to be treated as an enemy nation. He believed that for any stable future of Asia, both Japan and China must play their respective parts.

In this regard, I believe that essentially India is trying to reach out to both China and Japan. The trick in such a situation is for all three states to find their own individual roles, alongside an equilibrium amongst themselves despite Asia's historical difficulties.

# Speaker Profiles

## YUKIO OKAMOTO



Yukio Okamoto, a Special Adviser to two former Prime Ministers of Japan, is the President of Okamoto Associates and a Robert E. Wilhelm Fellow at MIT. From 1968 to 1991 Mr. Okamoto was a career diplomat in Japan's Ministry of Foreign Affairs. His overseas postings were at Paris, Cairo and Washington. He retired from the Ministry in 1991 and established Okamoto Associates Inc., a political and economic consultancy firm. Following his retirement, Mr. Okamoto has served in a number of advisory positions. From 1996 to 1998, he was a Special Adviser to Prime Minister Ryutaro Hashimoto. From 2001 to 2004, he was again a Special Adviser to Prime Minister Junichiro Koizumi, also serving as the Chairman of the Prime Minister's Task Force on Foreign Relations. Mr. Okamoto is a visiting professor of International Relations at Ritsumeikan University. He sits on the Board of several Japanese multinational companies. Mr. Okamoto is also the Director of the Signal of Hope Fund, an initiative he established to assist the Tohoku fisheries industry in its recovery efforts from the March 2011 earthquake and tsunami. Mr. Okamoto has authored many books on Japanese diplomacy and is a regular contributor to major newspapers and magazines. He is a well-known public speaker and a frequent guest on public affairs and news television programs.

## SHASHI THAROOR



An author, politician and former international civil servant, Dr. Shashi Tharoor straddles several worlds of expertise. Currently a second-term Lok Sabha MP representing the Thiruvananthapuram constituency and Chairman of the Parliamentary Standing Committee on External Affairs, he has previously served as Minister of State for Human Resource Development and Minister of State for External Affairs in the Government of India. During his nearly three-decade-long prior career at the United Nations, he served as a peacekeeper, refugee worker, and administrator at the highest levels, serving as Under-Secretary General during Kofi Annan's leadership of the organisation. Dr. Tharoor is also an award-winning author of more than a dozen works of fiction and non-fiction.

## NK SINGH



N K Singh is a renowned politician, economist and former top bureaucrat. Until recently he was a member of the Rajya Sabha from the state of Bihar. He served on the Parliamentary Standing Committee on External Affairs and the Committee on Local Area Development Scheme, the Public Accounts Committee, the Consultative Committee on Finance, the Committee on Rules, the Housing Committee and the Parliamentary Forum on Global Warming and Climate Change. He was also on the Standing Committee on Human Resource Development and the Committee on Public Undertakings. He is presently a member of the Bharatiya Janata Party. Mr. Singh has been among the country's top bureaucrats and has handled important portfolios such as India's Expenditure and Revenue Secretary, a Member of the Planning Commission as well as Secretary to the Prime Minister. Mr. Singh is on the Governing bodies of research organisations like the Indian Council for Research on International Economic Relations (ICRIER), the International Management Institute (IMI) and the National Institute of Fashion Technology (NIFT).

## INDRANI BAGCHI



Indrani Bagchi is senior diplomatic editor with The Times of India, where she reports and writes analyses on foreign policy issues. Ms Bagchi covers daily news on foreign affairs in the foreign office, as well as interpreting and analysing global trends with an Indian perspective. She writes news stories, opinion articles, and news features, and blogs on "Globespotting". She also pens a fortnightly column for The Times of India Crest edition. She covers India, US, China, Pakistan, terrorism, nuclear weapons, and national security issues, among others. She joined the Times of India in 2004. Earlier, Ms Bagchi was associate editor for India Today, a premier news magazine. She started her journalism career at The Statesman, where she was the weekend editor, before moving to The Economic Times in Calcutta to edit the Metro Magazine. She graduated from Loreto College, Calcutta University with English honours, and was a Reuters Fellow at Oxford University. In 2010, Ms Bagchi was awarded the Chang Lin-Tien Fellowship by the Asia Foundation to study US-China relations at Brookings Institution, Washington DC.

*(This report was prepared by Vindu Mai Chotani, Research Assistant, ORF. All photographs belong to ORF.)*





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