

India's Diplomacy Today & Current Japan-India Relations

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Retreat from Nonalignment

In Indian diplomacy, the age of nonalignment is now a thing of the past. During the Cold War, under its first prime minister, Jawaharlal Nehru, India established a position as a leader of the Third World, leading the Non-Aligned Movement while maintaining its sovereignty by keeping a distance from both the Eastern and Western blocs. After the signing of the 1971 Indo-Soviet Treaty (Treaty of Peace, Friendship and Cooperation between the Republic of India and the Union of Soviet Socialist Republics) by the administration of Nehru's daughter, Prime Minister Indira Gandhi, India leaned more strongly toward the Soviet Union, but nevertheless did not abandon its nonaligned stance.

After the end of the Cold War, however, as India's hard power increased, it put aside the concept of nonalignment and worked to build and strengthen strategic partnerships with the world's major powers, including Japan and the United States, from which it had previously been estranged. In 2012, in fact, under the Indian National Congress administration led by Manmohan Singh, a strategic proposal titled "Nonalignment 2.0" was drawn up by experts close to the administration, which effectively replaced nonalignment with the concept of strategic autonomy.

Multi-alignment & Solidarity with the Global South under the Modi Administration

Since then, under the Bharatiya Janata Party (BJP) administration led by Narendra Modi, which took power in 2014, the concept of nonalignment has not been heard of at all and has been consigned to the past. The new generation's non-Congress administration does not have the slightest sense of nostalgia for nonalignment. In addition, it appears to have cooled on the Non-Aligned Movement, with the prime minister not even attending the Conference of Heads of State or Government of Non-Aligned Countries. On the other hand, India has entered a new stage with the further upgrading of its strategic relationship with Western countries. Looking at the United States in particular, it concluded the Logistics Exchange Memorandum of Agreement (LEMOA) in 2016, the Communications Compatibility and Security Agreement (COMCASA) in 2018, and the Basic Exchange and Cooperation Agreement (BECA) in 2020, and in addition to the military area, the two countries began holding meetings of Cabinet-level foreign and defense officials ("2+2") from

2018. The US also plans to manufacture fighter aircraft engines and build semiconductor manufacturing plants in India. The Quad partnership, a minilateral framework comprising Japan, the US, Australia, and India, also began holding regular summit meetings from 2021, and the four countries have conducted the Malabar joint naval exercises since 2020.

Nevertheless, the conflict between Russia and Ukraine since 2022 has clearly shown that in fact India, and even the Modi administration, is not necessarily part of the Western bloc. Despite repeated calls from the US, Japan, and others, India has avoided criticism of Russia. As the geopolitical situation on India's borders becomes increasingly tense, including ongoing territorial disputes with China since 2020, the 2021 military coup in Myanmar, the return of a Taliban government in Afghanistan, and the sanctions on Iran that have not been lifted by the administration of US President Joe Biden, the severing of ties with traditional ally Russia is not a choice for India.

In addition, India has purchased large quantities of crude oil and fertilizer, which were discounted because they could not be sold elsewhere, from Russia despite the West's economic sanctions. As the West's frustration and distrust of India was increasing, India assumed the G20 presidency from the end of 2022, and during its presidency emphasized the concept of the "Global South". Developed Western countries were concerned only with Russia's aggression, but India objected, saying that developing countries were the hardest hit by sharply higher prices for energy and food resulting from the protracted conflict, and that developed Western countries failed to understand this. Taking this opportunity to avoid criticism from the West and have a successful G20 presidency, India positioned itself as the "voice of the Global South". This was demonstrated by the G20 New Delhi Leaders' Declaration, which India negotiated with assistance from developing countries Indonesia, Brazil, and South Africa in September 2023. Instead of criticizing Russia, the declaration did not mention Russia at all, focusing on developing countries and gaining recognition that they are indispensable partners of developed Western countries. Using its position in this way, India succeeded in getting all of the G7 countries to accept the declaration in its entirety.

This shows that in fact not even under the Modi administration is India entirely dependent on its strategic relationship with the West. India also places importance on its strategic relationships with regional powers like Russia and Iran, which the West views as hostile,

and with developing countries. India today is not part of an alliance with any particular country or bloc, and has not accepted the values and order of developed Western countries. In other words, India has replaced its past solidarity with nonalignment and the Third World with multi-alignment and solidarity with the Global South today.

Rising Nationalism Along with Increased Power

One other unique feature of India's diplomacy today is its increasingly assertive position in foreign relations as an emerging power. India's sense of being a great power has of course not come about unexpectedly or all of a sudden. It has existed since independence, but is becoming increasingly assertive with growing confidence from the fact that India is on track to have the world's third-largest GDP in 2027 and appears certain to become a great power in both actual and nominal terms, trailing only the US and China.

Even more important is the Hindu nationalism ideology of Modi's BJP. The BJP gained a majority in the lower house of parliament (Lok Sabha) in the 2014 general election, and increased this majority in the 2019 general election. In particular, the second Modi administration from 2019 has been working full-scale to establish a Hindu nation (Hindu Rashtra). This has included the revocation of Article 370 of the constitution which granted special status to the Muslim-majority states of Jammu and Kashmir, revising the immigration laws that are the Citizenship Amendment Act (CAA) to grant citizenship to non-Muslim illegal immigrants, and holding a groundbreaking ceremony for the rebuilding of the Ram Mandir Hindu temple at Ayodhya on the site where a Muslim mosque was destroyed in 1992.

There are concerns that this Hindu majoritarianism poses a risk to India's secularism.² Nevertheless, Hindus, who account for close to 80% of the population, and especially right-wing Hindus, enthusiastically support the Modi administration's creation of a Hindu nation, and this gives additional legitimacy to the administration's exclusionary policies. Opposition parties, the media, citizens groups, and others who object to this policy have been thoroughly suppressed, policed, and excluded.

The US, European countries, and others are voicing concerns regarding India's backsliding democracy. India has strongly rejected this criticism, however. At the Summit for Democracy hosted by the Biden administration, Modi asserted that India is the mother of democracy.³ Strongly rejecting criticism, he said that countries with

short histories are in no position to lecture India on what constitutes democracy.

Assertive Diplomatic Stance

The hanging of the Akhand Bharat mural, depicting the territory of the Mauryan Empire that included parts of today's Afghanistan, Pakistan, Nepal, Bangladesh, and Myanmar, in the new parliament House in New Delhi that was completed in 2023, drew protests from neighboring countries who said that it depicted an expansionist India, but the Hindu nationalist organization Rashtriya Swayamsevak Sangh (RSS) welcomed the move. Similarly, India's use of the name Bharat, which means India in Hindi and other local Indian languages, rather than India, to refer to itself to the outside world at the G20 summit can be seen as an outward manifestation of Hindu nationalism.

At the 2023 G20 summit, issuing a leaders' declaration was initially seen as being hopeless, but one was achieved under Modi's leadership. While this elated the Indian public and media, suspicion was being cast on India regarding a major assassination plan. Immediately after returning from the summit, Canada's prime minister made the bombshell announcement in parliament that there were credible allegations that India's foreign intelligence agency, the Research and Analysis Wing (RAW), was involved in the murder of Sikh separatist leader Hardeep Singh Nijjar outside Vancouver in June 2023. Then, in November, Indian national Nikhil Gupta was indicted in the US on charges of conspiracy to murder Sikh separatist leader Gurpatwant Singh Pannun, a US citizen, on the instructions of the Indian government.

While India promised to investigate these suspicions, especially in the case of Pannun, it has denied involvement, stating that this is not the government's policy. At the same time, however, the Indian government expressed its strong dissatisfaction with the fact that separatists whom it had designated as terrorists are being allowed to live freely in Canada and the US. Anonymous Indian diplomatic sources and Indian social media even said that India has the right to do what the US has done (carry out assassinations in foreign countries). India also unilaterally set a deadline by which Canada was forced to reduce the size of its embassy staff in India by half. Bolstered by the self-confidence of being a major power and the outpouring of Hindu nationalism, India today is showing an increasingly assertive diplomatic stance with regard to Western countries.

Japan Distances Itself from the US & Europe

Against the backdrop of this surge of Hindu nationalism in India and the country's increasing authoritarianism, the US and Europe have expressed concern regarding its assertive foreign policy pronouncements and actions, and this has created repeated conflict. In contrast, this does not appear at all in Japan-India relations. There is, of course, the major difference that Japan has extremely few immigrants and there are no anti-Indian separatists living in Japan that India would want to assassinate, but more important than this is the fact that Japan tends not to be as concerned as the US and Europe with regard to India's domestic political issues related to freedom, human rights, democracy, and the rule of law.

It is a fact that in the past, the administration of late Prime Minister Shinzo Abe engaged in value-oriented diplomacy, and Japan frequently reasserted the fact that Japan and India shared the values of freedom and democracy. Nevertheless, unlike the US and Europe, the Abe administration never made demands on the Modi administration with regard to India's suppression and exclusion of minorities through heavy-handed measures like revoking Article 370 and revising immigration laws. Under the current administration of Prime Minister Fumio Kishida there has been no mention whatsoever of value-oriented diplomacy, but instead the administration has put forth pragmatic policies that acknowledge the existence of diverse values around the world and refrain from intervening in that area. On a visit to India in March 2023, Kishida said in a policy speech to the Indian Council of World Affairs (ICWA):

[B]oth Japan and India have unique historical backgrounds. The people of the two countries humbly acknowledge that there are diverse values, cultures and histories on this planet, and that fully understanding them is not an easy task. We are the kind of people who understand intuitively that the best way forward is to respect the other party and cooperate through dialogue. It follows that Japan and India have a great responsibility for maintaining and strengthening "a free and open international order based on the rule of law."⁴

In other words, Japan accepts the fact that India has different values, and is clearly focusing on the joint creation of an international order rather than on India's domestic situation. This can be seen in the Kishida administration's frequent use of the Global South concept since the beginning of 2023, as if in concert with

India. All of the G7 countries except for Japan have been cool to the concept of the Global South, which is unrelated to the values of freedom and democracy, but Kishida has taken the lead in Japan in calling for solidarity with the Global South and with India as its leader. The LDP even established an internal headquarters for Japan-Global South Cooperation in October 2023. There is no question that from India's perspective, compared with the US and Europe, which are frequently looking down on India and calling for it to change its ways regarding things like human rights and media restrictions, Japan does not do this, making it an easier partner to work with.

Political Heat & Economic Cold in Japan-India Relations

Nevertheless, it is difficult to say that the current status of the Japan-India relationship is a special strategic global partnership. In terms of politics and diplomacy, it is true that the leaders of the two countries appear to be actively engaging and exchanging opinions, including at Quad summit meetings. The two countries have signed and put into effect the India-Japan Agreement for Cooperation in the Peaceful Uses of Nuclear Energy, despite domestic resistance in Japan as the only country to have been attacked with nuclear weapons. Japan is especially limited, including by its constitution, with regard to transactions for defense equipment, but is active in military exercises on land, sea, and air, and in exchanges of senior military officials.

On the economic side, however, the development of an economic relationship has lagged, and given the potential represented by two of Asia's major economies – the world's No. 3 economy in terms of GDP (Japan) and No. 5 (India) – it must be said that the economic relationship is not as robust as the political relationship. Even though the Comprehensive Economic Partnership Agreement (CEPA) between Japan and India took effect in 2011, based on public data from India's Ministry of Commerce and Industry, India's trade with Japan during 2022-2023 had grown by only 60% compared with 2010-2011. This is far behind the 185% increase with the US, 97% increase with China, and 96% increase with South Korea during the same period. And even though Japanese investment in India has increased, the number of Japanese companies expanding into India appears to have peaked around 2018. While the number of Japanese citizens living in India has finally begun to approach 10,000, this is only one-10th the number living in China and one-eighth the number living in Thailand, and less than half the number living in Vietnam

and Taiwan. This is clearly an insufficient level considering the size of India's population and economy and expectations for future growth. Even with territorial issues, historical issues, and security concerns, many Japanese companies are active in China, which is Japan's largest trading partner. For many years, the Japan-China relationship has been viewed as political cold and economic heat, but Japan-India ties should be viewed conversely as political heat and economic cold.

The Japanese business world's deep-rooted risk aversion combined with a decisive lack of knowledge and information regarding India are possible factors behind this situation. Major risks include insufficient infrastructure in terms of electricity, water and roads, concerns regarding the securing of skilled workers, and a complex legal framework that differs by state. This means that it will not be easy to earn profits in India, and as a destination for China-risk mitigation, Vietnam and other ASEAN countries tend to be viewed as safer. In terms of the lack of knowledge and information, this is not the case for the entire country of India and is tied to a lack of recognition that things are changing with time and there are areas where it is easy to do business. The lack of research on India conducted in Japan, and the small number of reporters posted to India and the small amount of news being reported from India, have encouraged this tendency of the business world to maintain a distance from India.

Win-Win Japan-India Relationship Needed

Nevertheless, it would be foolish to continue staying out of the Indian market, with its young population and expected "population bonus", out of risk aversion stemming partly from ignorance. For Japan in particular, which will be unable to avoid a loss of national power as its population declines going forward, it is indispensable to make inroads in the Indian market while its advanced technological capabilities are highly regarded.

A border dispute with China during the coronavirus pandemic created a sense of crisis within India regarding supply chains with China, and triggered a move to rebuild those supply chains and make them more resilient. The US, which has promised to build fighter aircraft engines and semiconductors in India, is ahead of Japan in this regard. Even if not in all sectors, it is extremely important that Japan establishes an indispensable position in India in sectors that are seeking Japanese technology.

Even with the US raising objections about human rights in India

and India's dismissal of those objections, the fact that this has not led to a breakdown in India-US relations undeniably shows that India views the US as a country that is indispensable for its own growth. For the US as well, in a sense it needs to say these things as an advocate for freedom and democracy, but unlike when China ascended 30 years ago, in today's world where business and human rights are intertwined, no company can ignore the politics and social issues of countries they wish to enter.

In this sense, Japan still lags. Japan needs to enter the Indian market taking a medium- to long-term perspective and become indispensable to India, while at the same time developing a strategy to encourage India not to deviate from an ideal type of liberal democracy in its internal affairs.

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