

Strategic Visions for East Asia

## **Towards Greater U.S.-Japan-India Strategic Dialogue and Coordination**

Michael J. Green

### Introduction

The United States, Japan, and India have set robust bilateral agendas at a time when leadership is desperately needed to face numerous economic and security challenges. With common values and a shared commitment to democracy and pro-active diplomacy both in Asia and around the world, these three nations should come together to develop a trilateral policy agenda for the near and long term.

The U.S.-Japan alliance has never been stronger, and the U.S.-India relationship has been transformed with the new Strategic Partnership, whether the U.S.-India nuclear deal is approved by the Congress and the Indian government this year or not. The possibilities for greater economic and strategic cooperation between Japan and India have been highlighted by Prime Minister Kiro Mori's visit to India in 2000 and Prime Minister Junichiro Koizumi's visit in 2005, and more recently the December 2006 joint statement "Towards Japan-India Strategic and Global Partnership" issued by Prime Ministers Shinzo Abe and Manmohan Singh in Tokyo. The advantages of enhanced trilateral cooperation were evident in the common experience of leading on tsunami relief.

Building on this momentum, CSIS has initiated two trilateral dialogues among the United States, Japan and India: one at the level of experts and the other among CEOs and former senior officials. This paper briefly outlines the agenda items and questions that seem most appropriate for future dialogue, as well as some of the obstacles and challenges.

## The Agenda for Trilateral Cooperation and Dialogue

There are three drivers for greater trilateral strategic dialogue and coordination:

### *Security*

If the premise of U.S. strategy towards Japan and India is right—that increased Indian and Japanese leadership in the international system is based on common values and U.S. interests—then strategic thinkers from all three nations should consider how to shape the international system and international organizations to fit those interests and values. Key areas include assessments of the rising role of China and opportunities to collectively encourage an equally positive “stakeholder” role for Beijing; promotion of democracy and rule of law in Asia; reform of the U.N. and U.N. Security Council; the architecture of Asia and the role of the East Asia Summit and other institutions; and the prospects for further trilateral cooperation in providing “public goods” based on the precedent of the Tsunami Regional Core Group. Challenges to stability in Bangladesh, Sri Lanka, Pakistan and Afghanistan have a direct impact on India’s security, “but also have the potential to affect Japan and the United States due to the formers dependence on SLOC, and the latter’s commitment to the war on Islamic radicalism.”<sup>1</sup>

Influencing and engaging China is a particular challenge for all three governments at both the individual and collective levels. Thus, a major consideration for all three nations is how to react and engage with an increasingly active and confident Beijing. All three nations set new standards for cooperation with the Malabar Exercise on April 17, 2008 Explaining the

---

<sup>1</sup> Joint Statement of the United States and Indian Government.

importance of the joint exercises, India's Rear Admiral Pradeep Chauhan stated, "the growth of joint exercises has gone up in its scope and complexity... Communication, equipment and procedural inter-operability can be obtained through these exercises."<sup>2</sup> The exercise consisted of four Japanese, two US and three Indian ships participating in search and seizure operations, war-games, and fire power maneuvers.<sup>3</sup> The high quality of the U.S. Navy and JMSDF offered the Indian Navy opportunities for developing their own operational skills that few other navies in the Asia-Pacific region could match.

Beijing's reaction to the exercises was mixed with skepticism and calls for further enhancement of China's own forces. Despite Japan's Vice Foreign Minister Shotaro Yachi insistence that "the drills are not directed at any third country...and China need not worry about the maneuvers...which are a goodwill exercise," this unexpected show of unified force worried many policymakers in Beijing, many of who see the exercises as a provocation.<sup>4</sup> In future, the U.S., Japanese and Indian navies can use their own high degree of transparency and cooperation to encourage the PLA Navy to join in multilateral exercises that encourage the same levels of confidence-building.

These are promising beginnings, but to advance cooperation further in the security arena, U.S.-Japan-India dialogue must address these questions:

- How do the three nations assess the rising role of China and the proper tools for hedging, shaping and reassuring Beijing? How can trilateral cooperation be used to simultaneously remind Beijing that its military build-up is a source of concern

---

<sup>2</sup> Indian Express. *India, Japan Naval Exercises on April 17*. March 29, 2007.

<sup>3</sup> Ibid.

<sup>4</sup> Agence Press France. *Japan, US, India Hold Naval Drills*. April 16, 2007.

and to encourage greater transparency and confidence-building steps by the PLA Navy?

- While all three nations have firmly established democracies and accept the principle that democratic governance reinforces stability in their regions, there are also different views of how much governments should press others to move in that direction. Can the three governments establish an agenda for promoting democracy and rule of law in Asia?
- While all three nations share a common interest in secure sea lanes and maritime security, is there political support for expanded cooperation in the Indian Ocean?

### *Economic*

In light of the prominence ascribed to economic cooperation in the form of the U.S.-India Economic Dialogue and the Japan-India Joint Study Group, the United States, Japan and India could fruitfully develop cooperation on: investment flows; manufacturing; technology trade; infrastructure development (railways and civil aviation); energy policy; human resource development; Official Development Assistance; and Economic Partnership Agreements. It is the economic basis for engagement that will create constituencies across the three borders and a basis for sustained engagement on strategic issues. Of primary concern to all three governments is the increased economic integration provided for by a strengthened trilateral framework. Recent influxes in technology trading between India and Japan, and \$21.8 billion dollars of Indian

textiles imported from India by the US last year, has brought India to the center of an important economic relationship.<sup>5</sup> Moreover, increased weapons sales of F-16 and F-18 advanced fighters by the American military to India highlights the realization that continued cooperation brings with it robust economic activity and strategic opportunities to enhance regional security.

Given that economic ties are important to sustain strategic cooperation among the US, Japan and India, the incorporation of India into APEC has become a major topic for all three governments. While Japan continues to balance its commitment to ASEAN+6, the Trans-Pacific trade agenda, and the WTO Doha round, it has been unable to come to any consensus with other APEC nations, headed by Australia, that call for India's incorporation. The U.S. government has also remained cautious about expanding APEC. India's initiative toward regional integration in the South Asian Free Trade Agreement and the India Singapore Comprehensive Economic Cooperation Agreement is further shifting Asia's sights to India as a vital economic partner. While all three countries have acknowledged the strategic importance of a fully integrated trade agreement in Asia, they remain unable to move forward with any agreement that drastically strays from the current regional economic architecture. India and Japan have decided to hold a comprehensive economic partnership agreement meeting June 25 and to launch a "strategic economic dialogue" in July in New Delhi, a Foreign Ministry spokesman said.<sup>6</sup> This agreement, following up on the comprehensive 'Eight-fold Initiative for Strengthening the Japan-India Partnership', will "sharpen the focus" on specific economic projects.<sup>7</sup>

To advance trilateral cooperation in the economic field, a U.S.-Japan-India strategic dialogue must address these questions:

---

<sup>5</sup> Kim Holmes, et al. *The U.S. and India: Partnership for the 21<sup>st</sup> Century*. Heritage Foundation Report.

<sup>6</sup> Kyodo News. *India, Japan to hold cooperation meeting in late June*. May 14, 2007.

<sup>7</sup> Ibid.

- How can the three nations work together to build an open and inclusive regional economic architecture?
- What roles can U.S. and Japanese firms play in infrastructure development in India?
- In light of the collapse of the Doha Round, what strategies do the U.S., Japan and India have regarding bilateral, regional, and global trade liberalization and how can they be mutually reinforcing?

### *Proliferation and Energy*

The United States, Japan, and India all share common interests in combating weapons of mass destruction and in bringing down energy prices and reliance on fossil fuels. Japan's support for the agreement on civil nuclear cooperation between President Bush and Prime Minister Singh will be essential in the Nuclear Suppliers Group and other international forums. Of course, it is also necessary to acknowledge Japan's non-proliferation concerns, and the importance of energy security. Trilateral consensus on these issues will help the entire international system adjust to the new realities and challenges of non-proliferation and energy demand.

To advance U.S.-Japan-India strategic cooperation, our dialogue must address these issues on proliferation and energy:

- What long-term strategies does each nation have for bringing down energy prices and reliance on fossil fuels? Can Japan and the United States help build a bridge for India to come into post-Kyoto arrangements for addressing climate change?
- Can the three countries collaborate in the field of nuclear energy once the U.S.-India civil nuclear deal is ready? Is there room for cooperation if the agreement fails? Is there a basis of support in the Nuclear Suppliers Group and the broader international community?
- Has the Japanese perspective on the agreement evolved, and what would it take to secure Japan's support? What role could Japan play in implementation?

## Conclusion

While the vital interests of Washington, Tokyo, and New Delhi are now congruent in important areas, it is also important to highlight a few key issues that continue to hinder the strengthening of this trilateral relationship:

- 1) Divided governments in Washington, Delhi and Tokyo will complicate any effort to develop an agile and effective trilateral partnership. The Bush administration is almost fatally crippled in dealing with the Democratic Congress, and likely gains by the majority party in the 2008 election will

challenge a McCain administration and probably also an Obama administration, given the Illinois Senators' grass roots campaign against the old guard of the party. Delhi is likely to be hobbled by coalition governments that include anti-Western communist or left-wing elements. The LDP may survive a few years longer in Tokyo, but is saddled with a pacifist Komeito coalition partner and obstructed in the Upper House of the Diet by the Democratic Party of Japan. Since the U.S.-Japan-India trilateral relationship will not be based on any formal alliance or treaty arrangements, it will require the kind of agility and leadership focus that is difficult in coalition and gridlocked democracies.

- 2) There is also a danger of serious divergence over what to do about Iran's nuclear-weapons program. Some members of Congress feel very strongly that India needs to see exactly eye to eye with the United States in how to deal with Iran. There are no differences between Washington and New Delhi over the goal: neither country wants a nuclear-armed Iran, but there are tactical differences regarding the best way to go about accomplishing this.
  
- 3) Differences on trade matters, notably in the context of the Doha Round over agriculture, could continue to be irritants.<sup>8</sup> The U.S.-Japan relationship has been hobbled as senior trade officials on the U.S. side have grown frustrated with Japan's rigidities on agricultural issues, and the U.S. and Indian delegations are often on opposite sides of the debate as well. Conversely,

---

<sup>8</sup> Ibid.

effective trilateral strategic understanding among Tokyo, Washington and Delhi could help to build new momentum in the Doha Round.

In spite of these challenges, dialogue between all three governments has markedly increased in recent months. Second track trilateral dialogue based at CSIS has also flourished. As Indian Prime Minister Manmohan Singh perhaps best put it last fall, "the best is yet to come."<sup>9</sup>

---

<sup>9</sup> As quoted by David C. Mulford, U.S. Ambassador to India. "U.S.-India Relationship to Reach New Heights." March 31, 2005.