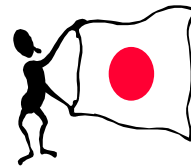


Japanese Aid

Purposes and Politics



Introduction

- Case study on purposes and politics of Japanese aid: part of book on Fifty Years of Foreign Aid
- "Purposes": definition
- Structure: Profile and politics of Japanese aid

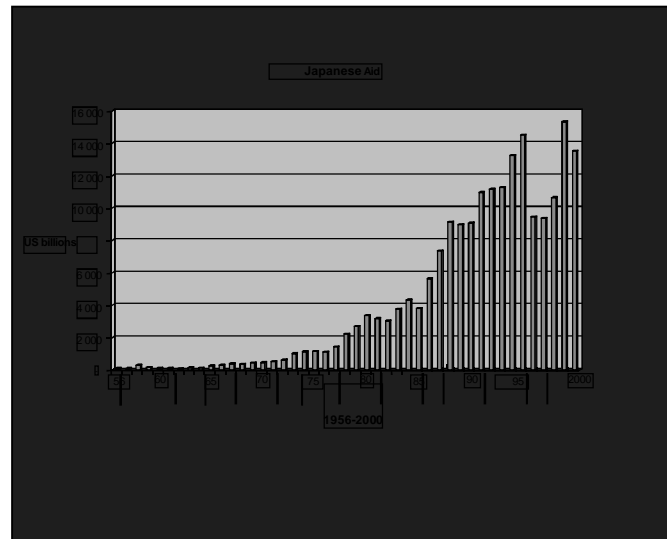
Profile

- Three stages of Japanese aid:
 - Origin and establishment: 1945-75
 - Expansion: 1976-1995
 - Transition: 1996-present

Origin and Establishment

- From reparations to foreign aid
- Focus on Asia
- Focus on financing infrastructure, implemented by Japanese firms
- Aid volume relatively small
- ***Purposes: Commercial within broader diplomatic goals***

Japanese Aid 1956-2000



Expansion: 1976-95

- Decisions to Double – Japan as aid superpower by 1989
- Spread: aid to Latin America, Africa, Middle East as well as Asia
- Commitment to untie; basic human needs, easing of terms; ODA charter; but focus on infrastructure
- *Purposes: commercial and diplomatic*

Transition: 1996-present

- Decrease in volume of aid
- Effort to raise development purpose, adopt new purposes:
 - Policy statements
 - Efforts to reform organizational structure
 - Reforms in aid processes (e.g., evaluation)
 - Reaching out to NGOs
- >Difficulties of making fundamental reforms

The Politics of Japanese Aid

- Widely shared ideas
- Interests competing for influence over aid
- Political institutions and government organization of aid management

Ideas Affecting Japanese Aid

- Obligations of rich to poor
- Role of state in society
- Japan's role in world

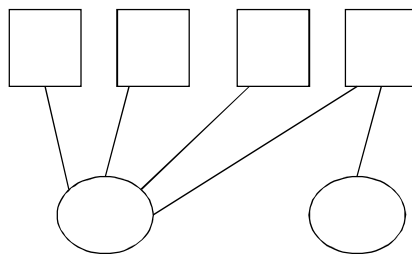
Interests

- Commercial (METI, business organizations, large corporate organizations)
- Diplomatic (MOFA)
- Development (weak inside and outside government)

Political Institutions & Aid Organization

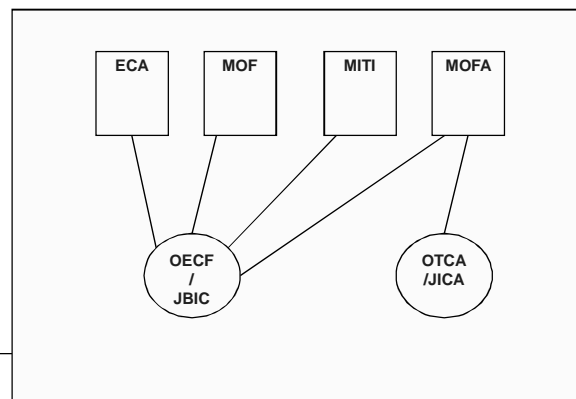
- Policy decisions centralized in bureaucracy; Diet, LDP has little role (and therefore, little public debate) on aid
- Aid management w/in government highly fragmented: policy/implementation divided; governance (OECD/JBIC) divided; types of aid divided (JBIC/JICA). Reduces voice w/in govt for development purpose of aid

Organization of Japanese Aid



The Organization of Japanese Aid

Policy/Implementation Major Government Agencies



Purposes Again

- Commercial purposes entrenched (METI) in governance of JBIC and in influence generally
- Diplomatic purposes important (MOFA); struggling for greater influence and greater development face on Japanese aid but lacks expertise, clout with METI.
- Development purposes remain weak inside and outside government.
- **ERGO**, fundamental reforms have proven difficult, especially organizational reforms.

Is Change Occurring?

- Growth of NGOs? Growth of civil society generally?
- Greater involvement of Diet, LDP?
- Increased involvement by the Japanese public? More transparency and accountability?

The End

