

## **CHAPTER IV**

### **JAPAN'S REASON TO INVEST IN HSR (HIGH-SPEED RAILWAY) PROJECT IN INDIA**

With the phenomenon of globalization along with its advancement of technology especially in the transportation, the international situation nowadays is much or less characterized by the new atmosphere full of opportunities yet challenges especially for the states. As world and many statehood have a well-developed transportation, many countries start to increase and modernize their infrastructure so that they are able to jacked up their development. This situation is seen by India. Therefore, Japan which is developed country with a leading technology in Railway sector, tries to help in realize India's dream.

Japan, as discussed in the previous chapter, had realized the importance of giving aid to another country for infrastructure. By giving the recipient several aids, the relationship between Japan and another country becomes better and the image of Japan as a mean country is slowly faded. Additionally, by giving foreign aid to the developing country, Japan is able to expand their existence in several countries. Many aids have been given by Japan to India since history. The amount of interest that given by Japan to India is considered to be low-interest in that Japan only gives a 0.1 percent and paid for 50 years term. Considering that it usually only gives loans and takes 1.5 percent of interest which is paid for 30 years term, it means that Japan has another reason in doing their investment in this HSR Project.

## **A. Maintain position in South Asia Region**

Due to its size and weight, South Asia may have a great importance. It got a wide area, representing more than one-fifth of the world population. This might naturally have an impact on the future of the globe with regard to pressing issues such as energy supply, human development, food production, environmental sustainability, healthcare challenges, etc. (Reza, 2015) Japan, find it of importance to have cooperation with the South Asian countries. South Asia may become a strategic key for Japan.

Many countries have been admired Japan, especially in their manufacturing and culture. However Japan seems less active as a diplomatic player recently. To solve this situation Japan creates a campaign known as "Cool Japan". Prime Minister Abe wants to sell not just a "Cool Japan" in terms of design and culture, but also to be known in big global policy issues such as technology, the environment, diplomacy, economics, and security (Dominguez, 2014).

Japanese PM Shinzo Abe said that the Japanese general public has interest in India and try to realize a "broader asia". They had undergone "The Discovery of India" which he means that they rediscovered India as a partner that shares the same values and interests as a friends that will work alongside. (MOFA, 2007) From all over the country in South Asia India is the biggest ODA recipient from Japan than the other South Asian country. This can be seen in the Japan's ODA White Paper.

Table 4.1  
Japan's ODA Recipient 2013

Country or region	Type	Japan's ODA (2013)						Total (Net disbursement)	Total (Gross disbursement)	
		Grants			Loan aid					
		Grant aid	Grants provided through multilateral institutions	Technical cooperation	Total	Amount disbursed (A)	Amount recovered (B)	(A)-(B)		
South Asia		115.48	22.57	164.75	280.23	2,157.21	1,107.49	1,049.72	1,329.95	2,437.44
Bangladesh		17.55	5.12	45.96	63.52	371.73	107.98	263.75	327.27	435.25
Bhutan		6.41		8.77	15.17	3.40		3.40	18.58	18.58
India		1.87	0.17	40.49	42.35	1,357.76	737.77	619.99	662.34	1,400.11
Maldives		0.12		1.15	1.27				1.27	1.27
Nepal		24.36		24.48	48.84	1.37	9.43	-8.07	40.77	50.21
Pakistan		35.80	11.22	19.36	55.16	157.00	39.19	117.81	172.97	212.16
Sri Lanka		29.09	5.79	23.07	52.16	265.96	213.12	52.83	105.00	318.12
Multiple countries in South Asia		0.28	0.28	1.46	1.74				1.74	1.74

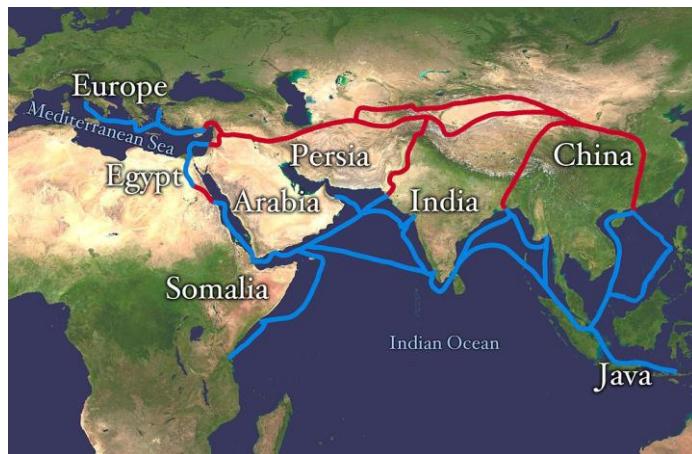
Source: (Japan's ODA White Paper)

As can be seen in the table which is taken in 2013 above, India is not the biggest Grants aid receiver in South Asia, they become a biggest Loan aids instead. Here, India only got US\$ 1.87 million for Grant aid while Pakistan got the biggest Grant aid with the amount of aid US\$ 35.8 Million. However, the Loan aid that given to India is the biggest among the South Asian countries which the amount is US\$ 1,357.76 million with an amount recovered is US\$ 737.77 million. From here, it is shown that Japan trust to spend their Loan aid to India where India able to repay their loan well.

Japan also saw India as important partner because that mostly the maritime trade route crossing near India's water. As mentioned in the Japanese Prime Minister Shinzo Abe's speech, he said that as maritime states, both India and Japan have vital interests in the security of sea of lanes. The sea lanes to which he refers were the shipping routes that are the most crucial for the world

economy. He also wants to bear the responsibility that has been entrusted to them together by joining forces. (MOFA, 2007)

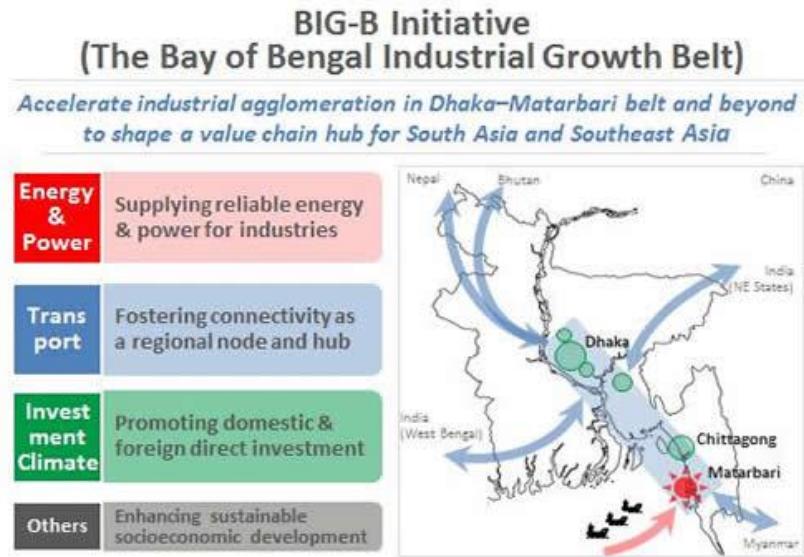
Picture 4.1



Source: (News Network, 2015)

As we can see from the picture 4.1, the blue line one is the maritime route it hold several trade across this sea. It can be also seen that Japan wants to secure the sea lanes by joining the Exercise Malabar or also known as Naval Exercise. This kind of naval exercise originally is a bilateral partnership between US-India. Then Japan joins the exercise and start the exercise around the sea (Commander, 2007). One of the areas which become the training ground is the Bay of Bengal. They held the training in Bay of Bengal twice which is in 2007 and 2015 (DHNS, 2015).

Picture 4.2



Bay of Bengal Industrial Growth Belt or also known as BIG-B Initiative is assumed as one of the reason why Japan is eager to deepening their existence to South Asia. The Bay of Bengal is believed to become a key area of economic and strategic competition in the Indo-Pacific (Brewster, 2014). It is probably the largest bay in the world and forms and may become an important part of southern Asia. Bookended by India on its western side and Thailand to its east, with Bangladesh, Myanmar and Sri Lanka in between, this part of the Asian littoral hosts a huge population and is passed by some of the world's most important trading routes.

Japanese companies thought Bangladesh has large population and good rising GDP growth as an alternative. However Bangladesh lacks to running toward sustainable development is key foreign direct investment (FDI) (Ruff, 2016).

Japan, which has an interest for this project tries to seek help from India. India is believed as a new “strategic partner” of United States and rival of China. (Harsh & Yogesh, 2016). In here, Japan is supporting United States provocations in the South China Sea and is supporting the territorial claims of Vietnam and Philippines. Thus Bangladesh has become the focus for increasing geo-political rivalry between China, India and Japan (Ruff, 2016). India and Japan are attempting to undermine Chinese influence throughout the region. They are attempting to undercut the relations between China and Bangladesh.

### **1. India’s Development**

Of all many countries in South Asia, Japan chooses India as their main partner. As a developing country with a good development, India surely becomes the most favorite country for investment by many countries. This becomes the reason why Japan trusts their aid for the development of India’s transportation. India is one of the developing countries. Although India is a developing country, India is a medium-growth GDP. This can be seen from India’s development.

#### a. Power

‘New’ Electricity act 2003 is a mark document. This document is the first of its kind that revamp the regulatory framework governing the power sector. The Eleventh Plan (2007-12) (Government of India, 2008) aimed at adding 78000 MW of power and the Twelfth 5-year plan (2012-17) is even more ambitious which aims at addition of over 100,000 MW of power.

### b. Military Research and Development

Military research and development have not progressed as it was predicted by the observer and hoped by the leaders. The Prithvi battlefield is similar to that of the US Army Tactical Missile System (ATACMS), but it is less flexible (Bertsch, Seema, & Srivastava, 2013). India has prepared a budget of \$ 100 billion for defense purchases. With this amount, India has its sights set on modernizing military and jump-starts its own defense industry. India also has a potential in Naval Security.

### c. Tourism

Geographical and cultural diversity makes India attract large number of international tourists. Tourism produces much profit and opens employment opportunities in the country. The booming of medical tourism sector is got a constant growth with Chennai, Delhi, Mumbai, Agra as the four most visited cities of India by tourists of all nations (Amutha, 2013). In the past few years concerted efforts are being made to popularize new forms of tourism such as cruise, rural, eco-tourism and medical.

### d. Economic Growth

India has managed to emerge as a free market economy. India is the 4th largest economy in the world. In terms of agriculture, India is the 2nd largest food producer in the world (Mohan, 2016). Agriculture and allied sectors like fishing, forestry, etcetera, gave employment to 60% of the total workforce with 18.6% of GDP in 2005.

#### e. Infrastructure

There are a few of the major developments infra sector of India in the past few years: Mumbai's eastern freeway, a magnificent second largest flyover of India, opened to public in June 2013 (Staff Reporter, 2013). There are examples such as Double-decker train, Solar park in Gujarat, GIFT city in Gujarat, Metro rail project in various cities (Economic Times, 2013). Those are a few of example of the infrastructure developments in India Those developments show that India is really in a good development. It is also makes Japan confident to give the loan to India.

### **2. The Importance of India in South Asia Region**

Japan's reason to choose India to increase their relationship to India by giving the aid in this Bullet Train is because India is the country that has an important position in South Asia. India also believes that India is bigger than the other countries in South Asia. Bhabani Sen Gupta (Anadkat, 1999)a well-known political scientist from India and also known as author of India said that, "*The Indian elephant cannot transform itself into a mouse. If South Asia to get itself out of the crippling binds of conflicts and cleavages, the six will have to accept the bigness of the seventh. And the Seventh, that is India, will have to prove to the six that big can indeed be beautiful*"

The statement means that India is a big country. The greatness of India can be shown from its territory. The India shares border with all South Asia where most of the South Asia territory is occupied by India. India's responsibilities in shaping and directing the cooperation drive were recognized by extra-regional

powers (GKToday, 2016). The size and position of India give it a special role of leadership in South Asian and world affairs.

To deal with regional concerns, India performs its leadership role by pursuing policies to further the regional states. The Gujral Doctrine, India's policy of providing unilateral concession to South Asian neighbors without seeking reciprocity (GKToday, 2016). The Gujral doctrine here has five-point roadmap which sought to build trust between India and neighbors, of solution to bilateral issues through bilateral talks and to remove immediate quid pro quo in diplomatic relationship between India and her neighbors.

The ‘Doctrine’ emphasized on the importance of friendly and warm relations with India’s neighbors. When Narendra Modi becomes Prime Minister, he creates a policy which is known as Modi Doctrine or also known as “A Doctrine of Unpredictability” (Haidar, 2016). His foreign policy currently focuses on improving relations with neighboring countries in South Asia, engaging the extended neighborhood in Southeast Asia and the major global powers. Those Doctrines is used by India to gain relation with South Asia.

Choosing India as Japan’s strategic partnership it is the right choice for Japan to increase Japan’s position in India. Due to the fact that India has a good development in South Asia it is shown that the foreign aid is not useless. Then, the India’s geographic and Economy are able to handle those neighboring countries become a good benefit for Japan. The Doctrine used by the Prime Minister Modi, will give Japan an opportunity to raise their existence in South Asia. The Prime Minister Abe also said that they agreed to the symbolic

*Shinkansen* bullet train and connectivity between India and its neighboring countries (India Today.in, 2014).

## **B. India's Dependence toward Japan**

In this part, there will be an explanation of the second hypothesis said that to create an India's dependence towards Japan's technology. The writer will use the Dependence Theory from Theotonio Dos Santos. Referring to the Theory of Dependence by Theotonio dos Santos, this part will generally assumed that there were some interest from Japan toward the India's development and their position in South Asia There was also another reason from Japan to control several important places in India based on the city that crossed by this High-Speed Railway which is connected Mumbai-Ahmedabad.

Dependence in this context can mean as a situation in which the economy of certain countries is conditioned by the development and expansion of another economy to which the former is subjected. Basically, this theory explains about the cause of dependence between the central states to the periphery countries is lack of capital and lack of expertise by the periphery. However, in the context of relations between Japan and India, a dependency relationship of the two countries can be said that Japan's role as the central state while India serves as the periphery. Japan with its economy quite rapidly becomes the second largest country as a distributor of foreign aid programs to countries in the developing world through Official Development Assistance (ODA).

Since various phases of history, Japan and India have never been adversaries. The Bilateral relationship between Japan and India has been free of

dispute ideological, culture or territorial (MOFA, 2017). During the World War II, Japan was India's enemy. This happened when India was still under the rule of British. This involvement shows that India can be deemed that they joined the war in the Allies sides. Although they didn't really obtain India, Japan managed to conquer one of the Islands known as Andaman Island.

Before European Colony era, Andaman and Nicobar Island were used as a "refilling station" for ships of south Indian kingdoms. During the World War II the people in these islands were struggling with tortures, and Japanese rule. The Japanese tries to secure their seaward flank by dispatching a force to seize the islands. The force was composed of the following units and ships World War II brought a series of changes in the life of the Andaman (Fernandes, 2014). During the war, the Japanese occupied Andaman in 1942, which believed the Island has a strategic importance for Japan's approaches to Rangoon. Japan kept the region in their control until August 1945.

After the occupation, the Japanese whacked every attempt to exploit the people by telling that they were Asian and the India was their ally so the British was their common enemy. The total of the property destroyed by the Japanese was estimated at Rs 6,425,300 not including the cash which was in the treasury and in the currency chest at Port Blair at the time of Japanese Occupation (Salooja, 2010).

During World War II, Japan along with Subhash Chandra Bose fought with British through Burma and North East India. Later, Japan took over some parts of North eastern sides of British India along with Andaman and Nicobar Islands. These Islands were given to Subhash Chandra Bose. Andaman Islands

were the only part of India that was actually controlled by the Indian National Army, the liberation force headed by Subash Chandra Bose (Fernandes, 2014). Thus, Andaman and Nicobar Islands became first part of Independent India. After that, Japan lost the war and Andaman and Nicobar again fell in British hands. During Independence of India, these incidents were taken into consideration and Andaman and Nicobar were acceded to the Union of India (Institute of Island Studies, 2007).

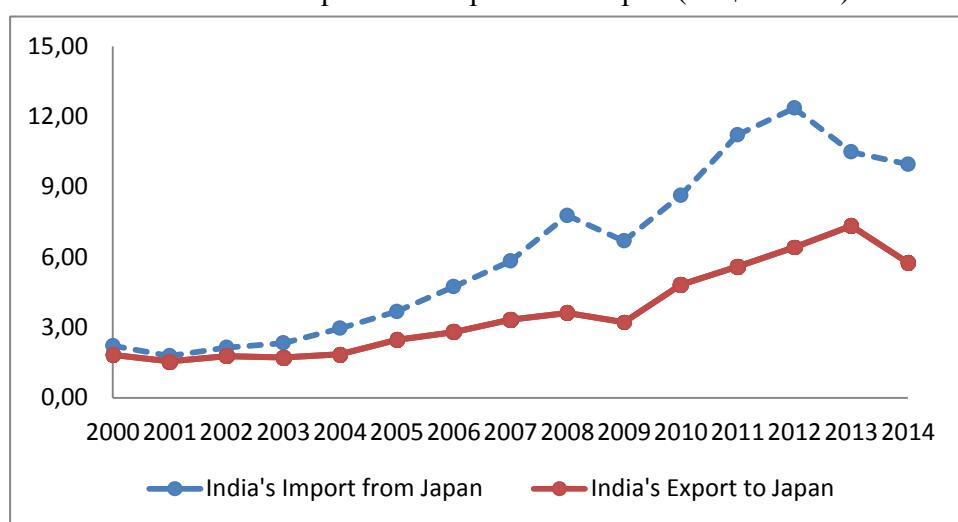
### **1. Japan-India's Economic Relation and Its Benefit for Japan**

Since Japan's diplomatic relationship started. Japan and India have already developed their relation especially in the economic relationship. India, which has a lot of natural resources especially iron ore, started to export their products for Japan. Meanwhile, the iron ore that was imported by Japan is re-processed to become another product and then they export it back to India.

#### a. India's Export and Import with Japan

Figure 4.1

India's Export and Import with Japan (US\$ Billion)



Source: (WITS)

The source of the trade is taken from 2000 because at that time Japan and India began to repair the relations among them. The chart 4.1 above shows several trades that done by India and Japan yearly. This chart is the export and import from India's part. The red line shows the total of India's export to Japan. According to the chart, the highest number of India's export is in 2013 with the total of money was US\$ 7.3 Billion and while the lowest is in 2001 with the total of money was US\$ 1.55 Billion.

The blue line one is showing the total of India's import from Japan. In the chart above shows that the highest number of the import is in 2012 with the amount of the import is US\$ 12.36 Billion and while the lowest number of the trade is in 2001 with the total of US\$ 1.79 Billion. From the chart it can be seen that since 2000 until 2014 the import from Japan was more than the export to Japan. It can be inferred that India's economic trade is still dominated by Japan.

#### b. Response for the Make in India campaign

Made in India or officially named in India as Make in India is an initiative used by the Government of India to encourage multi-national, as well as national companies to manufacture their products in India (Government of India, 2014). The initiative was created by the Indian Prime Minister Narendra Modi on 25 September 2014. It has been told that \$11-12 billion fund has been earmarked for it. In order to make India receives the proposal of Japan's *Shinkansen*, Japan agrees to sign to contract of the campaign for aiding the fund.

India may become an opportunity for Japanese companies to establish lower-cost manufacturing bases from to ship goods to the rest of the world (The

Economist, 2015). The Ministry of Economy, Trade and Industry has announced a Japan-India Make in India Special Finance Facility on a Scale of 1.5 trillion yen (METI Japan, 2015). Prime Minister Abe announced that 1.5 Trillion yen will be delivered to facilitate. It means that Japan is able to invest another manufacturing business in India. By doing this agreement, it is possible that Japan's companies in India will increase.

## **2. Technological-Industry Dependence by Japan**

Referring to Theotonio Dos Santos, this kind of dependence can be said as a new kind of dependence. The economy activity which happens in the developing country is not an export of raw material to the core country anymore. The activity of this dependence tends to be an investment by the multinational corporation to the developing countries. In this case, Japan is the country which acts as an investor and the assistance. Theotonio Dos Santos (Santos, 1970) also mentioned that the developing countries which don't have the technique for the technology need to pay a profit for the developed country for the patent. The Mumbai-Ahmedabad High-Speed Railway Corridor is one of the popular projects that signed recently in India. This High-Speed Railway will become the fastest train that India will have. This Railway tends to be called as a bullet train due to the speed of the train.

### a. The Importance of the City

The Vision of Developed India is to realize the developed India in the future. According to the Vision 2020, India envisages the implementation of one HSR in each of the regions of the nation and plans for at least 8 corridors connecting

commercial, tourist and pilgrimage hubs (Raghuram & Udayakumar, 2016). In the previous chapter it has been explain about the India's plan to build the High-Speed Railway route. From those six routes, Japan chooses the first one. Japan decides to choose the first track for the bullet train and they start to do the project in the Mumbai-Ahmedabad route.

Picture 4.3

Mumbai Ahmedabad Route Map



Source: (JIC Presentation)

#### i. Mumbai

Mumbai or known before as Bombay is the capital city of Maharashtra which is known as the most populous city in India. Mumbai also becomes the financial, commercial and entertainment capital of India (lonely planet, 2017). It is the ultimate hub for businesses offering the perfect environment and an unrestricted potential for all kinds of businesses (Risbud, 2016). Many people who do not have any good situation try to seek opportunity in this Dream City (Bhattacharya, 2014). Another reason from Japan is that it is known that Mumbai

and Yokohama are a sister city. Yokohama signed a Sister City Agreement with Mumbai in 1965 (Kaneko, 2016). Mumbai also becomes a main stopping point on the major sea lane from Yokohama to Europe. According to data from the Embassy of Japan in India published in 2006, there is around 48 major companies that actively running in Mumbai. Developing the infrastructure for this country will surely give benefit for Japan.

#### ii. Surat

Suryapur or now known as Surat is a port city. It is the economical capital and former princely state in the Indian state of Gujarat. It is the eighth largest city Surat is the 3rd "cleanest city of India" (Ministry of Urban Development, 2010). Surat also is the administrative capital of the Surat district. Surat also has also been selected as one of twenty Indian cities to be developed as a smart city under Prime Minister Modi's Smart Cities Mission (Economic Times, 2013).

#### iii. Vadodara

Vadodara or also known as Badora is the third largest city in the Western Indian State of Gujarat. Vadodara is also an important hub for industry, culture and education in western India. The city has some institutions of national and regional importance which its major industries are include petrochemicals, engineering, chemicals, pharmaceuticals, plastics, IT and foreign exchange services amongst others (Baroda Online, 2012).

#### iv. Ahmedabad

Ahmedabad is the former capital of Gujarat this. It is the administrative headquarters of the Ahmedabad district and the seat of the Gujarat High Court.

Ahmedabad emerged as an important economic and industrial hub in India (Bhatt, 2014).

From those city it explains that most of the city that passed by the Bullet Train is a port City while some are popular with its cultural sector. Water transport has an important role in Indian economy. The average ship-borne traffic in India is 35 million tonnes per annum and the total optimum handling capacity of the major ports (Shina, 2016). Inland water transport in India carries about 16 million tons of goods each year. Many rivers of the country are linked with major ports. In here, Japan may able to take control along this important city crossed by the railway.

Picture 4.4  
Mumbai-Ahmedabad Bullet Train



Source: (TNN, 2016)

The fact that this train is called as the First Indian Bullet Train proves that India has never had this kind of train before. That is the reason is why Japan tries to give India a loan and technical assistance simultaneously. Since the history, India has already received several aids in this technology transportation sector from Japan.

### b. India's Incredible India Campaign and Tourism Contribution

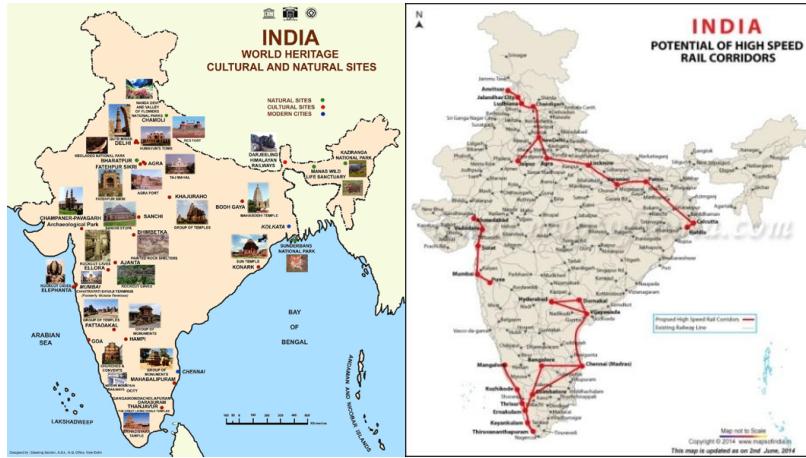
This bullet train is not the first Japan's train existed in India. India's metros, financed by low-cost government loans from Japan, are the types of projects that India's Prime Minister Narendra Modi hopes will help modernize his nation. For Japan, Prime Minister Abe plays a key role in bringing Japan's advanced technology, infrastructure expertise, quality management and track record of safety to countries such as India. The Indian Prime Minister said that the transportation used should have a good safety and Japan is the one that has a good record in this part. This Bullet Train is placed in this area because India wants to increase their facility for their Incredible India campaign.

Incredible India is a campaign from India which emphasizes their tourism sector (ICMR, 2006). This campaign is done by the India's Ministry of Tourism. The Ministry of Tourism creates national policies for the development and promotion of tourism. Concerted efforts are being made to promote new forms of tourism such as rural, cruise, medical and eco-tourism. According to spending data released by Visa Asia Pacific 4 in March 2006, India has emerged as the fastest-growing market in the Asia-Pacific in terms of international tourist spending.

The tourist spending figures for India would have pleased the Indian tourism ministry, which had been targeting the high-end market through its long-running 'Incredible India' communication campaign.

Picture 4.5

### India's Heritage sites and High Speed Rail Corridors

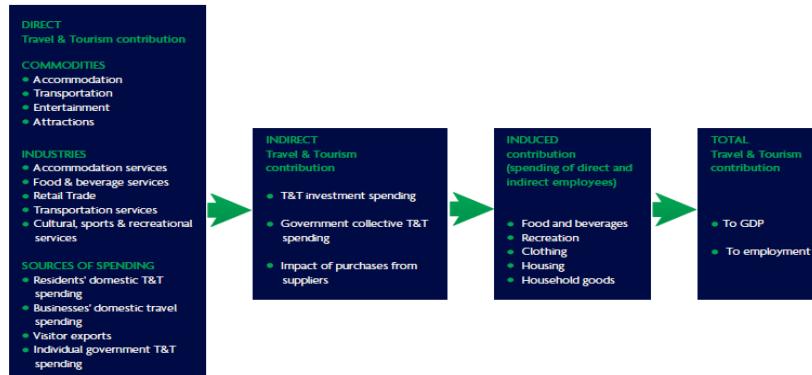


Source: (National Culture Fund, 2011); (Maps of India, 2016)

The map above shows about the heritage site of India. The right one shows the Potential of High Speed Railway Corridors proposed in India. From here, it shows that the HSR project and tourism is in line. Most tourists visit those places as their destination. To make it easier to the tourist for travelling around India, the High-Speed Railway is India's solution to realize the goal. Those pictures show that this High-Speed Railway is a project to increase India's tourism quality. From those potential High-Speed Rail Corridors, Japan is allowed by India to help India in realizing their dream in developing their tourism.

It is possible for Japan to build another one if the first bullet train satisfies India. Japan is likely to give fund for the similar project. Indian and Japanese officials are discussing the proposal for the second high-speed rail link which is expected be built in southern or central India (Chaudhury, 2016). If it happens, it means that two of the total High-Speed Railway will be conducted by Japan.

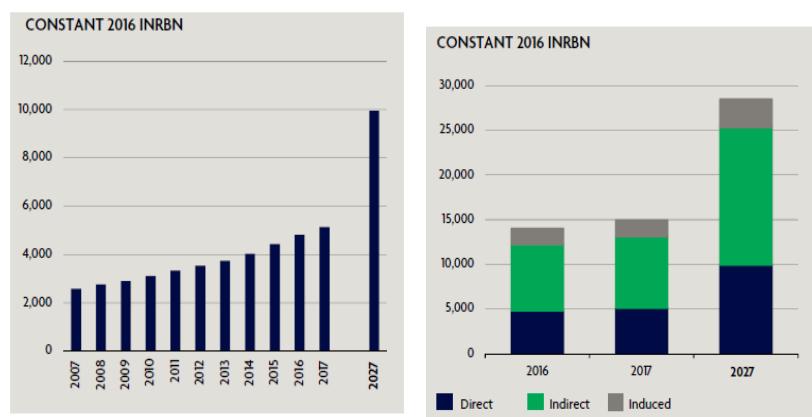
Figure 4.2  
Impact from Tourism & Travel



Source: (WTTC, 2017)

According to World Travel & Tourism Council, Travel & Tourism contribution will indirectly impact to GDP and also it will get a wider impact in the economy. By increasing the Transportation, it will increase the investment spending, government collective spending, and also will get purchases from suppliers. From those aspects, it will also impact other sector for example the increasing of Food and Beverages, Recreation, Clothing, etc. Next, those incomes will be spent to GDP and to raise employment

Figure 4.3  
Tourism impact to the GDP



Source: (WTTC, 2017)

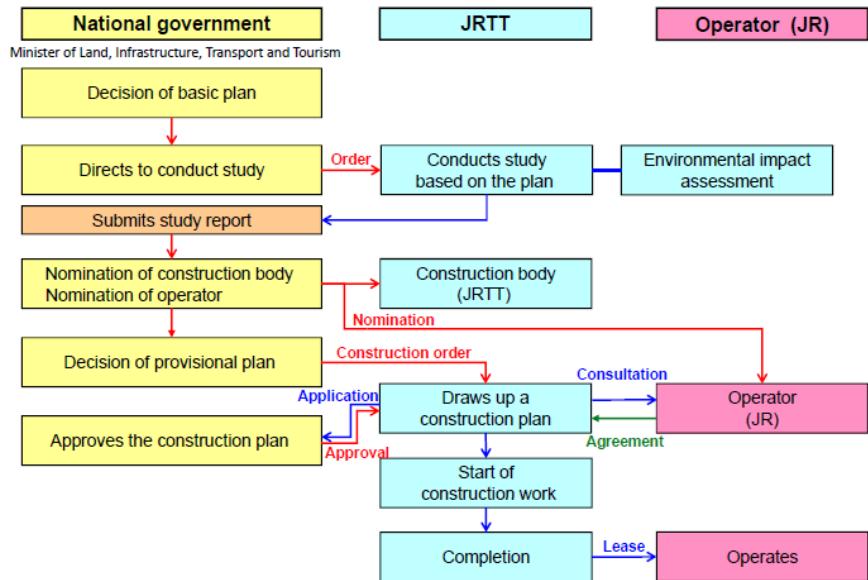
The graph on the left side shows how India's Tourism always raises constantly every year. In 2016 the direct contribution from tourism is INR 4,809 Billion. It is also predicted that in 2027 the income from tourism will be raise into INR 10,000 Billion. The graph on the right side is the income got from India's total tourism. According to the graph, the income is INR 14,018.5bn in 2016 (9.6% of GDP) and is expected to grow by 6.7% to INR 14,964.3bn (9.6% of GDP) in 2017.

Although India's Tourism only gives 9.6% of GDP, it always gives India a constant income for GDP and it also can bring employment for the Indian. In 2027 is predicted that the income may increase in 2027 due to the population increase during that time. This several data shows that India's Tourism has an important role in their economy.

According to Theotonio Dos Santos, the dependent countries do not have sufficient foreign currency, for the reasons given. Local businessmen have financing difficulties, and they must pay for the utilization of certain patented technique. By agreeing the implementation of *Shinkansen* in India, they need to use Japan's technology. Although India is allowed to prepare the material and gained training for future operation of the bullet train from Japan, India still needs to adopt Japan's technology in a package (Railway Technology, 2016). The package here, Japan will support by making the technique for the train, making the tunnel, placement of the track, creating the under tunnel, and also the computer program for operating the bullet train. Also the expert for this project will still come from Japan.

Figure 4.4

## HSR India Construction Plan



Source: (JICA Presentation)

From the Figure 4.4 we can see that the yellow one is the country; the blue one is the JRTT who represent Japan as facilitator between the national government with the private sector; and the red one is the private sector who specialized on JR or Japan Railway who will become conducts the project. The private sector here can be from Japanese companies or Indian company, with the prime constructor is Japan. To develop the human resources Japan will conduct short visit program, training of MoR (Ministry of Railway), overseas study program in Japan, training of newly recruited MoR official in Japan, and there will be an establishment of the HSR Training Institute and its development of training program (JICA, 2015).

In this case, Japan gives a foreign aid to the India in the High-Speed Railway Projects. In this situation, Japan gives the loan to India by giving an aid

in the form of Yen Loan and also the technical assistance. When India agrees to adopt Japanese train technology, it will hold a tender for contracts. A consortium including JR East, Kawasaki Heavy Industries and Hitachi is expected to bid in this project (Nikkei, 2015). Those Japan's construction will be expected to do the project. The Bullet train will also be able to cross underwater. This method is proposed by Japan in order to shorten the route and also to realize the Indian desire for the underground bullet train. This train also will be placed in the Thane. This method is inspired by Japan's underwater Seikan Tunnel in Japan.

These several conditions are proofs that by implementing Japan's *Shinkansen*, India should agree to use the Japan's technology. It is near impossible for India to duplicate the bullet train from Japan. The reason is that Japan is really concerned about Property Rights. The example is that Kawasaki Heavy Industry which is helping in the China Bullet train in 2004 is claiming that China is pirated their technology (Fitzpatrick, 2013). Although the result is still unknown either China is wrong or not, it is shown that Japan is really concern about property rights and also they have a pride of their *Shinkansen*. It means that once a country agrees to implement the Japan's *Shinkansen* they should use it and giving a profit in the form of patent for Japan. And also, by implementing this infrastructure, it is shown that the railway transportation sector in India is depends on Japan's technology.

From the discussion above it can be see that there is a reason from Japan in helping India to realize the Bullet Train. Japan who has an interest in South Asia tries to maintain their position in South Asia. To fulfill that interest, Japan

strengthen the relationship with India which is has a good development and also India has an important role in South Asia. Therefore, the first hypothesis is answered. However, Japan's relation with India is tends to be dependence, where India is dominated by Japan. Although Japan didn't occupy the whole India, Japan is able to occupy an island in India. The islands are Andaman and Nicobar Island.

After the World War II over, the relationship between India and Japan is getting stronger. Since the relationship established, the financial of India is seems to be exploited by Japan. This can be seen from the fact that India's export from Japan is higher than its export to Japan. Recently, Japan agrees to invest to India for realizing a bullet train from Japan. India agrees to use the *Shinkansen* system from Japan for their Indian Campaign for tourism. By agreeing this agreement it means that India needs to use Japan's technology which is will create dependence toward Japan's technology. Therefore, the second hypothesis answered.