

Research Paper

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# Creative Minilateralism in a Changing Asia

## Opportunities for Security Convergence and Cooperation Between Australia, India and Japan



**CHATHAM  
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## Summary

- Doubts about the reliability and durability of the international order and regional stability are increasing the pressure on Australia, India and Japan to develop new forms of cooperation to hedge against uncertainty. The three countries have a chance to consolidate and widen their existing bilateral partnerships, and to explore new opportunities for trilateral cooperation. In time, their ‘creative minilateralism’ could extend to quadrilateral cooperation involving the US.
- The steady upward trajectory in formal and informal cooperation between Australia, India and Japan has been shaped by economic complementarity, as well as by political fundamentals such as common commitment to the rule of law, democratic governance and multilateralism. It has occurred in the context of Japan’s move to ‘normalize’ its security posture and thus take a more active role in regional defence affairs. Cooperation has further been driven by security anxieties over the rise of China, and – not least – by individual political leaders’ enthusiasm for closer links.
- **Japan’s** ties with **Australia** have developed gradually over the post-war period, overcoming a difficult reconciliation process but supported by a shared commitment to regional integration and by the strongly complementary nature of their economies. The two countries have developed a joint security dialogue, and reciprocal security resourcing and information-sharing arrangements. The economic partnership has also deepened, with trade in raw materials especially prominent. Evolution of their respective alliances with the US will remain critical to Australia–Japan relations.
- Cooperation between **India** and **Japan** has been driven by the former’s move, under Prime Minister Narendra Modi, away from its tradition of non-alignment, and by a shared desire to contain China. Recognizing the importance of economic relations with China, however, both India and Japan have pragmatically avoided a zero-sum approach. In the economic sphere, India has become the largest recipient of Japanese development assistance. It has actively courted Japanese investment, and offers significant opportunities for Japanese infrastructure companies. Minilateral initiatives hold considerable promise in terms of more effective diplomacy – along with trilateral and quadrilateral security cooperation.
- The **Australian–Indian** relationship is the least developed side of the emerging triangular partnership. Australia’s alignment with India in recognizing the centrality of the Indo-Pacific region in its strategic thinking provides a potential basis for increased security cooperation, but commitment on both sides is arguably more aspirational than concrete. Scope for new defence technology partnerships has been undercut by Australian worries about corruption and red tape. A Comprehensive Economic Cooperation Agreement is being negotiated, but differences on trade liberalization have impeded progress.
- Overall, the potential for enhanced security cooperation between Australia, India and Japan is probably the best it has ever been. New and more flexible minilateral alliances and security partnerships offer a valuable means to confront non-traditional security challenges. Much of the evidence to date suggests an increased appetite for eschewing grand strategic designs but still cooperating where particular interests overlap or converge. However, much will also depend on how China and the US respond to regional challenges.

## Introduction

Donald Trump's surprise election as US president in 2016 has raised important questions about the long-term viability of the US's traditional alliance and security partnerships in Asia. In contrast to the 'pivot' or 'rebalance' to Asia that took place in 2011 under President Barack Obama, in which the US sought to reassure its friends there of its long-standing commitment to the region (reflected, for example, in a planned allocation of 60 per cent of US military spending to East Asia and a strong, public reaffirmation of traditional alliance partnerships),<sup>1</sup> the Trump administration has adopted a more explicitly transactional, conditional approach.

Trump's 'America First' rhetoric during the election campaign<sup>2</sup> has been reflected since he became president in calls for more defence burden-sharing by allies such as Japan and South Korea; in impromptu demands for financial payback for the provision of security assets (such as the insistence that South Korea pay for the deployment of US Terminal High Altitude Area Defense (THAAD) missile batteries there);<sup>3</sup> and in threats to renegotiate major trade agreements (such as the Korea-US Free Trade Agreement) and the blunt insistence that US firms secure guaranteed access to overseas markets.

Alongside these concerns about US priorities, the region remains bedevilled by security challenges – including the long-term and accelerating expansion in China's military capabilities (especially its growing maritime presence); territorial disputes in the South China Sea and East China Sea; the intensifying risks associated with a nuclear North Korea; the rise in some countries of authoritarian, populist politics; and the broader risks associated with competition over scarce resources, climate change, separatist movements in South and Southeast Asia, terrorism and maritime piracy.

Doubts about the reliability of the US as a security guarantor – and the need to offset such risks in a region that remains the world's most dynamic centre of economic growth and interconnectivity – are increasing the pressure on local actors to develop new forms of cooperation to hedge against uncertainty. For Australia, India and Japan, the current challenges offer a valuable chance to consolidate and extend existing bilateral partnerships between them, while also exploring new opportunities for trilateral cooperation (and, potentially, quadrilateral cooperation that includes the US). Since the end of the Cold War, and particularly since the start of the new millennium, there has been a steady upward trajectory in formal and informal cooperation between the three countries.

Some of this has been shaped by economic complementarity, increased people-to-people exchanges, institutional collaboration and the complex interdependence that neoliberal international relations specialists associate with the modern state system. It has involved the reaffirmation of common norms of respect for the rule of law, democratic governance, inclusivity and multilateral cooperation.<sup>4</sup> The shift towards closer cooperation also reflects growing security anxieties, whether over the rise of China or over the potential diminution of the US's stabilizing influence in the region.

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<sup>1</sup> See Brands, H. (2016), 'Barack Obama and the Dilemmas of American Grand Strategy', *Washington Quarterly*, 39(4), p. 108.

<sup>2</sup> For a discussion of the role that anti-foreign sentiment played in the presidential campaign, see Rojecki, A. (2016), 'Trumpism and the American Politics of Insecurity', *Washington Quarterly*, 39(4).

<sup>3</sup> Choe, S.-H. (2017), 'Trump rattles South Korea by saying it should pay for anti-missile system', *New York Times*, 28 April 2017, <https://www.nytimes.com/2017/04/28/world/asiatrump-south-korea-thaad-missile-defense-north-korea.html> (accessed 10 May 2017).

<sup>4</sup> John Ikenberry has long been a leading advocate of the benefits of liberal internationalism. For his latest, impassioned defence of order, see Ikenberry, J. (2017), 'The Plot Against American Foreign Policy', *Foreign Affairs*, 96(3), pp. 2–9.

Traditional realist concerns over current and emerging threats have prompted an often vigorous academic and policy-focused debate in all three countries about how best to respond to these challenges, whether to foster counterbalancing alliance or quasi-alliance partnerships, and whether to 'hedge' explicitly against China or adopt an inclusive approach to China's rise that involves some form of accommodation with it.<sup>5</sup>

### About this paper

The following analysis explores the background to these discussions and the concrete efforts by governments in Canberra, New Delhi and Tokyo to cooperate more closely. The initial impetus for the paper was a roundtable between Australian, Indian and Japanese specialists at Chatham House in 2015, which examined the complementary dynamics of relations between the three countries.

While the principal focus here is on the opportunities for strategic and security cooperation broadly defined, the discussion inevitably also touches on the wider set of interests – economic, social and political – that link the three states together. A critical ingredient in the process of enhanced collaboration has been the role of individual leaders and political figures. While systemic and structural factors are drawing Australia, India and Japan closer together, it would be a mistake to overlook the important, and possibly decisive, role played by national leaders in driving specific policy options and in fostering the personal connections, friendships and individual affinities that have smoothed the path to closer collaboration.

Japan, in particular, under the leadership of Prime Minister Shinzō Abe, has been a key catalyst for closer trilateral cooperation by accelerating a process of increased foreign policy activism that can be traced back to the initiatives of Japanese leaders from the 1980s. With that context, the analysis that follows first considers the historical and normative conditions facilitating closer trilateral interactions, before looking in some detail at Japan's record of enhanced security activism under Prime Minister Abe. The paper then assesses the individual bilateral partnerships between Japan and Australia, Japan and India, and India and Australia, before ending with some concluding thoughts on the prospects for possible areas of convergence between all three countries.

## The historical logic of trilateralism: Australia, India and Japan as natural partners

It is readily apparent why Australia, India and Japan might be expected to work well together. All three are functioning liberal democracies, with a tradition of supporting the rule of law and international norms, including respect for state sovereignty and multilateral cooperation. In addition to their geography, each country is strongly embedded in the Asian region in terms of history and contemporary interests, but equally each has a national identity that incorporates an extra-regional identity. Since the start of its experience of modernization in 1868 during the Meiji era, Japan has embraced a dual self-image, feeling neither exclusively part of Asia nor of the West.<sup>6</sup> Australia and India share the historical legacy of being part of the British empire, which, while periodically

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<sup>5</sup> For an innovative and critical discussion of the 'hedging' discourse in East Asia, see Lim, D. J. and Cooper, Z. (2015), 'Reassessing Hedging: The Logic of Alignment in East Asia', *Security Studies*, 24(4).

<sup>6</sup> See Sakamoto, R. (2001), 'Dream of a modern subject: Maruyama Masao, Fukuzawa Yukichi, and 'Asia' as the limit of ideology critique', *Japanese Studies*, 21(2).

a source of controversy given the hierarchical, exploitative aspects of British rule, has allowed both to feel connected to a wider, transnational and extra-regional cultural and linguistic heritage.

While India and Japan have long, complex histories as distinct national cultures in the international system, they have, along with Australia, only relatively recently in historical terms become fully independent, functioning sovereign states. The Commonwealth of Australia was established in 1901, and for many Australians defeat at Gallipoli in the First World War in 1915 resonates as a key moment in their country's emerging narrative as a self-conscious nation.<sup>7</sup> For Japan, the Meiji Restoration marked the beginning of the country's modernization project and the creation of an integrated system of centralized administration. Particularly among progressive opinion in Japan, the promulgation of the 1947 constitution during the US occupation after the Second World War marked the full realization of the country's democratic aspirations (which had first been articulated in the pre-war period) following the secularization of the emperor system and the establishment of a fully accountable and transparent model of representative government. India's modern state identity dates from independence in 1947 – an experience tempered by the trauma of partition and the establishment of Pakistan – with full self-realization as a sovereign state marked by the promulgation of the 1950 constitution and the establishment of a secular, democratic and federal government.

For India, the early self-conscious stress on non-alignment that shaped post-1947 foreign policy under Prime Minister Jawaharlal Nehru, as well as the pro-Soviet tilt that emerged in the aftermath of the war with China in 1962, has been replaced by a policy of pragmatic and close cooperation with the US.

For India and Japan (and less so for Australia), relations with the US have often been ambivalent, viewed over the long span of history. From the earliest arrival in Edo (modern Tokyo's precursor) of US Commodore Matthew Perry's 'Black Ships'<sup>8</sup> and the imposition of extra-territoriality clauses in the 1850s, through to and including the bitter divisions of the Second World War, Japan's encounter with the US has provoked strong resentment and opposition at home, particularly among conservative nationalists. By contrast, the US's protective embrace of Japan during the Cold War and the realization of a functioning security partnership – initiated in 1951, reaffirmed and expanded in 1960, and grounded in US economic support and extended conventional and nuclear deterrence – produced one of the most effective and durable US alliances.<sup>9</sup> For India, the early self-conscious stress on non-alignment that shaped post-1947 foreign policy under Prime Minister Jawaharlal Nehru, as well as the pro-Soviet tilt that emerged in the aftermath of the war with China in 1962, has been replaced by a policy of pragmatic and close cooperation with the US. This has particularly been the case since 2004, when the George W. Bush administration promoted a 'strategic partnership' with India based on shared democratic values, common security interests and a growing number of economic, technological and cultural partnerships.<sup>10</sup>

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<sup>7</sup> Stanley, P. (2008), 'Why does Gallipoli mean so much?', ABC News, 24 April 2008, <http://www.abc.net.au/news/2008-04-25/why-does-gallipoli-mean-so-much/2416166> (accessed 10 May 2017).

<sup>8</sup> The *kurofune* or 'black ships' was the term used by the Japanese to refer to foreign vessels that sought to break Japan's long history of deliberate isolation from the outside world both in the 16th and 19th centuries. In the case of Perry, the arrival of a US flotilla in Tokyo Bay in 1853 obliged the Japanese government to bow to superior American military technology and agree to a trade treaty with the US that disproportionately favoured the Americans, ultimately ending the period of isolation.

<sup>9</sup> For a fuller discussion of this theme, see Swenson-Wright, J. (2005), *Unequal Allies? United States Security and Alliance Policies toward Japan, 1945–1960*, Palo Alto, CA: Stanford University Press.

<sup>10</sup> For an alternative point of view that stresses the continuities in foreign policy and downplays the idea of a break under Modi from India's non-aligned approach, see Basrur, R. (2017), 'Modi's foreign policy fundamentals: a trajectory unchanged', *International Affairs*, 93(1).

For Australians, the centrepiece of cooperation with the US has been the important ANZUS security pact, signed between Australia, New Zealand and the US in 1951. Reflecting the importance of this relationship (but without formally invoking ANZUS), Australia sent troops to fight alongside the US in the Korean War and Vietnam War, and more recently in the Gulf War and Iraq War. Paralleling this security cooperation has been a mutually beneficial economic partnership symbolized by the 2005 Australia–US free-trade agreement. Notwithstanding these close ties, public opinion in Australia has tended to be split in terms of attitudes towards the US, with 46 per cent of Australians expressing a mainly negative attitude towards America, compared to 44 per cent reporting a mainly positive view.<sup>11</sup>

Close historic ties with the US are just a part of this background picture. Another critical aspect of the strategic landscape – and an increasing source of alarm to current governments in the three countries – is the emergence of China as an economic rival and potential security threat in the wider Asian region. To varying degrees, the China challenge has become a prominent part of domestic discourse in each country, and has increasingly shaped the strategic choices of prime ministers Malcolm Turnbull, Narendra Modi and Shinzō Abe. It would be wrong to assume an identity of views over China, but all three leaders have a common and converging view on how best to manage its challenge, while recognizing that the relationship with it should not be defined in zero-sum terms. The three countries have strong economic ties with China and with one another (detailed in more substance below), and their leaders have been broadly successful in maintaining the benefits of these links without compromising their own particular security concerns. Increasingly, there is a dominant view in government circles in Canberra, New Delhi and Tokyo that constructively addressing the China challenge is compatible with mutually beneficial economic relations.

Whether bilaterally or multilaterally, Australia, India and Japan also have extensive histories of cooperation in supporting regional institutions such as the Association of Southeast Asian Nations (ASEAN), the Asia-Pacific Economic Cooperation (APEC) grouping, the ASEAN Regional Forum and the East Asia Summit. Open, inclusive regionalism is a strand that can be found in the separate, bilateral and collective efforts of all three countries. Moreover, notwithstanding their very substantive differences in population and economic power,<sup>12</sup> they share an identity as informally defined ‘middle powers’. This identity is less rooted in raw, quantifiable expressions of global and/or regional influence, but more in a common preference for pragmatic decision-making, rejection of doctrinaire policymaking, and support for humanitarian and non-traditional security cooperation, including a commitment to constructive dispute management and mediation.<sup>13</sup>

This loosely articulated common culture may reflect a shared experience of having operated in the shadow of great-power politics, often in a subordinate or supporting role to more influential actors. Such a shared perspective may help to facilitate trilateral cooperation in the present and immediate future, although over time, as the three countries diverge economically and demographically and in their respective involvement in specific regional and global security challenges, it may become harder to sustain effective cooperation. For now, however, what stands out in the policy preferences of the leaders and political communities of Australia, India and Japan is the apparent recognition of a set of common regional security challenges straddling a geographic space extending from the Indian

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<sup>11</sup> BBC World Service (2014), ‘Negative views of Russia on the Rise: Global Poll’, 3 June 2014, <http://downloads.bbc.co.uk/mediacentre/country-rating-poll.pdf> (last accessed 10 Jul. 2017).

<sup>12</sup> In terms of GDP at purchasing power parity, India and Japan ranked as the world’s third- and fourth-largest economies in 2014 respectively, substantially ahead of Australia in 19th place. PricewaterhouseCoopers LLP (2015), *The World in 2050. Will the shift in global economic power continue?*, p. 3, <https://www.pwc.com/gx/en/issues/the-economy/assets/world-in-2050-february-2015.pdf> (last accessed 26 May 2017).

<sup>13</sup> For a recent discussion of ‘middle power’ diplomacy from an Australian perspective, see Wilkins, T. (2017), ‘Australia and middle power approaches to Asia Pacific regionalism’, *Australian Journal of Political Science*, 52(1).

Ocean to the Pacific Ocean, and incorporating risks in South, Southeast and Northeast Asia. It is perhaps too early to talk of an established or formal trilateral commitment to maintaining the security of the Indo-Pacific region, but the first shoots of an emerging regional, trilateral consciousness may be appearing, prompted by common challenges and proactive leadership.

## Japan's incremental security 'normalization'

### Abe's proactive foreign and security policies

To understand the steady expansion in security cooperation between Japan and Australia and Japan and India over the past decade or so, it is important to understand the key changes that have taken place in Japan's approach to regional and global security challenges in general. A powerful case could be made that the critical catalyst in promoting security convergence between both Tokyo and Canberra and Tokyo and New Delhi has been the steady but decisive evolution in Japan's security posture. This process is closely associated with the policy choices of Prime Minister Abe, but it also reflects a deepening bipartisan consensus in favour of greater security proactivity that can be traced back to the 1980s.

Japan's post-war culture of pacifism and its low-profile foreign policy originated in the late 1940s and early 1950s, and were closely associated with the Yoshida Doctrine – named after Prime Minister Shigeru Yoshida, who eschewed major post-war military rearmament to pursue a strategy of concentrating on economic development and dependence on US conventional and nuclear security guarantees.<sup>14</sup> However, by the early 1980s Japan's rapid economic development and the intensification of Cold War tensions between the US and the Soviet Union had exposed the government of Prime Minister Yasuhiro Nakasone to burden-sharing pressures from the Ronald Reagan administration. For the hawkish and internationally minded Nakasone, this situation allowed Japan to strengthen its role as a security and political partner of the US, a shift underlined by small but symbolically significant policy changes, including the decision in 1986 to breach (by a fraction of a percentage point) the traditional 1 per cent of GDP ceiling on defence expenditure.<sup>15</sup>

In the aftermath of the 1991 Gulf War – when Japan found itself criticized internationally for limiting its support for the US-led coalition against Iraq's invasion of Kuwait to the provision of economic assistance – politicians and civil servants began to re-examine the country's security commitments and to explore ways to demonstrate more actively support for the country's sole formal alliance partner, the US. This shift in the direction of greater bilateral alliance activism was an incremental and evolutionary process, which reached a decisive turning point in 2001 when, in the aftermath of the 9/11 attacks on the US, Prime Minister Jun'ichirō Koizumi dispatched elements of the Japan Maritime Self-Defense Force to provide logistical support to the US-led allied campaign in Afghanistan.<sup>16</sup>

Since Koizumi's vigorous support for partnership with the US, the trend towards greater security activism has continued steadily, culminating in the establishment of a National Security Council and the drafting of Japan's first National Security Strategy in 2013. These changes have been embraced

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<sup>14</sup> For a detailed discussion of the Yoshida Doctrine and its legacy, see Soeya, Y., Welch, D. and Tadokoro, M. (2011), *Japan as a 'normal country': a nation in search of its place in the world*, Toronto: University of Toronto Press.

<sup>15</sup> Easley, L.-E. (2017), 'How proactive? How pacifist? Charting Japan's evolving defence posture', *Australian Journal of International Affairs*, 71(1), p. 70.

<sup>16</sup> Manslow, S. (2015), 'A Blueprint for a strong Japan? Abe Shinzō and Japan's evolving security system', *Asian Survey*, 55(4), p. 731.

both by the governing Liberal Democratic Party and by the opposition Democratic Party.<sup>17</sup> Among the mainstream politicians promoting these changes, Abe has been one of the most vocal supporters of this new security activism, both during his first term in 2006–07 and after being re-elected in 2012.

Abe's commitment to a more active foreign and security policy has been driven by a pragmatic desire to expand Japan's regional and global influence and status, but also by a strong strand of identity politics, rooted in a desire to reverse the pacifist legacy of the US occupation period and the post-war norms and conventions that to conservative critics were imposed illegitimately on the country by the American victors.<sup>18</sup>

For Abe and his national security advisers, the combination of new challenges, a desire to bolster security cooperation with the US while enhancing Japan's strategic options, and the revisionist impulse to challenge the pacifist norms of post-war Japan has produced a major doctrinal shift.

Alongside these fundamental issues associated with the country's post-war status, the proximate cause of changes to Japan's security posture has been the emergence of new regional challenges, such as the acquisition by North Korea of increasingly advanced ballistic missile capabilities and nuclear weapons since 2006, and the steady expansion in China's military presence in East Asia. Japan's defence establishment has long been preoccupied by the latter challenge, labelling China explicitly as a revisionist and expansionist, non-status quo power as early as 2004 in its National Defense Program Guidelines. Tensions have steadily increased, fuelled by rising nationalism in China that has spilled over periodically into public rioting against Japanese firms in the country (most strikingly in 2005), and by intensifying territorial disputes over the Senkaku or Diaoyu islands, occupied by Japan since the 1950s but claimed as sovereign territory by China as well as Taiwan. These tensions have been exacerbated by a collision between a Chinese fishing vessel and a Japanese coastguard vessel in 2010, by the decision by the Japanese government to nationalize the privately owned islands in 2012, and by China's unilateral extension in 2013 of its air defence identification zone (ADIZ) to encompass much of the airspace surrounding the contested islands.<sup>19</sup>

Though repeated and increasingly frequent incursions by China's naval and air forces in the immediate vicinity of Japan's territorial waters in the East China Sea have threatened to turn a tense political and diplomatic stand-off into an actual shooting war, for Abe's government the rising threat extends further afield. In the South China Sea, China's land reclamation and efforts to build artificial islands within the area enclosed by its 'nine-dash line' have exacerbated tensions with Southeast Asian countries and raised the spectre of trade-disrupting interruptions to sea lanes of communication. For Japan, which depends on unimpeded access to these transportation routes for imports of critical energy supplies from the Middle East, the strategic importance of offsetting the Chinese challenge and minimizing the risk of conflict in the Indo-Pacific region is immediately apparent.

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<sup>17</sup> Liff, A. P. (2015), 'Japan's Defense Policy: Abe the Evolutionary', *Washington Quarterly*, 38(2), p. 82.

<sup>18</sup> Nilsson-Wright, J. and Fujiwara, K. (2015), *Japan's Abe Administration: Steering a Course between Pragmatism and Extremism*, Research Paper, London: Royal Institute of International Affairs, p. 17, <https://www.chathamhouse.org/publicationjapans-abe-administration-steering-course-between-pragmatism-and-extremism> (accessed 30 May, 2017).

<sup>19</sup> Nakano, R. (2016), 'The Sino-Japanese territorial dispute and threat perception in power transition', *Pacific Review*, 29(2), p. 166.

In 2014, the government issued a legal reinterpretation of the post-war prohibition on Japan's right to participate in collective self-defence. Under this, the government has embraced a more permissive interpretation of self-defence, which extends beyond the narrowly circumscribed protection of Japanese territory to encompass safeguarding the lives and well-being of Japanese citizens at home and abroad, as well as access to resources and materials essential to the survival of the country. Under this new framework, it is possible for Japanese forces to come to the aid not just of the US but also of other countries embroiled in conflicts involving vulnerable Japanese resources and citizens, provided that force is a last resort and its application is limited to the minimum level necessary.<sup>20</sup>

This new interpretation, further codified in legislation in 2015, has not been without controversy. Many progressive voices among the public and in the academic community have criticized the government for acting unilaterally and unconstitutionally, as well as for relying on its majority in the two houses of parliament to force through the new measures in violation of a spirit of consensus decision-making that has, arguably, been a key feature of post-war politics.<sup>21</sup>

The importance of these new measures in considering the wider issue of regional security partnerships between Japan and countries such as Australia and India is their facilitating role in allowing the Japan Self-Defense Forces (JSDF) to prepare for much more extensive cooperation with a wide range of new partners. In the past, military deployments were limited to the narrowly defined defence of the homeland or to the provision of logistical support of Japan's sole official ally, the US, often under the framework of tightly circumscribed and ad hoc legislation. In the new environment, it is possible to envisage contingencies in which Japanese forces might be deployed in East Asia and further afield, and with a range of new security partners that radically changes the breadth and depth of Japan's security activism. To those in Japan who have long argued for a more engaged and proactive role for the country in international affairs, the new legislation was a decisive step forward. To critics, the wide interpretative flexibility of the new measures is a worrying loophole that risks Japan's forces being caught up in escalating military conflicts – and in a manner that undercuts the ethos and norms of self-restraint that have been at the heart of the country's post-war political identity.

## Australia and Japan: indispensable partners and increasingly quasi-allies in the Abe era

### An evolving economic partnership

Japan's ties with Australia have developed gradually over the post-war period, but there was nothing pre-ordained about the emergence of a cooperative relationship. If anything, the legacy of the Second World War might have been expected to act as a block on any form of partnership. In 1942 Japan's aircraft bombed the city of Darwin in Australia's Northern Territory, and the experience of the brutal treatment of Australian prisoners of war by the Japanese left a deep resentment and suspicion of the country in the early post-war period.<sup>22</sup> Along with the UK and fellow Commonwealth countries that had experienced Japan's colonial depredations during the war, Australia was intent

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<sup>20</sup> McMellan Ross, M. (2015), 'The Abe Restoration: Pushing past Japan's wartime legacy and restoring a responsible use of force', *Issues and Insights*, 15(14), p. 3.

<sup>21</sup> For a detailed critique of Abe's approach that argues that his reforms are undermining the normative consensus surrounding post-war foreign and defence policy, see Kersten, R. (2016), 'Contextualizing Australia-Japan security cooperation: the normative framing of Japanese security policy', *Australian Journal of International Affairs*, 70(1).

<sup>22</sup> Pollmann, M. E. and Tidwell, A. (2015), 'Australia's submarine technology cooperation with Japan as burden-sharing with the USA in the Asia-Pacific', *Australian Journal of International Affairs*, 69(4), pp. 395–96.

on securing a punitive settlement against Japan during the nearly one year of negotiations leading up to the San Francisco peace conference of 1951. It took the diplomatic finesse of the key US negotiator, John Foster Dulles, to produce a more nuanced, accommodating collective peace treaty with Japan, and, critically, the strategic reassurance of the Australia, New Zealand, United States (ANZUS) Security Treaty of 1951 to offset these deep-seated anti-Japanese sentiments.

Over time, economic self-interest and the recognition that Australia would be unable to rely on trade ties with Europe and the UK encouraged a more Asia- and Japan-centric approach, symbolized by the 1957 Agreement on Commerce between Australia and Japan that was signed by the governments of Robert Menzies and Nobusuke Kishi (Abe's maternal grandfather).<sup>23</sup> By the late 1960s, the US was increasingly overstretched economically and challenged strategically by the need to extricate itself from the Vietnam War quagmire. This led to President Richard Nixon's articulation of the country's 'Guam Doctrine', which was motivated by a US desire to see Asian partners do more independently to meet their security needs. Since then, Australia and Japan have gradually developed a more active relationship, especially from the 1970s onwards as Australia under Prime Minister Gough Whitlam sought to focus its foreign policy and economic diplomacy on the opportunities associated with China and the wider Asian region.<sup>24</sup>

In 1976, Australia and Japan signed the Basic Treaty of Friendship and Cooperation. In 1995 came a more substantive Joint Declaration on the Australia-Japan Partnership, a comprehensive agreement focusing on common interests encompassing trade, energy, security, education and, importantly, nuclear non-proliferation.<sup>25</sup> The declaration signified an important convergence between the two countries' self-images as powers explicitly defining themselves against the traditions of great-power politics. A similar convergence of political outlook could already be seen in the commitment on the part of post-war Japanese and Australian prime ministers to play a leading role in fostering regional integration, and in arguing for the benefits of new economic initiatives to offset political and strategic tensions. A prominent example of this was the creation of APEC in 1989, in which Australia was especially proactive and effective in securing Japan's behind-the-scenes support.<sup>26</sup>

Bilateral economic ties have continued to expand substantively since the late 1950s, and the relationship between the two economies remains strongly complementary. Japan imports Australian resources such as iron ore and liquefied natural gas, and in return exports its manufactured products to Australia. While Japan was for some 35 years Australia's major trading partner, and Australia remains Japan's primary source of raw materials, in 2007 Japan was overtaken by China as Australia's largest trading partner. Despite the growing prominence of China, the bilateral relationship between Australia and Japan remains hugely important, a fact reflected in the signing in 2014 of their Economic Partnership Agreement, which entered into force in 2015. The agreement is designed to take the economic relationship into new areas, allowing preferential access for more than 97 per cent of Australian exports to Japan, as well as a number of important mutually beneficial tariff reductions.<sup>27</sup> From Australia's perspective, the agreement is expected to send a clear signal that it welcomes further growth and diversification in Japanese investment.

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<sup>23</sup> Heazle, M. and Tatsumi, Y. (2017), 'Explaining Australia-Japan security cooperation and its prospects: the interests that bind', *Pacific Review*, April, pp. 3–4, doi:10.1080/09512748.2017.1310750 (accessed 30 May 2017).

<sup>24</sup> Pollmann and Tidwell (2015), 'Australia's submarine technology cooperation with Japan as burden-sharing with the USA in the Asia-Pacific', p. 396.

<sup>25</sup> Ministry of Foreign Affairs of Japan (1995), 'Joint Declaration on the Australia-Japan Partnership', 26 May 1995, [http://www.mofa.go.jp/region/asia-paci/australiajoin\\_au.html](http://www.mofa.go.jp/region/asia-paci/australiajoin_au.html) (accessed 30 May 2017).

<sup>26</sup> See Funabashi, Y. (1995), *Asia Pacific Fusion. Japan's Role in APEC*, Washington, DC: Institute for International Economics, p. 201.

<sup>27</sup> For details on the agreement, see Australian Government Department of Foreign Affairs and Trade (2017), 'Japan-Australia Economic Partnership Agreement', <http://dfat.gov.au/trade/agreements/jaepa/official-documents/Pagesofficial-documents.aspx> (accessed 26 May 2017).

## People-to-people links

Paralleling these important economic links, there has been steady growth in people-to-people ties. Australia's 2011 census showed that there were 35,378 Japan-born individuals in the country, a 14.9 per cent increase since the previous census in 2006.<sup>28</sup> An estimated 9,800 Australians are resident in Japan, a figure that has remained relatively steady since 2000.<sup>29</sup> Japanese visitor arrivals in Australia numbered 413,800 in 2016, while 445,332 Australians visited Japan.<sup>30</sup> Japanese remains the most popular and widely taught foreign language in Australia (followed by French, German, Mandarin and Indonesian), although Mandarin ranks as the most commonly spoken second language – a reflection, presumably, of the large numbers of ethnic-Chinese residents in the country.<sup>31</sup>

## Closer security dialogue

In the security space, a significant step forward first emerged with the 2002 Sydney Declaration for Australia-Japan Creative Partnership, under prime ministers Koizumi and John Howard, in which the two countries agreed to cooperate in combating terrorism, supporting peacekeeping operations in Timor-Leste, bolstering UN-related activities and fostering a wider Track 1.5 bilateral security dialogue between government officials and academics. The 2007 Japan-Australia Joint Declaration on Security Cooperation significantly expanded the scope of security cooperation and, importantly, mandated an annual 'two-plus-two' joint foreign/defence ministerial dialogue between the two countries.

At the rhetorical level, there was no mistaking the enthusiasm on the Australian side for this deepening partnership, with Prime Minister Howard noting at the time that for Australia there was 'no closer, nor more valuable partner in the [Asia-Pacific] region than Japan'.<sup>32</sup> Indeed, he had reportedly been keen to see the partnership formulated as a full-blown alliance,<sup>33</sup> but the Japanese government demurred, concerned about the constitutional, legal and domestic political constraints militating against this more ambitious undertaking. Moreover, the partnership remained necessarily part of the wider US-centric 'hub-and-spokes' alliance framework, underpinned practically and symbolically by the Trilateral Strategic Dialogue between Australia, Japan and the US, proposed by Australian Foreign Minister Alexander Downer in 2001 and elevated to full foreign ministerial level in 2005.

Despite the absence of a formal alliance, the strengthening of security cooperation has continued at an undiminished pace: first in the form of the Japan-Australia Acquisition and Cross-Servicing Agreement of 2009, which put in place reciprocal provision of supplies and services between the JSDF and Australian Defence Force (ADF); and second with the passage in 2012 of the Japan-Australia Information Security Agreement, which allows for the sharing of critical security information

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<sup>28</sup> Australian Government Department of Social Services (2014), 'The Japan-born Community', <https://www.dss.gov.au/our-responsibilities/settlement-and-multicultural-affairs/programs-policy/a-multicultural-australia/programs-and-publications/community-information-summaries-the-japan-born-community> (accessed 31 May 2017).

<sup>29</sup> Statistics Japan (2017), 'Foreign National Residents by Nationality', *Japan Statistical Yearbook 2017*, <http://www.stat.go.jp/english/data/nenkan/66nenkan/index.htm> (accessed 31 May 2017). Also see Statistics Japan (2015), 'Foreign National Residents by Nationality', *Japan Statistical Yearbook 2015*, <http://www.stat.go.jp/english/data/nenkan/back64index.htm> (accessed 31 May 2017).

<sup>30</sup> Tourism Australia (2017), *Japan Market Profile*, <http://www.tourism.australia.com/content/dam/assets/document/1/6/x/f/x/2002893.pdf> (accessed 27 Jul. 2017); Japan National Tourism Organization (2017), 'Foreign Visitors to Japan by Nationality and Month for 2016 – Total', <https://www.jnto.go.jp/eng/ttp/sta/PDFE2016.pdf> (accessed 27 Jul. 2017).

<sup>31</sup> Midgeley, W. (2017), 'Which languages should Australian children be learning to get ahead', ABC News, 24 March 2017, <http://www.abc.net.au/news/2017-03-24/which-languages-should-australian-children-be-learning/8383146> (accessed 7 May 2017).

<sup>32</sup> International Institute for Strategic Studies (2007), 'Australia's growing regional role', *Strategic Comments*, 13(6), p. 2, doi:10.1080/13567880701695192 (accessed 31 May 2017).

<sup>33</sup> Schreer, B. (2016), 'Australia's 'special strategic relationship' with Japan: another 'China choice'', *Australian Journal of International Affairs*, 70(1), p. 40.

not only bilaterally, but also trilaterally with the US. The culmination of this set of practical reinforcements came with Abe's visit to Canberra in 2014. This provided an opportunity for him and Prime Minister Tony Abbott to announce a 'special strategic partnership', and for Abe to give an unprecedented and well-received address (the first by a Japanese prime minister) to a joint session of the Australian parliament in which he offered his condolences for Australians who had died during the Second World War. The visit also involved the two governments signing an agreement on the transfer of defence equipment and technology, opening the door (following Japan's 2014 ending of its 50-year post-war prohibition on arms exports) to much more extensive and mutually beneficial arms-technology cooperation.

### The 'China gap'

Despite the improvement in bilateral cooperation over the past 15 years or so, the strategic focus for the Australia–Japan partnership has been at best imperfectly articulated. Unresolved in the midst of all of this is the relative importance of the challenge posed by China. While Japan's worry over the strategic threat posed by China has grown steadily, some observers in Australia (most notably the academic Hugh White, former foreign minister Gareth Evans and former prime minister Paul Keating) have warned about the risk of alienating China by aligning too closely with Japan.<sup>34</sup> This 'China gap' argument highlights the potential threats to Australian economic interests – in particular to Chinese trade and foreign direct investment deals – if the government in Beijing were to feel that Australia had become too assertive in supporting Japanese security interests in the Asia-Pacific.

However, the evidence in support of this interpretation is sketchy at best. Notwithstanding some verbal broadsides from China, there is little evidence that Australia has been punished economically for its various bilateral security deals with Japan.<sup>35</sup> Nor is there much sign of a moderating of Australia's growing concern, shared by other regional actors, about China's increased military might and assertiveness. While the precise language and tone used to characterize China's security ambitions have varied in Australia's recent defence white papers, the last four Australian governments as well as the current one have been broadly consistent in warning of the dangers of its growing military strength.<sup>36</sup>

If anything, Australia has become more outspoken in calling out China for its security provocations, criticizing the unilateral extension of its ADIZ in 2013, backing the importance of freedom-of-navigation operations and endorsing the 2016 ruling by the Permanent Court of Arbitration in The Hague supporting the Philippines in its territorial dispute with China in the South China Sea. Such outspokenness has also not stood in the way of Australia's own defence dialogue and cooperation with China, as evidenced by the 2014 Exercise Kowari, a trilateral military training drill that involved the ADF, personnel from China's People's Liberation Army and US forces in Australia's Northern Territory.<sup>37</sup>

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<sup>34</sup> Ibid., p. 38.

<sup>35</sup> Ibid., p. 45.

<sup>36</sup> Heazle and Tatsumi (2017), 'Explaining Australia-Japan security cooperation and its prospects', p. 7; Schreer (2016), 'Australia's 'special strategic relationship' with Japan', p. 41.

<sup>37</sup> Schreer (2016), 'Australia's 'special strategic relationship' with Japan', p. 46.

## Limits to cooperation

Despite their security cooperation, Australia and Japan have parted company on some China-related issues. In 2008, for example, Japan pushed for a new quadrilateral partnership with India, Australia and the US in bolstering regional security and fostering democratization in Asia, as part of an envisaged ‘arc of freedom and prosperity’. The Kevin Rudd government rejected the arrangement, worried that it would be interpreted by China as a containment strategy that would foster precisely the sort of adversarial relationship that the proposal was designed to guard against.<sup>38</sup> A similar divergence has been evident in the debate over joining the Asian Infrastructure Investment Bank (AIIB). Australia initially hesitated to join the new China-led institution when it was first promoted in 2014, but it eventually did so when it became apparent that several European countries, most notably the UK, had decided to join.<sup>39</sup> Japan, by contrast, has continued to stand on the sidelines, sharing the reluctance of the US to participate in the new body.

One particular brake on Australian–Japanese defence cooperation is differing public opinion. While 64 per cent of Japanese say they see China as a threat in the region, only 41 per cent of Australians do so, and as few as 28 per cent of Australians would endorse backing Japan in a putative future direct conflict with China.<sup>40</sup> While Japan’s security preoccupations with China are focused on its immediate backyard in the East China Sea and the stand-off over the Senkaku/Diaoyu islands, Australia is more concerned about the South China Sea. This geographical division highlights the limits to strategic convergence when it comes to confronting China.<sup>41</sup>

Security collaboration between Australia and Japan has a much wider remit than the China challenge, however, and reflects their commitment to open, inclusive regionalism as well as the practical need to pool economic resources to meet a broad mix of security challenges. Both face substantial fiscal (and, in Japan’s case, political) constraints that limit defence spending options, notwithstanding their large absolute levels of defence expenditure.<sup>42</sup>

Some of the strength of the bilateral security partnership has emerged as a result of joint humanitarian and disaster relief missions, e.g. following the Southeast Asian tsunami of 2004, the Fukushima triple disaster in Japan in 2011 and Typhoon Haiyan in the Philippines in 2013. Australian and Japanese peacekeepers have also worked side by side in East Timor (Timor-Leste since 2002), Cambodia and South Sudan. Much of the practical convergence between the militaries has come from Australia’s very public acceptance of Japan’s security normalization, and there remain a number of important areas in which the relationship could profitably be expanded: for example, cybersecurity, maritime law enforcement, enhancing the status and practical role of ASEAN, and collaboration on ballistic missile defence to address the growing security threat posed by North Korea.<sup>43</sup>

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<sup>38</sup> Ching, F. (2008), ‘Asian Arc’ doomed without Australia’, *Japan Times*, 22 February 2008, <http://www.japantimes.co.jp/opinion/2008/02/22/commentary/asian-arc-doomed-without-australia#.WQ9VTVJ7HUo> (accessed 7 May 2017). For further details on the thinking behind Japan’s strategic thinking on the arc, see Aso, T. (2007), *Jiyū to hanei no ko* [The Arc of Freedom and Prosperity], Tokyo: Gentosha.

<sup>39</sup> Harris-Rimmer, S. (2015), ‘Why Australia took so long to join the AIIB’, *Interpreter*, 20 March 2015, <https://www.lowyinstitute.org/the-interpreter/why-australia-took-so-long-join-aiib> (accessed 7 May 2017).

<sup>40</sup> Opinion poll data based on a variety of polls cited in Satake, T. (2016), ‘The Japan–Australia contribution to a liberal and inclusive regional order: beyond the ‘China Gap’’, *Australian Journal of International Affairs*, 70(1), pp. 30–31.

<sup>41</sup> *Ibid.*, p. 30.

<sup>42</sup> Japan ranks as the world’s seventh-largest defence spender and Australia as the 11th-largest. The two countries respectively spent US\$47.3 billion (1 per cent of GDP) and US\$24.2 billion (1.92 per cent of GDP) on defence in 2016. International Institute for Strategic Studies (2017), *The Military Balance*, London: Routledge, pp. 19, 555.

<sup>43</sup> Satake (2016), ‘The Japan–Australia contribution to a liberal and inclusive regional order’, pp. 24–26.

The relationship is not without its ups and downs. Japan's failure to win a contract to supply Australia's navy with a replacement for its ageing Collins-class submarines (the contract was awarded to France) was a disappointment to the Abe government. This reflected technical challenges and Japanese inexperience, as well as domestic political considerations in Australia, including the need to ensure a credible share of the project was handled by Australian workers, independent of wider strategic considerations.<sup>44</sup>

Ultimately, the key factor shaping security dynamics between Australia and Japan is likely to be their respective alliance partnerships with the US. The Trump administration's foreign and security policy towards the region remains a work in progress, shrouded in ambiguity (whether this is deliberate or inadvertent remains unclear). US relations with Australia got off to a rocky start in 2017, marred by a reportedly acrimonious and intemperate phone conversation between Trump and Turnbull.<sup>45</sup> Since then there have been signs of efforts at damage limitation on both sides, and the two leaders have gone out of their way to downplay their differences.<sup>46</sup> By contrast, Trump's early engagement with Japan was more obviously harmonious, a product of a very focused public relations effort by Abe to court the president-elect/new president shortly after the election in November 2016 and during a follow-up visit in February 2017.

It may be the case that Australia and Japan will feel compelled to work more closely together to guard against the unpredictability of their common alliance partner, and out of fear that burden-sharing pressures from the White House will compel them to anticipate a possible partial US retreat from Asia or, more dramatically, to offset the risk of wholesale abandonment by the US. During the Cold War and much of its aftermath, Washington was an explicit and staunch defender of democratic values and the rule of law. Given the uncertainty surrounding Trump's support for such values and his apparent preference for a more narrowly defined promotion of the US national interest, it would be sensible for Australia and Japan to hedge against this risk by boosting the bilateral ties between them. To some critics, Canberra has lacked a well-developed strategic outlook when it comes to mapping out its foreign and defence policy.<sup>47</sup> Its success at fostering an effective quasi-alliance with Japan, as its key tier-2 security partner, suggests otherwise. Progress bilaterally may also open the door to wider regional cooperation with other key security actors, most notably India, which – much like Australia and Japan – has shown a growing appetite and aptitude in recent years for pragmatic foreign policymaking.

## India and Japan: pragmatic convergence in hedging against China's rise

### Power and strategy

Under the leadership of Prime Minister Narendra Modi since 2014, India has moved markedly away from its tradition of non-alignment. This shift was discernible under the previous governments of Atal Bihari Vajpayee and Manmohan Singh, but Modi, the lower-house leader of the Hindu-

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<sup>44</sup> Mcguirk, R. and Satter, R. (2016), 'French company scores huge Australian submarine contract', Associated Press, 26 April 2016, <https://phys.org/news2016-04-australia-french-company-huge-submarine.html> (accessed 31 May 2017).

<sup>45</sup> Cave, D. (2017), 'Trump's Volatility in Asia Distresses a Longtime U.S. Ally: Australia', *New York Times*, 1 May 2017, <https://www.nytimes.com/2017/05/01/world/australiatrump-north-korea-us-china.html> (accessed 31 May 2017).

<sup>46</sup> Haberman, M. and Landler, M. (2017), 'Despite Earlier Spat, Smooth Sailing Aboard Intrepid for Trump and Turnbull', *New York Times*, 4 May 2017, <https://www.nytimes.com/2017/05/04/world/australiadonald-trump-malcolm-turnbull-meeting.html> (accessed 31 May 2017).

<sup>47</sup> See, for example, Brown, K. and Bretherton, H. (2016), 'Australian relations with China and the USA: the challenge of grand strategies', *Australian Journal of International Affairs*, 70 (1), pp. 1–5.

nationalist Bharatiya Janata Party, has pushed a more assertive, single-minded foreign policy that shares many characteristics with Abe's proactive diplomacy. While no explicit doctrine underpins Modi's approach,<sup>48</sup> he has developed a four-pronged strategy promoting economic growth, enhanced regionalism, the cultivation of a range of sometimes extensive foreign policy partnerships (as opposed to formal alliances) and the development of India's soft power.

With economic growth in the 2000s averaging 8 per cent, by 2015 India had risen to become the seventh-largest economy in the world in nominal GDP terms, and according to some projections it is set to become the fifth-largest by 2020.

Like Abe, Modi has shown an appetite for peripatetic diplomacy, having travelled abroad no fewer than 19 times in his first year as prime minister.<sup>49</sup> He recognizes the rhetorical power of branding policy initiatives in ways that clearly telegraph India's mission and ambitions. Modi has extended the 'Look East' approach of the 1990s (which originated under Prime Minister P. V. Narasimha Rao), with its stress on cultivating closer ties with Southeast Asia to offset China's geopolitical rise, into an ambitious 'Act East' agenda embracing a more strategic focus on the East Asian region, including new and strengthened partnerships with countries such as Vietnam and Japan. Paralleling this approach, on the economic front Modi's 'Make in India' campaign, launched in 2014, has sought to promote the country as an attractive base for foreign direct investment, encouraging job creation in some 25 critical sectors of the economy.

India's ability to pursue this ambitious agenda is partly a function of rapid economic development. With economic growth in the 2000s averaging 8 per cent, by 2015 India had risen to become the seventh-largest economy in the world in nominal GDP terms, and according to some projections it is set to become the fifth-largest by 2020.<sup>50</sup> Economic growth has facilitated a massive expansion in military spending, which almost tripled between 1992 and 2012, from US\$18 billion to US\$50 billion. Already, India ranks sixth in the world in this regard, ahead of Japan (and behind the US, China, Russia, Saudi Arabia and the UK), spending US\$51.1 billion in 2016, or 2.27 per cent of its GDP.<sup>51</sup>

### Offsetting China's security challenge

Fear of China, the product of many years of enmity dating back to the 1962 border war, in which India was defeated, acts as a natural point of strategic convergence with Japan. Clashes are frequent along the 4,000-kilometre Himalayan border between India and China, and the latter continues to claim ownership of India's northeastern province of Arunachal Pradesh.<sup>52</sup> Conflict on land is reinforced by India's concerns about China's maritime ambitions, not only in the South China Sea but also in the Indian Ocean. Strategic planners worry increasingly about a 'string of pearls' encirclement strategy, in which China seeks to constrain India's maritime freedom of movement via a series of port visits and refuelling agreements with countries in the region – Bangladesh, Myanmar, Sri Lanka and, most troubling of all, Pakistan (India's historic rival).<sup>53</sup>

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<sup>48</sup> Hall, I. (2015), 'Is a 'Modi doctrine' emerging in Indian foreign policy?', *Australian Journal of International Affairs*, 69(3), p. 251.

<sup>49</sup> Tandon, A. (2016), 'India's Foreign Policies and the Emergence of a Modi doctrine', *Strategic Analysis*, 40(5), p. 349.

<sup>50</sup> Bergenwall, S. (2016), 'Assessing India's rise and the way ahead', *Strategic Analysis*, 40(5), p. 390.

<sup>51</sup> International Institute for Strategic Studies (2017), *The Military Balance*, pp. 19, 555.

<sup>52</sup> Joshi, Y. and Pant, H. V. (2015), 'Indo-Japanese strategic partnership and power transition in East Asia', *India Review*, 14(3), p. 316.

<sup>53</sup> Wagner, C. (2016), 'The Role of India and China in South Asia', *Strategic Analysis*, 40(4), p. 316.

China's growing maritime reach and desire to sustain access to critical oil supplies from the Middle East have also raised the spectre of competition to preserve access to the Persian Gulf, via the Strait of Hormuz (paralleling long-standing worries about threats to unfettered movement through the Strait of Malacca in Southeast Asia), while its contact with small island states such as the Maldives, Mauritius and Seychelles also demonstrates the growing presence of China in the Indian Ocean.<sup>54</sup> Indeed, unlike in the case of Sino-Australian relations, where concern about diverging strategic interests has been largely speculative, India has experienced actual clashes with China at sea. For example, in 2011, echoing the experience of US navy ships that had been confronted by Chinese ships in the South China Sea, an Indian assault ship was harassed by a Chinese vessel near the Vietnamese port of Nha Trang.<sup>55</sup> Allied to these strategic facts on the ground are more general concerns about political rivalry with China. India and Japan have, for example, actively made the case for UN Security Council reform, supporting one another in arguing for their formal, permanent representation on an expanded council, which China has resisted.

Notwithstanding these important tensions, the Modi government has been careful to avoid any sense of a zero-sum approach in its dealings with China. Much like Abe and past Japanese prime ministers, Modi fully acknowledges the importance of developing a close and mutually beneficial economic relationship with China. The relative importance of the Chinese market varies for India and Japan – Sino-Indian trade of US\$70.6 billion in 2014 was dwarfed by Japan–China trade of US\$343.7 billion in the same year. Nonetheless, for both Japan and India trade with China eclipses their own bilateral trade, which amounted to just US\$16.3 billion in 2014.<sup>56</sup> The point is a simple one: such is the importance of trade and investment relationships with China that political and corporate actors in both India and Japan will continue to lobby in support of a working economic partnership with it.

### Economic ties

There is a strong appetite on the part of India and Japan to consolidate and expand their economic relationship, perhaps to guard against any possible conflation of security and economic interests that might complicate each country's relations with China. Modi has actively courted Japanese investment, starting when he was chief minister of the state of Gujarat. Over 1,000 Japanese firms have manufacturing facilities in India, and India has overtaken China as the largest recipient of Japanese development assistance (with US\$1.4 billion in 2013–14).<sup>57</sup> Infrastructure development in India has also been a key opportunity for Japan – an area in which, given the sluggishness of the Japanese economy, the Abe government has been keen to stress his country's comparative advantage. Japan has secured roles in developing a Mumbai–Delhi freight corridor and a major port in Chennai. More recently, in 2016, it sealed an agreement with India to develop (starting in 2018) a high-speed *Shinkansen* train line between the cities of Mumbai and Ahmedabad.<sup>58</sup>

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<sup>54</sup> Conley Tyler, M. H. and Bhutoria, A. (2015), 'Diverging Australian and Indian Views on the Indo-Pacific', *Strategic Analysis*, 13(3), pp. 229–30.

<sup>55</sup> Joshi and Pant (2015), 'Indo-Japanese strategic partnership and power transition in East Asia', p. 314.

<sup>56</sup> *Ibid.*, p. 320.

<sup>57</sup> *Ibid.*, pp. 320–21.

<sup>58</sup> *Economic Times* (2016), 'PM Modi's Japan visit: construction of high-speed train corridor to start in 2018', 11 November 2016, <http://economictimes.indiatimes.com/news/industry/transportation/railways/pm-modis-japan-visit-ground-breaking-ceremony-of-bullet-train-in-2017/articleshow55376695.cms> (accessed 8 May 2017).

The intensity of these partnerships reflects the success of the 2011 India–Japan Comprehensive Economic Partnership agreement, which was given a further boost by the announcement in 2014 of a bilateral Investment Promotion Partnership. The latter has helped not only to expand mutually beneficial investment, but also, in some cases, such as India’s commitment to provide Japan with scarce rare-earth minerals, to alleviate Japan’s dependence on China for the provision of strategic commodities. In the past, the Chinese government has been happy to suspend the supply of such commodities to make a political point in the wake of clashes over the disputed Senkaku/Diaoyu islands.<sup>59</sup>

### Strategic cooperation

If economic cooperation is a sign of a convergence of interests between India and Japan, the same is true in the strategic sphere, where India’s military aspirations are not always matched by its capabilities. The Abe government has sought to help fill the gap by providing much-needed technical assistance, in a manner that is economically beneficial as it seeks new weapons-related trade opportunities following the ending of Japan’s prohibition on arms exports in 2014. India has an interest in purchasing Japan’s Soryu-class diesel-electric submarines to offset the growing Chinese submarine challenge in the Indian Ocean. Japan’s Shin Maywa company is in discussions with Indian counterparts about the possibility of assembling Utility Seaplane-mark II amphibious aircraft in India.<sup>60</sup>

These important potential bilateral deals have been framed against a series of high-profile summit meetings between the leaders of the two countries. As early as in his first term, Abe was determined to prioritize relations with India, and on a visit in 2007 he became the first Japanese prime minister to address a joint session of India’s parliament. Similar high-profile visits have continued, notably in 2014 when Abe attended India’s Republic Day parade.<sup>61</sup> High-profile summit visits have been an opportunity to sign bilateral security deals, such as the 2008 Joint Declaration on Security Cooperation, which paved the way in 2009 for the establishment of a regular ‘two-plus-two’ foreign/defence ministerial dialogue.<sup>62</sup>

Underpinning these successes has been a strong personal rapport between the leaders of the two countries, especially between Abe and Modi, and a willingness on the part of key figures on both sides to use very similar language in underlining their commitment to common democratic values and the strategic importance of the ‘Indo-Pacific’. This latter phrase has become more prominent in pronouncements by Abe, particularly in his most recent references to a ‘free and open Indo-Pacific strategy’.<sup>63</sup> In 2013, Prime Minister Manmohan Singh reiterated the notion of a common maritime space by citing Abe’s past reference to ‘the confluence of the two seas’ of the Pacific

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<sup>59</sup> Joshi and Pant (2015), ‘Indo-Japanese strategic partnership and power transition in East Asia’, pp. 322.

<sup>60</sup> Garge, R. (2016), ‘The India-Japan strategic partnership: evolving synergy in the Indo-Pacific’, *Australian Journal of Maritime and Ocean Affairs*, 8(3), pp. 261–62.

<sup>61</sup> Joshi and Pant (2015), ‘Indo-Japanese strategic partnership and power transition in East Asia’, p. 318.

<sup>62</sup> Closer security cooperation between India and Japan has not always been self-evident. Since the late 1990s, for example, in the wake of its rapid set of five nuclear weapons tests in 1998, India has single-mindedly pursued an ambitious nuclear armaments strategy, including the development of an ICBM capacity and the promotion of a nuclear triad, that is directly at odds with Japan’s post-war anti-nuclear stance and strong non-proliferation commitment. Japan has sought to reconcile itself to this development by vigorously supporting India’s membership of the Nuclear Suppliers Group (NSG), and by backing a wider range of non-proliferation initiatives while also promoting, under Abe’s leadership, responsible joint India–Japan civilian nuclear power development – a focus that has the added benefit of providing significant potential economic benefits for Japan. See, Bergenwall (2016), ‘Assessing India’s rise and the way ahead’, p. 393; and Garge (2016), ‘The India-Japan strategic partnership’, p. 262.

<sup>63</sup> Prime Minister of Japan and His Cabinet (2017), ‘Press Conference by Prime Minister Shinzo Abe Following His Visit to the Philippines, Australia, Indonesia and Viet Nam’, 16 January 2017, [http://japan.kantei.go.jp/97\\_abe/statement/2017011221207\\_11567.html](http://japan.kantei.go.jp/97_abe/statement/2017011221207_11567.html) (accessed 8 May 2017).

and Indian oceans.<sup>64</sup> Modi, for his part, during his 2014 visit to Tokyo, criticized the expansionism of certain regional actors, an oblique reference to China's actions that will have resonated with Japanese officials.<sup>65</sup>

## Personalities and people

Personal chemistry at the elite level has been bolstered by sympathetic relations at the level of mass society, with 95 per cent of Indians reporting positive attitudes towards Japan in a 2013 survey and 70 per cent of Japanese reciprocating with positive views towards India.<sup>66</sup> This affinity may partly be explained by positive historical associations. India and Japan share the experience of having struggled against former colonial/imperial powers. The dissenting ruling of the Indian judge, Radha Binod Pal, at the post-war Tokyo War Crimes Trial, in which he opposed the conviction of some of Japan's leaders as war criminals, is often cited positively by Japanese conservatives hostile to what they perceive as the victors' justice of the post-war period.<sup>67</sup> The absence of some of the bitter legacy issues of the pre-1945 period (whether territorial disputes or conflicting historical interpretations regarding Japan's wartime behaviour and its post-war memorialization activities) that have frequently divided Japan from other countries in the region, most notably North and South Korea and China, helps to explain why India and Japan have been able to cooperate so effectively.<sup>68</sup>

People-to-people ties between India and Japan are perhaps less well developed than those between Australia and Japan or Australia and India. Immigration, for example, unlike in the case of Australian-Indian ties, remains heavily restricted in Japan. As a consequence, the view of India there can sometimes be overly romanticized and exoticized. Japan has not received many immigrants from India, with just 26,200 Indians resident in 2015.<sup>69</sup> Moreover, while Japan's universities often have large departments in Indian studies, these have tended to concentrate on classical Indian studies rather than contemporary India, although since 2015 the Japanese government, with the assistance of the private sector, has made a concerted push to increase the number of Indian students studying and working in Japan.<sup>70</sup>

## Minilateral and multilateral cooperation

Some of the most promising opportunities for closer collaboration between India and Japan exist in a collective context. Under Abe, Japan has increasingly stressed the use of 'minilateral' initiatives – involving multiple, but relatively manageable numbers of, states – to supplement existing alliance partnerships. For India, given its post-war identity as a state unconstrained by

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<sup>64</sup> Conley Tyler and Bhutoria (2015), 'Diverging Australian and Indian Views on the Indo-Pacific', p. 228.

<sup>65</sup> Joshi and Pant (2015), 'Indo-Japanese strategic partnership and power transition in East Asia', p. 312.

<sup>66</sup> *Ibid.*, p. 318.

<sup>67</sup> *Ibid.*

<sup>68</sup> India's relationship with Japan during the Second World War was a complicated one. On the one hand, Indian nationalists such as Subhas Chandra Bose explicitly aligned themselves with imperial Japan in establishing an Indian National Army (INA) in an effort to force the British out of India. However, the INA experienced defeat at the hands of the British Indian Army, in which thousands of Indian soldiers and officers served. Moreover, after his death in 1945, Bose's patriotism and undisputed political charisma were undermined in the post-war period by his flirtation with fascism and his poor military and political tactics.

<sup>69</sup> Statistics Japan (2017), 'Foreign National Residents by Nationality', *Japan Statistical Yearbook 2017*, <http://www.stat.go.jp/english/data/nenkan1431-02.htm> (accessed 31 May 2017).

<sup>70</sup> Mitra, A. (2015), 'Japanese universities woo Indian students', *The Hindu Businessline*, 4 February 2015, <http://www.thehindubusinessline.com/news/education/japanese-universities-woo-indian-studentsarticle6857411.ece> (accessed 8 May 2017).

great-power relationships, this ad hoc, broader approach resonates and dovetails neatly with the omnidirectional pragmatism of a leader such as Modi. Some of this can be seen in India's support for the ASEAN Regional Forum and the East Asia Summit, participation in various BRICS<sup>71</sup> institutions, and its membership of the AIIB, the Shanghai Cooperation Organisation and the South Asian Association for Regional Cooperation (although the latter is often criticized for being ineffective).<sup>72</sup> India is also a member of the Regional Comprehensive Economic Partnership (RCEP) initiative, a grouping that is likely to take on added significance in the wake of the Trump administration's decision to abandon the Trans-Pacific Partnership (TPP). RCEP provides a context in which Japan, without by any means giving up on the TPP, hopes to continue to push for continuing trade liberalization to offset the trend towards the mutually destructive mercantilism associated with the Trump administration.

Probably the most promising multilateral context for an enhanced Indian–Japanese partnership is in trilateral and quadrilateral security cooperation. Since 2007, the annual Malabar naval exercises, initially involving India and the US, and then other regional partners including Australia, Japan and Singapore, have offered a useful venue for this. Japan, under Abe's leadership, has been keen to use this framework for enhanced regional security cooperation. In the past, China has lobbied against such activities and has prevailed in discouraging states such as Australia from participating. However, under Modi, India has changed direction. In 2014 it invited Japan to participate in a new round of exercises with it and the US, laying the foundation for Japan to become a permanent participant from 2015. Similarly, Australia, India and Japan convened a trilateral security dialogue in New Delhi in 2015, reinforcing an important trend in the re-emergence of the 'quad-like' partnership (with the US as the fourth, core and common participant) that Abe favoured in the past.<sup>73</sup> It is perhaps too early to judge how far this will proceed, but it marks an important shift in emphasis and a deepening regional awareness of the importance of offsetting China's strategic rise.

## Australia and India: potential but underdeveloped convergence

In many regards, the Australian–Indian relationship is the least developed side of the emerging triangular partnership. At a conceptual level, the Australian government has stressed, with the publication of its 2009 and 2013 defence white papers, the centrality of the Indo-Pacific region in its strategic thinking. There is now a clear bipartisan consensus on the need to reflect this in concrete policy terms.<sup>74</sup> With the publication of the *2016 Defence White Paper*,<sup>75</sup> Australia has re-emphasized its commitment to freedom of navigation in the South China Sea, and its support for its alliance with the US while working with other partners such as Japan and South Korea. Moreover, notwithstanding Australia's past cautious and non-committal position on sovereignty claims in the South China Sea, the *2016 Defence White Paper* makes clear the government's concerns over Chinese maritime assertiveness in the region, including land reclamation activities.<sup>76</sup> To Australia, the Indo-Pacific matters not only because of the latter's growing importance as a potential site of strategic

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<sup>71</sup> 'BRICS' stands for Brazil, Russia, India, China and South Africa.

<sup>72</sup> Bergenwall (2016), 'Assessing India's rise and the way ahead', p. 394.

<sup>73</sup> Pant, H. V. (2017), 'India, Japan, Australia, and the US: the return of Asia's Quad', *The Diplomat*, 28 April 2017, <http://thediplomat.com/2017/04/india-japan-australia-and-the-us-the-return-of-asias-quad> (accessed 8 May 2017).

<sup>74</sup> Carr, A. and Baldino, D. (2015), 'An Indo-Pacific norm entrepreneur? Australia and defence diplomacy', *Journal of the India Ocean Region*, 11(1), p. 35.

<sup>75</sup> Australian Government, Department of Defence (2016), *2016 Defence White Paper*, <http://www.defence.gov.au/whitepaper/docs/2016-defence-white-paper.pdf> (accessed 18 Jul. 2017).

<sup>76</sup> Baker, B. D. (2016), 'What Does Australia's Defense White Paper Actually Say?', *The Diplomat*, 5 March 2016, <http://thediplomat.com/2016/03/what-does-australias-defense-white-paper-actually-say> (accessed 31 May 2017).

and geopolitical rivalry between India and China, but also as a trade route, particularly for essential energy resources, and as a region of increasing economic activity on which Australia is critically dependent. Additionally, the region matters because of the non-traditional security challenges that it encompasses, including migration, piracy, organized crime, natural disasters and food security.<sup>77</sup>

India's leaders are clearly on the same page and have been increasingly explicit in publicly articulating their support for the concept of the Indo-Pacific, even if occasionally they have been cautious in using the term in their interactions with their Chinese counterparts. As early as 2012, Prime Minister Singh, at a commemorative ASEAN summit, noted that 'a stable, secure and prosperous Indo-Pacific region is crucial for our own progress and prosperity'.<sup>78</sup> Similarly, in 2009 a former chief of naval staff, Arun Prakash, commented: 'India's first precondition (not merely based on semantics) should be on having the "Asia-Pacific" label replaced by the term "Indo-Pacific" which has a far more geographically inclusive connotation.'<sup>79</sup>

The commitment to security cooperation on both sides of the relationship is arguably more aspirational than fully fledged. Modi becoming prime minister has certainly helped to move the relationship forward; the clearest expression of this came with his 2014 visit to Canberra, during which the two governments agreed a new security cooperation framework setting out an action plan for closer partnership. This envisages a broad range of areas for cooperation, including annual ministerial-level meetings between defence and foreign ministries, counterterrorism efforts, border and migration coordination, nuclear non-proliferation initiatives, maritime security, disaster management, humanitarian support, and cooperation in regional and multinational forums.<sup>80</sup>

### India and Australia are negotiating a Comprehensive Economic Cooperation Agreement, but differences on trade liberalization, particularly in the agricultural sector, have continued to retard progress.

Efforts to reinforce and extend this cooperation may run into significant challenges. India's foreign policy bureaucracy is arguably under-resourced by comparison with its Australian counterpart, and critics have argued that institutional conservatism in New Delhi has militated against a rapid strengthening of bilateral ties. Scope for new defence technology partnerships has been undercut by Australian worries about commercial corruption and the challenges of navigating a sometimes byzantine procurement process in India.<sup>81</sup>

More broadly, the economic relationship between the two countries is less developed than it might be. India is Australia's 10th-largest trade partner and its fifth-largest export market. In 2014–15 bilateral trade in goods and services was worth A\$18 billion. Australia's principal exports to India consist of coal, educational travel and gold, and the main imports from India are refined petroleum, personal travel and business services.<sup>82</sup> The two countries are negotiating a Comprehensive Economic Cooperation Agreement, but differences on trade liberalization, particularly in the agricultural sector, have continued to retard progress, even while there have been advances in some previously highly

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<sup>77</sup> Carr and Baldino (2015), 'An Indo-Pacific norm entrepreneur?', p. 35.

<sup>78</sup> Conley Tyler and Bhutoria (2015), 'Diverging Australian and Indian Views on the Indo-Pacific', p. 227.

<sup>79</sup> *Ibid.*, p. 227.

<sup>80</sup> Brewster, B. (2017), 'The Australia–India Framework for Security Cooperation: Another Step Towards an Indo-Pacific Security Partnership', Australian Policy Online, p. 42, <https://www.regionalsecurity.org.au/Resources/Documents/11-1%20-%20Brewster.pdf> (accessed 9 May 2017).

<sup>81</sup> *Ibid.*, p. 43.

<sup>82</sup> Australian High Commission, New Delhi (2017), 'Australia-India Relations', [http://india.embassy.gov.au/ndliAustralia-India\\_Relations.html](http://india.embassy.gov.au/ndliAustralia-India_Relations.html) (accessed 9 May 2017).

contentious and sensitive sectors, such as movement towards a civil nuclear agreement allowing for the shipment of uranium ore from Australia to India.<sup>83</sup>

Cooperation has also been disrupted by occasional cultural clashes, including, for example, attacks on Indian students in Australia in 2009 and 2010 that received extensive media attention. That being said, Australia has promoted itself as an education provider for Indian students and, according to a 2013 poll, ranks second only to the US as a good destination for higher education.<sup>84</sup> Enrolment by Indian students in the Australian education system declined significantly from a peak of 120,500 in 2009 to 48,800 in 2013, although this has since picked up to 78,400 in 2016.<sup>85</sup> Despite this decline, people-to-people ties remain important. Australia today has nearly half a million people of Indian descent, a number equivalent to around 2 per cent of the country's population. This group is growing at twice the rate of Australia's Chinese population and might provide a useful stimulus for closer economic and political cooperation in the future.

## Conclusion

Stepping back to survey the complex picture of diverse and deepening bilateral and trilateral interactions presented here, it is clear that the potential for enhanced security cooperation between Australia, India and Japan is probably the best it has ever been, even if the relationship between the three more closely resembles an isosceles rather than an equilateral triangle. In other words, the ties between Japan and Australia and Japan and India are stronger and more extensive than those between India and Australia.

Two immediate challenges – the rise of China and uncertainty surrounding the policy priorities of the Trump administration – are powerful spurs for a convergence of interests. Doubts regarding the reliability and durability of the international order and regional stability are helping to foster much closer institutional and personal ties between all three countries.

Equally important, and not to be underestimated, is the power of individual leadership. Abe and Modi are unusually pragmatic and energetic leaders, facing few immediate political challenges at home, and both are committed to promoting a strong and assertive stance for their respective countries. Abe and Modi have also shown themselves to be non-doctrinaire in their approach to foreign affairs. In some cases (for example, in developing close ties with Russia), they may be well placed to act as regional and extra-regional mediators, bridging the ideological divides and culture of mistrust that have sometimes complicated international relations between the major powers. Malcolm Turnbull, by contrast, is much less secure politically. He has only been in office since 2015, heads a governing coalition that is level with the main opposition party in the polls at approximately 35 per cent, and commands a mere one-seat majority in the lower house of the Australian parliament in a context in which there has been recently a high turnover of political leaders.<sup>86</sup>

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<sup>83</sup> Laskar, R. H. (2017), 'As Turnbull visits, India and Australia negotiate uranium shipment', *Hindustan Times*, 6 April 2017, <http://www.hindustantimes.com/india-news/as-turnbull-visits-india-and-australia-negotiate-uranium-shipmentstory-VLJUyRFcS1hv9lOurCAmDI.html> (accessed 31 May 2017).

<sup>84</sup> Medcalf, R. (2015), *India-Australia Poll 2013*, Lowy Institute for International Policy and Australia India Institute, <http://www.lowyinstitute.org/publicationsindia-australia-poll-2013> (accessed 31 May 2017).

<sup>85</sup> Australian Trade and Investment Commission (2014), 'Education Data', <https://www.austrade.gov.au/Australian/Education/Education-Data/2014> (accessed 31 May 2017); Australian Trade and Investment Commission (2017), 'Education Data', <https://www.austrade.gov.au/Australian/Education/Education-Data/2017/Summaries-and-newssummaries-and-news> (accessed 31 May 2017).

<sup>86</sup> Crowe, D. (2017), 'Newspoll: Malcolm Turnbull's satisfaction rating on the rise', *The Australian*, 24 April 2017, <http://www.theaustralian.com.au/national-affairs/newspoll/newspoll-malcolm-turnbulls-satisfaction-rating-on-the-rise/news-story5b647895b7dbff81caccf50ead2aae6> (accessed 26 May 2017).

Additionally, a healthy and dispassionate non-zero-sum approach to dealing with China on the part of all three countries – whether in fostering trade and investment or in encouraging new institutional partnerships supporting regional development – offers useful opportunities for defusing regional tensions. While intensifying territorial disputes and growing military expenditures by regional actors are a source of concern, more regular military and political dialogue, confidence-building and deterrence-enhancing regional exercises may all help to offset traditional security risks.

New and more flexible minilateral alliances and security partnerships are also a valuable means for Australia, India and Japan to confront non-traditional security challenges. Much of the evidence to date suggests an increased appetite for eclectic minilateralism: eschewing grand strategic designs that might bind the countries to one another in a fully fledged, formal trilateral partnership, but still cooperating where particular interests overlap or converge. The process of security enhancement is necessarily gradual and evolutionary, and much will depend on how China and the US respond to the key regional challenges, as well as on the new opportunities offered by deepening bilateral and trilateral cooperation. In all of this, as has so commonly been the case in the past, the elements of chance, risk and unanticipated political and strategic developments need to be kept in mind. Asia, broadly defined, remains an economically vibrant region but also home to multiple security flashpoints. The evidence in Australia, India and Japan of strengthened institutional ties and leadership resolve to anticipate and respond constructively to these risks is a positive sign.

## About the author

John Nilsson-Wright is a senior research fellow with the Asia Programme at Chatham House (and former head of the programme from 2014 to 2016). He is also a senior lecturer in Japanese politics and international relations at the Faculty of Asian and Middle Eastern Studies at the University of Cambridge. He has a BA from Christ Church, Oxford; an MA from the Paul H. Nitze School of Advanced International Studies (SAIS) at Johns Hopkins; and a DPhil. from St Antony's, Oxford.

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