



THE 29TH POLICY RECOMMENDATIONS

India's Leap Forward and Japan

— Recommendations —

1. Recognize that Private-sector Business Activities are More Effective than Government Initiatives, and Act Accordingly.
2. Strengthen Ties with a View to Achieving Common Diplomatic Objectives.
3. Participate Actively in Business Networks Linking East Asia with India.
4. Diversify Japan-India Trade and Investment.
5. A Call to Governments and the Private Sector: Share the Latest Intellectual Resources for Infrastructural Development.
6. Promote Meaningful Policy Dialogue and Mutual Understanding, through Outcome-oriented Trade Missions.
7. Japanese Corporations: Adapt Business Models to the Indian Market.
8. Take Full Advantage of India's IT Expertise.
9. Increase Human Interaction, Especially by Offering More Employment Opportunities to India's Skilled Human Resources in Japan.
10. Cooperate with India on the Peaceful Use of Nuclear Energy.

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**THE POLICY COUNCIL
THE JAPAN FORUM ON INTERNATIONAL RELATIONS**

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Introduction

India's rapid economic growth is attracting worldwide attention. Many countries are keen to strengthen their ties with India, with a population of 1.1 billion the world's largest democracy and, like China, one of Asia's most important countries. From a geopolitical point of view as well, India has great strategic importance, located in the middle of what the Japanese government calls the "Arc of Freedom and Prosperity." India's economic growth is accelerating rapidly, fostering the growth of a middle class that is now beginning to show tremendous market potential.

Japan and India have deep ties, with roots extending far into the past, and today the two countries share many strategic interests. Now that India's global presence is growing, the two countries need to deepen their ties to spur prosperity in an Asia that is moving toward regional integration.

After independence in 1947, India's socialist Import Substitution Industrialization policy attempted to replace imported products with locally produced substitutes. But when the government launched its New Economic Policy in 1991, it changed direction by embracing economic liberalization. This released forces that triggered economic growth. Coincidentally, it was around this time that the information technology revolution, driven by developments mainly in the United States, really began to spread, and this also proved beneficial to India. Its economic growth has not followed the typical economic development pattern of labor-intensive light industries leading to capital-intensive heavy industries, leading finally to a mature economy with a focus on service industries.

Antiquated infrastructure is one of the most difficult hurdles facing India's economy today. The government, however, is rapidly introducing policy measures to promote infrastructural development, especially in telecommunications, roads, harbors and airports. These projects are generally taking the public-private partnership (PPP) approach, with a heavy emphasis on private capital and private-sector management. Economic growth has expanded the middle class and recently encouraged the influx of growing amounts of foreign capital, and one can infer from this that India's economy has reached the second stage of rapid advancement.

Of course, it is still not known to what extent infrastructural development will succeed in promoting economic growth and expanding employment. But there can be no doubt that the infrastructural development in India exhibits much latent demand, and much potential for further growth, and this is why East Asian and Western countries are eagerly strengthening ties with India. The international community's view of India is changing, as seen, for example, in the US-India cooperation agreement on the peaceful use of nuclear power. Compared with the forward-looking approaches being taken by other countries, Japan has unfortunately not been able to make the most of the inherent potential of its relations with India, and Japanese corporations are noticeably tardy in setting up operations there.

India is now the largest recipient nation of Japan's official development assistance (ODA), and the Japan-India relationship has thus far basically been defined on the basis of ODA, with initiatives from the Japanese government and its economic assistance arm, the Japan Bank for International Cooperation (JBIC). However, now that India's economic growth is being driven by the private sector, it has

reached the stage where it must move away from dependence on ODA, and new cooperative arrangements and competitive relationships should be established within the private sector. In other words, one major challenge now facing the Japanese government is to determine how best to combine the efforts of its various organizations and assistance programs with the promotion of opportunities for Japanese corporations to expand their operations into India.

These Policy Recommendations were drawn up on the basis of the above considerations, and are based on an analysis of India's political and economic realities at this time of growth. Our Recommendations are also intended to promote discussion on the types of policies Japan should develop vis-à-vis India, in order to make the most of its potential as a driving force for prosperity in Asia. Part I of this paper details our analytical study, and Part II weaves the results of the analysis into specific recommendations.

The "Introduction" and the "Recommendations" parts of the Policy Recommendations are translated in English and, together with the full text of the Policy Recommendations in Japanese, are distributed to various circles of people and made accessible at the website of the Japan Forum on International Relations, <http://www.jfir.or.jp/>.

The Policy Council of the Japan Forum on International Relations first met to consider the draft of the Policy Recommendations on September 29, 2006, and adopted them in the final form at its fourth meeting on June 15, 2007. During this time the Task Force, headed by Prof. SAKAKIBARA Eisuke, Waseda University, and staffed by Prof. HIROSE Takako, Senshu University, Prof. KONDO Masanori, International Christian University, Mr. YOSHIKATA Yuji, Staff Writer, the International News Department of the Yomiuri Shimbun, and Mr.

MURAKAMI Masayasu, Acting Executive Director of JFIR, assisted the Policy Council in drafting the final text of the Policy Recommendations.

Once the final text was confirmed, it was sent to all members of the Policy Council, and the following 101 members of the Council indicated their approval of its contents. Their names appear below as co-signers of the Policy Recommendations.

On this occasion, we would like to thank Mr. TANAMI Koji, Deputy Governor and Managing Director of the JBIC, for his valuable opinions expressed at the second meeting of the Policy Council. We would also like to mention the helpful insights we received from senior officials of our government, who willingly granted us their precious time to attend our meetings as individuals in their advisory capacity as Policy Council Counselors.

Let us also add that the views expressed in the Policy Recommendations do not represent those of Mr. TANAMI Koji or the ministries represented by the Policy Council Counselors and that sole responsibility for the contents of the Policy Recommendations lies with those members of the Policy Council who signed them.

September 2007

Co-Signed by:

Chairman of the Policy Council

ITO Kenichi *President, The Japan Forum on International Relations, Inc. (JFIR)*

Vice-Chairman of the Policy Council

YOSHIDA Haruki *President, The Yoshida Labo for Economics and Industry, Inc.*

Members of the Policy Council

AICHI Kazuo *Member of the House of Representatives*
AKIMOTO Kazumine *Representative, Akimoto Ocean Institute*
AKIMOTO Yumi *Chief Executive Emeritus, Mitsubishi Materials Corporation*
ARAI Yoshitami *Chairman, Systems International Inc.*
ARIMA Tatsuo *former Professor, Waseda University*
ASOMURA Kuniaki *Dean, International Cooperation Course, Graduate School, Kibi International University*
CHIKUDATE Katsutoshi *Standing Auditor, Tokyo Electric Power Company*
DONOWAKI Mitsuo *President, Japan Center for Conflict Prevention*
FUKIURA Tadamasu *President, Eurasia 21 Research Institute*
FUKUSHIMA Akiko *Senior Fellow, The Japan Foundation*
FUNADA Hajime *Member of the House of Representatives*
HAKAMADA Shigeki *Professor, Aoyama Gakuin University*
HASEGAWA Kazutoshi *former Ambassador to Australia*
HASHIMOTO Hiroshi *Senior Advisor, Itochu Corporation*
HATAKEYAMA Noboru *Chairman and CEO, Japan Economic Foundation*
HATTORI Yasuo *Vice Chairman, Seiko Epson Corporation*
HIRABAYASHI Hiroshi *Councilor, JFIR*
HIRAIZUMI Wataru *President, Kajima Institute of International Peace*
HIRANUMA Takeo *Member of the House of Representative*
HIRONAKA Wakako *Member of the House of Councilors*
HIRONO Ryokichi *Professor Emeritus, Seikei University*
IKEDA Sogo *Dean, Graduate School of Kokushikan University*
IMAGAWA Eiichi *Professor, Soka University*
IMAGAWA Yukio *Professor Emeritus, Kanto Gakuen University*
IMAI Takashi *Senior Advisor, Honorary Chairman, Nippon Steel Corporation*
INA Hisayoshi *Columnist, Vice Chair of the Editorial Bureau, Nikkei Shimbun*
INOUCHI Takashi *Professor Emeritus, University of Tokyo*
INOUE Akiyoshi *President, Sanyu Appraisal Corp.*
ISHIGAKI Yasuji *Professor, Tokai University Law School*

ISHIZU Tomoyuki *Professor, Military History Department, National Institute for Defense Studies*
 ITO Eisei *Corporate Auditor, Toyota Auto Body Co., Inc.*
 JIMBO Ken *Lecturer, Keio University*
 KAI Noritake *Senior Research Fellow, JFIR*
 KAKIZAWA Koji *former Foreign Minister*
 KANAMORI Hisao *Trustee and Advisor, Japan Center for Economic Research*
 KATO Hiroshi *President Emeritus, Chiba University of Commerce*
 KAWAKAMI Takashi *Professor, Takushoku University*
 KAWATO Akio *General Manager, Japan-World Trends*
 KIMURA Akio *Professor Emeritus, Aoyama Gakuin University*
 KIMURA Takayuki *Visiting Professor, International Christian University*
 KINOSHITA Hiroo *Director, Japan-US Centre for Peace and Cultural Exchange*
 KOIKE Yuriko *Member of the House of Representatives*
 KOJIMA Tomoyuki *Professor, Keio University*
 KONDO Tetsuo *Representative, Institute for New Era Strategy*
 KONOE Tadateru *President, Japanese Red Cross Society*
 KURODA Makoto *President, Centre for Information on Security Trade Control*
 MAEDA Takeshi *Member of the House of Councilors*
 MANO Teruhiko *Professor, Graduate School, Seigakuin University*
 MASAKI Hisane *Journalist*
 MATSUMOTO Kenichi *Professor, Reitaku University*
 MORI Toshimitsu *Advisor, Michinoku Bank*
 MORII Toshiharu *former Head Minister, Tenrikyo Nagoya Grand Church*
 MORIMOTO Satoshi *Director, Institute of World Studies, Professor, Institute for International Cooperation Studies, Takushoku University*
 MURAKAMI Masayasu *Acting Executive Director, JFIR*
 NABESHIMA Keizo *Journalist*
 NAKAMURA Kimikazu *President and CEO, Sankyu Inc.*
 NASUDA Kei *Chairman, Namiki Shobo Inc.*
 NISHIMURA Shingo *Member of the House of Representatives*
 OBA Tomomitsu *Director, Japan Center for International Finance*
 OGASAWARA Takayuki *Professor, International Relations, Yamanashigakuin University*
 OGASAWARA Toshiaki *Chairman, Nifco Inc. / Chairman and Publisher, The Japan Times*
 OHKURA Yunosuke *President, Cross Cultural Laboratory*
 OHTA Masatoshi *former Ambassador to South Africa*

OTANI Tatsumi *Professor, Soka Women's College*
 SAITO Akira *Director, Chief officer of Yomiuri Research Institute, The Yomiuri Shimbun*
 SAITO Shoji *former Advisor, Mitsubishi Chemical Corporation*
 SAKAKIBARA Eisuke *Professor, Waseda University*
 SAKAMOTO Masahiro *Senior Research Fellow, JFIR*
 SAKONJO Naotoshi *Councilor, Research Institute for Peace and Securities*
 SAKUTA Masaaki *Professor Emeritus, Nihon University*
 SAWAI Teruyuki *former Ambassador to Norway*
 SHIDORI Gakushu *Commentator*
 SHIKATA Toshiyuki *Professor, Teikyo University*
 SHIMADA Haruo *President, Chiba University of Commerce*
 SHIMIZU Yoshikazu *Director, United Nations Association of Japan*
 SHINDO Eiichi *Professor Emeritus, University of Tsukuba*
 SHINOTSUKA Toru *Dean, Faculty of International Studies, Takushoku University*
 SUGIUCHI Naotoshi *former Ambassador to Romania*
 SUZUKI Keisuke *Member of the House of Representatives*
 SUZUKI Teiichiro *President, Atox Inc.*
 SUZUKI Toichi *Political Columnist*
 SUZUKI Yoshio *Former Member of the House of Representatives*
 TAJIMA Takashi *Visiting Professor, The Graduate School of Toyo Eiwa University*
 TAKAHARA Akio *Professor, University of Tokyo*
 TAKASHIMA Hatsuhisa *Special Visiting Professor, Gakushuin University*
 TAKUBO Tadae *Guest Professor, Kyorin University*
 TAKESADA Hideshi *Professor / Executive Director, National Institute for Defense Studies*
 TANAKA Akihiko *Professor, University of Tokyo*
 TRAN Van Tho *Professor, Waseda University*
 TSUKASAKI Kimiyoshi *Associate Professor, Kurume University*
 UCHIDA Tadao *Professor, Nagoya University of Foreign Studies*
 UCHIDATE Makiko *Scenario Writer*
 URANO Tatsuo *Professor Emeritus, Nihon University*
 WATANABE Toshio *President, Takushoku University*
 YAMASHITA Eiji *Professor, Osaka City University*
 YAYAMA Taro *Political Commentator*
 YONEMOTO Shohei *Professor, Research Center for Advanced Science and Technology, University of Tokyo*
 YOSHIDA Yasuhiko *Professor, Osaka University of Economics and Law*
 YOSHITOMI Masaru *former President, Research Institute of Economy, Trade and Industry*

(In alphabetical order)

The Recommendations

India, the world's largest democracy, is poised to become an economic giant, making this an opportune time for Japan and India to cooperate in developing a deeper partnership. We submit the following ten recommendations, all based on our analysis of suitable approaches for Japan to take in light of India's rapid economic growth. The recommendations spring from considerations regarding India's Leap Forward and Japan, which are presented in "Part 1: The Analysis".

1. Recognize that Private-sector Business Activities are More Effective than Government Initiatives, and Act Accordingly

Strengthening Japan-India ties depends on private-sector business activities. The Japan-India relationship can be suitably enhanced only if trade and investment are increased far above their present levels.

Japan's ODA for India plays an important role, of course, but in India there is a greater desire for private direct investment. Indian experts in the field state that Japanese business activities in India are negligible, lower than what Japanese people themselves assume. An objective assessment would certainly find this is true.

No matter how much government officials proclaim the advantages of a "Strategic and Global Partnership," if there is no agreement on how to encourage Japanese business activities in India, such a partnership will lack the decisive measures required to support it, and its effect will be limited. It is important to realize that private-sector business activities can enhance bilateral relations more effectively than anything else. Government and the private sector should collaborate in promoting such business activities, with the business community taking the

initiative. Many recommendations have already been made on how to strengthen bilateral ties, but few have been acted upon. The most effective way to strengthen the Japan-India relationship is to implement definitive measures, with the private sector taking the initiative.

2. Strengthen Ties with a View to Achieving Common Diplomatic Objectives

Japan and India share many strategic interests and have a number of common diplomatic objectives. For example, they have joined with Germany and Brazil, as members of the Group of 4 (G4), in calling for reform of the UN Security Council. Further steps should be taken within the G4 framework to achieve this reform as soon as possible, and at the same time Japan and India should also continue promoting closer bilateral ties befitting them as major diplomatic partners.

Since the bilateral agreement reached by their defense ministers in 2006, both countries have been collaborating more closely on preventing terrorism and the spread of weapons of mass destruction in Asia. The two countries held their first bilateral defense policy dialogue in April 2007, and they, together with the United States, held joint goodwill naval exercises south of Japan's Boso Peninsula. Because of its geographical position in the middle of what the Japanese government calls the "Arc of Freedom and Prosperity," India's strategic importance is growing, and for this reason too, Japan-India cooperation in defense and security is most welcome. We call for more such steps to be taken in the future.

3. Participate Actively in Business Networks Linking East Asia with India

Business—especially trade —between India on the one hand and China, South Korea and the ASEAN countries on the other has expanded rapidly over the last few years. It would be no exaggeration to say that, through its business activities, India is already participating in the movement toward economic integration in East Asia.

Therefore, parallel with the efforts to restructure its global strategies for Asia, Japan should actively participate in the business network now formed by India and the above-mentioned East Asian countries. This participation could be achieved, by example, through promotion of further trade and investment between Japanese corporations based in East Asia on the one hand and India on the other, and promotion of further business ties linking Japanese corporations operating in India with East Asian countries. The Delhi Mass Rapid Transport (subway) System Project has been cited as an example of how Japanese capital and technology can succeed, and the establishment of a Japanese-South Korean joint venture is one factor making it possible for Japanese companies to receive orders for projects like this. As another example, Japanese corporations should participate in the infrastructure development project promoted by a Singaporean real estate company in a Special Economic Zone (SEZ). As things stand now, products and services of Japanese companies must generally be priced relatively high, so for them to receive business orders in India these types of international business ties need to be developed more quickly.

4. Diversify Japan-India Trade and Investment

One prerequisite for enhancing Japan-India business ties is diversification of trade and investment. Most direct investments made in India by Japanese corporations are in the area of transportation equipment manufacturing, indicating a remarkable lack of diversification. Furthermore, the majority of those investments are to promote sales within the Indian market, and this inhibits diversification in India's foreign trade structure. What is required, first, is an examination of how to expand exports from India. One potential avenue here would be making better use of SEZ. The government and private sectors should collaborate in promoting the expansion and diversification of trade and investment by, for example, application of the improved trade insurance system in Japan.

Promising areas for Japanese investment in India include general and industrial machinery, processed foods, everyday items such as sanitary goods and cosmetics, chemical products, pharmaceuticals, retail markets, distribution, real estate, infrastructure, finance, and software development. Japanese corporations must invest in fields such as these, and the current pattern of investment — almost exclusively in the transportation equipment sector — must be abandoned if the Japan-India business relationship is to grow.

In addition, Japanese investments should be made in various parts of India. Most Japanese investment in India has been concentrated in the Delhi capital region, because that is where many companies affiliated with Suzuki and Honda established operations in the 1980s and achieved considerable success. But concentrating investment in the Delhi region may end up being a poor strategy, especially because of the rapidly rising cost of land, the difficulty of acquiring industrial land, and Delhi's

great distance from ocean harbors. A number of states and regions are potentially advantageous investment destinations for certain industries and business models, so investment destinations should be selected after a careful examination of conditions throughout the country.

The Japanese and Indian governments are now negotiating an Economic Partnership Agreement (EPA) which would offer excellent opportunities to expand and diversify bilateral trade and investment. The Japanese government should make every effort to accelerate negotiations, while working in the interest of Japanese corporations in such areas as elimination of regulations governing foreign investment, lower customs duties, and intellectual property safeguards. We call on the Japanese government to ensure that a high-quality EPA is agreed upon beyond the interests of individual ministries.

5. A Call to Governments and the Private Sector: Share the Latest Intellectual Resources for Infrastructural Development

Governments and the private sectors in the two countries should examine how governments can best support PPP for infrastructural development. They should share the latest intellectual resources, especially when promoting the plan to develop a Delhi-Mumbai industrial and freight corridor—this plan has the greatest priority at the government level and has strong implications for Japan-India business ties.

Another area worth considering is investment by Japanese financial institutions in the infrastructure funds of Indian financial institutions. Orix Corporation and Mizuho Corporate Bank are Japanese institutional investors already investing in Indian financial institutions and their funds, but many Japanese financial institutions still hesitate to

invest in India. They should take a forward-looking stance and be ready to invest, rather than standing back out of concern for the current ratings of India's financial products.

It is now even more difficult for Japanese corporations to obtain orders for projects in India financed through Japanese ODA. However, there is a growing need for infrastructural development in India that would indirectly benefit Japanese corporations operating in India. It is important to consider not only Japan's needs but those of India as well. Every consideration should be given to what Japan can do to promote the development of Indian infrastructure as quickly as possible.

In addition, stronger support mechanisms are required for Japanese corporations and their Japanese staff operating in India. One new and welcome trend is seen in the efforts of Japan's Ministry of Economy, Trade and Industry and Japan External Trade Organization (JETRO) to help Japanese corporations secure industrial park sites and office space. Government and the private sector should collaborate fully to discover: (1) how government can support private enterprise in everything from securing office and factory space to making it easier for Japanese personnel posted to India to live there; and (2) the types of business opportunities available to Japanese corporations in India.

6. Promote Meaningful Policy Dialogue and Mutual Understanding, through Outcome-oriented Trade Missions

Prime Minister Singh's visit to Japan near the end of 2006 formed the backdrop to an announcement that bilateral leadership-level consultations would be held annually, and that annual Summit-level meetings would be held in the respective capitals. These are important decisions, but consultations at the ministerial and deputy levels, held on

a more regular basis, are also required to further deepen bilateral ties.

Business ties at the private-sector level should also be reinforced, and this will require close cooperation within Japan's business community. Many Japanese trade missions—too many to count—have gone to India over the past few years, but most have been only fact-finding tours. It is true that investment in India is stymied by many problems, especially poor infrastructure and intractable labor problems, but the reaction of many members on trade missions from Japan is to simply ask the Indian government to improve the investment climate. This creates the counterproductive impression among Indian officials that Japanese people only go there to complain. Meanwhile, members of Japanese trade missions come away with the impression that their counterparts are attempting to attract investment from Japan only by playing up the good points of their country. This, too, is counterproductive. Japanese trade missions need to improve their techniques so that their Indian counterparts truly understand the perspective of Japanese corporations, and they should also pursue outcome-oriented, cross-sector dialogue, and then follow up on the results.

7. Japanese Corporations: Adapt Business Models to the Indian Market

Japanese corporations should adapt their business strategies to realities in India. Many Japanese companies end up in difficulties there because they applied the assembly/export business model that was successful for them in Southeast Asia. This model has not often worked in India, where Western business models are more in vogue. Another problem is that many top executives at large Japanese corporations are

still very cautious about doing business in India, and often reject project proposals from their Japanese staff in India—one sometimes hears local staff complain that the biggest obstacle is headquarters in Tokyo.

We therefore recommend that Japanese corporations change their mindset and adopt a truly global approach—they should, for example: (1) adopt top-down approach instead of half-hearted measures; (2) manufacture products that fit local circumstances; and (3) appoint more local employees to positions of responsibility. Especially because Indian executives exert considerable control through top-down decisions, their Japanese counterparts need to maintain contact and develop closer relationships with them.

Furthermore, Japanese companies require more complete information on India's business environment. This type of information is more readily available than before, but companies still lack data on some issues relevant to them. As a result, many view India through a prism that distorts reality. This can be partially resolved by increasing the number of India specialists in government offices, corporations, universities and research institutes.

8. Take Full Advantage of India's IT Expertise

India is a giant in the IT world, with skills so advanced that its IT engineers could give Japanese companies tips on everything from data management systems and document compilation to IT human resource training. India's IT engineers have a successful record of dealing with Western companies, and have reached international standards in documentation. Their awareness of intellectual property rights exceeds that of Chinese enterprises, and their English communication skills are high. These are some reasons why Japanese companies that intend to

expand globally would benefit greatly by outsourcing to Indian IT companies and using them as software development bases.

Japan's financial sector would benefit most from India's IT expertise. Instead of coddling their affiliated IT companies and client hardware companies, Japanese financial institutions should develop open IT systems and outsource some of their business to Indian software-related companies. Japan's manufacturing sector, too, should make use of India's IT expertise. This is especially true for embedded software—Japanese manufacturers would benefit from outsourcing some of their work to India's IT engineers, and forget their current concern, intellectual property rights associated with Japanese hardware technologies.

It would also be advisable to outsource to India some Japanese IT business operations, such as clerical support. Many Western companies are already doing this, in line with their global business strategies. Unless Japanese companies do likewise, they risk remaining the only ones not leveraging India's IT expertise, and could end up losing international competitiveness.

On another front, Indian software-related companies need to increase their knowledge of Japan's language, culture and business practices. The Japanese government and private sector need to collaborate in lowering this major stumbling block, by increasing the number of native-speaking instructors teaching Japanese in India.

Last year's revision of the Japan-India tax treaty reduced the tax on technical services to 10%, and we recommend further cuts.

9. Increase Human Interaction, Especially by Offering More Employment Opportunities to India's Skilled Human Resources in

Japan

One of the most effective ways to promote human interaction is to greatly increase the number of Indian students studying in Japan. (Here it is worth noting that half of India's population is under the age of 25.)

Bilateral government arrangements encouraging the employment of Indian exchange students in Japan should be augmented. Other possible approaches include Japanese universities promoting themselves in India to attract more students, and Japanese companies conducting hiring campaigns at Indian universities. On another front, the number of Japanese people studying in India could be increased. These types of approaches would greatly increase human interaction between the two countries.

Increasing mutual understanding and promoting greater human interaction would lead to more Japanese companies employing Indian personnel. A number of companies in the United States and other countries (though not Japan) regard Indians who have studied in their respective countries as valuable human resources to be hired there, whereas Japanese companies tend to regard Indians originally hired in India as members of a labor pool to be employed only in India. This places restrictions on the ability of Japanese companies in Japan to obtain information on India. They should regard India not only as a huge market but also as a treasure trove of human resources to be used to full potential. In addition, the highly successful occupational training program offered by the Association for Overseas Technical Scholarship (AOTS) should be greatly enhanced to make better use of human resources trained under the Japanese government's ODA schemes.

Japan and India are currently negotiating an EPA. Its implementation would give Japanese companies an excellent opportunity

to break out of their present mindset, which presently does not facilitate using human resources from India as valuable workers in Japan. We call on the Japanese government to negotiate the most effective EPA possible, one that encourages the acceptance in Japan of Indian professional workers, especially IT engineers.

10. Cooperate with India on the Peaceful Use of Nuclear Energy

The international community has begun working toward agreement on cooperating with India on the peaceful use of nuclear energy. There is still uncertainty regarding the final U.S.-India agreement and decisions to be taken at Nuclear Suppliers Group (NSG) meetings, but even so, France, Russia and some other Western countries have begun calling for cooperation. One of India's greatest challenges is to maintain its economic growth by securing sufficient energy supplies, especially for the generation of electricity. Because of the need to reduce global warming, India will presumably want to depend much more heavily on nuclear power in the future. Japan's technology and expertise in generating and ensuring the safety of nuclear power is among the best in the world, so it is in an excellent position to cooperate with India in these areas. The Japanese government should cooperate with India for many reasons, including: (1) the political significance of such cooperation; (2) the need for India to deal with its lack of energy resources; (3) the growing threat of global warming; (4) the advantages of promoting cooperation in science and technology; and (5) the contribution by Japanese corporations involved in nuclear power.

Of course, this issue creates concern regarding the proliferation of nuclear weapons. The Japanese government must carefully consider the concerns of the people of Japan, the only nation to have suffered atomic

bombing. And yet, even though India developed nuclear weaponry outside Nuclear Non-Proliferation Treaty (NPT) safeguards, it has always called for global nuclear disarmament, it has strongly maintained policies promoting nuclear non-proliferation, and it did not abandon those policies even after declaring it had acquired a nuclear force. For these reasons, we call on the Japanese government to cooperate with India on this issue, while at the same time showing initiative in the global campaign for nuclear disarmament.

The two countries have always shared the goal of abolition of nuclear weapons, although their methods in pursuit of this goal have not always been the same. We urge the Japanese government to carefully consider policy measures that would be effective, while at the same time cooperating with India on this issue and calling on all countries, regardless of whether or not they have nuclear weapons, to work toward the non-proliferation of nuclear weapons, the NPT's original objectives, and nuclear disarmament.

Appendix

Introduction to The Japan Forum on International Relations

[History]

The Japan Forum on International Relations, Inc. (JFIR or The Forum) was founded on March 12, 1987 in Tokyo on the private initiative of Dr. OKITA Saburo, Mr. HATTORI Ichiro and 61 other independent citizens from business, academic, political and mass media circles of Japan. They agreed that a policy oriented research institution in the field of international affairs independent from the government was most urgently looked for in Japan because the world now wanted to know not only what the Japanese government spoke about but also what the Japanese people thought about. They were also convinced that Japan was now expected not only to think about its own role in the international community but also to contribute to breaking new ground in the search for a new world order.

[Purpose]

The Forum is a nonprofit and nonpartisan membership organization dedicated to improved understanding of Japanese foreign policy and international relations. The Forum takes no institutional position on issues of foreign policy, though its members are encouraged not only to analyze but to propose alternatives on matters of foreign policy. Though the Forum helps its members to formulate policy recommendations on matters of public policy, the views expressed in such recommendations represent in no way those of the Forum as an institution and the responsibility for the contents of the recommendations is that of those members of the Forum who sign them alone.

[Organization]

The Japan Forum on International Relations is a membership organization. There are four categories of membership in the Forum; corporate membership, associate corporate membership, individual membership and associate individual membership. The Forum as a whole is governed by the Board of Directors, which is in charge of the management, and is supervised by the Board of Trustees, which is a consultative body. The Board of Trustees elects Directors and Auditors and advises the Board of Directors on such important issues as the adoption of an annual budget and an annual work program. Chairman, Vice Chairmen, President and Executive Director, are elected for a term of two years by the Board of Directors and are eligible for reelection.

[Activities]

The Japan Forum on International Relations conducts a variety of activities hosting conferences, organizing research programs, and publishing research reports and policy recommendations. The most significant of such activities of the Forum is carried out by the Policy Council, which is engaged in policy research and helps its members to produce Policy Recommendations. A list of the 28 sets of Policy Recommendations which have so far been adopted by the Policy Council, presented to the Prime Minister of Japan and published is as follows;

- (1) *“The Structural Adjustment of Economies of Japan, U.S. and Asian NICs”* drafted by the Task Force headed by Prof. WATANABE Toshio (March 3, 1988)
- (2) *“Long-term Political Vision for Stabilization and Cooperation in Northeast Asia”* by the Task Force headed by Prof. KAMIYA Fuji (March 15, 1989)
- (3) *“How to Best Utilize Economic Resources of Japan for Development of World Economy”* by the Task Force headed by Mr. KANAMORI Hisao (July 25, 1989)
- (4) *“Japan, the United States and Global Responsibilities”* by the Task Force headed by Prof. INOUCHI Takashi (April 5, 1990)
- (5) *“Stabilization of the International Monetary and Trade Systems”* by the Task Force headed by Mr. MANO Teruhiko (August 14, 1990)
- (6) *“Japan’s Response to the Changing Soviet Union”* by the Task Force headed by Prof. TAKUBO Tadae (April 10, 1991)
- (7) *“For a More Open Market in Japan”* by the Task Force headed by Mr. TAKENAKA Ichio (failing to be adopted by the Policy Council on February 27, 1992)
- (8) *“The Strengthening of the U.N. Peace Function and Japan’s Role”* by the Task Force headed by Prof. SATO Seizaburo (October 7, 1992)
- (9) *“Japan’s Response to the Transformation of Socialist Economies in Asia”* by the Task Force headed by Prof. SATO Tsuneaki (June 8, 1993)
- (10) *“Political Cooperation with Europe: Japan’s Agenda for 21st Century”* by the Task Force headed by Prof. NAKANISHI Terumasa (November 16, 1993)
- (11) *“The Future of Regionalism and Japan”* by the Task Force headed by Mr. KOBAYASHI Minoru (June 17, 1994)
- (12) *“The Future of China in the Context of Asian Security”* by the Task Force headed by Prof. KOJIMA Tomoyuki (January 25, 1995)
- (13) *“The Essence of U.S.-Japan Economic Conflicts and Japan’s Response”* by the Task Force headed by Prof. SHIMADA Haruo

(August 3, 1995)

- (14) “*The Perspective of Security Regimes in Asia-Pacific Region*” by the Task Force headed by Prof. WATANABE Akio (June 5, 1996)
- (15) “*The WTO System and Japan*” by the Task Force headed by Prof. SAKAMOTO Masahiro (November 27, 1997)
- (16) “*Japan’s ODA in the 21st Century*” by the Task Force headed by Prof. KUSANO Atsushi (March 5, 1998)
- (17) “*Japan and International Society in the Age of Information Revolution*” by the Task Force headed by Prof. KUMON Shunpei (August 24, 1998)
- (18) “*Japan’s Initiatives towards US, China and Russia*” by the Task Force headed by Prof. ITO Kenichi (April 19, 1999)
- (19) “*Economic Globalization and Options for Asia*” by the Task Force headed by Prof. TRAN Van Tho (May 27, 2000)
- (20) “*Towards Collective Human Security: A New Internationalism and Japan*” by the Task Force headed by Prof. INOGUCHI Kuniko (July 6, 2001)
- (21) “*Japan’s New Initiative for Global Environment*” by the Task Force headed by Prof. YAMAMOTO Ryoichi (October 24, 2001)
- (22) “*Building a System of Security and Cooperation in East Asia*” by the Task Force headed by Prof. TANAKA Akihiko (December 18, 2002)
- (23) “*Japan’s Initiative for Economic Community in East Asia*” by the Task Force headed by Mr. YOSHIDA Haruki (June 20, 2003)
- (24) “*New World Order of No-War Community and Future of Japan-U.S. Alliance*” by the Task Force headed by Prof. ITO Kenichi (April 28, 2004)
- (25) “*Japan’s Place in the World: The Strategic Value of Culture and Education*” by the Task Force headed by Prof. HAKAMADA Shigeki (December 13, 2004)
- (26) “*Emerging New Threats and Japan’s National Security*” by the Task Force headed by Prof. SASE Masamori (August 10, 2005)
- (27) “*The Establishment of an International Energy Security System*” by the Task Force headed by Mr. NAITO Masahisa (May 18, 2006)
- (28) “*Japan and China in the Changing Asia*” by the Task Force headed by Prof. KOJIMA Tomoyuki (October 30, 2006)

Currently under study in the Policy Council are the proposed recommendations on “*Nature of Russian State and Japan’s Russia Strategy*” by the Task Force headed by Prof. HAKAMADA Shigeki and “*Japan’s Strategy for Agriculture in the Globalized World*” by Prof. HONMA Masayoshi.

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[Tel] 81-3-3584-2190 [E-mail] jfir@jfir.or.jp
[Fax] 81-3-3589-5120 [URL] <http://www.jfir.or.jp/>

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Drafted by

**SAKAKIBARA Eisuke and
his Task Force members of
HIROSE Takako
KONDO Masanori
YOSHIKATA Yuji
MURAKAMI Masayasu**

Signed by

**ITO Kenichi, Chairman and
100 other Members of
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THE JAPAN FORUM ON INTERNATIONAL RELATIONS, INC.

17-12-1301, Akasaka 2-chome, Minato-ku, Tokyo, Japan

TEL: 03-3584-2190 FAX: 03-3589-5120

URL: <http://www.jfir.or.jp> E-MAIL: jfir@jfir.or.jp