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Abstract

During the Cold War, Japan seldom showed an interest in the political conditions in aid recipients. However, after the Cold War, Japan has been actively imposing negative aid sanctions (the suspension or a decrease in foreign aid) on recipient countries where undesirable policy changes occur, while positive aid sanctions (an increase in foreign aid) would be applied to aid recipients that conduct desirable policies in the light of Japan's ODA Charter. Overall, from 1986 to 2002, two trends can be observed in Japan's aid sanctions policy. First, the Japanese government refrained from taking strict measures against countries that maintain strong economic and diplomatic relations with Japan. Second, even if Tokyo did take punitive measure against those countries it softened its stance as soon as a convenient pretext could be found. All this indicates that policymakers in Tokyo still give priority to Japan's economic interests.

1. Introduction

During the Cold War, Japan seldom showed an interest in the political conditions in aid recipients. However, after the Cold War, Japan has been actively imposing negative aid sanctions (the suspension or a decrease in foreign aid) on recipient countries where undesirable policy changes occur, while positive aid sanctions (an increase in foreign aid) would be applied to aid recipients that conduct desirable policies in the light of Japan's ODA Charter.

In the 1990s, Japan adopted new aid guidelines with the aim of promoting the “universal values” of human rights and democracy through her foreign aid. By doing this, Japan was showing willingness to contribute to the creation of a new world order based on those values. In 1991, Prime Minister Toshiki Kaifu announced the “Four Guidelines of ODA”. In the following year, under Prime Minister Kiichi Miyazawa, Japan's “ODA Charter” was officially inaugurated. The fourth principle in the ODA Charter proclaims that Japan will observe the conditions of human rights and democracy in the recipient countries when disbursing foreign aid, noting that:

Full attention should be paid to efforts for promoting democratisation and introduction of a market-oriented economy, and the situation regarding the securing of basic human rights and freedom in the recipient countries (MOFA, 1993: 33).

After the introduction of the ODA Charter, the Japanese government began using foreign aid to influence political situations in developing countries. In cases where aid-receiving countries have not followed Japan's advice on improving their political situation, the Japanese government was prepared to take stern actions and totally or partially suspend

economic assistance.

For example, when pro-democracy rallies broke out in Kenya in 1991 and political chaos ensued, Japan suspended her aid which financed Kenya's current account deficits. Conversely, if aid recipients made desirable moves in the light of the ODA Charter, Japan would show support and increase amounts of foreign aid. For instance, when Myanmar's democracy leader Aung San Suu Kyi was released from house arrest in 1995, Japan announced an additional bilateral grant to Myanmar worth ¥1.6 billion (approximately US\$17 million) to rebuild a nursing school in Yangon (Furuoka, 2005).

Criticisms that the Japanese government disregards political conditions in aid-receiving countries persist. Many observers still doubt that the Japanese government is really prepared to implement strict aid sanctions to improve human rights practices in developing countries.

Rix notices that the political uses of foreign aid have become more prominent and Japan has been rewarding those countries that adopt liberal values. However, he adds, "This does not yet mean ... that aid is withheld from countries not holding to these principles" (Rix, 1993: 172).

A leader of Amnesty International points out that Japan is one of the biggest donors of foreign aid but it is difficult for an outsider to understand the mechanism of the

promotion of human rights through Japan's ODA (*Gaiko Foramu*, January 1995: 64-69).

The fundamental question is: can the Japanese government enforce the principles of the new aid guidelines in an impartial manner? The question is especially pertinent considering that Japan has been repeatedly criticised for taking lenient measures toward aid recipients in Asia (see Arase, 1993 and Okuizumi, 1995). Another question is: does Japan practice a double standard in the application of the new aid guidelines?

2. Positive and Negative Aid Sanctions

To understand Japan's aid sanctions policy, the Japanese way of imposing aid sanctions needs to be taken into account. The Japanese government justifies its dealings with repressive regimes by stressing the importance of the "persuasive approach" practiced by Japan. According to *Japan's ODA 1994*, "The policy dialogue pursued by Japan is unique in that Japan does not apply its standards automatically to the planning of development projects... This stance putting emphasis on policy dialogue is reflected in the ODA Charter" (MOFA, 1994: 53).

In a similar vein, *Japan's ODA 1995* states that when problems contravening the principles of the ODA Charter occur, it is important to listen to explanations of recipient countries and hold dialogues with them. The document thus describes Tokyo's methods, "The Japanese approach is to work tenaciously on the recipient countries toward achieving the goal through friendly persuasion and quiet and patient diplomacy" (MOFA, 1995: 47).

As can be seen from the above statements, the Japanese government uses its aid power to influence aid recipients not only by employing negative aid sanctions but also through the use of the positive aid sanctions. In other words, Japan can choose to impose negative aid sanctions on recipient countries where undesirable policy changes occur, while positive aid sanctions would be applied to aid recipients that conduct desirable policies in the light of Japan's ODA Charter (Furuoka, 2006).

The Japanese government admits that it prefers to use positive aid sanctions. According to *Japan's ODA 1995*, Tokyo adopts positive aid sanctions with the aim of encouraging recipient countries that show signs of improvement in such areas as democratisation, human rights and restraints in military expenditure. By contrast, Japan employs negative aid sanctions when political situations in recipient countries are viewed as undesirable in the light of Japan's ODA Charter (MOFA, 1995: 48).

From the Japanese government's perspective, positive aid sanctions is more practical and effective than negative aid sanctions. The Japanese government explains its preference for the use of positive aid sanctions by stating that negative aid sanctions can backfire and thus retard the movement toward improvement. Besides, the use of negative aid sanctions may create an impression that Japan is trying to impose its values on aid recipients (MOFA, 1995: 48).

Japan's ODA 1996 mentions that problems that may arise with the implementation of negative aid sanctions. The document claims that even if the recipient country's actions

are repugnant to the principles of Japan's ODA Charter, it is not appropriate for Japan to cut off aid immediately because those actions might be dictated by the recipient's security and are domestic matters. As the document explains, "Furthermore, there could be a case where both desirable and undesirable actions in the view of the ODA Charter co-exist in one country at the same time. In this case it would be inappropriate to pay attention solely to the negative events and reduce or freeze ODA disbursement" (MOFA, 1996: 38-39).

Japan's ODA 1996 stresses the importance of recognizing the recipient countries' efforts to improve their political situations and states, "As the aim of the ODA's principles is to help recipient countries put the content of the principles into practice, it is necessary to encourage them to embrace the principles as a value worth of pursuit of their own accord and urge them to make efforts for its realisation". The Japanese government thus explains why Japan avoids imposing its own values on aid recipients, "If Japan takes strict actions to recipient countries... it may be viewed by the latter as a unilateral imposition of values, provoke a backlash, and delay improvements in the situation. When there emerges in a recipient country a move repugnant to the spirit or the principles (of the ODA Charter), it is important to have bilateral dialogue or to bring international influence in collaboration with other countries rather than unilaterally tamper with ODA projects" (MOFA, 1996: 38-39).

The question is whether Japan's preference for positive aid sanctions is effective or desirable. There are contradicting views on the practice of dealing with repressive

regimes through positive aid sanctions. For example, a leading Japanese economic journal praised Japan's initiative in Myanmar, calling it "Sun diplomacy". Using an analogy of Aesop's fable about a wager between the north wind and the sun, the article compared the US approach (negative reinforcement) to the north wind while Japan's policy (positive reinforcement) was equated with the sun. According to the journal, Tokyo's diplomatic efforts and contacts with the Myanmar military government contributed to the release of Aung San Su Kyi (*Ekonomisuto*, June 18, 1996: 17).

A Japanese ODA specialist, Wataru Hosaka, gives an altogether different analysis of the same event. He states that the use of Aesop's fable was not very successful and could neither explain nor justify Japan's policy toward Myanmar. Hosaka points out that it is unacceptable that the Japanese people's taxes are spent on a repressive regime and warns that such policies will render "nominal" the ODA Charter's principles (*Kokusai Kaihatsu Janaru*, February. 1996: 26-27).

2.1. Positive Aid Sanctions

Although the Japanese government has more frequently employed positive aid sanctions since the ODA Charter's introduction in 1992, a prototype of this method had existed before the announcement of the new aid guidelines. According to Inada (1995: 5), Japan's active assistance to the new government of the Philippines, after President Marcos was ousted in 1986, can be considered the first case of the application of positive reinforcement.

Since the introduction of the new aid guidelines, Tokyo applied positive aid sanctions provided foreign aid to three Latin American countries, Nicaragua (1991), El Salvador (1991) and Peru (1992). These nations had a long history of civil disorder and had struggled to establish more democratic political systems (Furuoka, 2007a).

Positive aid sanctions were also employed in Africa in Madagascar (1991), Zambia (1992) and Guinea (1992) (Furuoka, 2007b). In Asia, positive reinforcement was used in Mongolia (1992), Cambodia (1992), the Asian republics of the former Soviet Union (1992), and Vietnam (1993) (see Furuoka, 2007c).

2.2. Negative Aid Sanctions

The Japanese government is usually very prudent in applying negative reinforcement and resorts to it only if persuasion does not work. According to Orr (1993: 14), when serious human rights abuses take place in a recipient country or there is a serious setback in democracy (especially, a military *coup d'etat*), Tokyo takes the following three steps: 1) persuasion, 2) persuasion plus soft measures, 3) aid cuts.

In the initial stage, Japan expresses concern about the situation and warns the recipient country of possible punitive measures. Tokyo uses diplomatic channels to persuade a recipient to improve the negative situation. If there are no signs of improvement after the first warning, the Japanese government issues the second warning. If the negative situation persists, Japan normally freezes the amount of foreign aid at the previous year's level. Finally, if this measure also fails, the Japanese government reduces or suspends

foreign aid to the country.

Since the introduction of the new guidelines in 1991, Tokyo has reviewed foreign aid to nine African countries, i.e. Kenya (1991), Zaire (1991), Malawi (1992), Sudan (1992), Sierra Leone (1992), Togo (1993), Zambia (1993), Nigeria (1994), and the Gambia (1994). In Latin America, Japan used negative reinforcement in Haiti (1991) and Guatemala (1993). It is worth noting that, in the 1980s before the ODA Charter was promulgated, Japan had taken similar measures towards two Asian countries, i.e. Burma (1988) and China (1989) (see Furuoka, 2006).

3. Japan's Aid Sanction Policy from 1986 to 2002

From 1986 to 2002, there were twelve cases of positive aid sanctions employed by the Japanese government. As Table 1 indicates, the following countries were involved: in Latin America, Nicaragua (1991), El Salvador (1991) and Peru (1992); in Africa, Madagascar (1991), Zambia (1992), Guinea (1992) and South Africa (1997); in Asia, Mongolia (1992), Cambodia (1992), Vietnam (1993), the Central Asian countries (1993) (Furuoka, 2005).

Although positive sanctions have been geographically evenly implemented, an obvious distortion in the use of negative reinforcement can be observed. From 1988 to 2002, there have been fifteen cases when Japan used negative aid sanctions. As Table 2 shows Japan employed negative aid sanctions against repressive regimes in 11 African countries, i.e. Kenya (1991), Zaire (1991), Malawi (1992), Sudan (1992), Sierra Leone (1992), Togo

(1993), Zambia (1993), Nigeria (1994), the Gambia (1994), Niger (1996), and Côte d'Ivoire (2000). Japan used negative aid sanctions against repressive regime in two Latin American countries, i.e. Haiti (1991) and Guatemala (1993) and two Asian countries, i.e. Myanmar (1988) and China (1989) (Furuoka, 2005).

Japan should have imposed negative reinforcement on other four countries --Indonesia, Peru, Thailand and Cambodia -- but refrained from doing so for one reason or another (see Table 3). In Cambodia, Tokyo was able to improve the political situation without cutting foreign aid. Japan's policies toward Indonesia, Peru and Thailand were more controversial. The violations of human rights in those countries had been serious enough to warrant a review of aid policy. In 1992, the Freedom House's Human Rights Index for Indonesia was "six" which indicated that grave violations of human rights had taken place in that country (Furuoka, 2006).

Table 1
Positive Aid Sanctions (1986-2002)

Country	Year	Measures	Human Rights Condition Index	Area
1. The Philippines	1986	To assist the new government and its efforts at economic stabilisation	Four (1986)	Asia
2. Nicaragua	1991	To assist in national reconstruction efforts	Three (1991)	Latin America
3. El Salvador	1991	To assist in national reconstruction efforts	Three (1991)	Latin America
4. Madagascar	1991	To assist the general elections	Four (1991)	Africa
5. Peru	1992	To assist elections for Constitutional Assembly	Six (1992)	Latin America
6. Zambia	1992	To assist privatisation and industrial reform	Two (1992)	Africa
7. Guinea	1992	To assist the general election	Six (1992)	Africa
8. Mongolia	1992	To assist transition to market economy	Three (1992)	Asia
9. Cambodia	1992	To assist in national reconstruction efforts	Six (1992)	Asia
10. Asian Republics of the former USSR	1992	To assist transition to market economy	Kazakhstan "five" (1992) Kyrgyzstan "four" (1992) Tajikistan "six" (1992) Uzbekistan "six" (1992) Turkmenistan "seven" (1992)	Central Asia
11. Vietnam	1993	To assist transition to market economy	Seven (1992)	Asia
12. South Africa	1997	To assist democratisation process	Four (1993)	Africa America

Note: Freedom House Index of political rights is used to measure the human rights condition in recipient countries. The index uses a one-to-seven scale and assigns higher numbers to countries with worse human rights conditions.

Table 2
Negative Aid Sanctions (1986-2002)

Country	Year	Measures	Human Rights Condition Index	Area
1. Myanmar	1988	Aid suspension (Aid partially resumed in 1995)	Seven (1988) Seven (1995)	Asia
2. China	1989	Aid suspension (Aid resumed in 1991)	Seven (1989) Seven (1991)	Asia
3. Kenya	1991	Aid suspension (Aid resumed in 1993)	Six (1991) Five (1993)	Africa
4. Zaire	1991	Aid suspension	Six (1991)	Africa
5. Haiti	1991	Aid suspension (Aid resumed in 1994)	Seven (1991) Five (1994)	Latin America
6. Malawi	1992	Reduction of aid (Aid restitution in 1994)	Six (1992) Two (1994)	Africa
7. Sudan	1992	Aid suspension	Seven (1992)	Africa
8. Guatemala	1993	Aid suspension	Four (1993)	Latin America
9. Sierra Leone	1993	Aid suspension	Seven (1993)	Africa
10. Zambia	1993	Aid suspension	Three (1993)	Africa
11. Togo	1993	Aid suspension (Aid resumed in 1996)	Seven (1993) Six (1996)	Africa
12. Nigeria	1994	Aid suspension	Seven (1994)	Africa
13. The Gambia	1994	Aid suspension	Seven (1994)	Africa
14. Niger	1996	Aid suspension	Seven (1996)	Africa
15. Côte d'Ivoire	2000	Aid suspension	Six (2000)	Africa

Note: Freedom House Index of political rights is used to measure the human rights condition in recipient countries. The index uses a one-to-seven scale and assigns higher numbers to countries with worse human rights conditions.

Table 3
List of countries where Japan employed no aid sanctions

Country	Year	Measures	Human Rights Condition Index	Area
1. Indonesia	1991	No aid suspension	Six (1991) Six (1992)	Asia
2. Thailand	1991	No aid suspension	Two (1990) Six (1991)	Asia
3. Peru	1991	No aid suspension	Three (1991) Six (1992)	Latin America
4. Cambodia	1997	No aid suspension	Six (1996) Seven (1997)	Asia

Note: Freedom House Index of political rights is used to measure the human rights condition in recipient countries. The index uses a one-to-seven scale and assigns higher numbers to countries with worse human rights conditions.

The human rights situations in Thailand and Peru deteriorated in 1991 after the military *coup d'etats* in those countries. The human rights index for Thailand fell from “two” in 1990 to “six” in 1991. For Peru, the index dropped from “three” in 1991 to “six” in 1992.

The Japanese government was expected to cut foreign aid to Indonesia, Peru and Thailand, especially in the light of the new aid guidelines. However, Japan chose to give priority to her own economic, commercial and diplomatic interests and was unwilling to sacrifice those for the sake of human rights and democracy.

It should be noted that when the Japanese government yields to international pressures and imposes aid sanctions on a country that represents considerable economic interests, or has special relations with Japan, Tokyo will resume aid as soon as it finds the slightest

convenient pretext to do so, even if there are no concrete signs of improvement. For example, in 1988, Japan imposed economic sanctions on Myanmar. At the time, the human rights index for the country was “seven”. In 1995, the Japanese government resumed partially ODA to Myanmar despite the fact that the human rights index remained unchanged. In China, Japan suspended foreign aid in 1989 (the human rights index was “seven”), but resumed ODA in 1991 (the human rights index remained at “seven”).

In short, two trends can be observed in Japan’s aid sanctions policy. First, the Japanese government takes more lenient measures to the countries that have strong economic ties with Japan. Those are mainly Asian countries. Second, the Japanese government may take punitive measure against the countries that represent strong economic interests for Japan, but will resume aid as soon as possible. This proves that the decision makers of Japanese aid sanctions policy assign top priority to Japan’s economic interests.

4. Conclusion

The Japanese government prefers to use the method of positive aid sanctions rather than negative aid sanctions, claiming the former to be more effective in reaching policy goals. Policymakers in Tokyo maintain that negative aid sanctions can backfire and retard democratic movements in aid recipients. Putting aside official explanations, the facts show that Japan avoids taking stern actions when human rights abuses occur in Asia. Special treatment of Japan’s important economic partners in Asia may be the real reason for Tokyo’s preference for the use of positive aid sanctions. The Japanese government

did not take punitive measures against several countries, such as China, Indonesia, Peru and Thailand when grave human rights violations happened, because suspending aid could seriously hurt Japan's economic interests.

When the new aid guidelines were adopted in 1991, the Japanese government promised to rigorously apply those to promote "universal values". In practice, the principles were often sacrificed for the sake of economic interests. Apparently, Japan pledges to promote human rights and democracy with the aim of showing solidarity with other aid donor countries while the pursuit of economic interests remains the main driving force behind Japanese aid policy.

Overall, two trends can be observed in Japan's aid sanctions policy. First, the Japanese government refrained from taking strict measures against countries that maintain strong economic and diplomatic relations with Japan. Second, even if Tokyo did take punitive measure against those countries it softened its stance as soon as a convenient pretext could be found. All this indicates that policymakers in Tokyo still give priority to Japan's economic interests.

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