Abstract

During more than three decades, Japan has strenuously and consistently been upholding its status as the "single largest donor" in Bangladesh, one of the Least Developed Countries (LDCs) located in South Asia. Japan has distinctly proved itself to be a "tested, trusted and dignified" development partner to the country as well. It is an irrefutable fact that several contributions of Japan’s official development assistance (ODA) loan programs to Bangladesh, in dealing predominantly with the infrastructure development sectors, have already been identified as “milestone successes.” Nonetheless, it can fairly be asked whether the magnitude of its aid had significantly been efficacious in fostering Bangladesh’s sustainable livelihood efforts. On the one hand, while poverty eradication is given a supreme priority with an expanded focus being put on “quality of aid,” Japan’s ODA policy considerations regarding Bangladesh are oftentimes being called into question in the reasonableness that its foreign aid is rather too “gigantic” and “radical.” One the other, despite abundant donations from Japan and other major bilateral donors, Bangladesh has still sizeable shortfalls in the key areas like poverty alleviation, environmental hazards, healthcare and nutrition, and basic education. In practice, development cooperation scenario in Bangladesh has seriously been hindered by an absence of renovated “implementation and management efficiency,” a lack of strong “ownership and self-help effort strategies,” as well as a need for effective “partnership and aid coordination” among the multilateral aid agencies, national and local governments, and non-state actors. Hence, in order to reap the fullest benefit from Japanese foreign aid to Bangladesh in the years ahead, its ODA strategies need a new thinking. To make ODA more praiseworthy of public trust and support, it is very urgent to hear the voices of the beneficiaries of public goods Japan provides. Against this crux, while the study critically analyzes the impact of Japan’s ODA to Bangladesh, this unique research article endeavors to concretely suggest about how Japanese generous foreign aid efforts to Bangladesh could strive to assist the nation, from the "lessons learned,” toward addressing the UN Millennium Development Goals (MDGs) as well as making it as one of the "stable, poverty-free and prosperous” Asian nations in the most challenging epoch of globalization.
1. Introduction

During the last couple of years, the political economy of foreign aid in Bangladesh, a South Asian developing nation, has experienced some sweeping transformations, so has its emphasis, quantity, formation as well as financial and managerial modalities. Whilst the foreign policy of Bangladesh was indeed targeted to confirm an uninterrupted overseas aid flows in the 1980s, there has been a notable shift in quest of Bangladesh’s linchpin of aid systematization, particularly in the context of a step-by-step shrinkage in aid dependence of the nation in the contemporary years. The objectivity of its development partners has at the same time undergone a remarkable modification concerned with the country. Although both political economy attributes and technical factors of the aid regime in Bangladesh have gone through salient transitions during recent years, the aspects encompassing these changes have not unfortunately been subjected to any in-depth scholarly observation.

There is therefore a necessity for an invigorating look at the issue of foreign aid as a “decisive variable” in the sustainable development framework of Bangladesh. An evaluation of the nation’s ongoing experience with bilateral aid will further be contributive to providing an overall idea about some key issues, including the current implications of external economic assistance towards the country’s economy, shifting structure and delivery mechanism of aid, changing paradigms of donor-recipient relationship as well as the evolving reform goals. The appropriateness of selection of this case study is actually assessed, because Bangladesh has continually been one of the major world’s recipient nations of Japanese ODA since the beginning of the last decade, and Japan has today become one of the most valuable factors for Bangladesh as a matter of the latter’s national interests. Beyond ODA, in the politico-diplomatic field, the bilateral relationship between Japan and Bangladesh has evermore been determined by a sense of shared values and mutual interests. This may be a “core foundation” for an enduring and everlasting cooperation between the two friendly nations.

Under this backdrop, this subject matter appears timely and essential, and seems to defy a sound analysis to thoroughly appraise about how far Japan-funded projects in Bangladesh have consummated their targeted achievements, as well as to concretely recommend about how Japanese massive ODA schemes to Bangladesh, from the "lessons learned,” could strive to help make the latter as one of the thriving nations throughout Asia in this severely challenging century. Because of its entirely new policy outlooks, this original empirical research piece will definitely be of use, as a reference model, to the concerned people including academia, decision-makers and professionals, for their further inquests concerning Japan’s bilateral ODA programs with other selected impoverished economies.

2. Evolution, Position and Composition

Japan’s aid relationship with Bangladesh has roughly developed in the following three stages since diplomatic ties were established in February 1972. In the first phase of the early 1970s, Japanese aid has been insignificant, mainly food and commodity aid, showing 4.2% and 4.6% respectively of the total aid received by Bangladesh, 84% of the Japanese food aid was then provided as loan, with an interest rate of 2%, service charge of 3% and a repayment period of 20 years, including a grace period of 10 years, whereas the commodity aid contained bigger share of grant component (37.1%). During this period, there was no project aid, and Japan was indeed not yet a major donor to Bangladesh, and then it
was not very distinctive from its global-wise status as a donor. In the second phase, from the mid-1970s to the mid-1980s, there has been a typical upturn of Japanese external resource flows into Bangladesh, with higher disbursement of commodity aid and emergence of project aid, marginally supplemented by food aid. During the decade, although there were ups and downs of aid flows, Japan’s aid partnership with Bangladesh was consolidated. In the FY1979–1980, for instance, Japan provided as much as US $ 229.61 million, becoming the “number 1” bilateral donor, a rank it had been retaining for three years, overtaking the US. The figure however went down to US $ 114.59 in the FY1983–1984 when the US again restored to its position as the leading donor. The third phase of Japan-Bangladesh development partnership began in FY1986–1987 when Japanese economic assistance to Bangladesh more than doubled, with a quantum jump from 10.69% (from the previous year) to 20.87% or over one-fifth of the total amount of foreign aid to the country. From then onward, Japan unchangingly emerged as the “single largest annual donor” to Bangladesh (Bakht and Bhattacharya 1992, pp. 20–27).11

The current figures of donor-wise aid flows in Bangladesh show that Japan heads the list of around 50 donors covering the member countries of Development Assistance Committee (DAC) within the Organisation for Economic Co-operation and Development (OECD) and the UN-led multilateral organizations including the World Bank that are providing aid to the country. Based on cumulative disbursement of Japan’s ODA to Bangladesh up to fiscal 2000–2001, the country ranked 6th among the world’s “top 10” recipient nations of its ODA, and Japanese development assistance to Bangladesh totaled almost US $ 6,050 million (Embassy of Japan 2003, p. 3). Even so, no improvement of foreign aid flows from Japan to Bangladesh was noticed after 1999. Since 1994, the consistency in aid flows of the Japan Bank for International Cooperation (JBIC) was actually fluctuating, and in recent years, JBIC’s assistance has declined due to a lack of viable infrastructure-related project proposals from the government of Bangladesh. In this connection, it may be enumerated that the reality of aid decline, occurred several phases throughout the duration of the entire course of Japan’s aid relationship with Bangladesh as mentioned above, had somehow been depressing in the sense that such a situation increased country’s financial vulnerability to performance failure of the economic system.

Out of the Japanese assistance received, grant assistance is 48% as against loan part of 52%. Despite the loan component of Japanese aid is identical to the overall picture, a striking dissimilarity is that since 1979, all debt liabilities for loans taken from Japan before JFY1987 were converted into default reduction grant (DRG), making this assistance most appealing to Bangladesh. Moreover, in terms of interest and maturity, Japan provides assistance on the most concessionary terms among its ODA schemes to developing countries. The interest rate for loans to Bangladesh is around 4% having a repayment period of 30 years with a grace period of 10 years. Discounted at commercial rate (10%), this yields a grant element of 74% to Japanese assistance (Embassy of Bangladesh 2002, p. 1).

3. Motivation and Prioritization

It is clearly evident that South Asia has today risen strategically in significance in the scope of Tokyo’s diplomatic agenda, and will likely grow in prominence in the future, which genuinely appeals Japan’s attention to be more responsive to the region’s changing needs (Moni 2006c; Moni 2004a, pp. 68–69). Furthermore, in its quest for “responsibility sharing” in international management, Japan finds it relevant to seek development cooperation and policy coordination with the South Asian nations. More specifically, Bangladesh prominently features in Japan’s ODA, because it is viewed as one of the
countries seriously suffering from the merciless onslaught of natural disasters and epidemics. The
country, which also faces floundering economies, accumulated debt and chronic poverty, fits quite well
with Japan’s ODA priorities, as its aid cooperation with Bangladesh attempts to prioritize poverty
reduction incorporating Tokyo’s new foreign policy paradigm for “ningen no anzenhosho” [human
security] (Moni 2007, forthcoming; MOFA 2005), and approaches the issues such as improving basic
living standards and stable economic growth.

Japan basically provides aid to encourage Bangladesh’s self-help efforts toward creating a “just,
equitable and prosperous” society so that it does not excessively depend on foreign aid, taking the
followings into consideration: (i) the demand for resource in the country; (ii) its capacity to absorb aid;
and (iii) its ability to service the debt. In a nutshell, there has continuously been a smooth interface
between Japan’s ODA policies and Bangladesh’s own priorities, and the simplification and
harmonization essentially resulted in Japan’s prolonged development cooperation with Bangladesh.

One of the striking points to note is that in spite of being the topmost donor country, Japan never
interfered in Bangladesh’s internal affairs. Rather, it has always been sensitive to the sentiments of
Bangladeshi people, and hardly shows off its “superiority of economic adroitness” to the people and
government of Bangladesh. It should also be spelt out that Japan regards its ODA as one of the most
important instruments for “kokusai koken” [international contribution], and it connects ODA with
neither political affairs nor commercial interests with regard to Bangladesh. Admitting that Japan does
not assess its partnership with Bangladesh from “donor-dependent” viewpoint, the issue about repeated
covering of Bangladesh in the media propaganda for Japan’s ODA-related events or otherwise is critical
in the respect that Bangladesh is quite rich in its popular grass-root culture.

4. Utilization and Signification

Given that Bangladesh is one of the LDCs, Japanese ODA to the nation is basically grant aid and
technical assistance, which address through a wider spectrum of agreed prioritized areas in the country
assistance plan (CAP). Japan’s ODA loan aid programs concentrate on infrastructure development
conducive to the promotion of investment and export for the country’s overall economic prosperity.

4.1. Infrastructure Development

It is an undeniable fact that some of the contributions of Japan’s ODA loan to Bangladesh have
already been identified as “exemplary accomplishments,” since they have been playing a vibrant role in
the nation’s socioeconomic growth process. In the transportation and communication sector, for instance,
largely financed by Japan, together with World Bank, Asian Development Bank (ADB) and Bangladesh
government, the US $ 950 million project of Jamuna Multipurpose Bridge (JMB), the longest in South
Asia and 11th longest in the world, is one of the most flourishing ones, as this bridge has integrated the
economy, commerce and communication of Bangladesh, particularly country’s northern region with the
rest of the territory where the “hub” is, perhaps more than any other physical investment has done
(JBIC 2003, p. 39). The world’s economic giant has also come forward to finance for the construction
of another bridge (larger than JMB) over Padma River, the feasibility study of which is now at the final
stage of completion under the direction of the Japan International Cooperation Agency (JICA). Even
though the extraordinary support of Japan for the construction of JMB has highly been recognizable, the
project’s implication from the socio-environmental scenarios is rather complex.

To be more comprehensive, as a result of mitigation measures, the potential adverse effects as anticipated by the earlier environmental studies were simply avoided at the initial stage of JMB’s construction (Hossain and Badruzzaman 1997). In reality, the development of the Bridge resulted in the loss of several farmlands due to the construction of access roads, and caused a loss to *chars* [river shoals], forcing some groups of people to relocate. The critiques are now blaming that the construction of bridges over Jamuna, Padma and Meghna, the mighty rivers of Bangladesh, might help facilitate Japanese automobile business in Bangladesh, but will have destructive consequences on the poor people in terms of land erosion, displacement and livelihood. Further, the span structure of the Bridge has already exposed to an alarming menace of going out of service. The threat emanated from the virtual junction of a parallel river called Bangali, with the giant Jamuna-Brahmaputra river system. Nonetheless, it is admitted that the JMB reduced poverty by 20% to 40% in the surrounding area, and unveiled opportunities in terms of job creation, education and training, healthcare, road communication, etc., for some people. However, as a few people, affected due to the construction of this Bridge, received compensation as a token money, further proper actions must be taken. The “lessons learned” from this infrastructure development project should necessarily be reflected in the design of the next mega-projects, particularly the Padma Bridge.

In the electric power, mining and manufacturing, and telecommunication sectors, a number of large-scale projects are undoubtedly symbolic illustrations of Japan’s loan. The Japan-funded fertilizer factories, for example, produce 60% of total fertilizer production, vitally contributing to food self-sufficiency of Bangladesh, an agriculture-oriented nation. It is however somewhat arduous to single out well-suited industries for the promotion of export, and the encouragement of related aid activities, due to country’s inadequate condition of industrial structure. In addition, while Japanese officials appear to be adept at satisfying the Bangladesh government, they seem feeble in communicating with local people and interest groups in a particular project area. The Karnaphuli Fertilizer Company Ltd (KAFCO), for instance, is one of the most controversial projects in which Japanese aid came under the spotlight in Bangladesh (Kyodo News 2002). It was described as “the most corrupt deal in Bangladesh’s history.” It is almost common knowledge among the concerned people in Bangladesh that KAFCO involved extensive bribery of government ministers and officials. Japanese company Marubeni, one of the largest foreign investors of KAFCO, disappointingly continued to give personal financial kickbacks to the then permanent Secretary at the Ministry of Industries who negotiated the deal. Although Japanese business leaders do not see any failure in Japan-aided KAFCO as discouraging for Japanese investors in Bangladesh, it has become a diplomatic dilemma for both countries, and it displays a negative image among the foreign investors.

Nevertheless, it must be acclaimed that on March 21, 2004, on the occasion of “30 Years of Japan’s ODA Cooperation with Bangladesh,” the government of Japan has relieved Bangladesh of repaying a debt of US $1.5 billion (JPY158 billion) (New Nation 2004). In the nation’s history, this is for the first time that a donor country has exempted Bangladesh from repayment of such an overwhelming amount of debt, although Bangladesh has never been a defaulter in repaying JBIC’s ODA loan along with interests. Through this massive amount of debt relief, Japan has once again proved itself to be a truly committed friend of Bangladesh. But, while Matsushiro Horiguchi, Ambassador of Japan to Bangladesh, depicted, "By grant aid for debt relief (DRGA) in the past, we could say that ‘Sonargaon Hotel’ became a gift from Japan to Bangladesh” (New Nation 2004), it can honestly be argued that
this Hotel located in metropolitan Dhaka is simply a luxury for the rich, this gift regretfully goes neither to help generate the poor nor to empower marginalized people of rural Bangladesh.\(^4\)

4.2. Human Security and Social Development

As part of JICA’s mission statement, “hito zukuri, kuni zukuri, kokoro no fureai” [human development, national development, bringing people together], “technical cooperation” is viewed as one of the most integral instruments of Japan’s ODA. In addition to JBIC’s bilateral yen soft loans, JICA’s grant aid and technical assistance to Bangladesh have been extended and prioritized to numerous pressing areas encompassing basic human needs (BHN). Regarding the education sector, Japan has perpetually been putting its emphasis on human resource development (HRD) in Bangladesh. But, in the future considerations, Japan’s ODA package could include assistance for planning and implementing key elements of a national plan for the advancement of information and communication technologies (ICT), including its extensive use in the education sector. Concerning the medical and healthcare sector, it is true that Japanese aid towards arsenic mitigation and polio eradication is a worthwhile investment, but these are only minor contributions to providing “health for all” in Bangladesh.

Referring to the skills transfer under the Japan Overseas Cooperation Volunteers (JOCVs) program, one of the central projects of JICA, it is rather enthusiastic that JOCVs are in the real sense taking Japan’s ODA to the grassroots level, by working hand in hand with the local people, and devotedly contributing to fostering sustainable human development cooperation through sharing skills and knowledge on the ground in Bangladesh.\(^5\) While the dispatch of JOCVs is highly appreciated, it is a matter of regret that the counterparts for whom JOCVs work in Bangladesh, do not show a total commitment to learn things, and to cooperate with the volunteers. Even though, in Bangladesh, the congeniality of environment and adaptability with local people for JOCVs are easier, after their departure from the country, the JOCVs sometimes opine that they do not get desired responsiveness from their counterparts.\(^6\) Notwithstanding, in this interrelation, JICA’s splendid endeavor in Bangladesh does not go unquestioned. As Huq (2003) has rightly criticized:

Another side of distortion in the image results from ill-conceived ideas that originate exclusively in Japan. Being one of the most important donors allows Japanese policymakers to initiate occasional PR initiatives that they think helpful in lifting the image of the country in the eyes of people of the region towards which such initiatives are directed. One recent example that may be cited here is the JICA’s initiative to send the former Tennis Star Ms. Date Kimiko to Bangladesh to teach “poor” children learning how to play tennis well. Those who initiated the idea no doubt thoroughly lacked the knowledge of the social situation in Bangladesh, where tennis courts are considered privileges reserved exclusively for the rich and politically powerful. Helping the children of super-rich in poor countries to refine their techniques of playing the game is “a far cry” from the noble idea of helping poor to overcome the situation of utter despair.

Dhaka should however take sincere initiatives to welcome more and more JOCVs dispatched from Tokyo in the days to come, contemplating the truth that JOCVs, as the “real effect maker” of Japan’s ODA, are acting as a “human bridge” between the two peoples, as well as transfers of human knowledge through technical cooperation could be a stimulus for foreign direct investment (FDI) projects.
4.3. Disaster Preparedness

Bangladesh, owing to its typically low-lying land (JICA 2003, pp. 70–71) and climatic circumstances, is very unfortunately almost every year hit by natural disasters such as floods, cyclones and droughts. In this vulnerable geography, millions of people especially in the coastal areas of the country are habituated to survive these catastrophic disasters. As they have flood preparedness, they evacuate and take shelter when alerted to a flood’s approach.

But, in recent years, extreme floods have caused the most serious havoc on the people of Bangladesh. Human intervention in rivers is partially to blame for the extremity of damage due to floods in recent times. Although the flood action plan (FAP) was abraded onto the face of the public protests, numerous similar projects were executed under different names. While making the best use of the traditional wisdom and knowledge of local people who have long lived in harmony with nature is important, and they had called for dredging of rivers to mitigate the detrimental effects of floods, their requests were totally neglected by the government, donors and international lending agencies. Thus, the importance should be placed on the participation of local community in framing appropriate development plan so that they could extend the voices of their own needs for purpose, representation and sustenance of anti-disaster services.

Japanese ODA cooperation activities in this sector have been underlined on countermeasures against floods and cyclones as well as on the development of weather forecasting and flood warning systems. Under the Japanese grant aid, more than 80 multipurpose cyclone shelters were constructed throughout the country to protect the local people during disaster situations. However, from the humanitarian point of view, there is still room for further improvement in such a most serious environ. As the nation itself has experience-based expertise, Japan is earnestly requested to further demonstrate a more serviceable contribution to the management of Bangladesh’s disaster, particularly by bolstering such programs as wider utilization of the information, and communications network.

4.4. Poverty Eradication, Rural Development and Agricultural Growth

There is a common perception in the minds of people in Bangladesh that any hi-fi bridge constructed under infrastructure development projects in the country means Japan-funded project. In other words, its ODA is still “much quantitative” and “less qualitative,” whereas aids from other donors in the country inherently hinge on boosting “pro-poor policy” and “self-help grass-root assistance scheme” in order to succeed in their poverty reduction goals, although the volume of their aid, in many cases, is quite insignificant compared to the Japanese one. Avowing the existing policies of Japan’s ODA to Bangladesh, another focal question has also been raised, i.e., while Japan is showing, even in the homepage of its Ministry of Foreign Affairs (MOFA), cellular phone in the hand of a poor woman as an “icon of success” of its sustainable development cooperation performance, whether this world’s biggest donor has come forward to directly help this poor woman, or the micro-credit organization from which she lends a very small amount of money with high interest rates through weekly repayment scheme. As aid programs, using small-scale financing, could have greater visible impacts on improving the lives of the poor (Moni and Uddin 2004, pp. 81–87), Japan’s ODA needs to reinforce a more persuasive implementation of micro-credit schemes in a low-saving country like Bangladesh. To meet this purpose, a separate organization designated, Japan ODA-funded Micro-Enterprise Center, a similar
institution that has recently been inaugurated at Batangas City in the Philippines, may be proposed. Conceding that Japanese “third sector” including non-government organizations (NGOs), civil society and volunteerism have recently attracted much attention because of their spectacular activities, receiving more resources than the ODA programs of any other country, in the arena of humanitarian aid around the globe, unfortunately a few Japanese NGOs are currently involved in Bangladesh and their activities are somehow limited. There is no denying the fact that the North American and European NGO movements diminish the Japanese NGOs in the country. Likewise, at local levels, cooperation is very weak, and there is a little sign of immediate progress. While Japanese prefectural and local governments spend millions of yen on sister/twinning ties with overseas states and local councils, very regrettably no dynamic cooperative relations at this level exist between the two friendly countries. The Japan NGO Center for International Cooperation (JANIC), which principally aims at strengthening the institutional capacity of Japanese NGOs involved in international development, could contribute to advancing active partnerships between NGOs and aid agencies in Bangladesh.

Coincidently, Japanese ODA should seek vigorous productive activities in rural villages, and improvements in rural incomes, targeting growth and profitability in the entire rural economy. In the future, its aid could actively support programs such as rural institution building to spur local participation in social development and to build social infrastructure in collaboration with local NGOs. In spite of the fact that the technical cooperation has been successful to supplement the agricultural infrastructure including roads and irrigation facilities, in next consideration, economic assistance must focus on improving the food self-sufficiency rate by conserving farmland and increasing agricultural productivity through building infrastructure for agricultural and rural development, spreading agricultural technology, and conducting agricultural research. Aid should also aim at creating jobs and better income for the rural poor, particularly the landless farmers.

A summary of the commitment and disbursement of Japanese grants to Bangladesh shows that most of the sanctions are as debt relief grant and infrastructure development. A relatively small portion of ODA has been allocated to the social development sectors like education and healthcare. The issue of HRD and other ICT-related technical assistance, which could lead to promoting the nation’s resource generation and maintenance capability, were apparently ignored. Hence, in the future, Japan’s ODA, as an advanced policy alternative, should strive to secure a “balanced social framework” for Bangladesh.

5. Experiences Earned and Endeavors Ahead

Since its independence in 1971, Bangladesh has received foreign aid worth an estimated US $36.3 billion from various bilateral and multilateral sources. Granted that the donors remain committed supporters to the country, ironically almost half of the population still survives on less than US $1 a day, and poverty remains endemic, although the situation is gradually improving. As people in Bangladesh are now getting access to information, they are raising the question: where does all money go? While “development effectiveness” is defined as a demonstrable contribution to “economically sound, socially equitable and sustainable growth,” the representatives of civil society as well as general public of the nation are intensely asking as to the use and misuse of huge aid money. Many of them are under the impression that foreign aid makes out the rich get richer in Bangladesh, i.e., the ruling elites, bureaucrats, politicians, consultants and contractors of development projects tend to personally benefit under the guise of poverty reduction and sustainable development. Beyond pervasive government
corruption, a lot of fake NGOs have been accused of receiving cheques from donors whilst doing little or nothing for the targeted beneficiaries, and not being held accountable and transparent at all. Besides, some analysts strongly argue that foreign aid and loan may sound cheap for the country, but these are indeed costly (Islam 1999). Observing this development dilemma, the following particular considerations should be taken into account when endeavoring to gain substantial betterments from the stupendous amount of Japan’s ODA to Bangladesh in the future, from the bitter experiences already gathered.

5.1. Ensuring Improved “Implementation and Management Efficiency”

In the face of the cynicism about foreign aid today, it could help the governments of recipient countries to more quickly and effectively fulfill their development objectives, and thus could improve the standard of living of the poor. In short, aid might be a decisive part of solution. The new research findings indicate that aid can nurture reform even in the most distorted situations (World Bank 1998, pp. 1–27), but it requires patience and a focus on ideas, not money. While the best implementation of policies and programs to lift the world’s poorest people out of poverty is a crucial challenge confronting the international development community today (Sogge 2002, pp. 1–16), regrettably most developing nations currently lack good institutionalized mechanisms, and in these countries, high levels of aid have a much less certain impact.

In Bangladesh, despite donors’ growing emphasis on conditionality, policy reforms have slowed down primarily owing to the government’s attitude towards the reforms. Albeit the inflow of foreign aid is on the wane in Bangladesh, the government’s absorptive capacity of aid has become a crucial concern. In a least developed nation like Bangladesh, a poor aid absorption capacity often engenders a vicious cycle of “low absorption – low development – low aid.” Consequently, only a well-founded institutional system and procedural reforms could accelerate Bangladesh’s aid absorptive capacity. More to the point, the government should not regard foreign aid as a source for overcoming weaknesses in fiscal management, rather it must be seen as a source for promoting investments. To improve its efficiency in the implementation level, the involved ministries and agencies must be more “committed, productive and speedy” in giving its best efforts for timely implementation of the project, and utilize ODA more effectively so that people can get maximum benefits from the related development projects.

In order to effectuate the result-oriented aid services for all, the revitalized management of the funded-projects should be ensured. By recruiting more trained and capable manpower, the implementing agencies of the government could reduce the system loss. It may, in this connection, also be pinpointed that maintenance is the best way to make the best use of the accessible infrastructures, and to ensure a more steadfast collaboration between technical assistance and loan aid. Experiencing the past development episode of Bangladesh, it is very meaningful to target capacity enhancement through measures such as the dispatch of experts. Additionally, the medium term strategy (MTS) could be of an enhanced weight regarding the future ODA projects in the country.

5.2. Generating Durable “Ownership and Self-Help Effort”

There is an increasing consensus among the aid partners that development can be achieved through strong ownerships and self-help efforts (Smillie and Lecomte 2003, pp. 75–80). While “ownership” has
become one of the most important issues in the present-day development discourse, there exists a minimal level of ownership in some aid dependent countries.

In case of Bangladesh, where 80% of the population lives in rural areas, moving to the issue of development, self-help or self-reliance is actually a big hurdle (Sobhan 1990). It may however be stressed that Bangladesh is well known for its strong NGO sector to provide social services. Despite manifold criticisms, some NGOs are no doubt trustworthy. It is heartening that Japan has recently shown its heightened interest in working with them, and making full utilization of their ideas and services to bring about a real change, through both rapid action and long-term promise. Notwithstanding, as the good quality and quick delivery of resources to the poor matters most, poverty eradication needs to seemingly be well positioned as the highest development agendum for Bangladesh. It is boldly anticipated that Japan’s ODA will articulate a “convincing stance” of providing prioritized aid towards realizing this overarching task.

In this relevance, it can be reckoned that the international donors oftentimes undermine the ownership of Bangladesh as a partner country, and thus the conditionality of their aid becomes stringent. The government of Bangladesh cannot but blindly follows their prescriptions and it sometimes seems committed to abide by their directions. Anyhow, too much donors’ interference in the internal affairs of the aid recipient countries is really disgusting (Morrissey 2004). The question of continuing aid dependence and indebtedness, taking lightly the principle of national sovereignty, is at the same time skeptical. Admiring that Japan is somewhat different in this respect, it is expected that the terms and conditions of Japan’s ODA in diverse sectors will be easier and more favorable, considering Bangladesh’s precarious economic conditions.

5.3. Forging Active “Partnership and Aid Coordination”

It has become perceptible that cooperative partnership is “key marker” in the processes of aid coordination, country leadership, broad-based participation, local ownership as well as development effectiveness and accountability of the aid organizations (Hansen and Tarp 2001). To reduce the administrative costs of program implementation, and to remove the requirement that aid should be in the form of donor country exports, the better coordination among aid agencies are now robustly called for.

Bangladesh is fortunate in the sense that a fairly good number of donor nation representatives and multilateral aid organizations are presently working in the country. But, it is sad to relate that the development cooperation scenario in Bangladesh has been hindered by a serious absence of interactions among aid agencies, although Yanagihara (1993) explored this aspect from a different angle. To be more clear-cut, there still exists a lack of working relationship and coordination between JICA and other involved organizations. One could simply understand the concurrent phenomenon from the following sharp-tongued criticisms. A nexus among “donors-GOs-NGOs” misuses the foreign money coming into the country like flood waters for building awareness about arsenic contamination of drinking water, let alone combating the Arsenic, the world’s biggest public health hazard. One the one hand, the major donor nations and aid agencies including World Bank, World Health Organization (WHO), United Nations Children’s Fund (UNICEF), United Nations Development Programme (UNDP), and JICA awarded a number of projects to local communities and spent hundreds of millions of dollars, but yielded almost nothing at the end of the day. One the other, despite having generous support and expertise from the leading donors, Bangladesh ultimately has done little to tackle this most dangerous
risk to public health. Conclusively, it seems that aid money goes down the drain (Moni 2006b).

It is appreciable that Japan is taking the "lead" in a number of areas. But, truly speaking, it cannot stand alone in giving all-out support for Bangladesh. As a result, Japan needs to transform itself so that it could better collaborate with other development partners. The best structured institutional mechanisms including leadership, policy research and advice, monitoring, consultative group or teamwork, sense of mission, etc., are to be secured, by which Japan and other donors involved in Bangladesh could make more disciplined and sustained efforts to work with each other, and share more information with others to ensure a genuine aid coordination. It should however be confirmed that the means through which the collaborations will stand, in no way, threaten or weaken the ownership of Bangladesh, or create an extra burden for it.

6. Conclusion

As the world’s largest provider of foreign aid, Japan has a greater sense of responsibility and commitment. In particular, as a country located in the same region, Japan feels a true sympathy for Bangladesh, because it is endeavoring hard for development. Japan sincerely wishes Bangladesh to become a “stable, poverty-free and prosperous” nation with a sustained path toward economic growth. Accordingly, Japan has ever been willing to address all the developmental challenges facing Bangladesh. Even though its disbursement of ODA is at present declining worldwide, Japan would continue to provide Bangladesh with utmost help, maintaining its status in the future years. It was well assured by JICA’s Vice President Kunimitsu Yoshinaga “Bangladesh is already in the good book of the Japanese taxpayers” (Bangladesh Observer 2004). Nonetheless, as Japan’s cooperation with Bangladesh was simply termed as "one-sided dependency,” the latter should now take stern measures, and empathically work to achieve rapid economic development as well. It must positively serve as a "unique example” to convince Japanese people who are sometimes worried about the transparent utilization of their money.

In order to reap the most benefits from Japan’s ODA to Bangladesh in future, the following specific suggestions need to be taken into consideration: First, a restored “implementation and management efficiency” of the aided-projects should be ensured. The involved aid implementing organizations must give their best efforts for timely implementation of the project, and utilize ODA more convincingly so that people can get maximum betterments from the development projects. Second, Japan’s economic assistance should give highest prominence to help facilitate cohesive “ownership and self-help effort” strategies including locally determined policies and priorities for reducing poverty by strengthening civil society in the country. Third, Japan must further contrive to unfold the newfangled forms of potent “partnership and aid coordination” together with major international donors, national and local governments as well as non-state actors of Bangladesh. Japan, as the most generous development partner, ought to irrevocably acknowledge and agree that Bangladesh not only needs “more aid” but also “better aid.” It is auspicious that Japan has recently brought about a rigorous change in its ODA principles and priorities regarding Bangladesh to help contribute the country towards attaining the internationally agreed MDGs of sweeping away poverty by 2015. It is also exhilarating that the locally close collaboration among the “4Js” (Japanese Embassy, JICA, JBIC and JETRO) offices in Dhaka has already been established.

It can reasonably be resolved with the optimistic remarks that Japan would extend the best of its aid initiatives in the form of “fund, personnel and wisdom” to Bangladesh both more quantitatively and
qualitatively in order to build a bright tomorrow for the nation’s 145 million people. To achieve its ODA goals, in a manner commensurate with its prestige as the most “outstanding and promising” bilateral partner, Japan would definitely intensify its development cooperation partnership with Bangladesh, by commencing more “strenuous, well-organized and foresighted” action plans in the years to come.

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Notes

1. Since 1986, the US aid has followed a consistent path of decline resulting in its position as a bilateral donor country to slip to the third position. Japan actually replaced the US since 1986, while Japan’s slice in the total aid pie had jacked up from a meager 2.7% in 1973 to 18.5% in 1990 (Independent 2004).

2. The human development index (HDI) value for Bangladesh in 1997 was 0.438, well below the average of the developing countries. The country has however made a notable progress in the pathway to human development over the last decade (WHO 2000, p. 2).

3. The western approach road of the Jamuna Bridge has, in the mean while, severely been affected of the rivers, Jamuna and the Bangali merge. Due to Jamuna erosion, for example, at least 6,000 people became homeless, and several hundred hectares of land disappeared in Antarpara, Eashamara, Titporol, Kalitola, Dhap, Batiargram and adjoining areas (Daily Star 2004).

4. It should however be confessed that since its founding, this Hotel as well as the Sheraton has hosted hundreds of programs covering conferences, workshops, seminars and symposia, reinforcing purposes to focus attention on the nation’s key policy agenda on poverty and sustainability.

5. Bangladesh is currently one of the most beneficiary countries of JOCVs program. Since March 1973, JICA has dispatched a total of 885 JOCVs to Bangladesh (Moni 2006a; 2004b).

6. To cite an example, while a student studying at a primary school in Mymensingh town (130 km from Dhaka) expressed his high confidence to achieve his life-goal as he is learning under the care of an assigned JOCV, the teachers and staffs of the institution did not show much enthusiasm about getting help from the volunteer, who made the basic of mathematics clear to the student by utilizing some excellent teaching methods, as it was very satisfyingly admired by him.

7. While drastic flood usually occurs about once a decade, the flood of 1998 lasted about three months, inundated 45 of the country’s 64 districts, claimed 1,085 lives, and affected about 30 million people who lost their livestock, houses, crops and other assets (Japan Times 2003).
However, in October 1995, the Export Import Bank of Japan (JEXIM) and the Overseas Economic Cooperation Fund (OECF) (now merged into a single entity named JBIC) made a contract with the government of Bangladesh for a loan totaling JPY2.986 billion, which was supplied to the Grameen Bank for its Rural Development Credit Projects (MOFA 2002, pp. 1–14). This JBIC funded projects of Grameen Bank obviously made some realistic repercussions toward assisting the country’s landless rural poor in terms of improvement of production activities as well as living standards.

In spite of this fact, some voluntary organizations such as Japan-Bangladesh Cooperation Fund – Sakura Family Home (JBCF-SFH) at Tokyo, Kansai Bangladesh Project (KBP) at Osaka, Bangladesh Friendship Education Society (BFES) at Ibaraki have been associated with activities to a few extents in Bangladesh.

For example, JBIC has already contributed to a scheme named Greater Faridpur Rural Infrastructure Project. However, in October 2000, the Export Import Bank of Japan (JEXIM) made a contract with the government of Bangladesh for a loan totaling JPY4 billion (Sawaji 2000, p. 29). A salient aspect of the loan is JBIC’s commitment to engaging NGOs activities in diverse arenas of the project.

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