



**Summary:** India and Japan may be poised for a significant upgrade in their bilateral relationship. Stronger India-Japan ties could help facilitate closer relations between India and the United States, increase Japan's ties to countries in South and Southeast Asia, and allow India to feel more comfortable acting outside of its immediate sphere of influence. However, these developments are likely to proceed much more slowly than general economic and diplomatic ties, meaning patience will be necessary to change improving Indo-Japanese relations into a boon for stability in the Asia-Pacific.

## A Modi-Fication of the India-Japan Relationship?

by Michael C. Horowitz and Vipin Narang

Japanese Prime Minister Shinzo Abe follows three people on the social media platform Twitter: his wife; the former governor of Tokyo, Naoki Inose; and India's newly elected prime minister, Narendra Modi, whose Bharatiya Janata Party (BJP) won an outright majority in parliament for the first time in its history. If following people on Twitter is the modern equivalent of diplomatic status, then India and Japan are poised for a significant upgrade in their bilateral relationship. Indeed, there are reasons to believe that Modi's election could herald a new era in the India-Japan relationship and help shift the Indo-Pacific geopolitical landscape. Both prime ministers are right-of-center and value muscularity in their dealings with the external world, and they have an excellent personal relationship.

The growth of the India-Japan relationship could also herald an important new dimension in the regional security environment that the United States is attempting to reinforce through its strategic rebalance to the Asia-Pacific. Stronger India-Japan ties could help facilitate closer relations between India and the United States, increase Japan's ties to countries in South and Southeast Asia, and allow

India to feel more comfortable acting outside of its immediate sphere of influence. However, these developments are likely to proceed much more slowly than general economic and diplomatic ties, meaning patience will be necessary to change improving Indo-Japanese relations into a boon for stability in the Asia-Pacific.

At the very least, Modi's election makes it likely that India and Japan will enhance their strategic partnership along a variety of fronts. But this partnership has been growing for years, predating Modi and Abe. It is driven by mutual strategic interests that are unlikely to change and could even deepen. In fact, if India and Japan have any "natural allies" in Asia, it is each other. New Delhi and Tokyo have come a long way since Japan was one of the first nations to sanction India after its 1998 nuclear tests.<sup>1</sup> Japan's punishment of India then was significant: it canceled \$1.2 billion of development loans and an additional \$30 million in grant aid and demanded that India sign the Comprehensive Test Ban Treaty in order to resume aid.<sup>2</sup> This was perhaps the nadir of the

<sup>1</sup> Daniel Morrow and Michael Carriere, "The Economic Impact of the 1998 Sanctions on India and Pakistan," *The Nonproliferation Review*, Fall 1999.

<sup>2</sup> *Ibid.*, p. 5.

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India-Japan relationship in the post-Cold War era. However, only two years later, Japanese Prime Minister Yoshiro Mori's visit to India began the process of normalization, with one of India's major journalists, Raj Chengappa, referring to the visit as a "Kiss and Make Up" effort.<sup>3</sup>

Since the renormalization of relations, a broad consensus has held in both India and Japan about the strategic and trade value each country holds for the other. In Abe's first term, he hosted then-Prime Minister Manmohan Singh for a visit and the two leaders affirmed a watershed "Strategic and Global Partnership" communique.<sup>4</sup> While Japan has embraced its alliance with the United States as a central pillar of its foreign policy, India has historically eschewed alliances and approaches foreign affairs in a more diversified and hedging manner. But in 2006, Abe and Singh jointly noted that "Japan and India are natural partners as the largest and most developed democracies in Asia."<sup>5</sup> The banal Global Partnership from Mori's 2000 visit had been upgraded to a strategic partnership — which is significant on the Indian side for the value it placed on the relationship.

Even on the sensitive issue of nuclear weapons, Japan has essentially accepted India as a *de facto* legitimate nuclear weapons power. Japan supported India's waiver at the Nuclear Suppliers Group in 2008, enabling India, with strong support from the United States, to develop civilian nuclear energy despite its nuclear weapons status and not being a signatory of the Nuclear Nonproliferation Treaty. Abe and Singh had in fact laid the foundation for an India-Japan nuclear deal that would pave the way for India to buy nuclear technology from Japan in early 2014. While there are still issues to be worked out, this landmark agreement could be concluded between Modi and Abe.<sup>6</sup>

Two other notable developments in 2014 are indicative of just how far the India-Japan relationship had blossomed before Modi even started campaigning for office. First, Abe was Prime Minister Singh's chief guest at India's January Republic Day Parade. It was the first time that a Japanese prime minister was accorded this honor, and the symbolism

was not lost in either country. Second, during that visit, India and Japan laid the foundation for the Japanese sale of 15 US-2 ShinMaywa amphibious search-and-rescue aircraft — the first potential export of defense platforms by Japan since 1967. It is both significant that Abe would begin lifting Japan's self-imposed ban on defense exports and that the first recipient would be India.<sup>7</sup>

India's Modi therefore inherits an India-Japan relationship that has grown substantially since its lowpoint following India's 1998 nuclear tests. The level of military cooperation is both symbolically potent and substantively critical for platform interoperability and joint operations in the Indo-Pacific region. Trade flows between the two nations are set to increase, and though Japan's level of foreign direct investment has declined in the past several years as the Indian economy has struggled, economic cooperation is an area that Modi and Abe are sure to focus on improving.<sup>8</sup>

While there are very high expectations that Modi's election will revolutionize India-Japan relations, the reality is that India and Japan have been steadily deepening their level of engagement for well over a decade. There is a broad

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3 Raj Chengappa, "Kiss and Make Up," *India Today*, August 28, 2000.

4 "Joint Statement Towards Japan-India Strategic and Global Partnership," <http://japan.kantei.go.jp/abespeech/2006/12/15joint.pdf>

5 *Ibid.*, p. 2.

6 See Masako Toki, "Heavy Lifting Ahead in Japan-India Nuclear Deal," *The Bulletin of Atomic Scientists*, February 10, 2014, <http://thebulletin.org/heavy-lifting-ahead-japan-india-nuclear-deal>.

7 Sanjeev Miglani, "India Close to Buying Japan-made Military Aircraft," *Reuters*, January 28, 2014, <http://in.reuters.com/article/2014/01/28/india-japan-idINDEE-AOR07S20140128>.

8 See Misturu Obe, "Japan, India Look to Reenergize Economic Ties," *Japan Realtime*, *Wall Street Journal*, June 3, 2014, <http://blogs.wsj.com/japanrealtime/2014/06/03/japan-india-look-to-reenergize-economic-ties/>.

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domestic political consensus in both countries — which both value economic development, trade, and military engagement — for an upgraded India-Japan partnership. As a result, Modi's election will almost certainly yield a "Modification," as it were, of India's approach to Japan, but it will be largely along the same trajectory that his predecessor pursued, if not a bit accelerated. The personal chemistry that Abe and Modi share will surely contribute to the upgrading of relations, but it is the deep structural factors — particularly wariness of China's military modernization and perceived assertiveness — that could catalyze a true India-Japan partnership.

This partnership could have implications that outstrip the bilateral relationship between India and Japan, potentially shaping how the United States implements the rebalance to the Asia-Pacific and the medium-term prospects for stronger U.S.-Indian ties.

## This partnership could have implications that outstrip the bilateral relationship between India and Japan.

For example, military-to-military ties between India and Japan, due to the close relationship between the United States and Japan, could be a mechanism to facilitate closer ties between the U.S. and Indian Navies. In 2007, for the first time, the annual Malabar naval exercises involving the United States, India, and Japan were held not in the Indian Ocean but off Okinawa. For an Indian Navy that has historically defined its area of operations from the Horn of Africa to the Straits of Malacca, venturing eastward even for exercises represents a significant evolution. Indeed, although India has long had a diplomatic policy known as "Look East," it is increasingly *going east* militarily. The unnamed but implied audience for this move was China.

In addition to the Malabar Exercises, India, Japan, and the United States have conducted exercises focusing on interoperability between the three navies. More significantly, India and Japan have begun to hold military exercises indepen-

dent of U.S. participation, which, though small in scale, are a significant signal to China and lay the foundation for interoperability.<sup>9</sup> Until now, India has hedged its enhanced cooperation with Japan by participating with China in similar, though lower scale and less frequent, exercises. But the substance and velocity of military engagement between Japan and India is much deeper, with a clear eye to augmenting the regional naval balance against China.

### What Might Improved Indo-Japanese Relations Mean for the United States?

These improvements in Indo-Japanese military relations are consistent with a key goal of the U.S. rebalance to the Asia-Pacific: building the capacity of its allies and partners in the region. Especially in an era of fiscal austerity, but also due to political pressures at home and its global responsibilities, the United States cannot be everywhere at once. As the 2014 Quadrennial Defense Review published by the U.S. Department of Defense makes clear, the United States seeks to increase the contributions that its allies and partners make to their own security.<sup>10</sup>

One possibility is that India-Japan partnership could become a backdoor to greater Indian integration into the Asia-Pacific security architecture that the United States supports. While improving ties with India has been a long-term strategic priority for the United States for many years, tangible improvements have been slow. The Indian nuclear test in 1998, which triggered economic sanctions under U.S. law, combined with a historical reticence for close military cooperation with the West, have made progress in U.S.-India ties, and especially military ties, sluggish. Periods of great hope, such as after the U.S.-India nuclear deal in 2006, have been followed by periods in which cooperation has seemed to stagnate, with both sides feeling let down by the other over issues such as India's subsequent nuclear supplier liability law, and the recent arrest of an Indian diplomat in New York that escalated to a full-blown bilateral crisis. As Carnegie Endowment expert Ashley Tellis argued on the

9 Aarti Betigeri, "As China Eyes Indian Ocean, Japan and India Pair Up on Defense," *The New York Times*, July 27, 2012, [http://india.blogs.nytimes.com/2012/07/27/as-china-eyes-indian-ocean-japan-and-india-pair-up-on-defense/?\\_php=true&\\_type=blogs&\\_r=0](http://india.blogs.nytimes.com/2012/07/27/as-china-eyes-indian-ocean-japan-and-india-pair-up-on-defense/?_php=true&_type=blogs&_r=0).

10 United States Department of Defense. *Quadrennial Defense Review 2014*, [http://www.defense.gov/pubs/2014\\_Quadrennial\\_Defense\\_Review.pdf](http://www.defense.gov/pubs/2014_Quadrennial_Defense_Review.pdf), p. VI.

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eve of Modi's election, progress has been slow for a variety of historical and political reasons.<sup>11</sup>

Though there is historical tension between Modi and the United States (and a travel ban in place since 2005) due to his alleged role not preventing riots in India in 2002 that left over 1,000 Muslims dead, Modi has stated that one of his goals is to "re-energize" ties with the United States.<sup>12</sup> Modi seems interested in turning the page in his relationship with the United States and beginning a new chapter of U.S.-India cooperation. Though some have raised concerns that historical animosity means Modi will be slow to reach out to the United States,<sup>13</sup> mutual interest in economic cooperation and maintaining freedom of navigation in the Asia-Pacific will provide Modi with strong incentives to reach out to the United States.

But even if there is wariness on India's part in fully and directly expanding its so-called strategic partnership with the United States, its natural tilt toward Japan could, in practice, fulfil a major objective of that partnership: military cooperation in the Indo-Pacific region. Japan could therefore play a critical role in facilitating improved U.S.-India ties, helping build a bridge between Modi and Obama that furthers the goals of each country in the Asia-Pacific. Only time will tell whether Abe will be well-positioned to play that role. Much depends on the success of his economic agenda at home, which could influence his foreign policy flexibility. But the fundamental interest that Japan, India, and the United States have in a free and prosperous Asia-Pacific mean that the growth in Indo-Japanese ties could just be the first step toward a greater cooperation between Asia's larger, democratic powers.

11 Ashley J. Tellis. "Productive but Joyless? Narendra Modi and U.S.-India Relations," Carnegie Endowment for International Peace, May 12, 2014, <http://carnegieendowment.org/2014/05/12/productive-but-joyless-narendra-modi-and-u.s.-india-relations/han1>.

12 "Modi govt to re-energize ties with the U.S." *The Times of India*, June 10, 2014, <http://timesofindia.indiatimes.com/india/Modi-govt-to-re-energize-ties-with-US/article-show/36317766.cms>.

13 Kevin A. Lees. "A Modi Win: A Loss for U.S.-Indian Ties?" *The National Interest*, May 13, 2014, <http://nationalinterest.org/feature/modi-win-loss-us-indian-ties-10475>. Also see Alyssa Ayres, "The U.S. Needs to Modi-fy Its India Policy," *Foreign Policy*, May 20, 2014, [http://www.foreignpolicy.com/articles/2014/05/20/the\\_us\\_needs\\_to\\_modi\\_fy\\_its\\_india\\_policy\\_trade](http://www.foreignpolicy.com/articles/2014/05/20/the_us_needs_to_modi_fy_its_india_policy_trade).

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## About the Young Strategists Forum

The Young Strategists Forum aims to develop a new generation of strategic thinkers in the United States, Europe, and Asia through a combination of seminars, simulations, and study tours. The project is led by transatlantic fellow Daniel M. Kliman with non-resident senior fellow Aaron Friedberg serving as faculty. The first Young Strategists Forum was convened in Japan with the support of the Sasakawa Peace Foundation. This initiative is part of GMF's Asia Program, which addresses the implications of Asia's rise for the West through a combination of convening, writing, strategic grants, study tours, fellowships, and partnerships with other institutions.

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The Sasakawa Peace Foundation (SPF) is a private non-profit organization established in September 1986. It seeks to contribute to the welfare of humanity and the sound development of international community, and thus to world peace, through activities that foster international interaction and cooperation.