

***VALUES VS. INTEREST:
Strategic use of Japanese Foreign Aid in Southeast Asia***

**André Asplund
EIJ, Stockholm School of Economics**

**Working Paper 241
May 2015**

Postal address: P.O. Box 6501, S-113 83 Stockholm, Sweden.
Office address: Saltmätargatan 19C Telephone: +46 8 736 93 60
E-mail: japan@hhs.se Internet: <http://www.hhs.se/eijs>

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Abstract

In light of an increased focus, in Japanese diplomacy since the turn of the millennium, on the need for strengthening democracy and human rights within ASEAN, this paper examines Japanese Official Development Assistance (ODA) to ASEAN during the 21st century in order to understand if Japan has lived up to its self-imposed principles of paying full attention to human rights and democracy in recipient countries when providing foreign aid.

By comparing Japanese ODA flows to ASEAN members, committed through exchange notes between 2001 and 2013 with levels of democracy and human rights adherence in the same countries this paper argues that Japan is pragmatic in its approach to the ODA principles regarding democratization and human rights in recipient countries and balances considerations for normative values with national interests. Given ASEAN's increasing importance for Japan, as a growing market and a strategic hedge against what is perceived as increased Chinese influence in the region, a major shift of said approach seems highly unlikely in the near future, particularly with the Abe administration set on using ODA more strategically as a means to secure regional stability and national security.

Keywords: Japanese foreign aid; Japanese ODA; ASEAN; Human Rights and Democracy

JEL Codes: F35; F50; F59

Introduction

For decades Japan's approach to the promotion and protection of human rights and democracy in East Asia can be described as lukewarm at best, likely a result of lingering memories of Japanese occupation and war atrocities in the region. Japan has nonetheless come to enjoy an increasingly influential position in the region much due to vast foreign aid disbursements to (East and Southeast) Asian countries. Through war reparations and foreign aid, which would later become Official Development Assistance (ODA), Japan re-established trade and investment links with Asian countries that had experienced Japanese occupation, and re-introduced Japanese business in the region, following the Asia Pacific War (Edström, 2009, pp. 22–23). However, the Tokyo government never felt comfortable to link its vast amounts of ODA, which helped build much-needed economic infrastructure, with demands of human rights improvements or democratization processes in recipient countries. Fearing criticism for past wrongdoings, the government instead adopted an approach of 'learning rather than preaching', particularly with respect to Asian neighbors and with regard to promotion of democracy and human rights.

During the 1990s Japan became the world's number one provider of ODA, much of which was allocated to Asian countries. But the country had also started to receive criticism for not having clear principles guiding the allocation of said aid. Some argued that Japanese ODA supported military build-up in dictatorships, and NGOs and human rights observers demanded that Japan should pay attention to human rights violations and political developments in recipient countries when disbursing aid. In combination with an increasing number of states requesting Japanese assistance following the end of the Cold War, and the need to be able to justify when and to whom to provide ODA, Japan adopted an ODA Charter in 1992. Stipulated in the charter, as the last of four principles to be considered when deciding on whether to provide ODA for a project or not, was the need to pay full attention to democratization and the human rights situation in the recipient country.

During the 1990s implementation of said principles can be described as pragmatic at best, often disregarded on behalf of national interests (see e.g. Takamine, 2005). In 2003, ten years after its adoption the Charter was revised for the first time. The revision can be understood as response to the dwindling domestic support for ODA as well as a response to the shared objectives of the international development community following the adoption of the Millennium Development Goals (MDGs) (see e.g. Sunaga, 2004). The new and revised ODA Charter would reiterate the 'democracy and human rights principle' but also adding that Japan would give priority to assisting countries that actively peruses democratization and the protection of human rights.

Prime Minister Shinzo Abe started in 2014 a second revision of the ODA Charter in order to open up for a more strategic use of ODA and contribute more actively to securing peace and stability in the international community. In February 2015 the new revised charter, which had also been re-named to the Development Cooperation Charter, was adopted. A major change to the revised charter is that Japanese aid can now be allocated to foreign militaries involved in development cooperation of non-military purposes such as disaster relief or welfare, which are to be decide case-by-case. Consideration for human rights and democracy in recipient countries has arguably been given a more comprehensive function in the new charter as compared to the previous one by being mentioned as the first principle among eight

“Principles for securing the appropriateness of development cooperation” (MOFA, 2015a III-1 B-a).

If Japan can be said to have been less than willing to live up to its self-imposed principles concerning democracy and human rights in recipient countries during the 1990s, to what extent can Japan be said to have done so in the 21st century, given the increased focus of values such as human rights and democracy in the international community and the UN and the MDGs, and given the 2003-revision of the ODA-Charter and its re-affirmation of the need to pay full attention to human rights and democracy developments in recipient countries? To answer such question, this paper examines Japanese ODA to ASEAN members between 2001 and 2013 in the context of democratization efforts and human rights violations/improvements in the recipient countries.

How to Examine Considerations or Breaches?

Donors provide foreign aid for various reasons, and as pointed out by for example Shimomura (2013), Japanese aid is likely derived from pursuits of international public goods (altruism) and national interests (self-interest). Regardless of the underlying motive and explicit purpose of the allocated ODA in question, this paper focuses on understanding whether or not Japan has lived up to its self-imposed principles of paying full attention to democracy and human rights in the aid receiving country, when providing ODA to ASEAN members in the 21st century.

How then can one understand if consideration to such values has been taken or not when deciding on providing new ODA allocations, or if a certain provision of aid to an ASEAN country in fact could be considered as violating the principles? Well, for instance, in 1996, Japan urged other donors to step up its assistance to countries that were identified as making active efforts to introducing democratic institutions—countries like Cambodia and Vietnam according to Japan. In the case of undesirable behavior in recipient countries, counter to that of the spirit of the ODA Charter—such as suspending democracy, violating human rights or developing nuclear weapons—Japan would urge the recipient countries concerned “...to improve the situation, or revise its aid to such countries...”(MOFA, 1996 chap. 8, para. 4). As such, if a recipient of Japanese ODA is performing in a way that is undesirable and in contrast with the spirit of the ODA Charter it could be argued that aid to that specific country should be suspended or that there would be explicit pressure on the particular government to change, in order for Japan to have lived up to the self-imposed ODA principles. Likewise, a country that is performing in contrast with the spirit of the Charter should assumable not be in position to receive aid allocations until visible steps to change the undesirable behavior have been taken. By the same token, if a ‘non-performing’ country starts to receive, or continues to receive, aid without any clear indication of steps taken to reform, it could be argued that the principles have been poorly lived up to, even neglected. However, if there is ample evidence to suggest that the (continued) allocations of ODA to a ‘non-performing’ recipient is specifically allocated to address for example the democracy and/or human rights situation in said country, the opposite would be a reasonable conclusion.

In order to understand to what extent Japan has lived up to its ODA-commitments during the 21st century this paper examines Japan’s ODA flows to ASEAN members between 2001 and 2013 (MOFA, 2014b). To such end, exchange notes for some 600 committed ODA projects comprising both ‘loan aid’ and ‘grant

aid' are used to depict the intended size and allocation of ODA to ASEAN countries for the set timeframe.¹

Freedom House' yearly indexes of civil liberties and political rights, as well as country reports, for each respective recipient country will serve as a benchmark for the level of democracy and indication of potential efforts of democratization. Specific country reports from the same organization together with the United Nations Human Rights Council's Universal Periodic Reviews are used to indicate the human rights situations in the respective countries. The collated information from the exchange notes, which provides an understanding of the amounts and characteristics of the ODA flows to each recipient country, are then compared to the levels of freedom and democracy as well as general human rights adherence in said countries, in order to see if there are any visible relationships between trends in democracy and human rights violations/improvement on the one hand, and Japanese increase/decrease in ODA on the other.

To sum up, providing ODA to a non-democratic country does not in itself constitute a breach of the ODA Charter since the ODA in question could be intended for building democratic institutions or facilitate human rights implementation. But given the fact that Japan claims that disbursements of aid should be revised if and when undesirable behavior is shown in recipient countries, one could argue that the continuance of providing aid for an extended period of time to a non-democratic and/or human rights violating country without noticeable efforts to improve would be in breach of the ODA Charter. In such case, Japan should not be regarded as living up to its self-imposed principles. In the case of aid allocations to countries that are engaged in active efforts of democratization processes, alternatively already made democratic transitions, as well as adhering to (basic) human rights, Japan cannot be accused of violating the principles. That does not necessary mean, however, that full attention has been taken to the efforts of democratization and human rights adherence in the recipient country.

Japanese Official Development Assistance – A Historical Overview

Following the end of the Second World War Japan went from being an aid recipient to becoming one of the largest donors by the 1990s. In 1991, Japan became the number one provider of ODA, a position held for ten consecutive years (Arase, 2005, p. 1). However, the Japanese ODA program has become subject of criticism a number of times and the Japanese government has promised improvements, most notably with the adoptions of the ODA Charter in 1992(Arase, 1995, pp. 215, 217).

In 1958 Japan started to provide so called 'yen-loans', predominantly to Asian countries. The extension of yen loans and war reparations during the 1950s and 1960 aimed at expanding export markets and securing raw material imports for Japan (MOFA, 2006a). Through the years, Japan would come to repair damages from the war and build much-needed infrastructure, but aid was largely a means to introduce Japanese industry in the region, serving Japanese commercial interests, rather than developing recipient countries (Edström, 2009, p. 23). Following the oil crisis of 1973, Japan's vulnerability as a resource scares nation with large energy imports

¹ Net aid flows during this period are likely to differ from gross allocations since some recipients have started repaying older loans while at the same time being granted allocations for new projects. All exchange notes have been made public by the Japanese Ministry of Foreign Affairs, sorted by 'year' and 'region', 'grant aid' and 'loan aid', and can be readily viewed and downloaded from: www.mofa.go.jp/policy/oda/note/index.html

became apparent and the Ministry of Foreign Affairs (MOFA) realized the need to take on a foreign policy approach that would secure steady inflows of natural resources. As such, vastly increased levels of ODA, predominantly for economic infrastructure build-up in (resource rich) developing Asian countries was justified, and in the early 70s Asian countries accounted for about 80 per cent of Japanese ODA (see e.g. Edström, 1996, p. 135; Potter, 2012, p. 17; Söderberg, 1996, p. 35; Söderberg, 2002, p. 3).

During the 1980s the Japanese ODA would start to serve as a strategic security tool in fulfilling Japan's international burden-sharing obligations as an economic 'super-power',² particularly as a way to compensate for the fact that the US nuclear umbrella protected Japan (Edström, 1996, p. 135). Some ten years later, Japan would provide 18 per cent of the world's total ODA, with an astonishing 11.2 billion USD—to compare with 9 billion USD provided by the US the same year (Drifte, 1996, p. 110).

But providing the amounts of ODA with seemingly few stipulated regulatory measures was not going to be unproblematic, particularly not to major recipients like China and Myanmar. In 1989, the Chinese clampdown on protesters at Tiananmen Square was going to give Japanese policymakers headaches regarding its vast ODA to China. The same can be said about the military coup in Myanmar in 1988 and the refusal to hand over power to Aung San Suu Kyi and her National League of Democracy (NLD) following NLD's landslide victory in the general elections of 1990 (Edström, 2009, p. 32). In addition, with the fall of the Berlin Wall and the end of the Cold War, new countries were increasingly seeking Japanese aid in the form of development assistance. Together with the growing interest in Japanese aid came growing criticism of the lack of regulatory procedures regarding the foreign aid disbursements. Some even claimed that Japanese ODA in some instances facilitated military buildup in 'less than democratic' countries, in effect strengthening some oppressive regimes' or dictators hold on power, for example Saddam Hussein in Iraq (see e.g. Inada, 2005, p. 13; Sunaga, 2004, p. 24). In 1992, a Charter regulating Japanese ODA was adopted—the ODA Charter.

Through the Charter, Japan committed to pay full attention to military expenditures and the development and production of weapons of mass destruction; avoid providing ODA for military purposes, and; to link foreign aid with adherence to democracy and human rights in recipient countries. With China, Indonesia and Thailand among the top recipients of Japanese ODA throughout the 1990s, implementation of the ODA principles in terms of taking into consideration democracy and adherence to human rights can rightfully be questioned. Although Japan declared unilaterally in 1995 that ODA to China would be suspended in accordance with the ODA principles since China would not halt nuclear weapons testing, the actual suspension of aid only concerned the grant aid part, which constituted four per cent of the Japanese total aid to China (Edström, 1996, p. 142; Katada, 2001, p. 46). Adherence to democracy or human rights however did not

² However, when the US called for Japan to participate in the Gulf War (1990-1991) with human or military contributions commensurate to its economic super-power status, Japan was not ready to comply. Restricted by article nine of the constitution, Japan was unable to place 'boots on the ground', and could only take part as a major financier of the war. As a result, Japan was heavily criticized for its inability to contribute to the war-effort (in the way the U.S. and other contributing states thought appropriate), which resulted in a significant change in Japanese foreign policy: the passing the Law Concerning Cooperation in UN Peacekeeping and Other Operations (referred to as the PKO Law) in 1992. The PKO Law would allow Japan to send military personnel overseas, upon the condition that they would be under UN control and be used solely for peacekeeping purposes.

prompt Japan to revise aid in accordance with the principles adopted with the 1992 ODA Charter. An increased focus on democratization and adherence to human rights in Japanese foreign policies at the onset of the 21st century, particularly with regard to ASEAN, and with the revised ODA charter of 2003 reiterating the need to pay full attention to democratization processes and human rights adherence, the following sections examine how Japan has lived up to its commitments in the new millennium.

A New Millennium – The Four Major ASEAN Recipients of Japanese ODA

For most of the 21st century net aid to Asia decreased due to the fact that Asian countries have started to repay previous aid loans, sometimes at levels exceeding that of newly disbursed loans. Still, Japanese ODA to Asia in terms of net flows vastly exceeded that of ODA to other regions: the exception being net flows to Africa in 2006 and 2007. In terms of gross figures however, Asia has received as much as two to three times the amount of ODA provided to the runner up region, Africa, for every year since the turn of the millennium.³ Clearly, Asia as a region holds much significance for Japan, which can be seen in the allocation of foreign aid. With regard to ASEAN, exchange notes for loan aid and grant aid projects have been committed for all but two of the organization’s members during the selected period. Until 2008, Indonesia was the ASEAN country that received the largest part of Japanese ODA, with steady yearly commitments in the 120 billion yen range. For the same period Vietnam has been a close runner-up and by 2009 Vietnam had taken over the position as the number one ODA recipient in ASEAN, with aid commitments hitting a 275 billion yen high in 2011. In total amount of Japanese ODA committed to ASEAN countries via exchange notes for the selected period, Vietnam and Indonesia stands out as the two countries receiving by far the highest amounts of ODA, with Myanmar and the Philippines receiving roughly half that of Indonesia. Interestingly enough, among these four top recipients of Japanese aid are the two most free and democratized members of ASEAN—Indonesia and Philippines—as well as two of the least—Vietnam and Myanmar. What this means in terms of consideration taken to the ODA charter is being outlined below.

Table 1: Total Japanese ODA committed through Exchange Notes 2001-2013: figures in billion yen

Vietnam	Indonesia	Myanmar	Philippines	Thailand	Cambodia	Malaysia	Laos
1,637	1,244	620	580	296	143	98	85

Two Authoritarians: Vietnam and Myanmar

45 per cent of the total Japanese ODA⁴ disbursed to ASEAN members between 2001 and 2013 was committed to Vietnam and Myanmar. The two countries also constitute two of the least free, and undemocratic, countries of ASEAN, as well as two countries, which have received frequent criticism for human rights violations. On Freedom House’ index ‘Freedom in the World’—measuring civil and political rights on a scale between 1 and 7, with 7 being the worst possible—Vietnam and Myanmar

³ Compare disbursements analyses for 2001-2012, available at http://www.mofa.go.jp/policy/oda/page_000029.html: accessed 30 January 2015

⁴ ODA refers to aid committed through exchange note including loan and grant aid if nothing else is explicitly stated.

has scored between 6 and 7 every year since measurements started in 1998, except for 2013 when Myanmar scored 5.5.⁵

As one of the most tightly controlled country in the world, the single-party state, Vietnam, made throughout the 21st century little or no progress in moving towards democracy. The Communist Party of Vietnam controls politics and government, and is the sole legal party as no other opposition parties are permitted. The government tightly controls media and journalists are frequently jailed. An intense crackdown on free expression online, in print and in public has been undertaken during the 2000s. Political dissent is suppressed and many political prisoners remain behind bars. Academic freedom is limited, freedom of association and assembly is restricted, and human right organizations are banned, which the government has been continuously criticized for. The only normative change towards more freedom in the country during the period was what appeared to be a slight improvement in religious freedom,⁶ resulting in the overall score for Vietnam to change from 6.5 to 6 in 2006 (Freedom House, 2006a), a score that the country has kept since.

Still, ODA flows to Vietnam have been considerably high, and steadily increased during the 21st century, tripled between 2008 and 2011, making the country the top recipient of Japanese ODA by 2009 (MOFA, 2014b). During the same years however, no significant efforts of reforms towards becoming more free and democratic can be seen. In fact, these years represent a period of time when the government intensified its crackdown on dissent, with a severity not seen in years, sentencing journalists, lawyers and political dissidents to long prison terms (Freedom House, 2008a). According to the International Federation for Human Rights' 'Universal Periodic Review for Vietnam' compiled for the United Nations Human Rights Council, some 160 human rights defenders had been convicted between 2009 and 2013 to a total of 1,052 years in prison, charged under the vaguely-worded "national security" provision, while many others still await trial (Fidh and VCHR, 2013, p. 2). The steady increase in ODA to Vietnam can therefore not be regarded as made with regard to any particular improvement in democratization or adherence to human rights. Since Vietnam is neither democratic nor free in any significant sense of the meaning, and with reports from human rights observes arguing that the adherence to civil and political rights, but also economic and social rights have not improved during the 21st century, at least not to any significant extent, it is hard to see how one would argue that Japan in fact has been taking democracy and human rights into consideration when more than doubling its ODA to Vietnam between 2001 and 2013—making Vietnam the number one recipient of aid in ASEAN. Even if aid to Vietnam, and in particular the vast increase in aid, would have been targeted for democratization and/or human rights improvement projects, which it in fact has not been, the argument for Japan living up to the ODA Charter in this circumstance would be flawed, since Vietnam has made no apparent efforts to improve the situation.

ODA to Myanmar and the military regime (still) in power represents another picture of Japanese aid to an ASEAN member that scores particularly bad in terms of freedom and democracy. Myanmar has during most of the 21st century continued to

⁵ Other states in the world that score a 'worst of the worst' 7 are Somalia, Syria and North Korea. Statistics as well as comprehensive country reports regarding human rights situations and democratization processes in Asian countries can be found and compared at freedomhouse.org/regions/asia-pacific

⁶ However, the government continues to suppress religious freedom, media and any criticism of the state.

be ruled by one of the most repressive regimes in the world and has consequently received the worst score possible in the 'Freedom in the World' index, for 11 consecutive years between 2001 and 2011. The military, which has long controlled all executive, legislative and judicial powers, has continuously been committing human rights abuses with impunity, suppressing a vast number of basic rights of its citizens (Freedom House, 2008b). In the plan to legitimize its grip on power, the military regime forged ahead with its "roadmap to democracy" and called for national elections to be held in 2010, which would be the first parliamentary elections since the military regime seized power in 1990. In the running up to the elections, the junta continued to arrest and imprison political dissidents while extending the house arrest of opposition leader Aung San Suu Kyi. The elections were then carefully rigged as to ensure a sweeping victory for the pro-military Union Solidarity Development Party.

Following the elections, which were neither free nor fair, opposition leader Aung San Suu Kyi was released after years in house arrest, and was allowed to give interviews to domestic media for the first time in 20 years. In 2011 thousands of political prisoners were released and the leaders started to liberalize the media, internet and economy as well as repairing relations with foreign democracies (Freedom House, 2013). Towards the end of 2012, private daily newspapers were authorized for the first time since the 1960s and an official censorship board was dissolved. The reforms have allowed Myanmar to slightly move away from its position as the worst performing member of ASEAN in terms of democracy and human rights to now scoring (marginally) better than both Laos and Vietnam.

Still, Myanmar has for long come to be described as the worst violator of human rights among the ASEAN members, and the military regime as one of the most repressive regimes in the world. So when considering that the country is the third largest recipient of Japanese aid since the turn of the millennium, it is fair to question the implementation of the Japanese ODA Charter in this case.

Of the total amount of ODA committed to Myanmar during the 21st century 98 per cent was in fact committed after steps to reform the country had been taken 2011/2012. ODA allocations to Myanmar have been comparatively small between 2001 and 2012. For these years, Myanmar received an average of 1.4 billion yen, which compared with the yearly average for Vietnam and Indonesia, at levels of 112 and 104 billion yen respectively, is only a fraction and in fact the lowest among all ODA recipient ASEAN members. Following the start of the (alleged) democratization processes in Myanmar, Japanese ODA was committed to such an extent that Myanmar became the number one recipient that year with exchange notes for projects totaling an astonishing 354 billion yen, passing that of Vietnam (205 billion yen), making it a 14 000 per cent increase in ODA from the previous year, and a 25 000 per cent increase from the yearly average leading up to 2012. Also significant is that between 2000 and 2012 grant aid was the only type of aid to Myanmar committed in new exchange notes, the lion's share through Human Resource Development Scholarships, and a UNICEF run project for improving maternal and child health care services. From 2012 and on however immense new loan aid allocations were agreed upon for a total of 569 billion yen over two years, a sum that constitutes 91 per cent of the total Japanese ODA to Myanmar during the examined timeframe.

It is clear that Japan has committed vast amounts of aid to Myanmar following the regime's efforts to reform the country in the direction towards democracy. Not agreeing to new allocations of (loan) aid to Myanmar until steps to reform the country were taken in 2011/2012 and until improvements (of some sort) were noticed, is arguably in line with the spirit of the ODA Charter and the principles regarding

attention to democratization efforts and human rights adherence. However, that is not to suggest that the sole, or even main, motive for not providing any new substantial (loan) aid packages to Myanmar until 2012, when the regime embarked on its alleged transition towards democracy, has been derived from such considerations. It merely suggests that Japan has not been in breach of its self-imposed regulations of ODA.⁷ Having said that, one could question the size of Japan's committed ODA to Myanmar at the slightest sign of change, and whether the increase/size has been commensurate to the, according to many observers including Aung San Suu Kyi herself, limited, improvements in the country so far. It will therefore be interesting to follow Japanese aid allocations to Myanmar in the coming years, specifically with regard to the upcoming parliamentary elections in late 2015, reports of a stalled transition towards democracy, and human rights violations committed by government troops in the ethnic minority regions (Freedom House, 2014).

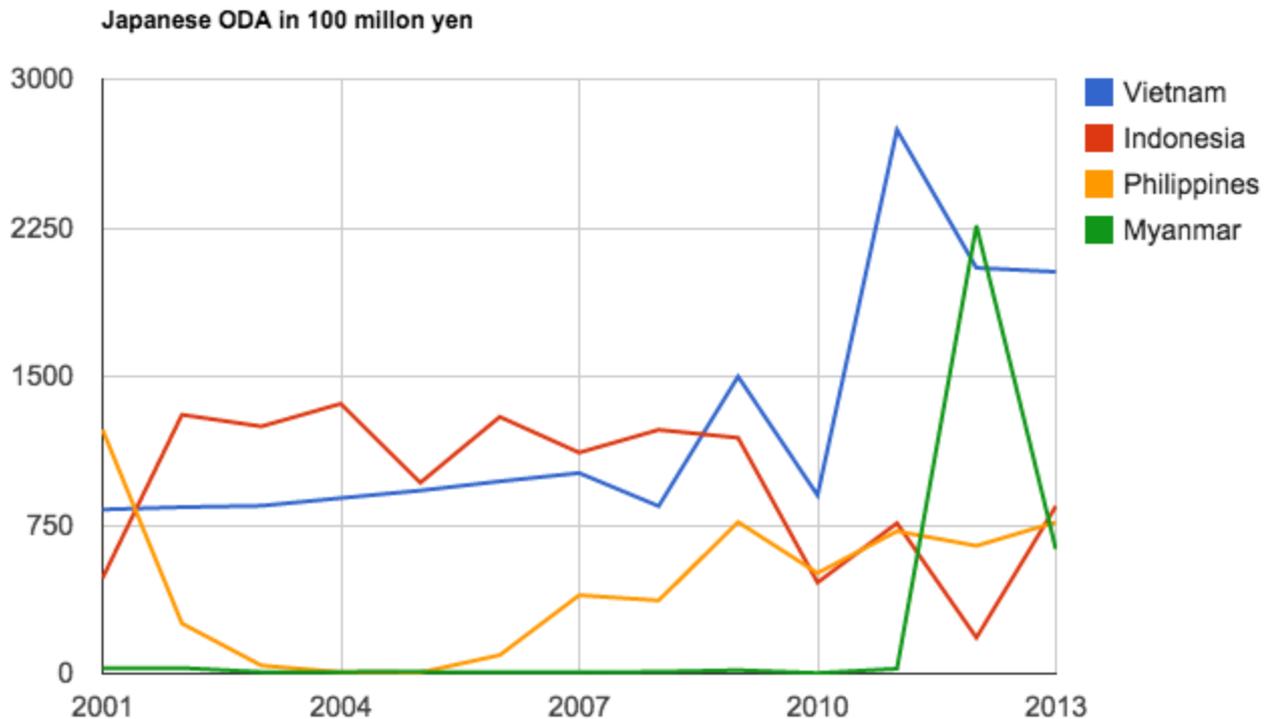
Two Democracies: Indonesia and the Philippines

Indonesia, after decades of authoritarian rule under Sukarno (1950-1965) and then General Suharto (1967-1998) became the world's third largest democracy after holding free and fair elections in 2004. However the country of 241 million people started its transition towards democracy in 1999 when, reasonably free but not entirely fair, parliamentary elections were held (Freedom House, 1999). Between 2002 and 2008, Indonesia was the number one recipient of Japanese ODA among the ASEAN members. Considering that the country had started reforming at the even of the 21st century, holding free and fair elections by 2004, and become the most free ASEAN member in terms of political rights and civil liberties by 2006, (overtaking Thailand and Philippines that shared first place between 2001 and 2005), the fact that Indonesia was the top recipient of Japanese ODA until 2009 does not seem to be in violation with the Charter, at least not with regard to democracy and human rights.

However, in light of the fact that Indonesia, during the Suharto era, before the turn to democracy, has been a top receiver of Japanese ODA, some years only superseded by China, any particular consideration for the level of democracy and/or human rights does not seem to have been part of the decision to provide aid to Indonesia. Though this study does not find evidence to suggest that ODA flows to Indonesia between 2001 and 2013 have been in contrast with the spirit of the ODA Charter, aid committed before 1999/2000 seemingly could have been so. As such, it can be questioned whether or not consideration was ever taken to normative values of democracy and human rights, or if aid just kept on flowing as usual and that the reforms in Indonesia at the eve of the new millennium were nothing but very welcomed additions to an ongoing policy.

The Philippines is likewise a country that for the 21st century has been performing relatively well in terms of freedom and democracy, passed only by Indonesia in 2006 (cf. Freedom House, 2006b; Freedom House, 2006c). For some years before the turn of the millennium as well as just after, the island nation was among top ten recipients of Japanese ODA, but would from 2002 until 2007 receive relatively small amounts of ODA. From 2008, the Philippines again became a major recipient of ODA, and was between 2009 and 2011 outperformed only by Vietnam and Indonesia, in 2012 by Myanmar and Vietnam and in 2013, Vietnam and

⁷ In 1996 however, Japan did in fact state the absence of progress toward democratization and human rights improvements as the reason for not providing grant or loan aid to Myanmar for new projects, other than small-scale, grass-roots assistance through non-governmental organizations (MOFA, 1997).



Indonesia. As with the case of Indonesia, there seems to be no apparent reasons to suggest that Japan has acted in contrast with the ODA Charter’s principle on human rights and democracy when providing ODA to the Philippines, since the country can be said to perform in accordance with the ODA principles regarding democracy and human rights.

Consideration or Breach of the ODA Principles

By examining ODA to the four major recipient countries in ASEAN during the period between 2001 and 2013, the Tokyo government can be described as being pragmatic when considering its self-imposed principle of paying full attention to democracy and human rights in recipient countries when committing ODA. Given the data presented, among the four top recipients of Japanese ODA, only ODA flows to Vietnam seems to stand in contrast with the spirit of the Charter. The amount of Japanese ODA to Vietnam,⁸ its vast increase during the later half of the examined period,⁹ and the fact that the country has made no significant efforts to democratize or shown any measurable improvements to such extent during the given period, suggests that Japan has not been considering democratization and human rights when committing ODA to Vietnam.

The case of aid to Myanmar is somewhat different. Even though the country still is considered to be ‘Not Free’ and scores among the worst of ASEAN members in terms of civil liberties and political rights even after its alleged transition towards democracy, the country has nonetheless taken visible steps towards reform: the question is how sincere these steps really are and to what extent the country actually seeks to become a democracy. Japan’s vocal support of Myanmar’s transition, and the fact that the lion’s share of the ODA to Myanmar (98 per cent) has been committed in

⁸ Of total Japanese ODA to ASEAN between 2001 and 2013, 35 per cent has been allocated to Vietnam.

⁹ The vast increase around this time made Vietnam the number one recipient of Japanese aid in 2009.

the wake of these reforms suggests that the aid to Myanmar has not been in contrast with the ODA Charter. However, if further improvements are stalled or if the democratization project is in fact retracting while ODA continues to flow at levels similar to that of 2012 and on, then it would be reasonable to question what it is that legitimizes continued aid.

There are a number of plausible explanations for the fact that Japan has seemingly been taking democratization efforts and human rights implementation into consideration in the case of Myanmar while not in the case of Vietnam. While both countries are strategically important to Japan, Vietnam has arguably become more so than Myanmar during the 21st century, at least with regard to an assertive China in the South China Sea (SCS). Interestingly enough, the tripling of ODA to Vietnam between 2008 and 2011 coincides with the (re-)ignition of the SCS-dispute and territorial claims. Arguably, by supporting and actively helping to strengthen maritime capabilities of some ASEAN members, some of which are parties to ongoing territorial disputes with China, Japan is seeking to check what is perceived as a growing Chinese influence and posturing in the SCS (see e.g. Pajon, 2013a; Pajon, 2013b). Here, Vietnam, the Philippines and Indonesia have become key partners for Japan. Strategic partnerships have been initiated and maritime cooperation intensified as to make sure that the seas are governed by law and not ‘might’ (MOFA, 2011b; MOFA, 2013b; MOFA, 2015c; MOFA, 2015d; MOFA, 2014a; MOFA, 2013a) As such, good relations and fruitful cooperation are of high importance for Japan. Among the three major strategic partners—all of whom also represents growing economies with lucrative markets for Japan business—Vietnam is (luckily for Japan) arguably the only country that does not fit within the description of being an eligible recipient of ODA, according to Japan’s own ODA principles. While ODA to Indonesia, the third largest democracy in the world, does not stand in contrast with the ODA Charter, the likelihood that this fact is a mere lucky coincidence for Japan and not necessarily a result of actual considerations of normative values becomes probable when taking into account Japan’s ODA commitments to Indonesia prior to the democratic reform.

Another factor that likely holds significance for the continued allocation of aid to Vietnam and the withholding of new aid allocations to Myanmar until reforms started could be found in the international community’s different treatment of the two countries. While the EU and the US has imposed sanctions as well as embargos on Myanmar since the 1990s, Vietnam has enjoyed steady flows of foreign aid from the international aid community although the country has not performed much better than Myanmar with regard to freedom and democracy. Vietnam has been considered a model country in handling its aid relationships and a popular destination for ‘western’ aid, while aid to Myanmar has been more or less suspended until 2011/12. As such, providing large amounts of new aid loans to Myanmar for economic infrastructure build-up would likely have been controversial for Japan, or any other country that identifies with ‘the west’, something that Japan has increasingly come to do. In fact Japan argues that the connectedness between Japan and the ‘western world’ is grounded in the shared belief in fundamental values such as human rights, democracy and liberal market economy (see e.g. MOFA, 2015b; MOFA, 2011a). But even though Japan has refrained from joining the west-sponsored sanctions and vocal criticism of Myanmar, aid to Myanmar was in (in theory) halted after the military

coup in 1988. Or more specifically, Japan refrained from providing Myanmar with large loans for new projects until reforms started.¹⁰

Providing large amounts of ODA to Vietnam however, is seemingly not as controversial, partly since the country has been receiving steady flows of foreign aid from a number of western donors, and for the fact that the country has been rather successful in staying out of the limelight when it comes to its apparent democracy deficit and lack of efforts to reform, as well as its poor adherence to basic human rights principles.¹¹ That position has been absorbed by Myanmar, effectively shielding other repressive regimes in ASEAN, like Vietnam and Laos, from international criticism. But since Myanmar now is being generally praised for its (very questionable) transition towards democracy (with lifting of sanctions and an increased inflow of foreign direct investments, reestablishment of diplomatic relations and various high level ambassadors visiting the country as a result) Vietnam and Laos may find themselves target of international scrutiny and criticism to a larger degree than previously, much like that of Myanmar prior to its democratic transition started.

The different stance nonetheless, regarding the attention given to democratization and human rights in recipient countries when committing ODA to Vietnam and Myanmar—the largest and third largest recipient of Japanese foreign aid during the 21st century respectively—suggests a pragmatic Japan that practice a country-specific approach to the implementation of the ODA Charter with strategic considerations that (to a certain extent) can overtrump that of considerations for democracy and human rights adherence. Given the economic and political developments in the region—the soon to be inaugurated ASEAN Economic Community offering new markets, and then need for Japan to find a new production base following the rapid economic development of China—this is not an approach that is likely to be changed in the near future, particularly considering that the Abe administration has revised the ODA Charter and opened up for more strategic use of aid for the maintenance of peace and stability (in Asia). Here, Vietnam, just like Indonesia and the Philippines, holds much strategic importance for Japan—the fact that Vietnam was the first stop for Prime Minister Abe in January 2013 when making his first overseas trip after taking office witness of as much.¹² Vietnam, Indonesia and the Philippines have also been the three countries to which Japan has committed most ODA through exchange notes since 2009 (the exception being Myanmar in 2012, which came in second place).

Japan will nonetheless likely come to speak up for normative values such as democracy and human rights when deemed appropriate and possible, for example in cases like Myanmar where a transition has already been initiated, as well as when visiting or referring to other democracies like Indonesia and the Philippines. These are all countries where discussions on normative values such as democracy and human

¹⁰ In practice however aid continued to flow to Myanmar. Japan would come to describe its ongoing humanitarian aid to Myanmar as ‘small scale’ and would resume infrastructural development such as dam constructions and airport renovations by claiming that the projects had been initiated before the 1988 coup (Seekins, 1999, p. 6), or creatively labeling new projects as humanitarian assistance—an example being that of the aid loan to repair the runway of Yangon Airport (Edström, 2009, p. 36).

¹¹ Vietnam ratified both the United Nations Convention on Civil and Political Rights and the Convention on Economic, Social and Cultural Rights in September 1982. For comprehensive information regarding ratifications and reservations of key UN treaties by country visit: www.bayefsky.com

¹² He also stopped in Thailand and Indonesia, two key partners for Japan, on his first trip as prime minister. He would later visit all ten ASEAN members during the first year in office, showing the importance given to maintain good relationships with ASEAN members.

rights likely would not be considered particularly offensive or sensitive. When dealing with strategically important countries, not sharing the notion of the importance to strengthen democracy and human rights, the Tokyo government will likely (continue to) omit the need for democracy and adherence to basic human rights in their strategic partnership documents, which has been the case in high level meetings between Japan and Vietnam for example (cf. MOFA, 2015c; MOFA, 2010; MOFA, 2006b). It was therefore likely not a mere coincidence that Prime Minister Abe chose to make public the new ‘Five Principles of Japan’s ASEAN Diplomacy’ when he visited Indonesia in January 2013 and not on his first overseas stop in Vietnam two days earlier. The principles that Abe outlined not only included a special reference to the need to promote and protect universal values such as freedom, democracy and human rights in ASEAN, it held that principle as the first of five—something that perhaps not would have been as welcomed in Hanoi as it was in Jakarta.

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