

Japanese Aid, Good Governance and Participatory Democracy

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'Environmental Determinism' and 'Social Darwinism' have dominated a good part of the 20th century discussions on development and poverty. That the world's poorer countries were in a situation of deprivation due to tropical climates, which stunted their efforts and innovation, or that they lacked intelligence which the westerners were endowed with. Colonialism was therefore a natural consequence of the divide between the developed and underdeveloped, the enlightened and the groping poorer nations. Within the context of the white man's burden of looking after and slowly improving the nations of the South or in the words of Edward Said, the West's 'other', Eurocentric notions of development were extended to the colonies.

In the Cold War era, development and developmental and military aid, titled as Strategic Aid was entangled within the matrix of superpower rivalry. Development was built around Modernisation and growth model of industrialization and a major role was given to the state. The developed societies were distinguished by social, cultural and political modernity, which contrasted sharply with traditional values of underdeveloped societies. Development meant a transition to modernity through industry and growth. However the transfer of the 'development package' to underdeveloped nations, by aping the West, did not meet with much success. There was less optimism and realization that growth and development were not synonymous. Failure of the market in developing countries led to mobilization of foreign capital, import substitution, protectionism, together with foreign investment in heavy industry.

Within the discourse of the World Bank itself, was the "redistribution with growth" changeover, where poverty programmes moved to the center of the discourse on development. Development was geared to mean Structural transformation in the 1980s. While in the aftermath of the 1992 Earth Summit

the adjunct 'sustainable' development gained currency in national and international politics. Despite these multilateral efforts and within the context of Globalisation and Globalisation with a 'humane face' phases, the condition of many underdeveloped countries appears to get worse, with countries of Asia, Africa and South America barely able to even pay the interest, on aid received from developed countries.

Scholars such as Arthur Escobar challenge the whole humanist assumption within development. Anti development scholars, Shucking and Anderson, go so far as to perceive the West as the source of the 'disease' which threatens to infect more authentic and sustainable livelihood systems of less developed countries. In the final analysis however it must be considered that the West and aid giving countries were alone not to blame. Underdeveloped nations had their own shortcomings with systemic defaults such as political dictatorships, lack of basic freedoms for people, poorly designed administrative systems, corruption in delivery of basic services, nepotism, manipulation of systems to corner benefits by elites, while the large majority of the masses wallowed in deprivation.

Trends in International Aid strategies:

Due to cataclysmic changes in the world political situation from 1989 to 1991 and demand for aid from Central and East European and new independent states, development assistance was falling short of targets. Secondly funds for development assistance were no longer available as before since donors were themselves struggling with their own economies. Within developed countries, some felt improvement of their own socio economic assistance should take precedence over assistance to other countries. In the 1990s political reforms such as promotion of democracy and protection of human rights that were neglected in the strategic aid period of cold war are tied to aid. It implies donors' active involvement in the policies and implementing structures of developing countries must be allowed as a precondition for providing development assistance.

Fourth, the development strategies have shifted from theories emphasizing economic growth, redistribution of wealth, attention to basic

human needs and structural adjustments to the debate on participatory governance. In the 1970s The United States Agency for International Development (USAID), the World Bank and the International Labour Organisation in the interest of world stability shifted to the strategy of redistribution of wealth, rural development, and meeting basic human needs such as education, health care, sanitation, food etc. Since the trickle down theory and industrialization failed to eliminate poverty and starvation. Instead it led to other problems such as widening income gaps, regional disparities, unemployment and environmental pollution.

Fifth, the critique of the development strategy was that the world economic order was 'advanced nation centered' and to help developing nations participate in this development, they had to promote structural adjustment in terms of stimulating the economies through deregulation, privatization of state enterprises, promotion of free competition among private enterprises .

Sixth, concomitantly the concept of sustainable development which gained currency, linked the rise in number of world's poor and globally worsening situation to environmental destruction. It stressed inter generational equity and development of human resources to better meet basic human needs. It factored in justice and equitable distribution of economic growth.

In the late 1980s and 1990s participation began to take centre stage as a development strategy. It underwent expansion from just microeconomic grassroots level participation to participation in politics, society and the economy. It involves the alleviation of poverty through economic, social and political action; the strengthening of the public sector and cultivation of a society where people are able to dissent or lodge objections against their government. And government should play a major role in building the organisation and physical infrastructure that will make participation possible.

Participation has evolved as a core value in a democracy with the waning of party politics and parliaments losing their original function of representation. The market also operates to reinforce participation since it depends on individuals making their own decisions. It weakens oligopolies and reduces vested interests rent seeking (nonproductive activities such as exerting pressure on government to protect corporate vested interests)

The developed world and the United Nations are increasingly emphasizing the deepening of democracy, pluralism, economic liberalization and transition to a market oriented economy. In this light, people's participation is central to any international aid projects or assistance. The concept of community intends that beneficiaries must participate actively in development projects' planning and implementation to bring about lasting impact on rural development, family planning, public health, education and housing projects.

The Organisation for Economic Cooperation and Development (OECD)'s Development Assistance Committee (DAC) released a "Policy Statement on Development Cooperation in the 1990s " cited concern for the environment and participatory development as the most important issues on the development aid agenda of the 1990s.

The strategy is premised on four essential approaches

1. investment in human resources including investment in education, training and meeting the needs for food, health care and efforts in particular to eradicate AIDS and narcotics problems.
2. strengthening of political systems, government mechanism and legal system in which democracy and respect of human rights are secured
3. roping in not only the central government but also local organization and self government, non governmental organizations (NGOs) and private sector the establishment of open competitive market economy

The DAC has focused on four independent areas:

Participatory development, democratization, good governance and human rights. It identified five priority areas for discussion – legislative and judicial system reforms, respect for human rights, coordination among donors, creation of participatory civil societies and administrative decentralization.

Japan's conception of participatory development, good governance and interlinkages

Japan's conception of good governance and participatory development

prepared by the Aid Study Committee of Japan International Cooperation Agency (JICA), believes that development aid should give rise to a process of sustainable, self-reliant development in developing countries and contribute to realizing social justice. To achieve this it is necessary for those concerned to participate actively and substantially in development activities and to benefit from development. In short participatory development's basic approach is to improve the quality of people's participation in development by enhancing their social development and social justice. This approach has led to improving of people's social capabilities while implementing Japan's Official Development Assistance (ODA).

Good Governance in the Japanese perception has two aspects –one, is the capabilities of effective and efficient governments i.e. improving institutions and their administrative abilities, which would include designing basic legislation and system to facilitate strong commitment to participatory development. Second aspect of good governance is the basic orientation of the nation state in terms of the government's legitimacy, accountability to the people and securing human rights.. Japan believes that in its second aspect, the features and modalities of democracy should best be left to the people and government of the country concerned.

In both these areas of operation Japan rightly seeks to base its actions on dialogue with developing countries, respecting differences in values regarding political democracy and diversity and uniqueness of societies, culture and traditions.

Japan understands that state-led growth makes people passive and increases economic and social disparities between classes, genders and regions. All this undermines the effectiveness and sustainability of development projects and of development itself. Participation itself should not be transient but long terms which includes raising the awareness of local people, forming community groups, upgrading their resource management abilities and creating norms or internalising their mechanism and improving capabilities of external negotiations. The shaping and planning of this participatory process requires both long term vision and a willingness to selectively improve and bolster traditional community systems as tools of development. Here support of NGOs

is also acknowledged as a means of accumulating organizational learning and experiences of local groups to train leaders.

For sustainable participation, governments of developing countries must create and adapt basic legislation and institutions that guarantee political and economic freedom and meet basic human needs, such as food housing, health, medical care, education etc. Additionally, government needs to remove obstacles to economic participation, improve financial management, build infrastructure and train entrepreneurs.

Good governance, in the Japanese perception, must facilitate developing countries' achievement of sustainable and self reliant development and social justice. It is therefore understood in terms of two concepts –(i) ideal orientation of a state that works toward achieving self reliant and sustainable development and social justice and (ii) ideal functioning of government that operates most effectively and efficiently.

Ideal orientation of the state hinges on democratic attitudes of the state such as legitimacy and accountability of government, securing of human rights, local autonomy and devolution of power and civilian control of military, especially military expenditure.

Functioning of the government depends on requisite political and administrative structures and mechanism and capability to function effectively and efficiently. These would include basic laws and institutions of the nation, the administrative structures and mechanisms, transparency, decentralization of administration and creation of appropriate market environment and all of these are needed to support people's participation.

The two concepts are interlinked for the fact that good governance supports wider and more mature people's participation and participatory development promotes good governance since it triumphs people and their needs over bureaucracy. Good governance aspires for further democratization. This leads to formation of political and administrative structures that are people sensitive and governments aspire to translate this national stance into action. This in turn leads to the evolution of participatory development.

Japan's ODA and linkages to Participatory Development and Good Governance

Japan's basic philosophy in giving official development aid (ODA) is to play a role befitting its national power; on humanitarian grounds, for environmental protection and awareness about the interdependence of the international community. While the charter emphasises self help efforts in developing countries especially for economic takeoff, it also stresses good governance and fair distribution of resources.

Four principles are enshrined in the ODA charter which suggest that environmental conservation and development should be pursued in tandem. Use of ODA for military purposes and aggravating international conflict should be avoided. That resources should be prioritized for own economic and social development. Full attention should be paid to efforts for promoting democratization and introduction of market economy and securing basic human rights and freedoms in the recipient country. Japan lays down not uniform but certain negotiable parameters for military expenditure and extent of democratization. Japan tries to inform developing countries of its ODA principles and philosophy and then tries to reach an understanding with them on various occasion of policy dialogue.

Japan's aid has positive and negative linkages to aid. Positive linkage is seen when a developing country shows improvement in implementing the principles outlined in the Charter. Here Japanese government increases aid and thus encourages further improvement. The negative linkage is seen when countries do not show favorable trends and ignore the remedial steps suggested by Japanese government. This would eventuate into suspension, reduction or even stoppage of aid.

All ODA, except humanitarian aid to Vietnam was suspended on Vietnam's invasion of Cambodia and once Vietnam signed the Paris Peace Agreement in October 1991 with Cambodia, aid was resumed. Vietnam was made Japan's top aid recipient and received support for its economic liberalization and openness policies.

Japan has suspended all aid to Myanmar after the military takeover, some projects underway before the coup and some form of humanitarian and emergency aid is still under consideration. Japan continues to exert pressure through diplomatic channels to improve the process of democratization in Myanmar.

Japan's assistance to China has evoked some debate. While most countries share the anguish about China's military spending and nuclear testing, Japan has supported its transition to market oriented economy and believes this is necessary for peace and stability in the region. Japan has notified China about its ODA principle and was awaiting China's understanding in this regard.

Though the ODA specifically does not mention the words participatory development, it states that it is important for as many people as possible to participate in the development process and ensure that all people benefit from development. By way of sustainability it calls for participation of residents affected by the project at the planning stage. It also incorporates the role of NGOs and calls for active participation of women in development.

A look at Japan's specific aid approaches for assisting developing countries to achieve participatory development and good governance reveals two components – (i) goals of Japanese aid and (ii) aid programmes to promote participatory development and good governance.

The aims of Japanese development aid have two aspects - the development aspect (economic and social development) and the democratization aspect. In basic goals of development aid in the developmental aspect, Japan addresses the issues of self reliance and sustainability of development and social justice as stated previously and improved well being of individuals. As for basic goals of democratization Japan identifies legitimacy in the exercise of state power, securing of human rights, government accountability and local and community autonomy and decentralization. Hence the implementation of Japanese aid in its economic and social development aspects will contribute to the pursuit of self reliant and sustainable development as well as social justice. In its democratization aspect it is needed to contribute

to legitimacy of government reflecting the will of the people, securing human rights and accountability in national management as well as decentralization of power.

Aid Areas

The specific areas for aid to meet the goals fall into three categories. The first is aimed at promoting participatory development ; the second type of aid is aimed at good governance designed for enhancing participatory development and the third is aid for good governance designed to enhance democratization.

1. Aid designed to promote participatory development :

This aid is designed with 3 aims in mind – first to strengthen grassroots community organisation (civil society groups & NGOs) involved in participation at the most basic level, and to foster capabilities of production and development. Since such organizations can play a very important role in development of self help efforts. This aid supports information and training programmes designed to raise consciousness and strengthen organisations for boosting productivity. This aid helps upgrade economic capabilities and improves access to support service of small business and microbusinesses in the informal sector and supports NGOs and cooperatives.

The second aim is to promote self reliant capabilities of the socially disadvantaged, especially the rural and urban poor who often get left out of participation in development, through improved access to basic education.

The Third aim is promotion of participatory development capabilities of governments from the central to the local level, to encourage government to give people a voice and to maximise people's chances for participation. Aid here includes upgrading skills needed to reconcile conflicting interest and to facilitate participation by community groups, carrying out social impact assessment of development and promoting participation of groups in development projects.

These three aims will promote achieve of the development aspect of aid goals, support peoples initiatives and cultivate people's will and power in

development affairs and lead to realization of the democratic aspects of aid goals.

2. Aid for good governance

This aid is designed to build the foundation of participatory development and includes assistance in (a) legislative and institution building; (b) strengthening of administrative services, (c) clear specification of administrative duties and assurance of transparency; (d) promotion of decentralization and (e) enhancement of market economy environment.

The first includes support for law making, upgrading of functioning of especially the judiciary and legislature and raising public awareness of law. The second type of aid includes assistance in streamlining government organisations and capacity building of officials, improvement of financial budgeting and development planning and compiling basis national statistics. The third includes aid for transparency elimination of corruption in administration, creating structures that reflect will of people in administrative affairs and inhibit abuse of administrative power.

The fourth type of aid aims at promoting decentralization and includes promoting consultative decision making process and drafting polices and plans for decentralization which will lead to local autonomy.

The fifth type of aid is aimed at participation in economic activities. It includes support for carrying out policies and measures to supplement undeveloped markets and reduce excessive market intervention by government. It supports a stronger private sector and strengthening of government's macroeconomic control capability for economic stabilisation. Under this aim funds, technology and information can be provided. It would also help in the aiding of policies for emergence of small and micro business.

3. Aid for good governance designed to promote stabilisation

This form of aid mainly goes to support transition to democracy. It would include support for ending of civil wars and setting up of multi party elections, strengthening of protection for human rights and strengthening of freedom of speech and the press.

For this Japan should collect information about the status and trends of democratization of developing countries. Aid for good governance reinforces the good governance services that underlie participatory development. Good governance exerts a positive influence on developing government's legitimacy, accountability, guarantees human rights, local autonomy and decentralization. Therefore the chances of participation for the people and their well being increase and the foundation of democratization is laid due to participatory development.

Progress in other areas:

To aid participatory development and good governance, research is conducted to produce aid methodology manuals and guidelines regarding women in development and poverty. Studies are also conducted in institution building, networking with NGOs, roles of government etc. Workshops and training programmes intended for aid personnel are being carried out on issues of democracy and human rights.

Besides support is given to NGOs to execute projects in developing countries pertaining to small-scale irrigation facility construction, medical care, water supply and sewage facility construction. Small scale grant assistance is also given to NGOs, local governments, medical institutions and communities are eligible for aid.

Assistance outside ODA Framework:

Japan has given aid for election monitoring teams in Costa Rica, El Salvador, Ghana, Guatemala, Haiti, Honduras, Kenya, Namibia, Nepal, Nicaragua, Panama, Mozambique etc to help in local elections. Besides this there is a volunteer deposit for International Aid where there is a kind of a postal savings account in which 20 per cent of the interest is allocated to NGOs, who have applied beforehand to fund their aid activities in developing countries.

Issues and considerations in aid implementation

Japan's strategy of tying aid with good governance and participatory development is based on dialogue with developing countries. Japanese aid is inclusive of local NGOs. The aid programme is aimed at passing on Japan's

experience in good governance to developing countries. Japanese aid needs to be based on information about recipient nations and in accordance with the principles of ODA Charter. Finally there is need for introduction of research to promote participatory development in the aid project cycle.

QUALITY OF DEMOCRACY

Japan has done much to link aid to good governance and participatory development and facilitate the deepening of democracy in developing aid recipient countries. Three elements of democracy need to be examined in this context viz. democratic rule of law, accountability and inequality, which overall enrich the quality of democracy.

Rule of law, according to O'Donnell, ensures political civil rights and mechanism of accountability which affirm political equality of all citizens and constrain abuse of power. Without vigilance, rule of law and independent judiciary, rights are not safe. In its minimal meaning, rule of law exists when laws are written, promulgated publicly and applied fairly or consistently across equivalent cases and not based on considerations of class, status or power. It implies formal equality established by legal rules that are varied and rights and obligations that are universal, and apply equally to all. Included in this are the civil rights and obligations and participatory rights of voting and running for office. They include freedom of expression, association, movement etc. Japan has already committed to supporting legislative and institution building, it needs to work out the nuances in this area.

One aspect of rule of law is the dictum that no one is above the law and that rulers unconstrained by law do not legitimise their rule by deciding the good of all. Law making itself should be legally regulated in the sense that rules should be defined, specific, clear and have predictability in human interaction. Above all they should serve the public good and not party good. This is a corollary to the above.

In O'Donnell conception, democratic rule of law goes a little further and suggest "proper" interpretation of law. It sees law as a dynamic condensation of power relations and not just ordering of social relations. In its various dimensions he suggests that there is need to look at degrees to which

rule of law extends homogenously to entire the territory of the state and degrees to which legal system behaves uniformly to various classes, societal groups etc.

In relation to government and state, democratic rule of law can be ensured if state exercises effective and law bound control of the whole territory and state should exercise accountability even against elected officials who indulge in illegal actions.

In relation to the courts, O'Donnell suggests that judiciary should be free of influence especially from executive, legislature and private interests. Judiciary itself should not abuse its autonomy and give fair and expeditious judgments and courts should be easily accessible to all. In relation to state institutions in general, there should be clear and publicly available rules that regulate state institutions. Emphasis on asking all government departments to publish citizens charters and adhering to them is therefore the exigency in aid disbursement.

In the social context, citizens of aid recipient countries should have right to participate in not only political organisations but also civil and labour rights of citizens should be protected. Further, they should also be able to exercise vertical accountability, through measures such as citizens report cards, that help improve government accountability.

In relation of civil and human rights there is need to document the extent of violence in developing aid recipient countries and data should be collected on social position, gender, age and location of victims of violence. Data on homicides, armed robberies, sexual and family violence should also be collected. Finally it must be borne in mind that rule of law rhetoric can also be used by authoritarian ideologies where it is not used in fairness but to perpetrate inequality and social ills. Japan needs to keep the above dimension of rule of law in mind while giving development assistance.

Japan also needs to focus on accountability mechanisms in aid recipient countries. Accountability as generally meaning, in the words of Schmitter, a relationship between two sets of persons or organisation in which former agrees to keep the latter informed to offer them explanation on decisions made and

to submit to any predetermined sanctions they may impose. An aid giving country, such as Japan needs to devise ways to measure accountability which is one way ensures effective and efficient use of aid.

Schmitter suggests it can be ensured at the level of citizens, representatives and rulers as well. Before making laws/ policies there is need to ensure participation of people to ensure their obligation after the policies are made. Representatives will play a key mobilization role before policies are made by informing their constituents and will later comply with the policy once it is made. Whereas in the case of rulers, the more accessibility they provide for policy, the higher will be the information they will carry into their deliberations and greater will be the possibility that the decision/ policy made, will be responsive to the interests of the people.

Finally Japan' development assistance has to take into consideration that inequality is on an average, high in developing aid recipient countries. That dominant groups, in the words of Rueschemeyer, use their social and economic power resources more or less directly in the political sphere. This requires continuing responsiveness of the government to the preferences of its citizens considered as political equals. Any equality gaps according to Rueschemeyer, represents compromise between dominant groups and the many. So aid giving nations such as Japan should look for power balance within society, the relations between the state and civil society, international power constellations, the organisation and the degree of cultural autonomy that subordinate groups enjoy and the extent to which dominant groups see democratization as a threat to their interests.

Though it may be now difficult to quantify many of these elements, there is a dire need of factoring them in dialogue that Japan has with aid recipient governments, and quantifying them if possible through focused research. The central question should be how to deliver aid so as not to benefit sections of society which have the capacity to translate their wealth and status into political advantage and how to tackle social and economic inequalities directly, so that it affects the degree and scope of political equality and finally the quality of democracy in the aid recipient country.

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