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## The Japan-India Nuclear Agreement: Enhancing Bilateral Relations?

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Japan-India relations have been improving rapidly since 2005 when the Japanese and Indian prime ministers began alternating reciprocal visits. Building on the momentum created by the establishment of the Japan-India strategic partnership two years earlier, the Japanese and Indian governments issued a joint statement on security cooperation to mark Prime Minister Manmohan Singh's visit to Japan in 2008. In February 2011, the two governments indicated a further strengthening of relations by signing the Comprehensive Economic Partnership Agreement (CEPA), a major step in fostering closer economic ties.

This developing pattern closely dovetails the growing realization that Japan and India share many of the same strategic concerns: a rising China and calibrating relations with the United States. Japan must contemplate the possibility of the US-Japan alliance gradually diluting over the long term, while India must now chart a viable strategy that takes into account present weaknesses and future greatness. In short, Tokyo and New Delhi see in the other a reliable partner on the economic, security, and strategic fronts.

One area of natural fit for Japan and India to explore is nuclear cooperation. Apart from meeting its domestic energy demands, India must produce 20,000 gigawatts of nuclear-generated electricity by 2020 to meet planned cuts in greenhouse gas emissions and to sustain industrial growth. India's energy market is beckoning, and many companies—including those partially or wholly owned by the Japanese, such as General Electric, Areva, and Westinghouse Electric—are responding. General Electric and Areva have been awarded contracts to set up nuclear plants in India, while Westinghouse Electric is negotiating to do so.

Nevertheless, these companies cannot use Japanese technology in India without a nuclear deal between Tokyo and New Delhi and subsequent easing of Japan's ban on the transfer of military- and arms-related technology. A particularly coveted cluster of such Japanese technologies belongs to Japan Steel Works, which claims 80% of the global market for large forged components for nuclear plants and also produces steam generators and turbine shafts. Due to links to these companies entering India's nuclear-energy market, the US and French governments are pushing behind the scenes for the conclusion of a Japan-India nuclear deal, despite its unpromising prospects.

An enthusiastic supporter of the peaceful use of atomic energy, Japan is allergic to any defense-related uses of nuclear technology. Since the 1960s, the country has proclaimed its adherence to the Three Non-Nuclear Principles: non-possession, non-production, and non-introduction of nuclear weapons. Apart from adopting these principles, the Japanese government has promoted the total elimination of nuclear weapons, while leftist-leaning organizations against nuclear and hydrogen

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weapons have a vibrant history of active agitation in Japan. Nevertheless, the government has also acquiesced to the *de facto* entry of such weapons aboard US submarines and airships. As such, Japan’s nuclear policy can only be characterized as an uneasy conjunction of pacifism and pragmatism.

In this policy context, the Japanese government is wary of the US-India civil nuclear cooperation agreement and agreed to the 2008 Nuclear Suppliers Group waiver for India only reluctantly. Upon meeting his Indian counterpart S.M. Krishna at the fourth Japan-India Foreign Ministers’ Strategic Dialogue in August 2010, Foreign Minister Katsuya Okada hewed closely to Japan’s traditional stance. According to the Japanese foreign ministry:

[Okada] clarified that Japan would stop nuclear cooperation if India conducted nuclear tests. In this context, he requested that India make further concrete steps toward nuclear disarmament and non-proliferation. Minister Okada also stressed the importance of India’s efforts toward an early signing and ratification of the Comprehensive Nuclear Test Ban Treaty and a moratorium on the production of fissile material for nuclear weapons.

Even so, Japan realizes that it is a latecomer to India’s nuclear-energy market—which is estimated to grow to US\$100 billion by 2030—behind the United States, Russia, and France, all of which have already concluded nuclear cooperation agreements with India. The prospects of exporting lucrative reactor-related components to India aside, Japan is further enticed with the prospect of diluting its considerable but unreliable dependence on Chinese rare-earth metals. In a likely attempt to overcome Japan’s indecision with the agreement, Prime Minister Singh offered to export rare-earth metals to Japan during his October 2010 visit to Japan.

Furthermore, Japanese public opinion on nuclear issues is noticeably evolving. This can be attributed to the decline of the Japanese left, generational changes, the nuclearization of North Korea, and the rise of an assertive China. Interesting findings of an opinion poll published by the *Sankei Shimbun*, a newspaper widely presumed to represent rightist opinion in Japan, show the changing Japanese perceptions of nuclear weapons. According to the February 2011 poll, 86.7% responded positively to the question whether Japan should have an open discussion on nuclear weapons in the government and the Diet.

The October 2010 Japan-India prime ministers’ joint statement underscores the point that both officials “welcomed the commencement of negotiations between Japan and India on an Agreement for Cooperation in the Peaceful Uses of Nuclear Energy in June 2010. *They affirmed that cooperation in this sector will open up new opportunities for additional development of the Japan-India Strategic and Global Partnership* (emphasis added). They encouraged their negotiators to arrive at a mutually satisfactory agreement for civil nuclear cooperation at an early date.” As this quotation suggests, Japan is indeed eager to enhance its strategic and economic relationship with India. However, a smooth conclusion of the nuclear agreement would signify Japan’s abandonment of a half century of anti-nuclear weapon advocacy, likely giving the impression that it prioritizes economic interests at the cost of its highly moralistic cause. The repercussions of the earthquakes and tsunami in early March 2011 have only further complicated the calculus of Japan-India nuclear cooperation. Unfortunately, it remains unclear how Japan intends to solve this dilemma.