

Rhetoric and Interests within Japanese ODA:

the case of assistance to human development in Vietnam

Author: Silvia Giannelli
Supervisor: Magnus Andersson



Abstract

In the past few decades, the central topic of targeting human development through aid has been given more importance by both international organizations, recipient and donor countries. One of the goals of this study is to investigate how the mutual cooperation between the inflow of Japanese Official Development Assistance (ODA), on one side, and the implementation of the national socio-economic development strategy in Vietnam, on the other, is having effects on human and social development in the latter. The interrelated topic of the rhetorical dimension of Japanese aid will also be addressed while analysing the interests of the East Asian country in pursuing this kind of assistance in Vietnam. By drawing on Development Economics and International Relations theory, this research attempts to provide a description of such cooperation and highlights the need for further studies on the social consequences and impacts of Japanese ODA in the South-East Asian country.

Keywords: human development, Japanese ODA, Vietnam, human capital, human resource development.

Foreword

The completion of this work required the highest degree of patience, mental endurance and resources ever needed in the past few years of my university studies. For this reason, I would like to thank all the people who have helped me through the process of acquiring knowledge here in Sweden. I would like to thank my supervisor, Magnus Andersson, for the guidance and advice provided throughout the research project, as well as the staff at the Centre for East and South-East Asian Studies at the University of Lund for having taught me what engaging field research was all about. For the fieldwork in Japan, I would like to send my gratitude to Juita Mohamad, PhD at Waseda University Graduate School of Asia-Pacific Studies (GSAPS) in Tokyo, for having put me in contact with the gatekeeper for my interviews and to the hereby anonymous lady who kindly helped me with contacts from JICA, without which my research would have suffered. Furthermore, I would like to extend my thanks to the mentioned informants, from whom I got to learn more than I would have expected to. Finally, I would like to thank the very few people who have agreed to give up a lot of themselves in order for me to complete the studies in Lund, both economically and emotionally.

List of Abbreviations

ASEAN	Association of South-East Asian Nations
CPRGS	Comprehensive Poverty Reduction and Growth Strategy
DAC	Development Assistance Committee
GA	Grant Aid
GAD	Gender and Development
HD	Human Development
HDI	Human Development Index
HDR	Human Development Report
HRD	Human Resource Development
IHDI	Inequality-adjusted HDI
IMF	International Monetary Fund
JICA	Japan International Cooperation Agency
MDGs	Millennium Development Goals
MOFA	Ministry of Foreign Affairs
MOH	Ministry of Health
MPI	Ministry of Planning and Investment
ODA	Official Development Assistance
OECD	Organization for Economic Co-operation and Development

SAPs	Structural Adjustment Programmes
SEDP	Socio-Economic Development Plan
SEDS	Socio-Economic Development Strategy
SOEs	State-owned Enterprises
SRV	Socialist Republic of Vietnam
TA	Technical Assistance
TCP	Technical Cooperation Project
TOT	Training of Trainees
UNDP	United Nations Development Programme
VDGs	Vietnam Development Goals

List of Figures

3.1. Research Outline	15
4.1. GDP and GDP per capita growth rates (1986-2010)	18
4.2. Structure of Japanese ODA	20
5.1. Japan's ODA commitment in Vietnam and its conclusion ratio (1993-2005)	23
5.2. Total Japanese ODA disbursement by type to Vietnam	23
5.3. Share of Japanese ODA by type to Vietnam	24
5.4. Trends of total bilateral Japanese ODA to the social sector worldwide, as % of tot. Japanese bilateral ODA to developing countries	25
5.5. Trends of Japan's ODA to social sector in Vietnam, as % of total Japanese ODA to social sector in Asia	26
5.6. Japan's bilateral ODA commitments by purpose for the social sector in Vietnam	27
5.7. Japan's bilateral ODA by purpose to the social sector in Vietnam, as % of Japan's bilateral ODA by purpose to Vietnam	28
5.8. Vietnamese HDI trends	29
A.1. Project concept	52

List of Tables

5.1. Japan's committed ODA to the social sector in Asia and Vietnam	26
5.2. HDI components development in Vietnam (1990-2012)	28
A.1. VDGs	49
A.2. Principles of Hanoi Declaration	51

Table of Contents

List of Abbreviations	iii
List of Figures	v
List of Tables	vi
1. Introduction	1
1.1. Research Problem	1
1.2. Aims of the Research	2
1.3. Research Questions	2
1.4. Previous Research and Findings	2
1.5. Disposition	3
2. Methodology	5
2.1. Design of Study	5
2.2. Data collection	6
2.3. Methods and Analysis	7
2.4. Limitations and Ethical Considerations	8
3. Theoretical Framework	10
3.1. Human Capital Theory	11
3.2. Realist approach	12
3.3. Liberalism	13
4. Contextual Framework	16
4.1. Economic growth and development strategies in Vietnam	17
4.2. Japan as major donor	19
5. Analysis	22
5.1. Quantitative	22

5.2. Qualitative	30
6. Concluding remarks	37
Bibliography	39
A. Appendix	46
A.1. Fieldwork schedule	46
A.2. Interview Questions	47
A.3. Vietnam Development Goals	49
A.4. Hanoi Core Statement on Aid Effectiveness	51
A.5. Project for Improvement of the Quality of Human Resources in Medical Services System (JICA)	52

1. Introduction

1.1 Research Problem

After the end of World War II, still reminiscing about the previous attempt to build the Greater East Asia Co-Prosperity Sphere (Shiraishi, 2009: 16), the preference given by the Japanese Government to bilateralism (over multilateralism) for its foreign policy towards South-East Asia was further strengthened (Inoguchi, 2007) through the provision of development assistance. As a matter of fact, it has to be recognised that the establishment of the Association of South-East Asian Nations (ASEAN) in 1967 contributed in setting off the efforts of Japan to maintain its bilateral policies within the South-East Asian region (MOFA, 2004; Shiraishi, 1990), while at the same time stressing Japan's will of promoting South-to-South cooperation between the South-East Asian developing countries (Shiraishi, 1990: 20). Both concepts of bilateralism and regionalism were present in the famous "Fukuda Doctrine" elicited by Prime Minister Fukuda in Manila in 1977, which was seen as a turning point for Japanese cooperation with the ASEAN members ever since then (Shiraishi, 1990; Sudo, 2005: 13). Furthermore, after the Vietnam War came to an end and the process of "Renovation" of the Vietnamese economy (*Doi Moi*) was inaugurated in 1986, the ongoing consolidation of the bilateral relations between Japan and Vietnam, with regards to both development cooperation and trade, has risen attention and interests in new topical matters inside and outside Academic circles. As part of these new developments, two elements stand out in order of importance. First of all, Japanese collaboration with Vietnam has become increasingly informed by the principle of ownership - as elicited in the Paris Declaration on Aid Effectiveness (OECD, 2005) -. Secondly, the nature of Japanese aid to Vietnam has been changing from maintaining a strong focus only on hard infrastructure building to including capacity building for the population in the social sectors as a new priority (Hatakeyama, 2008; MOFA, 2003; Shiraishi, 2009; Söderberg, 2002). The combination of both factors delineates yet another evidence of Japan's commitment to the achievement of human development in the region.

1.2 Aims of the Research

The issue of Japanese Official Development Assistance (ODA) to South-East Asia region has been discussed widely by the numerous contributions given by various scholars in the field of both Development Studies and International Relations (IR). In particular, certain matters regarding Japanese ODA have frequently been the focus of the abovementioned scholarship (Ashitate, 2007; Shiraishi, 2009; Söderberg, 2002; Sudo, 2005), namely its nature, main features and its historical developments. Certainly, those topics have been given priority over many others, among which the disbursement pattern of the mentioned ODA (Trinidad, 2007: 98) or the social impacts of Japanese infrastructural assistance to Vietnam (Ashitate, 2007; Cochrane, 2012). The main purpose of this research is, thus, to provide a contribution to the analysis of the specific issue of Japanese cooperation in Vietnam in the field of human development, hoping to widen the reach and interest of such a topical issue for the current times.

1.3 Research Questions

The research question for this research asks *how is development cooperation between Japan and Vietnam affecting human development in the latter*. For some reasons, among which the exploratory nature of the question itself, its breadth has called for it to be broken down into more descriptive sub-questions. The matters of how Japanese ODA is targeting human development in particular in the country and the ways how Vietnam is addressing the same problem via its national development plans will provide the basic contextual framework for this study, as they will be discussed in Chapter 4. The third sub-question deals with uncovering the interests that Japan has in promoting human development, along with economic growth in Vietnam. This will be combined to the main research question in the analytical chapter of the thesis due to the fact that the modalities through which Japanese aid is allocated and its interests seemed to be considerably related to each other.

1.4 Previous Research and Findings

As it has been pointed out by Ashitate (2007), in the field of studies on Japanese ODA, not much research has been conducted with the goal of revealing the social impacts of Japanese infrastructural assistance to Vietnam or with the aim of describing projects under implementation by Japan International Cooperation Agency (JICA) with poverty reduction and human development as main targets. On the contrary, many studies have been conducted on the nature, economic characteristics and historical developments of

Japanese ODA towards the Indochinese country (Cochrane, 2012; Nishigaki and Shimomura, 1999; Shiraishi, 2009; Söderberg, 2002; Sudo, 2005). This scholarship tends to ascribe mainly to the academic fields of Development Economics and IR thus providing, respectively, both an analysis of the underlying dynamics related to this issue and an evaluation of the interests driving such cooperation and its future probable developments. As far as this part of research is concerned, the main feature that the various authors all have in common is the particular attention given to the direction of Japanese aid to trade and economic development in Vietnam, with “promotion of economic growth” actually being the first priority set by Japan in 2004 in its ODA policy towards the South-East Asian country (MOFA, 2004). Thus, an analysis of the relatively different framework introduced by the Japanese government with the amendment of the ODA Charter in 2003 for the allocation of its development assistance to the social sector still remains a rather new field (MOFA, 2003; Sunaga, 2004). Nevertheless, recently there has been an increasing attention from the development scholarship to the ongoing effects of such policy change, with more scholars attempting to uncover the social aspect of Japanese-led development in Vietnam, as well as in other developing countries, with special focus on human development and security (Hatakeyama, 2008; Palanovics, 2006; Trinidad, 2007).

In assessing previous research, some preliminary findings constituting part of the basis of this research have been summarized. Although in JFY 2010 Japanese aid to Vietnam underwent a slowdown (JICA, 2010, 2011), Japan has resumed its position of being the country’s biggest bilateral donor (JICA, 2012b: 3) in 2011 with a share of 42,5% of overall JICA programs in the South-east Asian region destined to Vietnam (JICA, 2012a: 26). Historically, bilateral aid relations between Japan and Vietnam have been largely determined by the presence of international dynamics in the region (Shiraishi, 1990). As a matter of fact, the recent stress on principles such as humanitarianism, human development and security put forward internationally by the Washington Consensus’ current agenda have had an effect on Japanese ODA policy (Hatakeyama, 2008) as well, especially towards South-East Asia (Lam, 2006) and more recently, Africa. With regards to modalities of aid, the main tools employed to strengthen cooperation between the two countries mainly relate to bilateral trade and investment, through loan aid, and to human development, via technical cooperation programs and grants (Shiraishi, 2009; Söderberg, 2002).

1.5 Disposition

The thesis would be structured into six main chapters. Following this first introductory

chapter, the methodological outline of the research would be delineated in the second one, whereas the third and fourth chapters would deal, respectively, with the theoretical and contextual frameworks upon which the whole research stands. As far as the theoretical framework is concerned, the chapter will elaborate on perspectives ascribing to the fields of Development Economics and International Relations, while the next one will discuss the two main contexts of economic growth in Vietnam and allocation of Japanese assistance to the former, with specific reference to the fields of social and human development. Since this research has adopted mixed methods, the fifth chapter presenting the analysis will be split in two sections, in order to distinguish quantitative and qualitative analysis. The former will use descriptive statistics to describe the flows of Japanese aid to Vietnam, along with an assessment of the situation of the country from an human development perspective. The latter will provide a brief outline of Japanese ODA to the social sector in the country followed by a discussion on Japanese reasons and interests in sustaining such development. The sixth, and conclusive, chapter will summarize the main findings of the research and will attempt to evaluate whether the reported assistance may facilitate development in the recipient country.

2. Methodology

2.1 Design of Study

The topic of this research entails a certain degree of multidimensionality, being the concept of development assistance both defined by practical issues and informed by holistic values with regards to its final purpose. For this reason, as far as meta-theory elaborations are concerned, I would like to employ the epistemological stand of critical realism. As affirmed by Bhaskar (2011), the critical realist approach does not strictly define its ontological stand in either constructivism or objectivism. On the contrary, it sees the concepts of structures and mechanisms collaborating in the shaping of social phenomena. Differing from *naive* realism (Bryman, 2008: 14) and other kinds of sheer determinism, it underlines the possibility to input change in the process being studied (Bhaskar, 2011: 2). Hence, with regards to my research, I believe that sharing the view of critical realism be of help in analysing the results of one structural mechanism, namely international development cooperation, in its collaboration with another structure, that is human development. Implying some degree of probable change refers to holism, of which the whole discourse around international development is imbued, thus combining both elements of aid mentioned at the very beginning. In order to be able to assess both how and why Japan is contributing to human development in Vietnam, the following research had to be designed in a way to merge both an exploratory and a descriptive stance. Thus, as the study entails an elaborated analysis of a single case, case study design was called for (Bryman, 2008: 52; Yin, 2009: 9). The descriptive stance will serve to provide the contextual framework of the research, with a description of the measures taken by Vietnam to improve human development nationwide and an overview of Japanese ODA to the region. The exploratory nature will aim to propose and discuss the different reasons that are driving Japan in promoting such development. Another important feature is that a 'mixed methods approach' is used to gather and analyse data. By combining qualitative with quantitative research methods, it is believed that a more thorough understanding of the phenomenon under study may be attained than if only one method had been used

(Bryman, 2008). Another valuable characteristic of mixed method rests in the fact that it allows for methodological 'triangulation', defined by Hammersley as "the use of quantitative research to corroborate qualitative research findings or vice versa" (2008: 607; Silverman, 2010), and thus enabling some degree of validity despite the inherent impossibility to generalize of an explorative case study (Bryman, 2008: 55; Yin, 2009). As far as theories are concerned, an overview and discussion of the ones that are used can be found in Chapter 3.

2.2 Data collection

In this research, both primary and secondary sources will be used for the analysis. Primary data was collected through interviews with JICA officials, while secondary data was gathered from official statistics and policy documents. A clear description of both types of data is provided below. In this study, secondary data serves to provide the political context for the research problem and a description of the relationship between donor and recipient, with specific regards to the social sector, both quantitatively and qualitatively. Primary data is thus compared to the findings deduced from secondary sources in order to detect and disclose possible deviances or underlying meanings for a more encompassing depiction of Japanese aid rationale, not directly perceivable from the former only.

Quantitative data comprises data on human development and aid flows in Vietnam, together with ODA transfers to the social sectors in the country from Japan. Data collected from national organisations of both countries will be matched with data from online databases of international organizations of interest, namely the UNDP and OECD, as well as data gathered from previous research. Despite some difficulties related to secondary analysis research (Bryman, 2008), this method allows for longitudinal analysis, as it will be attempted in this research, in order to understand the relationship between Japanese ODA and human development in Vietnam and consider possible changes since the 1990s.

Qualitative data is based on the analysis of previous literature, official documents from both countries' governments and international organisations' databases, along with semi-structured interviews. It has to be noted that the broad geographical scope of the research and the limited resources and time that could be allocated for its completion induced me to take the decision of conducting my fieldwork in Japan only. This fact has had effects not only on the process of data collection, obviously, but also on the analytical component of the study. Being the topic based on aid relationships between Japan and Vietnam, doing fieldwork only in the donor country has made the research shift towards putting a stronger

focus on the donor's policies and interests in perpetrating such relationship than it was planned at the beginning of the research process. Another factor that carried important methodological issues relates to the subject itself, regarded as a rather delicate question for Japanese foreign policy. During the 6-week fieldwork in Tokyo, three interviews were successfully conducted, while one of them was called off a day before it had to take place due to the interviewee's inconvenience. The first and second interviews were conducted at the same time in a jointly manner as required by the interviewees, while the third was an individual interview. For the sake of clarity, it has to be mentioned that in the first case the limited number of interviewees (2) and the modality through which it was conducted do not configure it as an actual group interview (Bryman, 2008). The problems with this sample are two-fold. First of all, the sampling method used was snowball sampling, as a form of purposive sampling (Bryman, 2008). On the one hand the snowball method enabled me to actually conduct those interviews, although on the other hand this method carries problems in relation to its representativeness (Bryman, 2008: 185). Secondly, the limited number of interviewees itself may reinforce the previous methodological matter. These difficulties notwithstanding, from a qualitative perspective, the data gathered through them was very useful in the analysis due to the high quality of the source. The interviews were conducted in the JICA Headquarters in Tokyo with a pool of experts from three different departments within the organisation, namely the Southeast Asia and Pacific Dept., the Human Development Dept. and the Treasury Dept. The nature of the interviewees' occupations (Deputy Director, Program Officer and Oversea Offices Management Division employee) characterises the process as elite interviewing with key experts in the organisation, with repercussions on the degree of trustworthiness of the research (Bryman, 2008: 377). As mentioned above, along with interviews, a considerable amount of official documents issued by the Ministries of Foreign Affairs of both Vietnam and Japan, annual reports from JICA, the ODA report from the Ministry of Planning and Investment (MPI) of Vietnam and reports from the international organizations listed above were comprised in the batch of secondary sources.

2.3 Methods and Analysis

With regards to the analysis of the collected data, various methods were used for this purpose depending on the nature of the data itself. In the section on quantitative analysis, secondary analysis of the data described above was undergone and in order to present the data clearly and coherently, graphs were built using Microsoft Excel 2010 suite. As qualitative analysis was based on both primary and secondary sources, different methods were

integrated. The interview sessions were recorded and their main sections transcribed in order to avoid distortion of meaning. The interview data was analysed with the main focus put on the content and meaning expressed by the interviewees. Since my aim was not to embark in discourse analysis or in other methods focusing on language, when quotations will be provided, the numerous interjections fragmenting the speech will be omitted. In order to focus on the content, a theoretical reading (Kvale and Brinkman, 2009: 235-239) combined with an hermeneutic approach was undertaken. The statements were put into context and interpreted through the multiple theoretical framework constituting the research. As this method can cause the insurgence of some degree of theoretical bias, in order to reduce it the interview guide was constructed with thematic groupings of questions, which were already informed with theoretical anticipation at the moment they were asked. This allowed for ongoing interpretation with follow-up questions during the interview itself (Kvale and Brinkman, 2009: 107; 238). Moreover, the fact that the interviewees belonged to three different departments within the organization and the flexibility pertaining to the semi-structured interviewing process itself (Bryman, 2008; Kvale and Brinkman, 2009) permitted qualitative triangulation of the information collected *within* the sample. The same information was then triangulated with external sources, namely JICA reports and ODA White Papers from the Ministry of Foreign Affairs of Japan. These documents were treated as sources and analysed following a qualitative content analysis focusing, therefore, on the themes found in the text (Bryman, 2008: 529). In order to minimize the risk of analyzing the documents as independent, out-of-context units, once again the above mentioned triangulation with interview data helped the process of interpretation of the former through the latter, and viceversa (Prior, 2011).

2.4 Limitations and Ethical Considerations

Both the qualitative and the quantitative data used for this research presented some limitations. As for quantitative data, the problem of its reliability stands for Vietnam and to some extent also for Japan. One of the macro-subjects of this research being the donor-recipient aid relationship between the two countries, one has to remember the political assumptions of both the donor and the recipient in presenting their data throughout the analysis. Namely, for the former the intention of fostering the image of a considerate donor and for the latter the will of appearing as trustworthy and transparent to the donor's eyes. Bearing this in mind, when possible, official statistics from national authorities were checked with international organisations databases. Data concerning the Human Devel-

opment Index (HDI) from UNDP presented a minor limitation for longitudinal analysis, since the change of methodology adopted by the agency to analyse the data with the publication of the Human Development Report (HDR) 2013 did not allow to compare the data it contains with any of the previous reports, due to inconsistency. However, the issue was clearly highlighted in the Report and several time series data (from 1980 to 2012) were consistently recalculated and published in it, thus minimizing the scope of such limit. For the qualitative data gathered through interviews, as it was touched upon above, these limitations were concerned with the degree of representativeness of the sample, given the snowball sampling method being purposive and given the size of the sample itself. In order to minimize their impact, the data gathered during the interviews was treated and analysed while taking into consideration these circumstances. In relation to interviews, another central issue has to be pointed out in the discussion, that is the political ground upon which this research stands (Bryman, 2008). Considering that the topic of Japanese aid is regarded to be a rather sensitive one, as it could also be said for many others within the spectrum of Japanese politics, being granted access to some of the government officials does not necessarily imply accessing *high quality* data. Japanese ethics still play a strong role in defining the perception of political matters in Japan. The 'outside-inside' distinction permeating Japanese cultural setting was especially perceived as rather compelling in the case of aid, both while reviewing official printed documents (MOFA, 2003, 2004, 2009a) and while interviewing. The "*tatema* versus *honne*" distinction (Arase, 2003: 255), with the two terms meaning respectively 'official stance' as opposed to 'real motive', was put forward quite clearly at the beginning of each discussion, although it was overcome partially by the end of it through an engaging, yet continuous, negotiation (Arase, 2003; Bryman, 2008: 131). The author's position as an *etic* researcher, further underlined by conducting interviews in English, also played an important role in making the abovementioned distinction look more urgent at first, though happened to be slightly reduced after occasional conversational moments in Japanese. As a result of this process of negotiation, despite the practical problems delineated above, the data gathered through these interviews can be considered of rather good quality (Kvale and Brinkman, 2009). While dealing with the interviewees, the author has continuously taken cultural sensitivity into account as well as having guaranteed anonymity, confidentiality and informed consent in accordance with the ethical guidelines compiled by the Swedish Research Council. All informants, both the gatekeepers and the interviewees, were informed on the nature and the author's reasons for conducting such research, as well as being asked for permission to use the information provided.

3. Theoretical Framework

The topic of development cooperation has been controversial ever since assistance was inaugurated after the end of World War II, specifically after it was institutionalised by the establishment of the Development Assistance Committee (DAC) in the 1960s within the framework of the Organization for Economic Co-operation and Development (OECD) (Burnell, 2008). Since the 1950s up to now, aid has been changing in its nature, closely following the alterations appearing in development studies and thinking during the 1970s, 1980s and 2000s (Hettne, 2009). Starting off in the 1950s as a mean to enable economic growth in developing countries, thus driven by pure economic aims, with time aid started to acquire more comprehensive, or universal, meanings. Seen by the Dependency School scholars as an “instrument of domination and exploitation” (Burnell, 2008: 505), during the neoliberal decades it was equalled to the planning of Structural Adjustment Programmes (SAPs), set up by the World Bank (WB) and the International Monetary Fund (IMF). With the introduction of the UN Millennium Summit agenda in 2000, aid’s mandate was further broadened to include the so-called “new security threats” within its reach, among which environmental disruption, poverty and human security have been regarded as the most urgent ones to be tackled worldwide (Burnell, 2008). Thus, with time development assistance as a whole has become much more of a multi-dimensional issue than it was at the beginning, comprising both numerous practicalities, values and different other interests (Burnell, 2008; Chaturvedi and Sidiropoulos, 2012; Cochrane, 2012: 12). While dealing with this topic, different components must be taken into account, from donors’ and recipients’ policies to international laws, national and international economic conditions of the actors involved and so on. It is because of this intrinsic multidimensionality that to analyze the matter of Japanese ODA to Vietnam in this research an interdisciplinary approach will be used. The two approaches from which the three theories used will be drawn are those of Development Economics and International Relations. Within the broad scope of both, the theories chosen for this work are respectively Human Capital theory, Neo-Realism and Liberalism. Before proceeding with a brief review of the selected theories, for the sake of clarity, a distinction between different forms of aid has

to be made to properly describe the subject of this paper. The DAC defines ODA as:

“those flows to countries and territories on the DAC List of ODA Recipients and to multilateral institutions which are [...] provided by official agencies, including state and local governments, or by their executive agencies; [...] administered with the promotion of the economic development and welfare of developing countries as its main objective; and [...] concessional in character [...].” (OECD, 2008:1).

In this research, Japanese ODA to multilateral institutions will not be taken into account, thus leaving Japan’s bilateral ODA to Vietnam as the main subject of the analysis. This is to be explained by the fact that one of the premises upon which this study stands includes aid in the list of tools used by the two countries to strengthen their international relations (Shiraishi, 1990, 2009; Sudo, 2005) and due to the preference expressed by Japan with regards to bilateralism in the South-east Asian area (Inoguchi, 2007; Nishigaki and Shimomura, 1999).

The remainder of the chapter will comprise a brief description of each of the three theories employed for the analysis in their proper sections, as well as explaining the reasons why they were chosen and the connections with the research problem. At the end, to sum up the main points related to the theoretical framework sketched throughout the chapter, a discussion will show how these theories will be linked and used in the research.

3.1 Human Capital Theory

Human capital theory will be used to describe Vietnam’s development strategy, a significant part of which has been planned since the 1980s to improve the quality of social infrastructures, such as education and health services, throughout the country in a way to sustain and spur equitable growth (Ohno, 2002; SRV, 2006, 2011, 2012). Furthermore, human capital formation being one of the main purposes of the Japanese ODA policy towards Vietnam (MOFA, 2004, 2009a), this theory would then be applied as an analytical tool for a preliminary understanding of the direction of aid to different sectors. What is relevant both for the actual cooperation between the two countries and for an analysis of such, is the fact that both the donor and the recipient share the urge of improving the quality of human resources as a good developmental practice for stable and persistent economic growth overtime. Although human resources and manpower are not synonymous

to the one of human capital, they constitute a part of it (Schultz, 1971a). In broad terms, human capital is the stock of knowledge and capabilities that human resources acquire and use as to produce economic value (Schultz, 1971a,b). T. W. Shultz, one of its main theorists, defines human capital

“strictly [as] an economic concept. [...] It is a form of capital because it is the source of future earnings, or of future satisfactions, or of both of them. It is *human* because it is an integral part of man.” (Schultz, 1971a: 5, emphasis in original text).

Schultz’s approach entails that people invest in themselves in order to get economic capabilities, or enhance them, to obtain significant returns in the future. This process will thus explain the marginal changes in income levels and, thus, to the economic growth of a country (Schultz, 1981: 4). When applying this theory to both developed and developing countries, though more strictly in the latter, in order to accumulate human capital government policies should direct investment to schooling and higher education, post-school training, preschool learning activities, migration and health, among others (Schultz, 1971a,b: 36). As it was mentioned in the previous chapter, Vietnam has put and is putting effort into making these sectors better developed and into enhancing their quality, with health having now become a more urgent priority due to the successful results in primary education attainment obtained after the implementation of the Five Year Plan 2006 - 2010 (MOFA, 2009a; SRV, 2006, 2012), and Japan has integrated a strong focus on human resource development into its aid to Vietnam.

3.2 Realist approach

Realism will be used to discuss the reasons that the Japanese government may consider while structuring its aid allocations to Vietnam. In the scope of the realist theories of international relations, Waltz’s neo-realist approach (Dunne and Schmidt, 2011: 91-92; Waltz, 1979; Weber, 2010: 14-23) is deemed to be useful for this case study. Bearing in mind Waltz’s concept of survival (Waltz, 1979), configured both as defence of national interest and as state power maximization (Weber, 2010: 22), this theory helps to get a clearer understanding of Japan’s interests in directing such a big share of its ODA to Vietnam, among other ASEAN members. Its profitable relative gains can be found both in the protection of Japanese economic security in the area - one of Japan’s national interests for the allocation of ODA in general (MOFA, 2003; Söderberg, 2002) - and in strengthening

relations with Vietnam through ODA as a countermeasure for the People's Republic of China's current assertiveness in South-East Asia. Although Waltz's version of neo-realism may fit well with the topic under study, it is believed that ascribing Japanese interests in international cooperation only to power and protection of its national interests may be a bit too exclusive and is not necessarily enough to provide a full description of the problem. Thus, the combination of Kamminga's (2007) proposal of a 'mixed neorealist' theory with the neo-realist approach previously described will allow to create a more encompassing framework for the analysis of Japanese interests. Kamminga's mixed neorealism "assigns clear priority to national security but also expects states [...] to show altruistic behavior depending on the nature and development of their domestic moral-political systems" (Kamminga, 2007: 1). Therefore, it will broaden the discussion to the extent of including morality without neorealism "giving up its core insights" (Kamminga, 2007: 1).

3.3 Liberalism

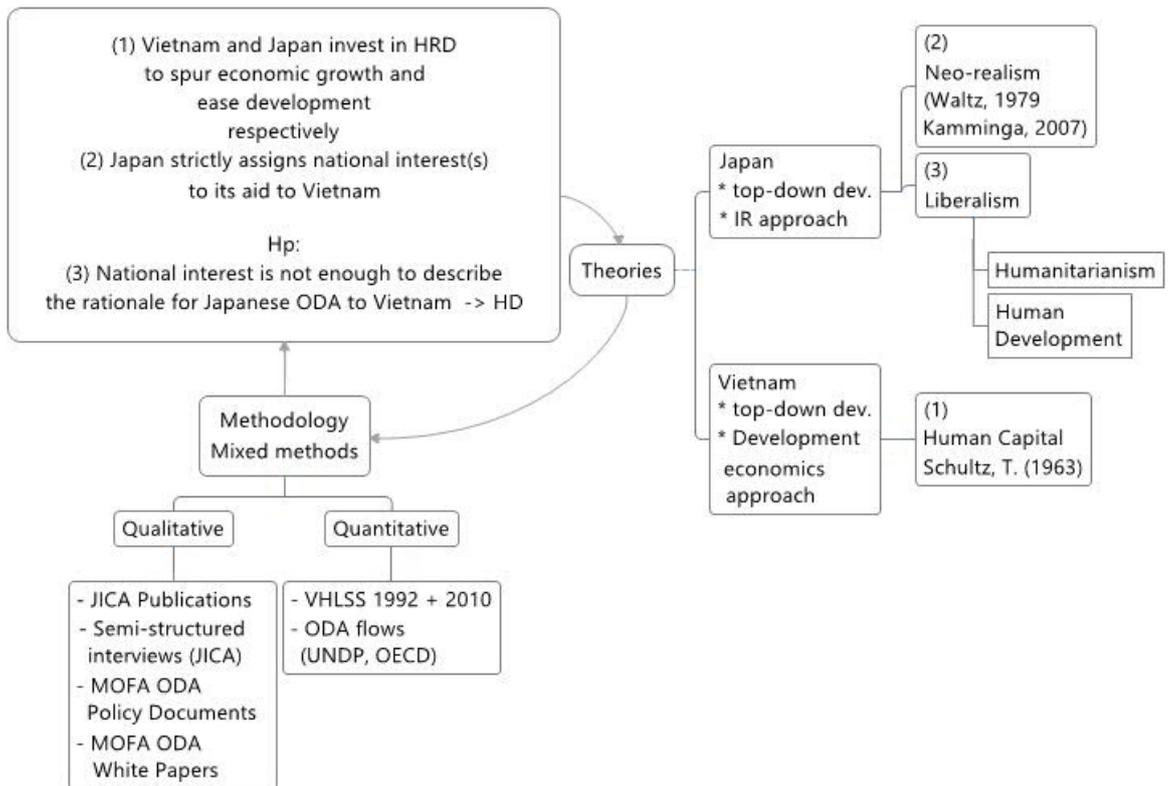
As previously mentioned, much can be found in the scholarship on the relationship between national interests, mainly economic, and provision of ODA, mostly directed to infrastructure development, in the case of Japan (Cochrane, 2012; Nishigaki and Shimomura, 1999; Shiraishi, 2009; Söderberg, 2002). Moreover, although Kamminga's theorization adds some flexibility to an otherwise too strict neo-realist discussion, it is still believed that this approach does not suffice to uncover all the intents behind the Japanese government's actions when allocating its development aid. Therefore, the second paradigm that I chose for the analysis is ascribed to the framework of Liberalism. As Nishigaki and Shimomura point out "from a fairly early period, the Japanese government has on various occasions cited "humanitarianism" and the "interdependence" of international society as the basic philosophy behind Japanese aid." (1999: 145). It has also been acknowledged, both by more recent scholarship and by the Ministry of Foreign Affairs of Japan (MOFA) itself (MOFA, 2003) that with regards to the topic of development a stronger stress on the concepts of humanitarianism has been recognised since the end of the 1990s (Hatakeyama, 2008; Inoguchi, 2007: 63-65; Shiraishi, 2009: 19-20). Thus, a liberal approach taking humanitarianism into account while depicting Japanese interests may be suitable to be used in combination with the neo-realist perspective. The increased focus on right-based approaches of development, supported by the transition from SAPs for economic development to all-encompassing Poverty Reduction Strategy Papers (PRSPs) in 1999, along with the UN Millennium Development Goals (MDGs)

Agenda, Japan has tried to shape its aid policy in alignment with both frameworks of human development and human security (Hatakeyama, 2008: 346-347; MOFA, 2003). The two concepts, central to a liberal discussion on Japanese interests, are informed with morality and, thus, rather difficult to work with. Defined in 1990 by the United Nations Development Programme (UNDP) as “the process of enlarging people’s choices” (UNDP, 1990: 10), of which the three fundamental ones are “to lead a long and healthy life, to acquire knowledge and to have access to resources needed for a decent standard of living” (Ibid.), this concept entails the fact that economic growth alone does not fully describe a successful development experience. Moreover, going back to human capital theory previously mentioned, the human development approach treats people as the “ends” of development and not only as the means of it, as the former tends to do (UNDP, 1990: 11). On the other hand, human security is seen by the UNDP as “protection from the threat of disease, hunger, unemployment, crime, social conflict, political repression and environmental hazards.” (Lam, 2006: 145), where those subject to any of these threats are not the States anymore, but human beings. It is rather easy to recognise the width and universalistic mandate of such concept, as well as the difficulties that arise when using it as an analytical tool. For this reason, human security will be treated in this study only as the general idea bridging between the liberal moral value of humanitarianism and one of its practical applications. Although the distinction between the two notions is not stated that clearly in Japan’s ODA documents, it is perceivable that Japan adopts a more development-informed definition of human security (Lam, 2006), that is to say the so-called “freedom from want” paradigm (Acharya, 2011), by focusing on strengthening “the capacity of local communities through human resource development [...] and empowerment of individuals.” (MOFA, 2003: 2). Therefore, for this research the concept of human development will be used to analyse the remainder of the issue of the donor’s interest in allocating aid.

To summarize the main points of this chapter, a visual outline of the research is shown in Fig. 3.1. The deductive approach employed in this study will start from two statements and one hypothesis, related to each one of the different theories, that will be tested through theory and data analysis. The fact that Vietnam and Japan both share their belief in investment in HRD, but use it to reach two different goals, will be analysed through human capital theory, while realist paradigms taken from IR theory will serve to part of the discussion on Japan’s interests in allocating ODA to Vietnam. The hypothesis stating that mere national interest calculations are not enough to fully describe

the rationale behind Japanese aid to Vietnam was the basis for the formulation of the research question, as it entails that some additional reasons may be important in illustrating the overall picture. In order to uncover Japan's attention to human development in the recipient country the all-encompassing framework of liberalism will be applied.

Figure 3.1.: Research Outline



4. Contextual Framework

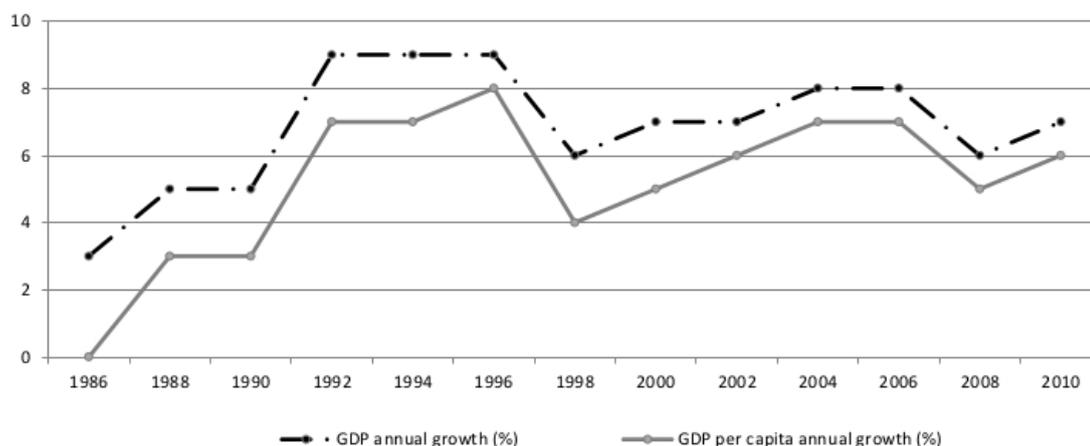
In order to address more easily the focus of this research on the human aspect of development rather than the economic one, a brief overview of the changes in development thinking is hereafter provided. Given the link between the development discourses and the provision of aid, it must be acknowledged that the shifts from modernization to basic needs have been reflected on the latter overtime. In the aftermath of World War II the neo-classical paradigm based on Smith's concept of expansion of the market to spur higher productivity rates was influencing the development discourse, as shown by the plurality of theories making modernization the crucial element for the development process. Inherent to modernization theory was the concept that developing countries had to sustain economic growth through a Western-like process of industrialization, often constituted by *stages*, as in Rostow's conceptualisation of modern development (Binns, 2008). During the 1970s and 1980s, this logic of development was brought to the extreme when the neoliberal paradigm was applied via the IMF and WB Structural Adjustment Programs (SAPs). These programs stressed the necessity for developing countries of a restructuring of their economic system through short-term stabilization and long-term adjustment measures, disrespectfully of the diversity of political and social circumstances in different national settings. Furthermore, SAPs carried with them economic conditionality (by being a prerequisite for financial support) along with political conditions requested by some Western countries with regards to 'good governance' (Simon, 2008). During the neoliberal decades, the discourse around development reached the so-called '*impasse*'. The impasse was mainly due to some unfavourable results in rural-urban bias, vulnerability and environmental costs brought about by these macroeconomic measures, but also comprised an overall critique to the paradigms that had been used, without being questioned, since the post-war era (Schuurman, 2008; Simon, 2008). A relevant result of this theoretical deadlock was the spur of theorizations on development which either included, or was fostered by, the people of developing countries, such as bottom-up approaches, basic needs and sustainable development. Together with these more radical conceptualizations, a more people-oriented yet still top-down approach was introduced by the Bretton Woods

Institutions in 1999, with the so-called Poverty Reduction Strategy Papers (PRSPs). The PRSPs were thought in order to build a new framework for the relationships between donors and recipients taking into account the issue of poverty reduction. The political aims enclosed in the Papers regarded the topic of poverty reduction as the ground upon which State's accountability from the citizens could be increased, as well as pointing at including the recipient country into the formulation of the development plan itself, increasing the degree of ownership which was very limited in the SAPs (Forsberg, 2007). This brief overview of the overtime changes in the overarching discourse on development was meant to locate the two countries into the shared context from which their donor-recipient relationship derives. On the contrary, the next two sections will deal with the national context of each country.

4.1 Economic growth and development strategies in Vietnam

Vietnam is a popular aid recipient in the scene of development cooperation, due to its rather successful performance in structural change, economic growth and poverty reduction since the launch of the *Doi Moi* process, or 'Renovation'. In 1986, the Sixth Party Congress inaugurated the reform process with the aim to move from central planning to a more market-oriented economy, urged by a sense that swift and radical change was required for the State to develop. With the problems the USSR was facing with the independentist stances from the various Republics, along with its internal economic crisis, in the end of the 1980s its aid towards Vietnam diminished, leading the Vietnamese leadership to recognize that it was time for a change in attitudes and perceptions of foreign politics and economics (Forsberg and Kokko, 2008). In the second half of the 1980s Vietnam shifted from relying on Soviet aid for both its economic development and national security to perceiving financial inward flows as a mean for external influence (Forsberg, 2007). With the start of *Doi Moi*, economics began to be treated as strictly related to the issue of national security and, as a result, State ownership of national development plans. This series of reforms comprised, among others, price liberalization, decollectivization of farming through land rights awarded to households and an increased autonomy for SOEs (Forsberg, 2007; Masina, 2006). They helped the country to spur high rates of economic growth, especially during the first half of the 1990s, before the 1997 Asian Crisis struck (Figure 4.1). Despite the successful achievements in economic expansion, however, the Gini index of Vietnam has always remained quite stable over time, spanning between rather high values of 35,5 and 37.6, entailing a pattern of inequitable growth¹ (WB, 2012).

¹Let alone the widening gap in inequality between the rural areas and urban conglomerates that the country

Figure 4.1.: GDP and GDP per capita growth rates (1986-2010)

Source: World Development Indicators, The World Bank

At the same time, it is a renowned fact that the Vietnamese government has put a strong effort in poverty reduction measures and in creating a development framework in a way conducive to more comprehensive growth since the end of the 1990s, even before the spread of the PRSPs (Forsberg, 2007). As a matter of fact, Vietnam happened to be the first nation in producing its own PRSP in 2002, which took the name of 'Comprehensive Poverty Reduction and Growth Strategy (CPRGS). The inclusion of the CPRGS among the documents setting the development context of the country, and the way it has been used, have been very important factors in the re-shaping of the relations with the donor countries. Indeed, during the first few years following its introduction, the political aims of the CPRGS² were born in mind by the government while drafting national and sectoral development plans, although it was always treated only as complementary document to the former (Ohno, 2002). At the moment of the planning and drafting of the new Socio-Economic Development Plan (SEDP), namely the Five Year Plan 2006-2010, the basic principles included in the CPRGS were integrated with the practical measures described there, marking the end of the independence of the latter as a core document (Vu, 2010). By doing this, on the one hand the Vietnamese government reaffirmed once again its ownership over the national development process and, on the other, changed its policy in relation with the donor community. Given the fact that, in principle, many donors were more willing to align their ODA to the PRSPs in developing countries, this process also had the

has been registering since the start of the reforms (Beresford, 2008; Tarp Jensen and Tarp, 2005).

²The CPRGS three main broad goals were: (i) achieving high growth through the transition to a market economy; (ii) aiming for an equitable and sustainable pattern of growth; (iii) shift to modern public administration, governance and legal systems (Forsberg, 2007; Forsberg and Kokko, 2008).

unintended outcome of making the donors align their ODA with the Vietnamese national development strategy (Forsberg, 2007: 167-168; Forsberg and Kokko, 2008: 37). As a matter of fact, the SEDP 2006-2010 stressed the link between poverty reduction and sustainability challenges adjusted to the peculiar circumstances present in Vietnam through the so-called Vietnam Development Goals (VDGs)³ shaped after the MDGs implied on the PRSP. One of the sectors to which relevant effort is directed is human capital formation, with stress on expanding access to all levels of education and improving quality of higher education through several policies, among which the National Education For All (EFA) Plan and the new Education Law (MOET, 2003; SRV, 2005). Together with this policy, which was granted the second place in the list of the breakthroughs elicited in the Socio-Economic Development Strategy (SEDS) for 2011-2020 (SRV, 2011), the new SEDS has further enlarged the breadth of the discourses on development and poverty reduction. Stating that the State is willing to promote “to maximum the human element, considering a human being as the subject, the main resource and the target for development” (AoFIS, 2011b: 3) the standpoint hereby described reflects the main characteristics of the human development paradigm. This said, it has to be underlined though that in practice the concept used by the government in both national intervention and international cooperation revolves more around human *capacity*, as in an increase in human capital assets (CIEM, 2008), rather than human *capabilities*, as in the human development idea.

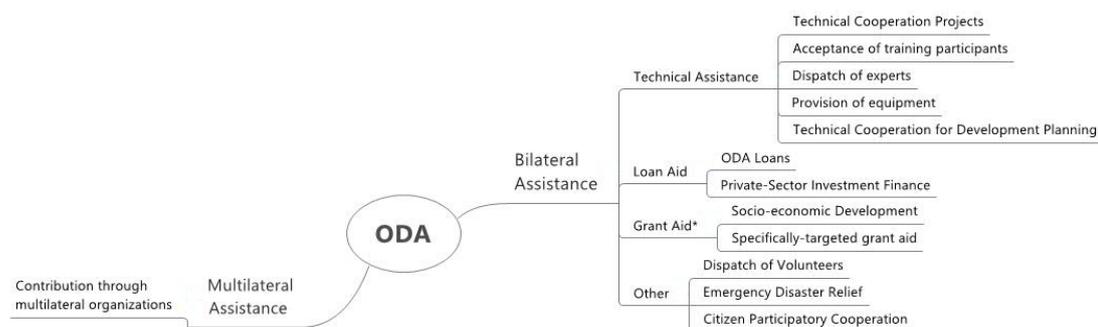
4.2 Japan as major donor

Historically, Japan has always been the biggest donor in South-East Asia ever since the end of WWII. In November 1992, after twelve years of suspension (Shiraishi, 1990), Japan was one of the first industrialized countries among those that had cancelled their assistance to the Socialist Republic of Vietnam to resume it. Ever since then, Japan has been the major donor for Vietnam and the latter is one of its most important recipients (JICA, 2012b: 3; MOFA, 2011). As mentioned in the Introduction, although its foreign policy towards the region has evolved overtime, it has continuously kept up to the points elicited in the “Fukuda Doctrine” (1977), especially to the one entailing the strengthening of international and economic relations between Japan and the ASEAN countries (Sudo, 2005). In our case, this principle is clearly stated at the very beginning of the ‘Country Assistance Program for Viet Nam’ (MOFA, 2004: 1) and in its following update (MOFA, 2009a), as well as being recurrent in other policy documents such as the ODA White Papers from the Ministry of Foreign Affairs (MOFA, 2009b: 73; MOFA,

³See Appendix A.3.

2010: 83; MOFA, 2011: 104). Partly due to this agenda and partly due to its own aid philosophy, bilateral aid has always represented the main strategy for Japan to bring about the abovementioned goal. As it applies for various countries, Japanese bilateral ODA is subdivided into three forms: Loan Aid, Technical Assistance (TA) and Grant Aid (GA) (Fig. 4.2). Loan aid, referring to the amount of long-term loans granted with lower interest

Figure 4.2.: Structure of Japanese ODA



*Note: Grant Aid programs that the Ministry of Foreign Affairs continues to implement independently as defined by specific diplomatic policies are not included here.
Sources: JICA (2012) and JICA Vietnam (2012).

rates than commercial ones, has always represented the biggest share of overall Japanese ODA, due to its use in large-scale infrastructure building being one of the first priorities in the country's provision of assistance (JICA, 2012a), although it has been slightly reduced overtime (Nishigaki and Shimomura, 1999: 175). GA and TA are used to foster socio-economic development, the former targeting both hard and soft basic infrastructures in low-income developing countries to help heighten the living standards of their population (JICA, 2012a) and the latter mainly stressing technology flow, knowledge and training of human resources. These two forms are thus more compelling to the discussion about human development, with technical assistance programs being specifically directed at increasing it by improving the quality of human resources and, broadly speaking, human capital (Nishigaki and Shimomura, 1999: 171). More than the structure of bilateral ODA, which reflects international standards, what is interesting in this context are the characteristics of Japanese aid philosophy. It goes without saying that the share of ODA allocated to different sectors would evidently mirror the principles and the aims delineated in the country's vision on aid and the case of Japan is no exception to that. The main feature of Japanese aid philosophy is the heavy stress on self-help efforts of developing countries. These are defined as the unrelenting efforts in improving their current situation made by a developing country and its population, by following the set of development goals established at national level by its government (Nishigaki and Shimomura, 1999: 146-148).

Keeping self-help efforts at the centre of this philosophy, two other main characteristics of the Japanese ODA programme derive from this construct, namely the idea of ownership and the concept of '*hito zukuri*' (Forsberg, 2007: 26; Manzoor, 2000: 19). Ownership is seen by Japan as a combination of the definitions given by the Paris Declaration on Aid Effectiveness (2005) and the Accra Agenda for Action (2008), that is the possibility for the recipient countries to plan and define their own development strategies and to exert stronger leadership on aid coordination and its delivery process (Nallari and Griffith, 2011; OECD, 2009). The idea of *hito zukuri*, compounded by the words *hito* (person) and *zukuri* (making), entails the importance of well-educated and knowledgeable human resources for a country to be seen as the most fruitful basis for socio-economic development and comes from the assumption that the efficient educational development of Japan in the 19th century had eased the fast development of the nation right after WWII (Manzoor, 2000: 19; Nishigaki and Shimomura, 1999: 149). As it will be described in more detail in the next chapter, these two characteristics are thus the main features of the Japanese assistance towards Vietnam, as well as being part of the reason for the two countries' prolonged and stable donor-recipient relationship overtime (Forsberg, 2007).

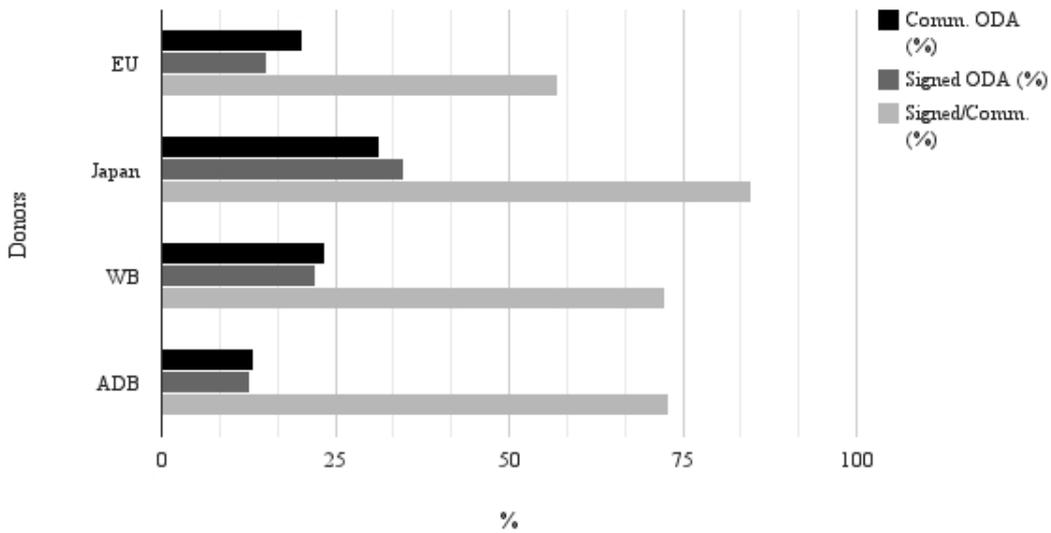
5. Analysis

5.1 Quantitative

Aid relations between Japan and Vietnam are shaped by two fundamental documents, namely the Hanoi Core Statement and Japan's Country Assistance Program for Vietnam (2004). The first one was elaborated basing on the 'Regulation on Management and Utilization of Official Development Assistance' (SRV Decree No. 131) in 2006, setting the frameworks for ODA donors' harmonization and alignment to the SEDS, as well as for inward ODA management by the Vietnamese government¹ (CIEM, 2008; Forsberg, 2007). On the other hand, the 'Country Assistance Program' sets the basic policy applied by the Japanese Government when allocating aid to the Socialist Republic of Vietnam (SRV). As previously mentioned, the policy's main principles are to "support Vietnam's development from the dual perspectives of foreign policy and economic interdependence as well as from the point of view of humanitarian and social concerns" (MOFA, 2004: 17) while granting ownership of the Vietnamese government over its national development process (Ibid.: 18). The three priority areas for ODA are, in order of importance, 'promotion of growth', 'improvement in lifestyle and social aspects' and 'institutional building', with the second including assistance for education, healthcare, agriculture and rural development, urban development and environmental protection (MOFA, 2004: 22). Ever since aid to Vietnam was resumed by Japan in 1992, the latter has always been the former major donor (JICA, 2012b). Fig. 5.1 shows the average percentage of, respectively, committed and signed ODA dispatched by the first 4 donors in Vietnam from 1993 to 2005. As it can be seen, Japan is the only bilateral donor among the first 4 and is the one with the highest ratio of signed to committed ODA in the period scoring 84,76%, against 73,01% of ADB. Some of the probable reasons of Japan's high rate of conclusion of ODA agreements with the Vietnamese government are the high level of ownership over the projects granted to the latter and the high share of ODA loans which characterises the aid relationship between the two countries (Fig. 5.2).

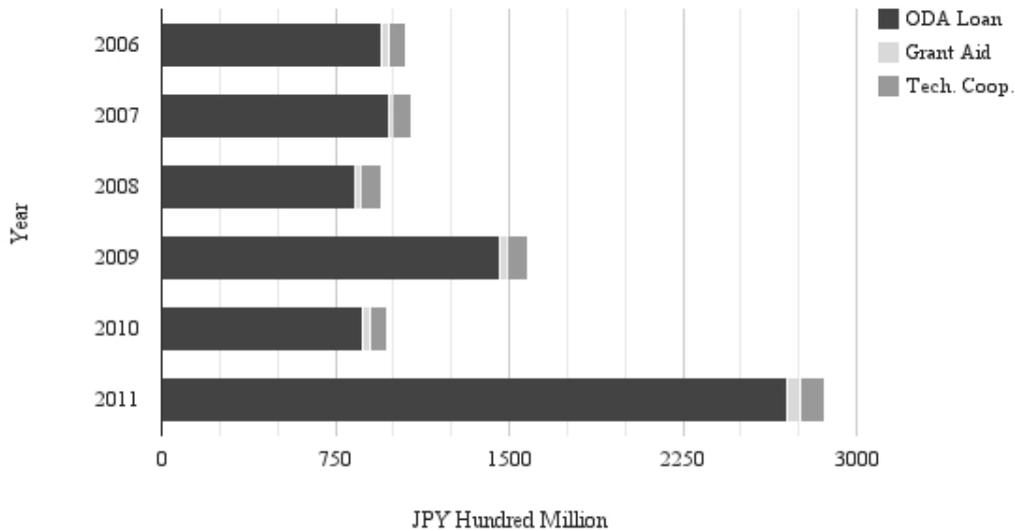
¹An adaptation of the entire text can be found in Appendix 4.

Figure 5.1.: Japan’s ODA commitment in Vietnam and its conclusion ratio (1993-2005)



Source: CIEM (2008).

Figure 5.2.: Total Japanese ODA disbursement by type to Vietnam

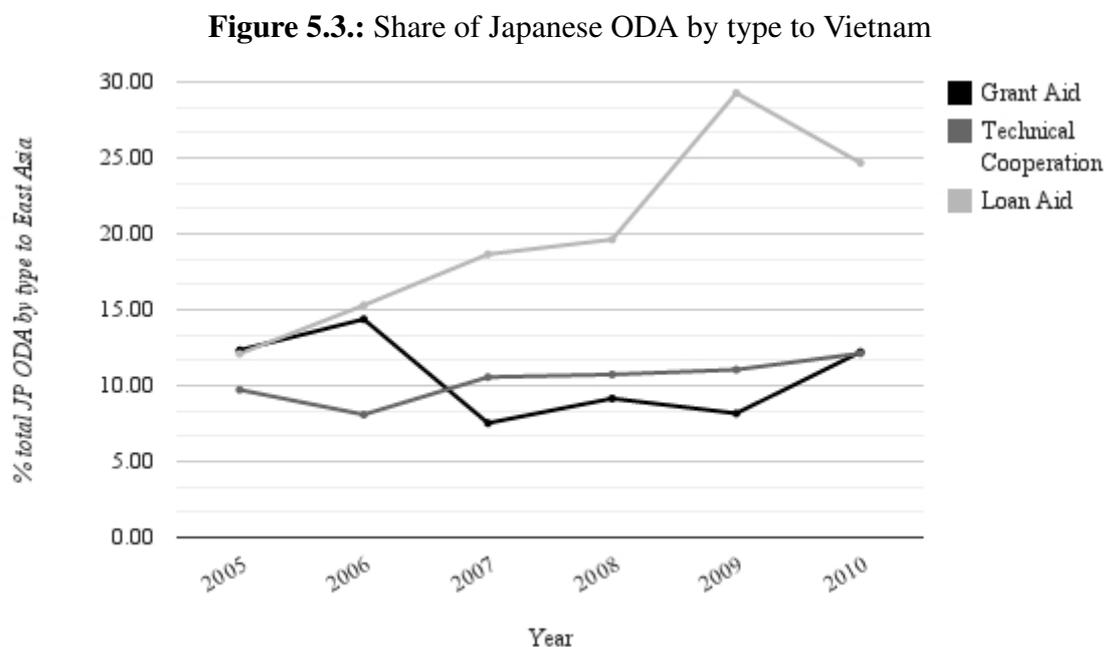


Source: MOFA, Japan’s Official Development Assistance White Papers (2007 - 2011).

As Fig. 5.2 and 5.3 (below) show, of the total ODA disbursement to East Asia, the share of loan aid to Vietnam has been sustained overtime and has increased since 2005. In 2009, 29,27% of total loan aid disbursed in East Asia by Japan was directed to Vietnam, whereas the shares of both technical cooperation and grant aid have remained rather stable in the

5.1 Quantitative

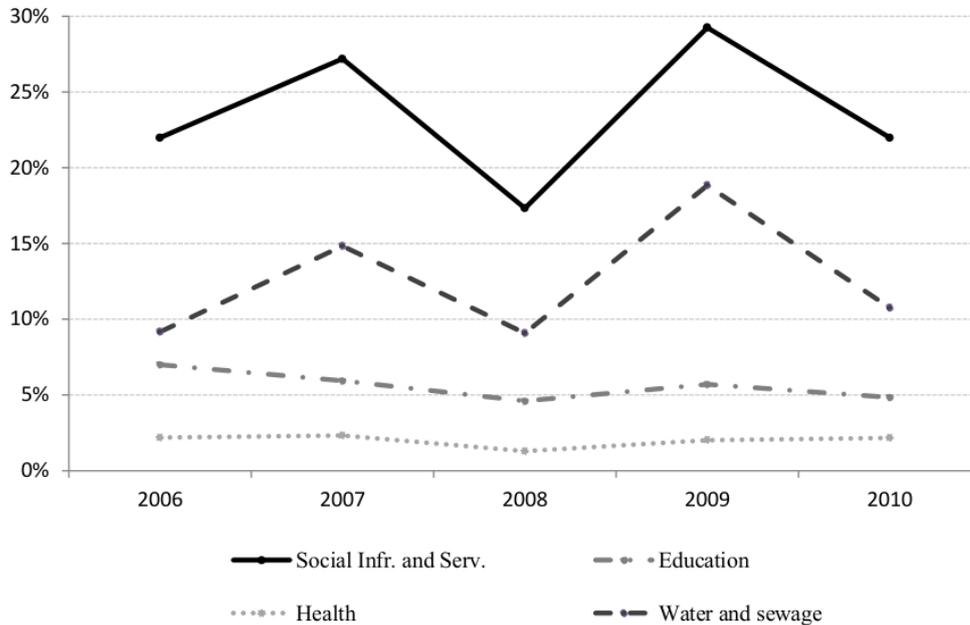
past 5 years, after the fall of the latter down to only 7,53% of total grants, with the former experiencing stable, yet rather low growth.



Source: MOFA, Japan's Official Development Assistance White Papers (2007 - 2011).

The analysis relevant to this research, on the structure of Japanese aid to the social sector in Vietnam, was made rather challenging by the limited amount of data that could be accessed from both the Japanese and Vietnamese official statistics on ODA. Thus, a triangulation of the data from the Japanese MOFA White Papers and the available data on the OECD database is provided below. For the sake of clarity, because of the gaps in the OECD data on health, the sector of water supply and sewage will be useful to a certain extent, as the provision and sanitation of water is inherently linked to an improved standard of health.

Figure 5.4.: Trends of total bilateral Japanese ODA to the social sector worldwide, as % of tot. Japanese bilateral ODA to developing countries



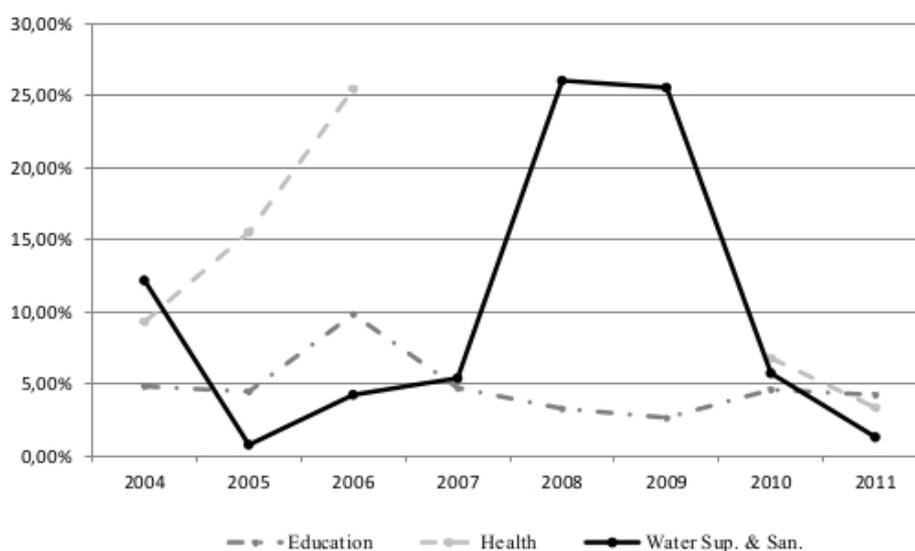
Source: MOFA, Japan's Official Development Assistance White Papers (2007 - 2011).

Generally speaking, it is a well-known fact that the share of ODA directed by Japan to the social sector is almost half the share given to production and economic infrastructure. An example of this is given by Fig. 5.4, where aid to social sector in 2010 went back down to 21,98% of total ODA (against a value of 49% to economic infrastructure in the same year), from the peak value of 29,25% registered in 2009. Although it describes the trend of Japan's aid to the social sector for all developing countries, this chart further indicates the importance of the sub-sector of water and sewage, which is consistent with the results of the specific analysis for Vietnam, and the fact that both education and health have kept quite a linear trend overtime, with education being slightly prioritised over health provision.

Table 5.1.: Japan's committed ODA to the social sector in Asia and Vietnam

Sector	2004	2005	2006	2007	2008	2009	2010	2011
Education	933	471	661	488	549	531	565	591
- of which to VN	45	21	65	23	18	14	26	25
Health	409	116	110		131	110	177	209
- of which to H. in VN	38	18	28				12	7
Water Sup. & San.	296	1794	944	1595	1283	2146	978	850
- of which to W. in VN	36	14	40	86	334	548	56	11

Unit: US\$ million

Source: OECD, Aid at a Glance Reports (2006 - 2013); OECD.Stat, data extracted 20, Mar. 2013, *stats.oecd.org*.**Figure 5.5.:** Trends of Japan's ODA to social sector in Vietnam, as % of total Japanese ODA to social sector in Asia

Source: OECD, Aid at a Glance Reports (2006 - 2013).

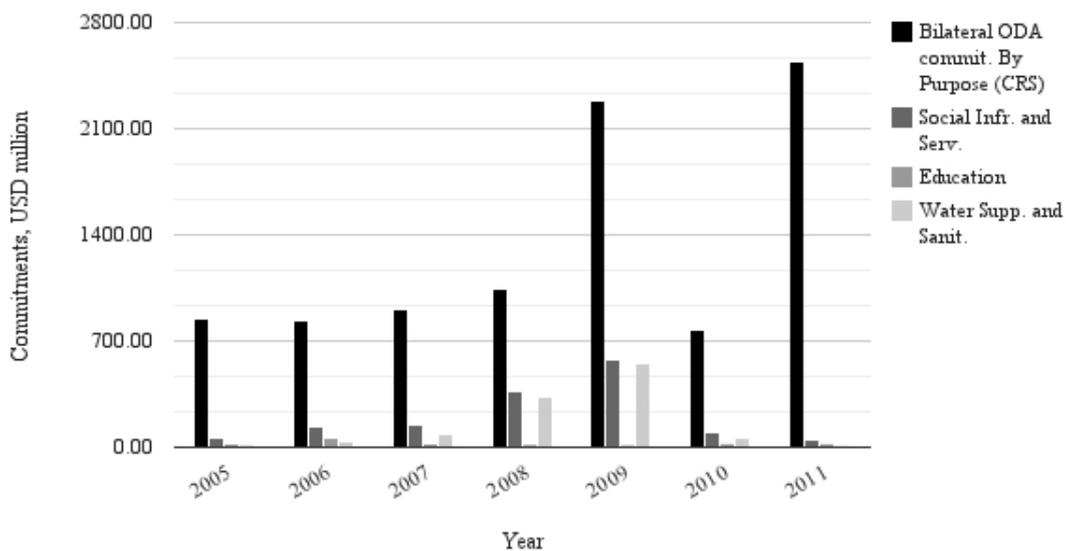
When looking at the data for Vietnam, compared to the Asian region, again it becomes visible the relevance of the water sector in the period 2008-2009, as opposed to the decrease in aid allocated to education (Fig. 5.5). As for the latter, in the case of Vietnam, the first decade of aid dispatch (1992-2002) has seen more technical cooperation programmes set up to give access to and improve the quality of basic education than in the second decade². The ratio of 96% of educational attainment reached by the South-East Asian country in the last few years is one of the reasons of this slowdown, as confirmed

²Detailed information can be found on the JICA Vietnam page, www.jica.go.jp/vietnam/english/activities/index.html.

5.1 Quantitative

by all the interviewees, as ODA to basic education has been greatly shifted towards Africa, since Vietnam now requires assistance in secondary education. The inverted trend of education aid allowed ODA to health to acquire momentum in the past decade, when its share grew up to 25,45% of the overall aid to the same sector in Asia in 2006. Due to the gap in detailed data for the past five years, the stress on aid to the health sector will be discussed in the qualitative analysis below. The bilateral ODA commitments by purpose³ confirm the patterns that general disbursement data has shown (Fig. 5.6).

Figure 5.6.: Japan's bilateral ODA commitments by purpose for the social sector in Vietnam



Source: OECD.Stat, data extracted 20, Mar. 2013, stats.oecd.org.

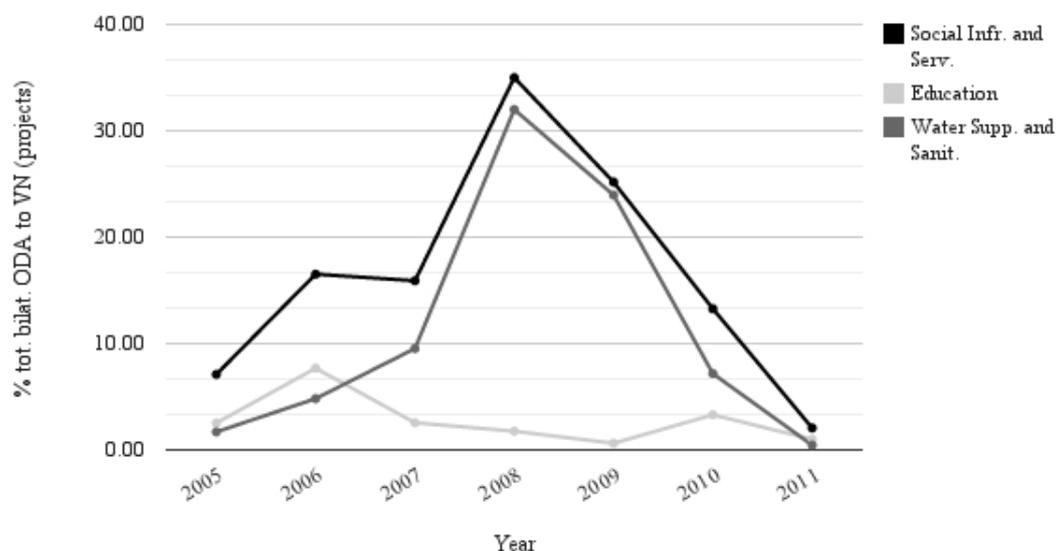
ODA projects have increased steadily from 2005 until 2008, compensated by an equally constant increase in the portion of them directed to the social sector. In 2009 the latter reached the highest value within the 7-year period, with an overall of 576.19 mln USD of which 548.13 mln USD were devoted to water supply and sanitation, accounting for 95,13% of ODA projects to social sector. As expected, the contribution of education aid to the social sector has reached the lowest level of 14.27 mln USD (2,48%) in the same year⁴ (Fig. 5.7).

³Defined as an aggregate of individual projects notified under the Creditor Reporting System (CRS), supplemented by reports on sectoral distribution of technical cooperation, on Oecd.StatExtracts.

⁴Data for 2011 is provisional.

5.1 Quantitative

Figure 5.7.: Japan’s bilateral ODA by purpose to the social sector in Vietnam, as % of Japan’s bilateral ODA by purpose to Vietnam



Source: OECD.Stat, data extracted 20, Mar. 2013, stats.oecd.org.

With such an irregular pattern of disbursement and such limited time series data the issue of whether Japan cooperation in the social sector in Vietnam has been determinant in the country’s development cannot be elaborated on here, although some general remarks can be made with regards to the developments of the country’s Human Development Index (HDI) levels. As shown in Tab. 5.2, all the three components⁵ of the HDI have registered improvements since the creation of the index in 1990. Hence human development was spurred as well since aid was resumed in the early 1990s, not only economic growth, since GNI contains possible aid received by the nation.

Table 5.2.: HDI components development in Vietnam (1990-2012)

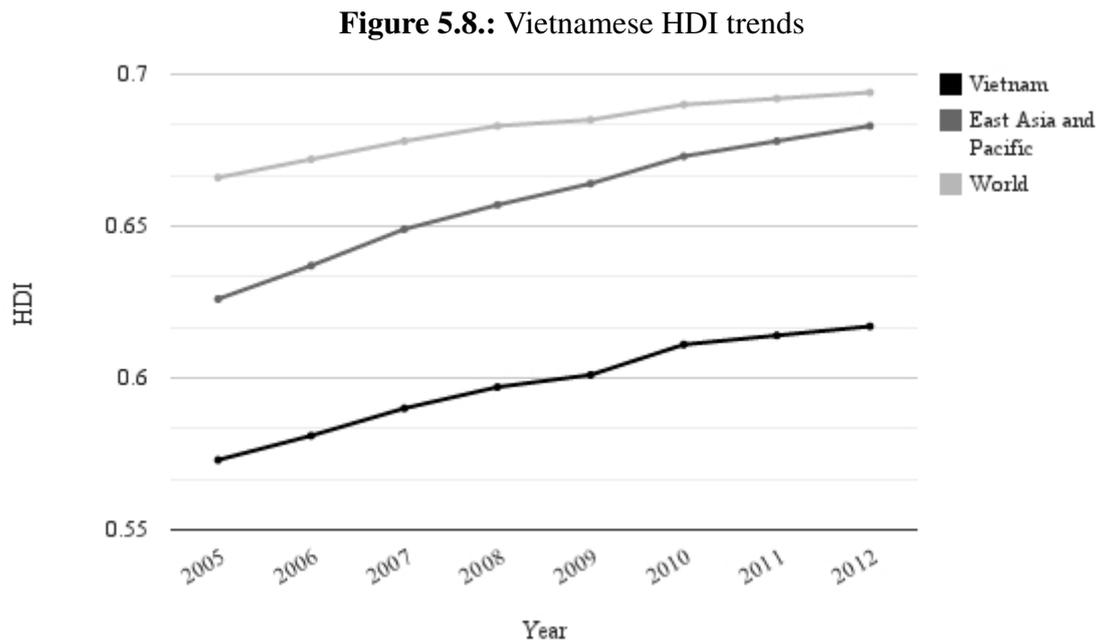
Comp. / Year	1990	1995	2000	2005	2010	2011	2012
Life expect. at birth	65.6	69.5	72	73.8	75	75.2	75.4
Expect. years of schooling	7.9	7.9	10.4	11.1	11.9	11.9	11.9
Mean years of schooling	4	4.2	4.5	4.9	5.5	5.5	5.5
GNI per cap. (2005 PPP\$)	0.845	1.217	1.578	2.12	2.757	2.859	2.97

Source: UNDP (2013) Human Development Report.

⁵They are elicited as “long and healthy life” (life expectancy at birth), “access to knowledge” (expected years of schooling for children of school-entrance age and mean years of schooling for the adult population) and “decent standard of living” (GNI p.c. PPP\$).

5.1 Quantitative

Fig. 5.8 shows the developments in the recent years, rather constantly rising until the faster increment in 2009. With an HDI loss of 14% only, given by its compensation through the Inequality-adjusted HDI (IHDI), Vietnam is the first country in Mainland South-East Asia with the smallest loss of human development due to inequality. The nature of several Japanese ODA projects targeting human development for ethnic minorities in remote areas, following the SEDS national priorities, might have been relevant to this development.



Source: UNDP (2013) Human Development Report.

5.2 Qualitative

In an attempt to analyse the interests that Japan may have in directing quite a large proportion of its bilateral ODA to Vietnam, IR theories of realism and liberalism are useful for the qualitative remainder of the analysis. As described above, the Japanese government through its cooperation agency has been allocating much of its assistance in the South-East Asian region to the Social Republic of Vietnam - 42,5% of the overall JICA projects to the area in JFY 2011 (JICA, 2012a: 26). This preferential relationship has been well documented by the rather generous amount of literature addressing the subject, especially with regards to the discussion about ODA loans, trade and hard infrastructure building (Cochrane, 2012; Shiraishi, 2009; Söderberg, 2002). What it is believed to be of some relevance, though, is also the contribution of the smaller share of scholarship dealing with a more liberal approach to this topic, which is strictly linked to the change of policy that occurred in 2003 with the revision of the ODA Charter (Ashitate, 2007; Hatakeyama, 2008; Lam, 2006; Palanovics, 2006). The realist approach has a case in explaining the rationale of Japanese motives following the first strand of arguments, reducing it to mere national interest and security. The ongoing economic cooperation between the People's Republic of China and Vietnam has brought the former to build infrastructures and establish heavy industries in the latter, such as bauxite mines in the Central Highlands and oil extraction off the coast in the South China Sea. These events can lead Japan to perceive them as threatening to its presence in the region, not by the means of military power yet, but mainly through economic influence. Since Japan is unable to threaten or use the force on military terms, according to Art. 9 of the country's Constitution, the importance of economic security in the South-East Asian region has been made clear as one of Japan's national interests (MOFA, 2003, 2004; Söderberg, 2002). The latter has traditionally been related to the ways of creating access to new markets for Japanese exports (Cochrane, 2012: 10) and to the reduction of Japanese trade costs by favouring Japanese companies (Palanovics, 2006: 367; 372). In this case, economic security is put forward by funding economic infrastructure-related projects, where Japanese firms take part in the bidding and receive the contracts, deriving future benefits from exports of finished goods. In fact, the characteristic of Japanese aid aiming at the pursuit of "economic objectives" (Burnell, 2008: 504) can be noticed when observing that the highest share is represented by ODA loans for infrastructure building. The aim of countering China in the region has thus become one of the latest priorities in the Japanese government's agenda for its assistance, as confirmed by the opinions expressed by Interviewee 1 and 3. When I asked

Interviewee 1 to discuss the main interests that Japan has in directing such a high amount of ODA to Vietnam, his answer was based on these two exact themes:

Subject 1: “The first thing I would think about is the returns that Japan has from trade with Vietnam. Investing in HRD in various sectors is fundamental to train high-level staff in firms to build solid partnerships with Japanese corporations. Then, the increasing presence of China in the region has become a significant fact. [...] One of the first priorities for Japan in Vietnam is to sustain development that takes into account environmental protection, because we know that China is not doing that [nor in China], neither in Vietnam. [...] Aid that is directed to the social sector, especially to the North-west regions, the Central Highlands and Mekong Delta, is important to build stability inside the country and we believe that it will create it in the region, too.”

An alternative, and more realist view of the argument, was given by Interviewee 3 while replying to the same question:

Subject 3: “You see, economic interests are the first reason for us [Japan] to send aid to Vietnam and South-East Asia. After, it comes the ‘China factor’ which is relevant for the stability of the region and for our own stability there. We support the self-help efforts of Vietnam, build capacity and keep our presence in the area.”

Both the interviewees thus confirmed the policy statement found in the majority of ODA documents, reading that “the development and stability of the region significantly impacts the security and prosperity of Japan as well” (MOFA, 2011: 104). Hence, apparently, the present situation may not only threaten Japan’s economic security in the region, but it can as well jeopardise Japanese preminence in the area whatsoever. To be thorough in describing the national interest behind Japan’s aid, it also has to be reminded here that the State has the main feature of being heavily dependent on the import of resources (energy supply, food, other basic resources) from the neighbouring nations and, therefore, once again “ODA plays a very significant role in ensuring Japan’s own stability and prosperity” (Manzoor, 2000: 1-2). By cultivating the close economic and political relation with Vietnam through such development assistance, Japan may then be able to defend its national interest by keeping its role of main power in mainland South-East Asia.

Although the neo-realist discussion has led to a brief analysis of Japanese economic interests in Vietnam, the range of Japan’s relative gains does not seem as crucial as re-

alists might expect it to be anymore. Furthermore, with a realist analysis the focus cannot be on the topic of human development. Hence, Kamminga's 'mixed neorealism' is included in the discussion. As previously mentioned by Cochrane (2012) and touched upon here, Kamminga's theorization brings *morality* into the picture while respecting neo-realist core values at the same time, by affirming that states still clearly aspire to protect their national security, though they may as well show altruistic behaviour "depending on the nature and development of their domestic moral-political systems" (Kamminga, 2007: 1). When taking into account Japanese morality in this context, the issues of 'humanitarianism' and 'interdependence' treated as being the broader scope of the country's aid philosophy emerge once more (Nishigaki and Shimomura, 1999: 145), leading to the adoption of a liberal approach to broaden the analysis. As a matter of fact, poverty reduction is addressed as the first among the four priority issues in the new revision of Japan's ODA Charter (MOFA, 2003: 3) and appears as the second priority area enlisted in Japan's Country Assistance Program for Viet Nam (MOFA, 2004). Moreover, in the same document, it is more than once repeated that "Japan's assistance and its contribution to aspects of lifestyle and social development in Vietnam which respond to humanitarian and social needs in Vietnam is significant from the perspective of balanced implementation of Japanese Official Development Assistance" (MOFA, 2004: 1-2). Indeed, given the rising interest in right-based approaches among development thinkers, strengthened by the MDGs, as previously mentioned Japan has aligned its aid policy to these international frameworks as well (Hatakeyama, 2008: 346-347; MOFA, 2003). Hence, the aim to improve life standards in developing countries may be one of the liberal-informed reasons for the change in, at least, the rhetoric of Japanese cooperation occurred in 2003, implying increasing attention to social development as a premise for human development in Vietnam (MOFA, 2003; Nishigaki and Shimomura, 1999; Söderberg, 2002) and, on more general terms, to the advocacy of human security in the area (Lam, 2006: 143; Palanovics, 2006: 376-377). With regards to this subject, an example was given by Interviewee 1 when he presented the 'Project on Capacity Development of Participatory Agricultural and Rural Development for Poverty Reduction in the Central Highlands'. This technical cooperation project (TCP) pertains to the second priority area for aid to Vietnam ('improvement in lifestyle and social aspects', MOFA, 2004: 33), specifically to the sectors of agricultural and rural development in two communes of a district in Gia Lai. The main goal is

“ [to] train the people from the community on participatory rural develop-

ment and improve the knowledge of the staff from the local authorities. In this way the ownership of the community will increase and we hope we can extend this kind of cooperation to other communes in the district, and then to other districts in the region. By taking the results of this project as a positive example, we hope to sustain a bottom-up development from local authorities as opposed to the classic top-down approach used by the Government, that is geographically and ideally far from the real needs of these people, especially ethnic minorities. The participatory approach is limited to this project for now, but if it has positive outcomes we will discuss applying it to others.” (Subj. 1)

This project is also relevant from the perspective of human development (HD), since the third theme it tackles is Gender and Development (GAD) and because it entails a cooperation with the NGO ActionAid Vietnam, where the latter funds the project in other poor communes of the district for food security, women’s rights and education.

When dealing with humanitarianism in the Japanese context, it has to be reminded as well that this is regarded by the Government of Japan as more of a practical matter rather than the universalistic ideal promoted by the international liberal consensus. As previously affirmed, both the concept and paradigm of HD are quite complex in their nature to be used as an analytical framework. However, trying to simplify it to the maximum possible extent, its advocates argue that it is constituted by the four elements of equity, sustainability, productivity and empowerment⁶. In the case of *productivity* the aim is to realize the productive potential of people by investing in them and creating the enabling macroeconomic conditions for their development, thus identifying economic growth as a subset of the HD model itself (Manzoor, 2000: 7-8). At this point of the analysis, it is rather understandable that of all four dimensions described this one is the most relevant behind the Japanese aid policy rationale. The bridge between the Japanese vision of growth-oriented development (Ohno, 2010: 82) and HD holism is the ‘J-model of HRD’ (Cummings, 1997). Embracing a human capital approach, by putting high priority in basic universal education as well as combining indigenous values with Japanese imported technology, Japanese ODA targets HD by addressing social development first. The effects of promoting HRD are two-fold: from the one side, labour with higher level of education and skills is able to rationalize

⁶*Equity* refers to equality in access to opportunities, *sustainability* points at preserving all forms of capital (physical, human, financial and environmental) during the developmental process and *empowerment* relates to building the ability to make choices freely and independently, especially by women (Manzoor, 2000: 7-8). As for *productivity*, see above.

and increase its productivity, hence spurring economic growth; on the other hand, the educated indigenous professionals and experts will consequently become able to redirect their skills to the benefit of their country's population, supporting the human dimension of development itself. This vision on the significance of HRD for Japan's aid in improving living standards in Vietnam was shared by the first two officials and came out clearly from the discussion they engaged between them and with me.

Subj. 1: "HRD has a long history as a strategy for our TCPs to build capacity [got momentum since 1973]. [...] Then, since new JICA [2008] HRD is used also in projects in combination with infrastructure building."

Subject 2: "TOT [Training of Trainees] is a central method in these two projects to build capacity at the local level. Since the ownership of [the] Vietnamese government is kept high, TOT enables trainees to continue training their staff after the project comes to an end."

The two projects which were discussed with Interviewee 2 dealt with health care services, although one of the two was given more space in the conversation. The "Project for Improvement of the Quality of Human resources in Medical Services System", with the purpose of implementing HRD activities in target hospitals according to policies issued by the Ministry of Health (MOH),

Subj. 2: "[...] has the overall goal of improving the quality of health care in Vietnam, so it works for human development. The main site where the training is implemented are three national hospitals in Northern, Central and Southern Vietnam. One of the aims is to enable these core hospitals to train the staff of provincial hospitals connected to them. This is done through the dispatch of 4 long-time JICA experts, among whom 2 physicians."

This particular project, or at least how it was presented by the officer directly involved in its implementation, exemplifies very well the inherent link and interaction of the two paradigms of HRD and HD as described above⁷.

This said, when approaching the idea of humanitarianism in Japanese ODA policy, one has to bear in mind the controversiality spurred by the discussion on the basic policies included in the new version of the ODA Charter. The second among the five Basic Policies in the Charter reads that:

⁷For a graphic representation of the project, see A.5.

“In order to address direct threats to individuals, [...] it is important not only to consider the global, regional, and national perspectives, but also to consider the perspective of human security [...]. Accordingly, Japan will implement ODA to strengthen the capacity of local communities through human resource development.” (MOFA, 2003: 2)

This quotation is crucial because of two reasons. First of all, it implies that the perspective of human security is dealt with the strengthening of capacity (HD) through the promotion of HRD, thus confirming the argument just analyzed. Secondly, it consequently highlights the problems surrounding the dimension of human security, given by the fact that being the concept rather broadly defined and vague it can be analytically weak (Neuman, 2004). This ambiguity in terms and definitions can be found once JICA publications and MOFA White Papers are compared. In the first batch of documents the issue of human security is addressed as the last of JICA’s missions for implementing ODA⁸ (JICA, 2011, 2012a), while in the policy documents from the MOFA the idea periodically regains momentum (MOFA, 2010, 2011). The fact that human security reasons for aid are mostly intrinsic in the rhetoric of ODA policy, rather than in practice, was also confirmed during the interviews, although expressed in three different ways. To the question asking *‘how do you see the relationship between human development and human security (in aid policy)?’*, Interviewee 1 answered that the latter

“is too much [of a] controversial concept. It is true that human security and development relate to each other but it is too political to be addressed in practice. This ideal came into JICA policy when Ogata-san⁹ became President of JICA in 2003 because she felt that Japan should defend human security worldwide.”,

as of implying that it was strictly related to her personal vision and career path and that now it has remained in the rhetoric of aid, but it cannot be used in the field with policies and projects. Interviewee 2 added to this that, in fact, the two health-related projects under discussion could be seen as working for human security *because* they are enhancing HD in practice. Rather straightforwardly, Interviewee 3 maintained that

⁸The four ‘missions’ are: “(1) addressing the global agenda, (2) reducing poverty through equitable growth, (3) improving governance, and (4) achieving human security” (JICA, 2012a: 24).

⁹Mrs. Ogata Sadako served as the United Nations High Commissioner for Refugees from 1991 to 2001 and was appointed as President of JICA in 2003, retiring from her mandate in April 2012.

“there is not much human security [protection] in Vietnam, now that the basic educational attainment level reached 96% [nationwide]. Although its promotion is important, we are also facing increasing disinterest in aid by Japanese people, so we have seen that infrastructure building makes Japanese tax payers aware of what their money does, [by] showing practical results.”

linking this question to the following one, that asked how the relationship between economic growth and human development was interpreted. In relation to this, all of the interviewees agreed on that they are strictly connected and both clearly promoted by Japan through aid to Vietnam. Last but not least, another fact showing that human security ideals reside more in the rhetoric than in practice is given by the new recent review of Japanese ODA policy (2010), where the scope of human security in aid policy has been taken to the extreme on the ideological ground, widening it to address global peace and prosperity as one of the priorities (MOFA, 2010: 21), which was not that strongly corroborated by the results of the interviews.

6. Concluding remarks

In the twenty years of development cooperation with Vietnam, Japan has been keeping up to its role of the latter's major bilateral donor. Generally speaking, the international financial aid derived from Japan has been fundamental in the fast development undergone by the latter in the past few decades. The nature of this cooperation has always been defined by a clear stress from the Japanese side on the conclusion of ODA loans for infrastructure building, accounting each year for almost double the share of the grants given to the social sector. This characteristic has by right eased the description and analysis of the impacts of this type of Japanese cooperation in the South-East Asian country by an everyday increasing scholarship. The fact that only a few portion of the mentioned scholarship has dedicated their studies to the human side of such assistance was the main reason driving the design of this research. The analysis presented above has shown that the discussion around Japan's ODA to the social sectors of development in Vietnam is imbued with rhetoric. No matter how often, systematically and strongly the issues of human security and human development are reported as 'prioritised' in the various official policy documents from the Japanese MOFA, this claim appears to be the public position that the country is maintaining in front of the international donor community. In particular, despite the limited amount of data used, the quantitative analysis has described unclear patterns for the last seven years with respect to allocations to social infrastructure and services. Within this sector, the sub-sector of water supply and sewage has been the one which received the highest amount of aid in the past few years, followed by health care, while aid to education has fallen short because of the high educational attainment rate registered in the country on national basis. Nevertheless, one also has to take into account the fact that Vietnam has graduated from the group of low-income countries in 2010 and has achieved the status of middle-income country (although it rests in the lower middle-income half of them). This development has had impacts both on the volume of grants that Japan can dispatch from now on, according to the international regulations on aid, and on the will of the Japanese government to prefer ODA loans in order to get revenues. This last remark notwithstanding, what is interesting is the strength with which the topic

Concluding remarks

is put forward in the political sphere of the assistance. Relevance that did call for rather an opposite result from the analysis of the actual economic situation where, at least before 2010, the expected levels of grant aid and technical cooperation to human development were thought to be higher. Therefore, the qualitative part of the analysis played a key role in understanding more of this quite ambiguous situation. From the interview sessions it became obvious that the mean that Japan is using to target and foster human development in the country takes the form of the enhancement of HRD capacity within the structures responsible for providing basic social services. Hence, the eager preference for technical cooperation projects over grant or cultural aid. This is often due to the fact that the former can be easily combined with loans, through which new facilities get to be built in order to facilitate their implementation, such as new hospitals or new schools, mainly in remote areas, where human development is not only impaired by lack of capacity among citizens, but also by inexistence of actual services. Another outcome of the meetings with the officials in JICA was the confirmation of the preminence of the '*honne - tatemae*' divide in the discourse around official development assistance. Even bearing in mind that such attitude is inherent to Japanese culture at all levels, the degree perceived on this ground happened to be stronger than it was foreseen only by the review of ODA policy documents. When the discussion was indirectly directed to the uncovering of the real motives against the public stand on the issue, it was answered that in actual terms ODA loans for economic and infrastructure building are preferred not only for the returns obtained by Japan, but also because they are the best mean to clearly show the Japanese taxpayers how their money is "making a difference". As for human security, it was alleged that the ODA policy was changed in 2003 on the international public opinion surge of enthusiasm about the concept, backed up by the President of JICA, Mrs. Ogata, though it has ever since remained on the paper rather than been put into practice, due to its amount of strictly political assumptions. These two answers seem to be extremely fit for the description of the '*honne - tatemae*' rhetoric behind Japanese ODA to social and human development in Vietnam. To conclude, it must be said that the scope of this research was willingly limited in relation to the restriction on access and amount of both qualitative and quantitative data. A broader analysis of more encompassing data, especially overtime time series data for the past two decades, might reveal stronger patterns (quantitatively) and bring out new depictions of interests and strategies revolving around Japanese aid. Thus, this work was conducted bearing in mind the hope that the topic of Japanese assistance to human development in Vietnam, and not only, would be given increasing attention within international development studies.

Bibliography

Journal Articles

- Ashitate, H. (2007). Foreign Aid (ODA) as a Public Policy. *Interdisciplinary Information Sciences*, 13(1):129–138.
- Beresford, M. (2008). Doi Moi in review: The challenges of building market socialism in Vietnam. *Journal of Contemporary Asia*, 38(2):221–243.
- Hatakeyama, K. (2008). Japan's Aid to Vietnam: Becoming an Intellectual Leader? *Japanese Studies*, 28(3):345–364.
- Kamminga, M. (2007). Morality under anarchy: neorealism and the foreign aid regime. PHILICA.COM. Article n.109. Available at <http://philica.com>.
- Lam, P. E. (2006). Japan's Human Security Role in Southeast Asia. *Contemporary South-east Asia*, 28(1):141–159.
- Neuman, E. (2004). A Normatively Attractive but Analytically Weak Concept. *Security Dialogue*, 35(3).
- Ohno, I. (2002). Diversifying PRSP - The Vietnamese Model for Growth-Oriented Poverty Reduction. National Graduate Institute for Policy Studies, GRIPS.
- Palanovics, N. (2006). Quo Vadis Japanese ODA? New Developments in Japanese aid policies. *Asia-Europe Journal*, 4(3):365–379.
- Shiraishi, M. (2009). Japan Towards the Indochina Sub-Region. *Journal of Asia-Pacific Studies*, Waseda University(13):13–36.
- Tarp Jensen, H. and Tarp, F. (2005). Trade Liberalization and Spatial Inequality: A Methodological Innovation in a Vietnamese Perspective. *Review of Development Economics*, 9(1):69–86.

- Trinidad, D. D. (2007). Japan's ODA at the crossroads: disbursement patterns of Japan's development assistance to Southeast Asia. *Asian Perspective*, 31(2):95–125.
- Vu, C. (2010). Developing a Result-based Monitoring and Evaluation System for Socio-Economic Development Plans in Vietnam. *Vietnam Economic Management Review*, 5(2):3–9.

Master Thesis

- Cochrane, G. (2012). The greater mekong sub-region at 20: Japan's role in the region and its implications for regional integration, Master's Degree (two years). Centre for East and South-East Asian Studies, Lund University.

Monographs and Anthologies

- Acharya, A. (2011). Human security. In Baylis, Smith, and Owens, editors, *The Globalization of World Politics: An Introduction to World Politics*. Oxford: Oxford University Press.
- Arase, D. M. (2003). Dealing with the unexpected: Field research in Japanese politics. In Bestor, T. C., Steinhoff, P. G., and Bestor, V. L., editors, *Doing fieldwork in Japan*. Honolulu: University of Hawai'i Press.
- Bhaskar, R. (2011). *Reclaiming reality: A Critical Introduction to Contemporary Philosophy*. Abingdon: Routledge.
- Binns, T. (2008). Dualistic and unilinear concepts of development. In Desai, V. and Potter, R. B., editors, *The Companion to Development Studies*. London: Hodder Education.
- Bryman, A. (2008). *Social Research Methods*. New York: Oxford University Press.
- Burnell, P. (2008). Foreign aid in a changing world. In Desai, V. and Potter, R. B., editors, *The Companion to Development Studies*. London: Hodder Education.
- Chaturvedi, F. and Sidiropoulos (2012). *Development Cooperation and Emerging Powers: New Partners or Old Patterns?* London: Zed Books.

Bibliography

- Cummings, W. K. (1997). Human resource development: The j-model. In Cummings, K. W. and Altbach, P., editors, *The Challenge of Eastern Asian Education*. Albany: State University of New York Press.
- Dunne, T. and Schmidt, B. C. (2011). Realism. In Baylis, S. and Owens, editors, *The Globalization of World Politics: An Introduction to World Politics*. Oxford: Oxford University Press.
- Forsberg, L. T. (2007). *Defining Strong Ownership: Institutional Determinants and Stakeholder Interests in Vietnamese Development Planning*. Lund Studies in Economic History, 43. Stockholm: Almqvist and Wiksell International.
- Hammersley, M. (2008). The relationship between qualitative and quantitative research: Paradigm loyalty versus methodological eclecticism. In Bryman, A., editor, *Social Research Methods*. New York: Oxford University Press.
- Hettne, B. (2009). *Thinking about development: development matters*. London: Zed Books.
- Inoguchi, T. (2007). Japan: Bilateralism at Any Cost? In Ikenberry, G. J. and Inoguchi, T., editors, *The uses of institutions*. New York: Palgrave MacMillan.
- Kvale, S. and Brinkman, S. (2009). *InterViews: learning the craft of qualitative research interviewing*. Thousand Oaks: SAGE Publications.
- Manzoor, A. (2000). *The concept of human resource development and implications for international cooperation*. Human Resources Development: Lessons and Issues from Japan's Experience in HRD Cooperation, No.1. Tokyo: Foundation for Advanced Studies on International Development.
- Masina, P. (2006). *Vietnam's Development Strategies*. Routledge Contemporary South-east Asia Series. Abingdon: Routledge.
- Nallari, R. and Griffith, B. (2011). *Understanding growth and poverty: theory, policy and empirics*. Directions in development - Poverty. Washington: The World Bank.
- Nishigaki, A. and Shimomura, Y. (1999). *The Economics of Development Assistance: Japan's ODA in a Symbiotic World*. Tokyo: LTCB International Library Foundation.
- Ohno, I. (2010). Japan's oda to vietnam and new growth support to africa: projecting the east asian development vision into the global aid debate. In Leheny, D. and Warren, K., editors, *Japanese Aid and the Construction of Global Development: Inescapable solutions*. Abingdon: Routledge.

Bibliography

- Prior, L. (2011). Using documents in social research. In Silverman, D., editor, *Qualitative Research*. London: SAGE.
- Schultz, T. W. (1971a). *Human Resources*. New York: National Bureau of Economic Research.
- Schultz, T. W. (1971b). *Investment in Human Capital*. New York: Macmillan Company.
- Schultz, T. W. (1981). *Investing in People: the economics of population quality*. Berkeley: University of California Press.
- Schuurman, F. J. (2008). The impasse in development studies. In Desai, V. and Potter, R. B., editors, *The Companion to Development Studies*. London: Hodder Education.
- Shiraishi, M. (1990). *Japanese Relations with Vietnam: 1951 - 1987*. Ithaca: Cornell University.
- Silverman, D. (2010). *Doing Qualitative Research*. London: SAGE Publications.
- Simon, D. (2008). Neoliberalism, structural adjustment and poverty reduction strategies. In Desai, V. and Potter, R. B., editors, *The Companion to Development Studies*. London: Hodder Education.
- Sudo, S. (2005). *Evolution of ASEAN-Japan Relations*. Singapore: Institute of Southeast Asian Studies.
- Waltz, K. N. (1979). *Theory of International Politics*. New York: McGraw-Hill.
- Weber, C. (2010). *International Relations Theory: A Critical Introduction*. Abingdon: Routledge.
- Yin, R. K. (2009). *Case study research: design and methods*. Thousand Oaks: Sage Publications.

Official Printed Materials

- CIEM (2008). Decentralization of ODA Management in Vietnam - Policies and Practical Implementation at the Local Government level. Hanoi: Finance Publishing House.
- Forsberg, L. T. and Kokko, A. (2008). From growth to poverty reduction : the framework for development cooperation in Vietnam. Stockholm: SIDA.

Bibliography

- JICA (2010). Annual Report - 2010. Tokyo: Takayama Building. Available at: <http://www.jica.go.jp/english/publications/reports/annual/2012/index.html> (accessed 18 January, 2013).
- JICA (2011). Annual Report - 2011. Tokyo: Takayama Building. Available at: <http://www.jica.go.jp/english/publications/reports/annual/2012/index.html> (accessed 18 May, 2012).
- JICA (2012a). Annual Report - 2012. Tokyo: Takayama Building. Available at: <http://www.jica.go.jp/english/publications/reports/annual/2012/index.html> (accessed 18 January, 2013).
- JICA (2012b). JICA Vietnam - Inclusive and Dynamic Development. Hanoi: JICA Vietnam Office.
- MOET (2003). National Education for All Action Plan 2003-2015. Government Document No. 872/CP-KG. Hanoi, Vietnam. Available at <http://planipolis.iiep.unesco.org/> (accessed 24 April, 2012).
- MOFA (2003). Japan's Official Development Assistance Charter. Tokyo, Japan. Available at <http://www.mofa.go.jp/policy/oda/reform/revision0308.pdf> (accessed 30 October, 2012).
- MOFA (2004). Japan's Country Assistance Program for Viet Nam. Tokyo, Japan. Available at <http://www.mofa.go.jp> (accessed 30 January, 2013).
- MOFA (2009a). Japan's Country Assistance Program for Viet Nam. Tokyo, Japan. Available at <http://www.mofa.go.jp> (accessed 30 January, 2013).
- MOFA (2009b). Japan's Official Development Assistance White Paper 2009 - Japan's International Cooperation. Tokyo: Ministry of Foreign Affairs. Available at <http://www.mofa.go.jp/policy/oda/white/index.html> (accessed 30 January, 2013).
- MOFA (2010). Japan's Official Development Assistance White Paper 2010 - Japan's International Cooperation. Tokyo: Ministry of Foreign Affairs. Available at <http://www.mofa.go.jp/policy/oda/white/index.html> (accessed 30 January, 2013).
- MOFA (2011). Japan's Official Development Assistance White Paper 2011 - Japan's International Cooperation. Tokyo: Ministry of Foreign Affairs. Available at <http://www.mofa.go.jp/policy/oda/white/index.html> (accessed 30 January, 2013).
- OECD (2005). Paris Declaration on Aid Effectiveness: Ownership, Harmonisation, Alignment, Results and Mutual Accountability. OECD Publishing.

Bibliography

- OECD (2008). Is it ODA? Factsheet - November 2008. Available at <http://www.oecd.org/dac/stats/34086975.pdf>.
- OECD (2009). The Paris Declaration on Aid Effectiveness and the Accra Agenda for Action. OECD Publishing. Available at <http://www.oecd.org/dac/effectiveness/43911948.pdf>.
- Söderberg, M. (2002). Changes in Japanese Foreign Aid Policy. Working Paper No. 157. European Institute of Japanese Studies, Stockholm University.
- SRV (2005). Education Law. National Assembly of the Socialist Republic of Vietnam. Law No. 38/2005/QH11. Hanoi, Vietnam. Available at <http://en.moet.gov.vn/> (accessed 18 April, 2012).
- SRV (2006). The Five-year Socio-economic Development Plan 2006 - 2010. Available at <http://siteresources.worldbank.org>.
- SRV (2011). Vietnam's Socio-economic Development Strategy for the period of 2011-2020. Available at <http://www.economica.vn/Portals/0/MauBieu/1d3f7ee0400e42152bdcaa439bf62686.pdf>.
- SRV (2012). Key tasks for realizing socio-economic development strategy. Government Web Portal. Hanoi, Vietnam. Available at <http://news.gov.vn/Home/> (accessed 30 October, 2012).
- Sunaga, K. (2004). The Reshaping of Japan's Official Development Assistance (ODA) Charter. FASID Discussion Paper on Development Assistance No.3. Tokyo, Japan.
- UNDP (1990). Human Development Report 1990. New York: Oxford University Press. Available at <http://hdr.undp.org/en/reports/global/hdr1990/chapters/>.

Online Resources

- AoFIS (2011b). Main content of 2011-2020 Economic and Social Development Strategy and 2011 Key Tasks. *Vietnam In Focus*, Available at <http://vietnam.vn/main-content-of-20112020-economic-and-social-development-strategy-and-2011-key-tasks-c1069n20110722095502171.htm> (accessed 25 February, 2013).

Bibliography

- SRV (2011). Vietnam's Socio-economic Development Strategy for the period of 2011-2020. *Economica Vietnam*, Available at <http://www.economica.vn/Publications/tabid/113/topic/T18H16161015108716/Default.aspx> (accessed 25 February, 2013).
- WB (2012). World Development Indicators. Available at <http://data.worldbank.org/data-catalog/world-development-indicators> (accessed 25 March, 2013).

A. Appendix

A.1 Fieldwork schedule

The schedule of the Special Course arranged by Waseda University and the 6-week fieldwork conducted in Tokyo are provided below.

- 07/01/2013 Arrival in Tokyo
- 09/01/2013 Course Orientation, Campus Tour
- 10/01/2013 Introduction to living and doing research in Japan; Tutorial 1 (group): presentation on research proposal
- 11/01/2013 Introduction to Waseda University Library
- 16/01/2013 Tutorial 2: meeting with assigned tutor to discuss progress and establishment of contacts
- 18/01/2013 Established contact with gatekeeper
- 23/01/2013 Tutorial 3: meeting with tutor, discussed progress
- 29/01/2013 Preliminary reply by the gatekeeper
- 29/01/2013-31/01/2013 Establishment of contact with future interviewees
- 01/02/2013 Tutorial 4: meeting with tutor, discussed contacts
- 05/02/2013 Tutorial 5 (group): final presentation on fieldwork progress and preliminary results
- 06/02/2013 10:00 - 11:00 am. - First and second interview (group); 6:00 - 7:00 pm. - Third interview. All of them were conducted at JICA Headquarters, Nibancho Center Building, Chiyoda-ku, Tokyo
- 17/02/2013 Departure from Tokyo

A.2 Interview Questions

The following is the updated edition of the questionnaire I brought with me to the interviews, that was previously sent to the interviewees on their request. Being semi-structured interviews, this was used more as a guide to be referred to at the beginning and throughout the discussion. Therefore, follow-ups to certain questions have also been included below.

On Japanese Official Development Assistance in general terms:

1. In your experience in JICA, have you seen an evident shift in the nature of Japanese ODA allocations after 2003? Does the stress on MDGs derive from the review of the ODA Charter?
2. Have you seen a clear increase in the percentage of ODA and projects directed to human development to Vietnam?
3. How do you see the relationship between human development and human security? Causal?
4. How do you see the relationship between economic growth and human development?
5. The long history of cooperation between Japan and Vietnam notwithstanding, what are in your opinion the main interests that Japan has in allocating such high share of ODA to Vietnam, out of all countries in South-East Asia? And what are Japan's main interests in increasing aid to human development in particular?
6. Has human development emerged as one of the driving reasons to allocate aid in practice, as well as in theory?
7. Are human development projects (ie: improvement of the facilities of primary schools, community empowerment, health system strengthening) proving to be effective in Vietnam?
8. In the near future will TA allocations be increased out of the overall bilateral ODA?

On three projects under implementation

A) Project for Implementing Maternal and Child Health Handbook for Scaling up Nationwide

B) Project for Improvement of the Quality of Human resources in Medical Services System

C) Project on Capacity Development of Participatory Agricultural and Rural Development for Poverty Reduction in the Central Highlands

1. What is the nature of the project?
2. Which sector is it directed to?
3. Implementation area(s).
4. Goal(s) and desired outcome(s) of the project, if successfully implemented.
5. Implementation period.

A.2 Interview Questions

6. What does the project entail for the poorer population of the region it targets?
7. Which methods are employed to implement the project? To which form of ODA does the project ascribe?
8. Any mid-term results/evaluation so far?
9. In the share of the overall JICA projects to Vietnam, what percentage of ODA was allocated to this project among others?
10. Does the project comprise cooperation with NGOs?
11. Does the project comprise cooperation with Japan Overseas Cooperation Volunteers? What are the share and tasks of JOCVs for the implementation process?

A.3 Vietnam Development Goals

Table A.1.: VDGs

Goal 1: Reduce the percentage of poor and hungry households
Target 1 – Reduce by 40% the proportion of people living below the international poverty line between 2001 and 2010
Target 2 – Reduce by 75% the number of people living below the international food poverty line by 2010

Goal 2: Universalize education and improve education quality
Target 1 – Increase net enrolment in primary school to 99% by 2010
Target 2 – Increase net enrolment rate in junior secondary school to 90% by 2010
Target 3 – Eliminate the gender gap in primary and secondary education and the gap between ethnic minorities and others by 2010
Target 4 – Increase literacy to 100% of under-40-year-old women by 2010
Target 5 – By 2010 have imported the quality of education and increase full-day schooling at primary level (exact target depends on funding)

Goal 3: Ensure gender equality and women empowerment
Target 1 – Increase the number of women in elected bodies at all levels
Target 2 – Increase the participation of women in agencies and sectors [includes ministries, central agencies and enterprises] at all levels by 3-5% by 2010
Target 3 – Ensure that the name of both husband and wife appear on land-use right certificates
Target 4 – Reduce the vulnerability of women to domestic violence

Goal 4: Reduce child mortality, child malnutrition and reduce the birth rate
Target 1 – Reduce the infant mortality rate to 25‰ by 2010, and more rapidly in disadvantaged regions
Target 2 – Reduce the under-5 mortality rate to 32‰ by 2010
Target 3 – Reduce under-5 malnutrition to 20% by 2010

Goal 5: Improve maternal health
Target 1 – Reduce the material mortality rate to 0.7‰ by 2010 with particular attention to disadvantaged areas

Goal 6: Reduce HIV/AIDS infection and eradicate other major diseases
Target 1 – Halve rate of increase in the spread of HIV/AIDS by 2010

Goal 7: Ensure environmental sustainability
Target 1 – Extend forest cover to 43% by 2010 (from 33% in 1999)
Target 2 – Ensure that 85% of the rural population has access to clean and safe water by 2010
Target 3 – Ensure there are no slums and temporary houses in all towns and cities by 2010
Target 4 – Ensure that all waste-water in towns and cities is treated by 2010
Target 5 – Ensure that all solid waste is collected and disposed of safely in all towns and cities by 2010
Target 6 – Air and water pollution must attain national standards

Goal 8: Reducing vulnerability

Target 1 – By 2010, increase the average income of the lowest expenditure quintile to 190% of that in 2000

Target 2 – Reduce by half the rate of poor people falling back into poverty due to natural disasters and other risks by 2010

Goal 9: Improving governance for poverty reduction

Target 1 – Effectively implement grassroots democracy

Target 2 – Ensure budget transparency

Target 3 – Implement legal reform agenda

Goal 10: Reducing ethnic inequality

Target 1 – Preserve and develop the reading and writing ability of the ethnic languages

Target 2 – Ensure entitlement of individual and collective land-use rights in ethnic minority and mountainous areas

Target 3 – Increase the proportion of ethnic minority people in authority bodies at various levels

Goal 11: Ensuring pro-poor infrastructure development

Target 1 – Provide basic infrastructure to 100% by 2010

Target 2 – Expand the national transmission grid to 900 poor commune centers

Source: Forsberg and Kokko (2008), SIDA

A.4 Hanoi Core Statement on Aid Effectiveness

Table A.2.: Principles of Hanoi Declaration

Ownership
1) Targets of the 5 Year Socio-Economic Development Plan (SEDP) are achieved
Alignment with national system
2) Donor assistance strategies are aligned to the SEDP and related national, regional, sectoral, provincial strategies
3) Donors strengthen GoV capacity by avoiding parallel PMUs*
4) Capacity building objectives are clearly set out in the SEDP and related national, regional, provincial and sector strategies, and PAR*. GoV and partner agencies lead comprehensive capacity building programmes with co-ordinated donor support
5) Donors apply the Government's tendering procedures more when they meet the standards agreed by the relevant sides
6) Donors make increasing use of public management and accountancy system of the Government when they meet standards agreed by relevant sides; GoV publishes timely, transparent and reliable reporting on budget execution
7) Donors enhance the predictability of aid in the future
8) GoV and donors funded environmental improvement; GoV and donors funded the improvement in social safety nets and livelihoods
Simplification and harmonization of procedures
9) Fewer but with better qualification assessment, diagnostic and country analytical reviews of Vietnam's development needs
10) Common project cycle management tools agreed and used throughout the project/programme cycle (planning, design, implementation, management reporting, etc.)
11) Program-based approaches are encouraged by both the donors and the GoV
12) Donors strongly decentralize and authorize the project management for their aid management agency in Vietnam
Management for results
13) Output framework is developed and used to assess the performance of the SEDP and sector programmes
Mutual Accountability
14) Periodic mutual assessment of progress in implementing agreed commitments on aid effectiveness

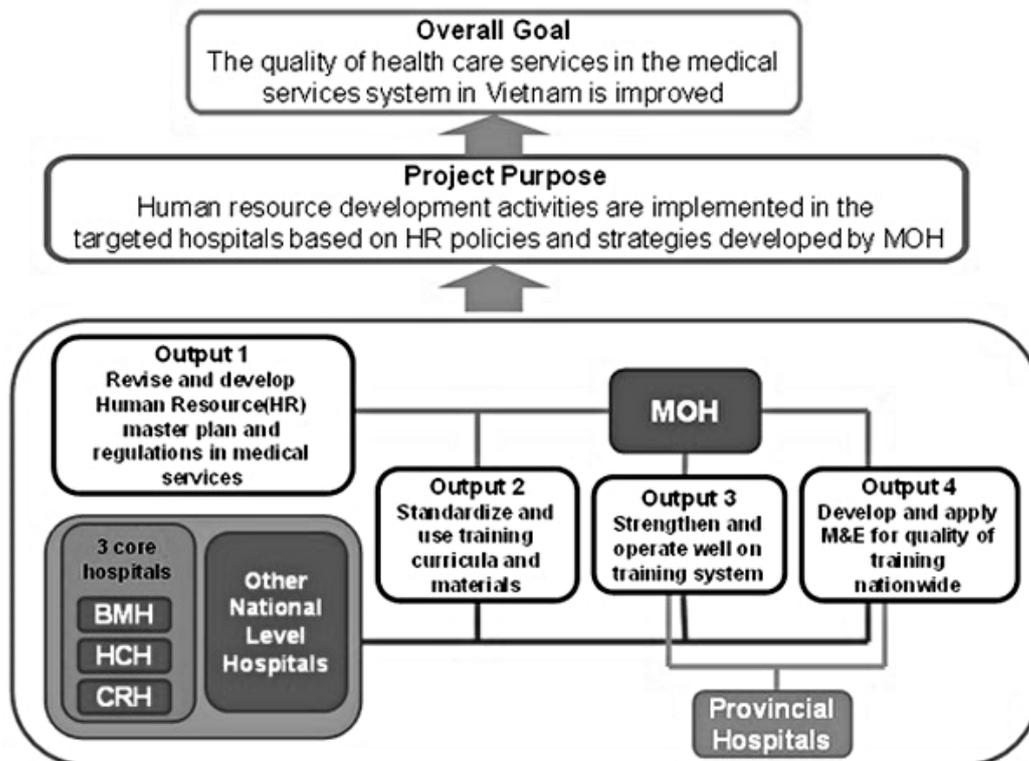
PMUs = Project Management Units

PAR = Public Administration Reform

Source: CIEM (2008), Decentralization of ODA Management in Vietnam.

A.5 Project for Improvement of the Quality of Human Resources in Medical Services System (JICA)

Figure A.1.: Project concept



BMH= Bach Mai Hospital; HCH= Hue Central Hospital; CRH= Cho Ray Hospital; MOH=Ministry of Health.

Source: JICA (2010), <http://www.jica.go.jp/project/english/vietnam/010/outline/index.html>.