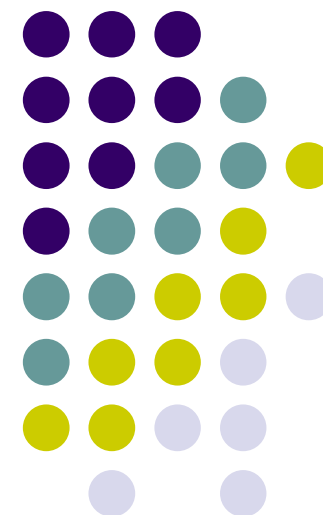
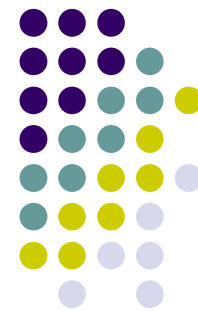


Sharing East Asian Experiences with Africa:

Japan's Policy Dialogue and Korea's Knowledge Sharing Program

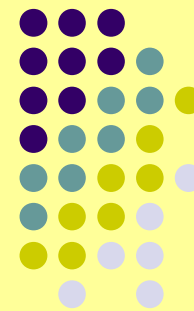
Izumi Ohno, GRIPS Development Forum,
October 17, 2011





Background

- JICA is currently preparing the 2nd-phase program of industrial cooperation in Ethiopia—(i) institutionalization of Kaizen and (ii) **industrial policy dialogue (II)**—to support the implementation of the five-year development plan, i.e., the Growth and Transformation Plan.
- An important new factor is South Korea's engagement in **Knowledge Sharing Program (KSP)**—following President Lee Myung-bak's visit to Ethiopia in July 2011.
- Japan welcomes the Korean initiative—because this will greatly contribute to projecting the East Asian perspectives into Africa's development efforts.

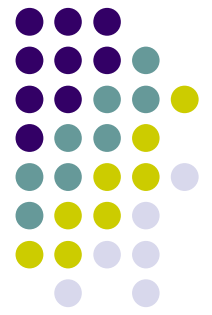


What are the East Asian Perspectives of Aid and Development?

-- Are Japan and Korea different from Western donors?

East Asian Perspectives of Aid and Development

Shared by Korea and Japan

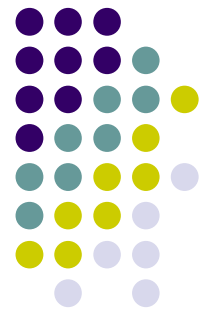


- Non-Western donors, having “dual experiences” of aid and development (recipients and donors)
- Latecomer perspectives, based on their own catch-up experiences
 - Growth strategy with “real-sector concern” (e.g., trade, investment, industries, technology, human resources)
 - Respect for the uniqueness of each country
 - Long-term perspective; development is a long-term undertaking and path-dependant in nature
 - Realistic and pragmatic approach in aid delivery

→ ***Dynamic Capacity Development***

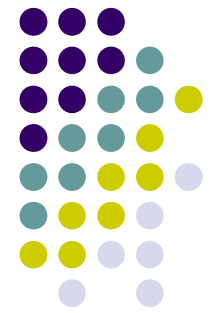
Dynamic Capacity Development

Improving capability with pride & hands-on experience



- Goal orientation: **long-term vision → phased strategies (“roadmap”) → concrete action plans.**
- Direct most effort to perfecting your strengths rather than correcting your general weaknesses.
- Reform government (improve efficiency and organization) to attain concrete policy targets (e.g., Japan in the Meiji era, S. Korea under President Park, P.R. China SEZ under Deng Xiaoping)
- Achieve successes one by one, and be proud.
- Eventually, graduate from aid and become a donor

Example: Latecomer Japan Beats British Textile Industry



1883 Establishment of Cotton Spinning Industry

Target: import substitution of cotton yarn (industrial input)

Actors: Eiichi Shibusawa (super business organizer)

Takeo Yamanobe (engineer studying in UK)

Action: establish **Osaka Spinning Co.** with sufficient scale and technical breakthrough

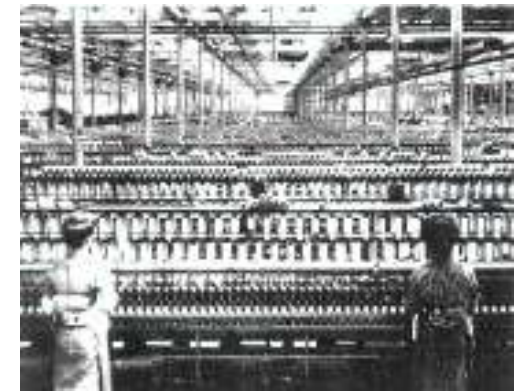
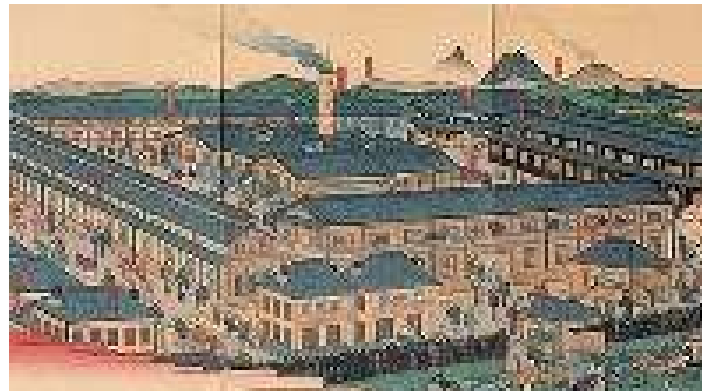
Result: instant success with a large number of followers; Japan overtakes UK as top textile exporter by early 20th century;
The City of Osaka is called “Manchester of the Orient”

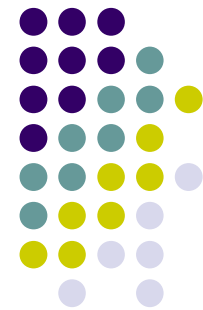


Shibusawa



Yamanobe





Example: Korea's Export-Oriented Industrialization

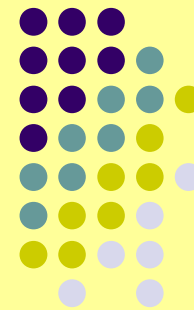
- In July 1965, 13 items were selected for export promotion that were considered to be superior in terms of the effects on the international division of labor, the balance of payments, as well as, having spillover effects on other industries.
- For each of these industries, a deputy director (in the Ministry of Commerce and Industry) was tasked with providing financial and technical assistance.
- Monthly Export Promotion Meetings were also established in 1966, chaired by the President Park Chung-hee, with MCI serving as the secretariat. Attended by high-ranking government officials and business representatives, the meetings provided a forum to monitor progress and devise institutional innovations and solutions to emerging problems.



Monthly Export Promotion Meetings headed by President Park (in the late 60s)

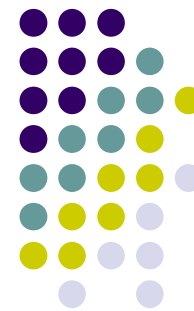
From Despair to Hope: Economic Policymaking in Korea 1945-1979
A Memoir by Kim Chung-yum, KDI (2011)





What are comparative advantages of Japan and Korea respectively?

-- How can the two countries collaborate complementally?



Korea: Strengths

- Strong leadership commitment to development cooperation
 - President Lee Myung-bak: “Korea through international cooperation would become a guiding light for developing countries in the 21st century.”
 - G20 Seoul Development Consensus (2010); hosting the OECD/DAC Busan High-Level Forum for Aid Effectiveness (2011)
 - Increasing ODA significantly
- High global attention and expectation on the role of Korea, based on its achievements
- Ability to offer the latest successful experiences of catch-up, serving as a bridge between the developed and developing worlds

Sharing Korea's Development Experiences

- **Knowledge Sharing Program (MOSF/KDI),**

- (i) Modularization (database on exemplary cases & best practices); and
- (ii) Policy consultation



Source: Korean Development Institute (KDI)

- ◆ Former high-ranking government officials and experts with extensive research experience participate in policy consultations to share their intimate knowledge of development challenges.
- ◆ These government officials and experts effectively pair up with their counterparts in partner countries to work jointly on pressing policy issues and share development knowledge in the process.
- ◆ Instead of offering “one-size-fits-all” or template approach, this knowledge-sharing exercise is much more effective in discovering what really works for development.

- **Consultation Program (MOFAT/KOICA),** based on the Korean Development Model

MOSF: Ministry of Strategy and Finance / KDI: Korean Development Institute
MOFAT: Ministry of Foreign Affairs and Trade / KOICA: Korea International Cooperation Agency

Example: KSP Modularization

Initiated in 2007

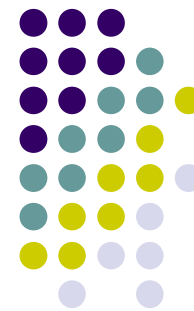


Implementation Plan



- **Background:** Convert embedded knowledge into codified format
- **Implementation:** Government-wide participation, select 100 exemplary cases (e.g. “Saemaul Undong”)
- **Main research areas:** Economics, Energy & Industry, Health, Human resource, Administration/ITC, Agriculture Environment, and etc
- **Utilization:** Background document in KSP, EDCF and other ODA project, Feedbacks from MDBs and partner countries

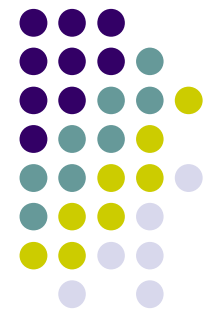
(Source) Taeyong Yoon, Director General, International Economic Affairs Bureau, Ministry of Strategy and Finance of Korea, “Bilateral Knowledge Sharing: What works with Korea’s Knowledge Sharing Program (KSP)?”, presentation at the OECD Workshop on Knowledge Sharing, July 11-12, 2011.



Example:

KSP Policy Consultation

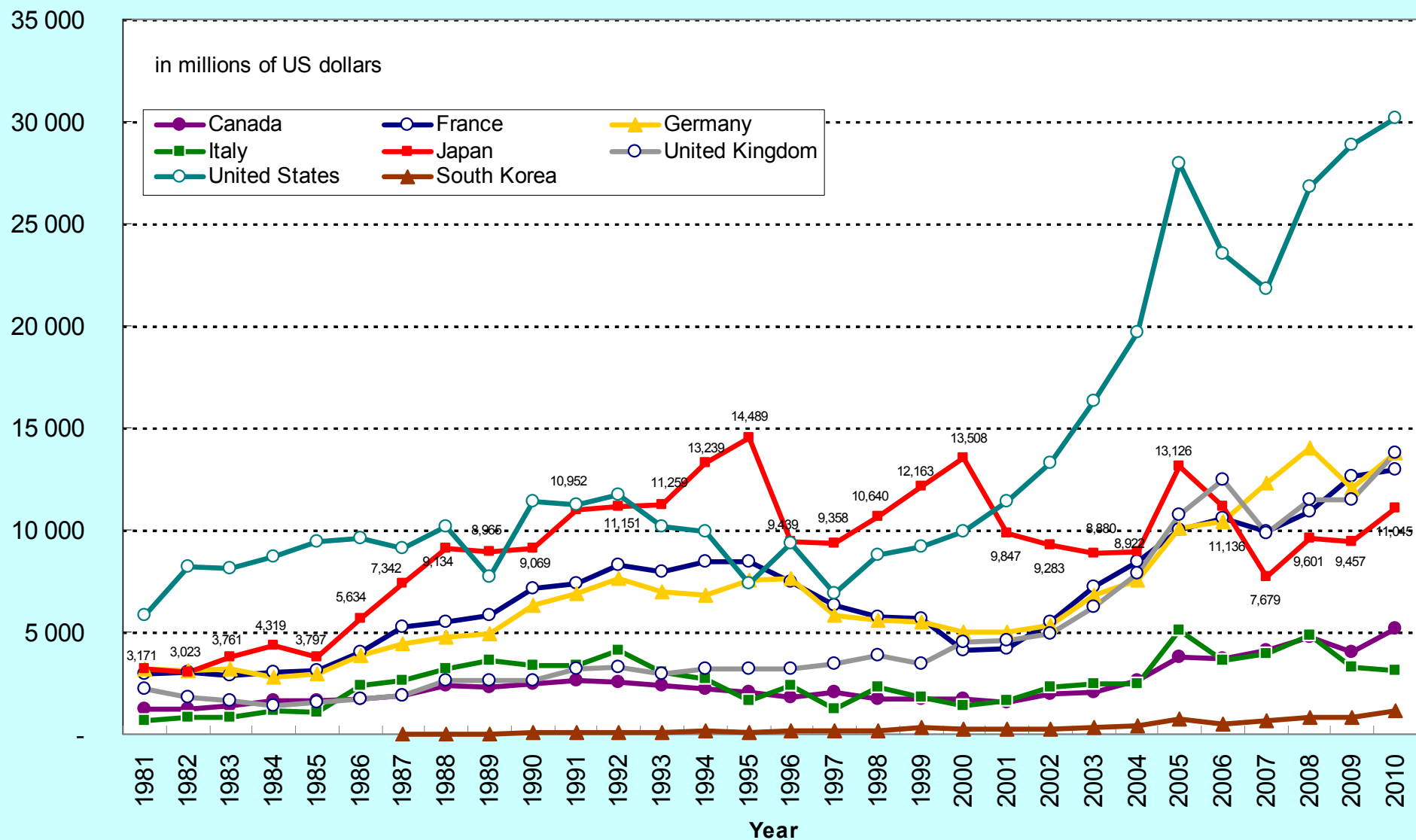
- Combination of joint research, study tours, and seminars, with the involvement of senior government officials in both sides (-- systematized)
 - Each year, a different topic will be selected, and relevant ex-policymakers, researchers, consultants will be mobilized.
 - Priority countries have 3-year program, while other countries start with 1-year program (which can be extended).
 - Rapid expansion: 11 countries (2009) → 16 (2010) → 26 (2011) → 32 (2012 planned)
- Dilemma?: As the number of KSP countries increases, how to engage a group of experts familiar with a particular country and have continuous dialogues.....



Japan: Strengths

- Remains a large donor (-- despite recent ODA cut)
- A trusted intermediary (ODI: Menocal and Denney 2011)
 - Sensitivity, humility and understanding in its engagement with recipient partners
- Japan's **policy dialogue**, conducted as an integral part of JICA technical cooperation
 - Long-term and open-ended engagement; while less systematized, flexibility embedded
- With sufficiently long experience of being a donor, positioned to provide “**Network-based Cooperation**” mobilizing knowledge and human assets accumulated through its past ODA to Asia
- Positioned to provide global & regional public goods to the developing world.
 - E.g., Kaizen, science & math education, disaster management, energy saving, environment, aging

Trends of Net ODA from G7 Countries + Korea: 1981-2010 (net disbursement basis)



Source: OECD Development Assistance Committee - Statistical Annex of the 2011 Development Co-operation Report, (CRS online database)

Emerging (?) Donors in East Asia

	Policy	Implementation	Instruments
Korea	Ministry of Strategy & Finance (MOSF) Ministry of Foreign Affairs & Trade (MOFAT)	KEXIM EDCF (1987)	● Concessional loans
		KOICA (1991)	● Grant aid, technical cooperation
China	Ministry of Commerce (MOFCOM)	China EXIM (1994)	● Concessional loans
		MOFCOM (2003)	● Grant aid, technical cooperation
Thailand	NESDB Ministry of Foreign Affairs (MOFA)	NEDA (2005)	● Concessional loans, grant aid
		TICA (2004)	● Technical cooperation
Malaysia	Economic Planning Unit (EPU)	MTCP (1980)	● Technical cooperation
Singapore	Ministry of Foreign Affairs (MOFA)	SCP (1992)	● G-G based technical cooperation
		SCE (2006)	● Fee-based technical cooperation

<Korea> EDCF: Economic Development Cooperation Fund, KOICA: Korea International Cooperation Agency
<Thailand> NESDB: National Economic and Social Development Board, NEDA: Neighboring Countries Economic Development Cooperation Agency, FPO: Fiscal Policy Office, TICA: Thailand International Cooperation Agency
<Malaysia> MTCP: Malaysia Technical Cooperation Program
<Singapore> SCP: Singapore Cooperation Program (G-G basis), SCE: Singapore Cooperation Enterprise (fee basis)

Network-based Cooperation: Mobilizing assets accumulated through Japan's past ODA

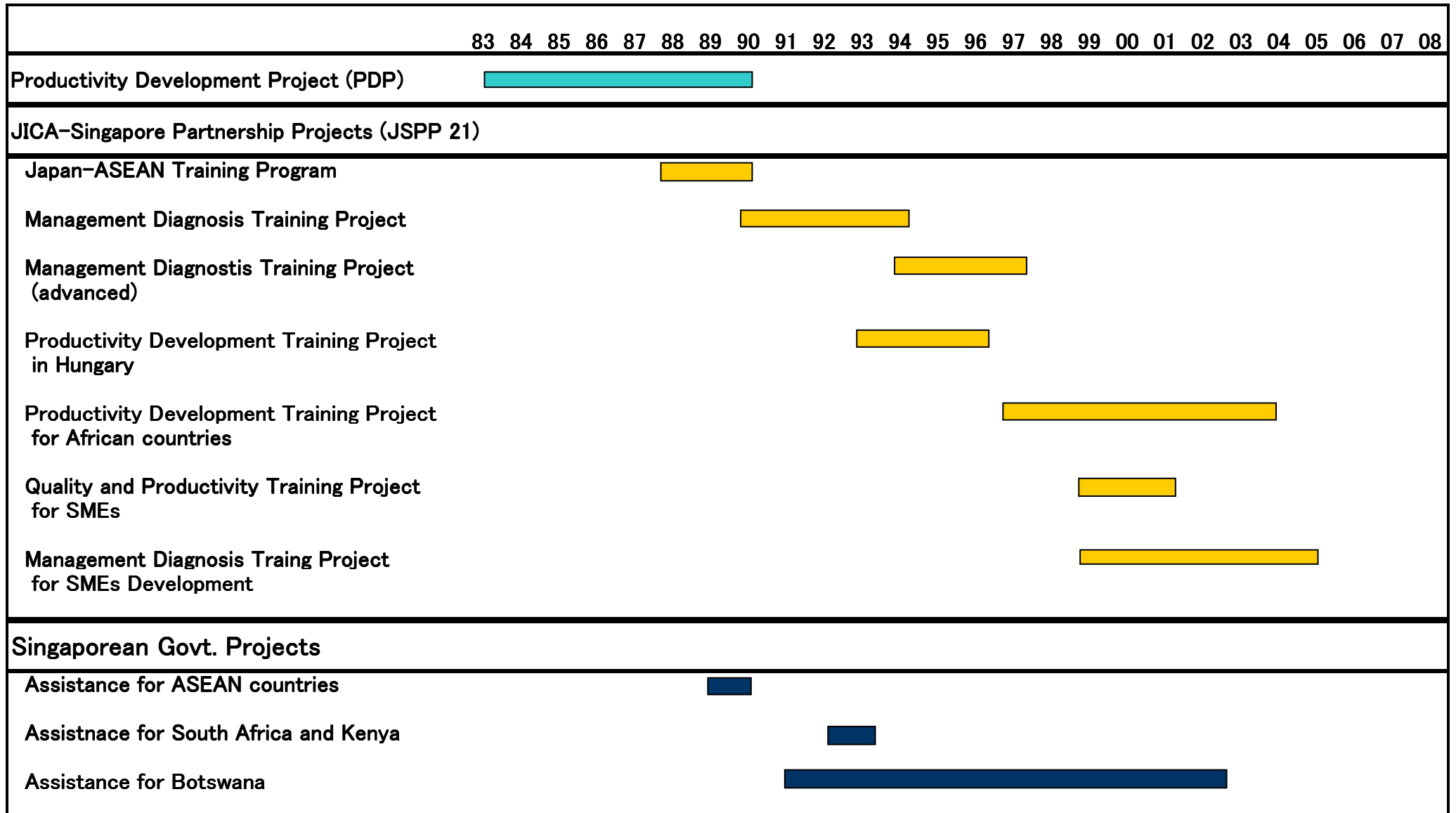
(1) Singapore: Productivity Development



- The first country where JICA provided comprehensive technical cooperation for Productivity Development Project (PDP) during 1983-90 -- at the request of then Prime Minister Lee Kuan Yew.
 - In 1979, LKY lamented: “Workers here were not as proud of or as skilled in their jobs compared to the Japanese or the Germans.”
- Successful example of internalization, scaling-up, institutionalization of *Productivity Movement*.
- Singapore now offers consultancy in this area to developing countries, including the ASEAN countries and Africa.

Singapore's International Cooperation for Productivity Development

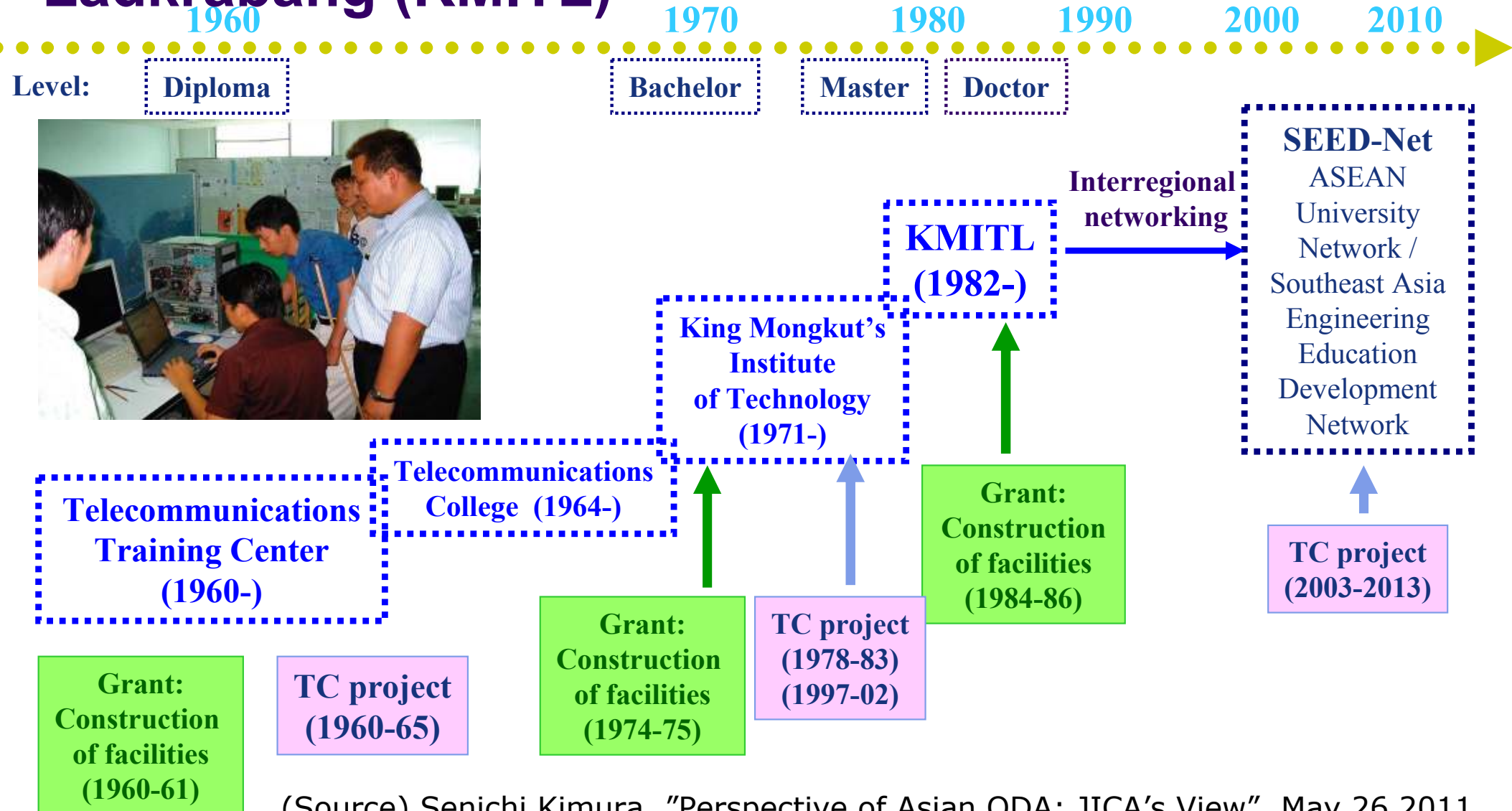
Mr. Lo Hock Meng, Executive Director of Singapore Productivity Association (SPA), who was one of the counterparts of JICA project. →



Source: JICA/IDCJ/IDJ, *Data Collection Survey on Strategy Formulation on Human Resource Development, Final Report*, February 2010, p.4-25, Table 4-5.

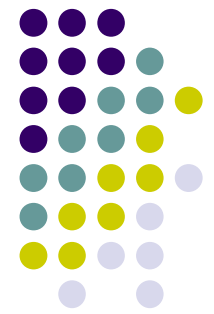
(2) Thailand King Mongkut's Institute of Technology Ladkrabang (KMITL)

50 years
Anniversary



(Source) Senichi Kimura, "Perspective of Asian ODA: JICA's View", May 26 2011, presentation at the Policy Dialogue session, International Symposium: Styles of Foreign Assistance, held in Seoul, South Korea.

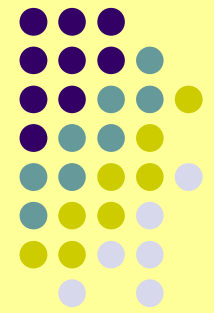
(3) Malaysia-Zambia Cooperation: Triangle of Hope (TOH)



- JICA implemented “Triangle of Hope” Project during 2006-09 to support the improvement of business environment in Zambia
- Dato Jegathesan was Deputy DG of the Malaysia Industrial Development Authority (MIDA), under ex-Prime Minister Mahathir.
- TOH project formulated 12 concrete policy recommendations, and catalyzed Malaysian investment in Zambia (a cedular company).
- Currently, JICA is supporting capacity development of Zambia Development Authority (ZDA).



Japan-Korea Collaboration



- Operational collaboration, already started (KOICA-JICA, EDCF-JICA), including:
 - Consultations and seminars for information sharing (various levels)
 - Afghanistan (vocational training, gender)
 - Mozambique (Nacala Corridor)
 - Tanzania (transmission networks), and a few other countries.
- More recently, collaboration is expanding into the policy and research areas
 - Asian Development Forum (May 2011)
 - Preparation for the OECD/DAC Busan High-Level Forum for Aid Effectiveness (Nov. 2011), etc.
- ***In the future industrial policy dialogue with Ethiopia, we would like to explore a possibility of inviting experts from Korea and emerging Asian countries.***

