

A strong and healthy Indo-Japan Bilateral relation which creates economic and socio-political impact over South East Asia global power

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Abstract: India and Japan are the two largest Democracy in Asia, who share a common set of democratic, freedom and rule of law principles, India and Japan contact can be trace back to around 1400 years, when Buddhism was first introduced in Japan, from cultural ties to transforming themselves as the biggest economic powerhouse in Asia, the bilateral relation between the two countries is regarded as the fastest growing relation in Asia. Japan has invested in many of the developing project in India and both are working together to combat the influence of China in Asia where Japan and India both are having border issues with China. India's rich natural and human resources and advanced technology of Japan , prowess in services of India and manufacturing quality of Japan and Japan's surplus capital for investment in large and growing market with Japan's ageing population and India's youthful dynamics can contribute and develop as the largest economy in the whole Asia , Looking back at the history Japan owes an enormous debt for its industrial development when Japan started its industrial development in the 1860s where the principle sector was textile , looms and mills along with it after the second world war , India helped Japan to recovery from the devastation through the much needed export of ore and today India is one of the largest beneficiary of Japan , since the very beginning India and Japan diplomatic relation has been healthy and smooth . Today both the countries are developing and cooperation in many fields many the 21st century as Asia century for the world.

Keywords: Democracy, freedom, economic powerhouse, fastest growing relation, Indo-Japan relation, China

Introduction

The friendship between India and Japan has a long history rooted in spiritualism and strong cultural ties. The modern nation has followed the old legacy and have strengthened the relation by the shared values and beliefs of democracy, freedom and rule of law, over the years the two countries have built upon these values and created a partnership based on principle and realistic. The Indo-Japan relationship can be traced back to 6th century when Buddhism was first introduced to Japan , Indian culture , filtered through Buddhism have had a great impact on Japan culture and this brings closeness between India and Japan . Japan support to Netaji and the Indian National Army during India's struggle for freedom. The sole disagreement voice of Judge Radha Binod Pal at the Nuremburg war crimes Tribunal stuck a deep chord among the Japanese public that continues to resonate this day. Today India and Japan are the two oldest democracy in Asia and among the three largest economies .Civilisation contact between India and Japan began some 1400 years ago, the two countries have never been adversaries. Bilateral ties between India and Japan has been free from any kind of dispute – ideological, cultural or territorial making them natural partners. The relationship is outstanding and one of mutual respect manifested in generous gestures and standing by each other in times of need .Establishment of diplomatic relations in April 1952 there was not much beyond the formal protocol whether politically , economically , culturally , socially , geo-politically or in sports . On the international stage India was a prominent architect and leader of non-aligned movement while Japan in military alliance with the United States followed Washington's lead in what we referred to as a low-profile foreign policy. Japanese Prime Minister Nobusuke Kishi visit to India in 1957, Japan started to provide yen loans to India in 1985 as the first yen loan aid extended by Japanese government, Japanese official Development Assistance has also continued to flow thereby supporting India's effort for accelerated economic development in priority areas like power, transportation, new townships and environmental projects and projects related to basic human needs. A test of reliability of Japan as a friend was witnessed in 1991 when Japan was among the few countries that helped India to come out of Balance of Payment crisis .India has been one of the largest beneficiary of Japanese ODA loan for the past several years. Metro is one of the most successful examples of Japanese cooperation through this utilisation of ODA .The Dedicated Freight Corridor (DFC) , the Delhi-Mumbai Industrial Corridor (DMIC) and the Chennai-Bengaluru Industrial Corridor(BBIC) , Mumbai-Ahmedabad Bullet train project are other shining examples of cooperation between the two . Today India and Japan together are working on defence cooperation, Infrastructure development along with Infrastructure development, Japan is part of many of the mega project in India and have invested in many textile and Industrial development project across the country. Japan has played a vital role in the infrastructure development of the country.

Research Methodology

For the purpose of this exploration, I have used a amalgamation of two of the archetypical social sciences research tools application –as they are authentic and brilliant method to assemble statistics from multiple appellant in an methodical and convenient way. Question were asked to the parents and their children, survey, interviews –consisting of several interrogation which were dispersed among representative of each contender group.

Objective of the Research Paper

The main areas of exploration in this paper incorporates

1. An analysis on Indo-Japan diplomatic relation
2. An in depth study on the growing bilateral relation between the two countries on economic and security lines.
3. India and Japan initiative in combating China influence in the Asian region
4. How India and Japan are emerging as the two economic powerhouse in Asia

Literature Review

In terms of political values and interest and military cooperation we have seen progress between India and Japan, however economic dimension lack behind. India is one of the largest beneficiary of Japanese official Development assistance loans since 2005 which stands to 2.2% of Japan overseas direct investment flows in 2016, the bilateral trade relation has remained stable. India and Japan needs to boost up their business connection to give shape to their bilateral relationship as well as support India's strong and long term development and economic growth and on the other hand Japan requires a powerful democratic partner in Asia, the aim is highly politically and both the countries are highly eager to develop their partnership balancing against China. In order to fulfil their geo-political visions they need to stimulate cooperation in third countries. The strategic significances of the reconciliation of the state actors which incorporate political leaders, public banks, ministers, government agencies in driving Indo-Japan relationship especially in the economic dimension. The policy paper and analyzes the leverage that Japanese and Indian state leadership have exercised in boosting the bilateral relationship. Japan's marshalling of its state actors and public funding to assist India's economic growth, to encourage Japan private investment and to give a shape to its geostrategic vision for Indo-Pacific region. This can be explained with India emerging as a global power politically and economically, the features of the Indian political system and business environment calls for political commitment and extraordinary leadership qualities of Japanese and Indian. Since the year 2014, the amalgamation of Modi and Abe leadership has furnished great political context ever to impart fresh momentum to bilateral economic ties. The willingness displayed by Modi and Abe has brought in great ties between the two countries. India and Japan have focused on infrastructure development as a strategic area of development and Japanese ODA Loans has played a vital role in this process. A number of measures have been taken by the central and the state government to encourage Japanese public and private investment in Indian big projects, Japan has led the foundation of 12 industrial parks across the country along with invested in many industrial corridors, where their investment in rail ways and especially metro project is remarkable. Japanese companies have strong interest in Indian market, it takes really good time like around 10 years to actually invest in projects, administrative hurdles and local business are coming in the way of Japanese project and make in India Policy has resulted in much more restriction. Today India is one of the toughest market in Asia for Japan. Moreover the agenda of India and Japan on promoting infrastructure development to enhance connectivity in the Indo-Pacific region is being connected, with the strategic goal to help India rehabilitate East Asia counterbalancing China.

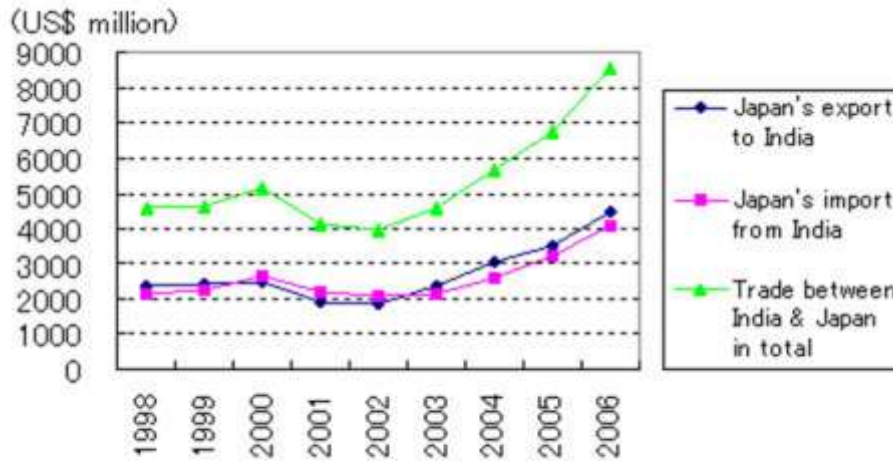
Growing Indo-Japan Bilateral Relation

The beginning of the 21st century witnessed dramatic transformation in bilateral ties. During Prime Minister Mori's visit to India in 2000, the Indo-Japan Global Partnership was launched providing the much needed impetus for the trajectory of relations to soar to new levels. The Global partnership formed the foundation component to strengthen relations in different fields including identifying strategic convergence. The Indo-Japan statement of 2006 added a new dimension to jointly face the new challenges as they emerged and the relationship was upgrade to a global and strategic partnership. India and Japan concluded strategic agreement which would form an essential pillar for the future architecture of Asia.

A comprehensive economic partnership agreement was signed between Japan and India in 2011 which proposed to eliminate 94% of the tariffs between India and Japan within 10 years. Indo-Japan economic relation has seen a gradual increment since 2000 and has accelerated with the introduction of CEPA over the years, it is regarded as the most comprehensive agreement which covers not only trade but also services, movements of natural persons, investment, intellectual property rights, custom procedures and other trade related issues. During Prime Minister Narendra Modi's visit to Japan during the year 2014 the two countries decided to upgrade their strategic the relationship to a Special Strategic and Global partnership and launched an India-Japan investment promotion partnership under which Japan will invest of US 35 billion dollar for India in the next 5 years. Economic relation between India and Japan have vast potential to rise. India's rich natural and human resources and advanced technology of Japan, prowess in services of India and manufacturing quality of Japan and Japan's surplus capital for investment in large and growing market with Japan's ageing population and India's youthful dynamics can contribute and develop as the largest economy in the whole Asia. The Japanese economic today is faced with severe difficulties related to its ageing shrinking population with the result Japan is having difficulty in achieving favourable growth where as India although poised with rapid economic growth, lacks adequate infrastructure and financial resources, by implementing mutual benefit policies the two countries are expected to be able to realise win-win situations. The amount of investment in India since April 2000 to March 2016 stand at US 20.966 billion dollar which is nearly 7% of India's overall FDI during this period. Japan FDI into India has mainly focused on automobiles, electrical equipments, telecommunication, chemical and pharmaceutical sectors. The comprehensive trade pact between India and Japan aims to double the bilateral trade nearly to US \$ 25 billion.

Japan imports from India incorporates petroleum products, chemicals, elements, compound, non-metallic mineral ware, fish and fish preparations, metaliferous ores and scrap, clothing and accessories, iron and steel products, textile yarn, fabrics and machinery etc. India's primary imports from Japan are machinery, transport equipments, iron and steel, electronic goods, organic chemicals, machine tools etc. An important factor affecting Indo-Japan trade is tariffs and non-tariff barriers imposed by both countries. Japan has placed import prohibitions and quantitative restrictions on imports from India for instance on fish, poultry, meat, fruits and silk item. The problem recognize the need for sharing and smooth the reciprocity of technology under the

agreement to promote Indian exports to Japan. Japanese Investment , technology and business is critical for transforming India into Asia’s big powerhouse . There is a strategic rationale behind economic engagement of India with Japan . India is more comfortable with Japanese investing in development of strategic assets of infrastructure but Chinese investment is seen as a matter of concern and suspicious due to security reasons and mistrust which would further imbalance trade between China and India . Japan economic partnership is shaped by ideology too. Japanese investment was very important for Chinese . However greater economic integration with China has not translated into politic trust between the two countries . Hence , security , China is the primary factor pushing the two countries closer , more than their economic cooperation.



(Resource: Ministry of Finance, Japan)

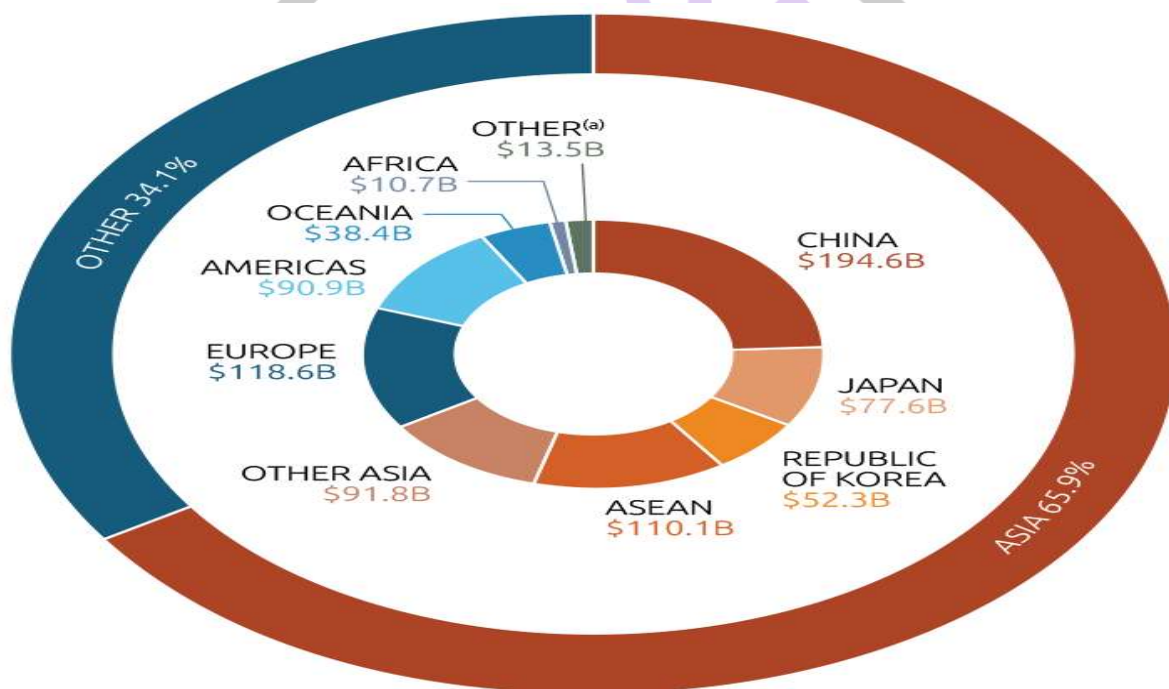


A key factor increasing the Indo-Japan negotiations is India’s desire to significantly amplify the size and sophistication energy sector. Japan on the other hand wants to clear the way for the export of its nuclear technology to India. Japan and India has also agreed on measures at preventing the leak of technological secrets, a deal which would pave the way for arms transfer between the two countries. The two countries have been working at their first major defence deal relating to the joint production of Japan’s US-2 an amphibious plane that Japan’s self-Defence Forces use for search and rescue operations as well as maritime surveillance. The arrival of Indian in Japan for business and commercial interest began in the 1870s at the two major open ports of Yokohama and Kobe . More Indians entered Japan during the world war 1 when Japanese products were sought to fill gaps in demand that war-torn Europe could not meet . The old Indian community in Japan focused on trading in textiles , commodities and electronics with close linkages to India as well as connection with Hong Kong and Shanghai they became major players in trading activities across Asia . A newer segment of the community is engaged in gems and jewellery . With the arrival of a number of professionals , these include IT professionals , engineer working for Indian and Japanese firms as well as professionals in management , finance , education and S&T research who are involved with multinational and Indian and Japanese organisations . The number of Japanese nationals residing in India as 8313 in 2014 and the number of Indian Nationals residing in Japan stood at 24,524 December 2014 .

The improvement of Indo-Japanese ties are part of Act East policy which aims at strengthening relations with Asia Pacific countries such as Vietnam , South Korea , Japan and Australia in line with India’s growing economic and strategic interests . A worsening balance of military and an ever aggressive China has paved intensification of strategic cooperation between India and

Japan . While Japan is a member of the US –led Trans Pacific Partnership which India is not still both the countries are engaged in creating a Regional Comprehensive Economic Partnership and Japan has concur to assist India’s case for membership of Asia-Pacific Economic cooperation . The joint statement repeatedly refers to the Indo-Pacific as the shared region of strategic engagement of two powers .The impulse for multilateralism stems from the desire to make 21st century as Asian century through working for peace and stability in the region providing greater regional integration . India was included in the East Asia Summit membership despite protest from China . India has always supported freedom of navigation and unimpeded lawful commerce in International waters in sync with UNCLOS vis-a-vis South China Sea and East China sea issue .Japan is paramount in Indo-Pacific region for India after the joint army (Dharma Guardian) , navy (Malabar) and air forces exercises (SHINYUU maitri-18) and the two nations are working and looking forward to use each other facilities , China has been a common rivalry for both countries and to counter this both the countries have formed the Quad . both the countries have border issues with China The Tokyo declaration of 2014 underscored the significance cooperation between two of Asia’s largest maritime democracies and castigated states indulging in expansionist policies in the region.

In matters of security , Indo-Japan relation has remained weak where Japan does no accord due importance to India in its security . Japan has not provided any kind of hardware or technology to India , Japan while pointing out its own security threat from china in the East and South China Sea. At present the focus of Indo-Japan bilateral ties is to counter China influence in Indian Ocean and South China sea , India is a member of SCO and BRICS , A new era was promised by Abe during his China visit . Japan is now part of Chinese Belt and Road Initiative and India on the other hand is working to improve relations with China .Japan and India have decided a sign a memorandum of understanding , to work on a multi-million dollar project to combat the growing influence of China in the technology and Telecom zones , with Japan helping India to set 5G , submarine fiber-optics cables and other technology , on the other side India will support Japan with digital technology professionals . The increasing Asia Africa Growth Corridor project results from the crossway of a top-down and bottom-up process , with Japanese interest in using India as a stepping stone to Africa a need to provide alternative to China’s BRI by improving interconnectivity between Asia and Africa. India and Japan together have constituted the Japan India Act East Forum , the objective to initiate projects in the North Eastern part of India that border with China, Myanmar and Bhutan and modernize them through connectivity , industrial development , infrastructure development , face to face people contact and promoting cultural and sports linkages .



Japan and India have planned to build road and rail connectivity across the Eurasian running parallel to China ‘s own One Belt One Road project . India shows to appreciation to help Bangladesh in developing the region around the Bay of Bengal though Bay of Bengal Industrial Growth Belt or BIG-B initiative .

The growing trilateral relation between India , Japan and US in the Indo-Pacific region with a common values of democracy , freedom and rule of law and cooperate in different fields like maritime security , security in cyber and space and quality infrastructure , the three largest Democracy in the world to together combat the china

Conclusion

All these signs of new level of partnership between India and Japan , the leading democracies imparting new self confidence to both nations at a particularly critical moment in Asia’s emerging power structure . In the context of 20th century among all the bilateral relations, Indo-Japan relations have all the potential to transform this era into an Asian Century .India and Japan have a lot of common interest in the field of security , technology and development , India and Japan are emerging as the two most powerful economic countries in Asia and together working to counter China influence over the rest of Asia . However Japan trade relation

with China is 15% more profitable than its trade relation with India. South China Sea has emerged as a serious threat major of the countries across the globe whether India, Japan and US have joined hands to combat China. Today the major focus of the bilateral ties of the two countries lies in fighting against China.

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