

Indo-Japan Memorandum on Civil Nuclear Cooperation

Concerns and Challenges

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India and Japan have reportedly reached a preliminary understanding to sign a civil nuclear cooperation agreement after certain technical details are finalised. However domestic politics of Japan, anti-nuclear groups and India's reluctance to join the Nuclear Non-proliferation Treaty are some of the concerns that would have to be addressed before the deal is finalised.

Japan's "in principle" agreement to conclude a civil nuclear cooperation with India during Prime Minister Shinzo Abe's New Delhi visit in December 2015 is being viewed as a major diplomatic breakthrough towards signing the long pending deal. It may be noted that it was Japan and Australia, two of the United States' "two plus two" strategic partners, who had shown reluctance to sign the nuclear cooperation agreement with India despite the Indo-US nuclear deal signed in 2006 that granted a waiver to India by the Nuclear Supplier Group (NSG) to undertake nuclear technology trade outside the Nuclear non-Proliferation Treaty (NPT) regime. In line with the Indo-US nuclear deal a number of countries considering their business interests in Indian nuclear market had signed similar deals with New Delhi one after the other. Australia and Japan were reluctant to sign the deal with India despite the waiver granted by the NSG and were of the view that doing so would undermine the NPT regime.

Addressing Trust Deficit

In a significant departure from its long held policy, Australia announced in 2014 that it will sign a nuclear agreement with India with which it has established a relationship of "trust (Haidar 2014)." Interestingly, Japan which had signed a strategic partnership with India in 2006 and by 2014 had held a round of negotiations over civil nuclear cooperation had not shown similar flexibility. It continued on its demand of inclusion of a nullification clause stating that should India conduct a nuclear test, Japan would terminate the nuclear energy cooperation with New Delhi. This prompted Delhi's strategic circles to conclude that despite the elevation of India-Japan strategic partnership to a "special strategic partnership" the "trust" in the bilateral partnership is still missing. Echoing similar concerns, Yasukuni Enoki, a former Japanese ambassador, who served in the Japanese embassy in Delhi also

termed the ongoing stalemate over nuclear issue between India and Japan as a “bone stuck in the throat”^[i] implying that it will hamper overall strategic partnership between the two Asian countries.

The understanding reached between Japanese and Indian leadership in December 2015 to sign the civil nuclear cooperation agreement after finalising the “technical details”^[ii] is apparently aimed at allaying the deepening concerns of an existing “trust deficit” over the nuclear issue between the two countries’ political leadership. Following this development, it is being speculated in the Indian media that like other countries, Japan too has accepted India’s de-facto nuclear armed status and soon the Abe government will complete the formality of signing the nuclear agreement. However, it would be premature to conclude that an India-Japan civil nuclear cooperation is like to happen soon.

Concerns of the Japanese

The obstacle to sign the deal with India was never posed by the Japanese government, as it is being construed in New Delhi. In fact the Japanese government, like any other government, supported by its trade lobbies, wanted to sign the nuclear deal to earn economic dividend offered by the huge Indian nuclear market estimated to be over US\$ 100 billion. But it was proceeding cautiously owing to the concerns expressed by its anti-nuclear lobby supported by a large number of people including the *Hibakushas* (victim of Hiroshima and Nagasaki atomic bomb blasts in World War II). A section of the Japanese domestic constituency remains opposed to government policy of nuclear technology trade. This constituency can be broadly divided into two broader trends of thinking—One, which opposes Japan’s nuclear technology trade with countries which has not signed NPT. Even if their concern is not India-centric, this constituency considers India among the first states to test nuclear weapons after the institutionalisation of the NPT in the 1970s and thus argues that Japan should not sign the nuclear accord with India till it joins the NPT. The second strand of thinking which has emerged following the Fukushima nuclear disaster likens nuclear reactor trade to “selling of opium”^[iii] to other countries. They argue that the export of this technology will likely bring similar disaster in the host countries (Asahi Shimbun 2015). Domestically, they remain opposed to reactivation of existing nuclear reactors and have held a number of protests calling the government to phase out nuclear technology. Put together, both these trends of thinking constitute a large electorate and a political party cannot ignore their concerns while deciding its foreign and economic policy priorities.

To assuage the concerns of the anti-nuclear domestic constituencies, the previous Democratic Party of Japan (DPJ) had been asking a specific nullification clause in the final agreement (Khan 2010). They had started negotiation with the then United Progressive Alliance (UPA) government in 2010 over a prospective nuclear accord. It had asked India to include a clause in the deal saying that Japan will cancel the nuclear cooperation agreement with India if the latter conducts nuclear tests in future. India reminded Japan that it already has adopted a moratorium on nuclear testing in 2008. However, India’s insistence not to

include the specific nullification clause has deepened suspicions of Japan's anti-nuclear constituencies about India's adherence to its moratorium on nuclear testing.

Conditions in the Nuclear Cooperation

Following the summit level meeting between Indian and Japanese prime ministers in December 2015, both the countries have signed a memorandum on civil nuclear cooperation which indicates that following the "technical details" as well as after formalising the necessary "internal procedure" both the countries will sign the nuclear deal. Since the LDP government has not attached similar conditionality like that of the DPJ, it is quite natural that the recent memorandum is being viewed as a departure from the previous government's stance in New Delhi's strategic circles and the media. However, it would be premature to term this development as a major diplomatic breakthrough. It may be noted that while reporting on the nuclear issue and the signing of memorandum, the focus of the Japanese media's reporting has been to highlight that Japanese prime minister has reminded his Indian counterpart that Tokyo will stop nuclear cooperation if the latter conducts further nuclear tests (Manichi 2015), a demand the previous DPJ government was presenting before the Indian government.

More importantly, the Japanese sources suggest that apart from the inclusion of a "nullification clause" in the India-Japan nuclear agreement, Japan has asked India to meet three conditions to pave way for bilateral nuclear agreement. These are a) continue the suspension of nuclear testing; b) accept International Atomic Energy Agency (IAEA) inspections; and c) prohibit the transfer of nuclear technologies to a third country (Sakai 2015). This suggests that the above conditions would be a key contentious issue in the future India-Japan nuclear negotiations. It is yet to be seen whether they would try to find a middle ground.

Meanwhile, the Japanese media and anti-nuclear bodies have already started pressurising the government not to give concessions to India. The Hiroshima and Nagasaki mayors in their joint statement demanded that the Abe government should "suspend" negotiations to conclude the nuclear agreement with India noting that "this agreement raises serious concerns about nuclear materials and nuclear-related technology and equipment being diverted toward nuclear weapons development (Hiroshima and Nagasaki Mayors...2015)." The statement emphasised that the nuclear agreement with a non-NPT country would be tantamount to "hollowing out (of) the NPT regime." Similarly, the leading dailies of Japan in their editorials on a prospective India-Japan nuclear deal have expressed their reservations.

The *Asahi Shimbun*, which has written a series of editorials raising concerns on the yet to be signed India-Japan nuclear agreement in the past few years, in a recent editorial called this development as an "act of folly" and noted that signing the deal would further "emasculate the nonproliferation regime (Japan-India Nuclear Cooperation...2015)." It also opined that following this agreement it would become difficult to explain to "North Korea and Iran,..."

why we are dealing differently with India. We could lose our convincing power for dissuading other nations from following in their footsteps.”

The *Mainichi Daily* in its editorial stated that Japanese prime minister told his Indian counterpart that “Japan would immediately suspend its cooperation if New Delhi were to conduct another nuclear test. However, it remains to be seen whether that point will be clearly mentioned in the bilateral agreement.” Moreover, the Daily opined that the Japanese government “must not give tacit approval to India’s possession of nuclear arms or facilitate nuclear proliferation (Japan-India Atomic Cooperation Agreement...2015).” The *Japan Times* in its editorial has termed this deal “risky” noting that “a major problem with the planned pact is that Japan would allow India to reprocess nuclear fuel burned in a plant built with Japanese components and materials (The Risky Nuclear Deal...2015).” It urged the government of Japan to take “utmost efforts” to stop India from “reinforcing its nuclear arsenal by taking advantage of this pact.”

The *Yomiuri Shimbun* is the lone voice among the Japanese English media which has been supportive of the conclusion of a nuclear agreement with India to strengthen the strategic partnership. However, in the recent editorial post on Abe’s India visit the daily also notes that the “accord should limit the cooperation to solely peaceful purposes, while a clear-cut brake should be put in place to prevent the fruits of the cooperation from being applied militarily (Cooperation on Building N-plants...2015).” Like its other counterparts, this media group also urges Japan to persuade India to join the NPT. It opined that it is important for Japan to persistently urge India to join an international framework of nuclear nonproliferation and to promote nuclear disarmament. Even if the views quoted above represents the views of respective media organisations, the impact and influence of their views cannot be underestimated as it reaches down to the common people.

Domestic Troubles in Japan

The analyses above suggest that the India-Japan nuclear issue is a politically sensitive issue within Japan and this becomes a hurdle before the political leadership of Japan including Prime Minister Abe who is considered pro-business and a friend of India. The fate of the Indo-Japan nuclear deal, given the above mentioned domestic challenges, will depend on the political acumen of Prime Minister Abe, especially how he handles the situations domestically. He has been criticised by his predecessors for “railroading” various domestic issues including the security legislations. It is not likely that he will bypass the concerns raised by domestic constituencies’ vis-à-vis the India-Japan nuclear deal. It is unlikely that he will pursue any politically contentious issue, including the nuclear cooperation with India which would require ratification by both the houses of the Japanese parliament.

Abe is likely to keep the nuclear cooperation agenda away from his table till the Upper House Elections, which is due in July 2016. In the Upper House of the Japanese Diet, the ruling coalition is trying to gain two-thirds majority to change the Japanese constitution, yet

another key issue of Abe. The LDP and its coalition partner New Komeito Party is trying to gain two-thirds majority also in the upper house of the Diet as it will be helpful to pass key bills approved by the Lower House of the Japanese Diet. The opposition parties however, is trying to reach some kind of political understanding in the upper house elections to minimise divisions of votes that may lead the LDP to victory in Upper House. Interestingly, various civic groups, opposed to Abe's policies have come forward and have been mediating with the opposition parties to field a joint candidate against the LDP to block Abe's ambitious policies. They have been partly successful in bringing the opposition DPJ and the Japanese Communist Party to field common candidates in the upper house elections. It may be mentioned that in 2007, during Prime Minister Abe's first stint the LDP lost majority in the Upper House and he resigned from the presidency of the party and prime ministership taking the responsibility of the defeat. A similar debacle in the upper house will also pose a moral dilemma before the Abe whether to stick to the seat or pave way for a new leader to assume this post.

No doubt, despite the above mentioned hurdles Abe will try hard to see that an India-Japan nuclear deal comes to fruition during his tenure. Also because, he has been pursuing a strategy of Japan's economic revival through export of Japanese technology including nuclear technology. But he has very limited time. He is serving the third consecutive term of his presidency of the LDP. Japan has maintained a unique tradition; the President of the ruling party assumes the prime ministership of the country. As per the LDP's constitution, a person can take no more than three consecutive term of party's presidency. Abe is serving the third consecutive term of party's presidency and it will get over in September 2018, few months before the four year term of the present lower house gets over. Neither Abe has shown the willingness to seek another term of the presidency of the party nor has the LDP hinted that it is likely to tweak the existing tradition. Most likely, Japan will see a new Prime Minister before the 2018 general elections. Much will depend on the new prime minister's willingness to pursue the nuclear agreement with India. In the past, Prime Minister Naoto Kan had suspended nuclear cooperation negotiations with India as well as with other countries with which Japanese administration had been negotiating the export of Japanese nuclear technology.

Conclusions

Various articles within India and outside India have come to the fore urging Indian leadership to take cue from the Fukushima nuclear crisis, not to install nuclear reactors. Since India does not fall under the similar seismic zone with that of Japan, India still can consider using nuclear energy for its overall energy mix given that it is struggling to control carbon emission because its heavy reliance on coal to meet its growing energy requirements. However, while selecting the nuclear reactors installation sites it should pay attention that the reactors should not sit atop the seismic fault. Also it should employ the safety standards that Japan had adopted following Fukushima nuclear crisis (Khan 2013). But again these safety standards that Japan has adopted are based on the shortcomings and

causes of the nuclear accident identified by the nuclear operators and it is being contested by a section of Japanese scientists (Khan 2012). Therefore, considering the vulnerability of nuclear reactors as well as external political and domestic hurdles in installing nuclear reactors, India should also explore other sources of renewable energy to meet its energy demand.

Notes

[i] Author's personal interview with Yasukuni Enoki on 13 January 2015.

[ii] The Memorandum on civil nuclear cooperation notes that "The two governments confirm that the agreement will be signed after the technical details are finalised, including those related to internal procedure." The full text can be accessed at <http://www.mofa.go.jp/files/000117783.pdf>

[iii] An aggrieved Japanese equated Japanese reactor's sale abroad with opium trade. See Hiroshi Matsuoka, "Do Not Export What you will not use," (Readers in Council), *The Japan Times*, August 28, 2011.

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