

Japan and Africa

Globalization and foreign aid in
the 21st century

Edited by

Howard P. Lehman



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Japan and Africa

Since the early 1990s, Japan has played an increasingly important and influential role in Africa. A primary mechanism that has furthered its influence has been its foreign aid policies. Japan's primacy, however, has been challenged by changing global conditions related to aid to Africa, including the consolidation of the poverty reduction agenda and China's growing presence in Africa.

This book analyzes contemporary political and economic relations in foreign aid policy between Japan and Africa. Primary questions focus on Japan's influence in the African continent, reasons for spending its limited resources to further African development, and the way Japan's foreign aid is invested in Africa. The context of examining Japan's foreign aid policies highlights the fluctuation between its commitments in contributing to international development and its more narrow-minded pursuit of its national interests.

The contributors examine Japan's foreign aid policy within the globalized economy in which Japan and Africa are inextricably connected. Japan and many African countries have come to realize that both sides can obtain benefits through closely coordinated aid policies. Moreover, Japan sees itself to represent a distinct voice in the international donor community, while Africa needs foreign aid from all sources.

Howard P. Lehman received his PhD in political science from the University of Minnesota in 1987 and has been teaching at the University of Utah since 1986. His publications include a book on economic development and many articles on South Africa, foreign debt negotiations, and African interest groups.

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Globalization and foreign aid in the 21st century
Edited by Howard P. Lehman

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Abbreviations

ADB	Asian Development Bank
AU	African Union
BHN	Basic Human Needs
BoP	Balance of Payments
CDF	Comprehensive Development Framework
CFAA	Country Financial Accountability Assessment
CPA	Country Procurement Assessment
DAC	Development Assistance Committee
DfID	Department for International Development
FIL	Fiscal Investment and Loan system
GBS	General Budgetary Supports
HIPC	Heavily Indebted Poor Countries
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IDT	International Development Targets
IMF	International Monetary Fund
JBIC	Japan Bank for International Cooperation
JICA	Japan International Cooperation Agency
LMG	Like-Minded Group
MDBS	Multi-Donor Budget Support
MDG	Millennium Development Goals
MITI	Ministry of International Trade and Industry
MOF	Ministry of Finance
MOFA	Ministry of Foreign Affairs
MTEF	Medium-Term Expenditure Framework
NEPAD	New Partnership for Africa's Development
NGO	Non-Governmental Organizations
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
PAF	Progress Assessment Framework

PER	Public Expenditure Review
PRBS	Poverty Reduction Budget Support
PRS	Poverty Reduction Strategy
PRSC	Poverty Reduction Support Credit
PRSPs	Poverty Reduction Strategy Papers
SAP	Structural Adjustment Program
SIP	Sector Investment Programs
SWAPs	Sector-Wide Approaches
TICAD	Tokyo International Conference on Aid and Development
UN	United Nations
USAID	US Agency for International Development
WB	World Bank

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1 Introduction

The global politics of Japanese–African relations

Howard P. Lehman

Japan's foreign policy relationship to the African continent may appear at first glance to be paradoxical. After all, Japan never established a colonial relationship with Africa. Unlike most of Europe, Japan never sought to colonize or settle its citizens in Africa. Indeed, its historical connection to the region only began in the 1950s. Additionally, until the recent activity of China, Japan had been the main non-Western country extensively involved in Africa. Yet, since 1993, Japan has emerged as a major and forceful actor in Africa, especially in the area of foreign aid. While this important relationship has been extensively studied in Japan, non-Japanese have rarely considered or examined the scope and implications of Japanese foreign aid in African countries. This book seeks to fill this gap by bringing together Japanese scholars and policy-makers who have considerable experience in the field and in scholarly analysis of this neglected topic.

The book's analysis of Japanese foreign aid relations to Africa is framed by two issues: globalization and Japan's domestic experiences. First, the forces of globalization combined with Japan's own interests and unique historical perspective have brought these two disparate regions of the world together. Globalization since the early 1990s incorporates economic pressures to expand Japanese economic influence to non-Asian regions. While the bulk of its foreign aid targets its Asian neighbors, a considerable amount since the 1990s focuses on African countries. Moreover, globalization also refers to the extended network of the global donor community and rising pressure on Japan to conform to the consensus on the general goals and specific policies of foreign aid. Finally, in recent years, globalization has forcefully elevated China's role in Africa to serve as a direct challenge to Japan's unique status as the primary non-Asian country in providing foreign aid.

Second, Japan's foreign aid policy has been shaped by powerful domestic and historical experiences. Its unique contribution to the foreign policy debate stems from its experiences of profound failures and great successes. In particular, its past resonates in its foreign aid policy by advocating a

self-help policy, focusing on loans instead of grants, reluctance to embrace comprehensive debt cancellation, and strongly arguing for African ownership of foreign aid.

History of Japanese official development assistance to Africa

Japan has had a lengthy foreign aid relationship with the African continent. Although its relationship has deepened and widened since the early 1990s, Japan began its foreign aid policy to the region in the decade following the end of World War II. Chapter 2, by Makato Sato, highlights the important historical markers in this lengthy relationship to African countries. Sato sets the historical record in the context of the debate between the 'reactive state' approach formulated by Calder's argument on a cultural understanding of Japan's foreign policy. Sato is critical of these views since they rely heavily on a model of foreign aid used with regard to US relations to Japan. Instead, Sato suggests that a more appropriate model should focus on third countries which are engaged with both African countries and Japan. While other observers have focused on the domestic context of Japan's foreign aid policy, Sato emphasizes the international dimensions of policy relationships among Japan, Africa and other countries, especially China.

Sato divides the historical account of Japan's foreign aid relationship to Africa into five sections. He points out that the initial reason for involvement was linked to trade interests, but Japan's policy diversified as it came to reflect more complex economic and political goals. Japan developed the enduring and unique principles of 'self-help' and 'on-request basis' during this early stage. These principles remain important markers for the evolution and development of foreign aid. The second stage was a crucial moment when a substantial increase in aid to African countries was implemented by Japan. While the Asian region has always been significant with regard to Japan's foreign policy, at this time in the 1970s Africa began to emerge as a region with natural resources and diplomatic weight in the United Nations (UN) General Assembly. The third stage, in the 1980s, witnessed the growth of Japanese relationships with other donor countries and the beginning of a more coordinated strategy among donors. By the fourth stage, in the 1990s, Japan became the largest donor of foreign aid in the world. Japan formulated its first Official Development Assistance (ODA) Charter in 1992 and demonstrated its commitment to aid to Africa with the creation of the Tokyo International Conference on African Development (TICAD) in 1993. The economic objectives of earlier phases were now outweighed by political goals, especially in terms of gathering support among African countries in the UN. Finally, Japan experienced severe financial challenges in the most

recent period of foreign aid policy to the continent, and this resulted in significant reductions in foreign aid. Additionally, Japan began to reform the domestic institutions of foreign aid and, finally, Japan's policy could no longer ignore the rise of China's active foreign policy in the continent. As Sato observes: 'it is essential to investigate the third parties which have had decisive impacts on decisions about Japanese–African relations in each case, and to evaluate each policy in the context of a Japan–Africa–third party triangle.'

The Asian economic model in Africa: Japanese development lessons for Africa

The establishment of the TICAD in 1993 and its successive conferences through 2008 demonstrate for many the distinctive approach contained in Japan's foreign aid policy to Africa. In Chapter 3, Lehman asserts that this policy suggests important differences from the international donor community. A primary question concerns to what extent the so-called East Asian development model can be relevant to development goals in Africa. To a great extent, Japan's view of this model serves the purpose of solidifying its position as the dominant Asian leader in the African foreign aid arena. The actual and perceived success of the Asian model demonstrates that Japan has a useful vision of development that could be applied to other regions of the world.

Another component of this development model consists of a self-help-based ideology. To many in Japan, this reflects its own struggle and success with developing during the Meiji period and once again following World War II. In its current relationship to African countries, self-help allows poor countries to identify their own development priorities and to request from Japan funds to invest in those priority areas.

Japan's non-Western identity as a major global donor and its constitutionally mandated pacificism demarcate its strategy from that of other international aid donors. These differences have been played out in Japan's willingness to depart from the Washington Consensus. Some have argued that this break from the dominant neoliberal strategy has resulted in the so-called post-Washington Consensus framework, with a renewed emphasis on poverty reduction.

Yet Japan's determination to maintain a distinctive foreign aid policy is under pressure from several directions. The donor community places pressure on Japan to direct its aid back to the confines of the Washington Consensus. Moreover, China's expansion into Africa clearly worries the Japanese government since China clearly challenges Japan's previous dominance as the Asian model.