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## India and Japan: The Need for Developing Institutional Linkages

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### ABOUT US

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In keeping with India's increasing global profile as a leading power and the accompanying dynamism of India's foreign and security policy, the Delhi Policy Group has expanded its focus areas to include India's broader regional and global role; India's initiatives to strengthen its strategic periphery; India's political, security and connectivity challenges and policies across the Indo-Pacific; and the strategic partnerships that advance India's rise. To support these goals, the DPG undertakes research, publishes policy reports and organises conferences on strategic and geo-political, geo-economic, and defence and security issues.

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*The views expressed in this piece are those of the author and should not be attributed to the Delhi Policy Group as an Institution.*

### Cover Photograph:

*(Photograph)*

*Indian Prime Minister Narendra Modi and Japanese Prime Minister Shinzo Abe at the annual summit of India and Japan in Tokyo, October 27-29, 2018. Source: MEA*

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## India and Japan: The Need for Developing Institutional Linkages

by  
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The India-Japan strategic partnership has been growing from strength-to-strength. There is palpable camaraderie between Prime Minister Narendra Modi and Prime Minister Shinzo Abe. Policymakers on both sides are optimistic about the bilateral relationship and its capacity to impact Asian geopolitics to mutual advantage. The progress made thus far does not belie the faith that both leaders have reposed in the relationship. However, it should be noted that the bilateral relationship is progressing in spite of inherent constraints imposed by institutional frameworks and strategic culture. The next quantum leap in the relationship will be contingent on overcoming such constraints.



*Indian Prime Minister Narendra Modi and Japanese Prime Minister Shinzo Abe at the annual summit of India and Japan in Tokyo, October 27-29, 2018. Source: MEA*

Quite often when we think of two friendly countries working together, we think in terms of economic interactions and security cooperation. However, it is also important to recognise that the alacrity with which the institutions of these

countries respond to each other's needs will determine the efficacy of their capacity to aggregate mutually beneficial power equations. While institutional frameworks and strategic culture have a deep impact on policy choices, they are not cast in stone and can be adapted through sustained leadership interventions.

Japan's alliance with the United States has created institutional frameworks in Japan which focus on defence and security arrangements. The pacifist constitution has, meanwhile, engendered a culture of hesitation in developing robust security relationships with countries other than the US. However, the advent of President Trump has ushered in growing uncertainties about the US commitment to the security of Japan. Several allies and friends of the US are also experiencing similar concerns. This should have prompted Tokyo to scale-up the defence relationship with other like-minded countries. However, institutional frameworks and a strategic culture of self-imposed restraints are preventing Japan from being nimble in developing robust partnerships with like-minded countries.

Thus, there is hesitation to scale up a defence partnership with India. On the other hand, the India-US defence relationship has gathered momentum in the past decade and the two countries hold the most extensive range of joint exercises. The US has also provided India advanced military hardware. In comparison, India and Japan hold low level familiarisation exercises and do not share defence platforms. For India, Japan is important for enhancing domestic economic capabilities as well as for maintaining Asian multipolarity. There is a need to facilitate greater interactions between the foreign and defence ministries of both countries to have a better appreciation of each other's needs and procedures.

Similarly, in the economic realm, many in India are concerned about Japan's favourable position on China's Belt and Road Initiative. Here, it should be noted that Japan has a long history of economic engagement with China. The historical guilt associated with its occupation of China has prompted Japan to give significant economic assistance to Beijing. It was way back in 1979 that Japan initiated Official Development Assistance (ODA) to China. By 2016, as Japan's ODA document notes, "approximately 3.3164 trillion yen in loan aid (yen loans), 157.2 billion yen in grant aid, and 181.7 billion yen in technical cooperation have been implemented." Japanese technology has played an important role in China's economic development. Japanese companies have invested in China and have reaped economic benefits. In the past five years, China has continued to be an important destination for Japan's outward FDI. On average, Japan's outward FDI into China has amounted to \$ 10 billion a year

over the past five years. This long history of economic engagement has created strong constituencies within Japan's business community that advocate a proactive Japanese engagement in Chinese BRI projects. There is thus an interesting dichotomy in Japan's positions on China. While Japanese policymakers are worried about the hegemonic intentions of Beijing, there are also constituencies which are constantly looking for possibilities of benefiting from economic engagement with China.

Simultaneously, it should be noted that Japan has been at the forefront of conceptualising alternative connectivity networks based on the principles of openness, transparency and inclusivity. Further, some of Japan's infrastructure projects in the Indian subcontinent have been to the advantage of India. There is a need to ensure greater coordination between Japanese and Indian connectivity efforts. Tokyo's overseas development initiatives are channelled through the Japan International Cooperation Agency (JICA), which brings together diverse skill-sets under one roof. India needs to develop a similar institutional framework to deliver developmental aid with greater effectiveness. The Indian Development Assistance Agency should pursue more effective collaboration with JICA to ensure that connectivity projects are implemented in a manner that benefits all stakeholders. Sustained conversations among Indian and Japanese aid agencies will also result in better coordinated assistance strategies across the Indian subcontinent.

The India-Japan partnership has grown in the recent past in spite of institutional gaps. It will gain greater momentum if institutional relationships are strengthened to deliver enduring outcomes.

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