

Ulasan Buku / *Book Review*

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Japan's Foreign Aid: Old Continuities and New Directions
by David Arase, Oxford, Routledge Taylor & Francis Group, 2005.
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Japan's Foreign Aid: Old Continuities and New Directions is an edited book that provide readers with rich understanding on Japan's Official Development Assistance (ODA) through a comparative analysis. The book gathers views and observations of experts from all over the world. Although Japan is the main focus of the discussion, but the book lacks contribution from Japanese expert, neither academic nor field practitioner.

The organization of the chapters that were divided into two different perspectives (donors and recipients) also indicate the dynamics of international aid in general which evolve from dependent to interdependent relationship. It is based upon the consideration that economic disorder in the developing countries breeds political and social unrest and may even lead to international conflict or tension, such that supporting the developing countries' economic and social development and improvement of the popular well-being through economic cooperation is conducive not only to political and social stability in the recipient country but to the easing of tensions in the broader international community. However, the book does not cover the view from regions such as middle-east and Africa. This is the region where Japan has smaller contribution compared to Asian.

This book may present a confusing picture of Japan's overall aid policy if one does not have a substantial understanding of development issues or Japan's ODA policymaking institutions and implementation processes. It seems that the authors were not able to incorporate the significant ongoing changes. In order to capture its comprehensive picture, there has to be a systemic timeline of the expansion of Japan's foreign aid. It also lacks explanation on the shift of Japan's aid that initially served as part of a regional trade and reparations policy and later surpassed Western donors as the world's largest donor country. However, in 2001 other donors have steadily increased their aid allocations, while Japan took a reversal action. The reduced ODA budget seen by many as weakening its major diplomatic tools.

The analysis was made based on a stereotypical understanding of Japan's ODA. The common criteria that used to compare Japan with other donor countries are with respect to loan-focused versus grant-focused aid, project versus program orientation, the technical cooperation focused on operating equipment versus teaching primary skills at the grassroots level, and higher versus lower technology intensity. This kind of analysis triggers doubt about whether those simple dichotomies could be the only means to understand Japan's aid effectiveness and quality. It leads one to presume that Japan has done nothing in order to comply with such international demands as those set by the United Nations like the issues of human rights, environment and poverty alleviation.

As depicted by the title, the content of the book also leads readers to a perspective that Japan is facing a dilemma whether to stick with its traditional aid philosophy or to comply with contemporary international norms. This book is one of many other literatures that include critiques on how Japan's aid is administered. One of the critiques is about the Japan's preference of tying its aid with Japanese companies. For some, such practice could be interpreted as protecting Japan's own interest without giving flexibility to recipient countries. However, Japan has its own justification for that policy. Autonomy of recipient countries is very important to Japan especially in the case of democracy assistance. Untied aid is more favourable for the recipient countries than tied aid because the latter tend to be commercially motivated and promotes the donor's interests by depriving local business of the chance to provide goods and services for aid programs. However, the ratio of untied aid does not always indicate the absence of commercial interest in donor's aid program. For example, the French government provides foreign aid to teach the French language and though this aid is classified as tied aid, but it is not commercial. Besides that, the recipient countries, especially the least developed ones, lack local experts in carrying out the infrastructural project assisted by donor countries. It is understandable that Japan is very strict in ensuring the success of its aid through the principle of "*self-help*" and request-based.

Japan was depicted as less effective due to the country's high preference on the loan aid as contrast to grant share. However, low grant share does not mean that contributions bring comparatively little benefit to recipient countries. For example, the absolute value of Japan's grant in 1994 was US\$8.98 billion, surpassing total ODA by France. Furthermore, recipients tend to waste bilateral grants which they consider "*free gifts*" while they spend bilateral loans more cautiously. This is consistent with Japan's "*self-help*" policy. The loan aid is awarded based on the absolute choice of the recipient country and its plan on how to implement such project and the repayment. This practice is meant to ensure recipient's autonomy and ownership of the project. A thorough screening process was done by Japanese government before such loan is awarded.

The new-directions part of the Japan's ODA was very well illustrated by the author in the concluding chapter when he clarifies a better and clearer mandate of Japan's main actor in foreign aid like Japan International Cooperation Agency (JICA) and Japan Bank for International Cooperation (JBIC). It is a response to critique that Japan's aid is too bureaucratic and complicated in nature. The highlight on the appointment of Sadako Ogata as the new JICA chief was impressive as it depicts the reform of Japan's foreign aid.

Critiques on Japan's ODA can also be found in many other literatures. Despite its negative element, it also indicates the importance of Japan's aid which always fall under the spotlight of other donor countries. Ironically, despite of all those critiques, Japan is still ranked among the top donor countries in the Development Assistance Committee (DAC) list.

Mohd Ikbal Mohd Huda
Centre for Policy and Global Governance
Faculty of Social Sciences & Humanities
Universiti Kebangsaan Malaysia
43600 UKM Bangi
Selangor
MALAYSIA
E-mail: ibahuda@ukm.edu.my