

A Sleeping Giant Elephant Awakes

By *Tanino Sakutaro*

TIME passes so quickly. It is already eight years since I completed my posting as Japanese Ambassador to India. Before we arrived, my wife and I had been told all kinds of frightening stories, about scorching summers where the temperature exceeded 40°C, about malaria, dengue fever, cholera, and more. We resolutely flew to New Delhi after having received numerous vaccination shots. The reality was, though, that India was the most unforgettable posting in my more than 40 years of service as a diplomat. For that reason, I continue to do what I can to follow current trends in that country.

India's vast natural areas, its diverse cultures, the huge number of historical remains that reflect a timeless tapestry tracing back to the Indus civilization, the valiant Himalaya.... These are of course unforgettable, but the greatest treasure my wife and I received over the short two and a half years of my posting to India was the boundless warmth and friendship that our Indian friends bestowed upon us. Staying in a foreign land, one does not always expect to have deep and meaningful interaction with the people. At least, that was something one would not expect in the ex-Soviet Union under the iron fist communist rule or in the inward-looking China in the days of Mao Zedong, both countries I was posted to earlier in my career.

■ The Growing Interest in India

Japan's government, bureaucracy and business worlds have become increasingly interested in India in recent years. As always, the greatest shelf space in the international affairs section of large bookstores in Japan is still devoted to books dealing with China-related issues. But of late, however, more and more books on

India are lined up on the shelves, and increasingly magazines feature special issues on India. Speaking candidly, there is a mix of good and bad in the books on China. In some of the more emotionally laden books the author has put in far too much effort, but among the books on India, the majority are of good quality.

One often-quoted report on India is Golden Sachs' "Dreaming With BRICs: The Path to 2050," published in 2003. According to this report: (1) the total GDP of the four BRIC countries (Brazil, Russia, India and China) will overtake that of the G-6 (Japan, the United States, the United Kingdom, Germany, France and Italy) in 2039; and (2) in 50 years from now, China, the United States and India will occupy central stage as the countries with by far the largest GDP, and Japan will be downgraded to join Germany, the United Kingdom and France, among states with mid-level economic powers.

Of course, there are many who chip in with harsh criticism along the lines that looking 50 years into the future belongs to the realm of futurology; that you cannot define a country's place in international society simply by stating the size of its GDP; that we need to examine issues other than GDP, such as a country's technical capabilities, or that we should look at freedom and a country's virtue and dignity. Also, can we say that China's economy will still be all right after the Beijing Olympics and the Shanghai Expo have ended? Or, should there be another war between India and Pakistan, the effects on the Indian economy will be immense. So, the argument goes, we should not be too optimistic and say that the United States, China and India will dominate the 21st century.

What surprised many people about

this report is that it said India would join the United States and China as world leaders in the middle of the 21st century. Goldman Sachs' rationale for such a conclusion was as follows. The key point is that India's demographic profile is a classic pyramid. Accordingly, contrary to the situation in China, India can expect the injection of a large amount of youthful labor into its labor market for many years to come. As a result, there will be firm growth at the 6% level well into the future. On the other hand, the one-child policy in China has resulted in its population structure suddenly reaching the point where the country is becoming an ageing society with fewer young people. As a result, the age pyramid is gourd shaped, with a constriction at the young end, and in time it will come to resemble Japan's mushroom shape. This will make it difficult for China to continue to achieve the 9% annual growth of recent years.

■ The Strengthening of Indo-Japan Relations – a Means of Putting a Check on China?

There are some Japanese, as this is particularly true of our politicians, who sometimes say in front of leading figures from India that Japan intends to strengthen its ties with India as a means of putting a check on China. Perhaps they think that by speaking in this way, people in India will be very pleased. However, the problem is that, from their standpoint, the Indians might be thinking "Is your growing interest in India based on such shallow thinking?" Thoughts of this type should remain unspoken. First of all, from a practical point of view, I do not believe that Japan will be able to strengthen its relationship with India to such a great extent.

Also, there is nothing more annoying to India than to have the pressure of a major country like Japan saying “Will you choose China, or Japan?” On this point, the same is true for ASEAN. In brief, it would be good if Japan could discover the respective merits of strengthening and developing its relationships with both India and China, and calmly pursue those goals with the objective of achieving a more positive, win/win global outcome. Even more – it would be good if we could envisage an eventual Asian collective grouping comprising Japan, China and India. In fact, recently there have been voices in India suggesting that the goal should be to add India to the ASEAN Plus Three grouping (including Japan, China and South Korea), resulting in JACIK (Japan, ASEAN, China, India and South Korea). Admittedly, when we consider Japan’s relations with China and South Korea in recent years, the reality is still unfortunately a long way from such a goal.

India’s Strengths and Weaknesses

The issue of India’s strengths and weaknesses is taken up repeatedly in the books on India that I mentioned above, so I do not want to repeat those arguments here. However, with the objective of organizing the kinds of statements made in this field, I have prepared the following itemized lists.

India’s superior points:

- (1) its huge market, which has not yet been tapped to its full potential (the 200 million-strong middle-class population, with their healthy purchasing power)
- (2) its stable, long-term economic growth
- (3) its excellent workforce, with high-level skills in mathematics and science (IT software, biotechnology, medicine)
- (4) its judicial system

In particular, on the point of the judicial system, people say that the justices of the Supreme Court are incorruptible no matter how much money is laid out in front of them. Society pays them the greatest respect and trust. These justices aim for social reform in India, and on occasions they censure the government and its administration for its negligence, and their judgments sometimes contain specific suggestions on how to compensate for the shortcomings of society. Prefacing my remarks with the caution that one should not go too far, I sometimes suggest to my friends who are Supreme Court justices in Japan that there are things they could learn from how the Supreme Court works in India.

From Japan’s point of view:

- (1) India is a country that shares many values with Japan (freedom and democracy, a market economy)
- (2) it is an important country commanding a key position on the sea lanes from Central Asia to Japan
- (3) it is a pro-Japanese country (the country with which it has the closest friendship is Japan)

India’s weak points:

- (1) its social infrastructure (electricity, railways, highways etc.)
- (2) its bureaucratic system
- (3) social problems including poverty, discrimination against women, and the caste system
- (4) its strained relationship with Pakistan

Of the India’s weak points above, (1) and (3) have tended to improve greatly over recent years. In particular, there has been a swift move to privatization and foreign investment into infrastructure across all areas. In relation to social problems, too, according to what I have heard from those in business, caste is not brought up when hiring. They say that if it were, they would lose the opportunity to

secure high-quality employees. In relation to the untouchables, the least favored group who are totally outside of the caste system (known as the Harijans, whom Mahatma Gandhi referred to as “the children of God”), the government has adopted an Affirmative Action policy, the objective of which is that a fixed proportion of newly hired staff should be members of this class.

On the other hand, in India when the government gets involved in something, it takes too long for consensus to be reached. I would have no objection if I were to be told that this is because of the need for questioning and discussion under India’s system of parliamentary democracy. In this sense, the Chinese know how much discussion is enough, and it is amazing to see how quickly they move forward with things. Naturally, there are times when the solution is somewhat rough.

Conclusion

Today, India’s share of Japan’s total international trade amounts to just 1%, but before the war India was our third most important trading partner, accounting for 10 – 15% of our trade. Going back even further, there was a common expression in Japanese that meant “best bride among three countries.” One of those three countries was “Tenjiku,” or India.

Indians are certainly voluble and strongly self-assertive. They speak bluntly. They are also optimistic about everything, extremely cheerful, and love social interaction. I do not know how many times I heard the expression “no problem” when I was in India. I believe that we Japanese should not keep our distance from these people, and I sometimes feel that it is only by fully engaging with them that our goal of internationalization will become a reality. **JS**

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