

# South America

South America

## Pillars of Aid Emphasis on Disparity Reduction in the Region and Addressing Global Issues

As a result of economic reform measures such as privatization and deregulation since the 1990s, many South American countries have achieved steady economic growth. These countries also share similar histories, cultures and languages, and move toward regional cooperation and economic integration and toward the formation of free trade agreements and economic partnership agreements with countries outside of the region have strengthened. What is more, economic exchanges with Japan are increasing. However, the region includes both countries which have achieved relatively strong economies and those which have not, which means that disparities exist in the region. Moreover, while the region consists of economies of both relatively higher levels and lower levels, even those middle-income nations grapple with poverty in some local segments. Despite steady economic growth, the population of the poor is expanding, thereby widening the gap between the rich and poor. The dissatisfaction of citizens relating to these poverty issues has led in recent years to the rise of more socialistic national governments and has prompted reassessments of existing economic policies. Poverty is destabilizing political and economic conditions and is a factor causing social problems such as declining public order as well as environmental problems.

The South American region is sizeable in terms of natural and mineral resources, food supply capacity, and economic scale, and if political and economic conditions in the region become disarrayed and environmental degradation continues, there is likely to be an impact on the world economy and the global environment. With growing concern about the effects of global climate change, it is particularly important to address climate change in South America, a region which contains the Amazon, the world's largest tropical rainforest, and which represents one of the world's most important food supply regions. For these reasons, JICA is placing emphasis on the following measures in South America:

- (1) Addressing global issues
- (2) Poverty reduction and disparity reduction
- (3) Collaboration between governments and the private sector
- (4) Promotion of partnerships and South-South cooperation
- (5) Collaboration with communities of Japanese descendants (Nikkei)

● Cooperation results by country in to South America (FY2007)



\* This is the total amount of bilateral cooperation. The amount of cooperation provided to North and Latin America including cooperation that covers a group of countries is 17,637,605 thousand yen.

## Current State of Development

As a result of the historical impact of colonial rule by Western European countries, major social disparities still exist in South America today. In the 1980s, many countries in the region failed to implement sound economic management, and were left with high rates of inflation and massive debts that ushered in a period now termed "the lost decade." In the 1990s, however, economic reforms were introduced based on neo-liberal policies spurred by the International Monetary Fund (IMF) and the World Bank, leading to privatization and deregulation. As a result, the entire South American region achieved virtually stable economic

growth and many countries in the region are advancing to the status of medium-income economies.

On the other hand, economic growth has led to social instability, including widening disparities and an increase in the population of the poor within countries. In recent years, government administrations whose main political support comes from the poor have come into being in a number of countries and are reevaluating neo-liberal policies. Disparity correction both among and within countries has become a key issue relating to regional stability.

The economies of South America depend heavily on the production and export of primary commodities and have been significantly influenced by the world economy and market trends. Achieving sustainable economic growth requires assistance for industrial development, trade promotion, and the development of an environment conducive to investment. Also essential are improvements in governance and community capacity building to serve as a foundation for promoting economic activity by the private sector.

Recent years have seen a rise in concerns about global climate change, and the countries of the world are required to take steps in response. South America contains the Amazon, the world's largest tropical rainforest, and also has high food production potential. It is therefore a region that must be taken into account when considering measures against global climate change. Furthermore, economic growth in the region has been

accompanied by serious problems in urban environments, and this is an issue that also requires urgent attention.

### The Presence of Japanese Emigrants and Their Descendants

Cooperation toward South America cannot be considered without taking into account the presence of Japanese emigrants and the Nikkei community. The year 2008 marked the 100th year of Japanese emigration to Brazil, and this Japan-Brazil Year of Exchange signified the ties that have been built between the two countries over the course of a century and affirmed that this partnership would be strengthened in the future. Japanese immigrants and their descendants have established a firm position as members of the local community not only in Brazil but in other countries that have histories of Japanese immigration.

## Addressing Priority Issues in JICA Programs

Although South America has proceeded further toward the status of a middle-income economy than other regions, it still includes countries with comparatively high levels of poverty such as Bolivia and Paraguay. JICA is giving priority to cooperation aimed at addressing poverty and disparity reduction in those countries where severe poverty is prevalent. In middle-income economies, however, JICA places emphasis on cooperation that contributes to measures to address global issues and to further development through government-private sector collaboration as appropriate for the country's income level.

### Addressing Global Issues

Global issues such as climate change have the potential to cause major impacts, and measures in response are necessary for the entire South American region. Many countries are formulating cooperation programs and implementing projects to respond to global issues.

In the Amazon, the world's largest tropical rainforest, the forest continues to disappear due to illegal logging. This is raising concerns regarding climate change and the effect on ecological systems. As a result, conserving the Amazon rainforest has become a global issue. JICA, in response, is giving priority to cooperation aimed at protecting the Amazon. Through the Project for Utilization of ALOS Images to Protect Brazilian Amazon and Combat against Environmental Crimes, JICA provides cooperation for monitoring illegal logging and strengthening controls using satellite images taken by the Japanese satellite DAICHI. This cooperation makes use of Japanese technology which enables image analysis even when skies are overcast.

Another project being implemented in Brazil, the Project for Sustainable Use of Forest Resources in the Estuary Tidal Flood Plain in Amapa is aimed at providing sustainable forest management and effective utilization of forest products. In "The International Training Course for Agroforestry Technology System" of Third-country Training Course Program (TCTP), trainees from five countries in the Amazon region study how to increase income for small farmers and to recover the degraded tropical forests through multiple cultivation skill planting timber trees, fruit trees and field crops. The accumulated and rich experiences of Japanese immigrants in the region are also fully used.

The Project of Enhancement for Adaptation to the Impacts of Climate Change implemented in Argentina is aimed at improving the ability to predict future climate change using advanced analysis techniques made possible by a Japanese-developed Earth simulator. This cooperation also uses the technology and

personnel of Argentina, as a middle-income economy.

JICA is also assisting efforts aimed at the use of CDM (clean development mechanism) in South America through projects including the Study for Capacity Development and Promotion of AR-CDM in Chile, the Project of Enhancement for Application of Afforestation and Reforestation of CDM in Argentina, and the Project of Capacity Building for Development of New CDM Projects in Peru.

### Poverty Reduction and Disparity Reduction

Poverty reduction measures and disparity reduction are issues common to all countries in South America and their respective governments have given priority to these issues in policy formulation.

JICA is extending cooperation aimed at poverty reduction in lower-income countries in South America such as Bolivia and Paraguay. In Bolivia, JICA is implementing poverty reduction measures to assist small farmers through projects including the Project for Rural Development in Altiplano Central and the Project of Establishment of Implementation System of Sustainable Rural Development, Phase 2. JICA is also providing assistance in social development for the purpose of poverty reduction through projects including the Drinking Water Supply in Impoverished Regions Program, the Education Quality Improvement Program, and the Program for Strengthening Local Health Care Networks Focused on Maternal and Child Health.

Rising out of poverty requires improvements in governments' ability to govern as well as assistance in individual areas. In Paraguay, JICA identifies governance as a priority issue and therefore works to strengthen governance through implementation of projects including the Project for Capacity Development Support of Local Government based on the Government Administration Function Improvement Program.

JICA is also implementing the Project for Capacity Development for Promoting the Sustainable Integral Rural Development for Poverty Reduction in Chimborazo Province in Ecuador and the Program of Rural Development for Poor Peasants and Local Capacity Strengthening in Central Highlands of Peru, providing cross-sectoral assistance to the poor, especially indigenous peoples.

Meanwhile, upper middle-income economies, JICA intends to support measures aimed at disparity correction mainly through self-help efforts, and expects to utilize loan assistance.

## Collaboration between Governments and the Private Sector

In countries progressing into middle-income economies, assistance from the government and foreign countries has a comparatively small impact on their economies, which means that the economic activities of the private sector serve as the principal driver of development. As one method of cooperation provided to these countries, JICA will consider helping these countries promote trade and investment and technological development by utilizing the technology and experience of Japanese private companies, universities, and research institutes. Cooperation through government-private sector collaboration not only contributes to a country's development, but also strengthens its ties with Japan.

## Promoting Partnerships and South-South Cooperation

Japan has concluded separate partnership programs with Brazil, Chile, and Argentina. As partners for development, Japan and these countries are jointly providing assistance programs tailored to the needs of other developing countries.

Under a partnership program with Brazil, Nikkei (Japanese descendant) experts were dispatched to Angola in 2007 to support the Training for Capacity Building of Josina Machel Hospital implemented in the African country. JICA intends to extend cooperation to many regions in addition to South America through partnership programs.

Since South America is a region in which a common language is widespread, JICA intends to support mutual use of the excellent technology and extensive experience not only of the three countries mentioned above but also of other South American countries through South-South cooperation.

## Collaboration with the Nikkei (Japanese descendant) Communities

The history of extensive Japanese immigration is a prominent feature of South America. Nikkei, or people of Japanese ancestry, are active in many fields and contribute significantly to regional development and the fostering of friendship and relationships of trust with Japan. JICA identifies the Nikkei communities as its partners for development and pursues collaboration with them. Nikkei lend their abilities to JICA projects implemented in other countries as international cooperation personnel, and JICA intends to apply the experience of the Nikkei communities toward promoting the development of these countries.



The efforts of Nikkei are utilized in agroforestry courses. The photo shows mixed cultivation of bananas and palm trees.

## Front Line

Bolivia

### Project for Implementation of the Unified Registration of the Handicapped Person in La Paz

#### Ascertaining the circumstances of persons with disabilities and removing social prejudice

In January 2006, the administration of Evo Morales, the first indigenous person to be elected president of Bolivia, was inaugurated. Under a policy that assigned first priority to consideration of peoples who are often excluded from society, a national plan for realizing equal opportunity for persons with disabilities was established.

Before specific policies were enacted, however, unrest broke out among groups of persons with disabilities who demanded payment of benefits. As a result, a government assistance committee to consider aid to persons with disabilities was immediately set up.

However, there was another barrier to be overcome: the question of how persons with disabilities should be defined. In Bolivia, there was no registration system for persons with disabilities, and thus it was not known who was eligible to receive administrative services.

In response, JICA has engaged in various activities to address this issue such as implementing the Project for Implementation of the Unified Registration of the Handicapped Person in La Paz in cooperation with the Ministry of Health and Sports. The aim of this project is to establish a registration system for ascertaining the circumstances of persons with disabilities, understanding their disabilities from medical, psychological and social viewpoints, and then issuing cards for persons with disabilities. In one instance following establishment of the system, a person with disabilities became emotional upon receiving the card, declaring that the existence of persons with disabilities had finally been officially

recognized.

What must precede this system is the elimination of social prejudice and discrimination and the provision by the government of appropriate services, including education, healthcare, and welfare. Ideally, persons with disabilities who receive these services will be able to live as full members of society.

At the present time, JICA is also working to extend the registration system nationwide and is providing assistance for the rehabilitation and education of persons with disabilities with a view to promoting their independence.

(Bolivia JICA Office)



The first Persons with Disabilities Card is presented by the Minister of Health and Sports, a moment which represented the first official recognition of persons with disabilities. The Minister commented that the issue would not end at this point and that the government would have to accomplish many tasks (such as deciding how to provide administrative services to persons with disabilities from the standpoint of health and medical treatment).