

# Why the Quality of Growth Matter? from Japan's experiences

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1. Development landscape of today
2. What do we mean by Quality Growth?

# Theme 1:

## Development landscape of today

# 2015: a Milestone Year

2014 was 60<sup>th</sup> anniversary of the Japan's ODA

2015 is

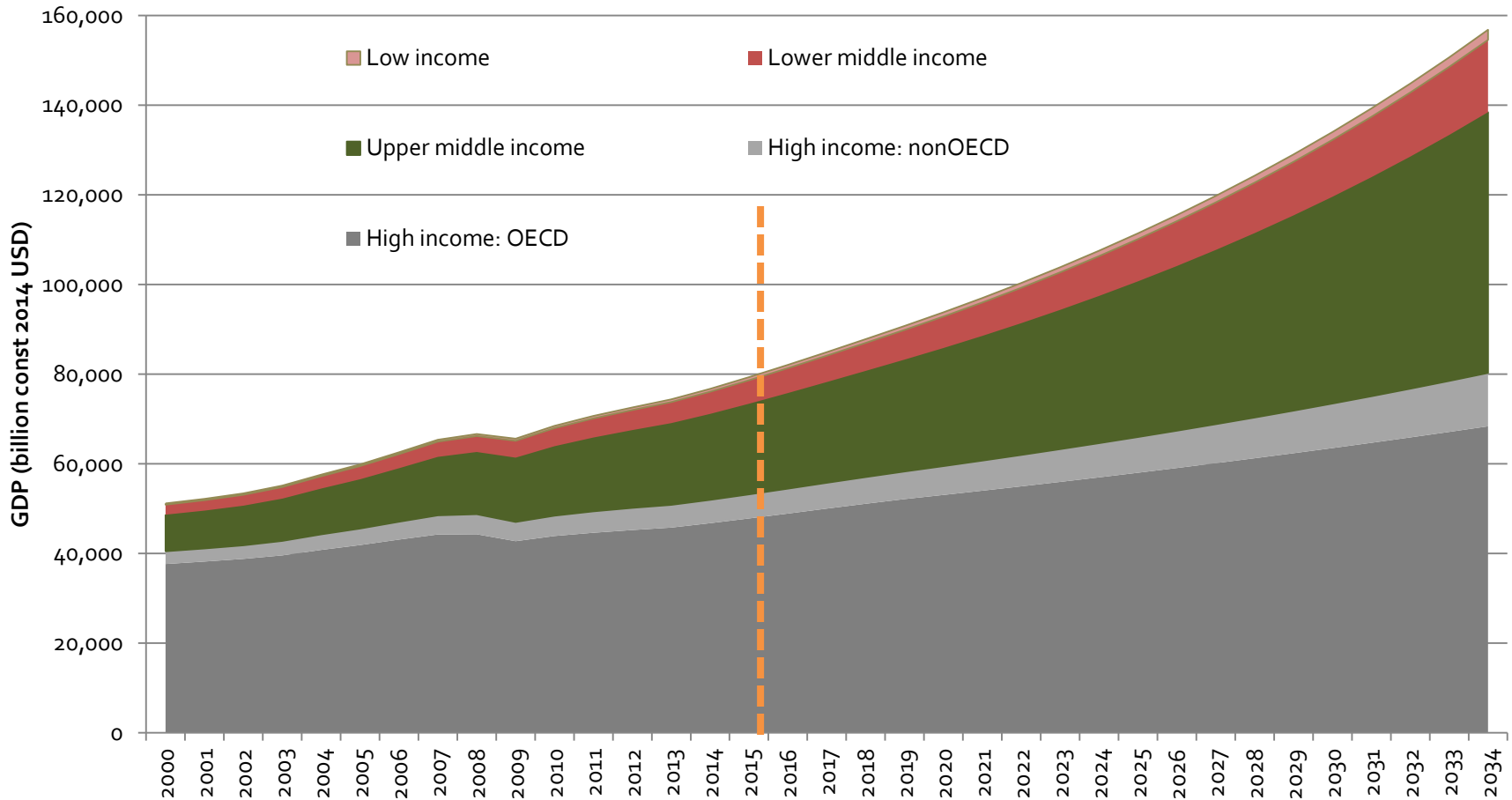
- 70<sup>th</sup> anniversary of the end of World War II
- Target year for Millennium Development Goals (MDGs)
- The new Development Cooperation Charter approved by Japanese Cabinet in February
- Launch of the Sustainable Development Goals (SDGs) on 25 September

## In the first decade of 21<sup>st</sup> Century:

- Developing and emerging economy share of global GDP rose, and is forecast to continue
- Number of low-income countries fell, but poverty in sub-Saharan Africa may continue to rise
- Growing concentration of extreme poverty in fragile states, but also persistence in middle income countries

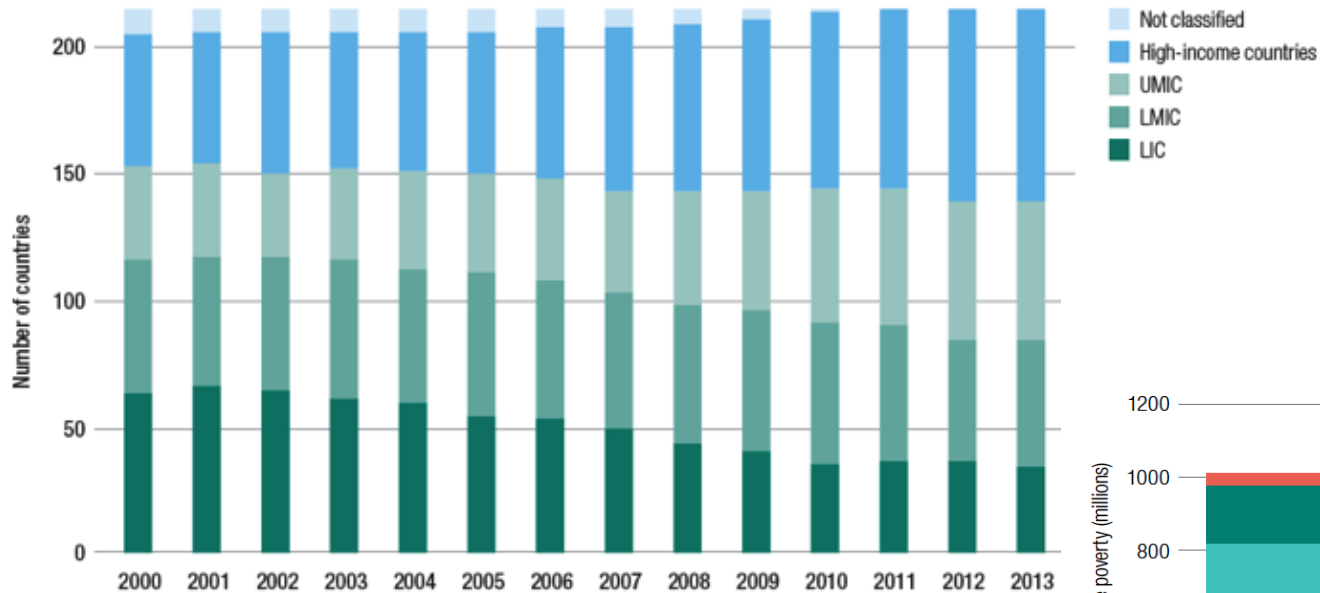


# Developing and emerging economy share of global GDP rose, and is forecast to continue

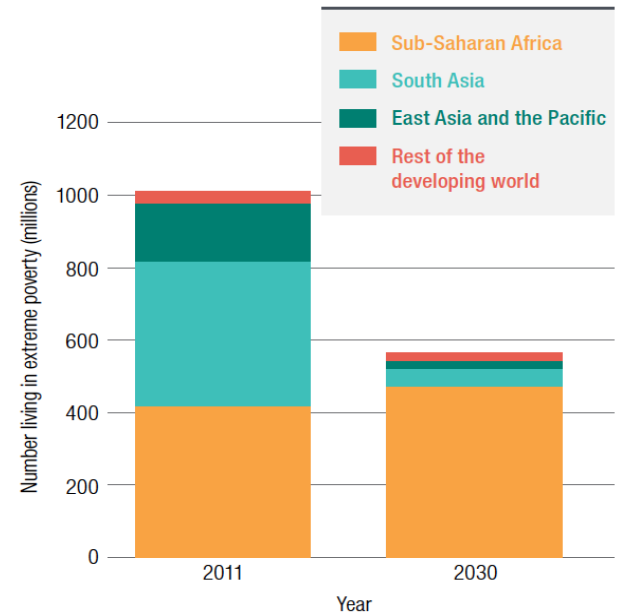


Source: Dercon, 2014

*There are now only **34** low income countries*

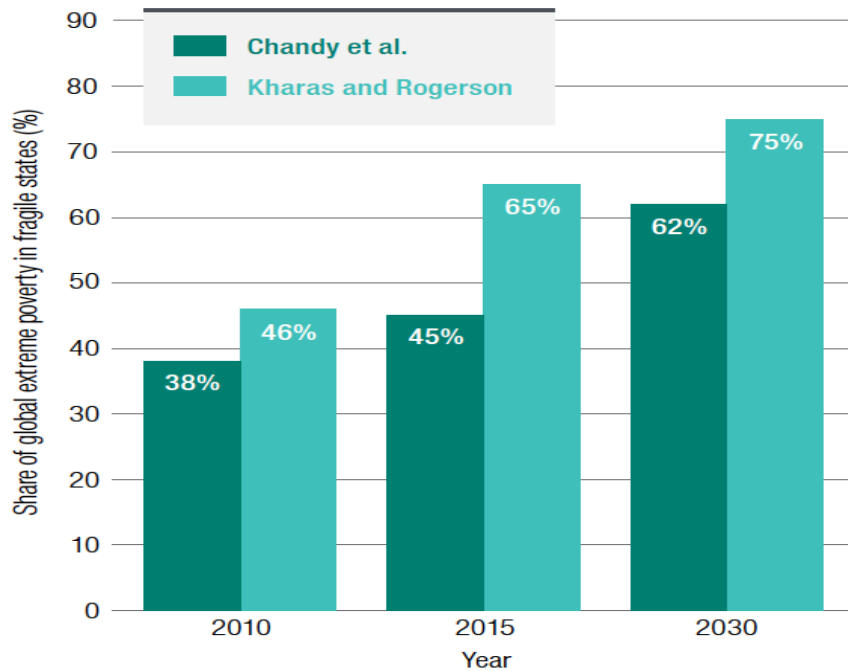


Source: Kharas et al (2015)

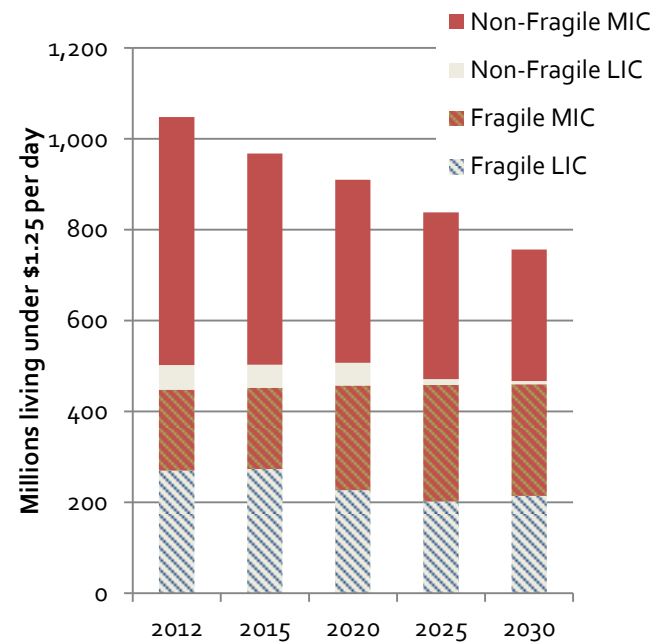


Source: Greenhill et al (2015)

# Growing concentration of extreme poverty



Source: DFID staff projections (2014)



Source: Greenhill et al (2015)



# Post-2015 development challenges

- Still more than one billion people living in extreme and hopeless poverty
- Worsening domestic and global economic disparity
- Development problems are increasingly complex and global...

Some development challenges:

Refugees/Migration

Natural Disasters

Urbanization

Pandemics

Climate Change

Food Security

Energy Crisis and more...

# Sustainable Development Goals



Source: <http://www.un.org/sustainabledevelopment/news/communications-material/>

## **Background for the new Charter**

- Development challenges are more diverse, complex, and widespread
- Increasing role of funds and activities other than ODA for development of developing countries
- Globalization

## Basic Policies

- A. Contributing to peace and prosperity through cooperation for non-military purposes
- B. Promoting **human security**
- C. Cooperation aimed at self-reliant development through assistance for self-help efforts as well as dialogue and collaboration based on Japan's experience and expertise

## Priority Issues

- A. “Quality growth” and poverty eradication through such growth
- B. Sharing universal values and realizing a peaceful and secure society
- C. Building a sustainable and resilient international community through efforts to address global challenges

## Theme 2:

What do we mean by Quality Growth ?

If we pursue the QUALITY, the QUANTITY  
of growth declines...

Is this TRUE?



## “Quality growth” and poverty eradication through such growth

- For fragile states, Japan will provide both **assistance from a humanitarian point of view and assistance designed to set the development process in motion and overcome vulnerability.**
- In order to resolve the poverty issue in a sustainable manner, it is essential to **achieve economic growth** through human resources development, infrastructure development and establishment of regulations and institutions as well as the growth of the private sector.
- Such growth should be “**quality growth**” (**Inclusive, Sustainable, Resilient**). Japan will **take advantage of its own experience, expertise and technology as well as lessons learned** in order to provide assistance to realize it.
- From this perspective, Japan will provide **assistance necessary to secure the foundations and the driving force for economic growth** as well as **assistance necessary to promote people-centered development** that supports basic human life, taking full account of the importance of human and social development.

## Three concepts from the Charter

- **Inclusiveness** (reduce disparity, empowerment of women, governance)
- **Resilience** (disaster risk reduction)
- **Sustainability** (environment, climate change)

AND

- **Innovation** (knowledge & technology)

# Inclusiveness: Community Development in Democratic Republic of Congo

Project Summary: Rehabilitation of the community road through participatory process.

- A committee consisted of representatives from relevant local villages was set up to take decisions.
- Local administration had regular meetings with the committee to move the project ahead.
- Villagers were invited to workshops to express their needs.



Community road after rehabilitation



Village workshop

# Inclusiveness : Reintegration of Demobilized Soldiers in Rwanda

## Project summary:

- Skill trainings were provided to demobilized soldiers with disabilities.
- Trainings was provided to mixed groups of demobilized ex-combatants (i.e. ex-RPA, ex-armed group etc.).
- After the training, the graduates formed associations to run their own business.



# Inclusiveness : Reintegration of Demobilized Soldiers in Rwanda

## Outcome:

- Reconciliation was promoted among different groups of ex-combatants and civilians.
- Relationship was strengthened among local government, training centers and organizations supporting people with disabilities.
- Support was expanded to civilians with and without disabilities using the know-how for the ex-combatants' training.



## Inclusiveness and Human Security

### From the Charter:

#### Promoting human security

- Human security is the guiding principle that lies at the foundation of Japan's development cooperation.
- Japan will thus focus its development cooperation on individuals - especially those liable to be vulnerable – and provide cooperation for their protection and empowerment so as to realize human security.
- Japan will also proactively contribute to promoting basic human rights, including women's rights.

# Sustainability: Cerrado



Scenery before the Cooperation for Cerrado Agricultural Development

Scenery after the Cerrado Agricultural Development



(Source : Yutaka Hongo, Senior Consultant of JICA)

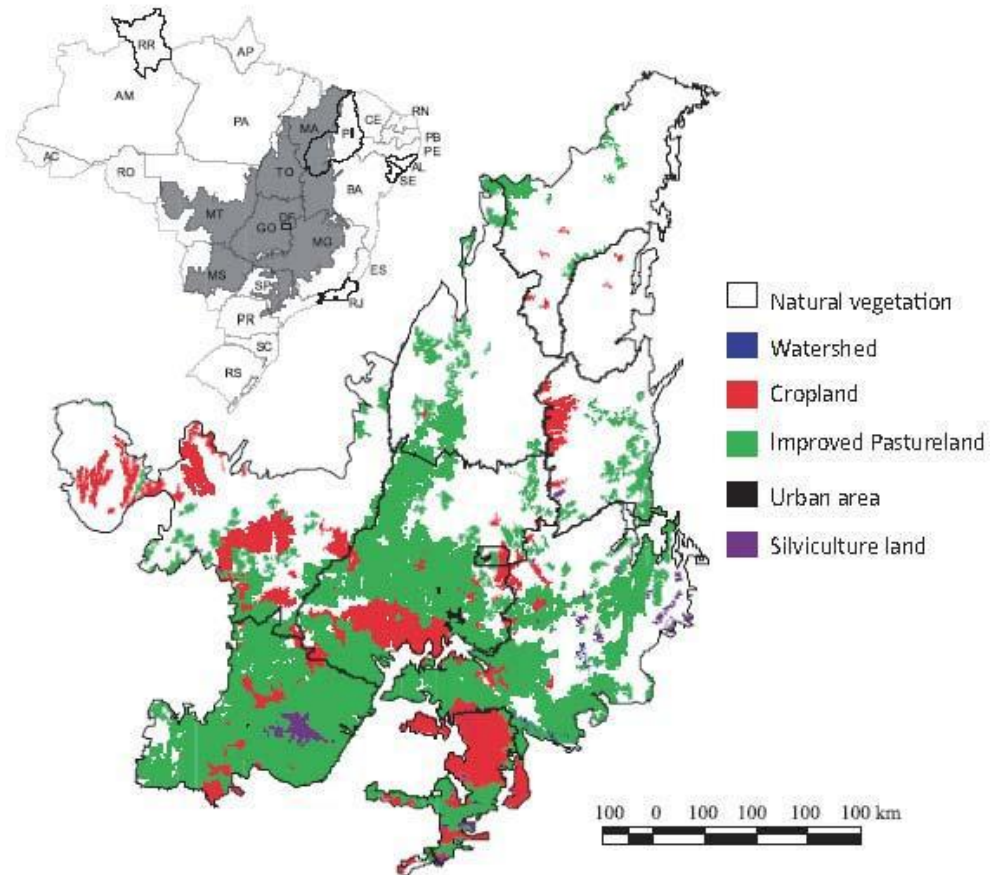
## Cerrado Miracle

- Diversification and food value chain
- New industries created jobs and enabled people to participate in the growth
- Conservation of environment



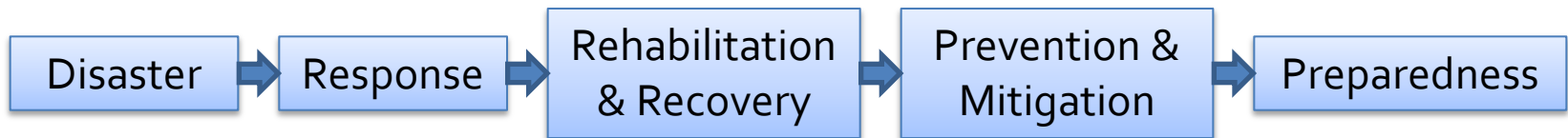
# Sustainability: Cerrado

Figure 3.14 Spatial Distribution of Land Use in the Cerrado



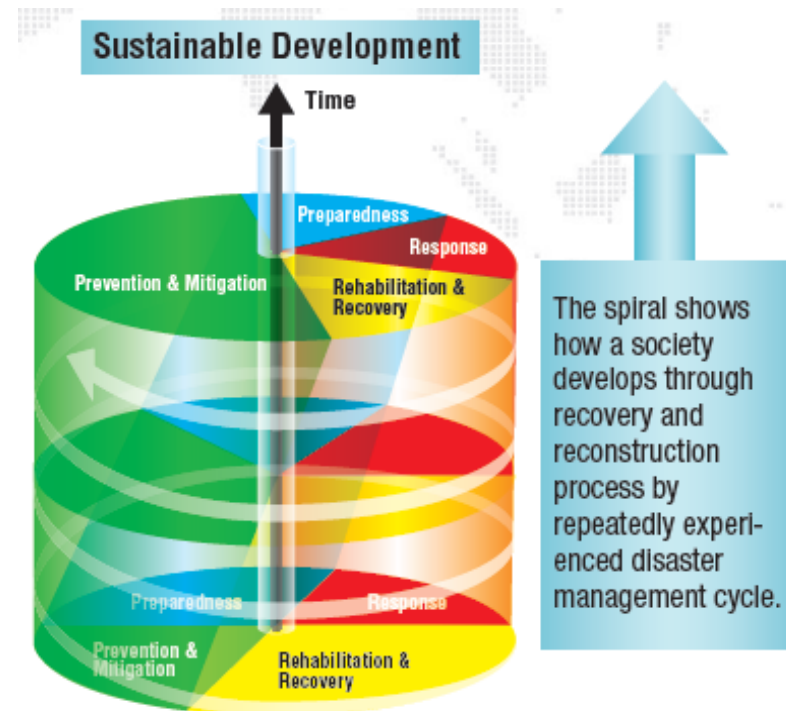
Source: Edson Eyji Sano et al, Mapeamento semidetalhado do uso da terra do Bioma Cerrado, P.153

- Disaster Management Cycle



- Recovery should aim for building “disaster resilient society”, not recovering to the pre-disaster condition.
- Use disaster as a trigger to realize disaster resilient societies.
- Break “negative spiral of disaster & poverty”, by reconstructing the disaster hit community “more resilient” not to the pre-disaster condition.

**Build Back Better**



To apply the “**Build Back Better**” principle

- Japan Disaster Relief (JDR)
- Project on Rehabilitation and Recovery from Typhoon Yolanda (Study on Urgent support)



Devastated area



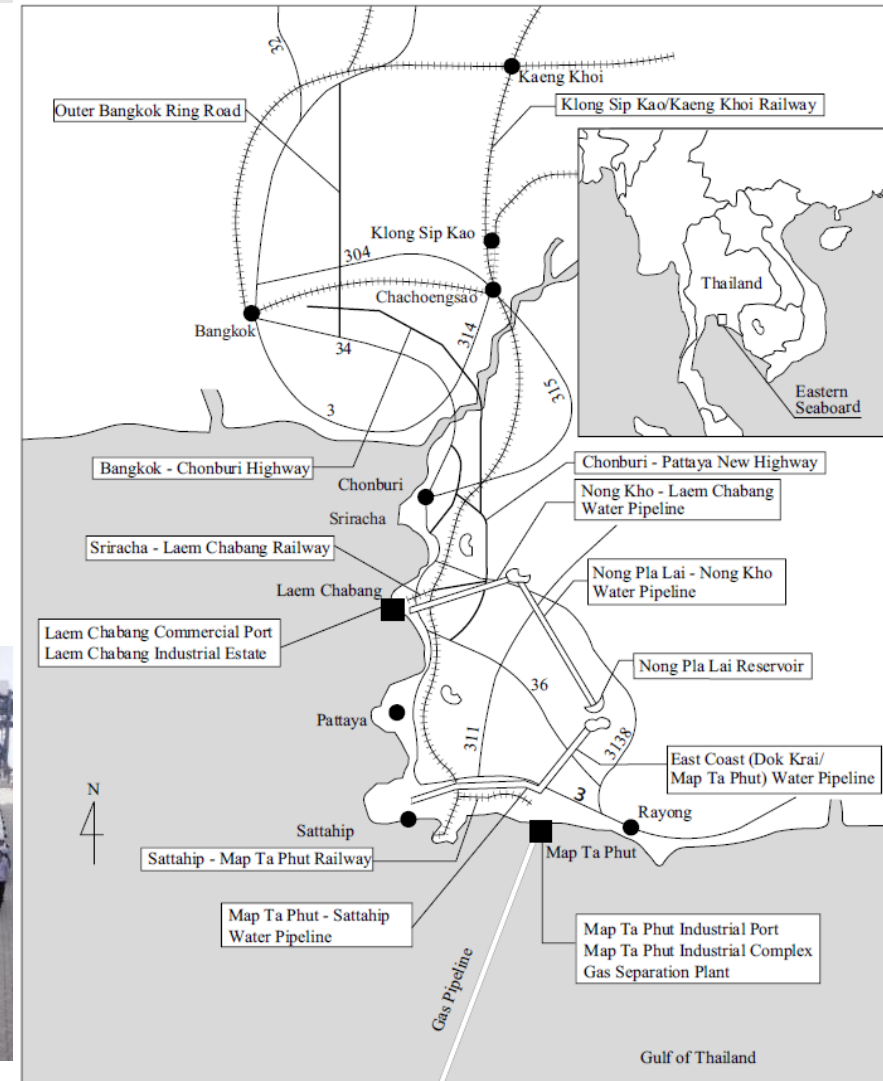
Damaged bridge by tidal wave



Activity of Medical Team

# Innovation : Thai Automobile Industry

- Japan supported Thai government's export promotion policy through the provision of Japanese ODA loans for infrastructure development (**ports, industrial estates, water pipelines** etc.) + One Stop Service of FDI approval + Industrial estates constructed by Thai developers
- Formation of export-oriented automobile industrial clusters with **360,000 job creation** ('Detroit of Asia'.)



Ariga and Ejima (2000), P4

Source : Shimomura (2014), [http://www.mitsubishi-motors.com/publish/pressrelease\\_jp/corporate/2012/news/detail4592.html](http://www.mitsubishi-motors.com/publish/pressrelease_jp/corporate/2012/news/detail4592.html) <http://pattaya-times.com/images/en/7800.jpg>

# Innovation : Thai Automobile Industry



Auto plants in Thailand include Ford-Mazda AutoAlliance (center) and GM behind it



The Eastern Seaboard at Rayong became a 'Detroit of the East' as a few global manufacturers set up factories there to make pick-ups



Factory workers

- 21<sup>st</sup> Century's economic growth should be achieved through **Quality** growth.
- What is **Inclusive** should be **Sustainable**, and vice versa. So it is with **Resilience**.  
Overarching principle is **Innovation**.
- Reality is always **on the ground**.

# Thank you.

Please visit JICA –RI website:

<http://jica-ri.jica.go.jp/>

The screenshot shows the JICA Research Institute website homepage. At the top, there is a navigation bar with links for 'FAQ', 'Sitemap', 'low bandwidth', 'For Mobile', and '日本語'. The main header features the 'JICA Research Institute' logo, a search bar, and text size controls. Below the header is a horizontal menu with links for 'About', 'News', 'Research', 'Publications', 'Events', 'Multimedia', and 'Jobs/Services'. On the left side, there is a vertical sidebar with five colored buttons: 'Peace and Development' (orange), 'Growth and Poverty Reduction' (purple), 'Environment and Development /Climate Change' (green), 'Aid Strategy' (red), and 'Research Area Overviews' (blue). The main content area is divided into several sections. On the left, there is a large image of a woman in a blue shirt and white skirt carrying a basket on her head, walking on a dirt path. To the right of this image is a blue box titled 'New Book: Preventing Violent Conflict in Africa' with a 'more >' link. Below the image, there is a 'JICA Library Portal' section with links to 'IFIC & JBICI Studies', 'The Post-2015 Development Agenda', and 'In Focus Africa'. The 'Event Announcements' section features a 'NEW' tag and details for an 'EU-JICA-UNHCR Open Seminar "Development Assistance toward a Safe and Secure Future - Building Resilient Societies against Natural Disasters"' held on November 11, 2013, at UN University. The 'Jobs/Services' section lists 'Job Opportunities' with closing dates and descriptions for 'Contract Staff in General Affairs Section' and 'Research Assistant in Data Analysis for "Interdisciplinary Study of Japan Overseas Cooperation Volunteers"'. A 'News & Topics' section is partially visible at the bottom.