

ROLE OF JAPAN'S AID FOR THE MAINTENANCE OF THE PEACE IN THE WORLD

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The difficulties and dangers for the maintenance of peace in the world today are originated to the large extent from the inherent uncertainty in the political and economic foundations of the nations of the Third World. These facts could be recognized if one would recall how the Soviet Union succeeded to infiltrate into some parts of the Third World and established their influence, if not domination. Mr. Zenko Suzuki, Prime Minister stated on June 17, 1981, in the speech he made at the Royal Institute of International Affairs in London, during his visit to Europe that summer that Japan, in its role as an active contributor to peace and development in the world, intends to redouble its efforts to cooperate with the developing countries.

The Foreign Affairs Committee of the House of Representatives of Japan adopted a resolution on economic cooperation on 30 March 1981. The text is the following:

"Bearing in mind that our country, which adopts the idea of the full-commitment as a nation of peace, considers that contributing to the peace and stability of the world is its mission, the Government shall as a general rule fulfil the following items, in conducting its economic and technical cooperation, as well as taking into account the resolution adopted by this Committee on 5 April 1978:

1. To endeavour to fully achieve the new medium-term target on the expansion of official development assistance, which was decided upon in January 1981.
2. To abstain from extending such economic and technical cooperation that will be utilized for the military purposes as in the case of military facilities.
3. With regard to the economic and technical cooperation to the countries which are parties of disputes, not to extend such cooperation that will lead to their intensification.

The above is formally resolved by the Committee."

Ever since Japan started its overseas economic cooperation activities in the mid-1950s in the form of war reparations, the scope of its economic cooperation has been increasing significantly in both official and private sectors.

The most notable aspect of Japan's effort to increase its ODA is the setting and subsequent achievement of the medium-term target. At the Bonn summit in 1978, Mr. Takeo Fukuda, then Prime Minister, announced the medium-term target, which was to double the 1977 ODA disbursement of \$ 1,424 million in three years, i.e. by 1980. It turned out, however, that the 1980 ODA disbursement registered \$ 3,304 million. The Government of Japan thus achieved the medium-term target with a very substantial margin to spare.

The conspicuous feature in this three-year period was that Japan's ODA disbursement increased at such a high speed as no other developed country could match. It increased at a rate of 32 percent per annum for those three years. Towards the end of 1980, Prime Minister Suzuki took the initiative in suggesting that the Government set a new medium-term target following the completion of the previous one. His initiative resulted in the "new medium-term target," which was announced in the Prime Minister's administrative policy speech delivered at the 94th session of the Diet on January 26 this year, which reads as follows:

"Although Japan faces a period of difficult fiscal rehabilitation, I will make efforts to expand our Official Development Assistance and increase the ratio of ODA to gross national product. For this purpose, I will take measures that include, among others, aiming at more than doubling in the coming five years the aggregate ODA-related budget of the past five years."

It can be called an epoch-making decision in that the Government established this "new medium-term target" while faced with severe fiscal stringency. The share of public bonds in the national budget expenditure has been in the order of 30 percent. As a result of this, the Government started to make efforts for "fiscal rehabilitation" starting from FY 1981.

It was with this severe budgetary situation behind that the Government established the new medium-term on ODA expansion. Recognizing its international responsibility, we will, under this target, continue actively to expand its ODA, further endeavor to increase its ODA/GNP ratio, and strive to more than double the aggregate ODA disbursed over the last five years through 1980 (approximately \$ 10.7 billion), during the next five years starting with 1981.

In addition to the Government's intention to increase the volume of ODA over the coming five years, its intention to in-

crease the ratio of ODA to GNP should also be noted. Besides absolute volume, the international comparison of ODA is usually made by its GNP ratio. In 1980, Japan's ODA ratio to GNP reached the level of 0.32 percent, which was a significant increase compared to the previous year's 0.26 percent. Although it passed the level of 0.30 percent, it still remained below the DAC average of 0.37 percent. Further efforts to increase ODA are needed.

In the process of preparing the budget for FY 1982, it was decided that while the budgetary requests from all ministries and agencies should in principle show no growth due to the stringent fiscal situation, ODA has been exempted from this ceiling.

While the budget for domestic welfare such as education and health has been restricted under the zero-growth rule, special consideration was given to the ODA budget because of the importance the government attaches to its recognized responsibility in the international community. The total figure for FY 1982 ODA budget approved by the Diet stands at ¥ 941.8 billion, or a 6.0 percent increase compared to the previous year's ¥ 888.8 billion.

Aid Philosophy

Recently, there has been much discussion on the reason why Japan should extend economic cooperation, or the philosophy on aid. First and foremost, Japan's economic cooperation is considered as means by which to fulfill firstly its responsibility in the international community. Secondly, Japan has to import almost all natural resources from overseas. Therefore, Japan itself profits and will prosper most when the world is at peace. As a nation committed to peace, it attaches great importance to the construction of an international system where peace and stability can be maintained. For this purpose, economic cooperation has a significant role to play. Consequently, we are striving to expand our ODA in spite of the severe budgetary situation.

In this regard, the Ministry of Foreign Affairs published in November 1980 a book entitled "Philosophy of Economic Cooperation." The gist of the book was the idea that economic cooperation should be considered Japan's important means for contributing to the maintenance of peace and stability in the world.

In addition to the internationally recognized humanitarian and moral obligations, the report pointed out other reasons why Japan should be more active than other industrialized countries in contributing to the economic and social development of the developing countries: Japan is determined to remain a peace-loving nation without becoming a big military power; Japan is a country with the second largest economy in the free world; its external economic dependence is extremely high; and the developing countries expect much of Japan as a close neighbour in the international community.

As a result of extensive discussions which took place subsequently at various forum such as the Advisory Council to the Prime Minister, press circles, the Diet, etc., the reasons for extending economic assistance were consolidated into two headings, namely "interdependence" and "humanitarian consideration." The various points discussed in the report mentioned above are the elements which form the contents of "interdependence."

To the above mentioned humanitarian consideration, I might add one very important aspect. That is the urgent necessity of maintaining everywhere the adequate standard of living for the people at large. In other words, the basic human rights must, in a material and spiritual sense, be observed and promoted everywhere. All people in the whole world are entitled under the modern civilization to enjoy this basic human rights.

I might further say that there should exist a concept of the "International Minimum of Basic Human Rights", which no countries are allowed to reject for their own citizens. Such "basic human rights" consists of the freedom to express the opinion, to come together with the other fellow citizens in group, to move and travel everywhere, and to enjoy the economic well-being worthy of the human integrity.

Unfortunately we will have to recognize the existence of human misery in many countries, even in a militarily mightiest country. We in the free countries must join our efforts so that the peoples everywhere can receive minimum degree of economic well-being and the freedom of speech; and have to cherish and further the freedom from a want and a fear.

At this time, toward the end of 20th century, I do feel urgent necessity to mobilize the world opinion to initiate the peaceful crusade for the basic human rights.

ODA Allocation

As to the geographical allocation of Japan's ODA, an analysis of the disbursement figures for the past several years shows that about 70 percent of total bilateral ODA went to Asia, on the similar basis about 30 percent went to the ASEAN countries. The remaining 30 percent is almost equally allocated among the Middle Eastern, African, and Latin American regions. Generally speaking, this pattern of ODA allocation is thought to be an appropriate one and is expected to prevail in future ODA allocations.

Obviously, the purpose of economic assistance is to contribute to the social and economic development of the developing countries and through this process to help them enhance their people's livelihood and welfare. This will promote the peace and stability of the country and the region and will lead to the realization of peace and stability for the entire world. As a nation committed to the maintenance of peace, Japan does not extend economic cooperation which serves military purposes.

In formulating the policy for the actual implementation of economic cooperation, greater emphasis is placed on those sectors which directly contribute to higher living standards for the people in the developing countries.

In visiting the five ASEAN countries in January 1981, Prime Minister Suzuki announced that the government will place emphasis on such sectors as rural and agricultural development, energy developments, human resources development, and the promotion of small- and medium-scale industries. The infrastructure sector is also emphasized in official loans, while the sector usually known as BHN (basic human needs) receives more emphasis in grant aid and technical assistance.

Traditionally Japan has been placing stress on the social development sector in the developing countries. In 1979, 44.6 percent of the total bilateral ODA commitment was made in the development of public utilities such as power plants, roads, and dams. The high percentage devoted to the public utilities sector was praised at the DAC (Development Assistance Committee) of OECD.

In the formulation of FY 1982 ODA budget requests, the sector which directly contributes to the welfare of the people in general was emphasized as the "assistance of basic human needs," together with human resources development

and aid evaluations programmes. Assistance for basic human needs would cover such areas as food, health, employment, family planning, energy, irrigation, and so on.

Technical Cooperation

One area into which we have to pour our special efforts is "technical cooperation," which cannot be realized without direct human contacts through the exchange of people. The share of technical cooperation in Japan's ODA was 8.4 percent in 1980, compared to the DAC average of 20.8 percent in the same year. We have to make further efforts to increase the share of technical cooperation.

The significance of technical cooperation is twofold. Firstly, it carries out the transfer of technical skills and technology. This means the actual development of human resources, which is indispensable for the economic and social development of any developing country. It goes without saying that those countries need a larger number of skilled personnel and we will continue to place greater emphasis on the development of human resources.

Secondly, technical cooperation is not limited in its significance only to the transfer of technical skills and technology. Through direct exchange of people, it provides valuable opportunities for direct human contacts. In FY 1980, 3,371 people from overseas visited or stayed in Japan for training and learning and 4,783 experts were sent from Japan to developing countries to assist in project and the transfer of technology. Lack of understanding between the peoples of different countries has often resulted in friction, and more seriously, conflicts between the countries. In this sense, technical cooperation has a definite role to play in laying the foundations for mutual understanding between peoples of different countries through direct human contacts.

In this regard, the role of the Japan Overseas Cooperation Volunteers (JOCV) should be mentioned here. We have dispatched 3,520 volunteers to 28 countries, as of the end of March 1981 under the JOCV program. At this very moment, 870 volunteers are staying overseas and actually living with the local people, helping them in such diversified areas as agriculture, fishery, education, maintenance of equipment. Many lasting human contacts have been established through this process.

The development of human resources is the important element of technical cooperation. In this connection, it should be noted that Prime Minister Suzuki announced during his visit to the ASEAN countries in January last year the idea of an "ASEAN Human Resources Development Center," which calls for the establishment of a center in each ASEAN countries and also one center in Okinawa to act as a liaison for exchanges of people and vocational training. For this purpose, he pledged to extend grant and technical cooperation worth \$ 100 million.

In the period following the repeated oil shocks, many of the industrialized countries have been suffering from economic difficulties such as stagflation, unemployment or fiscal constraints. It cannot be denied that some of the developed countries are showing the phenomenon of "aid-fatigue," yet aid has an important role to play.

It is through extending aid alone that we, as citizens of the earth, can cherish our hope to create a free and peaceful world toward the 21st century, where every human being can live in happy, healthy and affluent circumstances. Together with the other developed countries, we have to continue our efforts to further expand our aid for the benefit of both the developed and developing countries.

Self-help of the developing countries

There are two preconditions which are indispensable for the success of the economic assistance to the developing countries. They are: firstly the successful family planning in the developing countries, through a dissemination of the primary education; secondly, the participation of the Soviet Union and other countries in the Socialist bloc in our aid efforts.

The realization of the first one is very difficult in the countries where the system of the social security is far from being established. The poor system of medical care is also causing early deaths of the newly-born babies. Under such conditions, parents need many reserve babies, upon whom they have to rely their livings in their later years; when the most people of the country is illiterate, it is also very difficult to defuse the necessity of the family planning. Therefore, the dissemination of education is most important. Here again, if those who had been educated in primary schools would become jobless, they might again become illiterate after years.

Japan is trying hard to improve the conditions of public health in many parts of the developing countries, running a number of "health centers." The idea is to prevent the causes of death once the babies are born, under the motto of "giving births to less babies and bring them up well."

Participation of the Soviet Union

We in the free world are trying very hard to assist the developing countries in many ways, spending billions after billions of dollars. On the other parts, it is very curious to observe that the U.S.S.R. and other countries in the Socialist bloc are not only refusing to participate in our efforts in the free countries but rather they are trying to make our efforts difficult. That particular country is very eager to sell the destructive weapons to many developing countries. We in the free world must ask the Soviet Union loudly and clearly to join with us in our efforts to help the social and economic development of the developing countries.