



The world and Japan after COVID-19— Japan should lead the free world with ODA

KITAOKA Shinichi, President, Japan International Cooperation Agency (JICA)

Key points

- The post-COVID-19 world will inevitably face a further rise of China
- Japan should contribute to the world through health care and medical support and human resource development
- Japan should aim to achieve the ODA target in terms of GNI as set in the United Nations

The 2021 Group of Seven (G7) summit took place at Cornwall, England, on June 11-13. High on the G7 agenda were responses to the COVID-19 pandemic and China.

It was natural for the leaders of the world's leading democracies to prioritize discussion on those issues. The novel coronavirus has been inflicting huge damage to the world that is exceeded only by the two world wars and the Great Depression. History shows world-scale crises often bring major structural changes to the world. World War I resulted in the collapse of several empires, such as Germany and Russia, and the rapid rise of the United States. The Great Depression hit major democracies, such as the United Kingdom, France and the United States, so severely that totalitarianism and militarism gathered momentum. World War II led to a further rise of the United States and turned the Soviet Union into a formidable world power.

All of those past changes happened with the world wars and the Great Depression serving as the accelerants of the already existing trends. If history repeats itself, a major change we obviously need to brace ourselves for this time is likely to be the further rise of China. For its part, China quickly managed to contain COVID-19 at home and is enhancing its global campaign to expand its influence across developing countries with a new weapon — COVID-19 vaccine supplies.

If China keep rising in a peaceful and democratic manner, there, of course, can be nothing to worry about. In reality, China continues to behave at an unprecedented level of forcefulness and coerciveness. As a result, the utmost task for the free world now is how to prevent China from dominating the world. Against this background, the G7 leaders gathering in the United Kingdom shared their wariness about China's rise and pledged massive vaccine supplies to developing countries.



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Considering that Japan is not only the second-largest economy in the G7 but also a country adjacent and closely tied to China, it has to play an extremely important role in realizing the G7 agreements reached at the Cornwall summit. The world's advanced democracies, including Japan, now have to strengthen their unity in supporting developing countries and maintaining their leadership in the international community. What should Japan specifically do to that end?

First, Japan can help developing countries better respond to the COVID-19 pandemic and improve health care and medical system. It has a good track record in cooperating with developing countries in the area of disease prevention. In developing countries, Japan has built safe water supply systems and sewerage systems, raised people's awareness of the importance of hygiene practices, including washing hands, improved nutrition and promoted the use of "boshi techo" (mother-child booklet). It has contributed to the enhancement of medical treatment and research capabilities in developing countries for decades, including the construction of hospitals. The Japan International Cooperation Agency (JICA) launched JICA's Initiative for Global Health and Medicine to contribute to the improvement of health care and medical service systems in developing countries. The initiative includes plans to expand or build 100 hospitals around the world, accelerate remote medicine and promote human resource development.

However, as for the development of COVID-19 vaccines, Japan has lagged far behind the United States, the United Kingdom, China and some other countries. Given that the novel coronavirus pandemic is unlikely to come to an early end and that even other potentially lethal infectious diseases may break out, Japan should inject a massive amount of money for vaccine development for the sake of the world and for itself.

Japan also should more actively engage in the production and spread of COVID-19 treatment drugs of Japanese origin, such as Ivermectin and Avigan, as a national project. One of the impediments to getting official approval for those drugs to treat symptoms of COVID-19 is the scarcity of coronavirus patients in Japan. JICA recommends that Japanese pharmaceutical makers carry out clinical trials in Brazil and some other countries where a large number of people continue to be affected by the infectious disease.

Second, the G7 leaders agreed on a new global infrastructure plan, with which they want to hold China's expansion of influence through its Belt and Road Initiative (BRI) in check. The BRI is an ambitious plan to create a China-led multinational economic sphere.

Infrastructure development in developing countries has been a pillar of Japan's official development assistance (ODA) for many decades. However, in recent years, the Japanese government has been treating infrastructure projects for developing countries as part of its economic growth strategy with the intention of utilizing infrastructure exports as a leverage for stimulate the Japanese economy itself.

The G7 agreement on infrastructure cooperation includes certain approaches that are not necessarily in line with Japan's benefits. That said, as infrastructure construction in developing

countries is basically purported to benefit them, there can be some projects Japan choose to undertake in collaboration with the United States, the United Kingdom, France, Germany and so on.

The most serious danger of the BRI is debt-trap diplomacy. When sovereign borrowers get into default, they have no choice but to become docile to China. To prevent borrowing countries from encountering such a consequence, it is essential to cooperate with them in ensuring prudent and sustainable fiscal management. Since the 1960s when Japan dispatched Mr. HATTORI Masaya, a Bank of Japan official, to Rwanda to serve as governor of the Banque Nationale du Rwanda, or the central bank of Rwanda, it has sent public financial management (PFM) experts to various developing countries and accepted central bank officials from them for training sessions in Japan.

Apart from PFM cooperation with developing countries, I think the most effective cooperation measure for them is human resource development. JICA has built schools, ranging from primary schools to universities, in many developing countries, providing education infrastructure by utilizing Japan's own experience. JICA also has increased opportunities for students and researchers in developing countries to come to Japan for training or studying at Japanese universities. When those young people studying in Japan become friendly to Japan and assume key positions at home, such bonds of friendship will certainly last 30 years or 40 years. JICA upholds the longstanding tradition of working on "human resource development is essential for nation building."



Now I briefly examine the latest state of international cooperation and what needs to be done in each country or region.

India now is being severely hit by the COVID-19 pandemic. Japan has been working together with India on a high speed railway construction project and rural development. More recently, Japan extended cooperation to the Modi administration in promoting its "Clean India" scheme. Japan should shore up its support to India. A "Free and Open Indo-Pacific" cannot be realized without the development of India.

Southeast Asia, too, is being badly hit by the pandemic. China continues to aggressively extend and expand its presence in the region. To reinforce the relationship between Japan and Southeast Asia, I have been thinking of an idea for major Southeast Asian countries — Indonesia, the Philippines and Vietnam — as well as Australia and Pacific island nations, among others, to create what I call a Western Pacific Union (WPU) as a loose coalition of nations, comparable to the European Union. I and a young Japanese researcher plan to jointly publish a book this autumn to detail the idea of WPU.

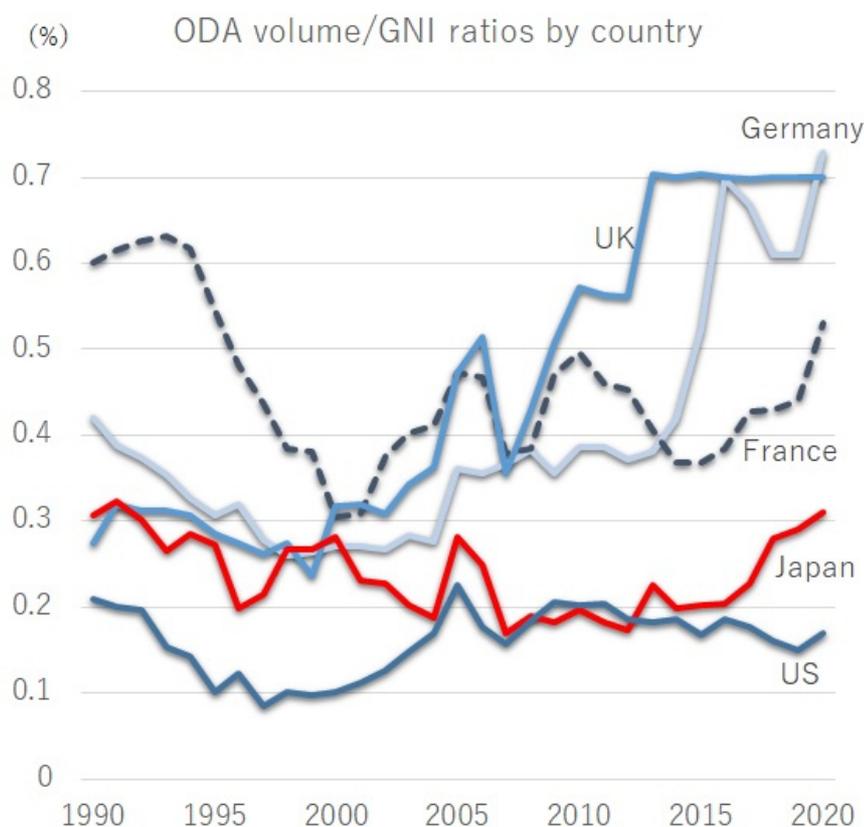
As for Africa, the Government of Japan, the African Union Commission, the United Nations, the United Nations Development Programme and the World Bank plan to co-organize the eighth Tokyo International Conference on African Development (TICAD8) in Tunisia in 2022. China is vehemently expanding its influence in Africa. Therefore, an important agenda is to work out specific measures to keep China in check.

Latin America also continues to be seriously affected by COVID-19. In the region, many Nikkei (people of Japanese descent) are playing important roles in various sectors. As such, Japan receives

very good reputation from Latin America. Japan needs to prevent Latin American countries from leaning toward China due to Chinese vaccine diplomacy.

What should be done, as mentioned above, need financial resources. Japan’s budgetary allocations for ODA peaked in 1997 and thereafter kept decreasing until 2015 when it was halved.

Japan used to be the world’s largest ODA provider in terms of ODA volume, including all forms of assistance based on ODA budgets, such as grants, loans and subscriptions/contributions to international organizations. It now is ranked fourth in the world. Its total ODA volume represented 0.31% (provisional estimate in 2020) of Japan’s gross national income (GNI) — less than half of the target of 0.7% set by the United Nations (see the chart that shows country-by-country comparison). Japan’s ODA volume has slightly increased in recent years, but the trend has mostly reflected changes in the ODA statistical system.



Note: The OECD used a “flow of cash” basis method to produce ODA figures until 2017. In and after 2018, the grant equivalent system became the standard for measuring ODA.
Source: OECD/DAC

In the Group of Seven, the United Kingdom has the statutory ODA volume target of 0.7% of GNI, while France’s ODA volume rose from 0.44% in 2019 to 0.53% in 2020 and Germany sharply increased from 0.61% in 2019 to 0.73% in 2020. The ODA/GNI ratio for the United States is traditionally low, but it remains the largest donor of ODA. Moreover, the U.S. government has enhanced federal aid agencies’ functions. For example, it now appoints a ministerial-level administrator as the head of the U.S. Agency for International Development (USAID) — which is the U.S. counterpart of JICA.

By the way, Japan's defense budget has been almost 1% of its gross domestic product (GDP), which is half of 2% of GDP, the currently agreed target for NATO member countries. It is obvious that Japan can better contribute to the world with its ODA than its security capabilities. If Japan really wants to contribute to the world, it should raise its ODA/GNI ratio to 0.35% or half of the United Nations-set ODA/GNI target of 0.7%. Although I am of the opinion that Japan should increase its defense spending further, I think Japan should prioritize increasing its ODA/GNI ratio to 0.35% as soon as possible and eventually to the United Nations target of 0.7%.

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Born in 1948 in Nara Prefecture. Obtained B.A. (1971) and Ph.D. (1976) from the University of Tokyo. President of the Japan International Cooperation Agency (JICA) since October 2015. Emeritus Professor of the University of Tokyo. Previous posts include a professorship at the Graduate School for Law and Politics, the University of Tokyo, the Ambassador Extraordinary and Plenipotentiary, Deputy Permanent Representative of Japan to the United Nations (2004–2006), and President of the International University of Japan (2012–2015). In 2011, he received the Shiju-hosho (Medal with Purple Ribbon).

He has written numerous books and articles in Japanese.

Four of his other books are available in English: *Self-Respect and Independence of Mind: The Challenge of Fukuzawa Yukichi* (2017), *The Political History of Modern Japan: Foreign Relations and Domestic Politics* (2018), *From Party Politics to Militarism in Japan, 1924–1941* (2020), and *Gotō Shinpei, Statesman of Vision: Research, Public Health, and Development* (2021).
