



A23 Thailand's Indochina dream takes shape

A23 Obama re-election a key event in 2012

Focus on boosting economy, Mr Abe

AN AMPLE win for the Liberal Democratic Party (LDP) in the Japanese elections was less an endorsement than it was punishment of the Democratic Party for wayward governance during its tenure. The people were saying: Enough gutting of the national spirit and wealth; the policy shambles; endless stimulus plans that went nowhere; a political class that does not lead but excels at infighting. It was a reprimand directed at both the main parties. Presumptive prime minister Shinzo Abe has acknowledged the subtlety in the verdict, telling supporters his new government will be under probation (with Upper House elections due next year). In the event, a two-thirds majority handed to the LDP

gives the coalition and its old partner, the New Komeito, an opportunity to break the legislative deadlock which hobbled the current government. It is a precious enabler for decisive policymaking which Mr Abe should use wisely.

The best way for him to live up to voters' expectations is to take the country forward by raising jobs and income. But alas, Mr Abe's post-election remarks were prominent for their mention of the islands dispute with China, over which he declared darkly that there was "no room for negotiation". Wedded to a campaign pledge to strengthen national security by reviewing the war-renouncing Constitution, his thinking speaks of

an ideological obsession that is out of sync with public opinion, which places the economy and the future above everything else. Japan also has territorial disputes with South Korea and Russia. What might he do next?

Mr Abe could have intended his remarks for a nationalist base which played a part in his regaining the LDP leadership. Hopefully, this was the case. The United States, with which he intends to reinforce the security partnership as a bulwark against China, would look askance at any moves by Tokyo that would upset the balance among the North Asia trioka.

Looking ahead, much can be done to revitalise the economy, which has fallen

into its fourth recession in a decade. Has Japan lost the drive to excel? Great brands like Sony and Toyota are under siege. The educated young are demoralised, taking what contract work is available. The old are anxious. There is the energy policy that needs to be settled. Japan will be hard-pressed to achieve its industrial second wind if the nuclear option is rejected. It remains the safest and cleanest, Fukushima notwithstanding. Then there is the shattered north-east to rebuild. The rehousing of victims displaced by the tsunami and nuclear blasts has been incomplete surprisingly. Mr Abe has much to do but not much time to get things right. Given his strong mandate, he should get cracking.



US-India ties: From distrust to partnership



BY INVITATION

By TARUN DAS
FOR THE STRAITS TIMES

FIFTY years of distance and distrust marked India-US bilateral relations until the Clinton-Vajpayee visits of 2000 brought a turning point.

The progress was steady through the Bush-Manmohan Singh years, with the nuclear deal a major highlight and second turning point.

After an initial hiccup in the first year of ties in the Obama-Manmohan Singh era, the bilateral cooperation agenda deepened and widened between 2009 and 2012.

India and the United States are two countries with different cultures and systems. One country is low-key by nature, the other very much the opposite. One faces a huge challenge of poverty, the other remains the world's most prosperous.

What binds them? Democracy, diversity, 2.5 million Indian-Americans, about 100,000 Indian students in US universities, nearly US\$100 billion (S\$122 billion) of trade and investment in goods and services, and a few other issues. But challenges to forge

closer ties are many.

Can India and the US build a relationship that goes beyond their status as allies, to one based on genuine partnership across different spheres?

A good start has been made. At the top, the chemistry at the leadership level is excellent. The message in favour of partnership is flowing down. In recent years, both countries have witnessed an extraordinary period of engagement across ministries and sectors, involving many personalities, that go beyond the bilateral to the regional. Examples include the US-India dialogue on East Asia and the trilateral relationship among Japan, the US and India. The US-India relationship has taken on an institutional character and the momentum is set to continue despite differences in strategy and style.

Fruitful areas for partnership include:

■ **First, economic relations.** Two-way trade and investment is growing even in a difficult global environment. The aim is to double trade to reach US\$200 billion. Indian companies' investments in the US are multiplying and many US companies are steadily growing in India.

An Infrastructure Debt Fund has also been set up to finance much-needed projects. The next step: a dialogue to work towards a US-India Free Trade Agreement. To advance that, a bilateral investment treaty with content and lan-

guage supported by both would be helpful. Meanwhile, Indian companies are creating thousands of jobs in the US, despite concerns regarding trade issues and visas for Indian professionals.

■ **Second, in energy, in the areas of oil, gas, renewables, coal and nuclear power.** Cooperation in all these areas has begun though public attention is essentially on nuclear, where progress is slow. The US-India Energy Dialogue and the Track 2 engagement on climate change are building mutual cooperation.

■ **Third, in science, technology and innovation.** The US continues to provide leadership in these areas, as India shows the way to low-cost products and services through innovation. Both countries are engaged with each other and the process is leading to multiple collaborations across sectors.

■ **Fourth, in education and skills.** The number of Indian students in US universities attests to strong bilateral ties in this area. Within India itself, opportunities abound for American institutions, given

the hunger for world-class education among millions of young people hungry for the best.

An explosion of education partnership lies ahead, with US universities expanding engagement with India. There is already a plan to set up American-style community colleges in India to provide vocational and skills training for the Indian workforce.

■ **Fifth, agriculture.** Every state in India has an agricultural economy. Many states in the US are strong in agriculture. US universities are renowned for research, technology development and education in agriculture. In turn, India would benefit from technology to raise agricultural productivity, that can benefit the 600 million people living in rural areas.

Agriculture provides untapped potential for good people-to-people connections. India's Green Revolution in the 1960s symbolised bilateral agricultural cooperation. The next green revolution is on the way.

■ **Sixth, defence.** India's security environment is tough. Hence, de-

fence capability is crucial. From a zero situation 10 years ago, India has purchased US\$9 billion of defence equipment from the US in the last few years. More can be done to safeguard India's national security, despite the country expanding links to several supplying countries. Defence cooperation is the next big agenda item, reflecting a growing process of trust-building.

■ **Seventh, regulatory systems.** The US has decades of experience with independent regulators or agencies with technical expertise which are set up to be independent of the sector they are regulating.

This is a relatively new phenomenon in India, with scope for India to learn more through exchanges. For example, the US and India might work together on anti-trust cooperation to deal with competition issues. This will also give confidence to investors as systems get aligned.

■ **Eighth, health care.** Prospects for partnership exist not just in medical tourism. There are also opportunities to provide technology, equipment, training, accreditation and standards from the US to India as the latter strives to upgrade and multiply its health-care infrastructure. A little has happened. Much more lies ahead.

■ **Ninth, internal security and counter-terrorism.** This is a sensitive new area of collaboration but critical to both countries. It will require mutual confidence and

trust. Efforts are under way, including in cyber security, which is of concern to both. Venturing into these uncharted waters holds promise that bilateral relations can be taken to a new level.

Looking ahead, these nine areas are only the tip of the iceberg of the incremental process of developing a stronger partnership between the US and India.

Both sides are clear that there are challenges and differences in views. Some of the more divisive issues have to be kept aside so that forward movement in many other areas can progress. Space cooperation, promoting IT-led open government, R&D cooperation, maritime security, and the issue of Afghanistan are other areas of current bilateral engagement.

The outlook for a US-India partnership is positive. It will take time to broaden and deepen ties, but the effort will be rewarding, because of the convergence of interest, agendas and concerns between the two countries. The time has come for the US and India to run the three-legged race together, moving more in tandem than ever before.

The writer headed the Confederation of Indian Industry (CII) for more than 30 years, stepping down as chief mentor in 2009. The CII has international offices in several countries, including Singapore, China and the United States.

By Invitation features leading writers and thinkers from the region and Singapore.

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