

Indian Ambassador to Japan, Deepa Gopalan Wadhwa

Now Is the Time for a Sustainable India-Japan Partnership

Shared Cultural & Economic Histories & New Directions

By Naoyuki Haraoka & Mukesh Williams

Nine months ago Deepa Gopalan Wadhwa was appointed India's ambassador to Japan. On Feb. 27, 2013, *Japan SPOTLIGHT* discussed with her issues relating to the future of cultural, academic, scientific and economic ties between India and Japan, especially in the areas of the performing arts, academic exchanges, a free trade agreement (FTA), foreign direct investment (FDI) and the Comprehensive Economic Partnership Agreement (CEPA). As an emerging Asian leader, India can be both a valuable friend and partner to an industrially advanced nation like Japan.

Haraoka: Could you please tell us about your first impressions of Japan? What are your expectations of Japan *vis-à-vis* the Japan-India partnership?

Ambassador Wadhwa: I have been in Japan for seven months and they have been both memorable and valuable. I came to this country in an important year which happened to be the 60th anniversary of the establishment of diplomatic relations between India and Japan. Japan is a special place as far as natural beauty and culture goes. The people are extremely friendly, helpful, and considerate. I feel there is a lot of goodwill towards India in the positive responses from people on the street to people in the highest offices.



Deepa Gopalan Wadhwa, Indian Ambassador to Japan

The Buddhist Connection

Williams: What do you think of the human exchanges between India and Japan over the centuries?

Ambassador Wadhwa: In terms of historical connections the coming of Buddhist scholar Bodhisena and the "Opening of the Eyes" ceremony at Todaiji in 752 was significant. I visited this temple on the second day after my arrival in Japan and I thought it was a blessing for me to have started with Lord Buddha. There is a connection beyond Buddhism as well. Three out of the seven lucky gods of Japan are of Indian origin. We were a lot in each other's consciousness even if we cannot find many historical markers today. Though no clear historical records exist, people in Japan knew India as the land of Buddha and people in India knew Japan as a land of great beauty. I have just returned from Nagasaki, a city which had strong trade connections with India during the Mogul period

especially through the Portuguese and Dutch merchants dealing in copper, spices and textiles. In 1894 a Hindu religious leader Swami Vivekananda went to Chicago via Japan to attend a conference on religion. Upon his return he wrote a letter in which he exhorted Indian youth to spend some time in Japan and learn from its discipline, dedication and scientific inquiry. In 1903 the Japan-India Association was established, apparently the first Indian association of its kind with any foreign country. Since then the association has been led by eminent Japanese leaders such as Japanese Foreign Minister Yoshio Sakurauchi and the present chairman, former Prime Minister Yoshiro Mori. After India's independence, Prime Minister Jawaharlal Nehru came to Japan in 1957 and Japanese Prime Minister Nobusuke

Kishi visited India in 1958 and announced assistance for India's development. India was the first country to receive yen loans from Japan and we have since been one of the largest recipients of yen loans for which we are very grateful. Now we have about 23,000 Indians living in Japan. There were Indian traders settled in Yokohama and in Osaka but now a new wave of IT professionals are coming to Japan. Japanese professionals are also going to India. In the last three years we have issued about 10,000 employment visas to Japanese to work in India. So it does reflect a new trend.

Williams: You mentioned that during your seven months you have found many lovable things about Japan. Young Japanese would be interested to know one or two things that you really love about Japan?

Ambassador Wadhwa: I think it's the people. We are taught in India that it is important to be conscientious, to put duty ahead of

everything and do a job with perfection but if there is one country that lives out the message of the Bhagawad Gita about dedication to duty it is Japan. The other thing is that people are quite considerate, something we are losing in the hurry of modern life. So though Japan has modernized it has not lost its basic cultural values, something that not only me, but our leaders including former prime ministers Indira Gandhi and Rajiv Gandhi perceived and commented upon. They said Japan was a good model for India's development where modernization and civilizational values could co-exist.

A Win-Win Economic Partnership

Haraoka: India and Japan are now consolidating an economic partnership beginning with an India-Japan FTA or with the CEPA. How would you like to develop this partnership?

Ambassador Wadhwa: An important part of our economic relations has been the yen loans which helped in the economic development of India. At present there are three major infrastructure projects in India on the drawing board which will be transformational in nature — the Dedicated Freight Corridor, the Delhi-Mumbai Industrial Corridor and the Chennai-Bangalore Corridor being undertaken with Japanese assistance. We have never had such massive infrastructure projects in India before. Seven new planned cities together with industrial hubs will arise in India. This will attract more Japanese companies to invest and set up businesses. There is also keen interest in introducing Shinkansen technology in India. We are keen to make India a manufacturing hub for Japanese companies and become part of the supply chain linking Japan, Southeast Asia, West Asia and Africa.

After the Indian economy opened in 1991, the nature of our economic interaction with Japan underwent a change. Trade and investment were added as new pillars of our economic engagement. Now we have many more Japanese companies entering India. At this point we have almost 1,000 Japanese companies in India and about 10 new companies set up businesses there every month. So FDI is growing which comes along with the transfer of technology. It is a win-win situation for both as Japan targets the immense Indian domestic market. You mentioned the FTA or CEPA which envisages a close relationship in terms of trade, investment, and movement of people. After its enforcement bilateral trade grew by about 17% year on year. There are also about 60 to 70 Indian IT companies operating in Japan. We are now looking at cooperation in the field of pharmaceuticals.

Academic Exchanges & Skill Development

Williams: The heart of cultural interaction between the two countries is the student exchange programs. What is your advice in this connection?

Ambassador Wadhwa: Student exchange is one area where we have not done enough. As of now we have about 600-700 Indian students

in Japan. I am very much in favor of enhanced bilateral exchanges among students and scholars as they are the best investment to ensure a sustaining and close relationship between our countries. We have been giving cultural scholarships to Japanese students to go to India and many have come back and started their own centers for teaching Indian dance and yoga, thus becoming extremely good cultural ambassadors for India. Two Japanese universities have set up offices in India to attract Indian students and I hear that a Japan Education Fair has been held to disseminate information about studying in Japan. This is a good beginning. We hope that in the near future the two governments can sign an MOU on education.

There is also the issue of learning about each other by introducing language and country studies in the curricula of the two countries. Some Japanese universities have had centers of Indology for a long time and made a great contribution to serious studies, especially exploring our common heritage. But we also need to study about modern India, especially the economy in Japanese universities. On the Indian side I believe we should introduce Japanese as an optional subject in the Indian school curriculum. As more Japanese companies go to India they will need to recruit people locally and it would be helpful if we have people who already know the Japanese language, management techniques and culture. Further, while everybody talks about the demographic dividend of India that would provide the world with a surplus labor force two decades from now, it is important to empower the young with education and skills. Japan can help us with skill development.

Williams: Japan has signed many MOUs with Indian universities but some are not working. How could we make them functional?

Ambassador Wadhwa: We will be very happy to do whatever we can. Education is very important. Yesterday when I went to Nagasaki they told me two interesting things — they have an Institute of Tropical Medicine in Nagasaki and they already have a tie-up with Indian institutes of tropical medicine in Calcutta and Kerala. They are also conducting radiation risk-related studies. I tell you what happens amongst scientists. You meet at a conference, get to know each other, start exchanging emails and then a project gets started. That's good, but it is not institutional. So when the project is over, it's over. When last week I was in Tsukuba I went to the JAXA Space Center, KEK (High Energy Accelerator Research Organization) and Tsukuba University which all have collaboration with Indian institutions. This is good but we need to do more.

Indian Software & Japanese Hardware

Haraoka: India has a rich resource of IT and biotechnology expertise which is of interest to Japan. Should an entrepreneurial partnership between the two countries be promoted?

Ambassador Wadhwa: Absolutely. You must mention IT where India has strength in software and Japan has strength in hardware. So you

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see we make a perfect marriage. There are studies that show the Indian market for electronics hardware by 2020 is going to be worth \$400 billion. Right now Indian indigenous production is just about \$45 billion. By 2020 the industry would be only \$100 billion in its business-as-usual growth. There will be a \$300 billion shortfall. If we don't start manufacturing in India we will be forced to import and this will be from price competitive countries, not necessarily Japan. It would be good for big electronic companies to go into India for both trade and manufacture. India has a huge growing market plus its geographical position allows you to supply to Southeast Asia on one side and West Asia and Africa on the other. Your strength and our strength can merge and make us IT world leaders. Similarly biotechnology is another area where there is already existing collaboration. And yes, of course, entrepreneurs! Now the whole idea is to go from basic research to application. Here we can learn from the Japanese model of taking research to industry.

Williams: India is now attracting increased FDI. It has a large and cheap labor force and a strong domestic market but also has weak infrastructure, narrow investment rules and restrictive government policies. For a sustainable relationship between India and Japan regarding FDI, what measures do you suggest?

Ambassador Wadhwa: FDI has to be one of the major ways in which we can bring Japan and India together. Unfortunately Japanese annual FDI into India is only about \$2 billion. This is far less than India's potential — lower than the potential of Japan to invest in India and our capacity to absorb. But Japanese FDI to India is increasing. Recently Hitachi had its first board of directors meeting in India and plans to increase its investments and earnings in India three-fold. Also India has a population of 1.2 billion and a growing middle class of 400 million will be great consumers and provide a huge market for Japan.

Williams: Considering Asia as a whole, do you think India-Japan relations will play a vital role in achieving peace and prosperity in the region?

Ambassador Wadhwa: Certainly. I think that Japan and India need to work together to ensure peace and prosperity in Asia. Both of us realize that India and Japan as major democracies stand for peace, which is essential for Asian prosperity. And we have bipartisan support to establish a global and strategic partnership.

Haraoka: You are an expert on China, having been stationed in China twice. Based on your understanding of China what do you think of China-Japan relations today?

Ambassador Wadhwa: I would really not have much to say on the Japan-China relationship but I see a close economic engagement, an interdependent relationship between the two countries. I would like

to quote Prime Minister Manmohan Singh and say that there is enough economic and strategic space in Asia for the growth of both China and India, and we believe this growth must be peaceful.

Williams: Mr. Haraoka would agree with your ideas but there is also a perception that the anxieties about China which India and Japan share can actually bring them closer. What do you think of this point of view?

Ambassador Wadhwa: We call the Japan-India relationship a partnership. I don't think partnerships are directed against anybody. A partnership must mutually enforce each party. So I see intrinsic value in the Japan-India relationship without any angle to it.

Williams: Social issues connected with income inequality and social welfare are important areas to address in Asian countries. But no one country can do it alone. What are the ways in which India and Japan can cooperate to address these twin problems?

Ambassador Wadhwa: The prime responsibility of any country is to ensure economic prosperity. In countries such as Japan which have reached a certain level of development the priority is to ensure that the standard can be maintained in an unfavorable global environment. For countries like India it is development. We still have a large percentage of our population that lives below the poverty line. The asymmetric pattern of development in India calls for steps to ensure a more equitable distribution of prosperity. As two democracies, Japan and India can study and discuss these issues. Further, Japan is already a partner in our economic and social development through its ODA of soft yen loans.

Haraoka: You mentioned that Japan needs to help improve Indian social infrastructure while India can provide Japan with young and smart IT experts. Our society is aging and the young labor force is decreasing. What do you suggest we should do?

Ambassador Wadhwa: Certainly people do talk about the graying society in Japan. But this is happening also in China because of the one-child policy. So the one country which will have a surplus labor force will be India. It may not mean that you have to physically relocate people but you could make India a production hub. This will help both Japanese companies and India. So I think we have to look at models that will help. The CEPA also addresses the movement of national persons, that is, labor should be able to move as freely across boundaries as goods and investments. I'm sure that will happen but it will have to do with supply and demand.

Williams: It is said that when Japanese students go to India they develop positive feelings towards the country and this can change the whole cultural ethos when they become decision makers. What are your

thoughts on this issue?

Ambassador Wadhwa: I have heard that the older generation, maybe 50 plus, certainly know India while those below 30 know far less. The older generation remembers Justice Radha Binod Pal and the visit of Pandit Nehru with warmth. The younger generation is more influenced by the globalizing power of easily emulated cultures. So I talk to students at universities and tell them about job opportunities in an emerging economy, the rich experience they can gather and how they can improve their resume for Japanese companies entering India. Also tourism to India is growing at about 15% per year. Last year we had about 170,000 Japanese who went to India but I don't know whether they were all young people. What is also interesting is that Indians are now coming to Japan. They have become big travelers and big spenders. An important factor in a relationship is people-to-people contact.

Haraoka: Our foundation, working as the Secretariat of the Japan Chapter of the Club of Rome, is keen to protect the environment. We once invited Dr. Pachauri to speak on environmental sustainability. What are other possible ways to promote this interaction?

Ambassador Wadhwa: The global environment is an area where some very exciting work is happening. We have an energy dialogue which is headed by the minister of METI and the deputy chairman of the Indian Planning Commission. We had the 6th round of dialogue last September to look at a variety of issues which decided on a major trade fair in India in 2013 which is going to be exhibiting Japanese environmental technologies. Japan is a leader in energy efficiency and we are already working on climate change, renewables and solar energy technology. India has major coal resources and we want to work with Japan on clean coal technology. There are different aspects of environmental protection, environment-related sciences and biodiversity where we can collaborate. We hosted the last conference of parties of the biodiversity convention. There was a large Japanese delegation and we are looking at where we can collaborate in this particular area. India wants technologies and manufacturing and Japanese companies can invest in India. Services do create jobs but manufacturing ensures many more jobs. We do not want to harm the environment and therefore need to adopt non-polluting environmental technologies early in our industrial processes.

Williams: In the last decade Indian cuisine, mathematics and IT culture have spread in Japan, while origami, Japanese cuisine and the Japanese language have become popular in India. How can we further promote cultural interaction?

Ambassador Wadhwa: I go back to what I said earlier that people-to-people relations are important in coming together. We do have a

history of cultural contacts and we must intensify it. We have teachers from India at our Cultural Centre here teaching yoga and the tabla. We have Japanese teachers who teach dance, Bengali and Hindi. We have to look at different kinds of culture — traditional culture like kabuki and kathakali and popular culture like films and music — to attract youth. We are happy to find that four new Indian films have been dubbed into Japanese and are going to be released in March. One of them is *Three Idiots* which highlights the ways in which the Indian education system pressurizes the young. This is something that Japanese students also experience. Our modern-day Indian music is quite popular in Europe and America. Maybe you will have Indian music in the discos of Japan and Japanese young pop stars in India. I have been telling young people to just go and make friends on the Internet with Indians, and you will find young Indian people are very much like you. India has become a great center for books in English because we have a lot of Indians writing in English. Also there is a rich vernacular literature that can be translated into Japanese. I would love to have projects dealing with academic topics, books, popular culture and performing arts to complete the picture of cultural exchanges.

Haraoka: You mentioned the need for academic exchanges between India and Japan. We are trying to organize an international symposium on global governance where countries like India and China can present their ideas. Would it be possible for you to join us?

Ambassador Wadhwa: Certainly. I would also like more Japanese experts to visit India. We have programs like the DVP or Distinguished Visitor's Program to India and we could also have some members of your foundation going to India and have events organized for them. I found that you had a Japan-US and Japan-Europe event. Please do have a Japan-India event too.

If you look at what Prime Minister Shinzo Abe and Prime Minister Singh are saying, this is the moment for Japan and India and we must utilize it fully. We should now work in areas of mutual strategic interest and this could be global governance, clean technologies or IT. Today India has also become a donor country because of South-South cooperation and we have a significant presence in Africa. So now it is time to work together in new areas of mutual and strategic interest.

Williams: Thank you for sharing your thoughts with us.

Ambassador Wadhwa: Thank you for coming to meet me. **JS**

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