

## ARGUMENT

# India and Japan Eye the Dragon in the Room

An upcoming 2+2 meeting can help cement the new special relationship.

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BY AMAN THAKKER, ELLIOT SILVERBERG | NOVEMBER 20, 2019, 7:11 PM

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India and Japan are set to hold their inaugural defense and foreign ministerial dialogue on Nov. 30. The new talks—referred to as the “2+2,” a diplomatic term for bilateral meetings between defense and foreign ministers—is expected to advance cooperation around a range of bilateral issues ahead of next month’s annual summit between Prime Ministers Shinzo Abe of Japan and Narendra Modi of India.

This will only be India’s second such 2+2, after a similar exchange with the United States last year, but it heralds the continuation of a new era of energy and potential in the special relationship forming between Tokyo and New Delhi. Relations between India and Japan provide a stabilizing anchor for rules-based norms and values at a time when the United States is increasingly preoccupied with domestic concerns and Asia is wracked by the unsettling rise of China and the sweeping winds of nationalism and authoritarianism. In a region where history often weighs heavily, the two countries remain singularly unencumbered by ideological or territorial disputes.

After the end of World War II, India did not attend the 1951 San Francisco Peace Conference, believing the U.S.-brokered treaty would limit Japanese sovereignty. Instead, India and Japan negotiated a separate peace in 1952, which former Prime Minister Manmohan Singh described during a 2005 Japanese state visit to New Delhi as bestowing on Tokyo “a proper position of honor and equality among the community of free nations.”

On this bedrock of early postwar goodwill, Japan delivered to India in 1958 its first of many yen loan disbursements to Asia. Today, India has been the **largest recipient** of Japanese development aid for several decades, underscoring an era of cooperation that has seen hundreds of billions of yen translate into projects of crucial importance for India domestically, and for Asia regionally. The Delhi Metro, completed and expanded with Japanese financing and technical support, represents a crowning jewel of this bilateral friendship.

India-Japan relations have been marked by growing long-term strategic, economic, and political convergence. The relationship now stands as a “special strategic and global partnership” bolstered by a flurry of joint prime ministerial declarations. However, more can be done to transform these commitments into practical measures or overturn roadblocks to collaboration, underscoring the need for the upcoming 2+2 to go beyond a stocktaking exercise in reaffirming bilateral ties.

As both believers in democracy, individual freedom, the rule of law, and freedom of navigation, India and Japan espouse a **shared vision** of a “free, open, and prosperous Indo-Pacific.” Both value international institutions, are important security and trading partners of the United States, and, despite reservations, understand the necessity of engaging China. And both—at least for the time being—see eye to eye regarding key areas of competition with China, including maritime and territorial disputes, critical infrastructure and technologies, and the future of global supply chains.

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Japan and India already cooperate broadly on defense, with all three military branches engaged in joint exercises, including the Dharma Guardian land exercise, the Shinyuu Maitri aerial exercise, and the Japan-India Maritime Exercise. Perhaps the highest-profile sign of cooperation is the annual trilateral Malabar exercise with the United States. Both countries are also jointly developing new defense technologies, **having established** a working group to collaborate on the production of unmanned ground vehicles.

However, there is incredible scope to expand bilateral cooperation, particularly by moving forward on key deliverables on military sales, agreements, and exercises. India and Japan should move quickly to conclude the **sale** of Japan’s ShinMaywa US-2 amphibious aircraft for the Indian Navy. Not only would such a sale bolster India’s ability to conduct humanitarian assistance and disaster relief efforts, but it would also complement India’s recent maritime platform acquisitions, such as **the P-8I maritime patrol aircraft**, and the potential acquisition of the **Sea Guardian armed drone**. Moreover, with Japan’s **promise** to manufacture 30 percent of the plane in India, the sale would support New Delhi’s efforts to become a defense manufacturing hub.

The 2+2 meeting is also a good opportunity to announce the completion of the Acquisition and Cross-Servicing Agreement, **which would** be a logistics-sharing agreement similar to those India has already signed with the United States and France. Specifically, the agreement would grant Japan access to Indian naval facilities in the Andaman and Nicobar islands, and give India access to Japan's naval facilities in Djibouti, thereby significantly expanding both countries' logistical capacities in the Indo-Pacific.

Both countries should also further expand joint exercises. One often-discussed idea is to make Malabar a two-theater exercise in the Indian and Pacific oceans, a step toward the goal of a "free, open, and prosperous Indo-Pacific." In its current form, Malabar only engages the United States' Indo-Pacific Command, one of India's three theater commands, as well as specific vessels from Japanese naval escort flotillas. By expanding Malabar in such a way, the exercise can ensure regular cooperation and deeper interoperability with a greater number of theater commands and flotillas from all three countries. In addition, these expanded exercises could engage commands not traditionally involved with Indo-Pacific planning but still operating within the geographical Indo-Pacific region, such as U.S. Central Command, which oversees operations in the western Indian Ocean. Both countries could also look to conduct trilateral capacity-building exercises with key Indo-Pacific partners, such as Sri Lanka, Indonesia, and Vietnam. Such capacity-building in key areas, including maritime domain awareness and training of military officials, creates a greater constituency for a "free and open Indo-Pacific," advancing both countries' interests in supporting freedom of navigation and upholding international law in the region.

But while military ties are relatively advanced, technological cooperation between the two countries remains underdeveloped. So far, this cooperation has been driven by a top-down, government-led approach on public initiatives such as New Delhi's "Make in India" and "Digital India." However, aside from a **handful** of prominent **joint ventures** and **Japanese acquisitions of Indian companies**, these efforts have not yet translated into broader business-to-business collaboration. So far, the two countries have worked together on specific projects and initiatives, such as **an undersea cable** from Chennai, India, to the Andaman and Nicobar islands, and a **partnership** between Japan's National Institute of Advanced Industrial Science and Technology and the Indian Institute of Technology, Hyderabad, to jointly develop artificial intelligence and robotics technology. However, both countries can use the upcoming 2+2 dialogue to deepen their cooperation in new areas.

One key area is facilitating the deployment of fifth-generation network technology in India. As recently as last year, India's former telecommunications minister Manoj Sinha had **insisted** that India would be an "early adopter of 5G." India was a late adopter of earlier 3G and 4G iterations, leading the minister to argue that India had **missed the bus** in adopting these technologies. However, meeting this ambition is increasingly tough, given the **considerable financial stress** facing the Indian telecommunications sector. This sadly means that despite India's **long history of suspicion** regarding the Chinese firm Huawei, the company remains in the running given its lower overall operational costs. Japanese support on this issue, particularly to ensure India can meet its ambitions while balancing the costs of 5G deployment, will be a critical national security and development-based area of cooperation that the foreign and defense ministers can discuss at the 2+2.

Another issue likely to come up is the gap between Japan and India on the "Osaka Track," Tokyo's **proposal** at the 2019 G-20 summit for "a set of international rules enabling the free movement of data across borders," as the *Japan Times* described it. This proposal, a key priority for Abe, has seen some resistance from India, which has been an important proponent of data localization. Indeed, India has already announced some data localization, **arguing** that any data on Indian citizens collected by foreign technology companies should be domestically stored so it generates some economic utility for India rather than just the foreign companies. Resolving these differences, particularly as India also **withdraws** from multilateral initiatives such as the Regional Comprehensive Economic Partnership, will be a priority for Japan at this 2+2.

A final area of flagging bilateral cooperation is infrastructure development. At the 2018 Abe-Modi summit, there was considerable emphasis on the creation of new mechanisms for bilateral security cooperation, including the upcoming 2+2, an annual space dialogue, and the Acquisition and Cross-Servicing Agreement. Though the two leaders also broadly discussed plans for further cooperation on "open, transparent, and non-exclusive" infrastructure development across the Indo-Pacific, they did not mention by name, much less sketch out, plans for a comprehensive rollout of the Asia-Africa Growth Corridor (AAGC), an ambitious maritime connectivity enterprise introduced in late 2016 to compete with China's String of Pearls effort to build ports at strategic locations along the Indian Ocean. A **joint declaration** from the 2018 summit instead hinted at future discussions regarding a "Platform for Japan-India Business Cooperation in Asia-Africa Region," lowering expectations for concrete follow-through on the AAGC vision statement released in 2017.

AAGC's diminution reflects difficulties with aligning Tokyo's and New Delhi's **contrasting** investment standards and approaches to Africa. Whereas Japan is more insistent on prioritizing trade and regional institution- and capacity-building, as well as in **targeting** clusters of high-growth countries around Ghana, Kenya, Tanzania, and Mozambique, India's ambitions reach **riskier markets**, while Indian companies tend to view the AAGC as just another source of potential capital for large infrastructure projects requiring more than what might be available from the Indian government's Export-Import Bank.

These differences will take time to bridge, but the upcoming 2+2 and annual summit presents an opportunity to reevaluate the AAGC and redirect political attention to the two countries' strategic interests and differing but potentially complementary approaches in the region. One immediate solution to close ranks around the AAGC framework is the creation of a new bilateral business forum, co-hosted by both countries and supporting joint private-sector investment in Africa. Japan's Tokyo International Conference on African Development, which convened for a seventh time in August, along with the India-Africa Forum Summit, last held in 2015, provide a preexisting framework for bringing both countries' industries together under such an initiative while jumpstarting the AAGC.

The India-Japan relationship today has the makings of a truly special relationship. As the world's economic center of gravity shifts to Asia, it increasingly falls to these two countries to take up the baton to champion freedom, inclusivity, trade, and other liberal values. By exploring new imperatives across defense, technology, and infrastructure cooperation at next week's 2+2 and subsequent engagements, India and Japan can set the pace for future collaboration on mutual security and commercial priorities, as well as push forward on a human-centered vision for Asia that embodies these values on a global scale over the next century.

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