



Center for Strategic & International Studies
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CONFERENCE SUMMARY

Bridging Strategic Asia: The United States, Japan, and India

June 28-29 2007

*Center for Strategic and International Studies
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As relations between India, Japan and the United States have evolved gradually over the past decade, the three countries, at both the official and unofficial levels, have begun to consider common interests and potential cooperation on a range of international issues. Indeed, the policy communities in all three countries are just beginning to tear down the conceptual barriers that have divided East and South Asia in their strategic mindsets.

On June 28-29, 2007, the International Security Program and South Asia Program at the Center for Strategic and International Studies, in partnership with the Japan Institute of International Affairs, held a private two-day meeting in Washington, D.C. entitled **“Bridging Strategic Asia: The United States, Japan, and India.”** The objective of the Washington meeting was to bring together a select number of U.S., Japanese and Indian foreign policy and security specialists to address specific issues of mutual interest and potential cooperation between the three nations. A corollary purpose of the initiative was to facilitate contact among a younger generation of experts to build a network that may form the basis for continued interaction and dialogue among the three countries in the future. A follow-up meeting will be held in Tokyo in early 2008.

The June meeting included separate sessions on each country’s overall strategic vision, and perspectives toward China, non-proliferation and energy security. Keynote and lunch addresses were also provided by Richard Boucher, assistant secretary of state in the Bureau of South and Central Asian Affairs at the U.S. Department of State; James Clad, deputy assistant secretary of defense for South and Southeast Asia at the U.S. Department of Defense; Ambassador Ronen Sen, Indian Ambassador to the United States; Sanjaya Baru, spokesman in the Indian Prime Minister’s Office; and Ambassador Ryozyo Kato, Japanese Ambassador to the United States.

Strategic Visions

The first session of the conference focused on each country’s global strategic vision, as well as their respective views of their role in East Asia and their bilateral relations with each other. Each presenter sought to identify where strategic visions coincide.

Michael Green, senior adviser and Japan Chair at CSIS, discussed the strategic vision of the United States in the context of the upcoming presidential election cycle. He noted that next year's election will be largely about foreign policy and that all the major candidates seem committed to the goal of retaining U.S. global primacy. He said he believed that all candidates will be broadly supportive of the U.S.-Japan alliance and the transformation of the U.S. relationship with India given that neither Japan nor India are revisionist powers, and both have an interest in sustaining the neoliberal order.

Heigo Sato, professor at the Institute of World Studies (IWS) at Takushoku University, noted that there are two issues that have shaped the direction of Japanese security policy: 1) the globalization of security policy driven by the rise of transnational security concerns such as infectious disease, terrorism and the environment, and 2) traditional challenges such as China and North Korea. Sato suggested that the rise of China, the infancy of regional multilateralism, and concerns over whether the United States may steadily withdraw from its regional security commitments are shaping Japan's strategic mindset. He noted that these concerns have fueled Prime Minister Abe and Foreign Minister Aso's promotion of "value-oriented diplomacy," which seeks to place greater emphasis in Japanese foreign policy on universal values such as democracy, freedom, human rights, rule of law, and free markets, as well as Japan's adoption of a more assertive defense policy and constitutional reform debate.

Suba Chandran, assistant director at the Institute of Peace and Conflict Studies, noted that from India's independence in 1947 until the end of the Cold War, India's strategic vision was inward looking and guided by non-alignment. This has changed in the last decade with the end of the Cold War, India's rapid economic growth, and the rise of transnational security concerns such as terrorism. He noted that India's strategic vision operates on three levels. India seeks a peaceful periphery in South Asia; cordial relations with its extended neighborhood, including Central Asia, West Asia, Southeast Asia, and China, to meet its energy security needs and the needs of its overseas Indian population; and, on an international level, to shape a new international order, which includes building strategic relationships with the United States, European Union, China, Russia, and Japan to address transnational security issues.

The discussion that followed noted the psychological and cultural distance between Japan and India, which has complicated development of strategic relations between the two nations. Nonetheless, participants highlighted the potential for cooperation between Japan and India in peacekeeping operations, securing sea-lines of communication (SLOCs), energy security, democracy promotion, and United Nations reform, where both states seek permanent seats on the UN Security Council.

Participants also discussed the lack of a neat institutional architecture in Asia due to reasons of geography, and divergent political systems and interests. Instead of an overarching institution, a variety of forums exist where states can build trust and habits of cooperation. Participants noted that the three nations could work together, and in concert with others, to establish the norms and values upon which international responsibility is defined. Given the infancy of regional institutions, participants noted that bilateral alliances continue to serve as the primary providers of public goods and regional security in Asia.

China

The discussion then turned to China. Alka Acharya, chairperson and associate professor of Chinese Studies in the Centre for East Asian Studies at Jawaharlal Nehru University, commented that India's perceptions of China and Sino-Indian relations have been primarily determined by two events – the border conflict in 1962 and India's nuclear tests in 1998. The former ended the idealistic '*bhai-bhai*' (brother-brother) framework of bilateral relations developed during the 1950s, and instead established China as India's single most important security challenge (along with Pakistan), albeit undeclared. Acharya noted that the bilateral relationship is undergoing a process of transformation as Sino-Indian relations develop a comprehensive, multidimensional character in mutual interest. Nonetheless, India continues to be wary of China's emerging relationships with New Delhi's neighbors in the sub-continent, which stand in sharp contrast to the troubled nature of India's own ties with the region. Acharya asserted that Sino-Indian relations are characterized by a major paradox: the noticeably broadening and deepening multi-level engagement and remarkable increase of trade on the one hand, and the low levels of mutual trust and confidence on the other.

Yasuhiro Matsuda, senior fellow at Japan's National Institute for Defense Studies, identified several positives, negatives, and wildcards in the Sino-Japanese relationship. On the positive front, trade and investment, technology transfers, and people-to-people exchanges have promoted cooperation. On the negative front, Matsuda noted history, negative characterizations of each other in the media of both countries, continued tensions in the East China Sea, the Senkaku/ Diaoyutai territorial dispute, Chinese suspicions concerning the Japan-U.S. alliance (particularly in relation to Taiwan), and China's human rights record. He also identified several wild cards that might influence the bilateral relationship, including acid rain and other environmental challenges to Japan emanating from China, and North Korea. On North Korea, Matsuda noted, China's priority is preserving stability on the peninsula, while Japan is more concerned about the nuclear weapons and missile threat from the North, and accounting for North Korea's abduction of its citizens.

Derek Mitchell, director for Asia and senior fellow in the International Security Program at CSIS, noted that contrary to the way it has been viewed from outside, the U.S. policy debate is not framed in terms of engagement versus containment, but rather how to engage China. He noted both encouraging and negative elements in the relationship. Encouraging elements include increasing economic interdependence, common interest in energy, health, environment, counter-terrorism and other transnational security concerns, and cooperation over the North Korean nuclear issue. Negative factors include the currency issue, political values, human rights and Taiwan.

Externally, China has been focusing on "the creation of a favorable international environment" through political and diplomatic stabilization with neighboring countries; promoting economic interaction and regional integration; and promoting cooperative security through multilateral forums. While the debate on whether China is a threat or opportunity continues, there is a general consensus in the region in favor of continued engagement. Mitchell also noted that compared to the United States, China has been giving more attention to the use of soft power as a policy instrument in its long-term thinking and planning. Apparent if subtle strategic competition is also occurring as China seeks to promote its values of non-interference to

counter U.S. promotion of values worldwide, which Beijing views as potentially a fundamental challenge to its own political system.

An Indian participant added that Beijing's strategy seems to be one of neither complete collaboration nor uncompromising opposition to the U.S. China's chief strategic objective is to regain its status as one of the dominant global powers through the continuation of communist party rule, which requires preserving and enhancing its legitimacy through the creation of a "harmonious society" and maintaining high growth rates, raising living standards, and preserving social stability. As such, China's road to "democracy with Chinese characteristics" remains uncertain; a Japanese participant noted that China will be a great but unstable power without democracy for the foreseeable future.

In a discussion about China's future goals and strategic intentions, Mitchell noted that during its imperial period when China was insecure internally, normally during the initial phase of consolidation, Chinese emperors sought to play defense by pacifying its periphery to maintain a peaceful external environment so it may focus its energies inward. When China's central leadership had consolidated its rule and maintained a degree of security internally, however, Chinese emperors had sometimes taken the offensive along its perimeter, expanding the empire. Mitchell noted that this history does raise questions about China in the future, adding that when China says it has never engaged in territorial expansion historically, the question then becomes what China considers its territory.

On the issue of U.S.-Japan-India trilateral cooperation, participants agreed that the three states should promote common views in their engagement with China. They emphasized the need for the three nations to establish common norms and interests upon which they may engage China both bilaterally and multilaterally.

Non-proliferation

During a session on non-proliferation, participants noted that Japan, India, and the U.S. each have different "nuclear baggage" from their unique histories that informs how they view related issues.

Nobumasa Akiyama, associate professor at Hitotsubashi University's Graduate School of International and Public Policy, noted that the foundation of Japan's nuclear policy rested on three pillars: disarmament, non-proliferation, and peaceful use of nuclear energy. Hiroshima/Nagasaki, the Oil Shocks in the 1970s, and the threat posed by North Korea and China's nuclear capabilities provide the context for Japan's thinking on nuclear issues, Akiyama said. As a result, while Japan's remains a staunch supporter of the nonproliferation regime, its civilian nuclear energy program is the largest among non-nuclear weapons states.

Lawrence Prabhakar, associate professor in the Department of Political Science at Madras Christian College, commented that India's perspective on the nuclear issue has been shaped by its presence in a region of instability and asymmetric conflicts: "a failing state with nuclear weapons – Pakistan" and the "A.Q Khan nuclear supply-chain network." India's concerns about the systemic weakness of the global nonproliferation regime, Prabhakar said, are a result of the rise of violent non-state actors, e.g., al Qaeda; their linkages with "brinkmanship"

states, i.e., Pakistan; and secondary proliferation as a result of China's past involvement, particularly with regard to Pakistan, Iran and North Korea. Prabhakar noted that despite never signing up to the Non-Proliferation Treaty and thus the non-proliferation regime, India has been a responsible player in harmonizing its domestic laws to conform to international standards while maintaining its strategic autonomy.

Participants noted that India's changing status within the nuclear nonproliferation regime presented the international community with a dilemma. Jon Wolfsthal, CSIS International Security Program Fellow, noted that while it is clear that nuclear weapons are connected to India's identity as a modern powerful state, this conflicted with its traditional views on nuclear disarmament. Nonetheless, Wolfsthal noted, India's new nuclear status requires that New Delhi help handle international non-proliferation challenges and reform multilateral institutions dealing with non-proliferation. Notably, on the issue of Iran, India seems to be in a dilemma as it is opposed to another proliferant in its neighborhood but also desires to maintain its strategic autonomy and close relationship with Tehran, including to meet its energy security by importing Iranian natural gas. Wolfsthal added that the U.S. position on nonproliferation is undergoing a "radical transformation," with a shift from a belief that any proliferation is a threat toward a policy of recognizing "good" and "bad" types of proliferation.

The discussion on India's role within the nonproliferation regime led to a general discussion concerning India's debate whether to maintain its traditionally strict notion of national sovereignty or whether to accede to norms and agreements within the international system that will require relinquishing its sovereignty to a certain degree. Participants agreed that India seemed to be moving towards integrating itself, but that old habits and ways of thinking remained strong in the country, and will die hard. The issue went to the core of whether India can think anew about itself in relation to the world, and become a partner with countries such as the United States and Japan in dealing with global challenges, or whether it will continue to constrain itself due to lack of self-confidence and suspicions about the world around it.

While participants noted common positions on containing nuclear terrorism and proliferation, maritime security, and cooperation through international initiatives such the International Atomic Energy Agency and the "1000 ship navy," participants also identified discrepancies between the three countries on their approach toward non-proliferation. For example, with respect to the Comprehensive Test Ban Treaty (CTBT), Japan had signed and ratified the treaty, the United States signed but has not ratified it, and although India will not stand in the way of the treaty, it has not signed it or provided any assurances that it will not conduct a test in the future.

Energy Security

In the final session, addressing energy security, Mikal Herberg, research director of the Energy Security Program at the National Bureau of Asian Research, commented that high prices, tight markets, unstable supplies, and sense of scarcity in world oil markets have resulted in growing anxiety among oil consuming nations, which has taken the form of resource nationalism. Herberg argued that energy has emerged as an issue involving the high politics of

strategy rather than the low politics of domestic economic policy. As such, he contended, energy has become too important to be left entirely to the markets.

Manabu Miyagawa, director of the Economic Security Division of the Economic Affairs Bureau in the Japanese Ministry of Foreign Affairs, echoed Herberg's presentation by highlighting Japan's energy concerns, which include improving global energy efficiency and conservation, maintaining the security of supply and securing critical energy infrastructure, particularly the safety of navigation through the Straits of Malacca and Hormuz.

Chietigj Bajpae, CSIS International Security Program Research Associate, highlighted the challenges faced by India in meeting its energy needs, including its rapid growth, significant and growing population, need for internal stability, dependence on coal (for over half of its energy consumption), and dependence on imports for two-thirds of its oil consumption (of which two-thirds comes from the Middle East). Bajpae also noted that the decentralized and fractured structure of India's energy bureaucracy has resulted in the lack of a coherent energy policy. This has deterred much needed foreign investment into India's energy sector, prevented reforms to India's power distribution sector, and prevented the removal of subsidies on refined oil products.

Bajpae also discussed the challenges for Indian companies in competing with Chinese energy companies on the world stage, fueled by China adopting a more strategic and holistic approach that integrates financial incentives with aid, infrastructure projects, diplomatic enticements and arms packages. Sino-Indian energy tensions have been further fueled by both countries' relations with third parties, namely China's reservations over the U.S.-India nuclear agreement and China's support for Pakistan's nuclear program. Bajpae addressed the effect of China and India's energy security needs on their maritime interests, including the development of ports and overland links to bypass chokepoints, relationship-building with states adjacent to potential chokepoints in Southeast Asia and West Asia, and ambitions to upgrade their blue water naval capabilities. Bajpae noted that China has generally been more successful at pursuing energy diplomacy on the world stage by resolving or shelving disputes on its borders, and providing a number of monetary and diplomatic enticements to energy supplier countries.

Bajpae highlighted a number of areas of friction between India and the United States in the energy sphere, notably in India's relations with pariah states such as Iran. Bajpae argued that Indian engagement with pariah regimes offers a potential "third way" to deal with these regimes in contrast to the Chinese policy of "aid without conditions" and Western policy of sanctions and isolation by remaining engaged with the military junta (unlike the West), while at the same time putting pressure on the regime to institute reforms (unlike China).

Another point of contention in the trilateral relationship that emerged is the energy-environment nexus. Herberg noted that the United States and Japan on one hand, and China and India on the other, are headed in fundamentally different directions on climate change policy, with China and India rejecting proposals to impose caps on carbon emissions given implications for their economic development and poverty alleviation. Participants commented that the United States and Japan can bring significant technologies to bear to reduce India's and China's coal consumption and emissions, but noted that to do so will require massive financial and technology

transfers, market reforms, changes in domestic energy policies, and accommodation of intellectual property rights concerns.

Finally, Herberg urged more aggressive bilateral and multilateral dialogues that address critical global energy issues, including the creation of a stable world oil market, reduced disruptions, more diverse supply sources and transport, and an environmentally sustainable future. India's exclusion from the International Energy Agency has fueled the belief in New Delhi that energy policy is being dictated to it rather than it playing a role in the development of global rules. Herberg called for India and China to acquire some sort of institutional role, if not formal membership, within the International Energy Agency so they may avail themselves of the benefits of the IEA's collective management of strategic stocks and range of expertise. Otherwise, he said, the IEA will lose its relevance as a credible institution to manage global energy matters. In its place, he warned, new institutions may be created that will reflect a convergence of interests between resource holders and insecure new demand countries to create a much more statist and rigid non-market system.

Herberg also noted that there needs to be stronger regional institutions to address energy issues. India and Japan, among others, should begin to cooperate on development of regional strategic petroleum reserves, joint protection of sea lanes, collective bargaining to address the Asian premium on imported oil, joint development of disputed energy-rich areas, and improving energy conservation and efficiency.

Keynote remarks

Keynote remarks by Ronen Sen, the Indian Ambassador to the United States, and Sanjaya Baru of the Indian Prime Minister's office noted the common values, growing mutual interests, and potential for cooperation in the trilateral relationship. Ambassador Sen commented that India has been connected to East and Southeast Asia for centuries through trade and religion, although these links were later weakened by European colonialism, the Cold War divide, and Indian economic protectionism. These connections are now being revitalized. A trilateral relationship has begun to emerge as India's "Look East" policy envisages Japan as a key partner in East Asia, and India recognizes the United States as a legitimate Asia-Pacific power. Sen noted that this trilateral cooperation is not the beginning of a formal strategic alliance, but rather a product of converging ideals and interests, on maritime security, counter-terrorism, and counter-proliferation. Sen added that all three countries recognize that democracy and development are not only compatible but are inextricably linked.

Baru saw potential for trilateral cooperation in developing Afghanistan into a modern democratic Islamic state, as well as addressing problems in Nepal, Bangladesh, and Sri Lanka. He noted differences of opinion over Pakistan and Burma, which are unlikely to be resolved in the short term. He stated that China is a major trading partner of all three nations but share concerns over China's role in nuclear proliferation.

Baru also noted that for the next fifty years India's relationships and foreign policies will be defined by its internal development priorities. He urged Japan and the United States to invest in India's development, stating that the combination of U.S. innovation, Japanese technology,

and Indian human capital will offer significant opportunities for cooperation and mutual development.

Conclusion

Considering the different histories and mindsets among the three countries, particularly between the United States and Japan on the one hand and India on the other, mutual trust and habits of cooperation remain to be developed. In particular, India will need to work out for itself the transition from strict notions of its national sovereignty to more flexible policies that allow for integration into the international system and promotion of international norms. To that end, even issues such as non-proliferation and global governance will test the partnership given that the three countries adopt different perspectives, although they may share the same principles.

It was hoped that the discussion would encourage the network of scholars from the three countries to expand. The next round of discussion in this project will be held in Tokyo in early 2008, and discuss economic convergences between the three states, human rights and democracy promotion, defense-industrial cooperation, counter-terrorism, and shared interests in Southeast and Central Asia.