



GS FOUNDATION BATCH FOR CSE 2024

International Relations- 13

(India-Japan Relations)

India Japan relations

India and Japan share a global vision of peace, stability and shared prosperity, based on sustainable development. Shared democratic values and commitment to human rights, pluralism, open society, and the rule of law underpin the global partnership between the two countries. Both nations have elevated the relations to Special Strategic and Global Partnership.

In 2014, India and Japan upgraded their relationship to 'Special Strategic and Global Partnership'.

Japan PM Kishida: India is “indispensable” in Tokyo’s plan for a “Free and Open Indo-Pacific”.

PM Modi: Strengthening this partnership is not only important for both our countries, it also promotes peace, prosperity and stability in the Indo-Pacific region.

Importance of Japan for India

- A regional power with similar culture, society, and world view.
- Shared stake in the regional stability and the stability of Indo-Pacific.
- Source for investment and technology.
- Critical to the success of Act East Policy and Supply Chain Resilience Initiative.
- With Japan’s target to strengthen its military, will complement India’s efforts in the Indo-Pacific region.
- Preferred partner for joint investment in third country due to Japan’s deep pockets.
- Technological collaboration in green energy, telecommunications, Artificial Intelligence etc.

Economic Relations:

1. Bilateral trade stands at \$ 21.96 billion in FY 2022-23 with Japan enjoying a trade surplus of around \$8 billion.
 - i. India’s primary exports to Japan have been petroleum products, chemicals, elements, compounds, non-metallic mineral ware, fish & fish preparations, metalliferous ores & scrap, clothing & accessories, iron & steel products, textile yarn, fabrics, and machinery, etc.
 - ii. India’s primary imports from Japan are machinery, electrical machinery, iron and steel products, plastic materials, non-ferrous metals, parts of motor vehicles, organic chemicals, manufacturers of metals, etc.
2. Japan is 3rd largest investor in India with cumulative FDI inflows of \$30.27 billion during 2000-2019.
3. India has been the largest recipient of Japanese ODA Loan for the past decades. Delhi Metro is one of the most successful examples. At the Annual summit-2022, Japan agreed invest Rs 3.2 lakh crores in the next five years in India.

4. Japan continues to cooperate in supporting strategic connectivity linking South Asia to Southeast Asia through the synergy between "Act East" policy and "Partnership for Quality Infrastructure."
5. The **India-Japan Comprehensive Economic Partnership Agreement (CEPA)** that came into force in August 2011 covers trade in goods, services, movement of natural persons, investments, Intellectual Property Rights, custom procedures and other trade related issues.
6. Ties between India and Japan on the economic front are way below their potential and India has a lot of catching up to do with China. China accounted for 24 percent of Japan's imports and 22 percent of its exports, while India accounted for 0.8 percent of Japan's imports and 1.7 of its exports.

Security Cooperation:

1. Security pact concluded between Japan and India in October 2008 for joint military exercise and defence technology cooperation.
2. Annual India-Japan 2+2 Foreign and Defence Ministerial Meeting.
3. Both nations have signed agreement Concerning Reciprocal Provision of Supplies and Services between the Self-defence Forces of Japan and the Indian Armed Forces (so-called "Acquisition and Cross-Servicing Agreement" or ACSA).
4. Both are regular participant to Annual Malabar exercise, along with USA and Australia.
5. Bilateral maritime exercise- JIMEX

Cooperation in Infrastructure Development:

1. Japan has supported India's mega infrastructure projects like the Delhi-Mumbai Freight Corridor, Delhi-Mumbai Industrial Corridor, Chennai-Bangalore Industrial Corridor and the Ahmedabad-Mumbai High Speed Rail etc.
2. **Outside India:** Asia-Africa Growth Corridor (AAGC) announced in 2017 and joint projects in some third countries like Bangladesh, Myanmar, and Sri Lanka and in Africa to be taken jointly.
3. Japan and India cooperation on the development of India's Northeast, through the Japan-India Act East Forum. Japan is the only country permitted to invest in India's North East. It has invested \$2 billion in the region.

Political Engagements:

1. Annual summit level dialogue between 2 Prime Ministers.
2. The Act East Forum, established in 2017, aims to provide a platform for India-Japan collaboration under the rubric of India's "Act East Policy" and Japan's "Free and Open Indo-Pacific Vision". Japan is a lead partner on the connectivity pillar of IPOI.
3. Both commit to strong support for ASEAN's unity and centrality and for the "ASEAN Outlook on the Indo-Pacific (AOIP)" which upholds the principles such as the rule of law, openness, freedom, transparency, and inclusiveness.

Sister City Cooperation: promote mutual cooperation between Gujarat and Hyogo (Ahmedabad-Kobe) in the fields of academics, business, cultural cooperation, disaster management and environmental protection.

Digital Sector:

India-Japan Digital Partnership (I-JDP) was launched during the visit of PM Modi to Japan in October 2018 furthering existing areas of cooperation as well as new initiatives within the scope of cooperation in S&T/ICT, focusing more on “Digital ICT Technologies”.

Recent Initiatives:

1. Recently, India, Japan and Australia have formally launched the Supply Chain Resilience Initiative (SCRI) in a move to counter China’s dominance of the supply chain in the Indo-Pacific region.
2. In 2020, India and Japan signed Acquisition and Cross-Servicing Agreement (ACSA) to allow armed forces of both sides to coordinate closely in services and supplies.

Convergences between India and Japan:

1. Commitment to free and open Indo-Pacific and ASEAN centrality.
2. Both nations perceive China as a common threat due to territorial disputes and Chinese adventurism in the region.
3. India-Russia-Japan trilateral cooperation for development of Russia’s far-east. Both India and Japan participated in Eastern Economic Forum.
4. Agreement over need for diversification of supply chains. India and Japan along with Australia are part of Supply Chain Resilience Initiative (SCRI).
5. Economic complementarities between both nations and joint cooperation for investment in 3rd country/region
6. Both nations have democratic societies, multipolarity and cultural relations.

Challenges:

1. Both nations differ in their views over Ukraine crisis and Russia. While Japan has sided with the USA, India has taken a neutral stance.
2. Bilateral trade remains below potential. China accounted for 24 percent of Japan’s imports and 22 percent of its exports, while India accounted for 0.8 percent of Japan’s imports and 1.7 of its exports.
3. Challenges faced by Japanese companies in India due to red tapism and complexity of laws.

Pacifism in Japanese Constitution:

Article 9 of Japan 1946 constitution outlaws war as a means to settle international disputes by Japan and also forbids Japan from maintaining an army, navy or air force. There are the post-occupation U.S. military stationed in Japan under the **U.S.-Japan Mutual Cooperation and Security Treaty** and **Japan Self-Défense Forces (JSDF)** which was founded in 1954 as de facto post-war Japanese military.

In 2015, Japanese PM Shinzo Abe government reinterpreted the legislation allow the military to operate overseas for "collective self-defence" for allies.

Japan's worsening regional security environment:

- Disputes with China over Senkaku islands and increasing Chinese intrusions,
- Conflicts in south China sea
- Russian invasion of Ukraine,
- Tension over the Taiwan Strait
- Nuclear and missile ambitions of a more provocative North Korea

All these activities have increased the anxiety among Japanese leaders and politicians.

Japan to strengthen its Military capability

At the Shangri La dialogue 2022, Japan PM Fumio Kishida spoke about Japan reinforcing its military capabilities in the next five years including counter-strike option. This indicates towards increasing domestic pressure within Japan to review its pacifist policy in the light of no limits relationship between Russia and China, Military exercises near its borders and a belligerent North Korea.

The new National Security Strategy (NSS), National Defence Strategy (NDS) and Defence Buildup Programme (DBP), all released on December 16, 2022, entail a number of unprecedented and highly ambitious projects relevant to Japan's own defence capabilities.

Japan has said that it intends to raise defence spending to 2 percent of GDP by 2027, or 60 percent over five years. This will give the country the third-largest defence budget in the world. Japan's new national security strategy has argued about Japan taking primary responsibility for its own defence within five years and assume a far more active role in Indo-Pacific security.

Japan's 2023 defence white paper: China, Russia and North Korea contribute to "the most severe and complex security environment since the end of World War II." It says China's external stance and military activities have become a "serious concern for Japan and the international community and present an unprecedented and the greatest strategic challenge."

Japan's free and Open Indo-Pacific Strategy:

In his speech to the Indian Council of World Affairs (ICWA), Japan's PM Kishida unveiled the Japanese plan for a Free and Open Indo-Pacific (FOIP) in his speech entitled "The Future of the Indo-Pacific-Japan's New Plan for a 'Free and Open Indo-Pacific-Together with India, as an Indispensable Partner'"

The strategy has four pillars:

- Maintaining peace
- Dealing with new global issues in cooperation with Indo-Pacific countries,

- Achieving global connectivity through various platforms
- Ensuring the safety of the open seas and skies.

To achieve this, Kishida pledged \$75 billion to the Indo-Pacific by 2030 through private investments and yen loans, and the ramping up of aid through official governmental assistance and grants.