INTRODUCTION
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The end of The Cold War or the beginning of 1991 had witnessed India’s adoption of New Economic Policy (NEP) under then Prime Minister P.V. Narsimha Rao. This initiative had been appreciated by Japan from different point of views.

The first policy was the adoption of economic liberalization commenced from 1991 which aimed to reform its fiscal industrial trade, foreign investment, foreign exchange and public sector etc.

Secondly, the collapse of Soviet Union forced India to search new friends and economic partners to achieve its long term economic and political aspirations. This drive led to the successful implementation of the “Look East” policy which was initiated by P.V. Narsimha Rao in 1991 and facilitated by his successors. It had contributed to promote a process of continuous dialogues with ASEAN (Association of South East Asian Nations).

Thirdly, India had been pressing multidimensional foreign policies in order to increase its diplomatic relations which led a significant progress in the relations with the United States both in political as well as economic point of view. There are so many areas where their interest got fulfilled. This had been demonstrated since 11 September 2001.
It can be hypothesized that the initiatives which were taken by government of India as mentioned above may give a considerable impetus to India-Japan relations.

India-Japan diplomatic relations were established from 28 April 1952. Since the establishment of diplomatic relations a number of bilateral treaties and agreements between India and Japan had been concluded and they were as follow.

2. Cultural agreement 24 May 1956.
3. Agreement on commerce 8 April 1958.
4. Agreement for the avoidance of double taxation in respect of taxes on income, 13 June 1960.

Historically, Japan and India maintained good relation since ancient to modern era. Japan played a significant role during the colonial era by supporting the Indian nationalist and revolutionaries. It promoted the concept of one Asia and Asian values which had been admired ever since by the Indian leaders with the growing importance of South Asia. In addition to it with the changing global political and economic scenario in Post Cold War era was a reason.

However the historical growth of Japan as a global power is a model for India and other countries of South Asia. The “Japanese model
of development” and its social conduct are important for India to face the developmental challenges in the era of market economy.

The end of The Cold War India opened its market for the foreign investors for the rapid growth and development. In this process Japan played a pivotal role by investing a huge amount which pushed economic development of both the countries.

Japan provided a lot of Official Development Assistance (ODA) to India for the sake of economic development. ODA is the main pillar of Japan’s foreign policy. Japan granted Official Development Assistance to all the South Asian countries in general and India in particular. Both India and Japan are trying for the rapid growth and development. But historically India and Japan had different traits in their development of national economy. In the 1980 through 1990’s, India and Japan experienced diverging courses of economic progress. Japan the economic super power following the collapse of its stock and real estate market after its bubble economy went through a decade of enduring economic stagnation. The most of Japan’s industrial sector had not been able to keep their pace with the high growth and productivity.

But in the case of India, it decided to bring economic shift from socialist pattern of economy moving over gradually towards market
oriented economy. Some of the Indian industrial firms had gained world market share especially in the field of Information Technology (IT).

The developments of India’s technology and infrastructure facilities were necessary for an improvement in developing India-Japan trade relations. India’s trade with Japan still shows the characteristics of unequal exchange. India’s industrial infrastructure needs modernization to facilitate export to Japan. However India imports a lot from Japan.

Next making an overview of aspects of politics and security the terrorist attack on September 11, 2001 in the United State forced these countries to redefine the meaning of security.

Only nuclear weapons and armaments are not enough to counter new threats like terrorism, even a super power or the biggest military power cannot overcome the problems without the support and cooperation of other countries.

Japan is the close ally of the United States of America. Its foreign policy could be best explained in its relation with the United States. Japan U.S. relations are based on mutual benefit and even Japan trusts a lot on U.S. security umbrella and shared values in market driven economy.

Japan followed U.S. policies in its decision making process such as maintaining international peace and stability, promoting economic
liberalization and free trade, protecting the environment and furthering the humanitarian goals.

Both countries trusted each other and shared common interest. Japan never interfered in the matter which directly or indirectly affects the American interest. In the matter of Kashmir, Japan tried to solve the dispute which is prevailing since the independence of both the countries. But whatever Japan had done, it was on the direction of U.S. But Japan had a fact which cannot be over looked had always a soft corner for India.

Japan cooperated with India at every movement in the form of O.D.A. It is the responsibility of both the countries to share common interest in this new world order which is not only in the field of economy but also in the field of international politics like security, peace, global endeavor to fight against terrorism and disarmament.

The relations between India and Japan have not shown significant development until very recently. India is a country which lies on South part of Asia and it is not so important as United States of America or the other Asian countries especially China, which is considered as a dominant player in international relations as well as contender for India from time to time. But in South Asian countries India occupy central position as for as India-Japan relations are concerned.
From several points of view, India-Japan relations are marked by distance borne of geography and significance in economic, social and political landscape and the histories of these two nations. The dimensions of policy dimension also characterized distance because there is a big gap in the approaches of Japan and India on the matters of foreign policy. Japan’s approach to manage international relations has been marked by its check book diplomacy. It was mainly done through ODA reticence and in recent years particularly being uncertain. India’s foreign policy is determined by moral, fortitude, national self righteousness and occasional grant standing etc.

Infact the twenty first century is consider the Asian century political arena. It shows an indication for leave of changes in relation to India-Japan relations. India and Japan witness, the worlds circumstances and the changes since the end of cold war. Now both the countries are very well aware about increasing interdependence in this era of globalization. They are also aware about their own importance in international economical political and strategic relations.

One of the Chinese strategists assesses political aspirations of Japan which are as follows:

1. Japan has been fervently seeking to exert influence in global and regional affairs since 1990.
(2) Collapse of bipolar world enables Japan to fulfill the aspiration of becoming a political power.

(3) To be a true political power Japan will have to raise its political and military profile in the international arena.

(4) Japan’s current transitional phase of converting its economic power to political power

India is one of the biggest populated democratic countries in the world. Its political approach is very similar to that of Japan. India is very much serious for getting a permanent seat in United Nations Security Council. India is working with G-4 members (India, Brazil, Germany and Japan) to realize the same. But African Union (AU) decided not to support G-4 resolution for expansion of UN Security Council, the hopes of G4 dashed. But India still has a hope to become a permanent member of UN Security Council. Japan is very close to U.S and totally depends on it. India played a dominant role in maintaining international peace and security. She participated in United Nation peace keeping campaign from 1950 onwards. India also initiated to restructure the United Nation Security Council.

From the above point of view, it is clear that, the changes in the global politics brought India and Japan more close to each other than ever before. Both the countries are playing a dominant role in shaping the
worlds economic and political order and maintaining regional as well as
global peace and stability.

SCOPE OF THE RESEARCH

India and Japan are the leading countries in Asia. The aims and
objectives of the study are to search possibilities how both the countries
can benefit each other at regional as well as global level, as each one of it
is responsible and leading countries in Asia. The period of the study
covers Indo-Japan’s relations since the end of cold war. It was a period
when India liberalized its economy. This reform drew both the countries
more close to each other.

The study of Indo-Japan relations drew a comprehensive picture of
both the countries and its role in changing global scenario. In this study
the emphasis has been given on Indo-Japan economic, trade and political
relations, which are considered as the main important aspect between the
two countries.

CHAPTERISATION:

Chapter one has thrown light on India-Japan relations. India-Japan
relation existed since prehistoric times and strengthened since the time of
Buddha. A brief discussion on the contribution of Japan in India’s
freedom struggle had also been made to understand India-Japan relations
perspective. When we talk in terms of foreign policy of India and Japan
in the post World War II period it had been found that it was influenced by those changes like all the countries in the world but in different prospects. The rapid changing scenario of international relations such, end of the Cold War process of globalization, or the emerging regionalism, provides important background for Indo-Japan relation, in relation to trade culture, politics and economy.

Chapter two had thrown light on economic relations between India-Japan covering the period after the Cold War. The introduction of economic liberalization policy, under the government of P.V. Narsimha Rao had been studied in chapter. Economic relations have been considered as one of the most vital and crucial topic on India-Japan relations. Economic relation between India and Japan includes Official Development Assistance (ODA) and Foreign Direct Investment (FDI) towards India, the impact of India’s economic reform and the response from Japan will be investigated. This chapter also covered the cooperative role of Japan in the form of ODA to strengthening Indo-Japan relations.

Chapter III investigated with the trade relations between India and Japan especially after India’s economic liberalization policy which was announced in the early 1990. Trade is an important pillar to develop friendly and cooperative relations between the two countries. This chapter
highlighted trade relation between India and Japan with the help of statistics, table and also makes the comparison with other countries of the world.

Chapter IV dealt with the political and strategic relations between India and Japan. Political and strategic relations had depends on so many factors like what type of relation you have with the super power like U.S., China, former Soviet Union. India’s nuclear test and proliferation issue, security aspect, reform of the United Nation Security Council, visit and exchange of high government official of India and Japan.

This chapter also covered the role of Japan in solving the Kashmir issue, cooperative effort of Indo-Japan for the eradication of terrorism and the 11 September terrorist attack on United States of America and its impact on Indo-Japan relations.

Japan is economically super power whereas India is biggest populated democratic country in the world. So, both the countries will promote a comprehensive effort to develop global partnership and it seems that the countries will play a lead role in maintaining relation in times too come