

Japan's Technical Cooperation with Developing Countries

By Keisuke Arita

Need for international cooperation

The nations of the world can be classified broadly into two groups, one consisting of richer countries, known as "industrialized countries," and the other being poor nations called "developing countries," including famine-stricken countries of Africa. It is only natural from a humanitarian point of view that the richer nations should help the poorer, and promote their economic and social development.

Japan depends more heavily on trade and economic relations with the developing countries than do other industrialized nations. According to the Organization for Economic Cooperation and Development (OECD), transactions with developing countries account for more than 20% of Britain's and West Germany's foreign trade and more than 40% of the United States'. By contrast, more than 50% of Japan's export trade and more than 60% of its import trade are with developing countries. In particular, most of the natural resources Japan needs are imported from developing countries. That includes, among others, nearly all of Japan's needs in petroleum, tin, nickel, and natural rubber.

Former West German Chancellor Willy Brandt, chairman of an international commission on North-South issues, stated in a commission report that growing international interdependence calls for greater efforts to address North-South problems. Interdependence is of special importance to Japan, a major trading nation.

Three-quarters of the world's population lives in developing countries. Failure to solve their economic problems could destabilize the international political and economic environment. It must be emphasized that international cooperation for their social and economic development is essential to political, economic and social stability in developing countries, and to the maintenance of peace and prosperity of the whole world.

From this point of view, Japan needs to

continue to do its utmost to assist the developing world in spite of severe budgetary constraints. This is the price the nation must pay in order to fulfil its international responsibilities as a major economic power and to promote and preserve world peace and stability.

Present status of technical cooperation

1. General situation

Fund flows from the advanced to developing nations are classified into three categories by the Development Assistance Committee (DAC), made up of 17 OECD donor nations. These categories are: (1) official development assistance (ODA), (2) other official flows (OOF), and (3) private flows (PF). The DAC analyzes and grades such assistance quantitatively and qualitatively.

ODA is designed primarily to promote economic and social development and improve the standard of living of developing countries. For this reason, ODA is usually granted on concessional terms. There are both bilateral grants (grant capital assistance and technical cooperation) and loans (on concessional terms), and contributions and subscriptions to international organizations.

Japan ranks second after the United States among the 17 DAC member countries in the volume of its ODA (some statistics place France second due to the fact that its aid to overseas French territories is included). In 1978 Japan announced a three-year plan to double its ODA, and exceeded the target in the final year.

In 1981 a new medium-term ODA plan covering the five-year period from 1981 to 1985 was announced. This plan seeks to more than double ODA over the cumulative total provided in the five years 1976-1980. These efforts to expand ODA on a programmed basis have been rated highly by the DAC member countries. In the past decade alone, the volume of Japanese ODA has increased six-fold.

However, this is not to say that Japanese aid is sufficient. Japanese ODA as a

percentage of GNP stands at 0.33%, which is lower than the DAC average of 0.36%. Japan needs to make further efforts to increase its ODA.

Japanese assistance also compares poorly with DAC averages in qualitative terms. The overall grant element, the ratio of grants to total ODA, and the ratio of technical cooperation to total ODA are all below average. Technical cooperation involves not only technology transfers but also cross-cultural human exchanges, which promote mutual understanding and trust between people in different countries.

Technical cooperation can also serve as a catalyst for the effective operation of facilities and equipment provided by grant or loan programs. This is another reason why Japan's technical cooperation should be expanded and improved.

2. Characteristics of technical cooperation

(1) Regional distribution

Bilateral cooperation accounts for 70% of Japan's ODA; the remaining 30% consists of subscriptions and contributions to international organizations. In 1983, 66.5% of bilateral aid went to Asia and 91.1% to the Middle East and Africa. Only two years before, Asia had accounted for a full 71%. Assistance to Africa loomed particularly large in 1984. The year also saw active discussions on both the official and private level on the need for aid and international cooperation. This shift is an indication of the increase in cooperation to the Middle East and Africa since 1981.

Higher African aid primarily reflects humanitarian considerations, specifically the acute problems of hunger and poverty in the region. These problems attracted global attention in 1984. Higher priority has also gone to Africa because of the emphasis on cooperation projects designed to meet basic human needs (BHN), such as, rural and agricultural development, drinking water supplies and medical services.

The Japan International Cooperation Agency (JICA) has long attached great

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More than 5,000 volunteers have been sent overseas through the Japan Overseas Cooperation Volunteers (JOCV) since the program was inaugurated in 1965.

importance to cooperation with African countries. In April last year, JICA opened an office in Paris as a step to promote its African cooperation further. The location reflects a recognition that French is an essential language for people engaged in development work in Francophone states

in Africa. The office will be used for the orientation of Japanese experts and Japan Overseas Cooperation Volunteers (JOCV) bound for the region. It also collects information and materials on Africa, and serves as a transit station for experts and survey teams going to and from the continent.

As to grant capital assistance and the activities of JOCV, Africa absorbs 20% of the former, while 40% of JOCV volunteers are dispatched to the region.

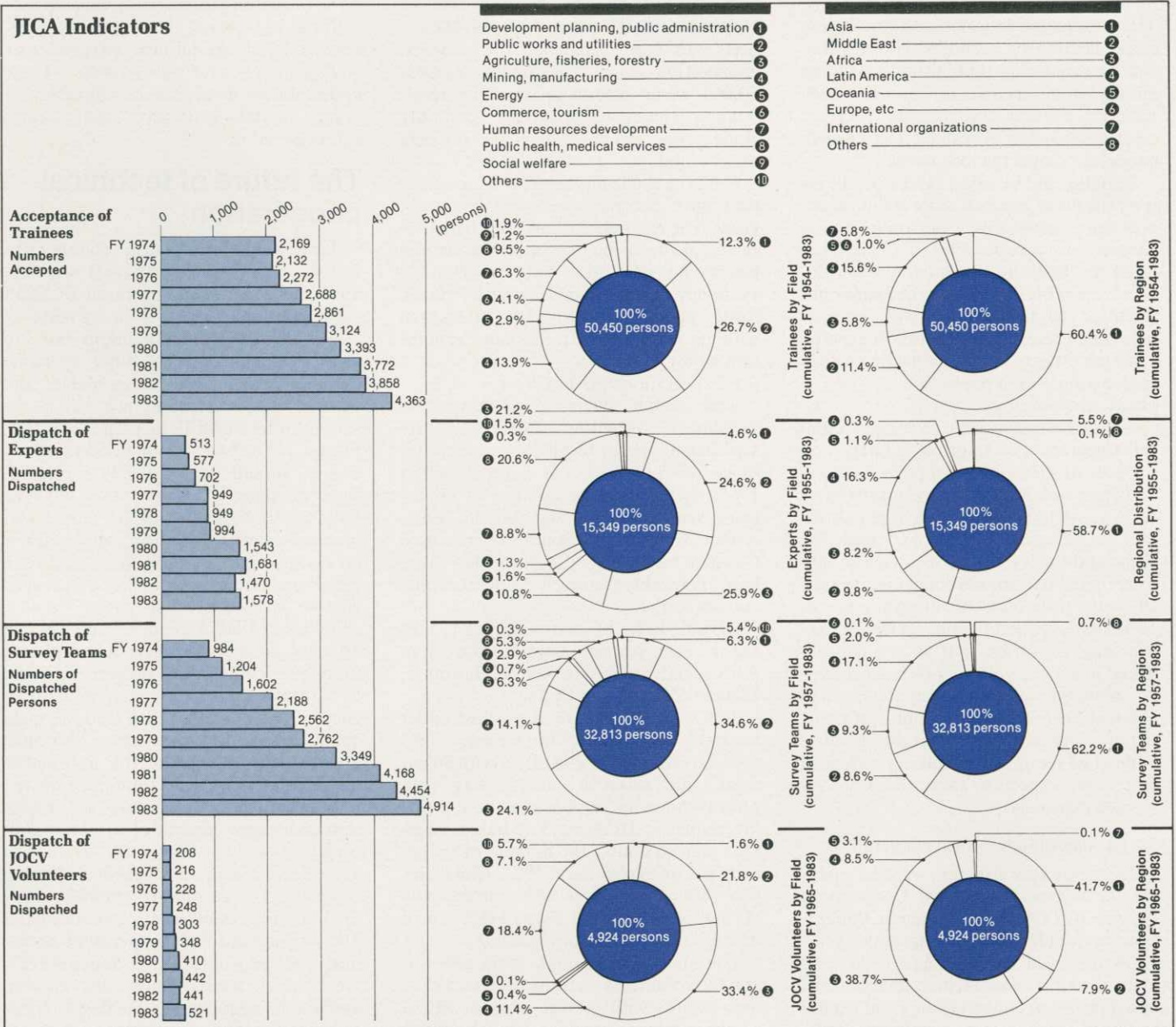
(2) Human resources development

Cooperation in human resources development in developing countries is the essence of technical cooperation. Former Prime Minister Zenko Suzuki stressed the need for human resources development during his 1981 tour of ASEAN nations. His proposal for ASEAN human resources development cooperation led to the establishment of the Center for Vocational and Extension Service Training in

Indonesia, the Center for Instructor and Advanced Skill Training in Malaysia, the Human Resources Development Center in the Philippines, the Training Center for Primary Health Care in Thailand, and the Productivity Development Project in Singapore.

Japan has provided grant capital assistance and technical cooperation to these projects, helping them to build facilities and install new equipment.

Cooperation in various activities for human resources development has been extended not only to ASEAN nations but also to other developing countries. JICA's project-type technical cooperation represents an integrated approach that combines personnel training in Japan, dispatch of Japanese experts to host countries and supplies of equipment and materials. By the end of January 1985, the



cumulative number of the project-type technical cooperation of both completed and current stood at 280.

During his own trip to ASEAN nations in 1983, Prime Minister Yasuhiro Nakasone called for youth exchanges under a "Friendship Program for the 21st Century." JICA launched a five-year youth exchange program with ASEAN nations in 1984. Each year 750 ASEAN youths will be invited to Japan for exchanges with young Japanese. The program is already producing better results than expected. Particularly noteworthy is the keen interest Japanese participants have shown in learning more about ASEAN. This is a notable achievement for promoting cross-cultural understanding. There is a similar plan between Japan and China, called the "Japan-China Youth Friendship Program." International exchanges are also being promoted by prefectural and private organizations. These exchange programs do not have a direct bearing on technical cooperation. But by promoting mutual understanding among young people in countries with different cultures and customs, they are certain to have a favorable effect on such cooperation over the long term.

Training and securing skilled personnel is all the more essential since technical cooperation involves person-to-person contacts. In October 1984, JICA inaugurated the Institute for International Cooperation (IFIC). Thus far the agency has recruited 18 people who will serve as permanent technical cooperation experts. They are expected to play a leading role in future cooperation projects.

(3) High technology

Another characteristic of recent technical cooperation is the growing interest on the part of developing countries in Japanese high technology. As encapsulated by JICA's catchphrase, "From rice cultivation to advanced technology" both the scope and the level of cooperation sought by recipient nations are changing in parallel with technological innovations. In particular, requests from newly industrializing countries (NICs) are concentrated in a variety of high-tech areas such as biomass energy, computers, high polymer chemistry, and the utilization of remote sensors in agriculture. The number of requests for training personnel or sending experts in these fields has increased markedly.

3. The record in technical cooperation

JICA was established in 1974 by merging the Overseas Technical Cooperation Agency (OTCA) and the Japan Emigration Service (JEMIS). In August last year, JICA observed its 10th anniversary. Its main activities now include government-based technical cooperation, grant capital assistance, emigration services, and the

dispatch of JOCV volunteers. The agency's budget for fiscal 1984 amounts to ¥82.4 billion (about \$330 million at the rate of \$1 = ¥250), or nearly ¥90 billion when ¥6.3 billion for projects entrusted by the Ministry of International Trade and Industry (MITI) is added. This sum is more than triple the figure of 10 years ago. In fiscal 1984, grant capital assistance, jurisdiction over which was transferred from the Foreign Ministry in fiscal 1978, reached ¥100 billion (\$400 million). Thus JICA handles projects worth nearly ¥200 billion annually.

(1) Varieties of technical cooperation

Technical cooperation, as mentioned earlier, has three main components—receiving trainees, sending experts and supplying equipment. Japan extended such cooperation for the first time in 1954 when it joined the Colombo Plan. By March 1984 the total number of trainees had reached 50,000. By the end of November of the same year, 16,422 experts had been dispatched for technical cooperation alone. The number exceeds 50,000 when experts involved in development studies which include feasibility studies on grant and loan projects are counted.

Both the mode and content of cooperation have become diversified in recent years. For example, trainees are being received at the special request of countries promoting particular policies. Notable examples include Malaysia with its "Look East" policy, and Republic of Korea with its science and technology promotion policy.

(2) Expectations for JOCV

The Japan Overseas Cooperation Volunteers program forms another significant part of technical cooperation. Since the program was inaugurated in 1965, the cumulative number of volunteers sent to Asia, the Middle East, Africa, Central and South America and Oceania has exceeded 5,000. They have been favorably received both at home and abroad.

About 40% of the volunteers sent abroad each year are assigned to work in Africa, particularly in Kenya, Tanzania, Malawi, Zambia and Ghana.

JOCV volunteers are dispatched under bilateral agreements. In January 1985 such agreements were in effect with 36 nations, and talks are under way with several more. In response to these growing requests, JICA worked out a three-year plan to double the number of volunteers starting from fiscal 1983. Under this plan, 800 volunteers will be sent annually abroad starting from fiscal 1985, which doubles the number for fiscal 1982.

The high international rating given to JOCV volunteers reflects the fact that only youths with several years of actual on-the-job experience are selected for

overseas assignments. JICA intends to continue to improve the quality of the JOCV service.

(3) Grant capital assistance

Grant capital assistance is extended to areas of direct benefit to people in developing countries, particularly for agricultural development, water supply, health and medical services, and energy. In recent years a growing number of projects have been undertaken in combination with technical cooperation. This is especially true of project-type technical cooperation, which generally involves construction of new facilities and equipment installation.

JICA is planning cooperation projects related to food aid and food production in Africa in order to help cope with famine in the region. In addition to such emergency aid, JICA is also promoting long-term projects aimed at enabling African nations to diversify their monocultural economies, among them projects to build agricultural infrastructure and promote rural development. These undertakings involve a combination of grant capital assistance and technical cooperation.

The future of technical cooperation

Japan's mid-term plan to double ODA in five years is now in its final year. For 1985 the government proposal of ODA appropriations indicates an increase of 10%, an exceptionally high rate of growth compared with other spending items in the near zero-ceiling budget. But further budget increases are still necessary in order to fulfil the plan target. The budget for technical cooperation, among others, should be drastically increased, since its share of Japan's total ODA is only about half of that of most DAC member nations. Technical cooperation is an integral part of both grant and loan programs, and as such, serves as a crucial catalyst for effective assistance.

Turning to JICA's cooperation work, it attaches great importance to evaluating individual cooperation projects in order to improve the effectiveness and efficiency of Japan's assistance to developing countries. At the same time, thorough efforts will be made to rationalize administrative work and eliminate waste.

In fiscal 1981, JICA created an evaluation and review committee within its own organization to integrate evaluation activities and develop effective evaluation methods. The committee should greatly facilitate the review and improvement of JICA's international cooperation activities, and help ensure that Japan's technical cooperation yields the greatest amount of good for the greatest number of people in developing countries. ●