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Japan International Cooperation Agency: A Brand 'New' International Development Organisation or a Traditional Bureaucratic Actor?

Georgios Tsopanakis¹

Abstract

This paper investigates the reform process which led the Japan International Cooperation Agency (JICA) to emerge as the dominant development institution in Japan's aid establishment, maintaining at the same time the core values that have characterised the country's aid philosophy for more than forty years. By using the example of JICA, this study shows how Japan's foreign aid establishment was gradually transformed from a 'business-oriented' and complex aid bureaucracy to a more outward looking and ambitious development financier. This is achieved through the analysis of the relevant literature-the official Japanese documents of Japan Ministry of Foreign Affairs and JICA's Annual and Evaluation Reports.

This study fills a significant gap in the current literature which lacks studies related to the politics, design and implementation of the Japanese development aid, one of the larger aid programmes globally. The paper argues that despite the significant reform Japan's development aid establishment underwent during the last 10 years and the introduction in JICA's aid discourse of a 'demand-driven', 'relevant' and 'participatory' aid understanding, the agency conserves in its discourse the fundamental values of Japan's official development philosophy, so much criticised in the past for their 'top-down' and 'expert-driven' understanding of development cooperation.

Keywords: Japan, Development Aid, JICA, Organisational Reform, Japanese Aid Philosophy

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INTRODUCTION

During the last three decades, Japan has rapidly been transformed to a principal donor contributor of the Development Assistance Committee (DAC) group of countries and to a major component of the international development industry. Despite the significant fluctuations of Japan's Official Development Assistance (ODA) during this period, the country remains committed to continue providing increasing aid financing to its 'development partners' in Asia, Africa and Latin America (MOFA 2009, 26). Even in the aftermath of the catastrophic Tohoku-Pacific Ocean earthquake, in March 2011, and despite the enormous pressure on Japan's aid budget, the country aims to sustain its development assistance momentum intact (The Guardian 2011). The rapid expansion of Japan's aid flows and initiatives (notably after the first half of the 1980s) has been accompanied by an increasing professionalisation of Japan's aid institutions (for example JICA, Japan Bank for International Cooperation) and evaluation systems and a progressive adaptation of the OECD/DAC growing discourse on the delivery and effectiveness of development aid. The transformations of the growing Japanese aid programme resulted to the emerging of JICA as the principal aid agency of Japan with operations ranging from grant aid and Technical Cooperation to development loans and financing.

This working paper first covers the historical evolution of Japanese aid paradigm and JICA as an independent development organisation. The core values of Japan's development assistance are presented in order to understand what has determined the Japanese development rhetoric. Then, the developments in Japan's aid discourse and JICA are further analysed in order to demonstrate how the Japanese agency was quickly transformed, during the second half of the 1990s and the new millennium, from a regular national development agency to the main Japanese development aid institution in the country. Finally, the current status of JICA is revealed, as a mainstream, major 'western' donor agency which has preserved and adapted the core elements of Japan's aid philosophy in its discursive representation.

THE JAPANESE AID PARADIGM: AN INTRODUCTION TO JAPANESE AID AND JICA

The first three decades of the Japanese aid programme were characterised by two fundamental elements: the efforts of Japan to promote its development programme in South-East Asia and -later- in other geographical regions (Africa, Latin America); and the creation of a powerful aid bureaucracy of which JICA, gradually, became a major part. Both elements were developed in parallel with what was described as 'the Asian Economic Paradigm' and the importance of 'self-help' efforts in Japan's development model.

The initial war reparations Japan provided to neighbouring countries during the 1950s were quickly replaced by large-scale, 'export-led', tied loans with low interest, directed towards 'heavy' infrastructure projects, from Japan to its 'regional partners', notably the Philippines, Thailand, Malaysia and Indonesia (Brooks and Orr 1985, 323-324; Schraeder et al. 1998, 300-304). The foundation of Japan's aid programme (when Japan joined the Colombo Plan in 1954) was directly connected to Japanese commercial interests in the region, and to the development of Japan's aid concept of 'self-help' (ibid.).

The concept of 'self-help' was meant to become one of the core characteristics of Japan's foreign aid discourse. 'Self-help' represents for Japan the 'responsibility' of every country to find its own way to development, to 'discover' its own path to economic growth based on the country's specific priorities and needs (Lehman 2011). According to this principle the role of aid is not central to the policy of a donor country and it cannot be conceived as a 'gift'. Development assistance is a way to give an opportunity to the recipient country to create the appropriate environment for foreign investment in infrastructure, which Japan has traditionally considered as the core sector for a country's economic development. The Japanese foreign aid establishment is referring constantly to Japan's own development experience, when in the aftermath of the Second World War the country managed to break through the devastating effects of the war with the substantial assistance of the World Bank and the United States (see for example MOFA 1997; 2003; 2009). In that sense Japan's own post-war experiences were used not solely as Japan's own development lessons but also as knowledge that crucially formed and determined the country's development approach toward the

developing world (see for example Orr 1990; MOFA's Annual Reports and White Papers of 2000-2006; Lehman 2008)².

Furthermore, since its establishment, the Japanese aid paradigm directed its attention towards two basic trends: support of strong economic growth policies in developing countries, based on public and private investment; and the provision of aid using ODA loans rather than grants. The relative success of Japan's own economic growth during this early period gave the country a strong value of 'self-reliance', where charity had a limited space in civil life and policy making (Rix 1993, 15-16). Japan lacked the fundamental western Christian missionary experience in developing countries, which underlined the core western idea of 'helping' (Orr 1990, 139). Instead, Japan promoted an economic model which relied heavily on the characteristics of high productivity and investment with long-term goals and self-reliant, 'self-help' policies (Vestal 1993; Kohama 1988 cited in Lehman 2008, 3). This approach made Japan a 'distinctive' aid power (Duke 1986 cited in Sawamura 2004, 31) which promoted 'individual work' *within* a national team spirit, in contrast to the more individualistic western donor mentality (Sawamura 2004, 31). Japan understood foreign aid as a tool for promoting economic growth through large infrastructure projects, and ODA as financial transfers which were expected to be repaid in the future (loans rather than grants)³. Therefore, Japan was quick to direct its foreign aid programme toward loan financing with favourable loan conditions for the recipient country but also strongly tied with Japanese contract companies and commercial interests (Inada 1989; Trinidad 2007).

The commencement of Japan's aid paradigm with its accompanying 'principles' were to be sustained over the next two decades but were also 'enriched' in terms of discourse and policies because of the geopolitical necessities of the periods in question. Therefore, at the beginning of the 1970s, with Japan's aid programme steadily growing, the country started slowly building 'new partnerships' around the globe, mainly due to a combination of factors beyond its direct control (for example the oil crises of 1973 and 1979) and to growing pressures from the interior (mainly Japan's

²Nevertheless, Rix (1993, 15-16) underline the importance of the early period of Meiji (1868-1912) for the current development policies of Japan when the country started its own modernisation process by opening itself to the West, promoting education and expanding geographically.

³Japan itself made its last loan to the World Bank in 1990.

Foreign Ministry – MOFA) regarding the necessity of an ‘opening’ of Japan’s wider international policy agenda (Yasutomo 1989, 492 and Ampiah 1996, 107). However, this new opening of Japan’s aid administration during this period did not result in any dramatic changes concerning Japan’s aid flows or any significant alterations of Japan’s principal policies toward the planning and implementation of its growing aid programme. Japan’s bulk of aid financing was still strongly tied to Japanese private business’ interests with a highly centralised administration (based in Tokyo) which principally focused on infrastructure projects (Lancaster 2007, 119).

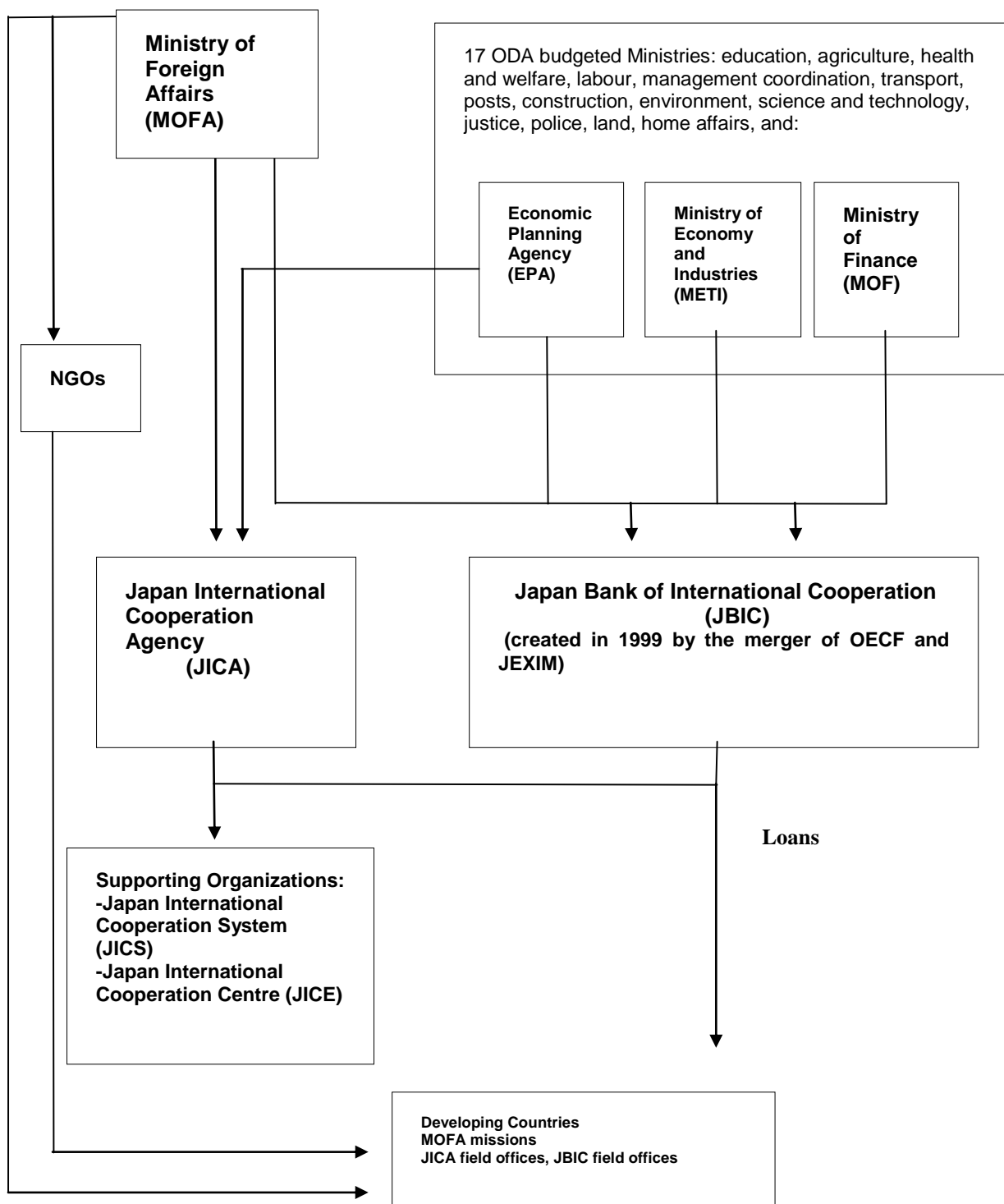
THE CREATION OF JAPANESE AID BUREAUCRACY AND ITS ROLE

During the period from 1950 to 1980 a Japanese bureaucratic structure was developed, which was based on four ministries and their related agencies (Orr 1990, 20-22; 30-45). Thus, while the management of Japan’s grant aid and technical assistance fell under the responsibility of MOFA, the yen loans (traditionally representing a major tool of Japan’s ODA programme) were administered by the Ministry of Economy, Trade and Industry (METI). In addition, the Ministry of Finance (MOF), operating as the provider of Japan’s financing, played an important role in the ODA bureaucracy as the safeguard for the financial demands of METI and MOFA. Finally, the structure was completed by the Economic and Planning Agency (EPA), which never played an important part in the planning and application of Japan’s ODA and had a ‘*somewhat more vague agenda relating to overseas assistance*’ (ibid, 20)⁴.

Although the structure of the Japanese ODA system changed over time (with its biggest change yet being the merger of JICA with JBIC in 2008) and its budget is traditionally ratified by the Japanese Diet, foreign aid in Japan remains the ‘*preserve of the Japanese bureaucracy*’ (ibid.). In Japan’s aid system, METI (and its related agency, the Overseas Economic Cooperation Fund, OECF-later to become the Japan Bank for International Cooperation) has traditionally promoted a more ‘commercially-oriented’ ODA approach, with MOFA (and its related agency, JICA) supporting a more ‘open’ and ‘cosmopolitan’ aid agenda (Hook and Zhang 1998, 1052-1056).

⁴As part of the reform process of Japan’s ODA structure, EPA was eliminated in 2001 (Lancaster 2007, 114).

Figure 1: Actors in Japanese Bilateral Development Cooperation



(Adapted from OECD Development Cooperation Review Series no13 1996 cited in Fujisaki et al. (1996,529))
 Connected lines represent grants, loans and/or Technical Cooperation unless otherwise noted

As Figure 1 shows, METI has been the principal financier and supporting ministry for JBIC to provide loans to developing countries through official Japanese missions abroad. Correspondingly, MOFA has been the main supporter and financier of JICA and its Technical Cooperation project schemes. In this 'competition', the Ministry of Finance has been operating as a 'balancing' agency for the financial demands of MOFA and METI. Additionally, another several ministries are usually involved in the management of Japan's ODA funds, principally in the form of supporting secondary roles (such as dispatching experts to developing countries, training and consultancy).

The 'duality' of the Japanese institutional aid discourse has transcended much of the historical background of Japan's aid programme (Hook and Zhang 1998). While MOFA had traditionally defined the basic lines of the Japanese ODA policies, the discourse of METI prevailed for much of the 1970's and the 1980's (ibid, 1052-1056). With its traditional ties to the Japanese private sector, METI understood foreign assistance as a vehicle for the promotion of Japan's national commercial interests. According to METI, where a yen loan would give incentives to the recipient countries to be more 'responsible' and 'disciplined', a grant would promote 'irresponsibility' and 'largesses' (ibid.). Consequently, METI would avoid being sympathetic with the broader political and multinational agenda of the MOFA and would promote ODA to specific countries which were ready for economic take-off

In this understanding Japan's aid programme was-until recently-understood as based on '*competing triads*' (Katada 2002): on the one hand the MOFA triad, which represents MOFA, JICA and the international community and is based on the Japanese general public; and the METI/Ministry of Finance/Business triad, which represents Japan's commercial interests and the private sector. The development of two rather distinctive but parallel and complementary ODA 'philosophies' accompanied Japan's aid paradigm in the 1970s and also characterised the following periods of Japan's aid financing when Japan's aid programme significantly increased and JICA's growing importance was recognised with the introduction of Japanese aid to the mainstream of international development.

THE JAPANESE AID REGIME UP TO THE 1990s

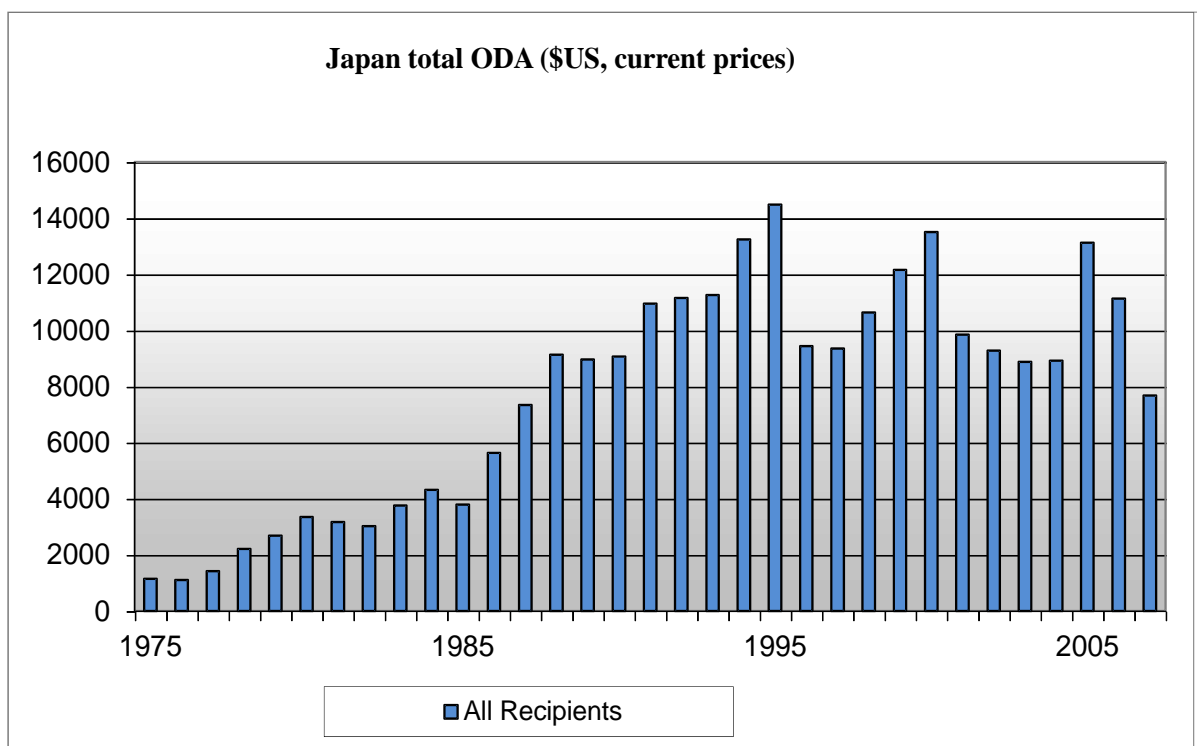
During the second half of the 1980s Japan's ODA programme grew rapidly in multiple geographical and sectoral directions as the aid volumes were raised at '*a rate higher than any other items in the national account*' (Miyashita 1999, 695). Indeed, the country's aid programme growth was so remarkable that in 1989 Japan surpassed the US in terms of ODA disbursements and ranked first in aid provision among the DAC members. While it is suggested that the further 'opening' of Japan's aid discourse toward other continents and the rising financing was mainly the result of external political pressures ('*gaiatsu*') for Japan to contribute more to development assistance, Japan's official position on aid financing of the period ('Report to the Minister for Foreign Affairs from his advisory Committee on ODA', published in 1985) underlined the importance Japan attributed to new alliances in the international arena in order to strengthen Japan's own security (ibid, 24-26).

While during this period Japan's attempted to partly break from its 'commercial-driven' and tied aid (with the reluctant introduction of the 'Basic Human Needs' in its discourse), this was not followed by any significant policy breakthrough of the country's development assistance programme (Rix 1989, 27). The few Japanese development initiatives of that period are largely understood as '*a MOFA public relations exercise to persuade a sceptical public*' (Yasutomo 1986 cited in Rix 1993, 26). Indeed, Japan's aid volumes of that time suggest a maintenance of Japan's traditional preference for aid loans rather than grants and a discourse highlighting its continuous focus on the Asian economic model and regions, with only marginal references to other geographic locations and the 'self-help' understanding of development assistance (ibid; also see MOFA Diplomatic Bluebooks 1982-1987).

With the official formation of JICA in 1974 (after the merge of the predecessor of JICA, the Overseas Technology Cooperation Agency - OTCA with Japan Emigration Service) and the support of the agency by the Government of Japan and MOFA, JICA was quickly transformed to a growing aid agency which now operated in both the Technical Cooperation field and the Grant Aid form of finance (with the revision of JICA Law of 1978-see JICA Annual

Report 2010). JICA was supported by an international research center (the Institute for International Cooperation) and a large pool of project volunteers through the Japan Overseas Cooperation Volunteers (JOCV). In parallel to the rising volumes of Japan's overall ODA, the growth of Japan's TC programme (largely managed by JICA) rapidly increased throughout the 1980s, from 87,17 m.\$US in 1975 to 548,65 \$US ten years later (Figures 2 and 3).

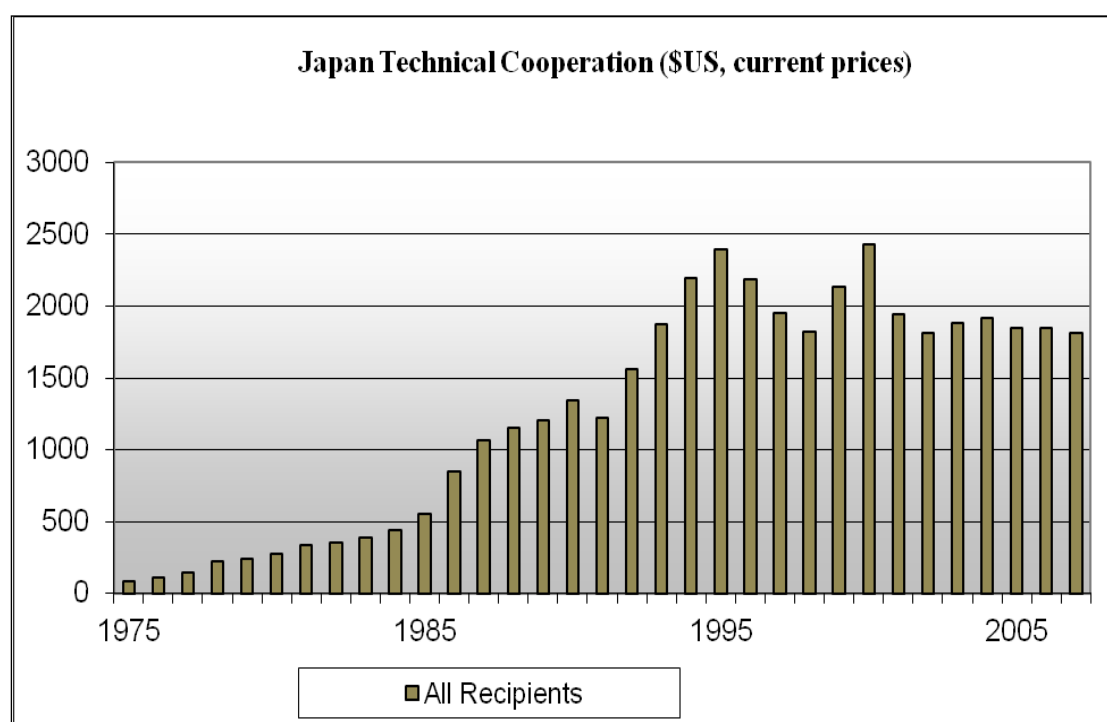
Figure 2: Japan Total ODA Flows



Source: OECD-DAC Statistics Database

Similarly, during the same period, the Grant Aid type of Japan's aid programme grew steadily from 504million\$US to more than 1,4 billion\$US (Figure 4).

Figure 3: Japan Technical Cooperation Flows



Source: OECD-DAC Statistics Database

Throughout the 1980s the continuous growth of JICA led to the further inclusion in JICA's aid programme of several other Japanese foreign aid initiatives, such as the Youth Invitation (1984), the Disaster Relief and (1987) and Aid Efficiency Promotion (1988) (ibid.).

Moving beyond the heavy infrastructure projects of the 'classic' Japanese aid approach JICA initiated a number of important initiatives in the primary health and education sectors, emphasising on the support of malnutrition projects, maternity, child healthcare and basic education programmes while inaugurated dozens of new country offices across Sub-Saharan Africa and Latin America.

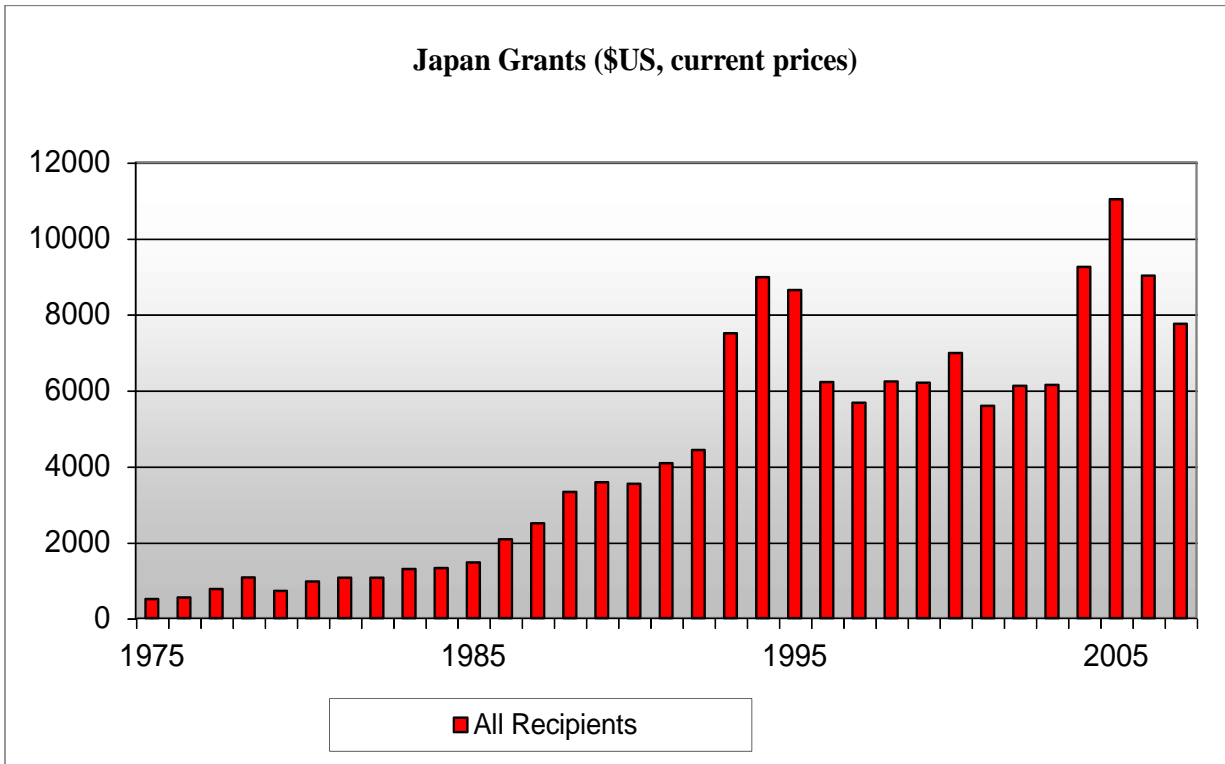


Figure 4: Japan Grant Aid

Source: OECD-DAC Statistics Database

However, it was only at the beginning of 1990s when Japan’s ODA discourse took a more decisive turn toward adopting essential elements of the wider aid rhetoric of the DAC countries with the introduction of its first ODA Charter in 1992.

THE INTRODUCTION OF JAPAN’S ODA CHARTER OF 1992 AND ITS REVISION OF 2003

The adaptation by the Japanese aid establishment of an ODA Charter in 1992 can mainly be attributed to the willingness of Japan to further approach the western donors by adopting elements of their development policy frameworks and consequently halting the longstanding debate regarding the low quality of Japan’s ODA programme and its direct ties to Japanese commercial interests (Ensign 1992; Miyashita 1999). Additionally, the official Japanese documents (for example MOFA’s ODA Brochure for the 50 years of Japan’s aid) suggest that it was a number of international political events (such as the end of the

Cold War in 1989 and the Gulf War of 1991) that highlighted the importance for introducing a well-defined official document on Japan aid. Moreover, Japan's ODA Charter can be understood as the result of the growing presence of Japan's MOFA in Japan's aid policies and the need for the country to include aid in its wider political aspirations in international fora (Rix 1993).

The introduction of Japan's ODA Charter in 1992 addresses a variety of development areas and sectors where Japan's aid programme ought to focus in the years to come. The Charter is quick to adapt the mainstream themes of the period in question (such as 'good governance', 'basic human needs', 'environment', 'market-oriented economies' (MOFA 1992b) which had started emerging amongst the DAC and UNDP aid circles during that time. Moreover, the Charter suggests that despite the country's continuous focus on Asia '*due consideration will be paid in particular to Least Less Developed Countries* [in Africa, Latin America, Eastern Europe and Oceania]' (ibid.). The principles of the ODA Charter present the eagerness of the Japan during this period to present a more 'cosmopolitan' picture of its aid programme, a view traditionally favored by MOFA and JICA. Thus, together with the introduction of terms like '*good governance*' and '*democratisation*', as fundamental preconditions for Japan to provide aid, the Charter underlines the increasing '*interdependence*' of Japan with the rest of the world due to the globalisation process (ibid.), a clear 'cosmopolitan' view of development cooperation suggested for decades by JICA.

The principal aspects of Japan's ODA Charter of 1992 were quickly adapted in the discourse of the official documents of MOFA, the chief ministry of JICA during that period. More space and analysis begun to be devoted in Japan's Diplomatic Bluebook Series on Japan's aid initiatives toward the African and the Latin America regions⁵. Similarly, MOFA's Annual Reports allocated increasing space and analysis on Japan's efforts toward a more 'people-centred' aid approach with particular focus on the least developed countries

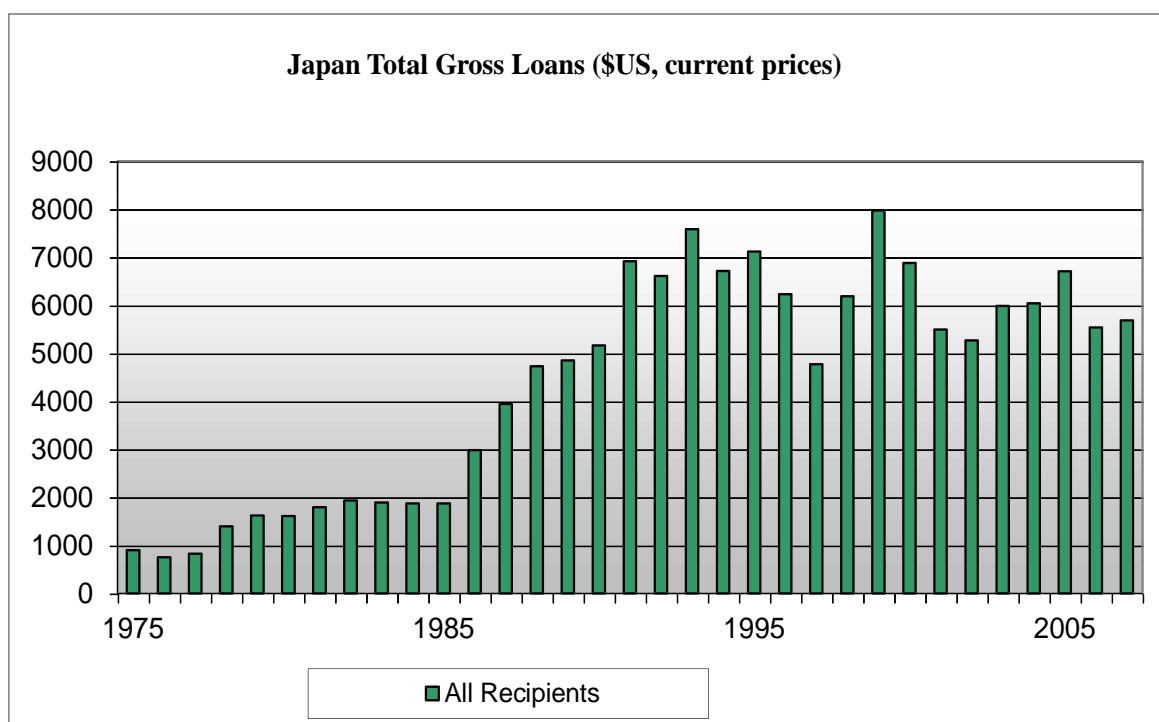
⁵A process which, for the case of Japan's Diplomatic Bluebooks, had already started in the second half of the 1980s and was further reinforced by the Third (1985) and Fourth (1988) Medium-Term ODA Targets for quantitative and geographic expansion of Japan's aid programme.

(see for example MOFA 1994; MOFA 1996⁶; 1997; MOFA Mid-Term ODA Policy 1999, 21).

However, the Charter maintains the core ideas that characterised Japan's principal aid philosophy of the country's ODA programme with a particular emphasis on the significance of the 'self-help' idea of development and the importance of the Asian economic model 'experience' of economic growth and development. Therefore, the document underlines the *'importance [Japan] attaches to the 'self-help' efforts of developing countries toward economic take-off'* (ODA Charter 1992). Furthermore, the Charter suggests that *'Japan's own development policies and experiences as well as those of countries in East and Southeast Asia which have succeeded in economic take-off, will be put to practical use'* (ibid.). Accordingly, MOFA's bibliography is also highlighting the importance Japan lies on the 'self-help' nature of its development 'partnerships' and the necessity of using the experience of the growth model the Asian countries have followed during the previous decades (MOFA 1995; MOFA 1997; MOFA Mid-Term ODA Policy 1999, 2 and 17). The aforementioned were also confirmed by the maintenance of Japan's increasing flows of ODA loans (Figure 5) through the OECF and the merge of the latter in 1999 with Japan Export-Import Bank (JEXIM) in order to create the powerful Japan Bank of International Cooperation (JBIC), an agency which was meant to replace OECF in its rivalry in the management of ODA flows between METI and MOFA in Japan's aid establishment.

⁶In this edition of MOFA ODA White Paper there is actually a whole section dedicated to what is being called 'People-centred development' which is presented as the 'New Development Strategy [of Japan] Towards the 21st century'.

Figure 5: Japan ODA Loans



Source: DAC Statistics Database

The continuous rivalry between MOFA and METI (and their development related agencies, JICA and OECF) of the 1990s, with JICA making considerable political gains in terms of influence at home and presence in developing countries, further shifted toward a more 'interdependent' and 'cosmopolitan' approach of development cooperation after the revision of the original ODA Charter in 2003.

Japan's revised ODA Charter of 2003 is the fundamental official document published by the Government of Japan on which all JICA's initiatives over the last decade have been based. The revision of the original ODA Charter of 1992 was principally based on the politico-economic events that took place between 1992 and 2003 and were mainly related to the emphasis of the international community on a more security-oriented and poverty-focused development agenda (MOFA 2002, 3). Thus, under the title '*Development Challenges in a Globalised World*', the MOFA's White Paper of 2001 underlines the importance the changes ('transition to market-based economies', 'dramatic advantages in the information technology and communications') of the 1990s have brought in the international development

arena and the necessity for the international community to take them into considerable account in its development negotiations (ibid.). The same document stresses the fact that there can be no progress in the development arena if there are no assurances that peace and security are the priorities of the international community (ibid). In the same line of argument MOFA's Diplomatic Bluebook of 2002 stresses the importance of international cooperation for peace and security in order to achieve '*greater prosperity*' in an increasingly globalised world (MOFA 2002,1). Japan's revised ODA Charter is based on five pillars which are invariably reproduced to JICA's brochures and reports of the same period (MOFA Japan revised ODA Charter 2003): supporting 'self-help' efforts of developing countries; the perspective of 'human security'; assurance of fairness; utilisation of Japan's experience and expertise; and 'partnership' and collaboration with the international community. According to the revised Charter, all Japanese initiatives in the area of development aid should be planned and implemented using these principles as a starting point. The Charter suggests that the priority issues for Japan's ODA are: a. Poverty reduction; b. Sustainable growth; c. Addressing global issues [such as terrorism, global warming and infectious diseases]; d. Peace-building. Additionally, the revised Charter introduces a fundamental element into the official Japanese aid discourse for programme and project aid: the idea of 'human security', which was to be quickly adopted and largely promoted by JICA in all of its project design and implementation (ibid.). Through this notion (which includes a spectrum of 'securities', from economic to health), Japan's ODA system suggests that all its aid initiatives would henceforth be designed and implemented under the understanding of 'Freedom from Fear [for example, war, conflicts, population displacements]' and 'Freedom from Want [for example, food availability, health and education services]'.

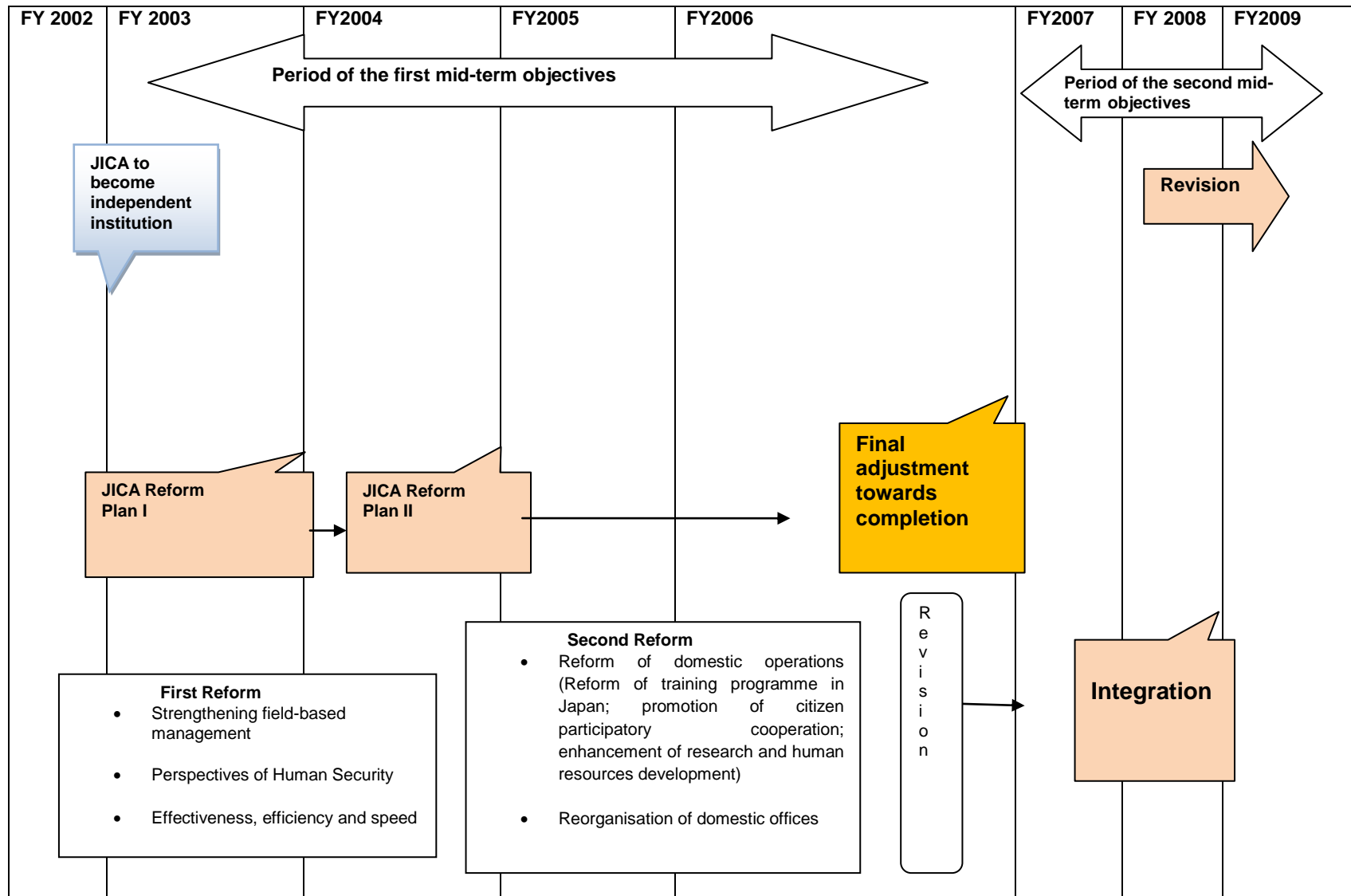
In both aspects of the Human Security concept, JICA was called to play an increasingly important role in Japan's aid establishment: from post-conflict initiatives and projects related to refugees to basic health and education support of national initiatives in developing countries (see for the sectoral initiatives of the agency in JICA Annual Reports 2001-2005). Therefore, JICA (2006) highlights in one of its brochures that two of its main pillars as an

independent institution would be the *'intensification of assistance for peace-building and post-conflict reconstruction'* and the adaptation of a more *'result-oriented approach and enhanced efficiency'*. In the same document it is stated that the organisation would focus on participatory and grassroots initiatives, which would be effective, transparent and cost-efficient (ibid.). In parallel, during the same period, a wide set of institutional reforms were initiated by the Government of Japan and MOFA for JICA (Figure 6), changes which would eventually lead to the further strengthening of the agency within the Japanese aid establishment.

JICA REFORMS AFTER 2003

In 2003 a large plan of reforming JICA was initiated by MOFA and the agency, which eventually led to the independence of JICA during the same year and its eventual dominance as the principal Japanese development aid institution in 2008 (after the acquisition of JBIC to JICA). The budget constraints of Japan implemented at the end of 1990s were putting significant pressure to the country's ODA programme (resulting for JICA to have in 2007 a smaller budget by 38%, as compared to 1997) which required a set of reforms in order to become less complex and more effective. JICA was required, as a Japanese independent institution, to formulate its First Mid-Term Plan for a period of three to five years (according to the objectives of MOFA) and also to institutionalise the evaluation of its performance (JICA 2007, 22). According to the Independent Administration Institution Law of that period, JICA's Mid-Term objectives needed to set two main targets: the streamlining of the entire operation and management of the agency, in order to achieve the objectives of JICA for better efficiency and effectiveness of its operations; and, the improvement of the quality of operations, with a wide set of requirements, such as measures of information disclosure, consideration in operation of such issues as environment, gender, society and improvement of evaluation mechanisms (ibid.).

Figure 6: JICA's organisational change 2002-2009



(Adapted from the JICA Annual Report 2007, 24)

During the Plan I of the reform process (Figure 6), several organisational changes were introduced in JICA's structure: 'flattening' of its organisational form, in order to facilitate and speed-up the decision making; delegation of operations to JICA's country desks; strengthening of international communication systems in order to facilitate the contact between the headquarters and the field offices of JICA.

While the undertaken reforms addressed several organisational functions of JICA, emphasis was also given to three fundamental directions for project aid during the first period of reforms: strengthening field-based management and overseas offices; emphasis on Human Security in accordance to the broader approach of the Japanese aid establishment; and effectiveness, efficiency and speed in delivering JICA's projects and programs.

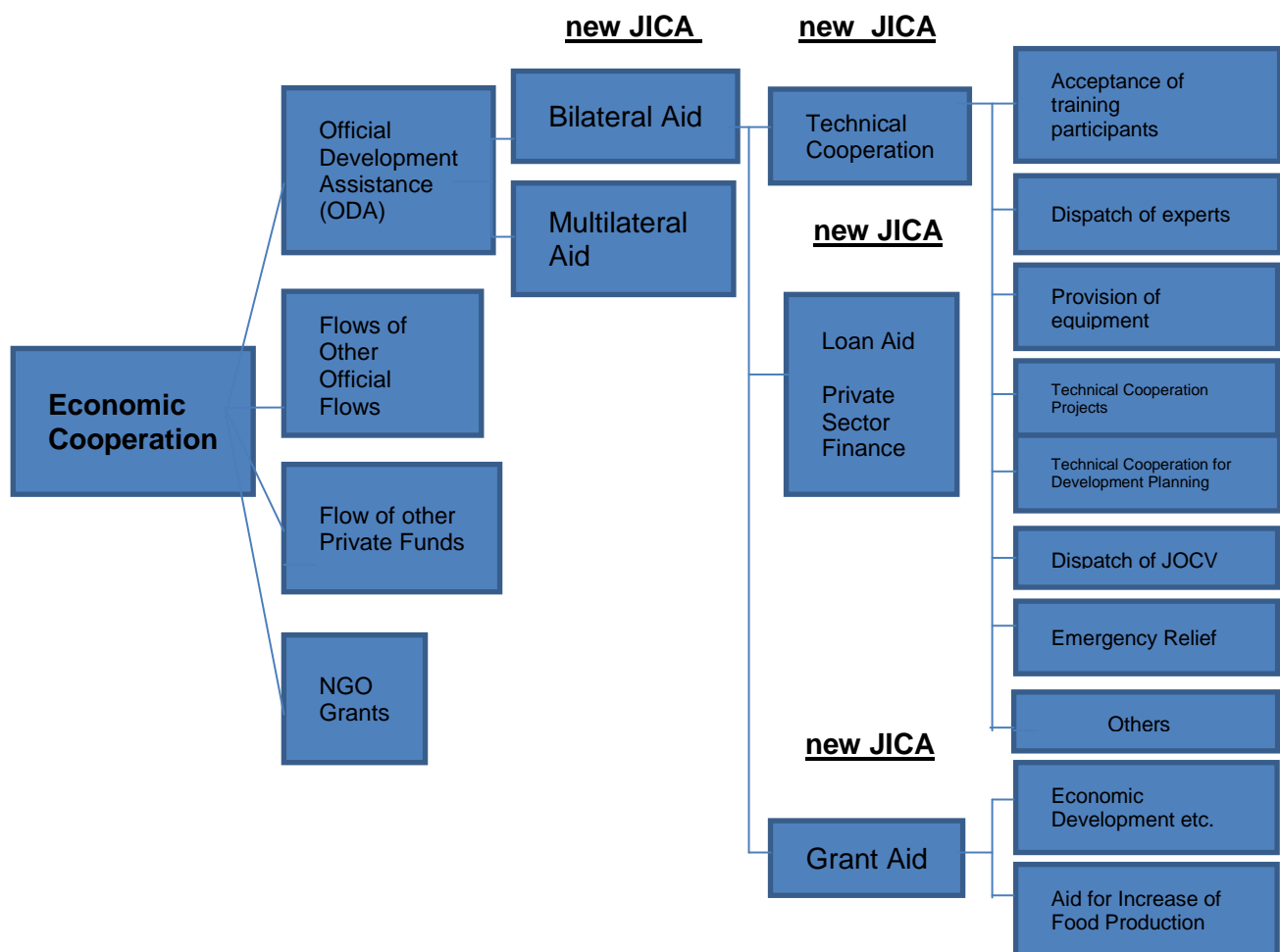
Accordingly, during the Plan II of JICA's reform initiative, the agency further reviewed the functions of domestic offices, more efforts were promoted in order to simplify its operations and further promoted the re-organisation of its training programmes and the participation of Japanese citizens and volunteers in its operations. Additional emphasis was given to the promotion of JICA's domestically in order to draw the acceptance and support of Japan's taxpayers.

However, the most significant reform of JICA's organisational structure toward the strengthening of the agency on Japan's ODA programme was the introduction of the Administrative Reform Promotion Law of 2006. Under this law the long standing rival of JICA in Japan's aid programme (the Japan Bank of International Cooperation- previously OECF) would be '*taken over by JICA*' (ibid., 24). The Promotion Law of 2006 suggests that the operations of Japan's ODA loans- previously managed by JBIC- and a portion of Grant Aid provided by Japan's Ministry of Foreign Affairs are succeeded by JICA (JICA Annual Report 2010, 181). Accordingly, the Japan Finance Corporation Law of 2007 established the Japan Finance Corporation (JFC) which acquired (among other agencies) JBIC. The main role of JFC would be the support of Japanese companies at home with the '*new JBIC*' serving as its international wing which would principally operating as an export credit agency and joint financier together with the private sector (JFC 2011). The new JBIC, without being totally excluded from the broader 'development' operations of Japan in recipient countries, was sidelined from the 'narrow' development aid programme of the country in favour of the 'new JICA'. Japan had-at least partly- fulfilled a long standing demand of the OECD-DAC group for a simpler and less bureaucratic

Japanese ODA structure (see for example the DAC Peer Review of Japan of 2005). With some modifications in the period of the second Mid-Term objectives (2007-2009) the Japanese agency has acquired smoothly the operations of JBIC. The Annual Reports of JICA between 2007 and 2010 are optimistic on the new roles the agency is required to play and vows that the new JICA, one of the largest bilateral aid agencies globally, would eventually meet the growing demands.

JICA is currently focusing on three broad areas of Japan's aid programme in an *'integrated fashion'* (JICA 2008, 22-see also Figure 7): Technical Cooperation, ODA loans and grant aid.

Figure 7: The new organisational structure of Japanese aid and JICA



(Adapted by JICA Annual Report 2009, 24)

The 'vision' of the new JICA is connected to 'Inclusive and Dynamic Development' and its main objectives are (JICA 2009, 10): to promote a global development agenda; to highlight the importance of poverty reduction strategies; to improve governance in developing countries; and, to promote Human Security. Additionally, three basic elements of operational design and aid delivery would be put in practice: Speed-up, Scale-up and Spread-out (ibid.). The agency, in line with DAC recommendations and the operational rhetoric of other large aid agencies (see for example European Commission's External Aid Report: 'Better, Faster, More') which promote a simpler and quicker design and implementation and targets larger areas and dissemination of results in the project and programme sites. The new JICA is underlining that with the creation of the new agency a wide set of synergies have already been developed by '*organically combining diverse aid methods*' not previously available, when JICA was managing only the Technical Cooperation part of Japan ODA (JICA 2009, 13). Moreover, the agency is expanding its development '*partners*' by increasing its cooperation with other government agencies and the private sector (JICA 2010), 'taking over', in that sense, part of the operations that were traditionally allocated in the past in 'rival' development agencies (JBIC and previously OECF and JEXIM). In parallel to the assessment approaches of such agencies as DFID and USAID, JICA is currently dedicating large parts of its aid discourse on the importance of scaling-up its evaluation operations and highlights the importance of systematic monitoring, evaluation and feedback of projects and programmes for more 'effective' and 'efficient' aid results (see for example JICA Evaluation Reports 2007-2010). The rapid shift of JICA's discourse towards a more 'inclusive', 'people-centred' aid approach clearly mirrors the wider shifts of Japan's aid rhetoric described earlier.

However, despite all the organisational reform of JICA during the last ten years and gradual introduction of DAC's mainstream discourse in its official documents, the Japanese agency sustains the core elements of Japan's aid philosophy in its discursive representation: the importance of Japan's aid establishment is attributing to the concept of 'self-help'; and the necessity for recipient countries to learn from 'lessons' of the Asian experience of economic growth. Therefore, we learn that-in a framework of a 'comprehensive' aid approach- the 'self-help' understanding of supporting the recipient country is important to be taken into account in JICA's approach (2008, 22). Similarly, in its Annual Report of 2009, JICA suggests that its

ODA financing falls under the 'self-help' understanding of Japan, where the 'beneficiary' should allocate '*efficiently*' the assistance received by JICA (JICA 2009, 25). Accordingly, the agency points-out to the necessity of supporting the 'self-help' efforts of the recipient country in its Capacity Development initiatives (JICA 2010, 69).

Moreover, JICA highlights the '*responsibility*' of Japan to transmit Japan's technology to developing countries through its foreign aid programme (2008, 22) and for recipient countries to apply the experiences of Asia's development in their domestic policies (2010, 24). Similarly, JICA's Annual Report of 2009 promotes the idea that through Japan's international initiatives in other-than-Asia regions (for example, with the Tokyo International Conference for African Development - TICAD) other developing countries can use as an '*example*' the Asian development experience in order to realise their own development (JICA Annual Report 2009, 19).

JICA maintains the core understanding of Japan's traditional aid approach which suggests that the 'partner' countries can benefit from Japan's experience of rapid economic growth and use aid not as a 'handout' but as a means of quick industrialisation and economic development. Despite JICA's major institutional reforms of the last years and the introduction of the agency into the mainstream of 'western' discursive representation, the Japanese agency continues promoting the fundamental values that have historically shaped Japan's aid approach.

CONCLUSION

During the last fifteen years a number of important changes took place in Japan's aid administration. The fragmented and 'low profile' Japanese aid structure of the past has been transformed (and continues to be so) into a more unified development finance apparatus. The long (and often intense) rivalry between the more 'cosmopolitan' approach of Japan's Foreign Ministry and JICA and the more 'business'-focused Ministry of Economy and JBIC led to the gradual reform of Japan aid programme and to promotion of JICA as the principal Japanese development agency of the country. The emergence of JICA as the main development financier of Japan appears to be more the outcome of external (international) strategic necessities of the periods in question than internal political choices.

Two main results highlighted the last periods of Japan's aid programme: the introduction of Japan ODA Charter of 1992 (and its revision in 2003); and, the gradual organisational reform of the country's aid programme in order to create the 'new JICA' and to 'limit' JBIC to a supporting financial role of Japanese investments under the supervision of a newly established agency (JFC). Both the Charter and 'new JICA' closely follow the mainstream rhetoric of Japan's MOFA discourse on ODA and suggest an 'outward' understanding of international development which adapts the main guidelines of the DAC group of countries and has a holistic and 'needs-based' approach on poverty and development matters. In parallel it systematically introduces monitoring, evaluation and feed-back mechanisms and a 'result-based' project and programme approach in accordance to the current practise of continuous professionalisation of other major western development agencies (DFID, USAID, SIDA).

Nevertheless, JICA keeps the basic framework that has historically formed Japan's aid philosophy and skilfully introduces it in to its current organisation and discourse, conserving like that unchallenged the traditional Japanese development orthodoxy that drove Japan's aid approach for several decades. The notion of 'self-help' and the Asian economic model as an example for developing countries' own development remain on the core of JICA's aid approach whether this refers to the 'Human Security' concept or to JICA's Annual Evaluation Reports. Despite JICA's apparent organisational evolution and 'progress' in its aid discourse the basic lines of Japan's orthodox aid understanding (so much criticised in the past) remain in the agency 's fundamental aid philosophy and approach.

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