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*Dedicated
To My
Parents & Family*

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AND THAT HIS WORK IS QUITE FIT FOR SUBMISSION FOR
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P R E F A C E

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By the turn of the last century the eyes of the world community were fixed on a new power which had emerged on the fringe of Asia. By her own efforts Japan had succeeded by 1899 in removing the stigma of inequality she carried ever since the forced entry of foreigners into Japan and her first treaties were concluded with the western powers in 1858. The world was astonished in 1892 when Anglo-Japanese Treaty came into force which was the first bilateral treaty between a western power and an oriental nation. More than this the military defeat of Russia by Japan in 1904-5 stunned the entire world and gave a new spirit and confidence to the Asian nations in their freedom struggles against European imperialism. Japan became one of the major powers of the world by the end of world war-I. But World War II brought utter devastation, total defeat, and foreign occupation for the first time in her glorious history. Cruel acts and atrocities committed by the

Japanese against the Asian people during the war had generated tremendous hatred and bitterness towards Japan throughout Asia. Japan's postwar reconstruction and economic growth required access to raw materials and markets in Asia. She had perforce to adopt a new approach towards postwar Asia. In this thesis I have tried to study the evolution of Indo-Japanese relations from 1977 to 1993 with a view to finding out the characteristic trends and tendencies during the period and the prospects of Indo-Japanese cooperation during the 1990's.

The miracle of economic growth has transformed Japan from a land of begging bowl into one of the most prosperous nations within a span of just 48 years. The Japanese economic miracle is awe-inspiring, has become a cause of envy for the developed countries and a great source of hope and inspiration for the developing countries.

The supreme priority of Japan since the second World War has been the restoration of her industrial potential and economic competition with the west. As

and when the western powers decide to curtail the wings of Japan, a radical reorientation of Japanese foreign economic policy will be in order. Hence a radical shift in Japanese foreign policy towards India is most probable because of the tremendous changes in the global scenario in the post-Cold War era. Since India has already established its reputation as a superpower of South Asia whose cooperation is essentially required for maintaining peace and stability in the Asian continent, Japan is bound to cultivate close relations with India. Japan is now all set to play a bigger role at the international level through her economic might. Thus, the global economic giant has already attracted the attention of the world and has become an important subject of academic research. Although Japan's relations with her foremost ally, the U.S.A. and with other western countries are still close, growing strains in their trade relations cannot be overlooked. The erection of a wall of protectionism against Japanese exports by the western nations and the naming of Japan under the so-called "Super-301" by the U.S.A. are some of the instances of desperate efforts made by these

countries to browbeat Japan economically. In the light of these peculiar international developments, the Japanese public opinion has turned strongly against the U.S.A. and the western world and pressed the Japanese government to pursue an independent foreign policy and play a more meaningful role in international relations.

Japan is no longer the poorest member of the rich man's club or even an underdeveloped country but has become one of the richest members of the richmen's club. Under the present circumstances the Third World is the arena where Japan must seek newer prospects of trade and future ~~deployments~~ of its capital and technology. Japan may use the foreign aid lever as a diplomatic instrument to spread its influence throughout the Third World.

This has given rise to speculation that, Japan, which is undoubtedly an economic super-power, is gradually preparing to establish her political

leadership in Asia. To realize this ambition Japan is bound to make fullest utilization of her economic potential towards maintenance of stability and peace in Asia.

On the other hand India which possesses abundant natural resources and has the second largest population in the world also has tremendous potentialities. By virtue of these mentioned factors, India has emerged as the superpower of South Asia but still it possesses tremendous potential which is not yet untapped due to shortage of money and lack of technological development. Therefore, India urgently needs economic and technological assistance for its socio-economic development. Japan, an economic giant of the world, and an emerging leader of Asia, may play a major role in India's overall development. At the same time, Japan also needs a new market for her goods because Japanese relations with the western countries are in doldrums. Despite the fact that India is offering a vast market for Japanese goods it also possesses cheap labour which is scarce in Japan. Hence, promotion of close ties between India

and Japan can be expected to contribute significantly to the attainment of the aims of Japan's Asian diplomacy, particularly the long-term stabilization and strengthening of Japan's relations with the Asian countries. Japan, should, of course, also strive to further deepen her relations with India not only in the economic field but also other areas as well. Mutual dependence of Japan and India calls for closer political cooperation and economic collaboration.

No doubt, Japan's post-war relations with India have been largely economic having no political overtones. Even economic relations of Japan with the nations of South Asia remain modest as compared with the South-east Asian countries. Of course, Japan has increased rapidly her direct investment abroad in the post-world war II period, Japanese investment in South Asia has been sluggish and negligible and the region has yet to realize its high hopes for increased Japanese investment and assistance.

The world has been undergoing many changes. The process of democratization in eastern Europe, the growing interdependence of national economies and above all, the collapse of the Soviet Union as the second super power of the world, have ended the Cold War and given a new shape and direction to international relations. The post-Cold War period has certainly reduced the traditionally important role of the military and the role of economic might has become increasingly important. Given such recent changes, Japan is trying to use its economic assistance as a tool to spread its influence in the Third world and, to a large extent, she appears to have been successful in her manipulations particularly in Asia. India is also grappling with the new realities both within and outside Asia. Therefore, Japan and India are inclined to improve their over all relations constantly. India and Japan have long been friendly towards each other and particularly India holds Japan's economic and technological strength in high regard. Since India's constraints of foreign exchange reserves and the debt servicing have become major difficulties

in the process of India's economic development, India is compelled to expand the value and volume of her exports and exploit her resources to gain maximum benefit. To achieve the above-mentioned objectives India can get much help from Japan. India, too, cannot be ignored by Japan due to the former's undisputed supremacy in the region of South Asia in terms of area, population, natural resources and above all its prestige and standing in world affairs.

The study of Indo-Japanese relations is not only a routine matter but is of vital strategic, economic and political importance. Since Japan has already increased its role in the world affairs and become an economic force to be reckoned with, any study on Indo-Japanese relations must be objective as well as penetrating. The subject has been studied in an independent, impartial and unbiased way free from any biases and proclivities. I have given equal respect and equal treatment to the respective approaches, viewpoints and policies of both India and Japan.

In the preparation of this study I have relied primarily on official documents and statistical

data published by the Japanese Government as well as on the abundant secondary sources available in the country, some of which have been included in the select bibliography given at the end of this study. I have particularly drawn my statistics from the following sources :

- (a) Financial statistics and Direction of Trade Statistics of the International Monetary fund (IMF).
- (b) Governmental and semi-governmental publications of Japan and India such as numerous white papers on International trade, reports of JETRO of Japan and, reports of the Indo-Japan Business Committee of India.

I have also been fortunate in getting in touch with the very few scholars in India who are active in the field of Japanese studies. Their views and insights have greatly benefited me in assessing Japanese relations with India.

In Chapter I, I have made an effort to analyze the various factors responsible for shaping

Japan's foreign policy. Since World War II I have highlighted the factors and forces behind the economic miracle of Japan which made her an independent political actor pursuing an increasingly assertive role in Asia.

In chapter II, I have tried to examine various factors which played a vital role in shaping out India's foreign policy since her independence in 1947. An effort has been made to evaluate the causes which compelled India to adopt a policy of non-alignment at her independence. It has been shown that India has already become a superpower in South Asia and she is striving to improve her relations with all the countries of Asian continent.

Chapter III, deals with Indo-Japanese relations during the period 1947-1976. An effort is also made to look at the historical ties between the two countries briefly. In this chapter, various factors are discussed which led both Japan and India to have divergent paths on many international political issues.

Its central point is that Indo-Japanese relations are confined to commercial and economic spheres without any political moorings.

In Chapter IV, which is the substantial part of this study, I have evaluated Indo-Japanese relations from 1977 to 1998. In this chapter an attempt is made to examine the important events which have taken place and have had substantial and lasting effect on Indo-Japanese relations. An effort has been made to evaluate the factors which have led to dramatic changes in international relations which have resulted in ending the cold war and heralding a new era dominated by peaceful cooperation and coordination. It is also displayed that economics is playing a very important role in the changing global context. India and Japan have widened their contacts amidst the changing milieu of world politics.

In Chapter V, I have analyzed the prospects of Indo-Japanese relations during the 1990's and beyond. Since Japanese economic and political interest in Asia

is increasing day by day, the future holds better prospects for Indo-Japanese Cooperation. India's dependence on Japan for credits and transfer of technology and Japan's need to acquire raw materials from and a big market for its products in India, have made both countries interdependent. Both sides need each other. In this fact lies the key to the growth of Indo-Japanese relations in the years to come.

Finally, the conclusion sums up the main findings of the study. In the rapidly changing international situation, maintenance of regional peace and bilateral and multilateral cooperation among nations have acquired added urgency. I have evaluated optimistically the prospects of improvement in Indo-Japanese relations and establishment of durable peace, stability and prosperity in the Asia-Pacific region through international cooperation.

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Aligarh:


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