

JAPAN-SAARC PARTNERSHIP

ROY CHOUDHURY



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A Way Ahead

EDITED BY
SRABANI ROY CHOUDHURY

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Japan-SAARC Partnership: A Way Ahead
Srabani Roy Choudhury (Ed)

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PREFACE

This book is the end product of discussions from an international conference held on “Japan-SAARC Partnership: A Way Ahead” by the Centre for East Asian Studies, School of International Studies, Jawaharlal Nehru University and Sasakawa Peace Foundation on November 14 and 15, 2013 in New Delhi.

With globalization, there has been an upsurge of regionalism and as action in international relations shift to Asia, there has been a growing interest in the South Asian region. Strategically placed between South East Asia and West Asia, some of the South Asian Association of Regional Cooperation (SAARC) nations have become critical for energy security as Sea Lines of Communication weave around them. The importance of this region and the interest of the world to use the platform of SAARC to enhance their relationship with it can be gleaned from the fact that all major powers of the world have gained Observer status in this forum with many more aspiring to it.

In his inaugural speech at the 17th SAARC Summit held from 10-11 of November 2011 in Addu City, President Mohammed Nasheed of Maldives called on SAARC leaders to “deepen economic integration and build bridges of co-operation between their countries and people”. He ended his speech on an upbeat note: “The fundamentals of our region (SAARC) are strong. We have young, energetic populations. We live in a region of vibrant democracies, with strong civil societies.”

SAARC as an organization has had a tremulous past. The issues between the member countries are driven by the history of this region and paradoxically, this often has been a stumbling block for a constructive progress. Despite this, since its inception, SAARC has plodded along often tentatively, cautiously and guardedly but diligently; towards creating an environment of cooperation and cordiality between the member nations. The current changes in the international arena and the progress made by other regional entities has provided positive impetus towards this very goal of co-prosperity and today, each of the member states of SAARC realise the significance of this entity and are willing to reap benefits collectively as well as bilaterally from it.

The 14th Summit of SAARC, held on 3 and 4 April 2007, welcomed Japan along with China, the European Union, the Republic of Korea and the

United States of America, as Observers. It was a momentous decision indicating that the leaders of the SAARC nations had collectively become conscious of the significance of the region and were willing to drive SAARC as an entity into new realms of activity. Giving Japan Observer status was not only the recognition that Japan as the most advanced Asian economy could be a resource of funds, technology and skill development; but also for a country like India, an offset to the influence of China.

For Japan on the other hand, due to growing tensions in the East Asia region, securing the Sea Lines of Communication for its energy needs and with the growing influence of China, promoting peace and co-prosperity in the SAARC region has gained considerable relevance. With a relatively young population, a growing economy and slow emergence of political stability, Japan perceives that by engaging with SAARC, it would not only benefit economically but also look to counterbalance the growing influence of China in the region.

For a long time, keeping in focus the potential of this region, Japan has contributed by creating special funds for stability and progress of the countries in this region and programmes like Japan-East Asia Network of Exchange for Students and Youths (JENESYS) to develop human resource. While the help extended by Japan is well appreciated by the quarters that have benefited from it, little efforts have been made towards exchanging views between the SAARC nations on how each of them has harnessed their relationship with Japan. The purpose of the international conference was to promote understanding of contemporary Japan in India and other SAARC countries; to facilitate exchange of researchers/experts/scholars interested in regionalism; to encourage specialists on SAARC nations to study and understand Japan-SAARC relations; to motivate young scholars to develop interest in the concerns of Japan vis-a-vis South Asia and to increase the research and educational level of contemporary Japan in India and other SAARC countries.

The outcome of this conference is this volume in which we have twenty one contributors of whom eighteen, participated in the conference. While the discussions during conference were vibrant, the papers have been a culmination of each author's understanding and their reflection of how this region will shape up in the future. While many of the authors are veterans on the subject, it is a pleasure to see few young scholars making their presence felt by contributing to this book.

This book, "Japan-SAARC Partnership: A Way Ahead" reflects on the role of Japan in this region from various perspectives. Broadly speaking, regionalism, politics, security, economics and use of soft power have been the spectrum on which the authors have contributed. It has been enriched by the contributions of authors from not only India and Japan but also from

Bangladesh, Nepal and Sri Lanka. Discussion of SAARC region is incomplete without gaining some understanding of the China perspective, which has been ably delved into by experts on China.

As the authors began submitting their papers, it was evident that two distinct streams were emerging- ones that looked at the whole region, drawing the interest of all the member states and seeking to understand Japan's role and contribution; and others that looked at bilateral relations between Japan and one of the member nations in either the political, economic or cultural aspect. Two of the authors bring out China's perspective in its engagement with SAARC. The volume has thus been sequenced from the broader perspective of the region and then moving towards bilateral relations between member nations and Japan.

The opening chapter by Lalima Varma titled "Japan's Approach to Regionalism with Reference to SAARC" refers to Japan's foreign policy and its economic and strategic objectives during the Cold War period and after; and reasons for its visible interest and participation in the existing regional groupings such as the ASEAN. Japan's keenness was propelled largely by its interest in protecting its economic interests. Fluctuations in its relations with the neighbouring countries especially China; and most importantly, maritime security called for diverting its attention to look beyond East Asia, and thus spreading to South Asia and SAARC. In playing a meaningful role in SAARC, what kind of challenges and limitations Japan is confronted with, or will be in the future is discussed in detail.

Japan has taken a number of measures for 'peace building' in Afghanistan and Sri Lanka and has assisted Bangladesh, Maldives, Nepal and Pakistan in consolidating democracy. Even so, critics have pointed out that Japan places low emphasis on civil society assistance. When it comes to security concerns, securing Sea Lines of Communications from piracy and other non-state actors remains one of the priority areas for Japan. Constitutional limitations prevent Japan from playing a full-fledged security role for regional peace, and therefore Japan has adopted means other than hard power to promote peace and stability. How Japan has used both hard and soft powers for the security and stability of the SAARC countries is discussed extensively in the second chapter of this book by Shamshad A Khan titled, "Japan-SAARC Relations: Tokyo's Initiatives for Regional Peace, Prosperity and Stability".

While relationship between Japan and any country or region is pivoted on economic exchange, with the SAARC nations, it has the added advantage of a strong cultural linkage, in form of Buddhism. The third chapter by Takenori Horimoto titled "Japan-SAARC Relations: The Political Dimension" draws upon this deep seeded relationship which began by the spread of

Buddhism and extensively explores the specifics of the relationship between Japan and the SAARC region and the various dimensions that currently govern it.

The fourth chapter by H.S. Prabhakar, titled “Extra-Regional Powers in SAARC: Japan” examines Japan’s involvement in SAARC nations and then compares it to the level of its involvement in ASEAN. It reflects that in the recent attempt of reviving the Japanese economy through investment in foreign shores as part of ‘Abenomics’, more investment is flowing into Vietnam, Philippines and Myanmar and eluding the SAARC region. The paper focuses on the strengths and opportunities that exist for Japan in deepening its engagement with the SAARC nations.

While Japan-SAARC partnership is driven by its own strategic and economic considerations, it has progressively involved itself into the realms of SAARC in the turn of the century albeit to counter China’s rising influence in the region. As China surged ahead to the second position in the world economic order and sought a place in the international order, within SAARC nations too, there was a clear divergence between those who welcomed it and those who felt challenged. China’s claim for an Observer status in SAARC was then suitably countered with Japan also being made an Observer. The current move by China to claim membership in SAARC has put India in a very unsettling position, given the plethora of issues between the two nations. Alka Acharya in her paper titled “Perspectives on ‘China’s Engagement with SAARC’ in India” which forms the fifth chapter in this book, brings out the tension, strain and pressures that engulf India due to China’s engagement in SAARC. The chapter explains how China can actually benefit the region as a SAARC member and how that will only draw Japan into a more committed role.

In order to secure its Sea Lines of Communication, and more importantly to secure its oil, Japan has drawn closer to the South Asian region and is engaging bilaterally not only in the area of economics but also strategically. The current issues of Takeshima islands and Air Defence Identification Zone have only furthered Japan’s interest in spreading itself strategically beyond its backwaters of the South China Sea. Given the importance that security is gaining in Japan’s perception of international relations, the sixth and seventh chapters: Tomoko Kiyota’s “Japan’s Security Cooperation with SAARC Countries” and Joshy M. Paul’s “Japan-SAARC Security Relations: A Maritime Perspective” give the reader a comprehensive understanding of Japan’s interest in aligning itself strategically with the littoral countries of the region. Kiyota claims that it “clearly mirrors the imperatives of the changing balance of power in Asia” and infers that over time influence of Japan will expand to countries

like Sri Lanka which is geo-strategically situated in the Sea Lines of Communication. Paul concurs that Japan's interest in this region is derived from the acts of piracy and other crimes in the Indian Ocean and that while the current engagement in security in this region is pivoted on India-Japan relations, its expansion to other nations of this region especially the littoral states of Sri Lanka and Maldives is imperative.

Srikanth Kondapalli brings in China's engagement in SAARC from the perspective of China's western development campaign and "go west" policy in his paper "Knocking at the Himalayan Gates - China's Perspectives on SAARC". He proclaims that "securing Xinjiang against Uighur activism, going beyond the current Tibet imbroglio, and reshaping the regional order, China needs to associate with the SAARC process". It is in China's interest, both in view of its security concern and economic opportunities that "China's official position indicates towards pragmatic and effective cooperation with the SAARC."

No book on Japan's relations with a region or a country is complete without looking into economic relationships. Economic relationship of Japan has always been two pronged. The Official Development Assistance (ODA) which the Government of Japan gives to the developing economies to help better lives and living environment of its people and its investment through private business to help the process of economic development. The growing economy of India, Sri Lanka, and emerging economies of Bangladesh and Pakistan, resulted in rising consumerism providing a huge market of opportunity for Japanese businesses which until now have shied away for a lack of understanding of the pluralistic social structure and a vastly diverse customer base. Srabani Roy Choudhury in her paper "SAARC Nations' Markets: Opportunities for Japanese Business" addresses in detail the opportunities for Japanese companies in the consumer sector, across different sectors while asserting that it requires a substantial understanding of the uniqueness of the sector in which the company operates and also the changing dynamics that the market throws-up regularly. Similarly, Makoto Kojima's paper on "New Dimensions of Japan-India Economic Partnership" is almost a case in point to show-case how India has benefited from its strong alliance with Japan. The paper delves into how the policy of Comprehensive Economic Partnership Agreement (CEPA) has helped attract investment into India and discusses at length projects like the Delhi Mumbai Industrial Corridor (DMIC) and Delhi Freight Corridor. He attempts to draw on the new dimensions of Japan-India bilateral relations and Japanese commitment through analysis of these mega projects and IT off-shoring by Japan into India. Needless to say, this paper can help other member states of SAARC to create road maps for harnessing Japanese investment.

The next two papers touch upon developmental support given by Japan to two member nations, namely Nepal and Bangladesh. In chapter eleven by Ram Chandra Dhakal and Ram Kumar Phuyal titled “An Overview of Japan’s Support for SAARC Member States: With Reference to Nepal” the authors outline the major contribution of Japanese official development assistance to SAARC countries; and its role in the process of their economic development, especially of Nepal, by adapting from available literature of last four decades. The paper then explores and examines the ways in which Japan has been established as one of the major donors to Nepal and concludes that shortcomings of the development process in Nepal, even after receiving Japanese assistance are not only because of the terms of the donor’s aid policy, but also due to the political interventions and fluctuations, and socio-economic environment of Nepal. In the case of aid to Bangladesh, chapter twelve by M. Abul Kashem Mozumder and Abdullah Al Mamun titled “Japan’s Contribution Towards Economic Development and Stability of Bangladesh” gives details of the various contributions of Japanese aid to Bangladesh and how it benefits that country because the aid policy is specifically oriented to the country’s needs. The authors conclude that for Bangladesh to accomplish its vision of becoming a middle income country by 2021, technical and financial assistance from Japan would be indispensable.

On similar lines, chapter thirteen by Mayumi Murayama titled “Shifting Images of Bangladesh in Japan–Bangladesh Relationship” explains that Japan’s interest in Bangladesh has gone through two ‘booms’. The current boom is two-fold: first as a business investment destination, and second as a philanthropic destination especially for the younger generation, who aspire to contribute to social causes. The paper also gives added perspective on the subject of Japan-Bangladesh relations by giving example of the Japanese support to Bangladesh’s garment industry, a critical industry for Bangladesh, being the biggest employer as well as the highest earning sector from exports.

In the next chapter: “Japan-SAARC Relations: Addressing Challenges of Afghan Women” Mondira Dutta provides portraiture of the status of women in Afghanistan and Japan’s commitment to the development process in that country. In her concluding section, she suggests steps that can be taken by Japan, as a member of the international community, to improve the status of women in Afghanistan.

The above chapters have probed into Japan-SAARC relations from regional, political, international and economic points of view. Japan has always had to counter its constitutional weakness of “pacifism” with strong cultural networking. The contribution to betterment of its equation with SAARC nations utilizing its soft power in various forms has been extensively

documented. The fifteenth chapter by Sushila Narsimhan titled “Buddhism: Japan’s Soft Power Tool Towards India” highlights how respect for Buddhism has prompted the people of Japan to give aid or donate generously for many projects on restoration, and how it has cultivated tourism and helped in local development. The revival of the Nalanda University Project by India which has brought together divergent and hostile players of the Asia-Pacific and become a conduit of international cooperation has only furthered the cause of Japan as it generously donates for this activity and promotes its image of a peace loving nation.

While dissemination of knowledge, language and other forms of culture and the absence of any historical baggage helps both countries reflect a positive image of the other, according to Madhuchanda Ghosh in her paper “India-Japan Relations: The Dividend of Cultural Affinity”, the current spate of engagement between India and Japan in other realms of activity, necessitates ‘greater flow of cultural exchanges’ which would then provide ‘an edifice for deepening and for the expansion of India-Japan relations’.

A major source of disseminating Japanese culture is by popularizing its language as it becomes the conduit for people to people exchange not only in language learning but also in other educational fields. Given the importance of the role of the Japanese language in the broader view of bilateral relations, the chapter on “Japanese Language as Soft Power”, by Janashruti Chandra looks at length at the issue of language as a soft power and the advantages of using this soft power to enhance relationship. The last chapter in the book “Japan’s Influence on Sri Lankan Higher Education” by Nanda Gunawardhana and Shanthini Shanmugarajah infers that Japanese language as a tool can help Japan in “supporting democratization and peace building measures” and that “such initiatives will be stepping stones to internationalization from the inward-orientation of its culture”. Apart from discussing the various forms of assistance given by Japan to the higher education sector of Sri Lanka and the growing level of Sri Lankan youth travelling for higher education to Japan, the authors use the Sri Lanka Japan Study Centre as an example of a flourishing relationship. They then go on to prescribe how Japan can employ a more comprehensive engagement in higher education in SAARC nations.

This book has been possible because of the commitment of the authors who have all adhered to the deadlines in spite of their busy schedules. The generous financial assistance by the Sasakawa Peace Foundation for conducting the conference and publishing of this book has been the major reason how we could accomplish our goal. Rani Bopanna with her timely editorial help, contributed immensely towards its successful conclusion. While the above were core contributors to the book, a large number of students who silently

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The book has a variety of perspectives as it has contributions from scholars from Japan and the South Asian region. It is hoped that the view and observations that this book brings out will contribute to enrich future literature on the subject.

April 2014

Srabani Roy Choudhury

1

Japan's Approach to Regionalism with Reference to SAARC

Lalima Varma

Japan's Approach to Regional Groupings: Cold War Era

For almost three decades after Japan regained its sovereignty in 1952 it was more inclined towards maintaining a low profile in international affairs. Japan's position in the world and in the East and Southeast Asian region was rather precarious. Relations with its neighbors, mainly People's Republic of China (China) and Republic of Korea (ROK) and the Southeast Asian countries was far from cordial due to the bitter history which it shared with them. Japan's main focus in the post World War II years was to rebuild its economy which was shattered during the war period. A stable, peaceful and friendly neighborhood was essential for beneficial economic activity. Japan was keen to convince its neighbors that it was aware of its past behavior and would not repeat it. Time and again Japan expressed its determination, 'not to follow the road to becoming a big military power' even though it was economically capable of doing so.¹ Consequently, Japan refrained from taking any initiative which would suggest that it was again reviving its pre war ambition of playing a leadership role in the region. During the pre war period Japan had tried to promote the idea of a 'Greater East Asia Co Prosperity Sphere' by assuming a position of leadership. Japan's prewar expansionist and aggressive foreign policy has not been completely forgotten by the neighboring countries till date. Thus, Japan refrained from supporting or suggesting the formation of any regional organization. Any such idea emanating from Japan would have been received with suspicion by its neighboring countries in Asia.

Another important factor which prevented Japan from being interested in regional organizations was that it was closely aligned with United States of America. During the Cold War era with most countries belonging to one of

the two blocs led by the two super powers i.e. one by erstwhile Soviet Union and the other by US, it was difficult for regional powers to form regional groupings. There were very few regional organizations during the Cold War era. Most notable are the European Community (EU) formed in 1957 and the Association of Southeast Asian Nations (ASEAN) in 1967. Being part of either of the two blocs meant adhering to certain guidelines set by the super powers. With the conclusion of the 'Treaty of Mutual Cooperation and Security between Japan and United States' in 1951 Japan was dependent on the US for its security. Economically too, the US was Japan's most important partner. Thus, Japan's foreign policy during the Cold War era in particular tended to follow the US guidelines. Japan to a great extent tried to avoid any foreign policy decisions which would upset its equation with the US or suggest that it was trying to tread a path in foreign affairs which was not in tune with that of the US.

Another important consideration as mentioned earlier was to protect and promote its economic interests. Japan has been and is acutely aware of the fact that it lacks raw materials and needs markets for its manufactured goods. This vulnerability "seems to have been deeply embedded in the national psyche".² Encouraging formation of regional groupings would mean promoting protectionism and conflict. Yet Japan did not want to be excluded from other regions which could have a negative impact on its economy.

Shift in Japan's Approach towards Regionalism: Early Indications

During the Cold War era although Japan was hesitant to belong to a regional group or promote the idea of a formation of a regional organization, several developments even as early as in the 1970s indicated that Japan had begun to realize the advantages of being a member of regional organizations. Irritants in its relations with the US which had begun to surface since the close of the 1960s and the oil crisis of 1972-73 created an environment which called for review of its foreign policy objectives. Necessity of strengthening ties with neighboring countries became more crucial for Japan. In 1977, summit talks were held between Japan and ASEAN. Soon after that the then Prime Minister of Japan, Fukuda Takeo visited six Southeast Asian countries. In his speech at Manila, Philippines, in August 1977 he spelled out three principles on which Japan's basic attitude towards Southeast Asia would be based: 1. Japan is committed to peace, and rejects the role of a military power; 2. Japan will do its best to consolidate the relationship of mutual confidence and trust based on "heart-to-heart" understanding with nations of Southeast Asia; 3. Japan will cooperate positively with ASEAN.³