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Japan and South Asia: Still Distant Neighbours?

S. M. Ali REZA*

Abstract

The Japan-South Asia relationship has traversed a lengthy pathway of “peaks and troughs” in the history of their relationship. Following a marked period of warmth in the immediate postwar period, Japan-South Asia relationship maintained a diminutive key during the Cold War era. It gained impetus with the historic visit of Prime Minister Toshiki Kaifu to the region in 1990 paving the way for formal cooperation between Japan and the SAARC. Despite the enormity of Japan’s Official Development Assistance (ODA) to all the South Asian nations, the region’s share in Japan’s global trade and investment is very minimal, and is mostly India-centric. However, in recent years the South Asian region has become geo-strategically significant to the scope of Japan’s strategic-diplomatic agenda. Afghanistan’s inclusion into the SAARC vis-à-vis South Asia and Japan being offered observer status to the SAARC along with China provides further weight to this relationship. Under the above backdrop, this article attempts to explore the reasons why South Asia has been strategically significant to the breadth of the Japanese foreign policy agenda, and to what extent. This study argues that Japan-South Asian relations (particularly Japan-India relations) have witnessed substantial maturity in recent years; although it is still negligible in the economic field compared to Southeast Asia, but seemingly stronger in its geo-strategic partnership. Therefore, the relationship needs to be nourished effectively to enhance the mutual value and benefits for both. This article also believes that the growing Indo-Japan partnership would work as a ‘gear’ to strengthen the Japan-South Asia relationship with an aim to altering the existing ‘distant image’ of South Asia in Japan.

Keywords: Japan, South Asia, SAARC, India, ODA, economic cooperation, geo-strategic partnership

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1. Introduction

The relationship between Japan and South Asia goes back to the beginning of the 20th century, when Asia’s first Nobel laureate Bengali poet Rabindranath Tagore and famous Japanese cultural ideologue Tenshin Okakura profoundly influenced each other’s work through their friendship (Bharucha, 2006). But in general, Japan was an enigma - a land of mystery and wonders to the South Asian nations even a couple of decades ago. South Asia’s perceptions of Japan and Japanese people were confined to certain historical conjunctures, and were molded dominantly by Japan’s role in the World War II, the activities of Subash Chandra Bose and Ras Bihari Bose (popularly known as the “Bose of Nakamuraya” in Japan) in cooperation with Japanese forces for the freedom of India, a vague notion of post-war Japanese rare economic miracle and an inadequate comprehension of the ‘hard-working’ nature of the Japanese people (Rahman, 2001, P. 178). On the other hand, the Japanese people considered South Asia geographically as a “distant land” as their knowledge about South Asia was very limited (Hirose, 1996). Their sense of ‘Asian-ness’ used to ignore the vast South Asian region commonly known as the Indian subcontinent. In place, ‘Asia’ in their mind meant neighboring countries like the People’s Republic of China (PRC), the Korean peninsula and the Southeast Asian countries (Varma, 2011, P. 231-232). In the immediate postwar period, the relationship between South Asia and Japan set off to a very healthy start, largely borne of the sympathetic disposition held by the region towards Japan. Justice Radhabinod Pal’s verdict by questioning the right of the victorious powers to pass judgment on the vanquished, Sri Lankan President Junius Richard Jayewardene’s renounce of war reparations from Japan, Sri Lanka and Pakistan’s efforts to ensure the participation of Japan at the Bandung Conference of newly independent nations in 1955, India’s strong support for Japan to have membership of the United Nations in 1956 made a deep and favorable impact upon the Japanese political leaders at that time and were highly regarded by the Japanese people, endearing South Asian region to them. In response to the generosity shown by the South Asian leaders, Japan forwarded with enthusiasm soon reflecting in strong economic ties (Jain, 1996, P. 7-9). But unfortunately South Asian countries could not transform their early goodwill into a long-lasting solid foundation partly because of the Cold War compulsions, “ideological inhibitions and the insularity of the South Asian nations” (Moni, 2007, P. 2) and also because of the rising ethnic conflict, territorial disputes, stagnant economies and nuclarization of the region (Jain, 1996, P. 10-11).

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1) South Asia as treated in this Article refers to those countries that are members of the South Asian Association for Regional Cooperation (SAARC). Eight South Asian countries namely, Afghanistan, Bangladesh, Bhutan, Maldives, Nepal, India, Pakistan and Sri Lanka comprise the regional body. Although Japan’s Ministry of Foreign Affairs -Gaimusho- administratively and in its official publications still refers to these countries as Southwest Asia- Nanei Ajia, in this paper this author prefers to use the term ‘South Asia,’ by which this region is more popularly known.

2) In his landmark statement, Justice Pal of India- a Judge serving on the International Military Tribunal for the far East- had given the only dissenting vote declaring all 28 war-time Japanese leaders not guilty. Justice Pal became a symbol of reverence and continues to find a prominent mention in the context of any mention of Japan-South Asia relations in general and Japan-India relations in particular even today.

3) At the San Francisco Peace Conference in September 1951 Jayewardene explained his country’s lenience towards Japan by quoting the Buddha, “hatred ceases not by hatred, but by love.”
between Japan and the South Asian region grew wider in this era, and Japan’s political and economic relations with South Asian region during the Cold War era remained in a minuscule key. Takako Hirose termed this period as “the dark age” between Japan-South Asia relations (Hirose, 1996, P 41). Immediately after the end of the Cold War the South Asian region witnessed significant improvement in relations with Japan; and Japan emerged as the biggest donor to all the South Asian countries. Post-Cold War security concerns made Japan to adapt multilateral diplomacy and feel the need to look beyond its immediate neighbors and establish beneficial relations with other Asian countries, notably with South Asian countries (Varma, 2011, P. 233-34).

From April 30-May 6, 1990 then Japanese Prime Minister Toshiki Kaifu made a historic visit to a number of South Asian countries and offered formal cooperation between Japan and SAARC (Executive Intelligence Review-EIR, May 25, 1990). This was further strengthened with the visit of Prime Minister Yoshihiro Mori to South Asia from August 19-25, 2000. These two high profile visits are considered as significant landmarks in Japan’s relations with the South Asian countries. In fact, in the second decade of the 21st century, we witness Japan’s growing political and economic ties with Asian nations including the countries of South Asia (Hoshino, 2012). Especially Japan’s strategic and political relationship with India is now robust and vibrant with regular high-level visits, security dialogues and joint exercises between the Indian Navy and Japan’s Maritime Self-Defence Forces as well as U.S. naval forces (Mathur, 2012, P. 126).

Japan, with its mammoth foreign aid programs, has been a ‘tested, trusted and longtime’ development partner to all the South Asian nations. Moreover, the initiation of “Look East Policy” by the South Asian nations in promoting closer relations with East and Southeast Asian miraculous economies as part of their economic reform programs in the 1990s encouraged Japan to play a pivotal role along with other East and Southeast Asian nations. There is no denying the fact that South Asia’s “Look East Policy” is now more concentrated on Japan. Despite above progresses in Japan-South Asia relations, existing literature, however, argue that Japan is yet to express itself in clear terms on its relationship with South Asia. Seemingly ‘Asia’ in their mind still covers mostly East and Southeast Asia. In view of such paradox, this paper aims to examine the development of Japan-South Asia relations, evaluate their changing dynamics, and provide a future outlook so important for Asian region as a whole.

4) The year 2012 marked the 60th anniversary of the establishment of Japan’s diplomatic relationships with India, Pakistan and Sri Lanka, the 56th celebration with Nepal, the 45th with Maldives, the 40th with Bangladesh, and the 26th with Bhutan.

5) India announced its “Look East Policy” in 1991, and subsequently other countries of South Asia followed the suit. India first developed and enacted its “Look East Policy” to reinvigorate relationship with ASEAN countries, and later advanced to develop ties with Japan and South Korea. China, however, perceives that India’s “Look East Policy” has a dual nature, with both an intention to contain China in defence and security, and an intention to strengthen bilateral cooperation in economy and trade (The Global Times, July 17, 2013).

2. Towards a Strengthened Economic Cooperation

2.1 Official Development Assistance (ODA)

It is widely recognized that ODA is central to Japan’s identity as a world power, and the objective of Japanese ODA is to promote global peace and prosperity. Japan has already made remarkable contribution to the development of numerous countries through ODA. Since the predominant feature of Japan’s foreign policy is ‘economic diplomacy,’ and the central consideration of South Asian countries is ‘developmental,’ it is desirable to understand Japan-South Asia relationship from economic perspectives- from the aspects of ODA (aid), trade and investment. Although the trade and investment volume has been small in regard to economic relationship, special focus centers the ODA. Not only has it been quantitatively voluminous, but has also managed to focus on the critical areas of concern including infrastructure and poverty reduction. Japan’s net bilateral ODA disbursements in 2010 totaled approximately US$7,336.97 million (¥643.9 billion). Contributions to international organizations amounted to approximately US$3,684.00 million (¥323.3 billion). These figures make for a 16.4% increase from the previous year in overall ODA disbursements, reaching approximately US$11,020.98 million (¥967.2 billion).7 South Asian countries were the first to receive Japan’s yen loans in the 1950s. Japan provided its first low-interest yen loans equivalent of US$50 million in credits to India in 1958 followed by Sri Lanka and Pakistan. Since then, Japan has gradually increased its ODA schemes to South Asian region to help promote the socio-economic development of the region (Jain, 1997, P. 342). For most of the postwar period, South Asian nations received large amount of Japan’s ODA. In fact, ODA had formed the core of Japan’s postwar interaction with South Asia. Even today Japan is the top aid donor to the South Asian countries. From 2007 to 2011 Japan’s total ODA disbursements to all the South Asian countries totaled about US$34.14 billion8, whereas from fiscal 1990-1991 to 2001-2002, Japan’s ODA to all South Asian countries cumulated at about US$8.5 billion (Moni, 2007, P. 8). As the SAARC member states are least developed countries (LDCs), Japanese ODA to the region primarily consists of grant aid and technical assistance.

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8) Calculated by the author from Japan’s ODA, annual reports, various issues; Available at http://www.mofa.go.jp/policy/oda/data/pdfs/ SAARC countries.pdf (accessed on July 23, 2013).
Table 1: Country-wise total distribution of Japan’s bilateral ODA to South Asia, 2007-2011
(Net disbursements; Figures in US$ million)

<table>
<thead>
<tr>
<th>Country</th>
<th>Loan Aid</th>
<th>Grant Aid</th>
<th>Technical Cooperation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afghanistan</td>
<td>-0.17</td>
<td>2,383.25</td>
<td>307.13</td>
<td>2,690.20</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>-213.47</td>
<td>4,886.56</td>
<td>756.98</td>
<td>5,430.06</td>
</tr>
<tr>
<td>Bhutan</td>
<td>32.55</td>
<td>257.94</td>
<td>138.48</td>
<td>429.00</td>
</tr>
<tr>
<td>India</td>
<td>10,642.46</td>
<td>582.13</td>
<td>532.77</td>
<td>11,757.34</td>
</tr>
<tr>
<td>Maldives</td>
<td>28.71</td>
<td>226.40</td>
<td>60.17</td>
<td>315.24</td>
</tr>
<tr>
<td>Nepal</td>
<td>23.83</td>
<td>1,642.29</td>
<td>582.78</td>
<td>2,248.92</td>
</tr>
<tr>
<td>Pakistan</td>
<td>3,896.62</td>
<td>2076.14</td>
<td>444.83</td>
<td>6,417.58</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>2,736.86</td>
<td>1,406.56</td>
<td>706.81</td>
<td>4,850.22</td>
</tr>
</tbody>
</table>

Source: Ministry of Foreign Affairs (hereafter MOFA), Japan; Calculated by the author from Japan’s ODA, annual reports, various issues.

Table 1 clearly shows that for the period of 2007-2011, the ratio of grant aid from Japan is higher in the case of smaller countries (example as, Bangladesh US$ 4,886.56 million) in the region, while it is minimal (US$ 582.13 million) in the case of India- the regional giant. In terms of loan aid, India receives the highest amount (US$ 10,642.46 million), with Pakistan being next to India (US$ 3,896.62 million).

Table 2: Japan’s ODA Disbursements to India, 2007-2011
(Net disbursements; Figures in US$ million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Loan Aid</th>
<th>Grant Aid</th>
<th>Technical Cooperation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>68.07</td>
<td>9.32</td>
<td>22.49</td>
<td>99.89</td>
</tr>
<tr>
<td>2008</td>
<td>576.48</td>
<td>3.53</td>
<td>19.80</td>
<td>599.81</td>
</tr>
<tr>
<td>2009</td>
<td>484.54</td>
<td>4.50</td>
<td>27.97</td>
<td>517.01</td>
</tr>
<tr>
<td>2010</td>
<td>943.60</td>
<td>1.68</td>
<td>35.86</td>
<td>981.14</td>
</tr>
<tr>
<td>2011</td>
<td>762.46</td>
<td>5.82</td>
<td>28.09</td>
<td>796.37</td>
</tr>
</tbody>
</table>

Source: MOFA, Japan; Available at http://www.mofa.go.jp/policy/oda/data/pdfs/india.pdf

Japan’s ODA to India is one of the important tools to strengthen Japan-India relations set forth by “Japan-India Strategic and Global Partnership.” Table 2 shows a sharp increase in Japanese ODA (loan aid) to India since 2008 reaching up to US$943.60 million in 2010 that had been an insignificant amount of US$ 68.07 million in 2007. In fiscal year 2012 (from April 2012- March 2013) Japan granted ¥39.38 billion as loan aid to the South Asian countries, of which Afghanistan gets the highest amount (¥21.80 billion). At the same time, Japan provides ¥575.73 billion as loan aid to the South Asian countries, of which again India receives the highest amount (¥353.11 billion) with Bangladesh getting the second highest amount (¥166.38 billion). All these figures indicate that in recent years Japan and South Asian nations have developed a fair measure of closeness and understanding.

Until now, a number of contributions of Japan’s aid programs to South Asia have been identified as

“milestone successes.” Indian Prime Minister Dr. Manmohan Singh’s recent visit to Japan is expected to produce many concrete outcomes in the economic field, including the DMIC (Delhi- Mumbai Industrial Corridor), a high-speed railway system in India, ¥71 billion loans for Mumbai Metro Line-3 Project, cooperation in the peaceful uses of nuclear energy befitting their position as strategic and global partners\(^{10}\). In fact, Japan’s active participation in the development of the DMIC project and the successful completion of the CEPA (Comprehensive Economic Partnership Agreement) between the two nations indicate that Indo-Japan bilateral relationship at present is more promising than in the past (Mathur, 2012, P. 70-71). In the transportation and communication sector, for example, the US$ 950 million project of Jamuna Multipurpose Bridge (JMB) -largely financed by Japan together with World Bank (WB), Asian Development Bank (ADB) and government of Bangladesh- is the largest in South Asia and 11\(^{th}\) longest in the world. As a part of its continuous support to develop infrastructure in Bangladesh, Japan committed a loan of US$400 million to the ‘recently-shelved’ Padma Bridge Project (PBP). Despite an anomaly with the PBP, Japan seems to be committed to provide financial, technological and other assistance to develop infrastructure in Bangladesh. Japanese development assistance to Bangladesh has almost doubled in the last few years and recently (on March 10, 2013) Japan has signed the 34\(^{th}\) ODA loan package with Bangladesh for financing four projects worth US$1,029 million-the largest ever (The Daily Star, March 23, 2013). Despite abundant donations from Japan as well as other major bilateral partners and donor organizations, most South Asian countries still have sizeable shortfalls in key areas like poverty alleviation, basic education, public healthcare and environmental hazards. It is, therefore, expected that each individual South Asian nation must serve as a “unique model” in order to convince the Japanese taxpayers who are often anxious about the proper utilization of their money.

2.2 Trade and Investment

Although one of the major factors of Japan’s economic interaction with South Asia is trade and investment, there is no denying the fact that Japan’s ratio of trade and investment with South Asia has been comparatively small, while focus has been on the ODA, as cited before. There is a serious imbalance in Japan-South Asia trade relationship; and in reality Japan’s trade and investment in South Asia is mostly India-centric. It is, however, evident that there is an inadequate effort on the part of South Asia to promote new items to export to Japan (India in recent years seems to be an exception in this regard). Moreover, in terms of value, the rest of the South Asian countries lag behind India and Pakistan in exploring the export opportunities of the Japanese market. In terms of trade, Japan mostly exports machineries, transport equipment (including ship engines), telecommunication equipment, iron and steel, electronics, automobiles, chemical products etc. South Asia’s export-items to Japan mainly include marine products (fish, shell fish, shrimps), frozen foods, iron-ore, petroleum products, gems and jewelry, and non-metallic mineral products from India; readymade garments

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Table 3: Japan’s Trade with South Asia, 2007-2012
(In US$ million)

<table>
<thead>
<tr>
<th>Country</th>
<th>Bangladesh</th>
<th>Bhutan</th>
<th>India</th>
<th>Maldives</th>
<th>Nepal</th>
<th>Pakistan</th>
<th>Sri Lanka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan’s Export</td>
<td>5227.27</td>
<td>64.00</td>
<td>51026.00</td>
<td>44.88</td>
<td>184.06</td>
<td>8718.28</td>
<td>2997.93</td>
</tr>
<tr>
<td>Japan’s Import</td>
<td>2294.87</td>
<td>5.65</td>
<td>32560.00</td>
<td>20.57</td>
<td>40.69</td>
<td>2150.55</td>
<td>1360.18</td>
</tr>
</tbody>
</table>

Note: No data is available for Afghanistan. Data for Bhutan, Maldives and Nepal are not available for the years 2011 and 2012.

Table 4: Japan’s Trade-Balance with South Asia, 2007-2012
(In US$ thousands)

<table>
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<tr>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh</td>
<td>424.18</td>
<td>595.11</td>
<td>496.27</td>
<td>646.09</td>
<td>507.35</td>
<td>263.68</td>
</tr>
<tr>
<td>Bhutan</td>
<td>13.83</td>
<td>18.71</td>
<td>8.61</td>
<td>17.20</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>India</td>
<td>1998.02</td>
<td>2635.00</td>
<td>2602.79</td>
<td>3361.46</td>
<td>4256</td>
<td>3612.20</td>
</tr>
<tr>
<td>Nepal</td>
<td>35.79</td>
<td>39.40</td>
<td>34.75</td>
<td>33.43</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>Pakistan</td>
<td>1306.15</td>
<td>1015.26</td>
<td>781.16</td>
<td>957.18</td>
<td>1241.62</td>
<td>1266.66</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>190.02</td>
<td>164.19</td>
<td>20.87</td>
<td>417.64</td>
<td>668.39</td>
<td>177.64</td>
</tr>
</tbody>
</table>

Note: No data is available for Afghanistan.

(RMGs), shrimps, jute-goods (including carpet), leather and leather goods, and tea from Bangladesh; cotton yarn and woven fabrics, leather and leather goods, sport goods, fish and fish products and petroleum from Pakistan; knotted carpets, textiles, coffee and handicrafts from Nepal; fresh mushrooms (Bhutan’s Shiitake and Matsutake mushrooms are highly priced in Japan) and precious stones from Bhutan; and marine products, mainly tuna from Maldives. In the year 2011, India alone exported ¥543 billion worth of products to Japan and imported ¥882 billion worth of products from Japan.\(^{11}\) At the same time Pakistan exported US$404 million worth of products to Japan, and imported US$1,715 million worth of product from Japan.\(^{12}\) Japan’s trade with South Asia for the period 2007-2012 is shown in table 3 which figures out that between 2007-2012, Japan’s trade volume with South Asia registered a big jump: US$106.70 billion (exports US$68.26 billion, and import US$38.43 billion). However, among the abovementioned volume, Japan’s trade with India alone peaks to US$83.59 billion worth during this period, with Pakistan being the second (US$10.89 billion) followed by Bangladesh (US$7.52 billion) and Sri Lanka (US$4.36 billion). Nepal, Bhutan and tiny Maldives constitute only US$359.85 million worth of trade with Japan during this period.\(^{13}\) It is, therefore, evident from existing data that Japan’s bilateral trade with India has been expanding in recent years, though the scope and

\(^{13}\) Calculated by the author from http://www.jetro.go.jp/en/reports/statistics/
speed of expansion are still limited compared to the Volume with China.

The history of Japanese investment in South Asian countries has not been too encouraging by and large. Despite the much talked about economic liberalization policies vis-à-vis the attractiveness and potential of South Asian markets, Japanese investment have been rather slow to pour in. The very obvious reluctance of the Japanese has stemmed from the fact that they are uncomfortable with South Asia in comparison to the countries of Southeast Asia, due to its lack of basic infrastructural facilities, inefficiency and bureaucratic rules, corruption and overall business milieu (Mathur, 2012, P. 77-78). It is, however, true that comparison of Japanese investment in South Asia with those in China and other Southeast Asian NIEs (Newly Industrialized Economies) is irrational, because the latter are far more alluring to Japanese investors. It is estimated that in some of these countries, Japan has invested in ‘one week’ what it invested in ‘one year’ in all of the South Asian countries. Japan’s investment in Vietnam is a burning example in this regard (Moni, 2007, P. 14). Available data, however, indicate that India receives the majority of Japanese FDI among the South Asian countries. There has been significant Japanese investment in important sectors such as automobile industry, electrical equipment, industrial machinery, trading and the service sectors in recent years (Mathur, 2012, P. 78). For the period 2004-2011, Japan invested ¥1,592.4 billion worth in various sectors in India,\(^{14}\) while US$3.2 million in Pakistan in the year 2012.\(^{15}\) Japanese investors consider Bangladesh as a “lucrative investment destination” due to the availability of cheap labor in Bangladesh. The number of Japanese companies that have invested in Bangladesh has risen to 107 as of April 2011 (JETRO statistics). Economists, however, suggest that to attract FDI from Japan in Bangladesh, South Asian markets should be integrated through regional connectivity (The Daily Star, February 8, 2012). To attract Japanese investment, South Asian countries have to overcome considerable problems, such as easing visa process for the Japanese business people (On-arrival Visa can be issued)\(^{16}\), work permit and favorable financial regulations; ensuring political stability (a burning issue in South Asia); meeting uninterrupted power supply; improving infrastructure and transportation facilities; removing bureaucratic hazards and lessening corruption; training the workers to read the “Japanese Mind” (sincerity, punctuality, honesty, and preferably some basic linguistic capability) with an aim to create better business environment. Japanese businesses also have to keep in view of the relative advantages including cheap and rich human resources, wealth of agricultural products, good infrastructures at some points in the region, growing markets and the flourish of sectors like IT, especially in India.

\(^{14}\) Available at http://www.mofa.go.jp/region/asia-paci/india/data.html#basic.
\(^{15}\) Available at http://www.mofa.go.jp/region/asia-paci/pakistan/data.html#basic.
\(^{16}\) This is also applicable for the Japanese side to ease visa problems for South Asian business people to visit Japan.
3. Emerging Politico-Strategic Relations:

Although the relationship between Japan and South Asia had tended to be centered on economic cooperation, during the visit of Prime Minister Toshiki Kaifu to the region in 1990, as cited before, Japan expressed its intention to broaden and deepen this relationship, comprising political, economic, and cultural fields. This was further strengthened with the visit of Prime Minister Yoshihiro Mori\(^{17}\), one decade after Kaifu’s visit. This visit was made in the light of the region’s expanding importance for Japan to promote relationships of friendly cooperation in various areas, including politics, economics, culture, and personnel exchange (MOFA, 2000). Hirabayashi (2000) rightly opined that South Asia and Japan- “the two ends of Asia”- are inclined to strengthen their ties not only in the economic area but also in the political sphere. Therefore, this section views their mutual cooperation from geo-strategic and politico-diplomatic realms. “With a large population of approximately 1.6 billion and its geopolitical importance, South Asia has been increasing its weight in the international arena, while many countries in the region continue high economic growth” (MOFA, Diplomatic Bluebook, 2012). There is no denying the fact that today South Asia has become a geo-strategically important region to the scope of Japanese diplomatic agenda, and is supposed to grow in prominence in the future. To be more comprehensive:

3.1 Japan and the Geo-strategic Importance of South Asia:

South Asia assumes great importance in the management of global issues because of its sheer size and weight. South Asia covers a vast area equivalent to the whole of Europe, represents more than one-fifth of the world population. Arguably this weight might naturally have an impact on the future of the globe with regard to pressing issues such as human development, energy supply, food production, environmental sustainability, healthcare challenges etc. Japan, in its quest for “responsibility-sharing” in international management, would thus find “it of crucial importance to enlist cooperation and policy coordination with the South Asian countries” (Hirabayashi, 2000). South Asia is to be considered as a strategically key area for Japan’s energy security in the sense that Japan heavily depends on the import of oil from the Gulf region (principal source of Japan’s petroleum). South Asia is located in the mid-way between this region and Japan. A “stable and friendly” South Asia is of vital interest to Japan because the so called “sea-lanes” run through the Indian Ocean, and also South Asia is a gateway to Central Asia- a potential area for natural resources (Hirabayashi, 2000; Gamini, 2006)). In particular, Sri Lanka is of immense geographical importance because it lies in the primary Indian Ocean shipping lanes of big oil tankers. It is in Japan’s vital interest that its relations with the South Asian nations remain stable and warm. Japan is in an advantageous position in its relations with South

\(^{17}\) This was the first-ever visit by any incumbent Japanese Prime Minister to Nepal. In his half-day visit to Nepal Prime Minister Mori received a very warm welcome, with schoolchildren and other citizens lining the streets alone the route the Prime Minister travelled. Because of time limitations, Prime Minister Mori could not visit Sri Lanka at this trip, but his special envoy Hosei Norota visited Sri Lanka with Mori’s message. For details please see, http://www.mofa.go.jp/region/asia-paci/pmv0008/summary.html
Asian countries, because all of the South Asian countries have favorable sentiments toward Japan, and “there is no negative historical legacy in its relations with Japan, and many countries of the region have traditionally been pro-Japan, supporting Japan in elections at international institutions and numerous other occasions” (MOFA, Diplomatic Bluebook, 2008). Therefore, it is important for Japan to nurture close cooperative relations with this region.

3.2 Japan’s Claim of the United Nations Security Council (UNSC) Membership and the Role of South Asia:

Japan’s long-cherished aspiration to become a permanent member of the UNSC remains as strong as ever, but materializing this goal in the near future seems very complicated in the face of strong objections from several corners. In September 1994, Japan’s then Foreign Minister Kono Yohei in his speech to the United Nations officially stated the necessity of the reform of the body, and expressed Japan’s aspiration to secure a permanent seat on the UNSC in order to render the body more representative, legitimate, effective and responsive to the realities of the international community. Japan stakes its claims on the basis of its voluminous budgetary contribution, participation in UN peacekeeping and as an advocate of disarmament (Mathur, 2012; P. 60). What is of the utmost significance is that Japan did not push its case through aggressive politicking but has lobbied in a very discreet fashion. Since 1994 a steady stream of leaders from around the world has supported Japan in this endeavor. Even some of its formerly most distrustful Southeast Asian neighbors now believe that Japan legitimately deserves this commanding position on the UN Security Council. However, Japan needs to stipulate more sedulous action plans, and is expected to leave no stone unturned to cultivate support bases as comprehensively as possible to fulfill this aspiration. Although Japan formed a lobbying group called the “G4” to foster its claim, further cultivation of South Asia is strategically valuable, because Pakistan commands a great deal of clout in a number of Muslim countries and India has justifiable influence in emerging nations because of its active role in the Non-Aligned Movement (NAM). Although it was once a source of embarrassment for Japan that Bangladesh won an Asian non-permanent seat on the Security Council defeating Japan in the process, it could not block the healthy and long-trusted Japan-Bangladesh bilateral relations. Bangladesh’s Prime Minister Begum Khaleda Zia during her visit to Japan in March 1994 supported Japan’s claim for a permanent seat on the Security Council, and since then Bangladesh has been reiterating its support for Japan’s permanent membership in the UNSC.

3.3 ‘China Factor’ and Towards a Stronger Indo-Japan Partnership:

In present-day Asia, we witness three regional giants namely Japan, China and India- popularly termed as “three economic powerhouses of Asia.” China has recently surpassed Japan as the second largest economy of the world. Japan’s political dominance in the East and Southeast Asia is gradually waning because of the

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18 According to 2011 figures, Japan is the second largest contributor to the UN budget among member countries, bearing about 12.5 percent of the total budget. For contributions from all member states, see United Nations Secretariat, Assessment of Member States’ Contributions to the United Nations Regular Budget For the Year 2011.
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Growing inroads by China in the region. It is in this connection in recent years Japan has had a rigorous reorientation of its strategies regarding South Asia with a particular salience to India. For a long time, Indo-Japan partnership was centered on economic matters such as development loans, trade and investment, as mentioned in an earlier section. But in recent years it has diversified to cover a wide spectrum of interests including security, counter terrorism, sea-lanes, energy security and climate change (Kesavan, 2013). Though India’s nuclear testing in May 1998 greatly shocked Japan and drew strong response from Japan sending the bilateral relationship to its lowest point in the postwar period, Prime Minister Yoshihiro Mori’s visit to India in August 2000 was a lubricant for smoothing the bilateral relations (Jain, 2008). Ambassador Hirabayashi’s opinion is of great significance in regard to Japan-India relations. He opined, “India is one of the major actors of Asia. India is a longstanding leader of the developing world, whereas Japan is of the industrialized countries. Both are located in Asia and are considered as leaders of the region. In the future politics of Asia, India and Japan could be strong and reliable partners because both countries fundamentally share such common values as democracy, freedom of press, faith in judiciary and market economy” (Hirabayashi, 2000).

Instrumental, however, among the new-found politico-strategic interests of Japan in South Asia (particularly in India) is balancing against the ‘rise of China.’ In the words of Jain, “Of the many factors pushing the two countries closer, concerns about China’s economic and military resurgence are central” (Jain, 2010). China is growing its presence in South Asia riding on its economic and strategic influence in the region, and satisfactorily invests in all South Asian countries irrespective of their weight. A rising China has security implications for both Japan and India. Both countries have reasons to be concerned about China’s ability to project naval power in the region. For example, opening of a Chinese-built container terminal in Colombo, Sri Lanka recently on August 5, 2013 gives Beijing a vital foothold on the world’s busiest as well as strategic shipping lane. This raises fear and anxiety in New Delhi about Beijing’s rising presence and influence in the neighborhood.

Therefore, China’s growing naval influence in the Indian Ocean, its endeavor to be in a position to secure the SLOCs (Sea Lanes of Communication), and curb India’s growing naval power by its “String of Pearls” policy signals China’s intent in establishing its dominant influence in the region (Mathur, 2012; P. 53-54). Similarly, Beijing’s naval ambitions in the East China Sea region cause trepidation in Japan. Japan in recent years faces tremendous pressure from China in the maritime sphere, particularly since 2010 when a Chinese ship rammed a Japanese coast guard vessel. China’s relentless pursuit of its claims to the Senkaku islands (Diaoyu in China) became far more intense after September 2012 following the purchase of

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19) Prime Minister Mori’s visit set the precedent for visits by his successors Junichiro Koizumi in April 2005, Shinzo Abe in August 2007, Yukio Hatoyama in December 2009 and Yoshihiko Noda in December 2011. From the Indian part, with Prime Minister Mr. Atal Bihari Vajpayee’s state visit in 2001 Prime Minister Dr. Manmohan Singh made record four state visits to Japan in 2006, 2008, 2010 and recently in May 2013.
20) New Delhi, however, has reasons to be worried because Chinese loans and expertise were instrumental in the construction of another deep sea port in the Southern Sri Lankan city of Hambantota which opened in June, 2012. Also China is building a US$14 million “dry port” in the Nepalese city of Larcha near Tibet and is trying to enhance its presence in Myanmar. It earlier funded and built the Gwadar port in Pakistan suggesting ‘a large connectivity in South Asia’ (The Times of India, August 6, 2013).
three of the islands by the Japanese government (Kesavan, 2013). Japan, therefore, strategically perceives India as a valuable counter-balance to China. Another important factor fostering Japan-India politico-strategic relations is the perception of Washington towards India. With the end of Cold War the U.S. subsequently recognized India as an emerging power of the 21st century and started to maintain closer bilateral relations with India. This was well-evidenced by the U.S. initiative in engaging India as a “global strategic partner” for the new millennium. Since Japan used to perceive South Asia (India in particular) from the U.S. strategic points of view, Washington’s concerted efforts to boost bilateral ties with India helped bring about a change in Japan’s perception of India as well (Ghosh, 2008; P. 285). It is, however, evident that Japan is committed to “deepen its Strategic and Global Partnership and enhance cooperation in various fields with India… as India has been increasing its influence in the international community as an emerging country” (MOFA, Diplomatic Bluebook, 2012). During Indian Prime Minister Dr. Manmohan Singh’s visit to Japan in 2013 Japanese Prime Minister Shinzo Abe stated that Japan-India relationship had been deepening and expanding based on the “Strategic and Global Partnership” agreed by both of them in 2006. Analysts, however, argue that seemingly India is at the center of Abe’s security thinking and with the inclusion of India in his concept of “Asia’s Democratic Security Diamond,“21 it is amply clear that Japan sees India as a key security partner bilaterally and multilaterally (Jain, 2013). Prime Minister Singh in response to Abe stated that India considers Japan as ‘a natural and indispensable partner in its quest for stability and peace in Asia,’ and views its relationship with Japan as going beyond just economic and development (Kesavan, 2013). The Global Times (a state-run Daily in China), however, sharply comments on Mr. Singh’s Tokyo visit by blaming that Japan wants to strengthen its alliance with India to contain China while India takes advantage of the territorial disputes between China and Japan for economic and technological benefits. The Daily even attacked Japan accusing it of attempting to forge alliances with India and other neighbors to “encircle China”: “Given the long-lasting Diaoyu Islands dispute and China-India border confrontation, there may be some tacit understanding in strategic cooperation between India and Japan”(The Global Times, July 17, 2013).22

3.4 Japan’s Role in the Reconstruction of Afghanistan: Leverage to the Global “War on Terrorism”:

Traditionally Afghanistan forms part of South Asia, Central Asia and to some extent Western Asia or even Middle East, but the inclusion of Afghanistan in the SAARC gives it the level of a South Asian country, as it is already mentioned. Cultural, religious, historical, and diplomatic ties between Japan and Afghanistan were established a long ago, although official relations between the two were established in 1931(Amin, 2007, P. 25). In February 2002, Japan reopened its embassy in Afghanistan to contribute to the peace and

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21 The new security diamond, in the words of Abe, is “a strategy whereby Australia, India, Japan, and the US state of Hawaii form a diamond to safeguard the maritime commons stretching from the India Ocean region to the western Pacific” (Quoted in Hoshino, 2012). It is, however, reasonable to believe that with China’s growing naval postures, it aims to “hedge” China on one side while protecting the freedom and prosperity on the sea including the security of the vital sea-lane of communications on the other side (Hoshino, 2012).

reconstruction process of the country. Japan’s active involvement in the reconstruction process of war-torn Afghanistan gives special momentum to Japan-South Asia relations. The September 11 terrorist attacks in the United States (popularly known as “9/11”) launched by Al-Qaeda compelled the U.S. led forces undertake military operations resulting the fall of the Taliban Regime. Since then the reconstruction efforts in Afghanistan, mostly with the support from the international community, have brought about significant improvements to the country devastated by decades-long conflict. The peace and reconstruction of Afghanistan are vital to prevent the country from stepping back to a hotbed of terrorism. To this end, Japan has been providing humanitarian and reconstruction assistance on one hand, and contributing towards the security of the country on the other. Japan took the initiative of hosting the International Conference on Reconstruction Assistance to Afghanistan (Tokyo Conference) in January 2002, which marked the beginning of reconstruction process of Afghanistan. In November 2009, Japan announced that it would provide assistance of approximately ¥80 billion urgently needed in Afghanistan, and that, shifting up from the existing pledge of a total of approximately US$2 billion, Japan would provide assistance up to an amount of US$5 billion in about five years from 2009. As of April 2012, Japan has implemented approximately US$2.576 billion (¥248.9 billion) of assistance based on the assistance package (MOFA, 2012). At the ‘Tokyo Conference on Afghanistan’ held on July 8, 2012 it was emphasized that Japan had been playing a leading role as the second largest donor behind the US in development assistance to Afghanistan, providing financial assistance totaling US$3.3 billion till the end of 2011. Based on its past experience Japan announced that it would provide up to around US$3 billion of assistance to Afghanistan in about 5 years from 2012 in the field of socio-economic development and enhancement of security capacity, and expressed its intention to continue to provide contribution to the Afghan-led nation-building efforts even after 2017. Moreover, in order to further strengthen regional cooperation between Afghanistan and its neighboring countries, Japan announced that it is implementing projects worth around US$1 billion in neighboring countries, and through these projects it would support the development of the corridor (regional connectivity) which goes across Afghanistan from Central Asia to Karachi in Pakistan. Japan, through long-term coordination efforts as a host nation, was able to secure commitments from the international community for strong support totaling over US$16 billion till 2015, as well as commitments from Afghanistan in the areas of development and governance. Thus, Japan managed to demonstrate its presence in the international arena by newly established Tokyo Framework (MOFA, 2012). Japan considers that the maintenance of stability in Afghanistan will support peace and stability in the South Asian region as well as the Middle East and Central Asia, and will contribute to the eradication and prevention of terrorism in the international community.

The stability of Pakistan is one of the most vital issues for the entire international community. Therefore,

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Japan encourages its own efforts towards peace and stability of the region and continues its cooperation mainly in economic areas. In this regard, in April 2009 Japan hosted the Pakistan Donors Conference and in November announced a new assistance package to Afghanistan and Pakistan as a new strategy to support counter-terrorism. Moreover, in acknowledging the importance of South Asia, Japan engages in proactive diplomacy in multilateral frameworks and also actively supports the SAARC (Japan’s relations with the SAARC will be discussed in the following section), placing emphasis on democratization and peace-building, promotion of regional connectivity, and people-to-people exchanges, as the three pillars of its support efforts. (MOFA, Diplomatic Bluebooks: 2010, 2012).

4. Strengthening Japan-SAARC Collaboration:

Japan was very encouraged by the formation of SAARC in 1985 aspiring to see multilateral cooperation in trade, investment and social sectors ushering in confidence and trust in a region of conflict and mistrust (Rahman, 2007), and termed it as ‘a major regional development’ in South Asia (Diplomatic Bluebook, 1986). Since the very inception of SAARC, Japan extended helping hand to the organization. In his address to the Indian Parliament on April 30, 1990, Prime Minister Kaifu presented his country’s vision of “building a new world through cooperation” and offered formal cooperation between Japan and SAARC (The EIR, May 25, 1990). Analysts, however, expected that Kaifu’s offer of formal cooperation between Japan and SAARC would foster multilateralism and regionalism (two important features of Japanese foreign policy) in the South Asian region, act as an initiative to revive the organization and would elevate it to the same level as the ASEAN. MOFA’s Southwest Asian Division pronounced Kaifu’s visit as ‘the first by a Japanese Prime Minister to the region,’ not to a specific South Asian country. Kaifu’s speeches also referred repeatedly to the South Asian region rather than to a single country of the region.25) Prime Minister Kaifu, following his visit to South Asia in 1990, also initiated several measures to promote wider exchange and better understanding between the two sides. Towards this end, a platform named “South Asia Forum (SAF)” was established within the MOFA in the following year with a view to promoting relations with South Asian countries. The forum, however, later became ineffective because of Tokyo’s increased attention to other parts of Asia. Kaifu’s “New Asia Doctrine,”26) however, is widely considered as the ‘cornerstone’ of Japan-SAARC cooperation.

To reinforce the activities of SAARC and implement a variety of support and exchange programs, Japan established the Japan-SAARC Special Fund (JSSF) on September 17, 1993 — the only financial support until

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26) Core of Kaifu’s “New Asia Doctrine” rests on the promise of increased aid which is based on three pillars: (1) strengthening cooperation, and political and economic dialogue to achieve peace; (2) expanding official development assistance; and (3) promoting international cultural exchange (See EIR, May 25, 1990).
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now as the first and sole fund financed by a non-member country from outside the region (MOFA, 2009). In fact, the JSSF symbolizes Japan’s financial contribution toward the organization to encourage intra-regional cooperation between SAARC member states and intellectual exchanges between Japan and members countries of the SAARC (Shimizu, 2006, P. 61-62). Utilization of Japanese expertise in selected areas such as in disaster management, trans-border transportation, and energy projects are the priority areas of JSSF (Malik, 2009; P. 161). Japan’s financial contribution to the fund during 1993-2002 stood around US$4.2 billion. In 2007, Japan contributed another US$7 million to the JSSF.

Japan’s relations with the SAARC vis-à-vis South Asia further strengthened with the decision to grant observer status to Japan along with China at the 13th SAARC Summit held at Dhaka, Bangladesh on November 12-13, 2005, resulting in fast growth of economic and cultural relations between Japan and South Asian countries (Malik, 2009, P. 162). Japan’s MOFA voiced gratitude over its entry in the SAARC as an observer, and expected that in order for Japan and the SAARC to run really together, people to people exchanges should come atop the priority list. In his speech at the 14th SAARC Summit, Foreign Minister Taro Aso said that Japan attaches great importance to its relationship with South Asia, which, according to him “makes up the central pillar of the Arc of Freedom and Prosperity.” Mr. Aso emphasized on the three areas of cooperation, namely, 1) democracy and peace-building; (2) promotion of regional connectivity; and (3) promotion of person-to-person exchanges in his speech.27 At the 15th SAARC Summit in Sri Lanka in 2008, then Foreign Minister Masahiko Koumura communicated a message that also incorporated specific measures of support for the SAARC in the above three areas. He particularly emphasized on “connectivity” as a means to bring the rich potentials that South Asia enjoys to fruition.28 SAARC’s statement of its transition from the “declaration phase” to the “implementation phase” of its objectives (15th SAARC Summit) encouraged Japan who “has been single-mindedly focused on assisting SAARC in its development.”

5. Concluding Remarks

Following a marked period of historical warmth and connectivity in the immediate postwar period, Japan and South Asia have ignored each other during the Cold War era. This made scholars to term Japan and South Asia as ‘Distant Asian Neighbours.’ It is argued in this paper, that the distance is not born simply of geographic location but of economic, political and social experience. By the end of the Cold War, South Asian region witnessed significant development in their relations with Japan, and Japan emerged as the biggest donor to all


28 Retrieved from the statement by Mr. Masahiko Koumura, Japan’s Minister of Foreign Affairs, at the 15th SAARC Summit held in Colombo, Sri Lanka, August 2, 2008. Available at: http://www.ioc.u-tokyo.ac.jp/~worldjpn/documents/texts/exdfam/20080802.S1E.html
the South Asian countries. Toshiki Kaifu’s landmark visit to South Asia in 1990, Prime Minister Mori’s 2000 visit followed by the visit of Prime Minister Junichiro Koizumi to the region in 2005 laid the foundation of present day strategic and global partnership between Japan and South Asia. Although Japan-South Asia relations seems promising than before, “still it is not deep enough and the ‘distant image’ still lingers in many quarters.” For example, Cultural ties are the weakest link in the chain of the relationship. Japan’s sponsor for Japanese language and Japanese studies in South Asia are minimal in comparison to those in East Asia and Southeast Asia. A similar diminutive proportion of allocation can be seen in the exchange of personnel. Some Japanese NGOs (Example as “Shaplaneer”) are working in South Asia, but their activities are not that widespread because of limited budget, lack of resources etc. At the level of popular culture, too, Japanese influence in South Asia is very low. The Japan Foundation sponsors NHK dramas in some South Asian countries, but the diffusion rate is very low compared to East and Southeast Asian countries where Japanese TV dramas and cartoons are very popular. Therefore, there are more to be done on both sides to strengthen cultural ties. Japanese studies remain very minimal in the whole South Asian region. A 2009 survey report shows that the number of students studying Japanese language in South Asia totaled 14,075 of whom India alone had 7,400, while Sri Lanka being the second totaling 5,634. At the same time, an estimate of 1.7 million students studied Japanese in East Asia, with Southeast Asia totaling 821,121. There are a few recognized centers/institutes for Japanese studies in South Asia whose standard and level, however, vary a lot. Therefore, it is desirable to establish a regional Japanese Studies Institute in one of the SAARC countries to accelerate Japanese language studies in the region. As a part of Japan-SAARC cooperation, Japan can also consider funding a Department/Center for Japanese Studies in the newly founded SAARC University, New Delhi under the Japan-SAARC Special Fund (JSSF). A good number of researchers and scholars from South Asia are studying/working in Japan under the financial support of the Japanese government. They are expected to become good channels of communication between Japan and South Asia. It is true that the migrant workers from South Asia used to do mostly the “3-K- kitanai, kiken and kitsui ( 3 D in English: dirty, dangerous and difficult) Jobs” in the 1990s; but time has changed. Now a good number of South Asian nationals (particularly from India) are working in the IT/Telecommunication sectors, renowned research institutes, in MNCs (Multinational Companies) in Japan, thus, helping to repair the image of South Asia among the ordinary Japanese. Followed by Koizumi’s 2005 visit to the region, Japan’s MOFA instigated to create a special “South Asia Department,” designed to coordinate diplomacy with India, monitor China’s growing regional influence, focus greater attention on Pakistan and other South Asian countries. This initiative, however, did not come into fruition. Now that Afghanistan has become a SAARC member state with Japan being an observer along

29) Professor Purnendra Jain in an e-mail conversation with this author on August 13, 2013.
30) Available at http://www.jsf.go.jp/e/japanese/survey/result/survey09.html
31) This author gratefully acknowledges the financial support the Japanese Government provides him under the Monbukagakusho Scholarship Program in pursuing his higher studies in Osaka University.
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with China in 2005, the geo-political locus of South Asia underwent a sudden change. Therefore, it is highly desirable that the MOFA would revive the ‘shelved project.’ Japan-India Strategic and Global Partnership also gives some clout in this connection. Prime Minister Shinzo Abe during his tenure as the Chief Cabinet Secretary in the Koizumi administration remarked that it would not be surprising if, in another 10 years, Japan-India relations overtake Japan-US and Japan-China relations (Quoted in Moni, 2007). Seven years have passed since Abe made this ambitious comment on Indo-Japan bilateral relations. Mr. Abe is the Prime Minister of Japan now. Therefore, a more positive phase is expected in Japan-India vis-à-vis Japan-South Asia relationship during his current regime. Similarly, the political leaders of South Asia are expected to prove them as visionary leaders with true will and changed mindset with an aim to attract a greater share of trade and investment inflows from Japan. They should realize that the region desperately needs a greater integration and connectivity to marshal its resources in stimulating development. More importantly, India’s sheer size, large population, strategic location, sustained economic progress in recent years, technological excellence globally and above all diplomatic activism made her increasingly important not only to Japan, but also to the rest of the world. This author, therefore, expects that growing Japan-India multifaceted partnership would work as a “gear” to reinvigorate Japan-South Asia relations without confining it to narrow sectors.

References