ABSTRACT

The present study has been undertaken to assess and analyze various aspects of Indo-Japan relations that impinge on the progressive existence of the two nations. The study is modest attempt to show the factors which includes political, economic strategy that could make the two nations giant in their respective field and that how a positive relationship is essential to compete in the global village.

The study of Indo-Japan relations is not a routine matter but of vital economic, political and strategic importance. The subject has been studied in an independent, impartial and unbiased way. Equal treatment to the respective approaches, and policies studied of both India and Japan impinging on their bilateral cooperation. Both are therefore striving to expand and strengthen their collaboration.

The study is primarily based on official documents and statistical data published by the Japanese government as well as existing secondary sources available in the country. The thesis is organized in five chapters including conclusion.

The historical background of Indo-Japan relations is discussed in first chapter. Chapter two had thrown light on economic relations between India-Japan covering the period after The Cold War. Chapter
third investigated the trade relations between India and Japan especially after India’s liberal economic policy announced in early 1990. Chapter four dealt with politico-strategic relations between India and Japan. Finally, conclusion throws light on the future perspective of Indo-Japan partnership.

Historically Japan maintains friendly relations with India. The long history of Indo-Japan relations indicates a lot of common similarities by which both the countries relation with passage of time became strong. Japan contributed for India's struggle for freedom. It played an important role and appreciated the policy of non alignment of India. The economic and technological backwardness of Asian countries provide an immense opportunity to Japan to expand her economic activities in the area.

Since the end of The Cold War world has passed from bipolar to multipolar, Japan is bound to play and expanded role in Asia, in particularly and world in general. The utmost priority of Japan in Asia is to maintain of peace and stability which ultimately serves her own economic and political strategic interest. India opened its economy to cope with its role in the global political and strategic scenario which has been changing rapidly. From this point of view it is reasonable to consider an influence and significances of relationship between two Asian giants, i.e., India and Japan. The bilateral ties between the two
countries have become more important to solve many world wide problems. Japan grants a lot of Official Development Assistance to India (ODA) for the sake of economic development and regional prosperity. Official Development Assistance (ODA) is the main important pillar of Japans foreign policy. Japan wants India to be a more prominent Asian player, when China wanted to establish dominant role in political and economic area. So, India became liberal in policies to attract Foreign Direct Investment (FDI) by which the relationship between India and Japan became strong.

Japan granted India a lot ODA for better infrastructure, electricity and telecommunication. Japan realized that the development of India's technological base and infrastructure facilities are very important for the improvement in favor of India, in developing India-Japan trade relations. In his view promoting export and manufacture industry can generate more employment.

Japan has given aid and direct investment to the regional countries including India in order to create a favorable environment. In this circumstance regional countries got the benefit of direct investment by achieving economic progress and high growth rate. Japan has become a largest investor and a major trade partner in the region. Japan has used its
investment policies to influence the elites of the south Asian countries to achieve its desired objectives in this global world.

Globally, the style of business administration has been recognized since the operation of multinational companies spreading all over the world, integrating international market and given immense influence at regional as well as global level too. In case of India's development, Japan assist India through its ODA, however, some times its inefficiency has been pointed out. Today's India required more trade and FDI as for as their economic policy is concern. It seems to be a good opportunity for Japan and India to consist a huge market for trade and investment. But India's trade with Japan still shows the characteristics of unequal exchange. The reason behind it is that India's industrial infrastructure needs modernization to facilitate export to Japan. Infact India imported a lot from Japan and is one of the huge markets in the world.

When we talk in terms of politico-strategic and security aspect, the Post on September 11, 2001 attack the politico-strategy of United States has to define the meaning of security. Only the armament race and developing nuclear weapon are not enough to counter new threats like terrorism. It needs cooperation at regional as well as global level too. In global world every country is interdependent and seeks the cooperation.
Japan is the close friend of United States of America. Its foreign policy could be best explained in its relations with United States such as maintaining international peace, stability, promoting economic liberalization and free trade, protecting the environment and furthering the humanitarian goals. Japan U.S relations are based on mutual benefit. Japan trusts a lot on U.S security umbrella and shares values in market driven economy.

Both India and Japan are the leading countries in Asia, they wants to play a leading role at regional as well as global level. Japan being a economic superpower is not satisfied with its international status. On the other hand India is very much interested to become an economic power with holding its unique status in the global politics. In such circumstances both countries started to realize each other’s potentiality in economic, political and strategic aspect. Both cooperated with each other to become a permanent member of U.N Security Council. In this regard Japanese Prime Minister Mori told then Indian Prime Minister Mr. Atal Bihari Vajpayee that are in the same boat and rowing for the common goal. Japan regards India as one of the most reliable and forceful partner in promoting the reform of the U.N Security Council.

They are keenly interested to maintain global as well as regional peace and stability by reforming U.N Security Council. Japan is also one
of the trading country of G-20 are committed to work together with the countries including India to discuss a variety of issue of global and transnational nature like, protection of global environment, eradication of infectious diseases, fight against terrorism, piracy and drug trafficking etc.

Both India and Japan seriously criticize terrorism whether it is attack on Kashmir, London, New York, at metro station in Tokyo, in Taj Hotel, Mumbai or Parliament in New Delhi, or Baghdad etc.

Japan also initiated to solve the India-Pakistan problem on the issue of Kashmir but still no fruitful solution surfaced.

In the last it has been said that both India and Japan are the two powerful giant in Asia, they wants to play a complementary role to maintain peace, stability and regional prosperity Post Cold War. Both countries care for each other because of their mutual interdependence and the prevailing economic order. So the future appears to hold bright prospects of an exponential growth in Indo-Japan relation particularly in economic field and more particularly to emphasize major politico-strategic issues for comprehensive development.