

Factors determining Indo-Japan Relationship: Civil Nuclear Cooperation

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Civil nuclear cooperation emerged as a key factor in India's foreign policy particularly after NSG issued specific waiver of the nuclear transfer guideline to India on September 6, 2008. America, France and Russian's are scrambling to get a foothold in India's 150 billion dollar civil nuclear market. Besides, Kazakhstan, Namibia, Mongolia, Argentina and Canada followed the suits and clinched similar deals with India. Also, talks for civilian nuclear cooperation with Australia, South Korea is making some headway. One of the interesting developments in nuclear cooperation is Indo-Japan decision to initiate civilian nuclear talk. The deal remains crucial for both countries in terms of establishing consensus in the bilateral relationship.

The ice breaking decision was taken at the side of G-20 summit in Toronto, where for the first time Prime Minister Manmohan Singh and new Japanese counterpart Naoto Kan discussed global security situation and also agreed on the need to deepen bilateral ties. On 28 June 2010, India-Japan commenced first round of negotiation on core issues between India and Japan in Tokyo where the India side was represented by Joint Secretary Gautam Bambawale from Ministry of External Affairs, while deputy-director general Mitsuru Kitano led the Japanese side. This formally commenced the negotiations between the two nations towards a nuclear deal. The crucial fourth round discussion on strategic dialogue between India-Japan relations was held recently on 21 August 2010 in New Delhi, where Japanese Foreign Minister Katsuya Okada met S M Krishna, Ministry of External Minister and discussed gamut of issues, including the nuclear deal. Further, Okada met Prime Minister Dr Manmohan Singh, Planning Commission Deputy Montek Singh Ahluwalia and Ministry of State for Environment

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and Forest Jairam Ramesh before returning back to Tokyo. The visit of Mr Okada, prior to Prime Minister Manmohan Singh visit to Tokyo scheduled in October to finalize the Economic Partnership Agreement (EPA) exemplifies Japanese commitment towards India in strengthening the relationship. It was expected that the partnership will increase India-Japan commerce significantly. Besides, the established subcommittee/senior official '2+2 dialogue' during Japanese Prime Minister Yukio Hatoyama 2009 visit to India and ongoing talk on civil nuclear cooperation helped both the countries to derive common understanding on the global and regional issues.

India's relationship with Japan is not new, however, it is relatively fresh in the sphere of politics and security. Following the suit of industrialization, Japan achieved high economic growth in short term, despite the destruction it faced due to nuclear holocaust. As a pacifist state, Japan opted for nuclear energy for peaceful purposes and has ensured the world repeatedly that it will never possess nuclear weapon.

Tokyo formulated Three-Non-Nuclear Principles (*Hikaku San-Gensoku*) as it was upgraded into national principle (*Kokuze*) and signed NPT in 1970 and ratified by the Diet in 1976. Moreover, Japan remained critical over India's nuclear programme and imposed economic sanctions in the wake of India's nuclear test in 1998. During the Indo-US nuclear deal Japan remained neutral on the affair. The sea-change in Japanese policy occurred when Japan successfully opted to negotiate with India regarding the civil nuclear cooperation.

This invited major criticism from Japanese media and anti-nuclear group for negotiating nuclear trade with India. In the recent development the anti-nuclear lobby along with the frontline

Japanese media launched anti-nuclear camping against the ongoing nuclear talks between India and Japan. Hiroshima and Nagasaki Mayors protested publicly to terminate the discussion on nuclear deal with non-NPT member India. Further, the duo met Japanese primer Naoto Kan in his office to persuade him not to encourage India, for civil nuclear cooperation.

India's burgeons US \$ 2 trillion economy and geo-political impetuses are the major motive for Japan to commence negotiation in civil nuclear matter. Clearly, India is a regional power both in term of economics and politics in Asia, and thus its not surprising that Japan stretched out for strong relationship with India in the post-Cold War era.

The major challenge to the proposed India-Japan nuclear deal emerges from two sides, first anti-nuclear lobby backed by prominent members like Nagasaki Mayors Tomihisa Taue. Secondly, from fragile political leadership, Prime Minster Hatoyama Yukio inability to handle the issue over Futenma air base in Okinawa led him to resign from the office. In the last ten years Japan has witnessed seven Prime Ministers and thus, Political instability is very apparent in Japan. Except Koizumi, all other Prime Minister stayed in office for the time period of one year each. In most of the cases, Prime Minister was forced to leave the office due to corruption allegation and domestic issues. In a recent development, Ichiro Ozawa veteran Japanese politician and governing member of Democratic Party of Japan (DPJ) openly challenged Naoto Kan candidacy for the party leadership. On September 14 2010 party election, Kaoto Kan was reelected as a party president, after defeating former party Secretary-General Ichiro Ozawa.

The lingering political problems, coupling with domestic agitation against the nuclear talks with India may subdue the importance of the nuclear deal and strain the relationship between India and Japan. This will certainly strain sixty years of diplomatic relationship shared by the two democratic countries. Unlike the Indo-US nuclear deal, there is no fixed time limit in formulating the Indo-Japan deal, therefore Premier Kan has an option to postpone the deal indefinitely, to pacify arousing Japanese sentiment over nuclear deal. Nevertheless, the nuclear deal remains a priority in Japan's relation with India. Therefore, India's hopes recline on the factors which are likely to determine the future course of Japanese action.

Factors determining the nuclear deal

At present geo-politico, economic and security juncture, India is emerging as a key player in global and regional politics. India's burgeons US \$ 2 trillion economy¹ and geo-political impetuses are the major motive for

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Japan to commence negotiation in civil nuclear matter. Clearly, India is a regional power both in term of economics and politics in Asia, and thus its not surprising that Japan stretched out for strong relationship with India in the post-Cold War era. Japan's security policy with South Asia has been driven by India's sensitivities; the blue water naval capabilities of Indian navy ensure safe passage to the ships ferrying

goods via Indian Ocean, from maritime piracy, terrorism and criminal activity, etc. In Japan's consideration nuclear trio Sino-Pak-North Korea nexus continues to threaten regional stability in Asia. The proliferation of weapon of Mass destruction (WMD) from Pakistan to North Korea via China remain major concern in Japanese security policy. It believed that "rise of China is a major factor in the evolution of Indo-Japanese ties."² In that context Indo-Japan nuclear deal would be a "political symbol" to check the balance in the region.

Western scholars and media presented a view that the US wrested interest in Asia cultivated through Indo-US nuclear deal and anticipated NATO, Japan and Australia to accept the deal in the future to have a stable and sustainable partnership with India. Since, Japan follows the US footprint in South Asia it has no other option but to pursue India-first policy in its approach towards South Asia. In the meantime, Japan's newly elected DPJ government urged to establish independent domestic and foreign policy without harming the Japan-US relationship. By this means Indo-Japan nuclear deal remains one of the initiatives drawn by DPJ government to strengthen its independent right over bilateral relationship with India.

In terms of economic opportunity, Japanese companies are eager to share India's nuclear market. The leading Japanese companies Toshiba, Mitsubishi and Hitachi core lobbying group are encouraging Japanese government to workout possible nuclear deal with India. The Chairman of the core lobbying group accompanied Masayuki Naoshima Minister of Trade and Industry visited India to participate fourth ministerial-level meeting of the India-Japan energy dialogue. Moreover, Japanese companies are major share holders in General Electronics (GE) and Westinghouse, besides this, both GE and French company Avera use reactor vessel

manufactured by Japan steel work Ltd. The Japanese technology is primary for the US and French firms to start the construction of the nuclear reactor for India. Therefore, it becomes difficult for India to implement Indo-US-Franco nuclear deal without reaching a consensus with Japan.

On the other hand, Japan's severing economic crisis demand new approach in its foreign and economic policy to overcome the recession.

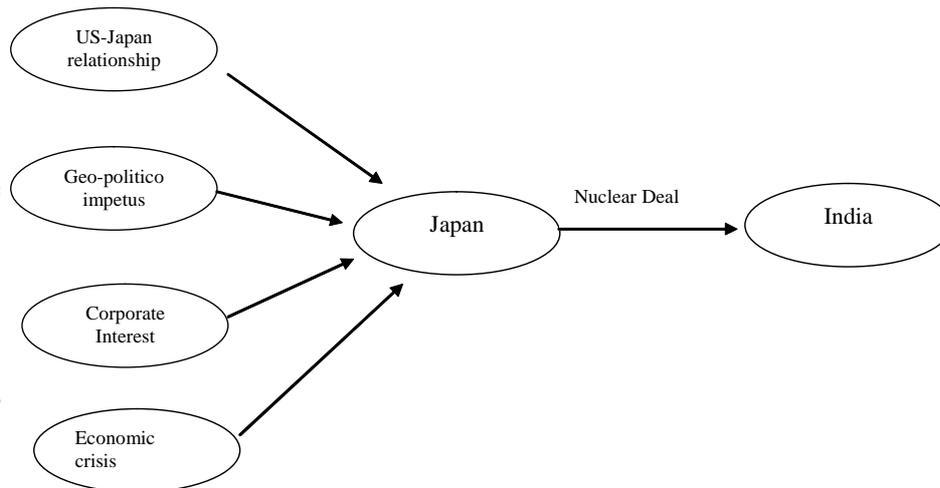
Japan is facing severe global economic repercussion due to emergence of China as a largest exporter, steel producer and auto buyer that Beijing has for quite some time dominating the

global market. Stalled the progress of the Japanese economic recovery, this year Japan's GDP grew at an annualized 0.4 percent far below than annualized 4.4 percent expansion in the first quarter.³ This paved way for China to take over as number two economy in the second quarter of the year after Chinese growing economy surpassed Japanese economy in the first quarter. In an effort to catch up with the global economy, DPJ mapped out ten-year growth strategy through 2020, expecting an average growth of 3 percent in nominal terms. To accelerate the growth, Japan is eyeing on Indian market, particularly US \$ 150 million nuclear market of India where Japanese companies can create huge turnout from a future deal. At the same time, growing pace of Indian economy expected to compliment Japan economic growth pattern.

Four prominent factors geo-politics, Japan-US relationship, economic opportunity of Multinational Corporation (MNC) and ongoing economic recession in Japan would be the corner stone in Indo-Japan nuclear deal. The diagram below clearly illustrates the major factors necessitating Japan to ink a nuclear deal with India. In the non-proliferation front, Japan is convinced that India will fulfill its obligation and commitments on nuclear non-proliferation. Japanese foreign minister Okada appreciated India's effort in the field of nuclear non-proliferation.⁴ METI Minister Masayuki Naoshima while addressing the reporter said that "India's

use of nuclear technology for peaceful purpose has already been internationally accepted."⁵ Further, Japanese Foreign Minister Okada confirmed that "philosophy of nuclear disarmament and non proliferation would be contained in the nuclear cooperation agreement."

Factors Determining Indo-Japan Nuclear Deal



Looking into India's non-proliferation record it certainly creates a hospitable ground for a future nuclear agreement. However, Japan has been emphasizing India to cooperate in strengthening the non-proliferation efforts and urged India repeatedly not to conduct nuclear test in future, which would potentially foreclose only such agreement. Though India is reluctant to surrender its right to conduct nuclear test in future it does accept the reality that the deal and NSG waiver would be terminated if such an event occurs in future. Sequence of events and bilateral agreement between India and USA convinced the international community that India is a sustainable partner in the nuclear market. Based on the assumption, Japanese policy makers and lawmakers seem to consider the nuclear deal as a priority issue in Indo-Japan relationship.

Conclusion

In the history of Civil Nuclear Cooperation "realpolitik" dictates future course of nuclear cooperation. Japan a pacifist country entering into nuclear dialogue with India may consider its position as realpolitik state. Despite the hesitation over nuclear deal with India, Japan shows positive gesture towards New Delhi. The anti-nuclear lobby and political instability are the issues challenging the course of a possible Indo-Japan nuclear deal. However, the strong factor like Japan-US relationship, geo-politico impetus, corporate interest and ongoing economic crisis

in Japan are imputes exploring ground for a civil nuclear cooperation.

The nuclear deal with Japan is important because currently India's energy sector is under the pressure due to steep increase in the demand. Particularly, nuclear energy contribution to India's energy basket stands at the rate of 3%, very minimal for developing nation. India, desperate in search of nuclear energy to strengthen its energy market, devised a strategy to build a nuclear capacity of 63,000 megawatts by 2030. While sticking to the deadline of 2030, India needs definite helps from the matured nuclear powers to reach the mark. Japan strictly an anti-nuclear weapon state, has spent enormous amount of men and material in building sophisticated nuclear technology.

Japanese nuclear technology is an important factor for India in formulating a nuclear deal with Japan. By clinching a civil nuclear deal with Japan, India gets access to primarily nuclear technology to build its capacity. Primarily, from Toshiba, Hitachi and Mitsubishi, the forerunner in building nuclear reactor amongst the biggest nuclear technology suppliers. Toshiba alone plans to double overseas nuclear sales by 2015 and is expected to invest 50 billion yen a year to grasp the opportunity in the energy

market. Besides, India is expected to receive crucial nuclear technology such as utilization of advanced mixed oxide fuels and the construction of light water reactors, advanced boiled water reactors and fast breeder reactors from Japanese companies through civil nuclear cooperation with Japan. Therefore, the nuclear deal with Japan remains imperatively crucial for India's future nuclear programme. The nuclear deal remains diplomatically challenging task for both India and Japan. It is expected that the reluctant domestic faction in Japan would soon realize the important of civil nuclear cooperation with India. Even India on its part must address Japanese concern through a sustain and concrete dialogue.

Notes

¹Enam, "India to be 2\$ economy by 2014-15" at <http://economicstimes.indiatimes.com/articleshow/5236795.cms>

²Harsh V Pant, "Power Game in Asia Trips Nuclear Non-Proliferation" at <http://yaleglobal.yale.edu/content/asia-trips-nuclear-non-proliferation>

³"China edges Japan as No. 2 economy" at <http://search.japantimes.co.jp/cgi-bin/nb20100817a1.html>

⁴"Japan hails India's track record on N-front" at <http://economicstimes.indiatimes.com/news/politics/nation/Japan-hails-Indias-track-record-on-N-front/articleshow/6389216.cms>

⁵"Japan and India Launch Talks on Civilian Nuclear Pact," at <http://online.wsj.com/article/SB10001424052748703279704575334681364235738.html>



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