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New Perspectives to Industrial Development

On February 19 and 20, 2015, the 2nd task force meeting of a joint research project with the Prof. Joseph Stiglitz-led IPD (Initiative for Policy Dialogue) based at Columbia University was held at Columbia University in New York.

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Effectiveness of Participatory School-based Management

On February 10, 2015, Ministry of Education of Burkina Faso (MENA) and JICA hosted “Joint-seminar for participatory school-based management for improving quality: findings and policy implications from three studies.”

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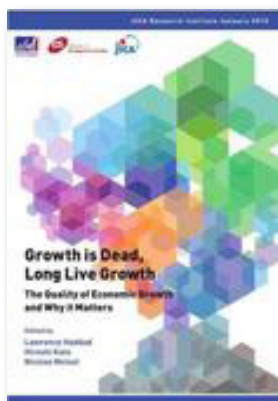


Review

The Impact of Dollarization in Cambodia

On February 18, 2015, the International Monetary Fund (IMF) and JICA held a joint high-level conference on Inclusive growth in Asia.

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Review

Publications Released

The outcome of joint research with AFD and IDS on “Quality of Growth” is published. 4 working papers including the one entitled “Toward a Theory of Human Security” by JICA President have been published.

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JICA-RI Organizes Task Force Meeting on Industrial Policy with Prof. Stiglitz-led IPD of Columbia University

JICA-RI has been collaborating on a joint research project with the Prof. Joseph Stiglitz-led IPD (Initiative for Policy Dialogue) based at Columbia University since 2008. An on-going research project with IPD, entitled New Perspectives to Industrial Development, was launched in 2014. On February 19 and 20, the second task force meeting of the project was convened at Columbia University in New York.

The authors of the study were invited to introduce the latest findings of their research. About 20 participants, including leading economists, such as Prof. Jose Antonio Ocampo of Columbia University, Prof. Akbar Noman of Columbia University, Prof. Robert Wade of the London School of Economics, Dr. Joao Carlos Ferraz of the Brazilian Development Bank, among others joined the discussion.

Prof. Stiglitz and Director of JICA-RI [Ichiro Tambo](#), in their opening remarks, stressed the importance of this study in the changing global economic environment. In this meeting, participants gave presentations and discussions on a wide range of issues of industrial policy: whether climate change and industrial policy is a tradeoff or compatible and how the Indian Development Bank has contributed to economic growth in India. Prof. Stiglitz emphasized the necessity of discussion on the roles of development banks in industrial growth and effective industrial policy for securing jobs and tackling environmental challenges.

[Akio Hosono](#), a senior research advisor, gave his presentation entitled Industry: Towards a Learning Society for Inclusive and Sustainable Development. Hosono, drawing on JICA's experiences, underlined the importance of creating a learning society to achieve quality and innovative growth building based on four indispensable pillars: Creativity, Inclusiveness, Resilience and Sustainability.



[Akio Hosono](#) gave his presentation

[Go Shimada](#), a senior research fellow, explained how and to what extent Japan's Development Bank played a role in terms of Japanese economic development after World War II.

The final findings of this joint study are expected to be published in a book edited by Prof. Stiglitz in 2015.



[Go Shimada](#)

Participatory School-based Management for Quality Education: A Joint Seminar by JICA and Burkina Faso's Ministry of Education

On February 10, 2015, Ministry of Education of Burkina Faso (MENA) and JICA hosted “Joint-seminar for participatory school-based management for improving quality: findings and policy implications from three studies.”

JICA-RI has been implementing two research projects on education in Burkina Faso. One is “Impact Evaluation Analyses for the JICA Project” aiming to review and clarify the impacts of JICA projects by applying econometric analysis to empirical data. As part of this project, JICA has been analyzing the impact of the “School for All” project in Burkina Faso, which promotes participatory school-based management (SBM). The other involves the use of the comprehensive program called SABER (System Approach for Better Education Results) introduced by the World Bank, which collects and analyzes policy data on education systems around the world, using evidence-based frameworks. By utilizing SABER, this research project aims at providing policy recommendations by analyzing the effectiveness of participatory SBM and identifying the gap between policy and its implementation.

This seminar was held to share the findings obtained through two projects with a wide range of stakeholders, and to discuss the policy implication of these findings. The event brought together around 60 practitioners and researchers including representatives of MENA, JICA experts, and delegates from UNICEF and other international organizations, NGOs and universities.

Subsequently, three presentations were given on the findings of the research projects. Firstly, [Yasuyuki Sawada](#), Professor at the Faculty of Economics, the University of Tokyo (JICA-RI Visiting Fellow) presented the result of econometric analysis on the impact of “School for All” project. In this analysis, he explained that Randomized Controlled Trial (RCT) method

was adopted in selecting the schools to establish School Management Committees (SMC) so that multi-effects of the project are analyzed quantitatively without any bias. Analysis shows the decreases of repetition rate and teacher absence, the enhancement of social capital, and promotion of community's participation in micro finance.

Secondly, Takako Yuki, who is responsible for JICA-RI SABER project, gave a presentation on the results of policy evaluation on school management in Burkina Faso. The policy decision by the Burkina Faso government to introduce SMCs nationwide, based on a pilot of the “School for All” model, has been contributing to improve the quality of education. However, it was also revealed that a disparity in each school in terms of policy implementation and the function of SMCs affects the completion rate and result of national achievement exams. Yuki underlined the need of further improvements in the implementation of policy on the ground. Finally, Fatimata Konfe from MENA and Professor Damien Lankonde of CEDRES, University of Ouagadougou gave a presentation on the results of a baseline survey for the second phase of “School for All” project, which began in 2014. They explained that strengthening partnerships with local government would further improve the function of SMCs.

These research outcomes revealed that the establishment of SMCs and improvements in their function lead to improved quality of education. In order to maximize the function of SMCs in improving the quality of education, it was suggested that the activities of SMCs reflects the outcomes of learning assessment such as graduation examinations, and that the regional network of SMC Councils should be encouraged. Participants exchanged opinions regarding the necessary policies and measures to promote SMCs more effectively and sustainably nationwide.

The Impact of Dollarization in Cambodia: Executive Senior Research Fellow Ken Odajima Gives Presentation at IMF-JICA Conference

On February 18, 2015, the International Monetary Fund (IMF) and JICA held a joint high-level conference entitled “Frontier and Developing Asia: Supporting Rapid and Inclusive Growth.” The conference brought together ministers, governors of central banks, policy-makers, and researchers from various Asian countries as well as representatives of multilateral development banks to discuss the policies for realization of inclusive and sustainable growth in Asian countries.



Ken Odajima

The conference featured sessions on fiscal policies, the promotion of small and medium-sized enterprises development, financial policies, and solutions for infrastructure needs. JICA-RI Executive Senior Research Fellow **Ken Odajima** and

Khou Vouthy, Director of the Economic Research and International Cooperation (ERIC) at the National Bank of Cambodia, gave a presentation on their joint research on the dollarization in Cambodia, entitled “Empirical Study on the Promotion of Home Currency in Cambodia” at the session on “Strengthening Capital and Financial Markets.”

Dedollarization is one of the common challenges that many Asian countries including Cambodia faces. Both the currency and the banking system were entirely abolished in Cambodia during the Pol Pot regime and the United Nations Transitional Authority in Cambodia (UNTAC) brought a massive quantity of dollars into the country in 1992. As a result, US dollars started to be used in various economic transactions in the country, which has led to dollarization in Cambodia. JICA-RI in partnership with the National Bank of Cambodia has launched surveys

to understand behaviors and motivations on the usage of dollar by households, enterprises, and financial institutions. The preliminary findings show that the dollarization is happening in financial sector and in urban cities, while the home currency (the Riel) is commonly used by small and medium-sized enterprises and outside of urban areas. Based on these findings, Odajima explained that promoting the use of home currency, aiming for dedollarization, should be guided by market principles through improving domestic payment system as well as effective currency and exchange policies.

Representatives of the national banks of Laos and Mongolia made comments based on their own countries’ experiences of dollarization. Laos, which experienced an increase in dollarization as a result of the Asian financial crisis, has made progress in dedollarization by improving domestic payment system, adjusting foreign currency reserves, and implementation of foreign exchange policies. Mongolia, where the high inflation after foreign exchange rate liberalization in 1993 triggered the dollarization, succeeded in moving towards dedollarization by introducing the law “The use of national currency for transaction in Mongolia” enacted in 2009.

Experiences and challenges faced by participating countries such as Maldives, where dollarization is due to dollar savings among households for securing an access to medical and other services in overseas, were shared at the discussion session. In the discussion, it was pointed out that balanced economic policy considering the advantages of dollarization such as the stabilization in macro economy and mitigating currency risk is important.

Related Link: [JICA Headquarters’ website](#)

A Working Paper Released

The outcome of joint research with AFD and IDS on “Quality of Growth” is published. The JICA Research Institute has published a working paper entitled “Toward a Theory of Human Security” by Akihiko Tanaka, JICA President, which sheds light on the concept of Human Security.

Book

“Growth is Dead, Long Live Growth: The Quality of Economic Growth and Why it Matters”

Editor: Lawrence Haddad, Hiroshi Kato, Nicolas Meisel

Language: English

Number of pages: 340 pages

This book is the outcome of joint research on “Quality of Growth” that JICA-RI has been conducting in collaboration with the French Development Agency (AFD) and the Institute of Development Studies (IDS) at the University of Sussex in England since 2012. As the signs of negative impact of global climate change are becoming evident, and especially in the aftermath of the global economic turndown, societies had a choice --- either reframe their definition of growth, or try to pursue it, growth as we have known it for many decades. There are many issues around policy debates on the quality of growth: job creation, equality, inclusiveness, the promotion of the resilience of growth and etc. What are the dimensions of growth quality we should most care about? How to measure such qualities? The book, a collection of papers represents an effort of the researchers of the three institutions.



Working Paper No. 91

“Toward a Theory of Human Security”

Author: Akihiko Tanaka

Summary: “Human security” has occupied a significant place in the global discourses of peace, development, and diplomacy, despite often made criticisms of its conceptual ambiguity. Arguing for the merit of a broader definition of human security, i.e. “the right of people to live in freedom and dignity, free from poverty and despair” (UN Resolution A/RES/66/290), this paper offers an interdisciplinary theoretical framework in which key aspects of human security are systematically laid out: types of threats from physical, living, and social systems; causal structures that produce threats to human security; instruments to deal with these threats; and issues of agency to protect human security. The tripartite differentiation of the sources of threats -- physical, living, and social systems -- roughly corresponds with the objects of inquiry of three groups of academic disciplines: (1) sciences and engineering based on physics and chemistry, (2) biological and ecological sciences, and (3) social sciences and the humanities.

This paper argues that a desirable theory of human security should rely on these multiple disciplines for the causal mechanisms that produce human security threats. It also contends that the theory should explore the interaction among different systems because threats to human security impact the physical, biological, and social aspects of human beings. In analyzing human security threats within the social system, this paper stresses the importance of analyzing the “collective action” aspects of human security threats. It argues, for example, the theoretical relevance of the Hobbesian “state of nature” as a condition where human security is chronically threatened socially. As to the types of measures to protect

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human security, this paper differentiates the instruments to affect the causes of the threat and those affecting the consequences. This paper argues that desirable instruments should be selected based on the analysis of the nature of the threat and its underlying causal mechanism. Finally, this paper discusses the issues of agency to protect human security: who should protect whose human security? Stressing the importance of responsible sovereign states as crucial agents to protect human security, this paper also argues that, given the global and interconnected nature of human security threats, cooperation among various stakeholders -- states, international organizations, the business sector, civil society organizations, academic institutions, and so on -- is essential."

Working Paper No. 88

"Chains of Knowledge Creation and Emerging Donors"

Author: Yasutami Shimomura, Wang Ping

This paper aims at casting new light on the possible contribution of "emerging donors," highlighting their "knowledge creation" based on the experience of receiving aid. The process of knowledge creation is examined through a model composed of three hypotheses. A new knowledge is created through the interaction between "local knowledge" and "foreign (donor's) knowledge." A new knowledge also evolves through the interaction between explicit and tacit knowledge. The created knowledge plays vital role in the aid giving of emerging donors. Authors present three in-depth case studies on China, Thailand, and Japan to explain the reality of emerging donors' activities.

Working Paper No. 89

"Spatial vs. Social Network Effects in Risk Sharing"

Author: Takeshi Aida

This paper analyzes the effects of spatial and social networks on informal consumption smoothing mechanisms within villages, or within social clusters such as family and friends. Employing spatial panel econometric models, this study extends the conventional empirical test of the full risk-sharing hypothesis to incorporate spatial and social network effects, and quantifies the diffusion of income shocks in each network. Estimation results based on household survey data in Southern Sri Lanka show that consumption smoothing performs better in spatial networks than in social ones, because income shocks defuse more effectively among neighboring households.

Working Paper No. 90

"The Impact of Training on Technology Adoption and Productivity of Rice Farming in Tanzania: Is Farmer-to-Farmer Extension Effective?"

Author: Yuko Nakano, Takuji W. Tsusaka, Takeshi Aida, and Valerien O. Pede

This paper investigates the impact of JICA training on the adoption of rice cultivation technologies and productivity in an irrigation scheme in Tanzania. By using a five-year panel data set and spatial econometric techniques, it was found out that non-trained farmers learned new technologies from trained farmers through social networks and by observing their plots. As a result, the paddy yield increased.



Photo: Osamu Funao/JICA