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Japanese Development Cooperation

The making of an aid architecture
pivoting to Asia

Edited by
André Asplund and Marie Söderberg



ROUTLEDGE


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Japanese Development Cooperation

The world order as we know it is currently undergoing profound changes, and in its wake, so is foreign aid. Donors of foreign aid, development assistance or development cooperation around the world are already facing new challenges in the changing development architecture. This is an architecture that globally seems to become increasingly forgiving of foreign aid as a win-win concept that also meets the donors' own national interests – something that has been an unofficial Japanese trademark for many years.

This book examines Japan's development assistance as it transitions away from Official Development Assistance and towards Development Cooperation. In this transition, the strong and reciprocal relationships between Japanese development policy and comprehensive security, diplomacy, foreign, domestic and economic policies are likely to become even more consolidated and integrated. The utilization of, and changes within, Japanese development policy therefore affects not only recipients of foreign aid but also the relationships Japan enjoys with its allies and strategic partners, as well as the relations to competing donors and rivals in the region and around the world. Japanese foreign aid as such provides an extremely interesting case from where regional and even global changes may be understood. Written by a multidisciplinary team of contributors from the fields of political science, international relations, development, economics, public opinion and Japan studies, the book sets out to be innovative in capturing the essence of the changing patterns of development cooperation, and more importantly, Japan's role within it, in an era of great change.

This book will be of great interest to students and scholars of Japanese Politics, Foreign Policy and International Relations.

André Asplund is a Post-doctoral Associate and Lecturer at the Program in Japanese Politics and Diplomacy, Yale University, USA.

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Preface

Foreign aid, or Official Development Assistance (ODA) as it used to be known, is changing rapidly. No longer is the United States, together with a number of European countries and Japan, allowed to set the agenda to determine the rules of the game. The exclusive and remote Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD), which is the body that has been determining what can be treated as ODA for the past half a century, is now opening up and redefining the concept. The centre of economic activity is moving to Asia and both private sector funding for development cooperation and commercial flows are becoming more important than the development assistance provided by governments.

As the deadline for achieving the Millennium Development Goals (MDGs) passed in 2015, 193 members of the United Nations adopted their successors, the Sustainable Development Goals (SDGs), to be achieved by 2030. These are much broader in scope and will require ten times the budget of the MDGs. In addition, every country must participate, to the extent that they are able to do so. According to the Paris Agreement on climate change, concluded by the 196 parties to the United Nations Framework Convention on Climate Change in December 2015, the increase in global average temperature will be kept to well below 2°C above pre-industrial levels; and US\$100 billion will need to be raised to this end. These are indeed path-breaking targets that bring with them radical changes to the modus operandi of development cooperation, in particular with regard to its funding.

Why does this warrant a comprehensive study of Japanese development cooperation policy? Although this is a research topic that some have studied for more than 20 years, in many ways it has never felt more pressing than it does today. The Japanese way of providing development cooperation seems to be not only the way that will prevail in these times of change, but is also likely to shape a new era of foreign aid. In its Development Cooperation Charter of 2015, Japan has even dropped the concept of ODA altogether, reverting to a more comprehensive concept that gives public–private cooperation on economic development a more prominent role while also incorporating strategic security measures that allow defence, development and diplomacy to work together as one.

With 2015 set to become a year of major changes in the field of development cooperation, a research group on Japanese ODA was formed early in the year by

Professor Yoneyuki Sugita at Osaka University and Professor Marie Söderberg, Director of the European Institute of Japanese Studies (EIJS) in Stockholm, who at the time was also working as a research professor at Osaka University. Three young scholars who had either just completed or were about to complete their PhDs on the topic of Japanese ODA were invited to form the basis of this group: Masumi Owa, then at Warwick University; Raymond Yamamoto from Hamburg University; and Carla Bringas from Osaka University. André Asplund, a Research Fellow at the EIJS specializing in Japanese ODA, also became an integral part of the research group.

With support from the Japanese Society for the Promotion of Science (JSPS), Izumi Ohno, Professor and prominent scholar in the field of Development Cooperation at GRIPS in Tokyo, was invited to Stockholm to make a presentation on the ongoing changes in the field. We would like to extend our gratitude to the JSPS. We also wish to thank Hideki Ishizuka, the Minister at the Japanese Embassy in Stockholm, for his continuous support for our research project on Japanese ODA. In connection with Professor Ohno's visit we organized a conference on Japanese and Nordic development cooperation in the post-MDG era, which took place in Stockholm on 1–2 October 2015. This was a conference jointly organized by the EIJS, Osaka University and JSPS. We want to thank the keynote speakers on the Swedish side: Annika Sundén, SIDA's chief economist, and Annika Sohlström, Secretary General of Forum Syd, as well as Professor Arne Bigsten from Gothenburg University, who spoke about the structural changes taking place in Swedish ODA. We also want to extend our gratitude to Akio Kagawa, Chief Representative at the UK Office of the Japan International Cooperation Agency (JICA), who, along with Professor Ohno, gave a presentation on perspectives on Japanese development cooperation. In addition, a number of renowned scholars in the field of ODA from Denmark, Finland, Norway, Germany and Latin America made important contributions to the discussion, for which we are very grateful. Our thanks also go to the EIJS Programme Manager, NanHee Lee, for her excellent administration of the event.

To build on the findings from and the discussion at the conference, a second conference was held at Osaka University on 1–2 November 2015. This was arranged by EIJS (Marie Söderberg and André Asplund) in cooperation with Yoneyuki Sugita at Osaka University and the research group on Japanese development cooperation in Osaka. The scope was narrowed at the November conference, and the papers and presentations at the two-day event focused exclusively on Japanese foreign aid policy. Setting out from a multidisciplinary approach, we analysed Japan's newly adopted Development Cooperation Charter as well as its development policy from a wide range of perspectives. A number of leading Japanese and international academic experts in the field attended the event. We want to specifically thank Professor Yoneyuki Sugita for his great cheerfulness as host and skills in organizing the conference. Huge thanks go also to all the PhD candidates who assisted.

The papers presented at these two conferences were of exceptional quality and we want to thank all the academic researchers for their intellectual input. It

was vital to the creation of this book. There were too many papers for them all to be included in this volume. The book contains only a select few, carefully rewritten following multiple rounds of reviews, comments and revisions to fit the overall theme of the book. We want to thank Stephanie Rogers at Routledge for all the encouragement she gave throughout the process, and the anonymous reviewers for their excellent advice on strengthening the shape and form of the book. Thanks also go to Andrew Mash, who provided invaluable help with language editing.

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Note on names and transcriptions

Japanese names are written in the Western order, with first name followed by surname.

The Hepburn system is used in transcription from Japanese, but in names of people, companies or places the long vowel is not marked.

Abbreviations

AAAA	Addis Ababa Action Agenda
ADB	Asian Development Bank
AEC	ASEAN Economic Community
AfDB	African Development Bank
AIIB	Asian Infrastructure Investment Bank
APEC	Asia-Pacific Economic Cooperation
ASEAN	Association of South East Asian Nations
BOP	Base of the Pyramid
CAITEC	China Institute for Technical and Economic Cooperation
CBDR	Common but differentiated responsibilities
DAC	Development Assistance Committee
DAG	Development Assistance Group
DCC	Development Cooperation Charter
DCD	Development Co-operation Directorate (DCD-DAC)
DFID	Department for International Development (UK)
DPJ	Democratic Party of Japan
EEZ	Exclusive Economic Zone
EIJS	European Institute of Japanese Studies
EPA	Economic Planning Agency
EU	European Union
FDI	Foreign direct investment
FOCAC	Forum on China–Africa Cooperation
GDP	Gross domestic product
GNI	Gross national income
GRIPS	National Graduate Institute for Policy Studies
HIDA	Human Resources and Industry Development Association
HIPCs	Heavily Indebted Poor Countries
ICB	International Cooperation Bureau
JBIC	Japan Bank for International Cooperation
JETRO	Japan External Trade Organization
JICA	Japan International Cooperation Agency
JRP	Japan Renaissance Party
JSPS	Japanese Society for the Promotion of Science

KSP	Knowledge Sharing Programme
LDCs	Least developed countries
LDP	Liberal Democratic Party of Japan
LICs	Low-income countries
LMICs	Lower middle-income countries
MDGs	Millennium Development Goals
METI	Ministry of Economy, Trade and Industry
MICs	Middle-income countries
MIDA	Malaysia's Industrial Development Authority
MITI	Ministry of International Trade and Industry
MOF	Ministry of Finance
MOFA	Ministry of Foreign Affairs
MOFCOM	Ministry of Commerce
NEPAD	New Partnership for Africa's Development
NGO	Non-governmental organization
NSC	National Security Council
NSS	National Security Strategy
OBOR	One Belt One Road
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
OOF	Other Official Flows
OPEC	Organization of Petroleum Exporting Countries
OTCA	Overseas Technical Cooperation Agency
OWG	Open Working Group
PARC	Policy Affairs Research Council
PDA	Private Development Assistance
PKOs	Peacekeeping Operations
PPP	Public-private partnership
PRS	Poverty Reduction Strategy
RECAAP	Regional Cooperation Agreement on Combating Piracy and Armed Robbery
SCAP	Supreme Commander for the Allied Powers
SDF	Self-defence Forces
SDGs	Sustainable Development Goals
Sida	Swedish International Development Agency
SLOC	Sea lines of communication
SME	Small and medium-sized enterprise
SMRJ	Organization for Small and Medium Enterprises and Regional Innovation
SOE	State-owned enterprises
STEP	Special Terms of Economic Partnership
TICAD	Tokyo International Conference on African Development
TOSSD	Total Official Support for Sustainable Development
UMIC	Upper middle-income country

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