

---

## Japan's development cooperation: from making amends to agenda-setting

Nikolay Murashkin<sup>1</sup>

**Summary:** This article revisits the post-World War II evolution of Japan's Official Development Assistance (ODA) over the past 75 years, with a particular focus on the period starting from the 1980s and subsequent changes in Japan's international development cooperation policies. I address cornerstones such as human security and quality growth, while examining the role of Japan International Cooperation Agency (JICA), shifts and continuities in regional visions and sectoral priorities, such as infrastructure development. I argue that the threefold mix of key drivers behind Japan's development cooperation has remained consistent, involving developmentalism stemming from Japan's own experience of successful modernisation from a non-Western background, neo-mercantilism, as well as strategic and geopolitical considerations. The relative weight and interplay of these factors, however, fluctuated in different periods.

**Key words:** *Japan, development cooperation, infrastructure, diplomacy, aid, JICA.*

The views expressed in this paper are those of the author and do not necessarily represent the official positions of either the JICA Ogata Sadako Research Institute for Peace and Development or JICA.

---

<sup>1</sup> JICA Ogata Sadako Research Institute for Peace and Development. The author thanks colleague from JICA Ogata Research Institute for invaluable feedback they generously gave on this paper. East Asian names are provided in conventional order: that is, surname followed by first name. All italics and errors are the author's only.

## La cooperación al desarrollo de Japón: de hacer enmiendas a establecer programas

**Resumen:** Este artículo revisa la evolución, en los últimos 75 años, de la Ayuda Oficial para el Desarrollo (AOD) de Japón tras la Segunda Guerra Mundial. Se presta especial atención al periodo que comienza en la década de los ochenta y los consiguientes cambios en las políticas de cooperación internacional al desarrollo de Japón. Se abordan conceptos básicos como la seguridad humana y un desarrollo de calidad, a la vez que se examina el papel de la Agencia de Cooperación Internacional del Japón (JICA), así como los cambios y las continuidades en las visiones regionales y prioridades sectoriales como, por ejemplo, el desarrollo de infraestructuras.

El autor argumenta que la combinación de estos tres factores clave para la cooperación al desarrollo de Japón se ha mantenido constante: el desarrollismo proveniente de la propia experiencia de modernización que Japón ha realizado con éxito, partiendo de un concepto no occidental, el neo-mercantilismo y consideraciones estratégicas y geopolíticas. Sin embargo, el peso relativo y la interacción entre estos factores han fluctuado en distintos periodos.

**Palabras clave:** *Japón, cooperación al desarrollo, infraestructuras, diplomacia, ayuda, JICA.*

## La coopération au développement du Japon: de la tentative de réparation à l'établissement de l'ordre du jour

**Résumé:** Cet article retrace l'évolution de l'aide publique au développement (APD) du Japon au cours des 75 dernières années, après la Seconde Guerre mondiale, en mettant particulièrement l'accent sur la période débutant dans les années 1980 et sur les changements ultérieurs des politiques de coopération au développement international du Japon. J'aborde des pierres angulaires telles que la sécurité humaine et la croissance qualitative, tout en examinant le rôle de l'Agence japonaise de coopération internationale (JICA), les changements et les continuités dans les visions régionales et les priorités sectorielles, telles que le développement des infrastructures. Je soutiens que la triple combinaison de moteurs clés derrière la coopération au développement du Japon est restée cohérente, impliquant le développementalisme découlant de la propre expérience du Japon en matière de modernisation réussie dans un contexte non occidental, le néo-mercantilisme, ainsi que des considérations stratégiques et géopolitiques. Le poids relatif et l'interaction de ces facteurs ont toutefois fluctué au cours des différentes périodes.

**Mots clé:** *Japon, coopération au développement, infrastructure, diplomatie, aide, JICA.*

## I. Introduction

The year 2021 marks a number of important milestones in international history and in the history of Japan, including Japan's track record of development and its development cooperation. Firstly, more than three quarters of a century have passed since the defeat of Japan in World War II and its subsequent miraculous recovery, marked by postwar modernisation, high-pace economic growth, and the pursuit of

an unprecedented pacifist foreign policy, including a unique brand of development cooperation. Secondly, it has been three decades since the end of the Cold War in 1991, which has drastically reshaped Japan's strategic environment, security perceptions and triggered adjustments to Japan's foreign aid. Finally, 2021 marks ten years since the 2011 triple shock of Great East Japan Earthquake, tsunami and the Fukushima Dai-ichi nuclear incident ("3/11"). A decade of post-3/11 reconstruction was followed by a new challenge, as the COVID-19 global pandemic has arisen globally in 2020–2021 and made its own distinct impact on international and Japanese development agenda.

This article revisits the evolution of Japan's Official Development Assistance (ODA) over the past 75 years, with a particular focus on the period starting from the 1980s and subsequent changes in Japan's international development cooperation policies. I address cornerstones such as human security and quality growth, while examining the role of Japan International Cooperation Agency (JICA, main Japanese government agency charged with implementing foreign aid), shifts and continuities in regional visions and sectoral priorities, such as infrastructure development.

I argue that the threefold mix of key drivers behind Japan's development cooperation has remained consistent. These drivers comprised, firstly, developmentalism stemming from Japan's own experience of non-Western modernisation; secondly, neo-mercantilism of a mercantile state aspiring for peace and prosperity, as conceptualised in Kōsaka Masataka's *tsūshō kokka* idea (Kōsaka 1996); and, thirdly, strategic and geopolitical considerations. The relative weight and interplay of these factors, however, fluctuated throughout different periods, as I will elaborate. In terms of recent trends, extant scholarship stressed securitisation and the strengthening of strategic considerations behind Japan's ODA in the 21<sup>st</sup> century. While agreeing with those observations, I also argue that the evolution of Japan's ODA reflects an increasing norm socialisation in two ways. Firstly, Japan's contribution to international community via ODA has progressively grown, especially since the late 1970s, reflecting response to external environment, shocks, pressure from the international community, as well as incremental maturity. The adoption of the World Bank's practices (Fujikura and Nakayama 2016) and the adoption of ODA charters exemplify Japan's own socialisation of norms in that respect. Secondly, Japan has increasingly included elements of not only trend-setting, but also norm-setting in foreign aid, acting as normative power and contributing to the norm socialisation of some other donors, as evidenced by the promotion of principles of "quality infrastructure" in international documents.

The chapter has six sections. Following the introduction, I provide a review of extant literature. I then proceed to examining a historical periodisation of the evolution of Japan's development cooperation. Sections four and five focus, respectively, on infrastructural assistance and regional initiatives. Finally, I append a conclusion summarising the findings.

## 2. Literature review

Over the past decades, in particular since the 1980s, Japanese and international researchers have produced an extensive body of scholarly work, examining Japan's Official Development Assistance and larger aid policies, including JICA's activities. Due to volume constraints, I provide a brief overview of extant literature on the topic, rather than an exhaustive one. As this article is written in the English language, I focus on English-language works by Japanese and international authors; at the same time, I also introduce several Japanese-language sources, as I find those to be indispensable for a nuanced understanding of Japanese foreign policy. More specifically, among wider aid scholarship, I refer to works by Kato Hiroshi, Sato Jin, Miyashita Akitoshi, David Arase, Robert Orr, Alan Rix, Marie Söderberg, Dennis Yasutomo, Purnendra Jain, Yamada Junichi, and Raymond Yamamoto, which provide an extensive theoretical and analytical framework for making sense of Japanese aid politics.

Multiple analyses of Japanese foreign aid highlighted its historical focus on loans and infrastructure, for instance, Kato, Page and Shimomura (2016), Rix (1993), and Söderberg (1996). Orr (1990) laid a solid foundation for understanding the decision-making in Japan's aid policy and its challenges in the late Cold War period. He identified the key bureaucratic actors and examined the system of quadri-ministerial interaction (*yonshōchō*) system of the Ministry of Foreign Affairs (MOFA), Ministry of Finance (MOF), Ministry of International Trade and Industry (currently METI) and the Economic Planning Agency. Orr drew a useful snapshot of Japanese foreign aid mechanism's state just before the Cold War end in 1991.

Rix (1993) provided a comprehensive account of Japanese foreign aid policy and philosophy in Asia, addressing the salient issues that were most relevant in the early 1990s, such as the critique from European and North American donors of the Organisation for Economic Cooperation and Development's Assistance Committee (OECD DAC) regarding the large share of tied loans in Japan's aid. More specifically, the book grasped the contradiction between Japan's global status

as major donor and what was viewed in the past as the inadequacy of Japan's responses to external aid pressures. Rix also highlighted the impeding impact produced by internal administrative inefficiencies on the aid policy and result. The instrumentalisation of aid as foreign policy tool used for protecting and enhancing Japanese security posited by Rix and acknowledged in numerous other scholarly works (Kato 2016) is a guideline for analysing the evolution of Japanese aid in its overall foreign policy context. Whilst this chapter acknowledges the emphasis Rix placed on the past reactivity of Japanese foreign aid, the opposite pattern can be increasingly observed in the Japanese development assistance of the post-Cold War era and in particular over the 2010s. During Nakasone Yasuhiro's premiership, Yasutomo (1986) published one of the first analyses of strategic use of the Japanese aid as a foreign policy tool. Yamamoto (2020) examined the history of strategic use of Japanese ODA from Nakasone to Abe Shinzō, focusing on Abe's reforms strengthening the authority of the prime minister and the prime minister's executive office in this field.

Miyashita (2003) scrutinised the debate on the reactivity of Japanese foreign aid and its relation to external pressure (*gaiatsu* in Japanese). This analysis is relevant to theoretic conceptualisation of Japanese aid policies as it both developed and countered Calder's (1988) argument on the repercussion of Japanese institutional rigidities towards reactivity in foreign policy-making. According to Miyashita, external pressure upon Tokyo, in particular from the U.S. government, was another significant reason, besides domestic politics, why Japan altered the policy course it initially saw as preferable for its national interests. Furthermore, in some specific cases of Japan's aid policy, Miyashita's *gaiatsu* interpretation can be complemented by the concept of 'internalised *gaiatsu*' (Kliman 2006: 77):

<...> the Japanese motivations resemble a hybrid of external expectations of Japan and Japan's expectations of itself (which are sometimes conceptualised as "internalised *gaiatsu*" or "internalised pressure") rather than a cost-benefit analysis of a particular policy.<sup>2</sup>

Söderberg (1996) highlighted *inter alia* the predominance of infrastructure projects in Japanese ODA as compared to other donor countries and established the links between ODA and Japanese business. Other extant scholarship has recurrently addressed the historical sectoral emphasis of Japan's aid on infrastructure, which on the one hand, is related to Japan's own experience of development (Kato 2016), and, on the other hand, has drawn some criticism from the European and American DAC donors in the past. At the same time, as infrastructural development came to the fore of international agenda in the 2010s, increasingly prioritised by emerging

<sup>2</sup> As quoted in Dadabaev (2016: 161).

donors, including non-OECD ones, the focus of Japan's development cooperation on infrastructure gained a new dimension. Maemura (2019) argued that while Japan's ODA has identified itself through a strong focus on self-help, the concept itself originated from OECD-DAC discourse.

Yasutomo's 1983 book on Japan's relationship with the Asian Development Bank and his chapter in the 1993 volume edited by Robert Orr address the multilateral aspect of Japan's development cooperation. Both accounts established the links between Japanese national interests and their overlap with policies implemented by Japanese officials working for a regional intergovernmental institution.

In the 2010s, numerous institutional and scholarly works, for instance, Sato et al (2010) and Mawdsley (2012) investigated the phenomena of emerging donors and the rising competition in the field of financial aid and new non-Western competitors, in particular the role of China. Mawdsley's work highlighted the contrast between aid providers bound by OECD DAC's standards by virtue of their membership in it, and emerging donors, especially in Asia, whose assistance policies were not regulated by those norms or fitting with the definition of ODA. In the postwar period, Japan itself has gone from being a borrower of the World Bank and an 'emerging donor' (including paying reparations) to an established 'status quo power' donor in the late 1980s-early 1990s, as peer pressure from other OECD countries was mounting in favour of less pragmatism in Japanese aid philosophy. At the same time, as I elaborate later, having become more in line with pressures from the OECD, Japan now faces increasing competition from China and other non-OECD or more pragmatic donors on the foreign aid arena.

### **3. Historical overview**

The Cold War and U.S. foreign policy of containing the global expansion of Communism profoundly shaped the international development landscape in the aftermath of World War II, as evidenced by U.S. President Harry Truman's 1949 inaugural address and Point Four Program (Truman 1949). In turn, the onset and the course of the Cold War in Asia and Japan's postwar rebound set the scene for Japan's foreign aid policies in the 1950s-80s.

Three drivers have consistently guided Japan's foreign policy and ODA. The first driver was developmentalism, underpinned by Japan's modernisation and development experience. The second is neo-mercantilism, as explained in K saka's concept above

and referring to both pragmatic commercial aspects and their wider internationalist implications. The third type of drivers comprised of strategic and neorealist aspirations of ensuring national security (Jain 2016), especially manifest with the strategic use of ODA as early as under Prime Minister Nakasone (Yasutomo 1986).

Kato (2016: 2–5) came up with the most recent comprehensive periodisation of Japanese ODA, structuring it along postwar decades.<sup>3</sup> In the 1950s, two main processes that shaped Japanese development cooperation were, firstly, the payment of post-war reparations and quasi-reparations to various countries in East and South Asia, and, secondly, Japan's own postwar economic recovery. The year 1954 is the milestone for the start of Japan's aid, as Japan acceded to the Colombo Plan. During the early postwar years, most of Japan's aid was implemented in parallel with postwar settlements in the form of reparation payments (MOFA 2014). For example, one of the first reparation projects was Japan's support for the Baluchaung hydropower plant in Myanmar, while the first yen loan Japan extended was to India in 1958. Reparations conducted as yen payments to Japanese companies selling goods and services to Southeast Asian states allowed Japanese firms to regain access to regional markets.

The 1960s witnessed the progress and expansion of Japan's ODA system, powered internally by the Japanese government's policy of rapid economic growth ("income doubling policy"). This was also when the institutional design of Japanese aid agencies took shape, with the establishment of the Overseas Economic Cooperation Fund (OECF) in 1961, of the Overseas Technical Cooperation Agency (OTCA) in 1962 and of an overseas volunteer program called Japan Overseas Cooperation Volunteers (JOCV) in 1965 (Kato 2016: 2). Japan solidified its international development standing, as it joined the Development Assistance Committee (DAC) in 1961 and the Organisation for Economic Cooperation and Development (OECD) in 1964 – another milestone year, when Japan also held the Tokyo Olympics and launched the iconic Shinkansen bullet train, built with the funds Japan itself had received from the World Bank as a borrower. In terms of regional priorities, Asia dominated the geography of Japan's ODA (see fig. 1), correlating with the large share of yen loans extended to the region and reflecting the prevalence of neo-mercantile drivers.<sup>4</sup> Multilaterally,

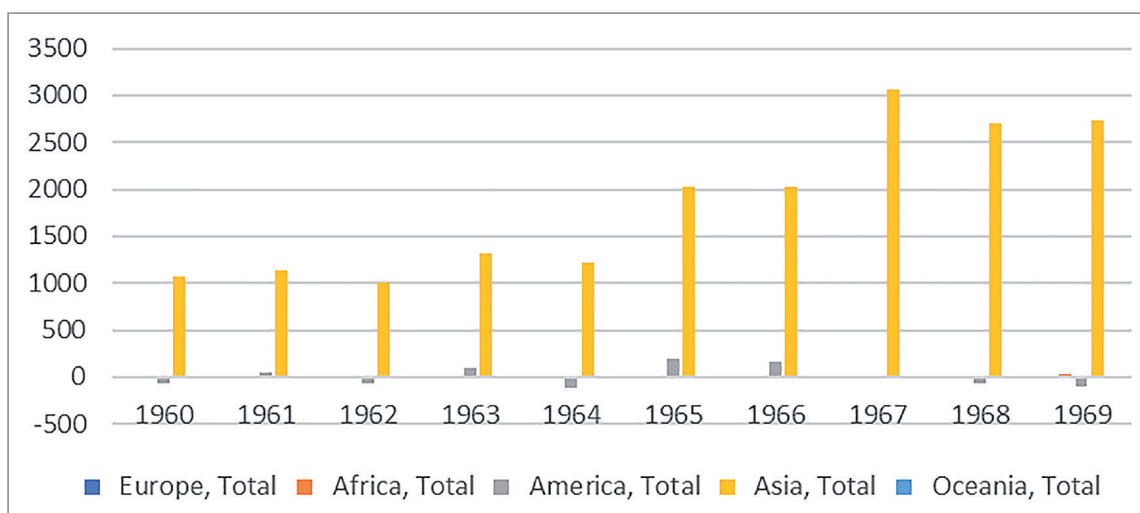
---

<sup>3</sup> While it is customary to use Japan's postwar reparations as a point of departure in the ODA chronology, several scholars (Moore 2013, Yamada 2021) noted the role of imperial-era engineers, such as the founder of Nippon Koei Co. Ltd, Kubota Yutaka, and imperial-era economists such as businessman-politician Takasaki Tatsunosuke. MOFA (2014) has a version of official periodisation of Japan's postwar aid.

<sup>4</sup> See Kato (2016) for further details on the history of yen loans in Asia.

after a decade of back-and-forth negotiations, the Asian Development Bank was founded in 1966, with Japan playing a key role since the outset.

**FIGURE I. Japan's ODA in the 1960s (2019 US dollars)**



Source: OECD.

The 1970s were a critical period, marking a number of major upheavals in Japanese ODA's neo-mercantile and geopolitical drivers. Firstly, similarly to Japanese foreign policy in general, ODA had to adapt to tectonic shifts in external economic and strategic environments, in particular to the various policies of U.S. President Richard Nixon that came across as shocks to the Japanese leaders (Kato, 2016: 2–3). This includes Nixon's policy of mending ties with the People's Republic of China in the early 1970s without due prior consultation with Tokyo<sup>5</sup> and Nixon's decision to suspend the convertibility of the U.S. dollar into gold or other reserve assets. In the field of natural resources, Nixon's embargo on the U.S. exports of soybeans rattled the Japanese market, a major importer of the commodity, while the 1973 OPEC oil embargo threatened Japan's energy procurement security. Finally, Prime Minister Tanaka Kakuei's 1974 visits to Thailand and Indonesia were met with local riots due to grievances over Japanese industrial expansion and labour conditions in these countries.

<sup>5</sup> The situation was aggravated by the fact that the Japanese government and business community had wanted to improve relations with Mainland China much earlier, but these efforts had been precluded by the U.S. government's policy of support for Taiwan.



Accordingly, the Japanese government adapted its ODA policies to the new environment. Namely, the improvement of ties with the People's Republic China included the launch of an exceptional program of financial assistance, with Prime Minister Ōhira Masayoshi pledging 50 billion yen in 1979.<sup>6</sup> The importance of that relationship is evidenced by the fact that Japan continued to provide concessional finance to China until the late 2000s, even though China has become a more financially robust state by that time.<sup>7</sup>

In 1977, Prime Minister Fukuda Takeo unveiled a new policy of improving ties with Southeast Asia that later came to be informally known as the Fukuda Doctrine and included the boosting of Japan's ODA disbursements to the region in terms of volume and scope. Fukuda's approach marked the start of an increasing developmentalist element in the previously heavily mercantile policy. In terms of institutional framework, Japan International Cooperation Agency (JICA) was established in 1974 via the merger of the above-mentioned OTCA and Japan Emigration Service (JEMIS).

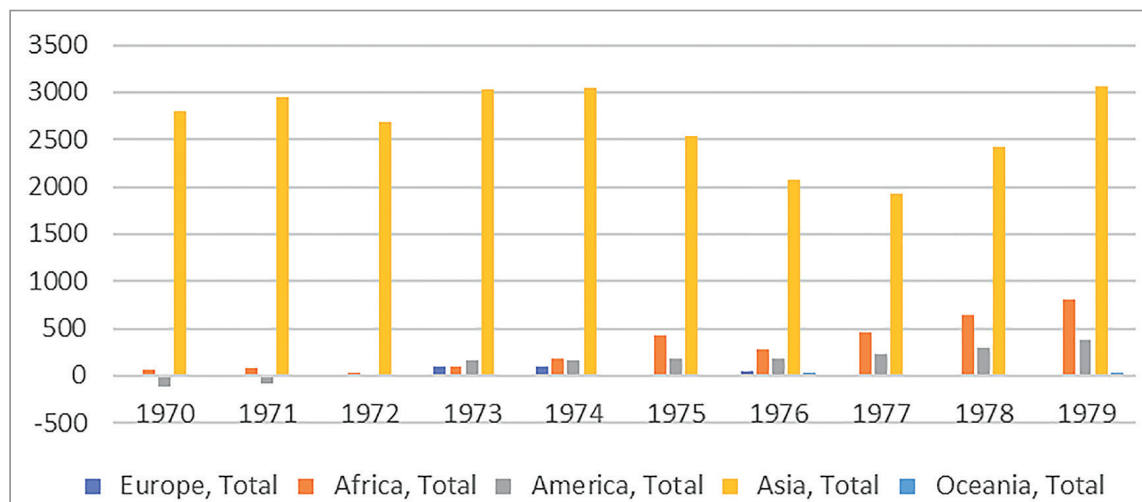
The phenomenon of external pressure, namely from the U.S., became manifest in the 1970s. Consequently, Japan expanded its ODA in response to U.S. calls for more burden-sharing and untied its aid as a result of U.S.–Japan trade frictions, making it accessible for firms from other countries, in particular from the U.S., although another major reason for untying the infrastructural aid was the emergence of anti-Japanese sentiment in Southeast Asian countries in that decade (Kato, 2016: 2–3). As a result, the share of tied projects went down from 100% in the early 1970s to around 40% in the late 1970s (Yamada 2020: 24). Asia's share of Japan's ODA remained consistently high, but other regions, especially Africa, saw their weight increase (see fig.2). The pace of ODA to Africa remained stable in the ensuing decades, as evidenced on figures 3 and 4.

---

<sup>6</sup> What made the programme exceptional was China's status of major power and nuclear power, which in other circumstances would make a country ineligible to become a Japanese aid recipient, based on the Japanese government policy.

<sup>7</sup> At present, the World Bank, the ADB and European donors tend to continue providing ODA and financial support to China.

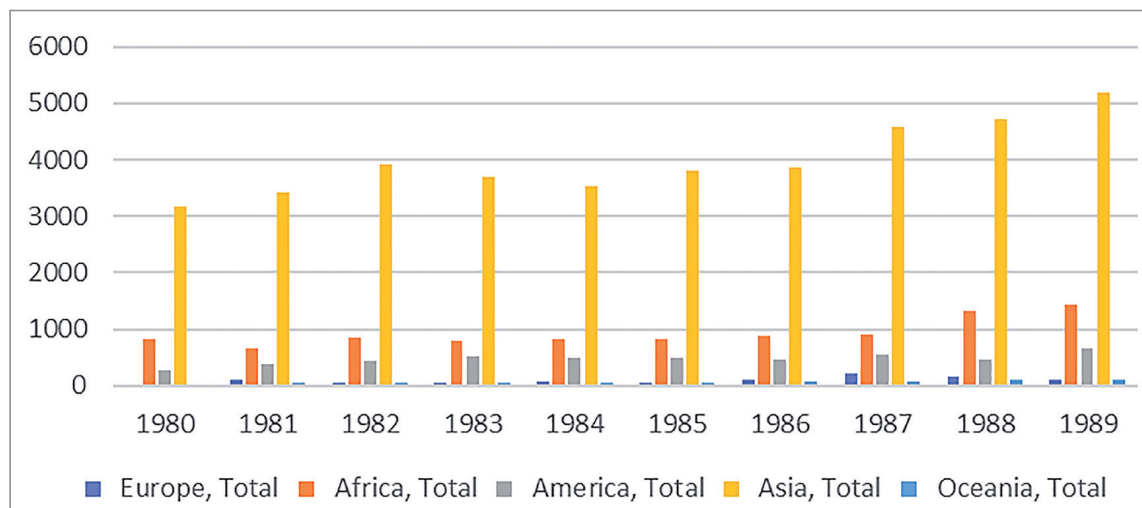
FIGURE 2. Japan's ODA in the 1970s (2019 US dollars)



Source: OECD.

In the 1980s, Japanese ODA continued its expansion, as the government introduced medium-term targets in 1981, 1985 and 1988 (Kato 2016: 3). At the same time, changes in external economic and geopolitical environment affected the mercantile and strategic drivers of Japan's aid. As the 1985 Plaza Accord forced Japan to appreciate the yen, its ODA value increased accordingly, ultimately making the country the world's top donor by 1989. Boosted by the stronger yen and its adverse effect of Japanese export competitiveness, Japanese companies further expanded their global footprint, especially in China and Southeast Asia. In the same decade, the Japanese government formulated the strategy of comprehensive security (*sōgō anzen hoshō senryaku*), which emphasised security aspects outside traditional military security, namely economic security, as well as disaster prevention. The economic elements of this concept involved the improvement of relations with countries important to Japan's economy and stockpiling. As Japan's relations with Southeast Asian states matured, Japanese ODA involved large-scale infrastructure projects that have become landmark in terms of contributing to recipients' economic growth, such as the 1982 Eastern Seaboard Industrial development project in Thailand. Furthermore, in 1987, head of Japan's Ministry of International Trade and Industry (MITI, currently METI) Tamura Hajime proposed a regional master plan for Southeast Asia called New Asian Industries Development plan (New AID). The plan, which ultimately did not materialise in that initially devised form (Terry 2002: 127–29), included major investment in ports and other infrastructural assets in Southeast Asia as part of facilitating trade and developing regional supply chains, which have become the core of transnational production network, involving Japanese companies.

FIGURE 3. Japan's ODA in the 1980s (2019 US dollars)

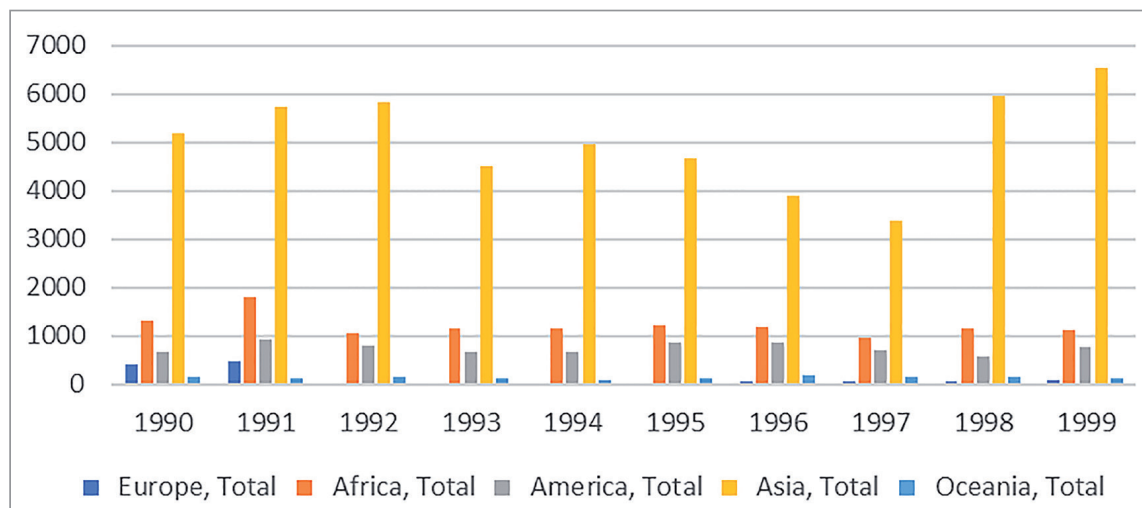


Source: OECD.

As the Cold War ended in East Asia in 1989–91 with the withdrawal of Vietnamese troops from Cambodia and the collapse of the Soviet Union, Japan's strategic environment has significantly changed, while its ODA programme gained a new dimension. While the global development scene's background transitioned from "Cold War" dividing lines to "post-Cold War" reshaping, newly independent post-socialist states emerged as potential aid recipients. Their governments were interested both in financial assistance and advice on market transition reforms, as the debates over the 'Washington Consensus' have been unfolding (Murashkin 2015). In some countries, for instance, in Central Asia, Japanese officials provided 'intellectual aid' by supporting financial education (Kashiwagi 2014), while also suggesting that gradualist reforms can be a sensible alternative to 'shock therapy' (Murashkin 2020).

The 1990s marked the heyday of Japan as global aid power, as it ascended to the rank of the world's largest donor among the OECD member states in terms of total ODA disbursement in 1992 and remained at that peak until 2000 (Akiyama and Nakao 2005). At the same time, seeking to articulate ODA policy objectives and following mounting criticisms externally and domestically over aid implementation, such as the prevalence of commercial motives over humanitarian and strategic ones (Jain 2016), the government promulgated the inaugural ODA Charter in 1992. In 1993, the launch of the Tokyo International Conference on African Development (TICAD) evidenced that the geographical focus of Japan's foreign aid program was not confined to Asia. TICAD has since become a major regular fixture not only in Japan–Africa relations but also in the global development landscape.

FIGURE 4. Japan's ODA in the 1990s (2019 US dollars)



Source: OECD.

In 1997, following the outbreak of the Asian Financial Crisis, Japan has sought to harness its financial resources and provide public goods in the form of not only offering an anti-crisis stabilisation package but also proposing to establish the Asian Monetary Fund. Tanaka Akihiko, former JICA President, qualified Japan's response as that of an 'economic superpower' (Tanaka 2017: 187). Ultimately, this initiative was opposed by the governments of U.S. and China, although some elements materialised in the subsequent Chiang Mai Initiative, but Japan still made an overall contribution of USD80 billion to help deal with the consequences of the 1997 crisis.

In the late 1990s, the Obuchi government actively developed the concept of human security, which has subsequently become one of basic principles of the 2003 ODA Charter and its 2015 successor. By 2021, human security has become one of two main missions of JICA's activity, on par with quality growth. In 1998, for instance, Tokyo announced the establishment of the UN-based Human Security Fund aimed at the cooperation of governments, international organisations, and NGOs. Through this fund, Japan assisted the Human Dignity Project of the UN Economic and Social Commission for Asia and the Pacific (ESCAP) (MOFA 1999). The weight of developmental drivers in Japan's ODA has unprecedentedly grown.

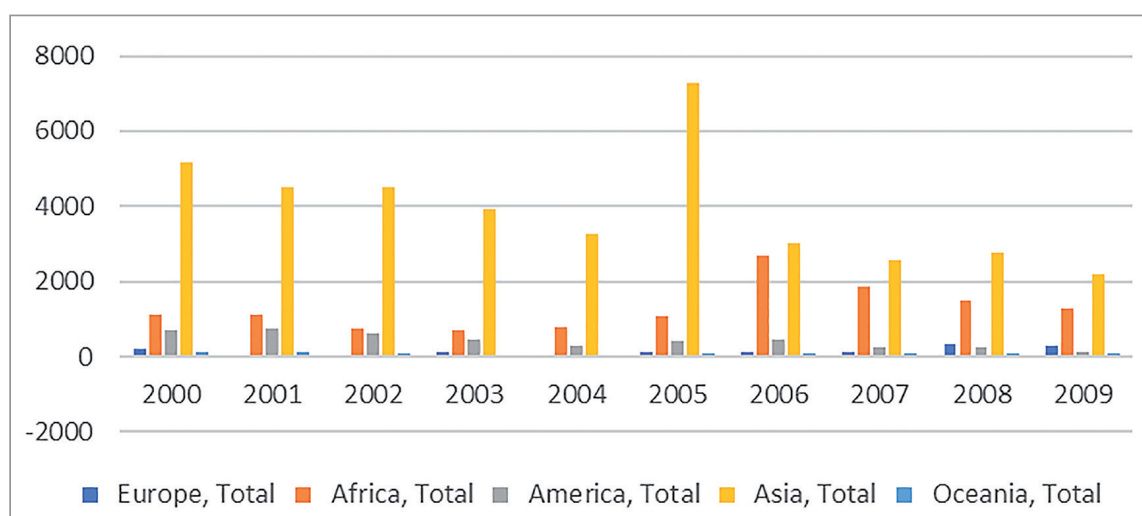
The 2000s marked a period of reform in Japanese ODA, as developmental and security drivers came to the fore. As the U.S. and their allies embarked on the

International Security Assistance Force (ISAF) operations following 9/11, the Japanese government, especially under Prime Minister Koizumi Jun'ichiro, had increased its aid contribution to Afghanistan. The government revised the ODA Charter in 2003, seeking to improve the public's understanding of how foreign aid disbursements can benefit Japan itself amid domestic slowdown and the second 'lost decade'. In 2005, during the Koizumi premiership, MOFA decided to terminate the ODA loan programme to China, while grant aid continued until 2010.

Furthermore, JICA had undergone important changes through, firstly, becoming an "Incorporated Administrative Agency" in 2003 with enhanced autonomy in assistance implementation and, secondly, expanding in 2008 through merger with the ODA loan department of the Japan Bank for International Cooperation (JBIC, or former OECF). In 2003, a high-profile Japanese academic and diplomat, Ogata Sadako, became the first president of the new JICA. All of the above factors profoundly shaped JICA, making it the organisation that it is today. As figures 5 and 6 show, in the late 2000s, the relative share of Japan's ODA to Africa increased to the level closer to the traditionally high aid to Asia, marking a trend which intermittently continued into the 2010s.

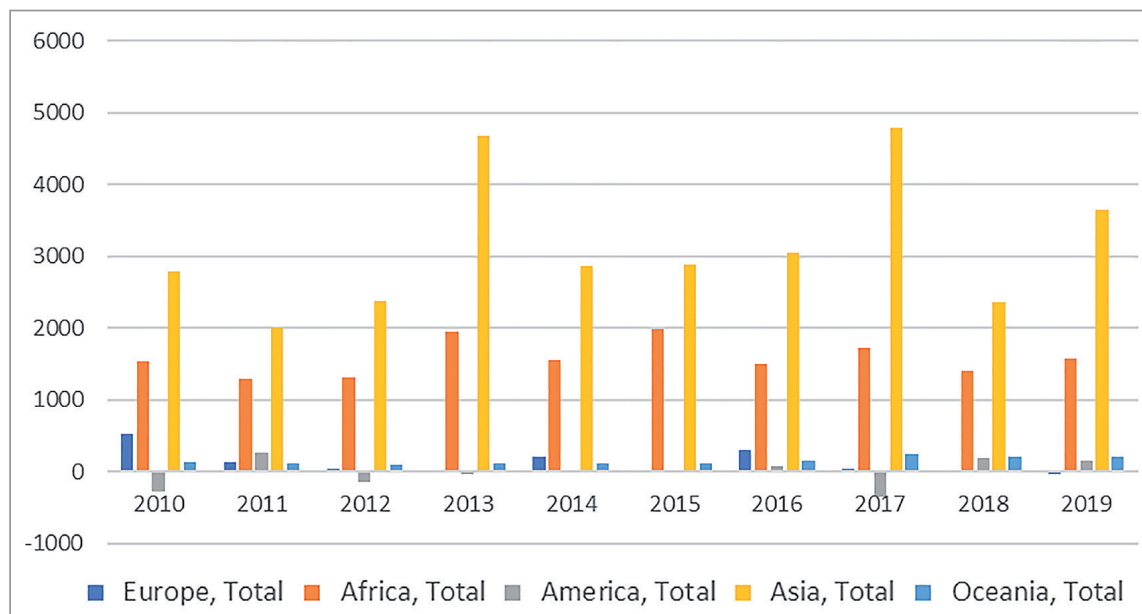
The onset of the 2010s was marked by the advent of a new government formed by the Democratic Party of Japan, following a landslide victory at the lower chamber election in 2009. Although the three successive DPJ cabinets, led by Hatoyama Yukio, Kan Naoto, and Noda Yoshihiko, have stayed at power for a little over three years,

**FIGURE 5. Japan's ODA in the 2000s (2019 US dollars)**



Source: OECD.

FIGURE 6. Japan's ODA in the 2010s (2019 US dollars)



Source: OECD.

they have made their mark on the ODA policy. The DPJ administration initiated debates on ODA reforms, and a multi-sectoral Task Force was set up to contribute to the debates. It was composed of Japanese professionals involved in Japanese ODA, gathered in a personal capacity. The panel prepared five recommendations for the ODA policy, which included the following: firstly, changing “ODA” to “Development Cooperation”; secondly, strengthening “policy capability” in the global arena; thirdly, enhancing partnerships with diverse actors while expanding the total resource flows to developing countries; fourthly, establishing a new cooperation strategy for Asia aiming at a “network-based cooperation”; and, finally, shifting “ODA public relations” to support for “development education” (Multi-sectoral Task Force for the Reform of Japanese ODA 2010). Furthermore, it was the DPJ administration that started the policy of supporting infrastructure exports, reigniting neo-mercantile dynamics in Japan’s development cooperation. Although the DPJ did not secure a sufficiently long tenure at power to implement their policies in full, they were of consequence for the successor LDP governments, as I will show in the next section. In 2012, the DPJ administration appointed scholar Tanaka Akihiko as the new JICA President.

When the LDP returned to power in late 2012, the Abe administration made a number of landmark changes affecting development cooperation’s conceptual basis,

institutional design and the three drivers: developmentalism, neo-mercantilism and strategic considerations. From 2015 onward, the government renamed ODA into Development Cooperation in relevant policy documents such as the Development Cooperation Charter (DCC) and MOFA's annual White Papers. The term 'national interests' was mentioned clearly from the outset in DCC (MOFA 2015), while also being defined in expressly internationalist terms. In that period, Tokyo stepped up the promotion of infrastructure exports and emphasised the strategic use of foreign aid, underpinned domestically by the increased powers of *Kantei*, the prime minister's executive (Yamamoto 2020). Japan's development cooperation became an important policy tool in realising the Free and Open Indo-Pacific Vision, strengthening the capability of developing countries in the Indo-Pacific at the backdrop of China's geopolitical rise, especially following the launch of the Belt and Road Initiative. In 2015, scholar-practitioner and former Japanese Ambassador to the United Nations Kitaoka Shinichi succeeded Tanaka Akihiko as the new JICA President. In 2018, JICA launched the Development Studies Program aimed at helping the future leaders of developing countries to learn more about Japan's modernisation and its links with Japan's development cooperation, based on Japan's own development experience. As of 2019, Japan remained among the top four global donors (OECD 2020).

The 2020s started with the COVID-19 pandemic that had rattled the global scene and shifted the focus of donors, including Japan, towards public health and aid in this field. The new challenges and priorities solidified JICA's announced missions: namely, human security and quality growth. Japan's response to COVID-19, aimed at developing countries, demonstrated resolve to act as a provider of international public goods: a USD1.54 billion package for medical and health assistance bilaterally and through international organisations; and an up to USD4.5 billion contribution for establishing the COVID-19 Crisis Response Emergency Support Loan in order to help revitalise economic activities (MOFA 2020). In 2021, MOFA pledged to provide 4.5 billion yen in grant aid through an international organisation to 25 countries in Asia and the Pacific Islands region, including Indonesia, the Philippines and Thailand, to help build a cold-chain distribution network for COVID-19 vaccines (Kyodo 2021). The 2020 Development Cooperation White Paper, published in March 2021, placed a particularly heavy emphasis on COVID-19 (MOFA 2021).

In terms of specific results, for human security, JICA President Kitaoka identified the following activities and projects: the operations of TICAD, Mindanao Peace and Development initiative in the Philippines, disaster prevention (as exemplified by the response to the Sulawesi earthquake in Indonesia), and the activities of JOCV volunteers. As for quality growth, Kitaoka highlighted such specific examples as

aquaculture technology for Chilean salmon, Cerrado regional development in Brazil, Delhi Metro, and subway in Indonesia (MOF 2020).

#### 4. Infrastructure in Japan's development cooperation

As shown above, Japan's has consistently kept infrastructure a main sectoral focus of its ODA. While Western donors criticised Japan's focus on infrastructure in the 1980s–1990s, Tokyo's aid philosophy in that field was somewhat vindicated in the 2010s, especially following the onset of an international infrastructure race, epitomised by debates and responses over China's BRI.

In 1994, the World Bank's World Development Report placed the primary emphasis on the private sector as the key actor in infrastructure development. Recently and in retrospect, some commentators (Rowley, 2020: 20–21) argued that this vision, enshrining the Washington Consensus, failed to estimate the role of public sector adequately and hindered the mapping of global infrastructure needs at the time. The ADB (2017) estimated developing Asia's infrastructure needs at USD1.7 trillion per year until 2030. As infrastructure gained in importance on the global agenda in the 2010s, China has harnessed major resources to spearhead megaprojects, such as the Belt and Road Initiative (BRI).

Both in response to China's policies but also in line with its previous decades-long post-1945 global infrastructure contribution, Japan launched landmark initiatives, such as the Partnership for Quality Infrastructure and others. Importantly, while the post-2013 Silk Road discourse has been dominated by the BRI-themed discussions, it is noteworthy that both Japan's Silk Road diplomacy (Murashkin 2018) and connectivity infrastructure concepts evoking the idea of Silk Road (JICA 2004) predated the BRI. Furthermore, Japan's infrastructural aid has been consistently focusing not only on physical assets, but also associated legal and administrative systems:

*As exemplified by the Silk Road, transport infrastructure historically enabled long-distance trade and the diffusion of great civilisations. The concept of infrastructure includes institutions like legal and administrative systems as well as physical assets like roads, schools and water supply and sewerage systems. (JICA 2004: 2)*

As evidenced by various programs for infrastructure development on both bilateral and multilateral levels, Japan's approach emphasised the importance of contribution from both public and private sectors – suggesting the continuity of the interplay between developmental, strategic and neomercantile drivers of Japan's aid. The



examples of such programs include: Special Terms for Economic Partnership (STEP), Leading Asia's Private Infrastructure Fund (LEAP), Fiscal Investment and Loan Program (FILP), all of which involve JICA in different qualities. STEP is a program of Japanese ODA loans involving Japanese companies, which was introduced in 2002 and had its scope expanded in 2013, as the Abe administration launched a new Infrastructure Export Strategy.<sup>8</sup> STEP covers countries eligible for Japanese ODA loans and tied aid under the OECD rules and concerns projects for which Japanese technologies or equipment are substantially utilised. LEAP is an infrastructure co-financing fund established in 2016, expected to leverage and complement ADB's existing non-sovereign platform, where JICA has made a co-financing contribution.<sup>9</sup> FILP provides fiscal loans for projects, including international ones, and involves a guarantee allowing FILP agencies (including JICA) to smoothly raise funds with more favorable conditions.<sup>10</sup>

Japan also addressed such inefficiencies in its aid administration as slow pace of approvals by announcing plans to increase their number and facilitate the relevant procedures (Yamada 2018: 46). Japan's efforts in promoting Partnership for Quality Infrastructure and the discourse of "quality infrastructure" and "quality growth" at the international level (for instance, at the 2016 Ise-Shima G7 summit and the 2019 Osaka G20 Summit) gained traction and had some norm-socialising effect on China, evidenced by Beijing's subsequent use of the "quality infrastructure" language in its official rhetoric. Another exercise of Japan's norm-setting power was via the launch of the Blue Dot Network initiative in 2019 jointly with Indo-Pacific partners Australia and the U.S. to provide assessment and certification of infrastructure development projects.

## 5. Regional visions

As shown by numerous examples above, the implementation of development cooperation within larger regional frameworks is another distinctive feature of Japan's foreign policy. In both the postwar and the post-Cold War periods, Japanese

<sup>8</sup> JICA. Special Terms for Economic Partnership: [https://www.jica.go.jp/english/our\\_work/types\\_of\\_assistance/oda\\_loans/step/index.html](https://www.jica.go.jp/english/our_work/types_of_assistance/oda_loans/step/index.html)

<sup>9</sup> ADB. Leading Asia's Private Infrastructure Fund: <https://www.adb.org/what-we-do/funds/leap>

<sup>10</sup> MOF. Fiscal Investment and Loan Program: <https://www.mof.go.jp/english/filp/>

leaders have consistently proposed or contributed to multilateral initiatives for Asia. While some of these materialised and others did not, what was manifest throughout these initiatives is Tokyo's willingness not only to shape regional value chains, but also offer shared visions for regional institutional design. Financial mechanisms, including concessional lending and development cooperation, have figured prominently in many of those institutions and designs. Among those diverse ideas that materialised, Japan's role is particularly worth highlighting in the following ones: the Asian Development Bank (ADB)<sup>11</sup> founded in 1966, the 1977 Fukuda Doctrine by Prime Minister Fukuda Takeo, the ADB's regional programs such as Greater Mekong Subregion (GMS), Central Asian Regional Economic Cooperation (CAREC), and South Asian Sub-regional Economic Cooperation (SASEC). While the latter regional programs are part of ADB's multilateral activities, Japanese officials played an important role in establishing them, as I have argued elsewhere (Murashkin 2018).

A number of concepts that had remained on paper were also noteworthy for their scale, regional scope and as indicators of Japanese strategic thinking in this field. These include: the 1957 Southeast Asian Development Fund proposal by Prime Minister Kishi Nobusuke, the 1987 New AID master plan for Southeast Asian transport infrastructure advanced by the head of Japan's MITI (METI) Tamura Hajime, the 1997 Asian Monetary Fund initiative, the 2013 Northeast Asian Infrastructure Investment Fund idea by then-Dean of the ADB Institute Kawai Masahiro, as well as the 2009 Asian Infrastructure Investment Fund idea that had floated inside the ADB. In particular, although Tamura's 1987 idea failed to gain enough support domestically and internationally, both in some Southeast Asian countries and in the U.S., certain scholars (Terry 2002: 127–29) argued that its strategic concepts remained in place in Japan's approaches to Asia.

In that context, the announcement and promotion of two major regional schemes involving development cooperation mechanisms and infrastructure by the Abe and Suga administrations from 2015 onwards fits within the pattern of Japan's contribution to regional development: namely, these are the larger Free and Open Indo-Pacific framework and the more sectoral Partnership for Quality Infrastructure.

Most recently, another regional vision has been suggested by the aforementioned Kitaoka Shinichi, a major scholar of international politics, who came up with

---

<sup>11</sup> Japan's influence in the ADB is demonstrated by its voting power at par only with that of the U.S. and traditional occupancy of the position of the president from the outset.

the concept of the Western Pacific Union in 2020. This idea appears to be in its early inception stage, so commenting on its materialisation and prospects would be difficult and premature at the time of writing this chapter. What can be said is that Kitaoka's concept, in its early announced form, appears to indicate a certain number of priority partners for Japan in the Indo-Pacific region and within ASEAN. Kitaoka brought up this concept on several occasions with different backgrounds, such as discussions on the possible restructuring of supply chains and developing a loose regional bloc. According to Kitaoka, this vision was partially inspired by the European Union and the African Union, and by principle would exclude superpowers, such as China or the U.S. The membership of a 'Western Pacific Union' would be primarily centred on Southeast Asia and include Japan. An expanded version of the bloc, called a 'Pacific Union' would also add New Zealand and Australia to the 'Western Pacific Union' (Kitaoka 2021). It remains to be seen whether this idea will materialise and what implications it has for Japan's ODA. In the meantime, however, the countries from the regions involved in that framework can serve as a proxy for indicating Japan's closer partners in the near future.

## 6. Conclusion

This paper sought to provide a reflection dedicated to the evolution of cooperation policies of Japan with a particular focus on the role of JICA's activities. I have provided an overview of the post-World War II and post-Cold War history of Japan's ODA. I have argued that the main drivers shaping Japan's development cooperation – developmentalism, neo-mercantilism and strategic use – have remained consistent throughout different periods of contemporary history. What has changed, however, was the interplay between these drivers and their relative weight, as well as the interpretation of key notions – for instance, that of "security" – in successive policy doctrines. Japan's development cooperation policies combined the elements of proactivity and adaptation to changing strategic environment and global value chains. What exhibited continuity throughout the entire postwar period, and especially from the 1980s was Japan's consistent willingness to formulate regional visions for Asia and frame multiple development cooperation policies, such as concessional lending and infrastructure assistance, within those grand designs. This feature is likely to remain in place in the Post/With-COVID era, as the pandemic that has started in 2020 adversely and drastically affected future prospects numerous areas of paramount importance to Japan: human security, quality growth, global value chains, and connectivity.

## Bibliography

ADB (2017). Meeting Asia's Infrastructure Needs. February: <https://www.adb.org/publications/asia-infrastructure-needs>

AKIYAMA, T. & TAKEHIKO, N. (2005). *Japanese ODA: Adapting to the Issues and Challenges of the New Aid Environment*, Tokyo: Foundation for Advanced Studies on International Development.

ARASE, D. (1995). *Buying Power: The Political Economy of Japan's Foreign Aid*, Boulder, CO, and London: Lynne Rienner Publishers.

CALDER, K. (1988). "Japanese Foreign Economic Policy Formation: Explaining the Reactive State", *World Politics*, 40(4), 517-541.

DADABAEV, T. (2016). *Japan in Central Asia: Strategies, Initiatives, and Neighbouring Powers*, London: Palgrave.

FUJIKURA, R. & NAKAYAMA, M. (2016). "Origins of Japanese Aid Policy." In: Hiroshi, Page, John, and Shimomura, Yasutami (eds.). *Japan's Development Assistance. Foreign Aid and the Post-2015 Agenda*, Palgrave: London.

JAIN, P. (2016). "Japan's Foreign Aid: Institutional Change and Shifting Policy Directions", in: Kato et al.

JICA (2004). A New Dimension of Infrastructure. Realizing People's Potentials.

KASHIWAGI, S. (2014) "Chiteki shien to ha nani ka," *Fainansu* (Finance), July: 16-25.

KATO, H., PAGE, J. & SHIMOMURA, Y. (eds.) (2016). *Japan's Development Assistance. Foreign Aid and the Post-2015 Agenda*, Palgrave: London.

KAWAI, M. (2013). "Financing Development Cooperation in Northeast Asia." *The Northeast Asian Economic Review* 1 (1): 1-40.

KITAOKA, S. (2021). "Nishi-taiheiyō-rengō wo kōsō-suru" [Imagining a Western Pacific Union], *Asteion*, n° 94, 2021: 172-188.

KLIMAN, D. M. (2006). *Japan's Security Strategy in the Post-9/11 World: Embracing a New Realpolitik*, Washington, DC: Praeger.

KOPPEL, B. & ORR, R. M. (1993). *Japan's foreign aid: power and policy in a new era*, Boulder, CO: Westview Press.

KŌSAKA, M. (1996). *Kōsaka Masataka gaikō hyōronshū: Nihon no shinro to rekishi no kyōkun* [Diplomacy Review by Kōsaka Masataka: Japan's course and lessons of history], Tokyo: Chūō kōron.

KYODO NEWS (2021). "Japan to give \$41 million aid to Asian nations over vaccine supply" 9/3. <https://english.kyodonews.net/news/2021/03/1cbb65032a6e-japan-to-give-41-million-aid-to-asian-nations-over-vaccine-supply.html>

MAEMURA, Y. O. (2019). The Historical Development of Japanese ODA Policy in the OECD: A Corpus Analysis of DAC Aid Reviews. *Japan's Development Cooperation: A Historical Perspective*, November. JICA Research Institute.

MIYASHITA, A. (2003). *Limits to Power: Asymmetric Dependence and Japan's Foreign Aid Policy*, Lanham, MD: Lexington Books.

MOF (2020). Kaki shokuin toppuseminā [Summer Staff Top Seminar], by Kitaoka Shinichi, 28 August. [https://www.mof.go.jp/public\\_relations/finance/202011/202011o.html](https://www.mof.go.jp/public_relations/finance/202011/202011o.html)

MOFA (1999). Address by State Secretary for Foreign Affairs Keizo Takemi, 1/9, Asia Society, New York: [https://www.mofa.go.jp/policy/human\\_secu/speech9909.html](https://www.mofa.go.jp/policy/human_secu/speech9909.html)

— (2014). Japan's Official Development Assistance White Paper 2014: [https://www.mofa.go.jp/policy/oda/white/2014/html/honbun/b1/s1\\_1.html](https://www.mofa.go.jp/policy/oda/white/2014/html/honbun/b1/s1_1.html)

— (2015). Development Cooperation Charter: [https://www.mofa.go.jp/policy/oda/page\\_000138.html](https://www.mofa.go.jp/policy/oda/page_000138.html)

— (2020). Japan's aid policies to COVID-19 for developing countries. Ministry of Foreign Affairs of Japan, December: <https://www.mofa.go.jp/files/100098665.pdf>

— (2021). Kaihatsu kyōryoku hakusho (Development Cooperation White Paper). <https://www.mofa.go.jp/mofaj/gaiko/oda/files/100157805.pdf>

MULTI-SECTORAL TASK FORCE FOR THE REFORM OF JAPANESE ODA (2010). ODA Reform: Five Recommendations. Moving into the 21<sup>st</sup>-century Development Cooperation (DC), June. [https://www.grips.ac.jp/forum-e/pdf\\_e10/ODA5E.pdf](https://www.grips.ac.jp/forum-e/pdf_e10/ODA5E.pdf)

MURASHKIN, N. (2015) "Japanese Involvement in Central Asia: An Early Inter-Asian Post-Neoliberal Case?", *Asian Journal of Social Science*, 43: 1-2.

— (2018). "Not-So-New Silk Roads: Japan's Foreign Policies on Asian Connectivity Infrastructure under the Radar", *Australian Journal of International Affairs*, 72:5, 455-72.

— (2020). *Japan and the New Silk Road: Diplomacy, Development, and Connectivity*, London: Routledge.

OECD (2020). "Aid by DAC Members Increases in 2019 with More Aid to the Poorest Countries". <https://www.oecd.org/dac/financing-sustainable-development/development-finance-data/ODA-2019-detailed-summary.pdf>

ORR, R. M. (1990). *The Emergence of Japan's Foreign Aid Power*. New York: Columbia University Press.

RIX, A. (1987), "Review of Yasutomo, Dennis T. (1986). The Manner of Giving: Strategic Aid and Japanese Foreign Policy," *The Journal of Japanese Studies*, 13:2, (Summer, 1987), pp. 508-513. <https://www.jstor.org/stable/132488>

— (1993). *Japan's Foreign Aid Challenge: Policy Reform and Aid Leadership*, London: Routledge.

ROWLEY, A. H. (2020). *Foundations of the Future. The Global Battle for Infrastructure*. Singapore: World Scientific Publishing.

SATO, J., SHIGA, H., KOBAYASHI, T. & KONDOH, H. (2010). "How do "Emerging" Donors Differ from "Traditional" Donors? An Institutional Analysis of Foreign Aid in Cambodia", *JICA-RI Working Paper No.2*, March: [https://www.jica.go.jp/jica-ri/publication/workingpaper/how\\_do\\_emerging\\_donors\\_differ\\_from\\_traditional\\_donors.html](https://www.jica.go.jp/jica-ri/publication/workingpaper/how_do_emerging_donors_differ_from_traditional_donors.html)

SÖDERBERG, M. (ed.) (1996). *The Business of Japanese Foreign Aid: Five Case Studies from Asia*, London: Routledge.

TANAKA, A. (2017). *Japan in Asia: Post-Cold-War Diplomacy*, Tokyo: Japan Publishing Industry Foundation for Culture.

TERRY, E. (2002). *How Asia Got Rich. Japan, China and the Asian Miracle*, Armonk, NY: M.E. Sharpe.

TRUMAN, H. S. (1949). Inaugural address, January 20. [https://avalon.law.yale.edu/20th\\_century/truman.asp](https://avalon.law.yale.edu/20th_century/truman.asp)

YAMADA, J. (ed.) (2018). *Infura bijinesu saizensen. ODA no senryakuteki katsuyō* [Forefront of infrastructure business. Strategic use of ODA]. Tokyo: Nikkan kensetsu kōgyō shinbunsha, Kosaido.

— (2021). *Infura kyōryoku no ayumi. Jijodoryokushien to iu messeji*. [Japan's Cooperation to Infrastructure Development: Its History, Philosophy, and Contribution]. Reconsidering the History of Japan's Development Cooperation, Vol.5, University of Tokyo Press.

YAMAMOTO, R. (2020). "The trajectory of ODA's strategic use and reforms - from Nakasone Yasuhiro to Abe Shinzō", *Australian Journal of International Affairs*, 74:6, 633-648.

YASUTOMO, D. T. (1983). *Japan and the Asian Development Bank*. Studies of the East Asian Institute, Praeger.

— (1986). *The Manner of Giving: Strategic Aid and Japanese Foreign Policy*, Lexington, Mass: Lexington Books.