

After Abe: Japan's Foreign Policy and its India Engagement

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Summary

Yoshihide Suga has succeeded Shinzo Abe as Japan's prime minister. A foreign policy activist, Abe recognised India's strategic importance and worked tirelessly to take the Japan-India relationship to new heights, giving both breadth and depth as no prime minister before him. Under Suga, cut from the same Liberal Democratic Party cloth as Abe, Indo-Japanese bilateral ties are likely to remain safe. However, Suga's lack of experience in foreign affairs and his focus firmly placed on domestic issues, India may not be top on his list of priorities. India will need to actively leverage the strengths of the Abe-era partnership in order to keep it relevant.

Shinzo Abe Exits

The unexpected resignation in late August 2020 of Shinzo Abe, Japan's prime minister and Liberal Democratic Party (LDP) president, due to illness, surprised many in Japan and around the world. Still with one full year left in his term, Abe became the longest-serving prime minister in Japan's parliamentary history and exceptionally had two stints in office – one short (2006-2007) and another much longer (2012-2020). Abe's exit therefore truly symbolises the end of an era. He developed extensive networks with global leaders, and with some of them, such as India's Prime Minister Narendra Modi, developed close personal ties. As C Raja Mohan observes, "Few modern international interlocutors of India brought the kind of personal affection and policy innovation that Abe did in the engagement with Delhi. For Abe, India was very special."¹

On his resignation, words of praise poured on Twitter handles from world leaders commending Abe for his contribution to their bilateral relations and called him a "true friend" and a "great friend". Modi, in his tweet, addressed Abe as "my dear friend" and acknowledged that due to "your wise leadership and personal commitment, the India-Japan partnership has become deeper and stronger than ever before." The two nations not just deepened bilateral relations but also broadened them through cooperation and partnership in third countries and established mini-lateral frameworks with other like-minded nations.

With Abe's resignation, the world's eyes were fixed on who might be his successor and what might be in store for Japan's foreign policy. The Japanese media named veteran LDP politician and former defence minister Shigeru Ishiba; former foreign minister Fumio Kishida; defence minister Taro Kono; and foreign minister Toshimitsu Motegi as potential Abe replacements. These names had done the rounds in media outlets for some time in the lead up to transitioning from Abe to a new LDP party president in September 2021.

¹ Chilamkuri Raja Mohan, "India and Shinzo Abe's Strategic Legacy", ISAS Brief No. 810, Institute of South Asian Studies, 15 September 2020. <https://www.isas.nus.edu.sg/papers/india-and-shinzo-abes-strategic-legacy/>.

In a surprise move, most of the major LDP faction leaders, including the largest faction of Abe, rallied around Yoshihide Suga for the party presidency and prime ministership. Although the longest-serving chief cabinet secretary under Abe and an influential politician, Suga kept a low profile until early 2019 when he unveiled the new imperial era, named *Reiwa*. This earned Suga the affectionate sobriquet of 'Uncle Reiwa' and made him a popular figure with the Japanese people. However, he was little known internationally because all his cabinet positions related to domestic affairs. Internationally, more familiar Ishiba and Kishida ran for the presidency but lost badly in the contest, as Suga had the vote of five of the seven faction members.

Enter Suga

Suga is not a typical LDP leader and although he served as Abe's right-hand man, he stands in contrast to Abe. Dynastic politics prevails in Japan and Abe was from a most distinguished blue blood pedigree. His maternal grandfather Nobusuke Kishi and grand uncle Eisaku Sato served as Japanese prime ministers (1957-60; 1964-72), and father as foreign minister (1982-86). Close to 40 per cent of Japanese parliamentarians today come from political families and 27 of the 30 prime ministers since 1955 were hereditary politicians. Suga, like Modi, is a self-made first-generation politician. Coming from a humble rural background in northern Japan and without an elite education, Suga moved up, negotiating the highly complicated maze of Japanese politics, climbing steadily from municipal assemblyman to parliamentarian in 1996, and on to a powerful position in the Abe government before clinching the top post.

Although not a member of any LDP faction, the life blood of LDP politics, Suga has mastered the chessboard of politics and the art of inter-factional negotiations. He knew how to break the long-held 'silo culture' of the Japanese bureaucracy, as noted in his 2012 book titled *Seijika no Kakugo: kanryo o ugokase* (Commitments as a Politician: Shake-up Bureaucrats). However, he is certainly out of his depth on matters of diplomacy, admitting his weakness by stating that he "lacks the kind of diplomatic skills that outgoing leader Shinzo Abe has."² Like many world leaders, Modi also tweeted congratulations to Suga on his appointment as Japan's prime minister and expressed his hope "to taking our special and strategic global partnership to new heights."

India in Suga's Foreign Policy Preference Order

India will no doubt remain an important country post-Abe. Suga will broadly follow Abe's well-tested path of foreign policy, although Abe's deep commitment to India and his personal ties with his Indian counterpart may not be the same. Developing personal ties and bonding takes time and effort. Suga has far too many important issues at hand to put all his energies on the India relationship.

Suga's foreign policy lens for now will focus on the United States (US), Tokyo's security ally that underwrites Japan's territorial integrity and sovereignty. With either a second term

² "Japan PM hopeful says he may need help from Abe on diplomacy", *Mainichi Japan*, 13 September 2020. <https://mainichi.jp/english/articles/20200913/p2g/00m/0na/028000c>.

Donald Trump presidency or first term Biden presidency, the Suga government cannot afford to take its eye off the US. In his telephone conversation with Trump, Suga stated that “the alliance with Washington is the cornerstone of peace and stability.”

Other key concerns for Suga will be Japan’s neighbours: the two Koreas and China in particular. Under Abe, relations with South Korea, an ally of the US, deteriorated rapidly and North Korea remains a serious security threat to Japan. For China, Abe offered an olive branch and even delayed dealing with COVID-19 in order to host Chinese President Xi Jinping in Tokyo in April. The visit did not, however, eventuate as Coronavirus infections rose rapidly in Japan. Since then, tensions between the two have heightened in the East China Sea around the Senkaku/Diaoyu islands, currently administered by Japan which China claims as its own. How the new leader deals with this issue, avoiding escalation will be an uphill battle.

Abe’s signature narrative of the ‘free and open Indo-Pacific’ will continue to drive Japan’s broader foreign policy agenda even under Suga. Here, India becomes a crucial security and strategic asset for Japan. In his telephone call with Modi, Suga reassured Tokyo’s commitment to promote bilateral cooperation in security and economic matters and work with India to achieve a free and open Indo-Pacific.³ Resilient supply chains during the global pandemic and connectivity issues also figured in their discussion.

From Narrowly-based to Broader and Deeper Relations

Japan-India relations for most of the Cold and post-Cold War periods were based on a narrowly-focused shallow economic relationship with low intensity political interactions. Relations were friendly and amicable but lacked breadth and depth. Japan’s foreign aid to India remained a defining feature of the relationship with some direct investment in a selected few industries, such as the auto sector, with Maruti-Suzuki being a great success. Japan’s attention was essentially focussed on China and the Southeast Asian nations with India on the periphery of Tokyo’s Asia vision. An astute Japanese scholar of India commented in the mid-1990s that “Japan and India have long been out of sync, their mutual interests coinciding only rarely”.⁴ Even this thin and outlying relationship reached a nadir in the wake of India’s nuclear tests in 1998, attracting Tokyo’s opprobrium and global condemnation leading to a near breakdown in the relationship.

The crash was quickly repaired with the visit in 2000 of Prime Minister Yoshiro Mori to India. His visit was an inflection point propelling the trajectory of the bilateral relationship upwards. Although Mori was a short-lived prime minister, he had initiated change to the course of India-Japan relations, recognising India’s potential from a strategic perspective.⁵ Mori’s successor, Junichiro Koizumi (2001-2006), kept the Japan-India relations on an

³ “High-speed train, Quad figure in 1st call between Japan’s Suga, PM Modi”, Rezaul H Laskar, *Hindustan Times*, 25 September 2020. <https://www.hindustantimes.com/india-news/high-speed-train-quad-figure-in-1st-call-between-japan-s-suga-pm-modi/story-wAJLBxngXFZ5LnouWv5GHO.html>.

⁴ Horimoto Takenori. 1993. ‘Synchronizing Japan–India Relations’ *Japan Quarterly*, January-March. <https://search.proquest.com/docview/1304282633/fulltextPDF/7CD3CC193A3D4E3FPQ/1?accountid=8203>.

⁵ Mori Yoshiro and Hirabayashi Hiroshi. 2007. ‘Indo o taisetsu ni omou: sono riyu wa: taiwa’ (Dialogue: why India is important), Tokyo: Gekkan Jiyu Minshu, No 657, 28-48i.

upward trajectory, but it was Abe's visit to India in 2007 and his well-cited speech to the Indian Parliament titled 'Confluence of the Two Seas' that laid a solid foundation for further acceleration and growth. Even with Abe's LDP losing power to the opposition Democratic Party of Japan (DPJ) [2009-2011], the bilateral relationship saw a forward momentum with some key agreements including the signing of a comprehensive economic partnership agreement in 2011. The annual summit process between the two nations' prime ministers, established in 2006, continued uninterrupted even under the DPJ administration. When Abe returned to power in 2012, he vigorously put Japan back on the global map and made Japan's engagement with India one of his priority areas.

On his second entry to the prime ministership Abe worked closely with the Manmohan Singh-led Congress government and from mid-2014 even more closely with the Modi-led Bharatiya Janata Party (BJP) government. Today, India-Japan relationship is strategically oriented with defence and security agreements taking centre stage. Even Japan's aid projects in India have a strategic edge to them. Bilateral trade and Japanese direct investment no doubt has seen an upward swing, but as a respected expert on Japan-India economic relations has observed, the India-Japan "economic relationship falls far short of its (India's) potential."⁶

Security and Defence Links

India's strategic potential was recognised early in the 2000s with the establishment of a Japan-India Comprehensive Security Dialogue in 2001; the Joint Statement towards a Japan-India Strategic and Global Partnership in 2006; the Joint Declaration on Security Cooperation between Japan and India in 2008; and the bilateral 2+2 Dialogue between top-level defense and foreign affairs representatives since 2009.

Since a joint declaration on security cooperation in 2008 and the 2009 Action Plan to advance security cooperation, Indian and Japanese defence chiefs visit each other regularly and hold talks on matters of mutual concern, alongside an annual defence ministerial dialogue. The Japan Air Self-Defence Force and the Indian Air Force conduct joint exercises, and since 2012, Japan's Maritime Self-Defence Force and the Indian Navy hold the Japan-India Maritime Exercise.

High-level exchanges take place between Japan's Acquisition, Technology and Logistics Agency and the Indian Department of Defence Production, with active interactions between the defence industries of the two countries. The nations have signed two key defence agreements — on Security Measures for the Protection of Classified Military Information in 2015 and on Transfer of Defence Equipment and Technology — further deepening their security ties.

The 2+2 dialogue between foreign and defence officials put in place in 2010 was upgraded to the ministerial level in 2018 and the new-format inaugural dialogue was held in November 2019 aimed to add momentum to their 'special' strategic partnership,

⁶ "Japan-India Economic Ties: Current Trends and Future Prospects", Kojima Makoto, *Nippon.com*, 20 May 2020. <https://www.nippon.com/en/in-depth/a06702/japan-india-economic-ties-current-trends-and-future-prospects.html>.

particularly in the maritime domain. A major announcement from this dialogue was an agreement to proceed with an India-Japan joint fighter aircraft exercise scheduled to be held in 2020 for the first time in Japan which holds such exercise only with the US, United Kingdom (UK) and Australia.⁷

Importantly and significantly, under Abe, Tokyo shifted from its firm anti-nuclear position to sign an agreement recognising India's nuclear status in November 2016. Notably, India is the only non-Non Proliferation Treaty signatory state with which Japan has a nuclear pact, again underlining Japan's acknowledgement of India's strategic importance and pronounced shift away from its raucous opposition to India's nuclear testing in 1998.

In the final days of Abe's premiership in September 2020, the two countries signed the Acquisition and Cross Servicing Agreement (ACSA) allowing their defence forces to share supplies, such as food and fuel, and reciprocally provide communications and transportation services during joint drills and rescue operations in case of disasters. Interestingly, the provision of sharing ammunition was excluded from the pact, reportedly at India's request. Japan has signed such an agreement only with US and allies like the UK, France, Canada and Australia. India has become Japan's sixth and a first non-Western and non-US-ally ACSA partner. This shows a high level of trust in India as a strategic partner to promote the objectives of Japan's Indo-Pacific vision.

India's position in Japan's defence outlook has gone several notches up. For example, in the 2020 Japan's Defence White Paper, Australia and India were listed as number one and number two defence cooperation partners besides the US as Japan's primary security ally.⁸ Through such thick and dense security networks with India, some have called Japan and India 'quasi allied nations'.⁹ But this is a rather exaggerated view of their defence and security relations; India still is hesitant to be construed as a defence ally of any country, as its official position strictly adheres to strategic autonomy.

Tokyo's Official Development Assistance (ODA) to India has a strategic intent to it. For example, Japan's offer of highly generous terms and conditions for its ODA loans to fund a bullet train project in India is an outstanding example of Japan's contemporary strategic aid.¹⁰ Japan's current and proposed infrastructure projects such as those in India's northeast and in the Andaman and Nicobar Islands are similarly strategically-oriented aid for capacity building in an era of strategic disruption.

⁷ "Joint Statement-First India-Japan 2+2 Foreign and Defence Ministerial Meeting", Ministry of External Affairs, 30 November 2019. <https://www.mea.gov.in/bilateral-documents.htm?dtl/32131/Joint+Statement++First+IndiaJapan+2432+Foreign+and+Defence+Ministerial+Meeting>.

⁸ Defense White Paper Digest, Defense of Japan, 2020. https://www.mod.go.jp/e/publ/w_paper/wp2020/DOJ2020_Digest_EN.pdf.

⁹ "India and Japan to cement relations with new security deal", *Nikkei Asia*, 13 November 2019. <https://asia.nikkei.com/Politics/International-relations/India-and-Japan-to-cement-relations-with-new-security-deal#:~:text=TOKYO%20%2D%20India%20and%20Japan,of%20China's%20rising%20military%20capabilities.&text=Among%20those%20countries%20is%20Pakistan,Japan%20on%20the%20military%20front>.

¹⁰ Purnendra Jain, 2019. "Japan's Foreign Aid and 'Quality' Infrastructure Projects: The Case of the Bullet Train in India," Working Papers 184, JICA Research Institute. <https://ideas.repec.org/p/jic/wpaper/184.html>.

Minilateral Frameworks

Besides their existing bilateral security and defence frameworks, the two nations have also developed a series of mini-lateral trilateral and quadrilateral formats. India-Japan-US and India-Japan-Australia trilaterals, and India-Japan-US-Australia quadrilateral frameworks are some of them. The quadrilateral has been given a new lease of life after its first iteration in 2006 died quietly. In October 2020, the foreign ministers of India, Japan, Australia and the US held an in-person meeting in Tokyo amid COVID-19 and at a time when China's military assertiveness and posturing is on the rise. Addressing the visiting foreign ministers, Suga referred to multiple challenges the international community faces and its effort to deal with the pandemic. He said, "This is exactly why right now it is time that we should further deepen coordination with as many countries as possible that share our vision."¹¹ No joint statement from the Quad meeting was released, indicating a lack of consensus among the member nations. The gathering was more about signalling and messaging of the group's intention to work cooperatively on a range of shared concerns such as territorial security, supply chains, global health and infrastructure issues. Although the 'C' word was not uttered at the meeting, the group's key concern was China whose assertive behaviour is unacceptable to them.

Since 2017, Japan has also been a participant on a permanent basis in a minilateral naval exercise with India and the US. Australia has expressed interest to re-join it after it withdrew from this exercise in 2007 because of China's backlash to the then idea of a quadrilateral security framework. Although Australia has not yet been formally invited to re-join, speculations in the Indian media suggest that Australia may join this naval exercise to be held in the Bay of Bengal later in 2020.¹² If Australia joins the group, then it will be a first significant step towards institutionalising the Quad, which will be vociferously criticised by China, as Beijing did when the group was first proposed in 2007 and the four nations' navies held joint exercises.¹³

Indo-Pacific and Third Country Cooperation

Both Japan and India are committed to creating a rules-based regional order that is open, free and inclusive, without domination by any single power. Through Abe's 'Free and Open Indo-Pacific', and Modi's 'Indo-Pacific Oceans Initiative', both national leaders believe in and pursue policies that promote freedom of navigation, maritime security, and sustainable ocean management.

Regional connectivity is another area where the two nations have sought to cooperate through quality infrastructure projects in third countries, such as in Sri Lanka and in African countries. These projects offer a model of financial and environmental sustainability that

¹¹ "U.S., Australia, India, Japan discuss China's growing power", The Associated Press, 6 October 2020, <http://www.asahi.com/ajw/articles/13793619>

¹² "Australia's participation in Malabar Exercise still under discussion, says U.S. official", Sriram Lakshman, *The Hindu*, 1 October 2020, <https://www.thehindu.com/news/international/australias-participation-in-malabar-exercise-still-under-discussion-says-us-official/article32737903.ece>.

¹³ "India-Australia Relations: Getting over the Quad Blues", Abhijit Singh, *The Interpreter*, 19 June 2017. <https://www.lowyinstitute.org/the-interpreter/india-australia-relations-getting-over-quad-blue> s.

contrasts sharply with some China-led Belt and Road Initiative (BRI) projects that are often dubbed “debt traps” for recipient-states. Although these are good ideas, progress has been slow. For instance, a triangular development plan between Japan and India with African partners was conceptualised as the Asia-Africa Growth Corridor in a joint statement by Abe and Modi in 2016. In contrast to China’s BRI, the plan was to develop sustainable growth corridors from Asia to Africa. But this idea has yet to gather momentum.

From Abe to Suga: Smooth Transition

With the news of Abe’s sudden resignation in late August 2020, Indian media outlets and think tanks such as the Observer Research Foundation and the Manohar Parrikar Institute for Defence Studies and Analyses carried several reports and commentaries emphasising Abe’s legacy to India and his role in redefining India-Japan relations. A retired and highly-respected Indian diplomat rhetorically asked whether India-Japan relations will remain as strong as under Abe.¹⁴ These are still early days but indications are that even with a new prime minister in Tokyo, there is unlikely to be major shifts in the Japan-India relationship. First, Suga’s foreign policy experience is limited and he will depend on his foreign minister, Toshimitsu Motegi, and Nobuo Kishi, the new defence minister (who is Abe’s younger brother adopted into Abe’s maternal grandfather’s family). Motegi served in this position under Abe, and since Kishi is close to Abe’s vision, India will remain of interest to the Suga government. Second, Suga, in his tele-meeting with Modi, confirmed his government’s commitment to the bilateral relationship and expressed his hope to step up cooperation in security and economic areas and contribute to multilateral efforts for a ‘Free and Open Indo-Pacific’.¹⁵ Third, there are solid foundational bases to the relationship; the annual summit process put in place 15 years ago, a platform for the two nations’ prime ministers to meet; and the 2+2 upgraded dialogue at the ministerial level. Japan is special as it is the only country with which India has both an annual summit process and a 2+2 ministerial dialogue. Fourth, the two nations’ shared vision of the Indo-Pacific and grave concern about China’s designs bind them together. Finally, although India is not an ally of the US, New Delhi’s closer strategic ties with Washington are additional reasons for Tokyo, a staunch US ally, to engage India deeply.

Challenges

There are some issues that linger in Japan’s policymaking minds. Japan and India have been negotiating for a long time on the sale of the Japanese amphibian aircraft (US-2) to India. However, the Indian side has dragged its feet because of cost and technology transfer issues and a deal has yet to be finalised. There are also concerns in Tokyo about the timely completion of the bullet train project for which Japan has provided ODA loans at a highly concessional rate. No other country has ever received such a huge amount of aid money on one single project from Tokyo. Furthermore, India’s last-minute withdrawal from the Regional Comprehensive Economic Partnership (RCEP) process was a huge disappointment.

¹⁴ “Abe departs: Will India-Japan relations remain as strong as under him”, Shyam Saran, *Business Standard*, 8 September 2020. https://www.business-standard.com/article/opinion/abe-s-exit-and-future-of-india-japan-ties-120090800033_1.html.

¹⁵ Kyodo, ‘Japans’ Suga, India’s Modi agreed to boost ties in 1st phone talks’, 25 September 2020. <https://mainichi.jp/english/articles/20200925/p2g/00m/0na/127000c>.

to the Japanese policy and political communities. India's participation in the RCEP, in Japan's calculations, was critical to avoid China's domination. Tokyo still hopes that New Delhi will return to the RCEP. Because of such sudden policy shifts in India, the Japanese corporate world's focus still remains on China and Southeast Asia while India sits on the periphery. In the COVID-19 environment, in particular, Japanese companies remain highly sceptical about doing business in India.¹⁶

The Way Ahead

Abe worked hard with both the Singh and Modi governments to place India at the centre of Japan's global engagement. Both Indian prime ministers worked closely with Abe and Abe-Modi relations developed into a unique close personal bond.

However, Suga will focus on consolidating his political position within the LDP's factional dynamics and on winning the next general election which must be held by October 2021. Suga's presidential term expires in September 2021 and he must win the LDP presidency to continue as prime minister or else Japan may face the prospect of a revolving door prime ministers phenomenon observed in 2006-2012. Suga will also concentrate on goings on in the US in this American election year and will attempt to carve out a strategy so as not to be caught in the crossfire of the deteriorating US-China relationship

So, now it is India's turn to do some heavy lifting in nurturing and solidifying bilateral ties. Beyond government-to-government, business-to-business engagement, there needs to develop a more well-rounded relationship. The creation of a more favourable business environment, however, is essential to attracting the attention of Japan's corporate world. In view of the Japanese government's incentives to Japanese companies to consider relocating their operations from China to other destinations and diversifying supply chains, India could obviously be a good choice. One Indian commentator optimistically notes complementarities in India-Japan economic relations that can be leveraged under 'Suganomics'.¹⁷ But reports suggest that most Japanese corporates are looking at Southeast Asia such as Vietnam and Thailand, familiar to Japanese businesses with well-developed infrastructure.¹⁸ Even though it has been argued that India's capacities to absorb capital and technology is limited, India must nonetheless seize on the opportunity presented by Japan divesting its economic interests from China, if it can. While deepening security and defence ties is important and strategic convergence has led to Japan and India cooperating on several fronts, further and faster expansion in economic ties is absolutely essential for the relationship to be an enduring one. The big question though is whether India is up for the challenge.

¹⁶ "The Japanese plan for strategic investment in India", Gurjit Singh, Observer Research Foundation, 31 August 2020. <https://www.orfonline.org/expert-speak/japanese-plan-strategic-investment-india/>.

¹⁷ "'Suganomics' and India-Japan economic ties: A seven-point plan", Jagannath Panda, *Japan Times*, 6 October 2020. <https://www.japantimes.co.jp/opinion/2020/10/06/commentary/japancommentary/suganomics-india-japan-plan/>.

¹⁸ "Japan's push to cut its reliance on China will come as a boon to Southeast Asia", Yuko Takeo and Michelle Jamrisko, *The Print*, 7 August 2020. <https://theprint.in/world/japans-push-to-cut-its-reliance-on-china-will-come-as-a-boon-to-southeast-asia/476814>.

India will need to closely observe Japan's policy rearrangements under Suga in order for it to diplomatically leverage its current strong bilateral ties with Tokyo, to further advantage India's and Japan's mutual interests. This is not going to be easy. But the silver lining to this being that with a Japan-inclined prime minister in Delhi and an Indian foreign minister who has a deep knowledge of Japanese society, a continuing positive direction remains likely.

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