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TICAD V: Japan Should Contribute to Sustained Development of African Economy

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When Japan started the TICAD (Tokyo International Conference on African Development) process in 1993, Sub-Saharan Africa faced a serious political and economic crisis including the spread of armed conflicts. Japan as the principal ODA provider in the world attempted to compliment the assistance to Africa by European and U.S. governments which had experienced a “fatigue of international assistance.” By 2000, however, Japan itself came to feel “fatigue” and in 2001 lost the status as the leading ODA provider.

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Japan has been only the fifth largest ODA provider since 2007. Assistance toward Africa, however, was prioritized and expanded especially after then Prime Minister Koizumi promised at the G-8 Gleneagles Summit of 2005 to double the ODA to Africa in three years. Notwithstanding, since the reduction of the ODA budget has persisted as a long-term trend in Japan, ODA toward Africa is facing limitations. In the years to come, Japan needs to consider how to share burdens with other donors and how to use its own resource more effectively.


In reconsidering ODA toward Africa, Japan also needs to take into account changes Africa itself has experienced for the last ten years. Violent conflicts were subdued to a great extent while economic growth, supported by the price pike of natural resource exports, reached 4.8% in 2002-11, a figure much higher than the world average. Consequently, African leaders' concern has shifted from poverty reduction symbolized by Millenium Development Goals (MDGs) to economic development through trade and investment. The central theme of TICAD V, "Hand in Hand with a More Dynamic Africa," was chosen to respond to their eagerness to carve out Africa's future by their own efforts. Japan's role in the TICAD process, therefore, should be to support such African efforts by helping improve infrastructure and basic social services and by enhancing technical and managerial capacities of people and organizations.

The expansion of infrastructures such as roads, ports, electricity, and irrigation and the provision of basic social services in health and education are the areas for which Japan can share financial burdens with other donors and arrange a division of labor for joint operations. However, the maintenance and improvement of established infrastructures and social service facilities will need the enhancement of technical and managerial capacity of African people and organizations. Without such endogenous capacity, even if MDGs are attained at a certain point of time, African countries will face difficulties in overcoming sudden downside risks stemming from natural or climate change-related disasters, epidemics or economic crisis. Capacity building is also required to sustain economic growth by diversifying the economic structure from minerals/petroleum export to agricultural and industrial production and tourism promotion. The transfer of Japanese know-hows in *kaizen* and similar training

programs for farmers, workers and endogenous entrepreneurs will be a great contribution in this regard.

Politics and security are the areas in which Japan has not been involved as deeply as in social and economic development. To consider African development in the future, however, Japan cannot avoid discussing its policy on political matters because, despite the decline of violent conflicts, parts of the African Continent are still fragile and worsen the image of Africa as a whole as a location of good business. Armed conflicts have persisted in South Sudan, Somalia, and Central African Republic while serious armed clashes recurred in Democratic Republic of Congo. The countries such as Madagascar, Niger, Guinea-Bissau, and Mali recently experienced military coups or irregular government toppling. In Mali, international terrorist groups intervened to worsen the situation and caused the fatal incident in neighboring Algeria last January. In order to prevent violent conflicts, socio-economic inequality among ethnic and/or religious groups must be eased. However, according to a research conducted by the JICA Research Institute, inequality of political-power distribution deeply affects people's perception of their socio-economic status. This indicates that how to constitute the government at both central and local levels is highly relevant for the prevention of violent conflicts. On the other hand, against ideology-based terrorism, the only countermeasure seems to be to strengthen the security capability of legitimate African governments and African Union. The Algerian incident demonstrated that Japanese citizens and companies are not immune from violence in Africa. It is the time when Japan should seriously consider how it can contribute to Africa in political and security matters.

After all, a long-term development depends on the expansion of private economic activities. Since capital is scarce in Africa, investment by foreign companies, including Japanese ones, will be welcome. How much ODA should be used to facilitate foreign direct investment, however, is a matter of contention. In Japan, as the stagnation of its economy dragged for long, the discourse that ODA should more directly help Japanese firms has been strengthened. However, it should be recalled that the Chinese practice of prioritizing its own nationals and firms was once frowned away in Africa. Japan should not repeat the same

mistake. Japanese ODA should not lose sight of the primary importance of the capacity development of African people and firms, which is crucial for sustained development of African economy and will eventually benefit Japanese firms in the long run. 

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