

## Japan-India: An Indigenous Indo-Pacific Axis

The longstanding India-Japan partnership is a crucial pillar for the Free and Open Indo-Pacific vision.

## By Tan Ming Hui and Nazia Hussain

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During his first state visit to India in February, U.S. President Donald Trump <u>called for revitalizing the Quad initiative</u>, also known as the Quadrilateral Security Dialogue, which includes the United States, India, Japan, and Australia. While trilateral and bilateral relations between Quad members have regained momentum since 2017, it remains uncertain if the scope of the Quad will grow beyond consultative mechanisms over shared interests. For example, India has yet to include Australia in the annual Malabar trilateral naval exercises. Furthermore, Trump has shown tendencies to flip-flop in his positions on foreign policies and U.S. allies.

That leaves the longstanding India-Japan partnership as a crucial pillar for the free and open Indo-Pacific (FOIP) vision. Yet last year's India-Japan annual summit was forced to be <u>postponed</u> amid domestic unrest in India. It is time to take stock of where the India-Japan Special Strategic and Global Partnership stands in terms of concrete actions and future potential for cooperation.

# **India-Japan Strategic Alignment**

Tokyo and New Delhi held their <u>inaugural</u> "two-plus-two" Foreign and Defense Ministerial Meeting on November 30, 2019. While two-plus-two dialogues at the secretary level have been ongoing since 2010, this meeting marked a significant upgrade, as delegations were led by the foreign and defense ministers for the first time. The two-plus-two mechanism seems to be favored by Japan — the country has held talks with the United States, Australia, Russia, France, U.K., and Indonesia in this format. Significantly, however, Japan is only the second country (after the United States) with which India has such a <u>high level</u> two-plus-two format.

Acknowledging mutual strategic interests and emerging security challenges, the joint statement released after the meeting highlighted that the dialogue "will further enhance the strategic depth of bilateral security and defense cooperation." The dialogue provided a platform for Tokyo and New Delhi to try and finalize the military logistics agreement called the Acquisition and Cross-Servicing Agreement (ACSA) in time to be signed at the 2019 annual summit (which, as noted above, had to be postponed). The agreement would enhance the already close military engagement between the two countries whereby Japan could gain access to Indian facilities in the Andaman and Nicobar Islands, and India could have access to Japan's naval facility in Djibouti.

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The two-plus-two provides a platform to explore New Delhi and Tokyo's converging Indo-Pacific vision. While the United States' FOIP strategy emphasizes the containment of a rising China, India and Japan share a more inclusive stance of engaging regional neighbors. Engagement efforts such as Asia-Africa Growth Corridor, joint infrastructure projects in Indian Ocean littorals, and subregional cooperation frameworks promote not only viable development assistance but also an alternative to China's Belt and Road Initiative (BRI), which is fast making inroads in the region.

#### **Synergies With ASEAN**

Leaders at the <u>two-plus-two dialogue</u> reaffirmed their support for ASEAN Centrality and the ASEAN Outlook on the Indo-Pacific (AOIP) adopted at the 34th ASEAN Summit in Bangkok last year, noting that India's "Indo-Pacific Oceans Initiative," Japan's "Vientiane Vision 2.0," and ASEAN's AOIP have overlapping interests in striving for an Indo-Pacific region that is inclusive and open to all countries in the region.

Japan and India's support for the AOIP puts ASEAN in a favorable position given that the AOIP endorses subregional cooperation. Thus, Tokyo and New Delhi's engagement in joint infrastructure development projects in the Indian Ocean littorals provides an opportunity for

ASEAN to realize the AOIP's stated <u>areas of collaboration</u> in the Indo-Pacific: maritime cooperation, connectivity, sustainable development, and the economy. In addition, India and Japan's collaborative ambitions pave the way for an incremental but promising alternative to China's BRI. Toward this end, Japan and India are working on a <u>key project</u> to help Sri Lanka jointly build the East Container Terminal at the Port of Colombo.

India and Japan have also started to explore other joint infrastructure projects in the Indo-Pacific subregions of the Bay of Bengal and Mekong. Changing geopolitical realities have brought about a renewed attention to the Bay of Bengal and BIMSTEC, which caters to the wider concept of "Indo-Pacific" and an Indian Ocean community that New Delhi espouses. BIMSTEC also includes two ASEAN member states (Myanmar and Thailand) in its ranks, which is crucial for New Delhi's key foreign policy priorities, the Act East Policy and Neighborhood First.

India has been working within the frameworks of ASEAN-India Dialogue Relations, Mekong-Ganga Cooperation, BIMSTEC, and most recently the <u>Thailand-led</u> Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS) as a Development Partner. This subregional grouping represents half the membership of the 10-member ASEAN, comprising of Myanmar, Laos, Cambodia, Thailand, and Vietnam. Meanwhile, Japan's "Vientiane Vision 2.0" is an updated initiative for <u>defense cooperation</u> between Japan and ASEAN to ensure the rule of law, strengthening maritime security, and contending with nontraditional threats.

#### **Socioeconomic Dynamics**

Japan and India also stand to benefit from closer economic and developmental partnerships, including energy, water supply, health, irrigation, environment, technology, and people-to-people exchanges. They have partnered on projects in the strategically sensitive regions of Andaman and Nicobar Islands and India's northeast, where New Delhi traditionally is stringent about allowing foreign investment. Japan's NEC Corporation has been contracted to install an undersea cable from Chennai to the Andaman and Nicobar islands while Tokyo is also involved in road connectivity projects linking India's northeastern states to neighboring ASEAN countries.

In 2018, Japan and India also inked a <u>digital partnership</u>, which includes the establishment of a startup hub in Bengaluru, mutual investments support, collaboration on digital infrastructure and system designs, partnership in IT human resources, research and development, as well as next-generation networks. Combining the strengths of Japan's hardware capabilities and India's software expertise presents tremendous growth opportunities and could also mitigate urgent domestic challenges in an era that promises increasing digitalization and potential technological disruptions.

Japan currently faces a serious demographic challenge, with a <u>rapidly aging and shrinking</u> <u>population</u>. In addition to a labor crunch in blue-collared industries, high-tech companies in Japan also face a <u>critical shortage</u> of IT workers and engineers, which could be filled by opening the doors to highly skilled IT talents from India. Meanwhile, India has an expansive population, and it is a significant <u>challenge</u> to provide adequate jobs for its growing labor force. Furthermore, to keep up with the fast-changing pace of the digital economy, a diverse and globalized workforce is key to encourage constant flows of ideas and innovation.

At the same time, more efforts are needed to promote the integration of Indian workers into Japanese society, where language barrier remains a key challenge. Nevertheless, cities in Japan are becoming more <u>visibly diverse</u> and more <u>receptive</u> of foreign labor, suggesting evolving social norms. In fact, Yogendra Puranik made history in April 2019 by becoming the first naturalized Japanese of Indian origin to <u>win an election</u> in Japan. Increasingly, more companies in Japan are embracing internationalization and adopting English as their business language. This is a positive trend that could help Indian jobseekers to adapt and integrate into Japanese society.

#### **An Evolving Partnership**

Overall, the two-plus-two talks can be more than just an extension of bilateral cooperation; it has the potential to be the platform that helps solidify Tokyo and New Delhi's shared vision for the Indo-Pacific region and their commitment to multilateralism. This is especially crucial at a time when India walked away from the Regional Comprehensive Economic Partnership (RCEP),

which is poised to be a landmark of the multilateral trading system and prevailing rules-based regime.

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The international system is undergoing transition with a weakening U.S.-led liberal order challenged by contesting regional visions. A stronger, comprehensive partnership between Japan and India creates an indigenous and inclusive axis, as well as a credible and stable center of gravity in intra-Asian relations.

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