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## **Introduction**

The last two decades dating back to 1980, witnessed tremendous political, economic and social changes unfolding in Southern Africa, the only then remaining bastion of colonialism and apartheid on the African continent. Under these circumstances, efforts by sovereign African nations with the support of the peace-loving and progressive world community culminated in the emergence of the Southern Africa Development Community (SADC) then known as the Southern Africa Development Coordination Conference (SADCC) which was mandated to spearhead the development processes in Southern Africa on the principle of cooperation and integration of the national economies in the region, within a wider context of the global economy. The subsequent evolution of this institution in the new millennium has earned it international recognition as the official platform and also as one of the critical development arms of the African Union in Southern Africa as it (African Union) implements the New Partnership for Economic Development of Africa (NEPAD), the adopted major millennium economic policy framework for development of the continent in a global setting.

Projecting the image of the region, the SADC as an institution, has also served as a monolithic symbol of assurance for prospective investors, with the most notable among them being the TICAD Process initiated since 1993 by the Government of Japan to promote development in Africa by way of refocusing the attention of the international community towards the continent. The resonating operational principles of the TICAD Process consolidated by TICAD Conferences [TICAD I (1993); TICAD II (1998) and TICAD III (2003)] on promotion of human centered development, poverty reduction through economic growth and consolidation of peace on the continent do considerably complement the major positions of the SADC Treaty within the context of the African Union and the United Nations Charter.

Considering the fact that the TICAD Process constitutes one of the key strategies of the Japan Official Development Assistance Policy to the developing countries, Sub-Saharan Africa of which Southern Africa is an essential building block, an even greater development potential for the region can be anticipated from the Japan bilateral aid in the

new millennium for the projected period of this study 2004-2015, all conditions remaining favorable. It is in this context that while many other scholars on development in Southern Africa, could raise the contention that the reversal of the currently unfavorable trends building up in the region could be solved by adopting an integral inward looking approach, this investigation would still argue that a strategic combination of both the inward and outward oriented approaches with special consideration of Japan Bilateral Aid (ODA) would facilitate the negative millennium development trends in the region and lead to a deeper cooperation and integration of the national economies not only at the local but at the regional and global level as well. Logically developed in this investigation, this hypothesis has assumed a three

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dimensional character, each of which has been further substantiated by way of illustrative tables, figures / graphs and organograms, to justify the reformative essence of Japan ODA for Southern Africa in the new millennium.

As indicated, the first dimension of this investigation critically analyses the "Foundations of the Japanese Official Development Assistance (ODA) policy as a transformative development facility "in the region. This was achieved by way of analyzing the philosophy, goal, role and the institutional set up of the Japan ODA and projecting it to the SADC situation.

The second dimension of this investigation, focused on the "Major historical aspects, international and regional aspects of the Japan Official Development Assistance (ODA)", as a methodological effort to establish and consolidate the level of Japan ODA success as a reformative tool in other geographical destinations, of which Southern Africa can be a critical part of in the short, medium and long run, depending on stakeholders' political will in the region. Thus, this dimension considered the dynamics of Japan ODA by regions but among :the Development Assistance Committee (DAC) donor nations as the United States of America, France, Italy, Germany, Great Britain and Canada. Also the criticism leveled against Japan ODA generally was examined together with the strategic classification of Japan ODA and the geographical dynamics of its distribution.

Last but not least, third dimension comprised the overall "recommendations" on the optimization of the transformative potential of Japan ODA in Southern Africa in the projected period to 2015, which strategically had four elements namely, the Japan point of view; sub-Saharan Africa point of view; SADC point of view and finally SADC member state's point of view, etc.

As all policy makers and progressive scholars would expect, the outcome of this investigation plays a critical role both in the practice and theory of speeding up development processes in Southern Africa assuming both the external and internal factors remain favorably interplaying over the purported projected period 2004-2015.

## Chapter 1: Japanese Official Development Assistance (ODA): Potential as a Transformative Development Facility for Southern Africa

### 1.1 Goals of the Japan ODA

The Toshio Watanabe led Second Consultative Committee on Japan ODA reform established, in May 2001 and directly reporting to the Minister of Foreign Affairs, Yoriko Kawaguchi clearly defined the goals of Japan's ODA in its submission as:

- .Making an effective utilization of the Official Development Assistance as a reliable diplomatic tool in the fulfillment of Japan's national and international interests;
- .Promote industrialization of developing countries through building of both economic and human infrastructure, Imagawa (1996: 29);
- .Incorporation of the participation of Japanese people in the Official Development Assistance project, etc.

Much more fascinating is the third aspect of the goals in which Japanese citizens are now being considered as the vital stakeholders not only in the ODA implementation but reformation as well. In a world where peace, stability and prosperity are the living prerequisites for both the developing and the developed countries, this dimension ensures the efforts on deepening democracy with the backing of its citizens as a starting point in all efforts on consolidating its national and international interests. It in essence further rationalizes ODA as the Japanese people would always better understand the disposition of other citizens in recipient countries, that way further informing the policies on the implementation of the ODA more effectively.

Within the framework of understanding these goals, in the light of the millennium challenges facing the Southern Africa (SADC region) in the new millennium, it would be critical to investigate what exactly constitutes the national and international interests of Japan. In a nutshell such an exposure would ensure an optimum utilization of the ODA facility by Southern African States belonging to the Southern Africa Development Community (SADC) in combating the new millennium socio-economic, scientific and technological development challenges, etc.

## 1.2 Role of Japan ODA

As noted in the 1988, 1990, 1997 and finally 2001 Annual Reports, the role of Japan ODA is greatly influenced by the socio-economic, political, scientific and technological, and environmental circumstances taking place across the world at any given time. According to the ODA Annual Report (1990: 5-6), the main role of the Japan ODA would be to maintain

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and promote friendly and cooperative bilateral ties with the recipient countries; consolidating Japan's political influence on the international scene as one of the most influential developed countries; turning Japan into a major contributor to the international community for peace and stability through the use of its economic strength. A slight variation in the role of the Japan ODA is distinguishable especially when one considers the ODA Annual Report (1997: 22) where the Japan ODA role is restricted to finding solutions to the environmental problems engendered by industrialization, population expansion and poverty in a globalized context. After the efforts on Japan ODA reform, the Toshio Watanabe led Second Consultative Committee defined the new role of the ODA in much the same breath as they were pronounced in the 1990 ODA Annual Report. The role of the Japan ODA according to the Watanabe Committee became:

.promotion of peace and prosperity in the international community. In essence this role had three major dimensions which characterized it. These were human resources development, building networks and employment for the sake of prosperity (basic education, nurturing human resources and provision of expertise, promoting wide area and South -South cooperation); addressing global issues for the sake of coexistence (global environmental issues, controlling infectious diseases); conflict prevention and peace building (cooperation in conflict prevention, emergency humanitarian assistance, peace building), etc ODA Annual Report (2001: 11-33).

A consideration of the role of the Japan ODA within the system of SADC protocols presents a lot of challenges and opportunities. Through well calculated planning, the



SADC could effectively take advantage of the main parameters of the ODA role to mobilize and boost grant aid, technical cooperation and critical development loans for the key sectors within the framework of the SADC environment and land management, human resources development, health and natural resources protocols.

### 1.3 Underlying Philosophy to the Japan ODA

In the 1990 Japan Official Development Aid (ODA) Annual Report, the guiding philosophy<sup>1</sup> of the ODA program was questioned on grounds of its lack of clarity. Notwithstanding this development, the Japan Overseas Development Aid is basically guided

<sup>1</sup> IMAGAWA (1996), in an article entitled "Theory and Practice of Japanese ODA" Vol xxv No 1.2.3.4/ November "The SOKA Economic Studies Quarterly" observed the foundations of the philosophy of Japan's ODA in an important theory on economic development deriving from the experiences in Japan after the 1868 Meiji Restoration (with its emphasis on developing economic and human infrastructure) and post World War II era (industrialization was achieved by efforts of capitalist groups which were assisted by a clever government). The basic dimensions of that theory on economic development of Japan which informs the philosophy of the Japan ODA Charter according to Eiichi IMAGAWA are firstly, the importance of industrialization by capitalist groups which were assisted by a clever government: secondly, the importance of building an economic and human infrastructure in the beginning of economic development: thirdly and lastly, and the significance of setting up a priority among the economic sectors that need to be developed right away (ibid:26-28).

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by humanitarian considerations and the recognition of interdependence of nation states. However, in an effort to better define and rationalize the philosophy of Japan ODA both at home and internationally, the Ministry of Foreign Affairs of the government of Japan drew up the Overseas Development Aid Charter June 30, 1992 (ODA Annual Report 2001:117-120). In its promotion of a better understanding and mustering of support, the drawn up Charter had a specific form and content characterized by the following basic elements, namely, its underlying conception; governing principles; guiding priorities; measures for its effective implementation, support at home and abroad and finally the ODA implementation system.

Basically the form and content of the *conception* of the Japan ODA Charter find expression from a humanitarian point of view. Japan attaches importance to the self-help efforts of the developing countries from the initial stages. In that respect the implementation of the ODA, will be directed towards the creation of an efficient, fair and good governance in developing countries by way of developing vastly differing human resources and socio-economic infrastructure inclusive of domestic systems, thus securing basic human needs with the expectation of developing sound economic development in the recipient nation state. Acknowledging the fact that many people across the world suffer from poverty and famine, (1.2 billion live in absolute poverty most of them in developing countries; 800 million suffer from hunger) this conception of the Japanese ODA accentuates the significance of the efforts in which the world aims to build a society where freedom, human rights, democracy and other values are guaranteed in circumstances of prevailing peace and prosperity. Equally important in the Japan ODA expression of the humanitarian cause is the realization of the fact of interdependence shared by the nation states of the international community that stability and further development of the developing world is an indispensable part to the peace and prosperity of the whole world. Promotive of the significance of environmental conservation<sup>2</sup> for all developed and developing countries the Japan ODA advocates for all countries to work together in addressing this common problem. Punctuating this conception<sup>3</sup> of the Japan ODA is the highly significant mission which Japan endeavors to fulfill as a peace-loving nation which role it seeks to accomplish in a manner that fully matches its position within the global context to ensure world peace and accumulation of universal prosperity. This fundamental philosophical position of the Japan Overseas Development Assistance program greatly departs in both qualitative and quantitative terms from the Western Donors approach that have always perceived their relationship with the developing countries instead

<sup>2</sup> This is confirmed by Japan's announcement at the 1997 UN General Assembly Special Session on Environment and Development (ISD) Toward the 21<sup>st</sup> Century in which increased development assistance on a broad spectrum of environment related issues is availed under ODA to cover atmospheric and hydrological pollution, waste disposal, freshwater problems, global warming, and protection of the natural environment, public awareness of the environment,

promotion of strategic research on environmental conservation issues. The action plan to this Initiative was to be guided by the following principles such as human security, self help efforts and sustainable development.

3 Basically the major elements of the Japan ODA Charter philosophical conception are humanitarian considerations, recognition of interdependence with developing countries, environmental conservation and supportive assistance for self-help efforts by the developing countries.

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as a moral obligation of the rich North to help the poor South failing in that approach to acknowledge the development potential of upholding among other things the point of humanitarian considerations and recognition of interdependence with developing countries in the ODA programs. In their analysis of the Japan ODA, Micheline Beaudry-Somcynsky and Chris M Cook in a book edited by Alain Berranger (1999:3-4), clearly exposed the qualitative philosophical difference that is so conspicuous between the Japan and Western ODA programs, noting that, while in Japanese language ODA is referred to using the terms economic cooperation<sup>4</sup> development cooperation or international cooperation on one hand, the Western donors have on the other hand traditionally viewed their relationship with developing countries as a moral obligation of the rich North to help the poor South as the terminology employed reflects this approach, for instance, official development assistance, recipient and donor countries, aid to developing countries.

On an operational note, the content and form of Japan ODA Charter is also guided by a system of principles which basically operate in line with those of the United Nations Charter such as respect to sovereign<sup>5</sup> equality and non-intervention in the internal affairs of other sovereign states. Unlike the Western initiated Structural Adjustment Programs<sup>6</sup> (SAPs), these

4 As observed by Beaudry- Somcynsky and Cook (1966), economic cooperation forms the basis of Japan's relations with developing countries and has a wider meaning than Western Donors associate with the term ODA as it covers all aspects of Japan's economic relations with developing countries including trade and foreign direct investment (FDI). In this context funds falling under ODA as defined by the DAC of the Organization for Economic Cooperation and Development (OECD) (OECD 1996) are only a part of a continuum of yen flows to developing countries. Unlike the Western Donor Governments, the Japanese government advocates the view that developing countries need to take responsibility for their own development, choose their own priorities and mobilize their own efforts. Consequently the Japanese economic cooperation cardinaly alters the nature of donor's relations with developing countries from one

based on humanitarian assistance to one based on partnership for growth. As it is understood for years, developing countries have been asking for trade not aid. In this perspective Japan has since 1954 been successful in using public-sector financing under the OECD-DAC definition of ODA to leverage financing for, and investment in, developing countries from the Japanese private sector. In this perspective Japan is very proud to point to its involvement in bringing about the Southeast Asian miracle as a model for other donors to pursue with developing countries.

5 This is quite a fundamental principle based on equality of all UN Members whether big or small. Together with this there are many others which greatly resonate this fundamental principle such as the principles of maintenance of international peace and security; development of friendly relations among nations based on respect for the principle of equal rights and self determination of peoples, etc United Nations. Dept of Public Information. Basic Facts About the United Nations. 1995. New York. p4 -5. In his address to the 58th UN General Assembly in New York, President Robert Gabriel Mugabe of the Republic of Zimbabwe did resonate this fundamental principle of the Japan ODA when he did express a globally shared concern in which he was critical of the emergence of unipolarism in World Affairs in which powerful nations such as Britain and the United States sought to dominate the world and dictate to other countries how they should govern themselves (Herald, September, Saturday, 27.2003).

6 Confirming the retrogressive development essence of the Economic Structural Adjustments Programs (ESAPs) in a contribution by Walden Bello entitled Structural Adjustment Programs: "Success" for whom?, the author observed that Structural Adjustment Loans (SALs) began to be provided to debtor countries in the last years of the Mc Namara Era. With the World Bank and the International Monetary Fund being the linchpin to the implementation of this strategy, the immediate objective of this very strategy was meant to rescue northern banks that had become overextended in the Third World while the other long term objective was to further integrate southern countries into the Northern dominated World Economy. With the eruption of Third World debt crisis in mid 1982, a grand opportunity was presented to further the Reaganite Agenda of resubordinating the South via Structural Adjustment Schemes because as more and more Third World countries ran into ever greater difficulties in servicing the huge loans made to them by Northern Banks in the 1970s, the United States government via the Brettonwoods institutions took advantage of this period of financial strain to insist that debtor countries remove the government from the economy as the price of getting the credit,

RL:ht : [www.cover.e.or.i/structur.htm](http://www.cover.e.or.i/structur.htm) 1-2. However at the end of the implementation period of the ESAPs in the late 90s, capital accumulation had slowed down in most countries twenty (20) of which were in Africa, and the share of

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principles take into account the request of each recipient country, its socio-economic conditions and the nature of bilateral relations existing between it and Japan. As confirmed by Bolade M. Eylinla (1999: 417) quoting also from the 1994 ODA Annual Report these guiding principles are:

.Pursuit of environmental conservation and development in tandem; .An effort to avoid any use of ODA for military purposes or aggravation of international conflicts;  
.According full attention to the trends in the recipient countries' military expenditures, their development and production of weapons of mass destruction and missiles, their export and import of arms, as a means of maintaining and strengthening international

peace and stability and ensuring the condition that developing countries place appropriate priorities in the allocation of their resources in their own socio-economic development; .According full attention to the efforts on promotion of democracy and the introduction of market oriented economy, security of basic human rights and freedom in the recipient country, etc.

Commenting on the opportunities and constraints generated by this set of principles of the Japan ODA, Bolade M. Eyelina (1999: 418) observed that these principles provide on one hand a positive linkage whereby Japan pledged to actively support and provide increased assistance to recipient countries that are positively moving in the direction of further democratization, respect for human rights and limitations of military expenditure. On the other hand the same author observes the negative linkage whereby Japan explicitly claims that aid to recipient countries that contravene any or a combination of the four principles would be reviewed.

Equally in the light of the last input, while it is again true that there are positive and negative linkages of the Japan ODA, one still fundamental question remains to be addressed, that is: Do these principles as singles or in their combination consider the historical background of the recipient country? *If so, to what extent?* Another critical question is that, In the event that the recipient country is being instead interfered with by the former colonial masters (for instance, Zimbabwe and Britain over the Land Reform in Zimbabwe) in an effort to address historical injustices generated by the colonial system, will these principles take that into consideration or precedence will be accorded other arrangements governing Japan and a third party thus disregarding the demand placed by the recipient country?

Consolidating the foundations of the Japan ODA is also its system of the governing *priorities* which as defined in the ODA White Paper (2001: 118-119), comprises regions and issues. In the light of the currently existing large pockets of poverty in Asia especially the East

manufacturing in GDP in eighteen (18) countries stagnated or alternatively slowed down, while exports fell in thirteen (13) of the twenty four (24) countries while possibly in eleven (11) in which exports had increased, this did not compensate for the increased imports.

Asian and South East Asian countries a region which is in historical, geographical, economic and political terms closer to Japan, an exception is upheld within the ODA Charter to allocate more resources to this region. Such an exception is upheld apart from the special reasons cited above also for purposes of propping up the economic dynamism among other regions since Asia serves as an indispensable ingredient of the world economy that will facilitate the economic development processes in this region. This approach in the Japan ODA has remained stable as confirmed by the Japan ODA Annual Report (1990: 42-43) which states that " Japan gives highest priority to Asia in the regional distribution of its aid, and in recent years over sixty percent (60%) has been channeled into that region", this emphasis reflects the

close historical, geographical, economic, and political bonds between Japan and the rest of Asia, and the fact that interdependence of Japan with the other Asian nations is deeper than interdependence between Japan and developing countries in other parts of the world". Other than the Asiatic dimension in the ODA, there exists another more critical wider world dimension which takes cognizance of the economic difficulties and the poverty globally and the commensurate role which Japan as second world economic power after the United States of America has to play in global affairs. Embraced in this dimension are such regions as Africa, Middle East, Central and Southern America, Oceania, Europe, etc, see the Table 1 and

Figure 1. While it is true that the Japan ODA Charter upholds the historical, geographical, political and economic bonds existing between Japan and Asia in a manner that qualitatively differs from the rest of the regions (cited in Table 1) such an approach remains noble on one hand but on the other hand it has inherently quantitative as well as qualitative setbacks in the manner of accelerating the same development disparities it purports to ameliorate and even eradicate on a short-medium and long term. For instance, if over the 1980-1989 period the average Japan ODA to Asia was 65.4 per cent; ASEAN was 30.8 per cent; Middle East 8.9 per cent; Africa was 12.2 per cent; Central and Southern America was 7.34 per cent; Oceania was 1.2 per cent; while Europe got a

marginal 0.14 per cent, this would have further meant that Mrica as a whole earned 5.4 : 2.5 per cent less than Asia and ASEAN respectively; the Middle East earned 7.3 : 3.5 less; Central and Southern America earned 9.0 : 4.2 less; Oceania earned 54.5 : 25.7 per cent while Europe got 467.1 : 220 per cent respectively. In quantitative and qualitative terms these differences are likely to have correspondingly reflected in the respective destination sectors leading in the final analysis to greater margins of development generally between the recipient countries.

The second dimension is that this inbuilt contradiction in the Japan ODA regional prioritization dimension increases as comparisons are undertaken between each of the major recipient countries and the recipient region, (see Tables 1, 2a and 2b).

If for instance, Mrica as a continent received on the average 12.2 per cent of the ODA over the 1980-1989 period when at the same time individual nation states received just as much, for instance Indonesia, China and the Philippines getting 12.7; 11.9 and 8.03 per cent

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respectively, the in built contradiction of the ODA facility gets quite visible that way sooner leading to a compromise of the expectations of both the recipient and donor country. Much positive would be identifying several stable and promising economies on the Mrican continent and thereafter giving aid to the same and even higher scale than that which the major recipients of bilateral ODA are currently getting.

In its efforts to alleviate and eradicate poverty and bridge up the yawning gaps of socio-economic levels of development in the developing world, the Japanese ODA has also paid great attention to the Least among the Less Developed Countries (LLDCs)<sup>7</sup>.

Indeed the Japan ODA would make greater rationale especially in the LLDCs if it would be targeted towards raising the levels of economic growth, increasing the GDP per capita to levels above US\$1000 and uplifting the low literacy levels in most of the countries

through refocusing of aid to development of infrastructure increasing Manufactured Value Added (MVA) to their markets, both domestic, regional and international. Again, as was indicated in the available data, Japan ODA to the LLDCs was on a systematic decrease from 1987; 1988 and 1989 showing respectively US\$988.2 (18.8 per cent); US\$1.186.9 (18.5 per cent); US\$1.013.9 (15.0 per cent). Considering the socio- economic disposition of these countries at the moment it would appear that much more has to be done on the ground in the LLDCs and many other recipient countries in order for the ODA to meaningfully translate in the lives of the citizens of these countries in both short, medium and long term.

Apart from the dimension of regions, the Japan ODA principle of priority takes into consideration the dimension of issues which incorporate four elements, namely: a specific approach to the global problems; the basic human needs; human resources development, research and other cooperation for improvement and dissemination of technologies; infrastructure improvement and structural adjustment Japan ODA (2000: 118-119). The content and form of each of these four crucial elements to the philosophy of the Japan ODA are basically:

- .Recognition of the need for cooperation between developed and developing countries in efforts by the later to reconcile the global problems of the environment and population;
- .Provision of basic human needs sectors and emergency humanitarian aid as a way of assisting people suffering from famine, poverty and refugees generated by regional conflicts;

7 It is a subgroup of the less Developed Countries (LDCs) which were initially identified by the UN General Assembly in 1971 as having no significant economic growth, per capita GDPs normally less than US\$1000, and low literacy rates; also known as the underdeveloped countries; the 42 LLDCs are: Afghanistan, Bangladesh; Benin; Bhutan; Botswana; Burkina Faso; Burma; Burundi; Cape Verde; Central African Republic; Chad; Comoros; Djibouti; Equatorial Guinea; Eritrea; Ethiopia; the Gambia; Guinea; Guinea- Bissau; Haiti; Kiribati; Laos; Lesotho; Malawi; Maldives; Mali; Mauritania; Mozambique; Nepal; Niger; Rwanda; Samoa; Sao Tome and Principe; Sierra Leone; Somalia; Sudan; Tanzania; Togo; Tuvalu; Uganda; Vanuatu, Yemen, etc. Source:

[http://www.exxun.com/ekio/io\\_LLDCs.html](http://www.exxun.com/ekio/io_LLDCs.html) /2002-2004 exxun.com.

On another note according to Japan's ODA Annual Report (1990:45) the LDCs have been defined as the least among the Less Developed Countries defined by the UN Committee for Development Planning as countries whose annual average per capita GDP is 391.5 US\$, With a percentage of manufacturing in GDP ranging less than 10 per cent while the illiteracy rate would be more than 80 per cent.



.Promotion of human resources development programs as the key to self -help efforts in socio-economic development, complemented by improved dissemination of technologies such as research cooperation directed towards further promotion of research and development and facilitation of the adaptive capabilities of the recipient developing countries;

.Rehabilitation and development of infrastructure cognizant of its pivotal role for socio-economic development processes in developing countries;

.Re -enforcing the efforts by the developing countries to generate sustainable solutions to the heavy debt burden by providing support to structural adjustment in order that entrepreneurial and developmental essence of the private sectors in the recipient countries can be fully adapted to the market economy mechanisms, etc.

Augmented by what is on the ground in the developing recipient countries especially comprehensive national development plans, the dimension of issues, with its four characteristic elements would give a positive impetus and facilitate development process. Such an outcome would be made possible by the highly auxiliary nature of the four elements highlighted above which are also central to the Japan ODA program.

Apart from the principle of prioritization, the other equally important principle of the Japan ODA is the one on *effective implementation measures* of the program (ODA). The main dimensions of this principle involve among many other essentials, the following: promotion of basic dialogue and sharing basic perceptions on development policies; taking maximum advantage of the merits of loans, grants, technical cooperation and other forms of assistance by way of ensuring an organic and well coordinated link of all these forms of assistance; appropriate communication and cooperation with aid agencies of other donor countries, United Nations agencies, International financial institution, Japanese local governments and private organizations as labor and business and support to non-governmental organizations respecting their autonomy (taking full advantage of their expertise and political neutrality); taking cognizance of the Japan development experience and policies and that of other countries in the East and South East Asia that

have succeeded in economic take-off; taking advantage of its technology and know-how to make environmental conservation and economic development highly compatible; contribute to technology transfer and assist in development of technologies that would enable adequate utilization of the knowledge and technologies possessed by other developing countries based on technical cooperation with both the government and the private sector; coping with transnational problems through close cooperation with the international organizations and other regional frameworks; promote an organic development in the developing countries through upholding very close ties between Official Development Assistance, direct investment and trade; strengthening project evaluation including third party evaluations and joint evaluations with the recipients and other donors and organizations; promotion of the regional studies of developing countries and development policy and a comprehensive evaluation of ODA; active participation of women

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in development; special consideration of the socially weak such as children and the elderly; reconciling the inequalities between the poor and the rich and those development inequalities in various regions of the developing world; and last but not least, execution of the activities of Official Development Assistance in a manner that does not generate injustice in the recipient country.

In all, these constituent elements of the effective implementation principle have an equally matching theoretical and practical significance for the meaningful translation of ODA in the lives of the recipient countries populations. Basically what is essential for the recipient countries is to ensure that the prevailing political and social climateS within the geographical boundaries of recipient member states and their respective regional frameworks (ie, SADC, etc).

An equally important principle to the Japan ODA Charter is promotion of support measures for ODA understanding at home and abroad. This is a highly strategic principle

on the rationalization of Official Development Assistance which has to proceed with the sanction of the public at home and abroad with a well secured participation of the Japanese people from various walks of life, economic sectors and professions.

Consequently this would take the form of publicizing the information on ODA activities especially from the recipient countries through diplomatic channels, making it available for evaluation at the level of the Diet and the public; and promotion of public relations and development education by way of . organizing public relations activities and educational programs on development assistance.

According to the Japan ODA White Paper (2001:120) last but not least of the Japan ODA Charter principles is the principle on the implementation system. An equally essential instrument of the Charter, this principle is three pronged involving:

.Recruitment, training and utilization of competent aid personnel. In its content and form it takes the nature of a sound development of institutes of aid experts geared towards their recruitment in greater numbers and a wider promotion of private enterprise consultants, etc.

.Ensuring effective and efficient mechanisms on the implementation of Official Development Assistance. Occupying one of the pivotal positions in the ODA this instrument takes the form of consultations between relevant ministries and agencies. Cooperation between aid implementing organizations as the Japanese International Cooperation Agency (JICA) and the Overseas Economic Cooperation Fund (OECF) would be getting enhanced from time to time as the ODA implementation functions of the two will be greatly promoted with cooperation mobilized from the private sector by way of channeling the necessary support that enables them to meet related operational

8 This fundamental position is well accepted in the SADC Treaty which defines one of its objectives as the promotion and defending of peace and security complemented by the harmonization of political and socio-economic policies and plans of the Member States, etc. (Official SADC Trade, Industry and Investment Review 2002. Southern African Marketing Co (Pty) Ud and SADC. Gaborone. p14).

costs;

.Maintaining and ensuring the security and safety of the ODA personnel recruited abroad. Accordingly this dimension assumes the form of safeguarding the lives, personal safety and the necessary assistance generally all the time and in the event of unexpected and equally unbecoming developments in the regions or zones of operation.

**In** an effort to make Japan's ODA more efficient and transparent, a Second Consultative Committee headed by Toshio Watanabe the Dean of the Faculty of International Development, Takushoku University, on ODA reform was established with a panel reporting to the Minister of Foreign Affairs. In its final report submitted on March 29, 2002, to the Minister of Foreign Affairs, Yoriko Kawaguchi, the Committee made three major recommendations namely: public participation (new partnerships between the public and private sector, participation by citizens from all walks of life, public-private interaction); transparency and efficiency. In essence this landmark report adopted public participation as its central concept and recommended an ODA reform based on three major pillars namely:

.ODA that fully utilized the mind, intellect and vitality of the Japanese people. Such a position would be achieved through the mobilization of development personnel by improving development education in compulsory school education and by creating human resource development programs for undergraduate and graduate students. Also effective utilization of existing human resources and technology, collaboration with NGOs and securing transparency;

.Prioritized and effective ODA with a strategy. This would take the form of an established Board on Comprehensive ODA Strategy comprising representatives from various backgrounds convened by the Minister of Foreign Affairs. **It** would discuss basic ODA policies such as country assistance programs, prioritization of major ODA projects finally making proposals to the Minister of Foreign Affairs. Under this pillar there would also be country prioritization of assistance programs and the promotion of international collaboration (by holding policy dialogues with international organizations and donor countries and assessing the needs of ODA recipient countries);

.Major improvement of the ODA implementation system. This strategy would be accomplished through the consistent reinforcement of the linkages between the grant aid, technical cooperation and loans. Speedy and flexible responses to conflict prevention and peace building, in collaboration with NGOs and local field offices. Anticipated also in the endeavor would be the regular review on the improvement of the ODA evaluation, making an overall review of the long established debt relief schemes, etc.

Consequently in the light of the above insights it can be argued that the philosophy underlying the Japan Official Development Assistance constitutes a system well coordinated human centered principles which seek to consolidate the role of Japan in world affairs as a major contributor to the humanitarian cause of equality, peace and prosperity for all. In most cases these principles resonate the major position of SADC Treaty (1980) and the position of

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the African Union and United Nations Charter on Development and Co-operation of nations states.

#### 1.4 Institutional set-up of the Japan ODA

Jointly meeting to formulate the ODA policy were the four most important players in the Japanese system for economic cooperation with developing countries namely: MOF, MOFA, METI and EPA (now Office in the Cabinet) with of course MOF having a powerful oversight role due to its sweeping authority over the budget and the disbursements. More often than, not foreigners have perceived MOFA as the major player<sup>9</sup> and driving force of the ODA policy, that way actually underestimating the equally critical role played by the MOFA companions such as MOF, METI and EPA in the whole process as each pursues its own economic agenda.

Operating more actively within the donor community and also being proactive in securing donor coordination and joint cooperation, the ODA institutional set up presents

itself as an immense homogeneous structure in which various interests pursuing their own specific agenda are harmoniously united for the common cause of advancing economic cooperation and development in developing countries for the achievement of equality peace and prosperity. According to the observations by Somecynsky M.B and Cook C.M (1999: 25 -140), the ODA begins with what can be referred to as the four entity system.<sup>9</sup> In essence what this means is that the contemporary ODA system dates back to the 1953 Cabinet order which established economic cooperation as the major underlying principle governing Official Development Assistance generated by a Council of eleven (11) ministries

<sup>9</sup> This illusive observation of the perceived dominance of MOFA in ODA policy was also made by David Arase (1994) in his contribution entitled "Public-private sector interest coordination in Japan ODA" published in Pacific Affairs 67(2) p171-199. David Arase noted that because MOFA is the main spokesperson on the ODA policies, foreigners tend to forget the role played by other equally powerful actors in ODA as MOF; Mm; and to a lesser extent EPA each one pursuant of its own economic agenda in the ODA Also important in ODA economic cooperation activities are other ministries, the private sector, and a wide range of public corporations sponsored by the ministries including associations and foundations in the private sector, all with ODA funding, Somecynsky M B and Cook C M (1999) Japan's system of official development assistance: profiles in partnership. N01.International Development Research Centre (IDRC). p 24.

<sup>10</sup> Ministry of Finance (Japan) referred to as MOF is regarded as the most powerful ministry in the Government of Japan. Its regular budgetary processes determine the total volume of ODA, long term plans, annual levels, and breakdown into categories, such as grant aid, loan aid, and technical cooperation. When applying for their ODA budgets, the ministries and agencies strive to introduce new programs to respond to the most recent issue of concern to Japan in order to justify their requests for increase; Ministry of Foreign Affairs (Japan) referred to as MOFA plays the major role of defining the foreign policy which takes into account Japan's domestic and international interests; Ministry of Economy, Trade and Industry (METI) (former Ministry of International Trade and Industry (Japan) referred to as MITI) this entity works with the Japanese industry in ways that would promote Japanese private sector interests nationally and internationally. Mm approaches ODA from the perspective of private business and international trade and investment, thus promoting the combination of official aid with direct private investment and favors countries with close economic ties with Japan; Economic Planning Agency (Japan) referred to as EPA (now part of the Cabinet Office after the 2001 reforms) has also a critical role which encompasses intra-governmental coordination in the setting of aid strategies as well as their efficient administration. EPA plans, drafts, and carries out basic policies and plans for Japan's economy which are then submitted initially to the Prime Minister and to the cabinet for approval. This is because the forms and fields of ODA do cover a wide range of which on its own implies the involvement of many ministries and agencies in the administration of ODA, etc.

which formally worked on war reparations and economic cooperation. These eleven ministries were streamlined to form a four entity system that has remained to date in the image of Ministry of Finance (Japan) MOF; Ministry of Foreign Affairs (Japan) MOFA; Ministry of International Trade and Industry (Japan) MITI and Economic Planning Agency (Japan) EPA an autonomous agency within the office of the Prime Minister, Bolade M. Eyinla (1999:411).

However, the four entity system within the ODA structure is followed by Public Corporations/ supporting organizations, now referred to as Agencies. These are JICA, JETRO, OECF and JEXIM amalgamated in 1999 into JBIC, IDE and the Japan Foundation. In all, these are meant to rationalize the involvement of the series of players in the whole exercise of economic cooperation as Japan consolidates its place and role in the donor community and in the final analysis in world affairs on the consolidation of peace, security and prosperity in the developing world. Formally operating under the authority of the Ministry of Foreign Affairs (MOFA), Japan International Cooperation Agency (JICA) its president and auditors are appointed by MOFA. JICA functions as an executing agency for MOFA and has no involvement in policy and programming and in contrast to CIDA it establishes its overseas offices separately from the Japanese Embassies and its staff like those of the former OECF have no diplomatic status. So essentially, JICA manages the technical cooperation program of the Government of Japan and assists MOFA in the administration of grant aid. It also manages loan program for private-sector activities in developing countries. JICA manages the following forms of technical cooperation (on behalf of MOFA): training of trainees from developing countries; dispatch of experts; provision of equipment and materials! related to the expert's work; project type technical cooperation; development studies; dispatch of volunteers and disaster relief and last but not least promoting cooperation between developing countries whether within a region or in different parts of the world, ie South-South cooperation. More importantly JICA prepares project proposals and submissions to have experts or equipment dispatched to foreign countries or to receive trainees from foreign countries. JICA also works closely with the various ministries for all its technical cooperation activities.

With regard to Japan Export and Import Bank (JEXIM) which operated under the Ministry of Finance (MOF) along with Overseas Economic Cooperation Fund (OECF) formerly provided export loans and equity financing to encourage and support the activities of the private sector in developing countries with special focus on Asia. The OECF operated under the authority of the Economic Planning Agency (EPA) Japan, though in the final analysis it functions under the four entity system (see above), its role involves providing bilateral loans to developing countries. Along with the Japan Import and Export Bank, OECF provides export loans and equity financing to encourage and support the activities of the private sector in developing countries. Relative Institute of Developing Economies (IDE) which came under the authority of the Ministry of International Trade and Industry (MITI),

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this public corporation!! conduct comprehensive studies on developing countries including economic matters. With respect to JETRO it serves under MEn, former MITI again as one of the public corporations founded in 1958, it mainly assists countries, including developing countries to increase their exports to Japan by way of facilitating the development of their export industry through access to Japanese markets. IDE and JETRO were amalgamated in 1998. Finally comes the Japan Foundation which is meant to assist MOFA in promoting international friendship and enhancing understanding between nations. Provides grants and funds for both Japanese and foreign researchers, scholars in the humanities, social sciences and arts/ culture to pursue their professional activities abroad in a bid to promote friendship and understanding between nations.

The Japan Bank for International Cooperation (JBIC) was established in October 1999 after the merging of the Export -Import Bank of Japan (JEXIM) and the Overseas Economic Cooperation Fund (OECF). Its mandate within the Japan ODA system is to extend yen loans and also provide financing and loans to companies engaged in projects in developing countries while carrying out a wide range of related surveys.

Apart from the public corporations there are also other ministries related to the four entity system. which stand alone from the above referred in the four entity system. Their participation has been commended as one of the features critical for the success of the



Japan ODA. According to Somcynsky B.M and Cook C.M (1999:85) the essence of other ministries for the Japan ODA is expressed in the manner that:

.They bring about a variety of view points and experiences to the formulation of overall ODA policies;

.Through use of their own ODA budgets, they enhance Japanese government's ability to identify, plan and implement a wide range of development projects;

.Their active role in due course allows Japan to do much more than it would have done with the limited number of personnel in JICA and OECF;

.Their connection with the private sector of Japan enables the government to marshall and channel the activities of the private sector to developing countries and promote FDI notably in infrastructure development, etc.

Performing such a key role in the implementation of ODA policy are such ministries as:

The *Ministry of Agriculture Forestry and Fisheries (Japan) MAFF* which is meant to promote cooperation activities in the agriculture, forestry and fisheries sector have an important role to play in the duty and responsibility of developing countries to support their own independent and self-supporting economic development. Within the SADC institutional set up and the overall regional development programs, the program of MAFF could be well

11 These are formal institutions created with a special legal status, established by a special law as instruments for activities required by the state in an effort to best serve its national and international interests.

exploited under the SADC Forestry; Marine, Inland Fisheries and Resources Protocols<sup>12</sup> as efforts on promoting development in the region through economic integration progresses in the new millennium. Through the bilateral, multilateral, financial and technical cooperation with the SADC region much could be achieved not only in food aid

but otherwise a larger part of the rural -communities could be well assisted in their engagements of self reliant economic growth and complemented by comprehensive agricultural development, food distribution and processing, development of markets and environmental protection especially tropical forest preservation and prevention of desertification.

The next crucial ministry was the *Ministry of Construction (MOC)* now part of the Ministry of Land, Infrastructure and Transportation, which in its ODA activities among other things build training centers for the promotion of infrastructure related projects (trainees, dispatch experts, development guide lines, policy seminars on infrastructure, project funding and formulation, surveys, infrastructure implementation, support for NGOs, support of Japanese contractors to Developing countries, etc). Together with the above ministries follows the *Ministry of Labour (MOL)* now Ministry of Health, Labor and Welfare, whose function is to dispatch labour administration experts on vocational training, industrial safety and health in developing countries, etc Apart from the above MOL conducts training programs, annual seminars for administrators, contributes to international labour organizations and contributes financially to the Asian and Pacific Skill Development Program (APSDEP), assignment of labour attaches in international organizations as the ILO and the OECD, undertakes studies and conducts technical cooperation with the private sector. Equally important was the *Ministry of Education, Science, Sports and Agriculture (MOE)* now Ministry of Education, Culture, Sports, Science and Technology, which undertakes training in cooperation with the national universities and other institutions and also accepts foreign trainees in such areas as agriculture, engineering, medicine and education. Apart from the above assignments MOE cooperates with international organizations, exchanges staff, dispatches experts to developing countries in the fields of medicine, engineering, agriculture, and education with the cooperation of national universities and other related institutions, etc.

Last but not least, was the *Ministry of Posts and Telecommunications (MOPT)*, now a part of the Ministry of Public management, Home Affairs, Posts and Telecommunications, which under its Postal Savings For International Voluntary Aid (POSIVA) combines 20 per cent of the post-office savings account holders donations and distributes them to NGOs involved in overseas assistance projects, based on advise from

MOFA and the Japanese NGO Center for International Cooperation (JANIC) an umbrella institution for citizen led

12 In much the same way as MAFF is well focused on aid for increased food production, and contributions to the stabilization of food demand and the protection of the environment, the SADC protocols on Forestry, Marine, Inland Fisheries and Resources are designed to promote national and regional food balance, protein, employment and source of foreign currency income and environmental conservation by way of reversing processes of deforestation, forest degradation and desertification in a manner that drastically reduces pervasive poverty in the rural communities of the SADC, Official SADC Trade, Industry and Investment Review.2002. SAM Co (Pty) Ltd +SADC. p80-85.

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organizations involved in ODA. Apart from the other ministries in the Japan ODA institutional set-up followed the public interest corporations<sup>13</sup> now all incorporated into administrative agencies. Essentially, these include non-profit making government affiliated organizations which are legally registered or incorporated and have their business supervised by a sponsoring ministry, which normally requires that the mandate of the organization be congruent with its own. The Foundation for Advanced Studies on International Development (Japan) abbreviated FASID is one other example of an incorporated foundation with the status of a public interest corporation registered with MOFA. It provides information services on development assistance to government agencies, aid-implementing organizations and universities. Has now started creating a database network of development assistance agencies, research institutions and international organizations across the world. FASID also provides training on the theory, policy and practice of development assistance to Japanese development assistance professionals, promotes development assistance research and education in Japanese universities, organizes development assistance courses and seminars for government and aid personnel, provides support for Japanese researchers to study abroad and enable graduate students to conduct research in development studies, dispatches teachers to foreign universities and research institutions, dispatches former JOCY members, students who want to be development assistance researchers and others to overseas universities and institutions. FASID also hosts international symposia in Japan for development -aid

researchers and administrators from both developed and developing countries and international aid agencies. Finally FASID contributes to the Keidanrein Nature Conservation Fund (KNCF) which supports nature conservation projects in developing countries and offers relevant training. Another equally important public interest corporation which operates within the ambit of FASID is the International Development Research Institute (IDRI) dubbed FASID-IDRI which researches on the current international development issues and their future outcomes, organizes the FASID Academy destined to strengthen the development leadership of practitioners and scholars, development of curricula and teaching materials for the Japanese graduate and development schools on topical issues as gender, culture and development and development management, etc. Other more critical public interests corporations to the Japanese ODA is the Japanese International Corporation System (JICS), a public affiliated organization established by MOFA but working for MOFA and JICA. Its mandate involves supporting of grant aid and technical cooperation, undertaking of preliminary studies and

13 These are legally registered entities which are created by the government in tandem with the private sector, citizens groups and government affiliated corporations, corporations, on one hand, etc. On the other hand public corporations (as opposed to public- interest corporations) which are established by the government, by special law as instruments for activities required by the state are mainly meant to: better manage particular activities in the form of a profit making enterprises, when efficiency in performance is more likely to be achieved than under direct operation by the national government agencies and alternatively when greater flexibility in financial and personnel management than is normally possible under the laws and regulations relating to government agencies, Somcynsky MB and Cook CM. Japan's of ODA Profiles in Partnership Number One .IDRC. Canada. Edited by Berranger Alain. 1999.p47.

follow-up surveys and support of project implementation, procurement and equipment aftercare, dispatches experts abroad on request by JICA and MOFA. Equally important is the Japan International Cooperation Center (JICE) established as a nonprofit organization to coordinate JICA's training in Japan. This involves orientation of trainees when they arrive, provision of interpretation services, making of travel arrangements, coordinate training with Japanese ministries, regional bodies, private firms, universities and other organizations accepting trainees, etc. Last but not least, is the Association for Overseas Technical Scholarship (AOTS) registered as a public-interest corporation under MITI. Its mandate involves provision of training for employees of private companies in developing countries, organizes private sector training in Japan; overseas and provides subsidies to programs administered through private based technical cooperation. Administers training in areas as business management, quality control, industrial technology, workplace improvement and supports its alumni societies<sup>14</sup> in forty countries, etc.

After the public-interest corporations and non-profit making organizations sponsored by the Government of Japan to promote human resources development in developing countries in the ODA system follows the **private** sector<sup>15</sup>. Comprising mainly trading companies, private

<sup>14</sup> A society within the ranks of public-interest corporations, an autonomous non-profit organization within the ODA system which also does recruitment of participants, distributes materials and corrects course work and funds its own activities by means of its correspondence course fees. It is sponsored by the Government of Japan for development of human resources in developing countries. Has societies in sixty cities and forty countries. It also recruits candidates for the AOTS scholarship and recommend trainees for AOTS programs. The alumni societies often adopt their own for humanitarian development in their own countries, have their own training centres and also engage in domestic tours in which AOTS alumni with training in Japan go to different cities in their own country to share what they will have learnt. On another progressive note alumni societies may also speed up the exchange of experiences among trainees in an effort to assist them to synchronize their new knowledge to their local institutions. To date AOTS has trained nearly 93000 persons in Japan from over 150 countries and regions, (URL: <http://www.Elixiran.com/English/MGT%20training%20orgs/management%20training/>: URL: <http://www.kerala.corn/nikitoa/aots.htm>).

<sup>15</sup> Generally this sector comprises three critical elements namely: the trading companies, private sector organizations and corporate philanthropy units. Trading companies played a key role in the dynamic economic growth of Japan since World War II emerging in the aftermath of the war as Japan's chief importers of food and raw materials and being in the forefront of Japan export business. By way of their global network for information gathering, sales and communication, this immensely expanded their range of activities to include world wide trading of commodities,

capital, technology, managerial skills, and labor as well as being on the lead in the packaging of mega-infrastructure projects. They are well placed for the identification and formulation of projects, and putting together project financing packages combining ODA with private sector financing. Their projects are not meant to use Japan ODA only but to make financing in partnership with other players especially where it concerns mega-infrastructure. This strategy has made them key players in the provision of PDI to developing countries and in fact the trading companies not only help with financing and PDI but they also help in identifying and formulating projects for the Japan ODA

Private sector organizations present themselves as public interest corporations with a legal status and have to register under the sponsorship of a ministry. They provide an important link between the government and the private sector especially in technical cooperation, training etc. The most popular of these is the Keidanren (Japan Federation of Economic Organisations) the most influential of cross-sectoral trade associations in Japan. Is the most influential business organization, private, non profit economic organization which represents virtually all branches of economic activity in Japan. Other such organizations include Engineering Firms Consulting Association (ECFA); Japan Development institute (JDI); Japan Federation of Surveyors and the international Development Centre of Japan, etc. Finally there is the Cooperate philanthropy which awards grants, scholarships, subsidize research in humanities and social studies, environment, sanitation, building schools, aid, education etc, funds in Japan and internationally. These include the Toyota Foundation (1974) with an endowment fund of 21.4 bin Yen; Sasakawa Peace Foundation (1986) with a fund of 44.4 binY in the 1990s; Sumitomo Foundation (1997) with a capital of 600 mlnY; Matsushita Electric industrial; Nippon Electric Company; Mitsubishi with its leading members Mitsubishi Heavy industries, Bank of Tokyo Mitsubishi and Mitsubishi Corporation coordinating environmental programs and giving scholarships; Nippon Telegraph and Telephone Corporation (NTT);

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sector organizations and corporate philanthropy the private sector plays a key role in the Japanese Official Development Assistance namely in policy making, project identification, planning, and implementation.

Another much more crucial element of the institutional set up of Japan ODA is the !Q.£!! municipalities or municipal eovernments16. Undertaking their ODA activities in a small way, these are meant to improve on a short, medium and long term, the livelihood of people in recipient countries. In terms of the international cooperation activities of the Japan municipal governments, it can be clearly visualized how unique their characteristics and historical, and cultural backgrounds are and how these activities are executed with other regions and countries with which local governments have close historical and cultural ties. Municipal governments in Japan pursue two forms of development cooperation activities the first in which they undertake their own activities

with or without the assistance of the government and the second which they pursue in collaboration with the government ministries especially MOFA and JICA. Through their activities locally and internationally, the Japan municipal councils ensures administrative efficiency in the daily business operations of the municipal councils in recipient countries as financial, human and natural resources are rationally utilized. The SADC can in the long run benefit from partnership agreements secured with the Japan municipalities as this will in the long run lead to their efficiency which will positively translate in the welfare of the local population.

Last but not least, in the institutional set up of the Japan ODA system are the Non-Governmental Organizations (NGOs). Collaboration of the Government of Japan with the NGO originates more from factors that are external to the Japanese movement than from the Japanese inbuilt weaknesses to play a promotive role in the improvement of aid delivery. This positive inclination by the Japan government coincides with the marked increase in support for the NGOs within the multilateral and bilateral donor community, whereby development assistance has moved into the frameworks that necessitate participation by the civil society, since the millennium target is on reduction of poverty levels on one hand. On the other hand this has been greatly influenced by growing recognition that environmental

Dai-Ichi Kangyo Bank (earth quake aid and donations); Sanwa Bank (contributes to welfare of local people); Fujitsu limited (supports courses at universities, subsidizes trainees and researchers locally and does international exchange programs of specialists, etc), AEON Group Environment Foundation (subsidizes organizations and individuals whose activities contribute to environmental preservation, etc), Source: Japan ODA 1999: pp102-119.

16 In collaboration with MOFA and JICA the municipal governments, accept trainees, dispatch experts, recruits for the JOCV and other promotional activities, supports local NGOs and foundations, provides grants to smaller grassroots projects; delivers lectures, seminars and symposiums in various areas of Japan in order to promote international cooperation, participate in environmental cooperation programs, etc, Japan ODA White paper.2001.p36.

17 Whereas in other countries NGOs are regarded as third sector outside the public and private sectors, in Japan the third sector is used to refer to corporations set up by the central or local government and the private firms for the purpose of assisting in their activities. Initially their emergence was greatly limited in scope due to the fact that the iron triangle of politicians, bureaucrats and corporate elite ruled over all the spheres of society and purportedly looked after all the basic needs of the people, historically. Most of them are in provision of project delivery, development education, emergency assistance, fair trade predominantly in Asia: while in Africa they are predominantly emergency assistance related operating in education, medical care, child health and welfare, environmental conservation, women and development, rural development and vocational training, JANIC (1996 cited in Shizawa 1998).

issues originate equally well from poverty as well as rapid industrialization and donors have come to realize the significant role that NGOs can play in collaboration with the public sector

in addressing these issues. On a developmental note, Japan could well evaluate the development activities of NGOs from other countries and the potential that NGOs have to increase the positive impact of Japan's own activities in development cooperation.

Least follows the international organizations, to which Development Assistance Committee (DAC) of the Organization of Economic Cooperation and Development (OECD) belongs. Established in 1961 the DAC has a membership of twenty-two (22) countries comprising industrial democracies including Japan and the European Commission. DAC has a mandate to mediate in negotiations among the aid donors on quantitative increases and qualitative improvements in aid. While ranking the largest donor in the world since 1991 among the DAC members with the U.S. coming second (see figure 4), the per capita DAC /ODA of Japan has been considerably low comparatively with Japan far from ranking first in the DAC list of major donors.

In concluding the question on the institutional set up of the Japan ODA it is essential to note that the organic nature of the system makes it a well developed complex of different elements functioning progressively in unison for purposes of fulfilling the humanitarian cause across the globe. The uniqueness of the institutional structure of the Japan ODA lies in its quality to incorporate as many stakeholders in the development cooperation program in such a way that on one hand these stakeholders can apply their full capacities in the realization of ODA in recipient countries, while on the other hand they fully employ their explorative efforts to identify new opportunities for the deeper realization, rationalization and justification of the Japan ODA in development cooperation. It is among other factors, within this framework that Japan has turned to be the second largest economy in the world due to its capacity to maximize on the role each element of the system can play not only within its own limits but in relation to other elements of the system in both the national, regional and international development cooperation efforts.



As argued in the text above about the essence of the Japan ODA, diagram 1, indicates more vividly the hierarchical pattern of the key elements of the system. As already alluded to in the conclusion, this organogram presents in itself a well grounded strategy for consolidating the humanitarian cause of Japanese development cooperation programs. In upholding that cause the organogram further indicates the extent to which all sectors of the Japanese society are involved in assisting on one hand and in identifying problems and finally giving the best advise to their government to ensure an effective and mutually beneficial use of the Official Development Assistance facility on the other end. Last but not least crucial element of this organogram is the fact that the mandate of each of the components of the system has a dimension of specialization with no duplication of the roles and this has in the final analysis made the Japan ODA to make the greatest positive impact on the economic and socio-economic lives of most of the recipient countries in the developing world, especially

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Asia, etc. In the final analysis such a complicated but very efficient institutional set up could be one other example to be carefully studied and exploited by the SADC member states to ensure eradication of disorganization and promotion of resonance in the function of national institutions as they all battle for a faster development that leads to peace and prosperity.

## Chapter 2: Dynamics of The Japan ODA and Its Strategic Role in International and Regional Dimensions

### 2.1 Historical Development of the Japan ODA

Based on the theory of economic development emanating from the Japanese experience of the Meiji Restoration (1868) and World War II (1945), the Japan ODA generated a lot of interest due to Japan's phenomenal rise and graduation from the ranks of recipient ODA countries in the 1960s to be the top ranking donor since 1989 in the global donor community. Equally vital to the adoption of economic cooperation as a key policy area of Japan was the cabinet order issued in 1953 meant to address the question of wartime reparations from the late 1950s to the early 1960s to Asian countries such as the Myanmar, Philippines, Indonesia and South Vietnam. This marked the initial implementation of Japan technical cooperation to Southeast Asian countries after Japan entered the Colombo Plan for Cooperative Economic and Social Development in Asia and the Pacific in 1954. The total amount to be paid was one billion US\$ and according to the reparation treaties signed with each country between 1955-1960 all payment was scheduled to be completed by 1976, Eiichi Imagawa (1996:29). Consequently over the 1950-60 period the Japanese economic assistance to developing countries was still small due to the reparation commitments Japan had to honor on behalf of the Asian countries. The 1966 -1970 period saw the Japan ODA to South East Asia and East Asia amount to 1.6 US\$ bIn with the main portion comprising yen credit destined for infrastructure construction mostly, dams, bridges, power stations, etc. Such an expansion was engendered by the smooth development of the economy and the strengthened relationship between Japan and developing countries. But again, inspite of the well-meaning intentions of the Japan ODA to Asia in the late 1960s and early 1970s Japan's economic presence in the region generated anti-Japanese feeling to which then Prime Minister Kakuei Tanaka responded by increasing Japanese imports from Southeast Asia in a bid to reduce her trade surpluses from the region. In an effort to address this anti-Japanese feelings Japan also expanded her economic assistance to the region which between 1971 and 1975 amounted to nearly 3.4 US\$ mln having thus literally doubled the 1966-1970

figure of 1.6 US\$mln. Besides the discomfort experienced by the developing Asiatic countries over Japan's economic penetration in the region, industrialized countries also criticized Japan for linking trade with aid. It therefore became essential for Japan to clarify its position to the world on the philosophy and the goal of its aid whose volume was visibly on the increase. Japan in practice did respond to these charges due to changes that were taking place on the global scene namely through various policies which were set in the context of the "Decade of the United Nations Development, October 1960; discussions on the North-South problem through the submission of the Pierson Report in 1969 (partner on development) and the Tinbergen Report

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in 1970, further stimulated by the Brandt Committee report in 1980 which all in essence recognized the need for the promotion of the Third World development throughout the world community. With the acceptance of this concept in the aid community as a common international obligation to provide aid in recognition of interdependence and humanitarian concerns Japan's thinking behind the ODA was thus well defined.

According to the Japan ODA Report (1988:19) recognition of interdependence meant the acknowledgement of the fact that international economic problems could not be solved without the economic development of developing countries based upon the realization that the North and the South make one integral world economy on one hand. On the other hand, humanitarian considerations meant that the rich countries had to extend their aid to the colonially impoverished out of concern of their economic welfare. It is precisely within the context of this debate that Japan aid to developing countries visibly expanded between the 1960-1970 decade, and in the subsequent periods.

However from the late 1970s, backed by a succession of medium term targets Japan ODA continued on an upward trend making it the top donor for six consecutive years, Japan ODA Report (1997: 3), see the progressively rising trend of ODA in figure 3. Indicating over the 1970-1986 period was the significance of Japanese economic cooperation program which reflected an increasing number of developing countries for which Japan was the largest donor from six (6) to twenty-five (25) respectively. The

increases again reflected the appealing nature of the decision making process of the Japan ODA based on the principle of disbursement of ODA on an understanding of the "*request by a recipient country*"<sup>18</sup> which most developing countries would still accommodate in the contemporary.

Over the 1986 period spectacular growth of the Japan ODA saw Japan emerge as the second ODA donor in the world coming after the United States. Dubbed the "Japan's year" 1987 saw the Japan ODA reach 7.454 US\$mIn recording a 32.3 per cent or 13.5 per cent increase over the previous year in dollar or yen terms respectively. Most significant during this period was that the doubling of the ODA target as was announced in the Second Medium Term plan had been almost achieved due to the continued appreciation of the yen. The significance of such efforts by Japan to increase its ODA earned Japan international recognition. Over the same period 1986 -1987, Japan's share in the total ODA supplied by DAC countries immensely expanded from 15.4 per cent in 1986 to 18.1 per cent in 1987, that way solidly confirming its humanitarian considerations for peace, prosperity and progress of the international community.

<sup>18</sup> This principle stipulates that when the governments of the developing/recipient country intend to secure Japan ODA, they should essentially present their plans to the Government of Japan explaining the significance of these plans for economic development and not the reverse. Thus developing countries will be generating policy initiatives and defending the rationale of implementing them, hence in the Japanese economic theory of development this would be dubbed "economic development guided by a clever government".

With the adoption of the Fourth Medium -Term target<sup>19</sup> of the ODA in June 1988, Japan pledged to strengthen its support for the Least Developed Countries (LDCs), this saw the expansion of total ODA disbursements to 50 US\$mIn between 1988 and 1992, Japan ODA Report (1988:3), see also figure 3. Such a phenomenal jump in which there was a doubling of the 25 US\$bIn which was spent on official development assistance during the preceeding 1983-87 reflected the resolve of Japan to progressively address the

humanitarian demands of developing countries in an effort to consolidate higher levels of their socio-economic development.

During the 1989 period, the net disbursements of Japan's ODA amounted to 8.965 US\$ bIn registering a decline of 1.9 per cent from the 1988 total of 9.134 US\$ mIn and this actually saw Japan emerge as the largest provider of ODA among the DAC nations. The outcome for Japan to emerge as the largest provider of ODA came as a result of the fact that the United States had contributed less to the ODA of that year having made larger contributions to the International Development Association in 1988. Also accounting for the decline in dollar value of the Japan ODA for 1989 was the fact that there was a change in yen value which began to fall in 1989 after an extended rise dating back to 1985. This development saw the value of yen in 1989 fall by 7.8 per cent below the 1988 level, such that in yen terms Japan's ODA in 1989 amounted to Yen 1,236.8 trillion an increase of 5.7 per cent over the 1988 total of Yen 1,170.5 trillion which in real terms after adjusting for the inflationary and exchange rates this turned out to be a four (4) per cent increase. In the share of the total ODA of the DAC countries for 1989, Japan's share increased from 19.0 per cent in 1988 to 19.3 per cent in 1989. Such a development saw Japan move closer to the DAC average which during this period declined to 0.33 per cent from the 0.36 per cent and again emerging as in 1988 still the twelfth- highest among the DAC nations. In an effort to determine the self determination choices by recipient countries in socio-economic development, the ratio of the Japan ODA untied aid remained fairly high over the 1991/92 period recording 79.7 and 73.5 per cent respectively with the tied ODA recording as low as 20.3 and 26.5 per cent, still very low concessionary rates were charged on these ODA loan and grant aid. Over the 1992 period percentage of ODA in the net flows of funds from DAC countries and international

19 Adopted as operational framework policies for the Japan ODA, the First Medium Term target of ODA was adopted in July, 1978. It actually aimed to double ODA in three years and it was actually announced for confirmation by the international community at the G7 summit in Bonn the same year; the Second Medium Term target of ODA was adopted in Jan, 1981 with the plan to double ODA in five years; the Third Medium Term target of ODA was adopted in Sept, 1985 was aimed at increasing the total amount of ODA during the period through from 1986 to 1992; Japan ODA Reports (1988, 1997 and 2001). Essentially targeted towards consolidating efforts on development assistance, the diplomatic considerations of ODA in promoting bilateral relationships emphasis is placed on implementing aid and in order to elevate the diplomatic effect, each aid project has to contribute to the social and economic development of

recipient countries. But in the case of the US, one of the main purposes of its foreign aid is the enlightenment and dissemination of its value system (freedom and democracy) to the developing countries, while also aiming at the development of developing countries and emphasizing aid for Basic Human Needs. Again in addition to development assistance the US extends Economic Support Funds, a flexible fund which can disburse aid rapidly to countries that are vital to the United States (this explains why almost 30-40 % of US aid is concentrated on Israel and Egypt generally), Japan ODA Report 1988. pp20-21.

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organizations to developing countries comprised 36.6 thus ranging highest among the donor community, see figure 5. Much to the confirmation of the underlying philosophy of Japan ODA, the dominance of the untied part of the Japan ODA still reflected the fact that ODA loans and grants are not essentially inspired by commercially -oriented purposes. Historically this feature has remained distinguishable in the Japan ODA since the 1970s, Japan ODA

Report (1995: 8) In the subsequent Fifth-Medium Term ODA Target adopted in June 1993 the five year period over the 1993-1997 was covered and through this term Japan was actually to make net payments ranging between 70-75 US\$ bIn, nearly 1.5 times more than what it had spent during the past five years from 1988-1992 under the Fourth ODA target, which was to the tune of 49.7 US\$ mIn. In reality this target was influenced by the need to further promote the international role of Japan and still address the on going struggle to reconcile the economic difficulties in the developing world where the average annual growth rate of the real GDP was on the decline, registering in Africa 0.9 per cent; Latin America 2.3 per cent, with Asia as the main recipient region scoring 7.9 per cent. Equally the Fifth ODA target was greatly influenced by the 1992 United Nations Development Fund, Human Development Report which purported that developing countries were still hard pressed to meet their basic human needs. Consequently the report stated that 34,000 children were dying of malnutrition and diseases each day, 17,000 were dying of diarrhea, malaria or tuberculosis annually, 1,3 billion people were living in absolute poverty while 800 million people were in hunger, with also 35 per cent of their adult population being illiterate and most of the developing countries reeling under the heavy burden of accumulated foreign debt which according to

the World Bank statistics stood at 1.703 US\$ bln then equivalent to their aggregate Gross National Product (GNP) of about 1.8 times their total exports of that same year, Japan ODA Annual Report (1993: 16). This difficult situation was generated by the fact that since 1984 as a group, the developing countries paid back more for their debt in principals and interests than they had received in fresh loans and actually in 1992 these countries paid 3.6 US\$ bln more than they took in the World Bank in 1992-93. As such it was against this complicated background that the Japan Fifth-Medium Term ODA target was mainly adopted in an enormous effort to address the deepening socio- economic crisis in the developing countries. Under these circumstances from 1985 through to 1988 Japan stood as the second largest donor after the United States only to emerge in 1989 as the largest donor now seconded by the United States followed by France and Germany. Just to indicate the strength of the Japan ODA over the same period from the late 1980s that is 1989 to 1993 Japan was the top donor in thirty (30) countries in 1989; top donor in twenty-eight (28) countries in 1990; top donor in thirty-one (31) countries in 1991; top donor in twenty-seven (27) countries in 1992; and finally top donor in thirty -four (34) countries in 1993 with its close competitor the United States only returning the first place as the largest donor in 1990 but again losing it back to Japan since 1991 to date (2004), see tables 3 and 4 respectively.

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However while in pursuit of the goal of the Fifth Medium Term target of accumulating 70-75 US \$bln between the 1993-97 period only by 1995 an amount of 40 US\$ bln was secured and systematically invested in various grant, technical and loan aid programs across the regions. Over the same period between 1993-1995 there was also a marked improvement in the ratio of the ODA to Gross National Product (GNP) which according to the Japan ODA Report (1996: 29) registered 0.27 per cent in 1993 and had visibly made a slight progress to 0.28 per cent by 1995. Though this figure could appear small, in monetary terms it reflects a considerably huge amount which in essence confirmed the commitment of the Government of Japan not only to the targets of the fifth medium term but to the overall mission and objective of the ODA Charter. Over the 1993, 1994, 1995

and 1996 period, there is actually a noticeable decline (relative the net DAC net flows) in percentage contributions of ODA to DAC net flow of funds registering 33.5; 26.4; 22.3 and 15.8 per cent respectively, see figure 5. In spite of these indications, efforts to meet the target also saw the grant assistance to Least Developed Countries (LDCs) expanding from 93,6 per cent in 1993 to 99,6 per cent in 1995. During the 1995 period Japan ODA was distributed to fifty-five (55) countries across the geographical regions. Essentially this approach among other factors could have enhanced the efforts by these LDCs to give a greater impetus to processes of socio-economic development by investing in key sectors that would have been deemed strategic for faster development.

It is in the context of the Fifth-Medium Term target and the formally preceding ODA First -Fourth Medium Terms that the rapidly growing Asian economies have drawn world attention due to their progressive expansion trends. This contention is confirmed to a larger extent by the fact that over a twelve year (12) period from 1980 to 1993, the GNP per capita of Southern Korea increased at an annual rate of 8.2 per cent, 6.4 per cent in Thailand, 4.2 per cent in Indonesia and 8.2 per cent in China on one hand. On the other hand the same contention confirms the questionability of aid in Sub-Saharan Africa which over the same period especially with the adoption of the Structural Adjustment Programs since the 1980s made a sharp contrast with its GNP progressively declining by 0.8 per cent annually over the same period 1980-1993.

Consequently, in Asia over this period 1980-1993, the number of people living under the poverty datum line did actually scale down immensely, although in the Sub-Saharan Africa the levels of poverty did rise. According to the Japan ODA Annual Reports (1997,1998 and 2001) the economic development in the Asian region that is mainly attributable to the Japan ODA did help much in bringing about political stability in most of the nations of Southeast Asia which actually used to be a great obstacle to security during the cold war. Due to the Japan ODA induced economic development among other factors in South East Asia, countries of that region have increasingly entered into mutual reliance arrangements, with subsequently new opportunities for regional cooperation emerging in the Asia-Pacific region. In addition to the cooperation in economic fields taking place under the aegis of the Asia-Pacific Economic Cooperation Conference (APEC), new councils such as the ASEAN Regional Forum (ARF)



have also emerged for debate on security issues in the region and beyond. The other very impressive reference to the developmental essence of the Japan ODA relates to the East Asian Miracle (the rapid economic development process) which the World Bank attributed to the following contributory factors, Japan ODA Report (1996: 30):

.the establishment of political stability in the region; .establishment of competitive administrative bodies and administrators; .enforcement of policies that were based on the development of government before all other philosophies;

.appropriate macroeconomic policies, and last but not least; .emphasis on education and human resources development, etc. Notwithstanding the success of these self help efforts by the developing countries as being crucial to the miracle, the World Bank confirmed that it was also equally true that Japan's ODA played a greatly important supporting role. This stands as the basic truth because Japan has historically directed the greater part of its ODA to Asia devoting it chiefly to building of economic infrastructure (transportation, communications and energy sectors); and to development of the social infrastructure and human resources, all of which are indispensable for economic growth. On a matter of policy application this is very logical considering the fact that from 1980-1996, the 49.6 per cent of human resources development programs candidates accepted for training or educational courses to Japan were from Asian countries while 54 per cent of Japanese experts sent abroad have been dispatched to the same destination. Japan ODA Annual Reports (1996; 1997; 1998; 1999 and 2001) have also empirically attested to the fact that Japan's ODA over a twenty year period from 1976-1996 has greatly and variously contributed a marked percentage to the overall Gross Domestic Product (GDP) growth rates of Southeast Asian countries, recording 1.8 per cent for Malaysia; 5.3 per cent for Thailand; and 2.8 per cent in Indonesia more than if Japan ODA was not taken into account. For over the same period the overall investment by Japan to Thailand over the twenty year period from 1976-1996 is calculated to have boosted GDP by 9.5 per cent, that is giving it a 5.9 per cent additive effect more than it would have had Japan not extended ODA to Thailand over the same period. So essentially, the Japan ODA role in realizing the Asian Miracle was great since it attracted foreign direct investment from the

private sector and contributed to the economic and social advancement as well as stability in East Asia through the creation of social safety nets.

With respect to the Japan ODA for 1996 there was a very marked decline by 34.9 per cent from the 1995 ODA levels to 9.44 US\$ bIn, see figure 4. Since 1990 this was the first time that total ODA disbursements had fallen below ten (10) billion. According to expert observations recorded in Japan ODA Report (1997: 9-10) this decline was attributable to three factors, namely:

.Declining value of the yen which led to the erosion of the sum as expressed in US\$ terms. Infact the yen-dollar exchange rate was 94.07 yen to the dollar in 1995, but 108.02 yen to

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the dollar in 1996; .The year 1996 coincided with a downswing in the contributions by Japan to various international financial institutions (was on a yen basis 65 per cent lower annually);

.Japan recorded an increase of 33.7 per cent year on year in the repayment of funds which were extended earlier on as loan assistance (yen loans). This move actually led to a net decline of 22.2 per cent (in yen terms) in the amount of loan assistance disbursed over that very year,

Last but not least, such a huge decline was also generated by the in-built set backs within the dynamics of yen-dollar exchange rates and repayment of funds extended earlier on as

loan assistance. Such was the case because, in addition to the dollar based decline, though, the total also registered a setback of 24.6 per cent in yen terms also due primarily to the last two factors indicated above. As if to confirm this set back while in 1995 Japan ODA was in geographical terms distributed to fifty-five (55) countries, in 1996 this number had immensely declined to forty-seven (47).

With Japan still to recover from the 1996 set backs, 1997 remained equally challenging as the ODA disbursements hardly differed from hitherto commitments, registering far below the ten (10) US\$ billion experienced since 1991 when Japan was the first largest donor in the world till 1996 before ascending again to the first position in 1997 to date (2004), seconded by the United States, see figure 4. Over the 1997 period the Japan ODA was again extended to fifty-five (55) countries. Out of the total of 321.4bln US\$ fund from the DAC countries and international institutions flowing to the developing world Japan contributed 47.7 US\$ bIn comprising almost 14.8 per cent of the total flows, see figure 5. During this same period when the Asian currency and economic crisis struck in 1997, through the ODA facility Japan quickly announced its Severance Bailout Package for Asia and this was officially acknowledged in the 1999 Development Co-operation Review Series: Japan, where the DAC of the OECD acknowledged that Japan aid was a key element in helping to maintain stability and to move Asia from crisis to full recovery. In essence this type of assistance has greatly enhanced the confidence which the Asian countries have in Japan. In an analytical commentary on the significance of the Japan ODA in bailing out the Asiatic region from its 1997 financial crisis it was noted in the Japan ODA (2001: 12-13) that due to this aid, the Asian countries are now emerging from the crisis and looking for new ways to advance their economic development through closer regional cooperation. A closer examination of the philosophy of Japan ODA Charter really upholds the efforts on reinforcement of regional ties in its menu of priorities, one of which is the utilization of development aid to build regional networks, revitalize trade and investment, stabilize financial institutions, and support environmental initiatives. Because of these responses Japan is effecting through its aid programs, in the Asiatic region, it is therefore helping the region with public goods, principally in form of an economic infrastructure needed for stable and sustainable economic growth as well as sustainable environmental protection.

With respect to 1998 Japan ODA, a disbursement of 10.640 US\$ bIn was made (see figure 4), and Japan ranked nine (9) after Switzerland in the per capita ODA of DAC countries. Japan's per capita ODA of DAC was 84.1 US\$ ranking far above the ODAJDAC per capita average of 62.3 US\$. As for the grant totals of ODA provided by the DAC countries over the 1998/99 period Japan ranked second after the United States of America which gave an average of 9,654 US\$ mIn in comparison to 8,656 US\$ mIn that way placing itself far ahead of the other twenty (20) remaining DAC competitors where Greece, New Zealand and Luxembourg ranked least respectively. During the 1998 period Japan ODA was extended to forty-one countries across the globe, and this saw Japan contribute 21.5 per cent of the funds from DAC countries and international organizations to the developing countries, see figure 5. However the major recipients of the Japan Bilateral ODA in 1998 were, China which received 1,158 US\$ mIn; Indonesia received 828.5 US\$ mIn; Thailand which received 558.42 US\$ mIn; India received 504.95 US\$ mIn; Pakistan received 491.54 US\$ mIn; Viet Nam received 388.61 US\$ mIn; Philippines received 297.55 US\$ mIn; Sri Lanka received 197.85 US\$ mIn; Bangladesh received 189.05 US\$ mIn and finally Malaysia received 178.10 US\$ mIn. So in 1998 these top ten countries received a total of 4,793.70 US\$ mIn out of a Bilateral ODA total of 8,605.90 US\$ mIn. Again confirming the commitment of Japan to the economic revival of the Asiatic region was a huge percentage of the ODA to the tune of fifty-six (56) per cent given to the ten above mentioned nations, with the remaining forty-four (44) per cent being allocated to rest, that is thirty -one (31) countries out of a total of forty-one countries which were earmarked for the ODA in 1998. Over the same period (1998) the share of the Japan ODA to the GNP had gained much from its 1997 level of 0.22 per cent to 0.28 per cent where it was in 1995. This marked the rising strength of the yen against the dollar.

With the adoption of the Japan Medium- Term policy on ODA in 1999, the ODA disbursement for 1999 was the largest ever since the 80s amounting to 15,323 US\$ mIn with the United States coming second and France coming third, see figure 4. As its other nearest competitors Italy, United Kingdom and Canada were on the other extreme end

with their ODA programs hardly funded to the tune of 4,000 US\$ mIn each, and their diminishing contributions respectively. But in all out of the twenty-one (21) DAC countries for the 1999 period, Portugal, Ireland, Greece, Luxembourg and New Zealand ranked least respectively with their respective ODA/DAC contributions hardly in excess of 278 US\$ mIn. Confirming the rising trend and strength of the yen against the US dollar was the even higher level of the Japan ODA as a share of the Gross National Income (GNI) which registered 0.34 per cent far greater than the 1997 and 1998 which registered 0.22 and 0.28 per cent respectively. The 1999 ODA/GNI ratio matched that of 1984 signifying at most the stability of Japan among many other indices that could be cited. With respect to the percentage of ODA in the net flows from DAC countries and international organizations to developing countries it comprised 20.7 of the total 248 US\$ mIn contribution, see figure 5. Over the same period, iff the rank of per

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capita ODA of DAC countries Japan ranked seven (7), having gone up by two stages from the ninth (9th) rank of 1998. Japan's per capita ODA within the ranks of DAC countries was 120.9 US\$ as opposed to the 84.1 US\$ of 1998, Japan ODA Report (2001: 107), see figure 6. Ranking highest for the per capita ODA among the twenty two (22) DAC countries were Denmark (325.8 US\$); Norway (307.2 US\$); Luxembourg (276.7 US\$); Netherlands (198.2 US\$); Sweden (184.0 US\$); Switzerland (135.7 US\$) followed by Japan (120.9 US\$), etc. On another an opposite note, ranking lowest for the per capita ODA within the twenty two (22) DAC countries again for the 1999 and previous year were Spain (34.6 US\$); USA (33.5 US\$); Italy (31.6 US\$); Portugal (27.6 US\$) and Greece (18.4 US\$), see figure 6. As such the in built disparities in population levels and their levels of economic development as a proportion of their GDP/GNI best explains why countries with highest contributions to ODA /DAC circles do not equally rank the same when it comes to the per capita ODA of DAC countries. Over the 1999 period Japan ODA had a total of forty- five (45) recipients of which there were ten largest recipients, namely Indonesia which received 1,605.83 US\$ mIn; China received 1,225.97 US\$ mIn; Thailand received 880.26 US\$ mIn; Viet Nam received 679.98 US\$ mIn; India

received 634.02 US\$ mIn; Philippines received 412.98 US\$ mIn; Peru received 189.12 US\$ mIn; Pakistan received 169.74 US\$ mIn; Brazil received 149.36 US\$ mIn and finally Syria received 136.17 US\$ min. *Of* these top ten countries an average *of* 6,083.45 US\$ mIn out *of* a bilateral ODA total *of* 10,497.56 US\$, approximately fifty-five (55) per cent was allocated with the remaining forty -five being disbursed to the rest, that is the remaining thirty- five (35) out *of* a total *of* forty- five which got Japan ODA in the same year. *Of* the top ten countries, seventy per cent (70) are from Asia while twenty (20) per cent is from Latin America, while ten (10) per cent is from the Middle East, that way still underscoring the mission *of* the Japan ODA to assist the efforts on economic development across the developing world.

Last but not least, although in 2000 there was a decline in Japan ODA from the 15,323 US\$ mIn *of* 1999 to 13,508 US\$ mIn, Japan still ranked the largest donor in the world seconded by the United States with Germany coming as the third largest donor, see figure 4. The least amongst the competing donors were Canada and the United Kingdom with their ODA contributions hardly exceeding 1,750 US\$ mIn, see figure 4. But in all, on the list *of* the twenty-two (22) DAC countries in 2000 ranking least were Finland which contributed 371 mIn US\$; Portugal which contributed 261 US\$ mIn; Ireland contributed 239 US\$ mIn; Greece which contributed 216 US\$ mIn; Luxembourg tied with New Zealand contributing each 116 US\$ min. But then according to the ODNGNI ratios *of* the DAC member countries for the year 2000, Japan ranked twelfth (12th) out *of* a membership *of* twenty- two (22) countries.

Over this same period, the top ten (10) major recipients *of* Japan Bilateral ODA were, Indonesia which received 970.10 US\$ mIn; Viet Nam received 923.68 US\$ mIn; China received 769.19 US\$ mIn; Thailand received 635.25 US\$ mIn; India received 368.16 US\$ mIn; Philippines received 304.48 US\$ mIn; Pakistan received 280.36 US\$ mIn; Tanzania

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received 217.14 US\$ mIn; Bangladesh received 201.62 US\$ and Peru which received 191.68 US\$ mIn. **In** all these countries received a total of 4,861.64 US\$ mIn, that is close

to half of the Bilateral ODA total of 9,640.10 US\$ mln again reflecting a considerable tilt in favor of the Asiatic region which received eighty per cent (80), with Tanzania receiving close to 10 percent and Peru receiving the same percentage too of the total received by the major ten recipients of Japan's bilateral ODA. While the ratio of the ODA to the GNI declined from that of the previous year to 0.28 per cent, Japan still remained to be the largest donor with its net disbursements among major DAC countries registering 13, 508.14 US\$ mln. Certainly it is because of the adoption of the major positions of the Japan Medium Term Policy 200n ODA and the Final Report on the Second Consultative Committee<sup>21</sup> on ODA reform that have given a greater momentum to the Japan ODA program since 1999, as the reform was meant to enhance Japan's influence on the humanitarian, global interdependence, self help efforts of recipient countries and global environmental conservation programs. Equally the great positive development strides which Japan ODA has made in the Asiatic region in all its manifestations remain exemplary to the Southern Africa, that is the SADC and the rest of the developing Sub-Saharan Africa now making efforts to transform their economies and consolidate peace and prosperity in the new millennium.

<sup>20</sup> Formulated within the framework of the Japan ODA Charter, and adopted by the DAC/OECD in 1996, this policy comprises several critical elements (1) Basic approaches. Made up of the "OECD/DAC development partnership strategy" which identified specific development goals for the 21st century namely: reduction by half the population living in poverty by 2015, universal primary education in all countries by 2015, elimination of gender disparity in primary and secondary education by 2005, reduction by 2/3 infant mortality rates by 2015 and by 3/4 maternal mortality rates by 2015, access to reproductive health services by 2015, formulation of national strategies for sustainable development by 2005, reversal of deterioration in environmental resources by 2015. Cooperation between developed and developing countries and global partnership would be the guiding principle. Also to these approaches relates most amongst less Developed Countries (LLDCs), with per capita below 899US\$ (1999-UNDP), low average life expectancy, vulnerability of the economic structure, currently 48 countries 33 in Africa; eight in Asia; five in the Pacific and two elsewhere. (2) Priority issues and sectors. These comprise support for poverty alleviation programs and social development. This was concretised by the adoption of the 20/20 Initiative adopted by the UNDP at the WSSD 1995 where developing countries would commit 20 per cent of their national budget and developed countries 20 per cent of their ODA to such areas as social development (basic education and health services, drinking water, family planning); also the 1996 Lyon Summit "Initiative for a Caring World" proposed by Prime Minister Hashimoto examining social security policies, public sanitation, health insurance and pension systems; women in development, basic education health and medical care; support for economic and social infrastructure; human resources development and intellectual support; responding to global goals; support for overcoming the Asian currency and economic crisis and promotion of economic structural reform; conflict, disaster and development; responding to debt relief. (3) Priority issues and sectors



by region: South-South cooperation (4) Methods of AID, etc. This medium term policy is a great milestone in the consolidation of peace and role of Japan in the international community, defining the successes so far done, identifying the problems and indicating its level of preparedness to tackle meaningfully global problems and the national and regional challenges of individual developing nations.

I Adopted March 29, 2002 this final report had its main focus on how to reflect in ODA, the mind, intellect and vitality of the Japanese people in the developing countries, thus enhancing transparency of ODA and ensuring accountability to the Japanese people had to be reflected. This would be met on the basis of the three recommendations namely: (1) ODA totally utilizing the mind, intellect and vitality of the Japanese people. This incorporated three elements such as finding and fostering of development personnel, effective utilization of existing human resources and technology, collaboration with NGOs, securing transparency. (2) Prioritized and effective ODA with a strategy. This would equally incorporate establishment of a Board on Comprehensive ODA Strategy, prioritize country assistance programs, promotion of international collaboration.. (3) Drastic improvement of the ODA implementation system. This would include such elements as securing consistency, ceaseless review, speedy and flexible response. Essentially this Final Report was elevating the human centeredness of the Japan ODA in a manner that would see the Japanese making the best they could from ODA for their counterparts in the developing world.

## 2.2 The Japan ODA Compared to those of OECD Donor Nations

As indicated in Figures 7; 8a and 8b on the geographical distribution and position of Japan ODA among other major donors is very pronounced and self revealing of the transformative potential of Bilateral Aid. Among other major donors as the US, France, Germany, United Kingdom, Australia, Spain, Netherlands, etc, Japan emerged as the first major donor in Asia contributing 60.2 per cent aid to the region, seconded by the United States which contributed 10.4 per cent, followed by Germany with a minimum contribution of 4.2 per cent in 1999, see Figure 7. The uniqueness of Japan's ODA in regions where it stands as the major donor is that it by far surpasses the aid levels contributed by its competitors in regions where they are respectively considered as major donors, for instance with the United States considered the major donor in the Middle East, Latin America and Europe it has respectively contributed 33; 29.2 and 33.5 per cent far lower than the average contributions of Japan in Asia alone. But while the U.S has a lower aid concentration per region (see above cited tables and figures), it has comparatively on the average higher levels of aid per region compared with other major donors. Consequently while Japan has the highest concentration on Asia it has lower average aid levels in other regions comparatively, see Figure 7. While in the Oceania, France emerges as the major donor with 52.8 per cent, Japan only comes fourth after the

Australia (16.7 per cent), United States with a 13.4 per cent aid levels respectively, thus confirming lower aid levels for Japan in other regions beyond the Asia. In Africa again France emerges as the largest donor to the tune of 17 per cent followed by the US (15.2) with Japan coming third committing 11.9 and Germany (11.1) coming fourth with the rest of the donors contributing the remaining 44.8 per cent, see Figure 7.

The character of Japan ODA distribution per region still indicates the historical bias in favor of the Asiatic region giving the unequal bipolar aid phenomenon of the Japan ODA represented in the form of the highly aided Asia and the lowly aided Latin America-Oceania- Europe and SADC regions, see Figures 8a and 8b. This phenomenon places the challenge of policy formulation in the sovereignties which are lowly aided in a manner that would attract foreign direct investments (FDI) with political stability remaining as a constant.

In its material form, this widely distributed aid (indicated in Tables 7; 8a and 8b) in geographical terms took among other things the form of, support for development of economic and social infrastructure as well as development of human resources and intellectual support. For instance, over the 1993-1998 period Japan provided assistance for the construction of almost 16,000 school buildings, in Jordan Japan ODA was used to build 9 per cent of primary and secondary schools, in Nepal through aid elementary schools were built and this saw the enrollment expand to 75 per cent in 1994 from the previous 64 per cent of 1990. Global cases of polio which in 1988 registered 35,000 had enormously dropped to 3,200 cases in 1998 in which Japan had chosen the East Asia and Pacific region where it implemented assistance totaling 2.8 billion yen for provision of polio vaccines totaling 35 per

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cent of assistance given to this region. As a result of this effort, polio was totally eliminated in these regions.

On another note, 38 per cent of total electrification of China's railways was accounted for from the Japan ODA, with also 32 per cent of highway construction in Bangkok, 15 per cent of all telephone installations in the Philippines, port construction and expansion in

Colombo handling almost 89 per cent of cargo shipments in Sri Lanka. Japan was also cooperative in the construction of about 24 per cent of all power engineering facilities in Malaysia, 18 per cent in Indonesia, 15 per cent in Thailand, 44 per cent in Viet Nam, 18 per cent in Bangladesh and 20 per cent in Egypt. Also Japanese ODA accounted for 60 per cent of water supply facilities in the city of Jakarta and 56 per cent of the sewerage treatment facilities in the Republic of Korea.

The reflected Japan ODA levels distributed to various geographical destinations as indicated in the figures 8a and 8b in material form saw, since 1954 Japan accepting more than 160,000 trainees. In 1997 alone 7,263 persons from 152 countries and regions being admitted for training in Japan institutions. Of these, 6,214 were Asia, that is 50.6 per cent of the total; 2,381 were from Latin America comprising 19.4 percentage; 1,046 from Middle East (8.5 per cent); and 1,602 or 13 per cent from Africa, etc. However an analysis of the fields of specialization in the distribution were, 2,440 or 19.9 per cent was in human resources development; 2,340 or 19.9 per cent in planning and administration; 2,049 in public and public sector enterprises or 16.7 per cent; 1,971 or 16 per cent were in agriculture, forestry and fisheries; 1,398 or 11.4 per cent in health and medical services while 991 or 8.1 per cent was in mining.

Last but not least, was the Japan ODA third-country training program whereby trainees were accepted by other considerably developed developing countries under financial and technical assistance from Japan, in Thailand for trainees from Viet Nam and Laos. Under this program, in 1997 almost 1,838 trainees took part in the third-country training programs offered in twenty -three (23) countries namely, Thailand and Singapore in Asia, and Brazil, Chile, and Egypt, etc.

The above mentioned data is very critical in terms of addressing the issues of manpower shortages, bridging the technology gap between the developing countries and between the former and the developed countries. On another note they are an indication of the extent to which the issues of prioritization of development sectors critical for socio-economic transformation in developing countries are either well addressed on one hand or not consistently addressed on the other hand. Much more critical in this section is both the direct and indirect positive impact and development potential created by the various ODA inputs, which could be also equally critical for a faster development in Southern Africa

and the Sub-Saharan Africa if at all the currently existing institutions adopt bold positions on reversing the currently building up negative development trends in these geographical regions.

### 2.3 Strategic Classification of Japan ODA and Dynamics of its Geographical Distribution

Comprising the fund flows provided by the government and its executive agencies, with the objective to promote economic development and welfare in developing countries, having a concessionary character meant to avoid excessive burden on developing countries confirmed by the conveyance of a grant element of at least twenty-five (25) per cent, the Japan ODA consists of grant aid, technical cooperation, subscriptions and contributions to United Nations agencies and international financial institutions (all defined as grants), and government loans. Generally Japan ODA disbursements have had a stronger bias for loan aid against grant aid, but otherwise the relationship may be alternating from time to time. With respect to the targeted sectors in the Japan ODA the following and their respective components have been identified:

.Social infrastructure and services sector. The major components of this sector comprise, education, health, population and reproductive health, water supply and sanitation, public administration and civil society; other social infrastructure and services. Because of the critical role this sector performs for socio-economic development in most recipient countries, it has been accorded a considerably higher share (24.8 per cent) of the ODA coming second after the economic infrastructure and services getting 31.7 per cent of the total ODA in 2000.

.Economic infrastructure and services sector. Key components to this sector are transport and storage, communications, energy, banking and financial services, commerce and other services. Because of the pivotal and critical role that it plays in the process of economic transformation in most developing countries, this sector has generally received

the greatest volume of the Japan ODA to the tune of 31.7 per cent in 2000, Japan ODA Report (2001: 101).

.Production sector. The key components which Japan ODA has tended to concentrate on for disbursement of grant, technical cooperation and loan aid in this sector, are agriculture, forestry, and fisheries; industry, mining, and construction; trade and tourism comprising 8.4 per cent of the total ODA bilateral for 2000. Indeed while there is more investment gravity in the economic infrastructure and services sector (see previous paragraph) the level of ODA disbursements into the productive sector are still fairly good and low enough not to effect an impulsive and transformative dimension to the ailing economies in most of the recipient developing countries. Such is the case because in the developing countries there is need to transform their economies in a manner that will improve on the drive to increase value addition to most of their export commodities based on progressively developing manufacturing sectors. Resonating the above mentioned strategic approaches is the position echoed in the SADC Review (2002: 41) that, all SADC member states recognize the critical importance of growth of the

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manufacturing sector as a vehicle for successfully competing in the global market,..., industrialization remains an important instrument for economic transformation and sustainable development.

.Multi-sector assistance. Suggested by the title itself it essentially reinforces intra and inter -sectoral economic productive sector linkages that way leading to an effective and optimum use of resources. Main elements of this sector are the general environmental protection, women and development following closely on the production sector in terms of the volume of ODA disbursements directed in to these sectors, 6.0 and 8.4 per cent respectively.

Because of their centrality to socio-economic development in the recipient developing countries, the above mentioned four (4) sectors receive the greatest share of the Japan ODA to the tune of 70.9 per cent or 6,516.51 US\$ mIn out of a total of 9,927.07 US\$ mIn for the year 2000. Structurally loan aid part of the ODA dominated over the grant aid and

technical cooperation aid to the tune of 6,516.51 US\$ mIn; 1,133.33 US\$ mIn and 2,277.22 US\$ mIn (making a total of 3,410.55 US\$ mIn).

Other remaining auxiliary sectors which are given an equal weighting in the Japan ODA disbursements are:

.Commodity aid and general program assistance. With the loan aid dominating over the grant and technical cooperation aid Japan ODA disbursements under this program to developing countries have been in the food aid and structural adjustments assistance with the World Bank and IMF. Essentially this program of the Japan ODA has assisted most developing economies to sustain their balance of payments thus ensuring their eligibility for World Bank and International Monetary Fund (IMF) and further their capacity to generate more foreign currency necessary for state trade operations.

.Debt relief. In the year 2000, the ODA disbursement to this program was considerably high, making 10.3 per cent of the total disbursements. Practically this again confirms the humanitarian consideration of the Japan ODA that it would be comfortable to give aid while fully avoiding instances of severely over burdening the developing countries when paying back their debts to the donor country.

.Emergency assistance normally offered through international organizations or directly in times of disaster, especially floods and etc.

.Coming last but not least is the administrative and similar costs program, consisting of administrative costs of donors and the unspecified programs.

The most important dimensions of Japan ODA disbursements by sector destination reflects several strategies the most important being integral approach and the enhanced optimization of disbursements, reduction of the debt burden and institutional administrative support.

With respect to the first strategy on integral approach, this can be best understood on the basis of ODA disbursements to a combination of a series of sectors such as, social

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infrastructure and services; economic infrastructure and services; production sectors; multi sector and etc. Such a multi-sided approach to the challenge of development in the

recipient developing countries promotes a faster development and socio-economic stability assuming that the political circumstances prevailing would be favorable. The underlying philosophy to this integral approach would not capitalize on one of the above mentioned sectors as this would compromise the mission of ODA and even lead to further development disparities within and between the recipient countries. Consequently a multi sectoral approach / integral, as perceived in the ODA would gradually lead to a balanced development of the economies of the recipient countries within and between them in both the short and long term.

Relative the enhanced optimization of disbursements strategy, the Japan ODA gives more attention to the development of economic infrastructure and services sector which receives 31.7 per cent followed by the social infrastructure and services sector which receives 24.8 per cent which is followed by the production sector with 8.4 per cent; and multi sector assistance with 6.0 per cent, in all comprising 70.9 per cent. The character and level of investment per sector remains strategic since each is equally targeted on securing a consistent and balanced development of economies in the developing countries in various geographical regions where Japan ODA is distributed, see figures 8a and 8b. Equally this actually confirms in practice the foundations of ODA which derive from the economic theory of development of Japan dating back to the Meiji Restoration of 1868 and World War II experiences which placed its emphasis on development of economic and human infrastructure, industrialization and making priorities among the various sectors of the economy, Eiichi Imagawa (1996: 28).

With respect to the debt reduction essence of the Japan ODA for the developing countries, this essentially creates wider opportunities for the responsive governments in the developing countries to take advantage of the debt relief facilities to improve on their balance of payments commitments and their foreign currency reserves.

Last but not least is the institutional administrative support, which seeks to upgrade the competence of administrators and match their expertise with that of their counterparts in developed countries.

In the light of the above-outlined critical arguments on the Japan ODA and its relevance to the development challenges Africa and the SADC have been and are still confronting

in the contemporary, it is logical to note that Japan ODA policy retains its significance in the manner that:

.It seeks to inform development in the recipient developing countries on the basis of a historically based Japanese home grown economic theory deriving from the 1868 Meiji Restoration and the experiences of 1939-1945 World War II. Forming the ideological foundation of the Japan ODA, this theory emphasizes the importance of developing the economic and human infrastructure, forging a process of industrialization which is augmented by a prioritized selection of specific economic sectors by a clever government that designs and supports its own strategic development project without

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**being told what to do by another sovereignty. .It serves as a strategic supplement to the targeted development programs and plans in developing countries where recipient governments adopt a comprehensive pro active**

**position towards ODA;**

**.In circumstances where political stability and will manifests, Japan ODA can gradually**

**complement efforts on socio-economic transformation by the developing countries while in reverse circumstances its complementary dimension could be considerably compromised, etc.**



## Chapter 3: The New Millennium of Southern Africa and The Japan ODA: Balance and Recommendations

### 3.1 Criticism Leveled against Japan ODA

However notwithstanding the immense advantages and opportunities for economic revival and development the Japan ODA has for the recipient countries on one hand, it has on the other hand been criticized both in Japan and in recipient countries as an institution with inherently inbuilt setbacks, Imagawa (1996: 31).

The first criticism is that the preference that Japan ODA places on infrastructure building which mainly constitutes large scale projects, tends to benefit only big business communities of both the donor and recipient countries that way neglecting the welfare of ordinary people. While again it is true that building of an infrastructure may not be helpful to the ordinary people of the recipient country in the immediate term, it is also however true that by strengthening the infrastructure of the recipient country, the same recipient country can expect an earlier result for a faster economic development which in the long run could assist the ordinary people. Although the critics of the infrastructure approach did maintain that Japan ODA was meant to benefit Japan only due to the numerous regulations it places in order to force the recipient country to order Japanese made goods for the ODA projects, the Japanese government all the same continued to uphold the main ODA policy which gives special attention to development of economic and social infrastructure, arguing that Japanese cooperation in this area positively contributed, with the development of trade and private investment to the welfare of the local community.

Another criticism on the Japan ODA was that it tended to benefit the big business enterprises of Japan. However as a response to this intervention, the Japan government indicated that this issue was being addressed by way of the rapidly increasing the ratio of the untied 21 portion of the Japan ODA to the tied portion, which in 1994 was as high as 98.3 per cent.

Thirdly was the criticism on the fact that the building of large scale infrastructure was getting outdated, since from the 1980s due to shortage in financial resources a majority of

the developing countries visibly reduced their investments in large scale projects in favor of small scale projects like rural development and modernization of small scale industries.

The forth criticism raised against the Japan ODA was that its preference for large scale infrastructure development was gradually losing ground in the face of an increased concern for the conservation of the global environment as some of the Japan's ODA projects such as

21 Untied portion of the Japan ODA would be understood to mean that unrestricted part of the ODA loans which the recipient country could use to purchase goods and services not from the donor country but from any other country that can provide such services and goods at an even cheaper price, Japan ODA Annual Report (1989: 20).

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community, of which Japan is a critical member, to ensure that a government by the people of Iraq is inaugurated and to develop an environment in Iraq whereby the people of Iraq can endeavor, filled with hope, for the reconstruction of their country."

.Promotion of expanded citizen participation and understanding through building of partnerships between the public and private sectors, participation by citizens from all walks of life, private and public interaction;

.Its support for the Millennium Development Goals sealed in the document entitled "Development partnership Strategy -Shaping the 21st Century: the Contribution of Development Cooperation" meant to eradicate poverty in the 21st century, etc;

.Support for the 20/20 Initiative for Social Development, proposed by the United Nations Development Program (UNDP) with priority given to human development (basic education, health services, drinking water, family planning, etc) where developed countries had to pledge twenty (20) percent of the ODA with developing countries also pledging the same figure of their national budget,etc;

.support for the Environmental Conservation and the Kyoto Initiative in the light of the Conference of Parties to the United Nations Framework Convention on Climate Change held in Kyoto in December 1997, where assistance was pledged to Developing Countries

for Combating Global warming. ODA commitments to this project was seen expanding enormously in a bid to uphold the global human shared cause for Environmental Conservation, etc.

.the support it gives for disaster, conflict, and debt relief to developing countries which amounted to approximately 340 billion yen between 1978-1998,etc; 436mln yen in 1993 in assistance to the Palestinian people while in April 1999 , 200mln yen was given for aid to Kosovo;

.Its support for the Global Issues Initiative on Population and Aids which already by 1998 had reached approximately 3.7 bIn thus already exceeding the seven year goal established in 1994,etc

.Its support for the South -South Cooperation and Third Country training programs now being offered in more than twenty-three (23) countries;

.Its promotion of the humanitarian and cooperation principle, where acting together and advancing together as sincere partners remain the anchor, etc.

Comprising the weaknesses of the Japan ODA are the following: .That it does not fully adjust to or become an integral part of the annual national economic development plans of recipient nations as in most cases the latter are not in a position to fully censor the former in an evaluative exercise to justify the nature of further assistance;

.The neo-liberal influence over the Japan ODA disbursement at the level of the Development Assistance Committee (DAC) which is generally for liberalization on one hand tend to be at sharp variance with the historical approach through which most

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recipient countries are obliged to perceive ODA. This variance within DAC has been translated to mean that recipient countries are virtually denied this ODA facility when they are actually addressing historical imbalances, and Japan with its ODA facility would in such instance fold back lacking the autonomy to make an independent evaluation of the country in question emerging from a justified historical perspective. For instance when the Great Lakes Crisis broke up in 1998, the United Nations Security Council could not approve immediately a commitment of troops, until the SADC Allied Forces comprising Zimbabwe, Namibia and Angola (Chad in the early stage) under the SADC; AU and United Nations Protocols had to intervene to stabilize the situation, inspite again

being criticized by some UN member countries which could have contributed to the debate of immediate commitment of troops to the Great Lakes region, making the region a safe investment destination. Consequently even if Japan could have an intention to assist under the terms of the ODA Charter, it would not succeed because of the new restrictive terms that it gets subject to as a member of the Development Assistance Committee.

Other than the regional question there is the question of Zimbabwe land issue for which the European Union has leveled sanctions against the former, which is making on a historical perspective a real human right and democratic effort to deracialize land redistribution based on the principle of equity and equality across racial groups in Zimbabwe. As for the Japan ODA much as Japan may justify the Zimbabwe land reform in historical terms, by virtue of the common sanctions declared by the European Union (most of whose members are on DAC), Japan may find itself entangled in that wrangle and fail to give as much especially where it actually intended to give more, due to the forces of DAC-EU institutional constraints that go beyond its scope of influence.

.In the recipient countries judging from their position in global trade and debt it would appear that manufactured value added has to be promoted through promotion of production, but an evaluation of Japan ODA would indicate that disbursements to this sector come even fifth (5th) at 8.4 percent/ODA after Social infrastructure and services 24.8 percent; Economic infrastructure and services 31.7 percent; Administrative and similar costs 12.7 percent; Debt relief 10.3 percent, leaving the developing countries with little experience in strategic planning failing to optimally utilize the limited resources provided under ODA;

.Also lack of a scientific and technological development sector where there has to be a well monitored development partnership tie to national development plans as expressions of national scientific and technological priorities distinguishes itself as major but otherwise reconcilable setback of this noble document, etc.

Highlighted strengths and weaknesses of the Japan ODA could be successfully reconciled in due course through Medium Term Development programs to be subsequently adopted as efforts are made to make the noble facility more relevant for the intended

beneficiaries.

.10.3 percent, leaving the developing countries with little experience in strategic planning failing to optimally utilize the limited resources provided under ODA;

.Also lack of a scientific and technological development sector where there has to be a well monitored development partnership tie to national development plans as expressions of national scientific and technological priorities distinguishes itself as major but otherwise reconcilable setback of this noble document, etc.

Highlighted strengths and weaknesses of the Japan ODA could be successfully reconciled in due course through Medium Term Development programs to be subsequently adopted as efforts are made to make the noble facility more relevant for the intended beneficiaries.

### 3.3 Recommendations

With the humanitarian developmental essence of the Japan ODA thus considerably investigated, there still remains the challenge of recommending the best strategies that could be adopted to facilitate economic development and promote the welfare of developing countries in particular Southern Africa and the sub-Saharan Africa.

The pre-requisites to this noble mission would be: .not to overstress the neo-liberal dimension in any approach as this tends to advocate liberalization that is much in conflict with the historical approach which is very critical for most of the countries in Sub-Saharan Africa and Southern Africa in particular now in the process of reclaiming their legacy under the unfavorable pressures of globalization;

.consider the development specifics and priorities of each member state, as generally all could be developing countries but with differing challenges at the same time; for instance the Great Lakes region is in crisis but Zambia, Botswana etc, are experiencing considerable peace conducive for an optimum investment of Japan ODA; on another note Zimbabwe is engaging in a new land reform program aimed at de-racializing land distribution, and so it would need to be accorded a different approach relative the nature of its priority national project as opposed to others, etc.

Emerging from the abovementioned principles, it would be essential to make a four way recommendation package encompassing the Japan side; sub-Saharan Africa position; SADC position and finally SADC member states point of view as their complementary nature will facilitate achievement of the Japan ODA intended goals with very minimum setbacks.

### 3.3.1 Japan perspective

.The TICAD Process. Began in the early 1990s with nCAD I held 1993 followed by

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TICAD II in 1998 and TICAD III in 2003, Japan has practically refocused the attention of the international community on Africa as it is driven by the philosophy of the Japanese government that if the problems of Africa are to remain unsolved, the whole international community would then not prosper. The main pillars of the nCAD 11130 as articulated by Prime Minister Junichiro Koizumi in a Keynote Plenary Speech were, human centred development; poverty reduction through economic growth and consolidation of peace, Shin'ichi Okada (2003: 23).

.Extension to 2008 of Japan aDA, that is grant aid, totaling 1US\$bIn for areas such as health and medical care, education, water and food assistance and establishment of Japanese overseas investment loans totaling 300 US\$ mln and cancel yen loan debts totaling 3 US\$ bIn according to Prime Minister Koizumi Junichiro's pledge at the TICAD III in 2003 December;

.Promotion of South-South or Asia-Africa Cooperation with TICAD process functioning as the framework for promotion of that cooperation;

.Articulation of the New Partnership for Africa's Development (NEPAD) on the basis of nCADIII since its three pillars correspond with the priority objectives of NEPAD as the millennium concept for economic development in Africa;

.Promotion of agricultural technology<sup>31</sup> as a way of speeding up economic growth considering the fact that seventy (70) percent of the population in Africa is involved in agriculture, Katsumi Hirano (2003: 24);

Indeed the TICAD process which builds into the letter of the African Union especially NEPAD and rationalization of the Asia-Africa Cooperation make a solid foundation for optimization of the Japan ODA in the process of economic transformation in Southern Africa and the sub-Saharan Africa in the new millennium.

### 3.3.2. Sub- Saharan Africa perspective

This was best articulated by the Honorable President Robert Gabriel Mugabe of Zimbabwe in his Address to the 12th Summit of the G1S<sup>32</sup> held in Venezuela Caracas

30 With Mrica plagued by poverty, conflict, refugees, inspite the abundance of human and natural resources, TICAD m marking ten (10) years of the TICAD process, was meant to consider these challenges in the new millennium. The TICAD m Conference was attended by delegates from 89 different countries, including many from Africa, with 29 Heads of State and Government, 47 representatives of regional and international organizations, with in all over 1000 participants, Asia. Pacific Perspectives. Japan+ Exploring Japan. December. Vol 1. November 8. p.23.

31 A critical part to this development according to Katsumi Hirano (2003: 14), the promotion of the New Rice for Mrica (NERICA) hybridization project between Asian rice (*Oryza sativa*) and African rice (*Oryza giaberima*) with an ideal combination of the characteristics of both parents, a high and stable yield (as high as 2.St/ha at low input and St/ha with a minimum increase in fertilizer use), early maturity (90-100) days, drought tolerant, resistance to diseases, responsiveness to mineral fertilization, high protein content, and a taste and aroma favored by the local people, Japanese Commitment for the Green Revolution in Sub Saharan Africa. Research Paper.pp18.

31 G1S officially known as a High level Grouping for South-South consulting and cooperation is an Initiative that arose from the Non-Aligned Movement summit held in Belgravia Yugoslavia in 1989. The main mandate of this Initiative is to promote South-South cooperation and North South dialogue in trade, investment and technology transfer, fight against

February 26, 2004, on behalf of the African countries when he indicated that: "the international situation had changed for the worst in political and economic terms with Third World Countries standing threatened by the arrogant and bullying leaders of the North,..., the amity that the Third World countries were told would follow the destruction

of communism had proved to be a mirage and had created a new and dangerous situation in which

civilizations confront and seek to annihilate each other with disastrous consequences for mankind,...,we see unjust wars such as those of Iraq and Yugoslavia waged against innocent societies made culpable through blatant lies and propaganda chanted on the CNN, BBC and other media to sharpen the insatiable appetites of greedy neo-imperialists for aggression and aggrandizement, we see societies being destroyed and occupied merely because God gave them rich resources coveted by the powerful nations of the North,..., this is the tragedy of Iraq,..., this is the curse of Simon Bilovars Venezuela,...,this is the basis and cause of the current aggressive British imperialism against my own country Zimbabwe,.., we are surely back to the colonial times of unmitigated plunder,..., this is the environment within which we (Third World) exist, indeed as members of the GIS , the debt burden continued to cripple

Third World countries, with diminishing earnings from the marginalized economies going to the North, and not to the starving and ignorant children of the South,..., Across countries of the

South, poverty balloons, begripes and devours the poor as our nations battle for credit worthiness,..., more policies, wrought through the World Trade Organization, are mortgaging our economies and our societies to the rich North", Herald-Zimbabwe News Online, February 28,2004. This crucial observation on development trends in the developing countries makes a solid indicator as to the form and content regarding the best policy approaches of the Japan ODA to sub-Saharan Africa, aimed at reversing the currently building up negative trends generated by the developed members of the North who have to be reminded about the virtues of promoting cooperation, rationalizing investments and allowing them to mature through respect of the sovereign rights, the freedom and equality of sub-Saharan Africa states, by way of keeping to the letter of the United Nations Conventions and the African Union.

.Promotion of the Peace and Security efforts by Sub-Saharan Africa such as the AU protocol on the African Union Peace and Security Council emerging from the fundamental position of the United Nations and African Union Charter/s as a way of dealing effectively with the devastating conflicts that could otherwise make it difficult



for the adoption and implementation of the Japan ODA; .Supportive of an institutional change of the current United Nations Security Council which has lately become unilateral in its operations, biased against the developing countries and not upholding its international mandate to maintain peace and security without favor, a condition that would work much to the advantage of promoting the aim

poverty, unemployment, the environment and global economic politics. Members of the GIS are: Algeria, Argentina, Brazil, Columbia, Chile, Egypt, Jamaica, Kenya, Malaysia, Mexico, Nigeria, India, Indonesia, Iran, Peru, Senegal, Sri Lanka, Venezuela and Zimbabwe, The Herald Online- Zimbabwe News Online, February 26,2004.

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of Japan ODA in poverty eradication and ensuring sustainable development in Africa; More time and resources would be directed towards the eradication of poverty with the target of the Millennium Development Goals destined to accomplished considerably by 2015;

.Promotion of the South -South cooperation between newly emerging democracies and sub -Saharan Africa as this will promote the volume of benefits deriving from the Japan ODA disbursed to particular African nation states;

.Promotion of the New Partnership for Economic Development in Africa (NEPAD) through the letter of the African Union and United Nations Charter/s, in full cooperation with the African member state.

.On an economic note in the light of the above highlighted positions Japan ODA disbursements to the sub-Saharan Africa would have to comprise an average of 0.7 percent of the budgeted figure for economic growth and population by each sub -Saharan Africa member state over the projected 2004-2015 period in order to reverse the gradually mounting negative trends; an annual average of 1.0 percent (double from the projected 0.5 percent) of the budgeted figure for industrial growth, 1.5 percent of the budgeted figure for agricultural development, 2.5 percent of the budgeted figure for the manufacturing sector, 1.0 percent of the budgeted figure for services sector by each sub-Saharan Africa state has to constitute the average Japan ODA pledge in order to

meaningfully reverse the emerging unfavorable trend on the continent over the projected 2004-2015 period, see Table 9a. Equally to promote trade and address the deficit successfully, the negative trend has to be reconciled by way of disbursing an annual average of 1.2 percent of the budgeted figure for trade and 4.0 percent of the budgeted figure for debt repayments as the investments made in other sectors are bound to have generated profits which when ploughed back into the economy would promote self sustenance of the individual nation states in the short, medium and long run.

### 3.3.3 SADC perspective

.To be promotive of the SADC Charter through the constant support for respect to the United Nations and African Union Charter/s in justification of prejudices made against the members of the community by other developed countries with greater unilateral inclinations as the United States and Great Britain of late, etc.

.Placing support for the practical implementation of the SADC peace and security protocol and therefore the SADC Peace and Security Council as a way of effectively dealing with explosive regional conflicts having a potential to reverse and derail Japan ODA flows to the region and the gains this facility may have created hitherto or in the contemporary for the region;

.Refer to question 3.2 as recommended under projections;

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.An organic investment of the Japan ODA funds on the understanding of an accurate interpretation of the existing system of protocols, through the four major directorates<sup>33</sup>, see Figure 13. The advantages at this juncture will be the flowing mutually shared benefits between the region and the member states, resulting in faster economic growth and welfare improvement of the population in Southern Africa, etc.

### 3.3.4. SADC member-state's perspective

.For Japan to fully support the efforts by each member state to uphold its sovereignty, freedom of choice and equality as enshrined in their respective national constitutions, emerging from the point of view of the African Union and United Nations Charter, as this will sooner lead to consolidation of peace necessary for the productive investment of the Japan ODA in individual member states;

.Refer to question 3.3 as recommended under projections for the three Projected Case Scenarios and prospects for Japan ODA in Southern Africa in the new millennium;

.Promotion of Japan ODA investments within the framework of Comprehensive National Economic Development Plans in which priority sectors are identified, with alternatives established in the general regional development context, see Figure14. This would ensure an organic, rational and effective use of ODA as it will eliminate the hazards of ad hoc investments by both public and private sectors and thus enable a systematic process of economic development in which proper implementation, monitoring, evaluation is executed with justified alternatives sought in a bid to facilitate economic development.

33 Initiated after the restructuring of the SADC institutions, which necessitated the definition of a Common Agenda, key priorities, goals and a regional development plan, the four directorates are namely: A) Trade, industry, finance and investment under which industry and trade; finance and investment sectors come. B) Food, agriculture and natural resources under which crop production, food, agriculture and natural resources, agricultural research and training, livestock production and animal disease control, inland fisheries, marine fisheries and resources, forestry, wildlife, environment and land management sectors come. C) Infrastructure and services under which transport, communications and meteorology, energy, tourism and water come. D) Social and human development and special programs under which legal affairs, human resources development, employment and labor, culture, information and sport, health come. Within this structure, the SADC was expected to be more effective, efficient and regain the capacity to respond positively to both regional and global challenges, SADC Review 2002. p.16-17.

## Conclusion

In this theoretical investigation, several operations which can be further confirmed by empirical evidence regarding the significance of Japan Official Development Assistance (ODA) for progressive transformation in Southern Africa projected to 2015 have established that:

.The philosophy and basic principles of Japan ODA Charter with their emphasis on the humanitarian cause and cooperation, development in equal partnership resonate considerably with the guiding principles of not only the SADC Charter but that of the African Union as well within the framework of the United Nations Conventions governing development cooperation of the developed and developing world;

.While the Japan ODA reflects a combination of strengths and weaknesses, it has scored reputable track record in promoting economic development and the welfare of the deprived populations especially in the Asiatic region where it has a historical obligation to make comparatively huge investments for the promotion of economic development and peace in general;

.While Japan ODA to Africa and hence Southern Africa is considerably low, the adoption of the TICAD Process since 1993 by the Government of Japan presupposes a very prosperous future for sub-Saharan Africa especially considering that the African Union has adopted NEPAD as its official economic development policy framework for the new millennium;

.Reformative role of Japan ODA in Southern Africa is inconceivable without being contextualized in the sub-Saharan Africa development milieu;

.Optimization of the investment of Japan ODA is essential through a context of identification and analysis of a developed, moderate and least Case Control Scenarios emerging from a principle of asymmetry;

.Promotion of the efforts of SADC member states on consolidating their sovereignty, freedom of choice, and equality in a fast changing global world (where unilateral tendencies are gradually becoming a norm in some quarters) emerging from an understanding of their historical mission, upholding of the United Nations; African Union

and SADC Charter/s will go a considerably long way in consolidating the Japan ODA not only in the SADC region but in Sub-Saharan Africa and the rest of the developing world. Finally, the potential success of the Japan ODA in sub-Saharan Africa and in Southern Africa up to 2015 and even beyond is largely dependant on the extent to which the Government of Japan rallies behind the cause of the former on the international, regional and national scene in efforts to deepen cooperation and consolidate everlasting peace.

## **The Author**

Dr Godfrey Chikowore, a budding scholar is currently the Head of Department for international Relations and Social Development Studies at the Institute of Development Studies, University of Zimbabwe, where he is coordinating four programs namely: regional co-operation; democracy, governance and globalization; nationalist politics and democracy; health and HIV/AIDS; demography and population studies; gender and development. Having obtained his BSc and MSc Honors with marked competency at the Tavricheski University- Simferopol

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Dr Chikowore's research interest include regional cooperation, problems of socio-economic development, development aid policy, with specific reference to Southern Africa the SADC and Developing Countries in general within the global context.

This monograph is a result of his research which was independently undertaken at the Institute of Developing Economies [IDE- JETRO], Chiba, Japan from 01.10.03 - 30.03.04, in IS capacity as a Visiting Research Fellow whose fellowship was awarded by IDE, the host institution.

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# TABLES + FIGURES+ DIAGRAMS

## 1. Table 1+ Figure 1. Japan ODA Geographical distribution 1980-1989.

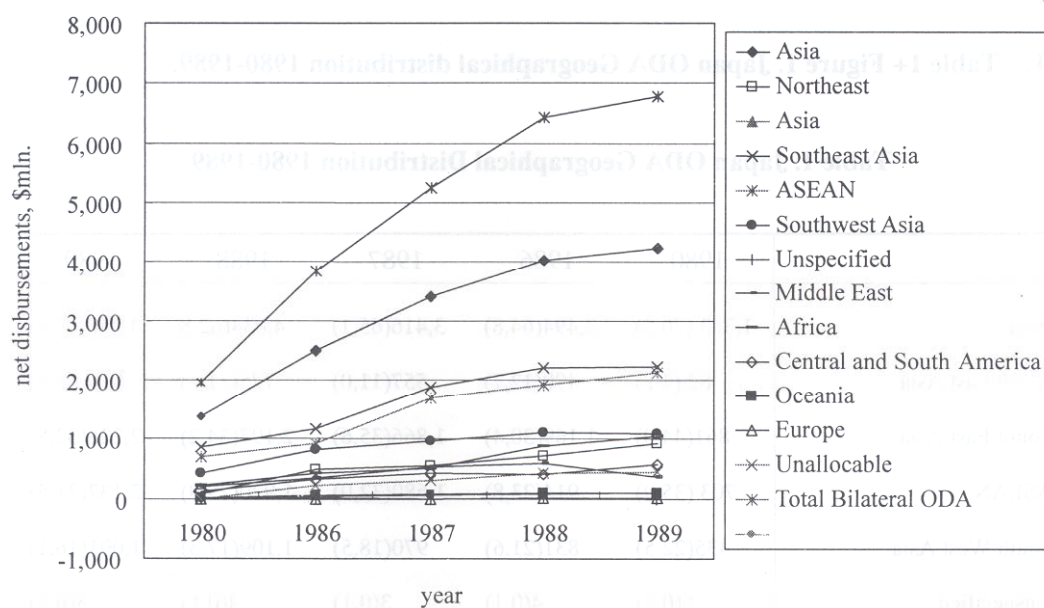
**Table 1. Japan ODA Geographical Distribution 1980-1989**

	1980	1986	1987	1988	1989
Asia	1,383 (70.5)	2,494(64,8)	3,416(65,1)	4,034(62.8)	4,240(62.5)
North East Asia	82 (4.2)	490(12,7)	557(11,0)	725(11.5)	919(13.6)
South East Asia	861(44.0)	1,169(30,4)	1,866(35,6)	2,197(34.2)	2,226(32.8)
ASEAN	703 (35.9)	914(23,8)	1,680(32,0)	1,920(29.9)	2,132(31.5)
South West Asia	435(22.5)	831(21,6)	970(18,5)	1,109(17.3)	1,091(16.1)
Unspecified	5(0,3)	4(0,1)	3(0,1)	4(0.1)	3(0,0)
Middle East	204(10,4)	340(8,8)	526(10,0)	583(9,1)	368(5.4)
Africa	223(11.4)	418(10,9)	516(9,8)	884(13.4)	1,040(15,3)
Central and South America	118(6,0)	317(8,2)	418(8,0)	399(6,2)	563(8.3)
Oceania	12(0,6)	55(1,4)	68(1,3)	93(1,4)	98(1.4)
Europe	-1,5(-)	2(0,4)	2(0,0)	4(0.1)	11(0,2)
Unallocable	1(1,2)	221(5,7)	302(5,8)	425(6,6)	458(6.8)
Total Bilateral ODA	1,961(100,0)	3,846(100,0)	5,248(100,0)	6,422(100.0)	6,779(100,0)

Note: Figures shown in parenthesis/brackets represent the share in the totals.

Source: Japan's ODA 1990 Annual Report, p42.

Figure 1: Japan ODA Geographical Distribution 1980-1989



Oceania	12(0,0)	22(1,4)	38(1,3)	43(1,4)	48(1,4)
Europe	-1,5(-)	2(0,4)	2(0,0)	4(0,1)	11(0,2)
Unallocable	1(1,2)	221(5,7)	302(5,8)	425(6,6)	458(6,8)
Total Bilateral ODA	1,961(100,0)	3,846(100,0)	5,248(100,0)	6,422(100,0)	6,779(100,0)

Note: Figures shown in parenthesis/brackets represent the share in the totals.

Source: Japan's ODA 1990 Annual Report, p42.

basis, mln US\$, %).

**Table 2a: Ten Major Recipients of Japan Bilateral ODA 1985-1989**  
(net disbursements basis US\$mln + percentage (%))

Rank	1985			1986			1987		
	country	amount	share	country	amount	share	country	amount	share
1	China	387.89	15.17	China	496.95	12.92	Indonesia	707.31	13.48
2	Thailand	364.1	10.33	Philippines	437.95	11.39	China	553.12	10.54
3	Philippines	240	9.39	Thailand	260.41	6.77	Philippines	379.38	7.23
4	Indonesia	161.33	6.31	Bangladesh	247.48	6.46	Bangladesh	334.2	6.37
5	Burma	154.04	6.02	Burma	244.14	6.35	India	303.94	5.79
6	Malaysia	125.59	4.91	India	223.21	5.64	Thailand	302.44	5.76
7	Bangladesh	121.47	4.75	Indonesia	160.83	4.18	Malaysia	276.39	5.27
8	Pakistan	93.31	3.65	Pakistan	151.56	3.94	Burma	172	3.28
9	Sri Lanka	83.74	3.28	Sri Lanka	126.91	3.3	Turkey	162.3	2.41
10	Egypt	73.01	2.86	Egypt	125.7	3.27	Pakistan	126.69	2.41
total		1704.49	66.66		2479.63	64.47		3317.87	63.23
World Total		2556.92	100		3846.21	100		5247.63	100

Sources: 1. Japan's Official Development Report, 1988, p45-46.

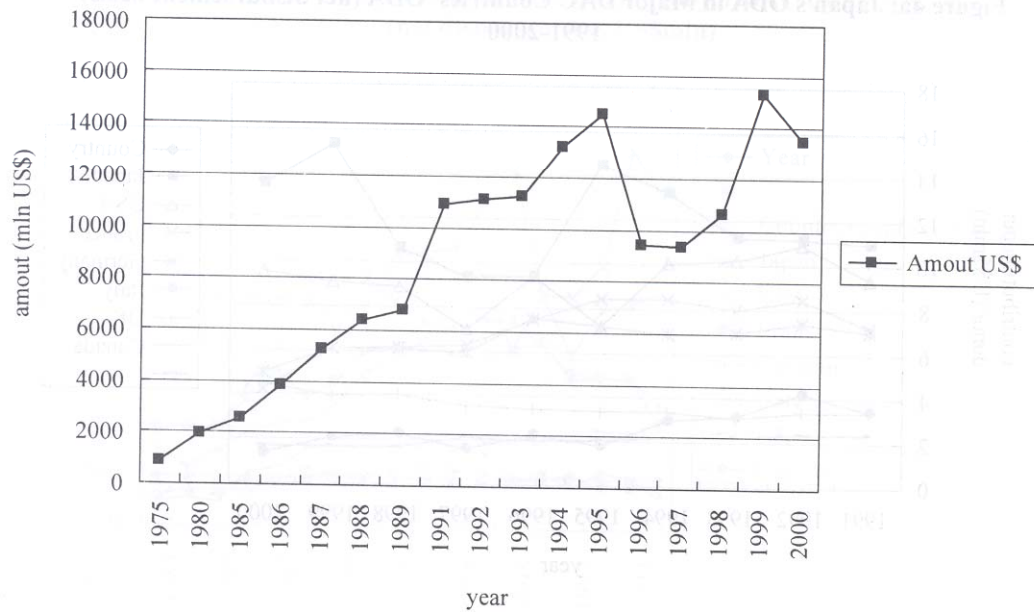
**Table 2b continued: Ten Major Recipients of Japan Bilateral ODA 1985-1989**  
(net disbursements basis US\$mln+ percentage (%))

Rank	1988			1989			1985-1989		
	country	amount	share	country	amount	share	country	amount	share
1	Indonesia	984.91	15.34	Indonesia	1145.26	16.9	Indonesia	3159.64	12.71
2	China	673.7	10.49	China	832.18	12.28	China	2943.84	11.85
3	Philippines	534.72	8.32	Thailand	488.85	7.21	Philippines	1995.81	8.05
4	Thailand	360.62	5.62	Philippines	403.75	5.96	Thailand	1676.42	6.75
5	Bangladesh	341.96	5.32	Bangladesh	370.6	5.47	Bangladesh	1416.71	5.7
6	Pakistan	302.17	4.71	India	257.23	3.79	India	967.32	3.79
7	Burma	259.55	4.04	Sri Lanka	185.25	2.73	Pakistan	851.19	3.43
8	Sri Lanka	199.83	3.11	Pakistan	177.46	2.62	Burma	829.7	3.34
9	India	179.46	2.79	Nigeria	165.86	2.45	Sri Lanka	595.73	2.4
10	Egypt	172.9	2.69	Kenya	147.81	2.18	Malaysia	401.98	1.62
Total		4009.82	62.44		4174.25	61.58		14838.39	59.71
World Total		9421.87	100		6778.5	100		24851.13	100

Source: 1. See Table 2a.

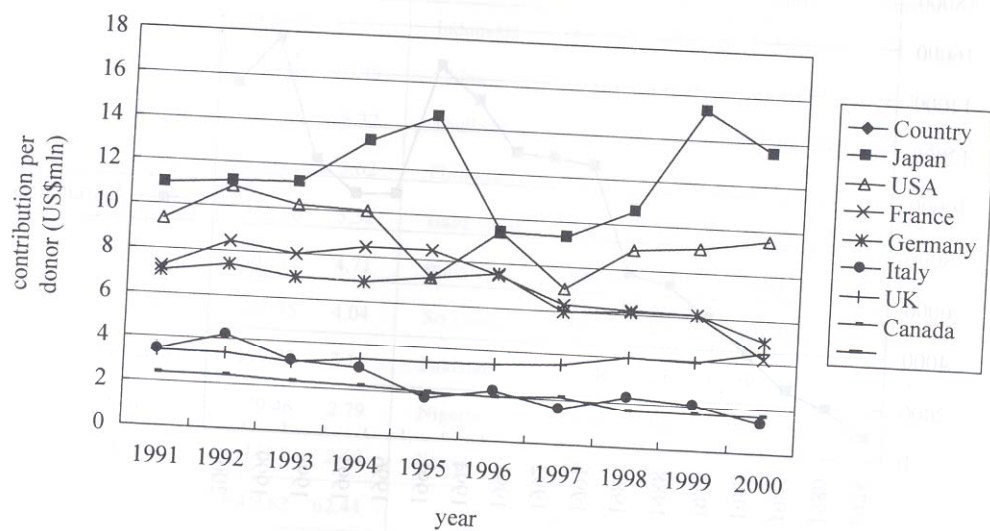
3. Table \*+ Figure 3. Trends of Japan ODA disbursements 1975-2000 ( US\$mln).

Figure 3: Trends of Japan ODA Disbursments 1975-2000 (mln US\$)



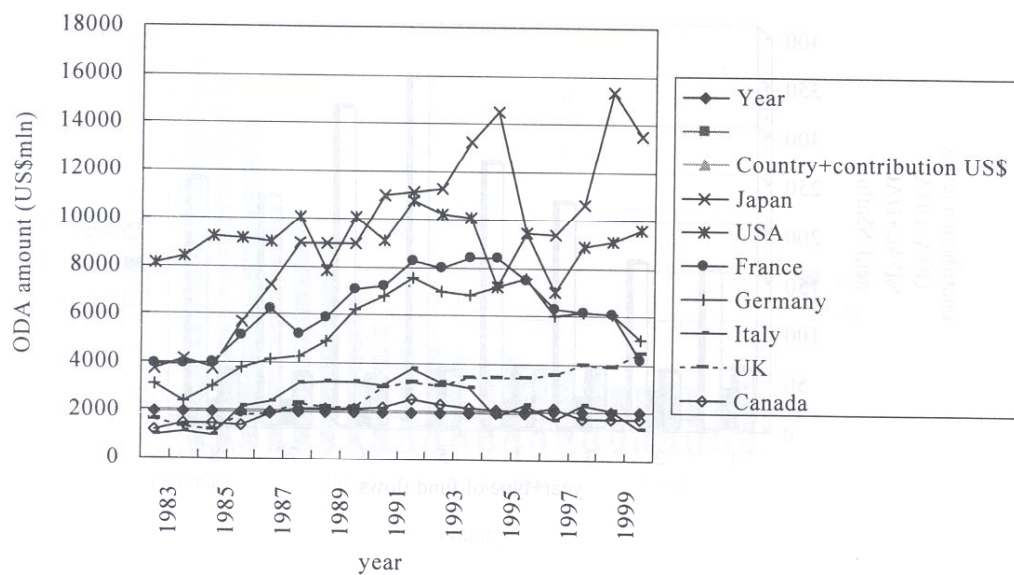
4. Table \*+ Figures 4a. Japan's ODA in Major DAC countries' ODA (net disbursement basis) 1991-2000.

Figure 4a: Japan's ODA in Major DAC Countries' ODA (net disbursement basis) 1991-2000



5. Table\*+ Figure 4b.Trends of Japan ODA among major DAC countries 1983-2000  
(net disbursements, US\$mIn).

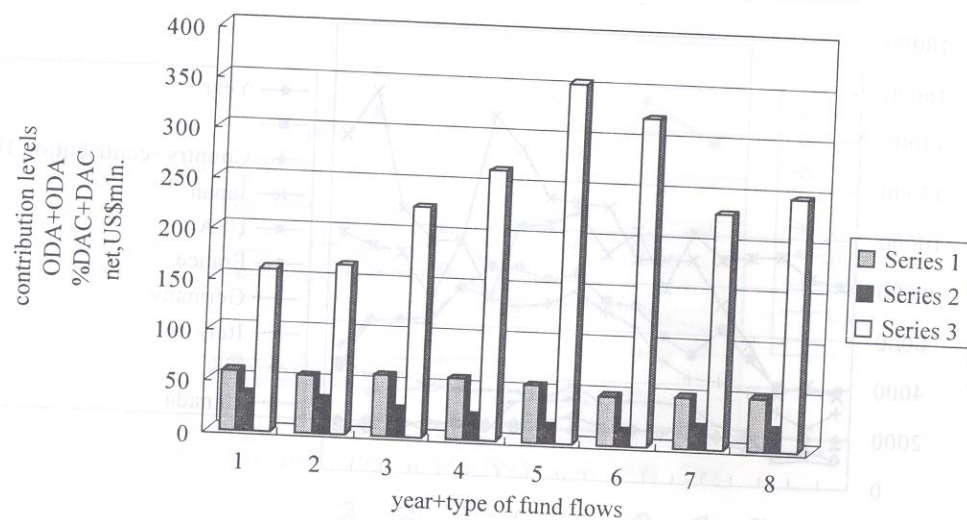
Figure 4b: Trends of Japan ODA among Major DAC Countries  
(net disbursements US\$mIn)





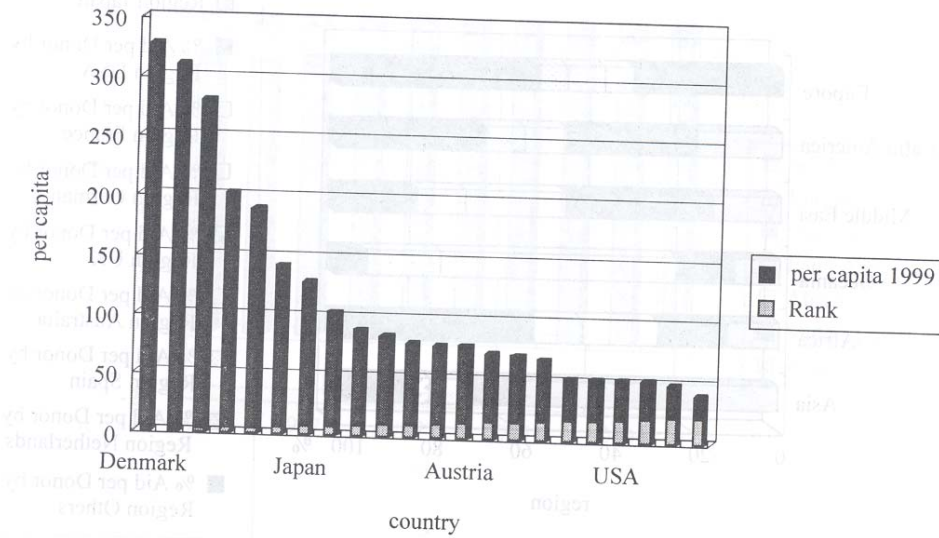
6. Table \*+ Figure 5. Proportion of Japan ODA in the total flows of funds from the DAC countries and international organizations (US\$mIn).

Figure 5: Proportion of Japan in the Total Flows of Funds from DAC Countries and International Organisations, US\$mIn.



7. Table \*+ Figure 6. Place of Japan ODA in the per capita ODA of DAC countries 1999 (US\$/person).

Figure 6: Place of Japan ODA in the per capita ODA of DAC Countries 1999 (US\$)

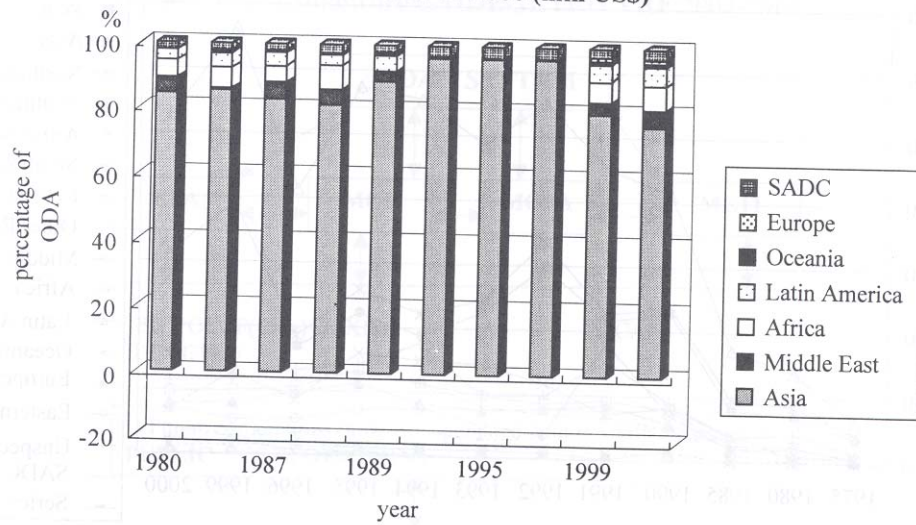


1999



9. Table \*+Figure 8a. Geographical distribution of Japan ODA by region 1975-2000, US\$mln.

Figure 8a: Geographical Distribution of Japan Bi-lateral Official Development Assistance 1980-2000 (mln US\$)



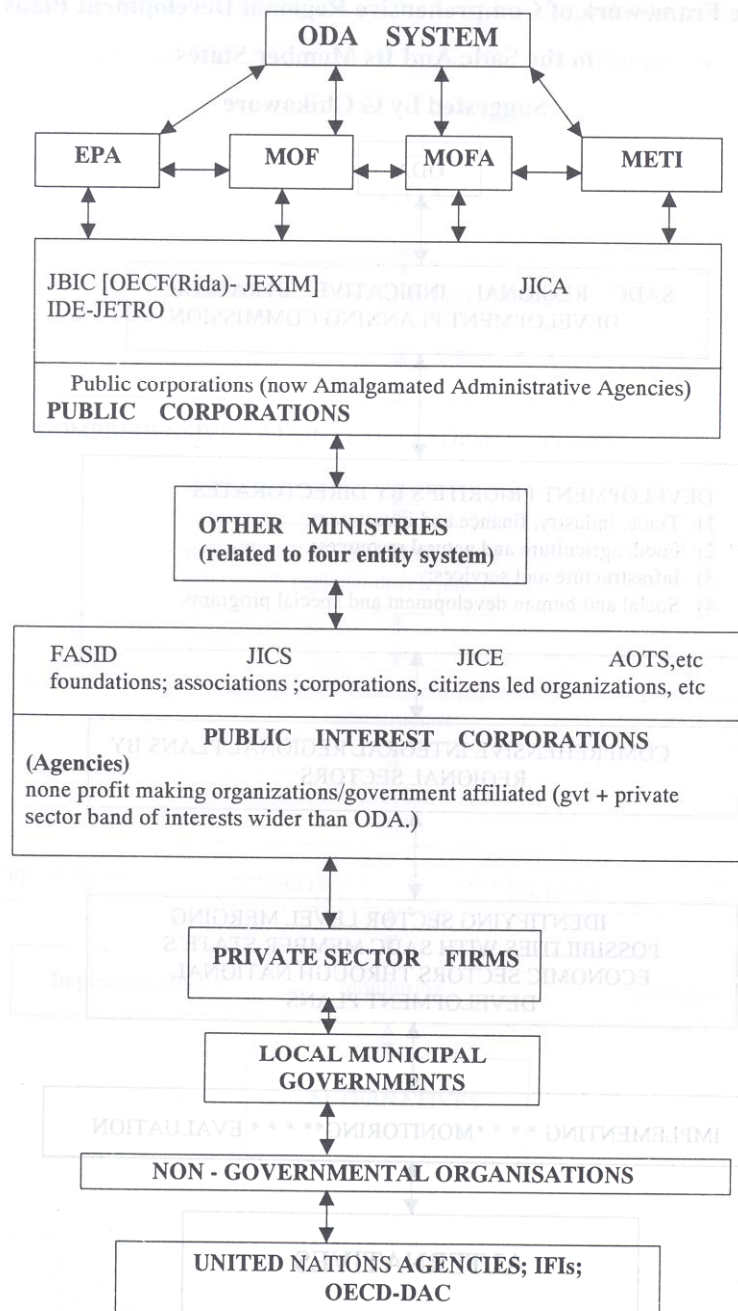
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11. **Diagram 1. Organogram / Institutional set-up of Japan ODA system.** (suggested by Chikowore G [IDE –JETRO (2003-2004)].

**Diagram 1. Organogram / Institutional Set Up of Japan ODA System**

**Suggested by Chikowore G (IDE-JETRO VRF 2003-2004)**

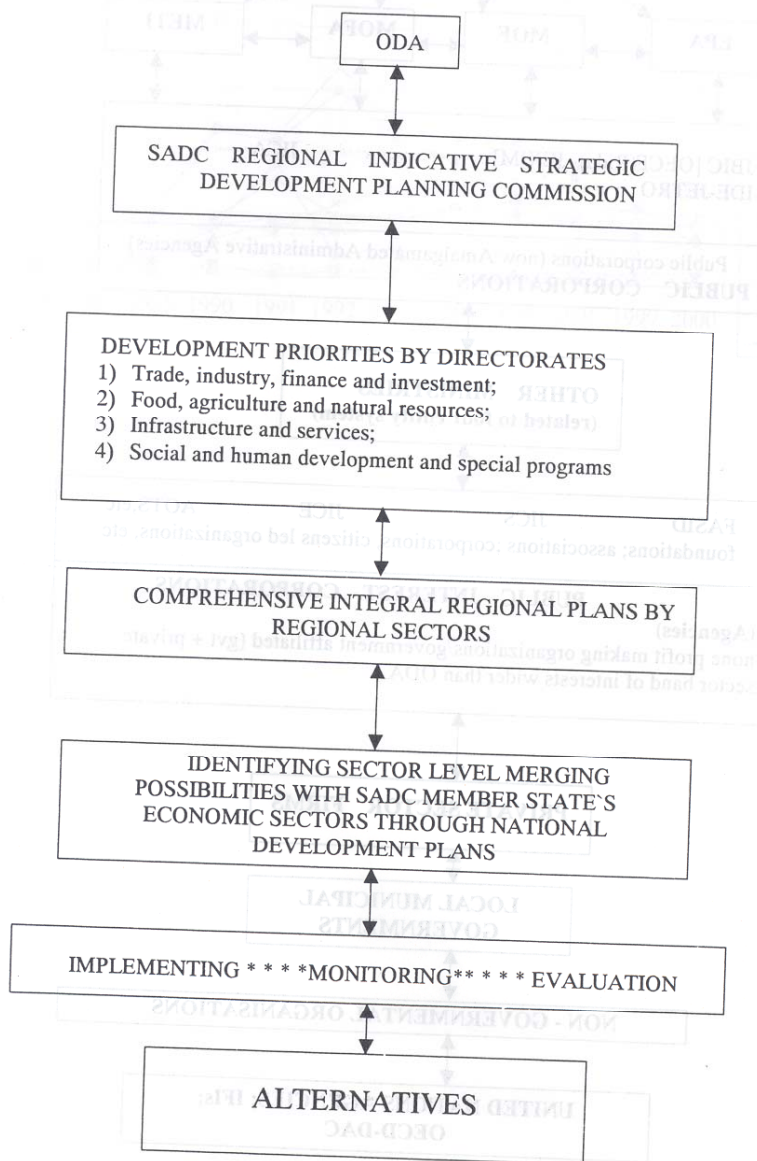




12. Diagram 2 (Fig 13). Organogram on optimization of Official Development Assistance within the framework of a Comprehensive Regional Economic Development Plan in the SADC and its member states in the new millennium.

Figure 13. Organogram on the Optimisation Japan ODA within the Framework of Comprehensive Regional Development Plans in the SADC And Its Member States

Suggested by G Chikowore







13. Diagram 3 (Fig 14). Organogram on optimization of Official Development Assistance within the Comprehensive National Economic Development Plans of Developed, Medium and Least Developed SADC member states in the new millennium.

Figure 14. Organogram on Integral Optimisation of Japan ODA through Comprehensive National Development Plans of Developed, Medium and Least Developed SADC Member States in the New Millennium

Suggested by G Chikowore

