Competitive Development Improves the Global Economy
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Japan has a long history of providing foreign assistance to its East Asian neighbors. But now China and South Korea have their own aid programs, and their budgets have increased dramatically in recent years. We believe that the diverse aid models of these emerging countries can add value to global economic development. Japan’s approach is that working together with China, South Korea and other middle income countries will improve competitiveness, accelerate economic growth, and reduce global poverty.

Collaboration between Japan and its neighbors runs deep. Every year JICA and the Korea International Cooperation Agency (KOICA) review ongoing partnerships and explore new opportunities to work together. JICA and the Export-Import Bank of China regularly compare best practices in managing concessional loans, and in October 2010 JICA hosted a training program on Japan’s foreign aid system for China’s Ministry of Commerce (MOFCOM). One MOFCOM staffer was so impressed by Japan’s aid model that he penned an op-ed in a Chinese journal calling for China to adopt Japan’s emphasis on public outreach. As a fellow Asian aid provider, Japan is taking the lead in understanding these countries’ approaches and seeking ways to work together to achieve successful outcomes.

Cooperation is not, however, the only strength in these relationships. We also compete in international development, and we believe this rivalry leads to better services for the countries we help. For example: Japan, China, and South Korea are all experts in wet rice cultivation, a growing industry in Africa where training and technology for farmers is much needed. We often find ourselves seeking to provide assistance to the same sector in the same country. This competition over technical training and field-based projects has taught us that by improving and differentiating our programs we are becoming better at serving the needs of our partner countries. We believe that the on-the-ground results prove that competition has benefitted aid providers and recipients alike.

When possible, we also try to focus our training programs on each country’s competitive advantages. JICA is a leader in disaster risk management training; South Korea is concentrating on Information Communications Technology (ICT) and agricultural development; and China is investing heavily in new training centers, including one dedicated to growing hybrid rice. By focusing on our strengths, we ensure that the quality of aid is high and the impact of our assistance is greater.

We believe that the United States can benefit from this approach – if they are willing to embrace healthy competition among foreign aid providers. Through outreach, shared confidence and partnerships, the U.S. can gain knowledge and understanding that will benefit all parties, and the result will be a stronger global economy.

There has been some progress. USAID and KOICA signed an MOU in June 2011 to increase policy coordination on global hunger, food security, maternal and child health, and climate
change. With China, USAID sent a joint mission with Chinese experts to Liberia and Ghana in 2010 to visit each other’s health projects.

The global need for developmental assistance continues to grow – from natural disaster countermeasures to food security and sustainable development. Japan will continue to use its technology, knowledge, and experience to handle issues like disaster prevention, energy conservation, and aging societies, and we will keep working with South Korea and China to continue to improve our aid programs and delivery. We hope we will not be alone in this approach.