

Thirty Years of Japan-Bangladesh Relations: Performance, Impact and Direction

KEYNOTE SPEECH

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Introduction:

Despite asymmetry in status and economic power, Japan-Bangladesh relations illustrate successful and harmonious relations between a developed and a developing country. It is unique that during the past three decades, Japan and Bangladesh have consistently maintained friendly and productive relations despite regime changes in both countries. This signifies the common goals that the two countries share in political, strategic and economic spheres, as well as the legacy of Japan's sympathy for the people of Bangladesh who struggled to achieve their independence with enormous sacrifices in blood and gold. The birth of Bangladesh, and subsequently strategic-diplomatic considerations, thus provided the dynamics of core of relations between Japan and Bangladesh. This core was built on economic assistance (ODA) and to an extent trade and investment. It was only since 1990 that the relations between the two countries began to diversify. Today Japan's impacts are clearly visible on almost all aspects of Bangladesh society - economic, cultural and political.

Objectives of the Study:

This research-cum-survey was conducted on some focus groups of people both in Japan and Bangladesh to find out their dominant perceptions relating to what extent Japanese help and assistance over the years were optimal or productive; how far this large assistance amounting to almost US\$ 200 million annually on the average was utilized for the development of critical sectors of the economy; what were the major constraints for the effective utilization of aid; and what impact they made on the attitudes of the people for the future prospects of Japanese aid, and in what direction the economic assistance and other relations will shape up in the coming years. Thirty people were interviewed in Japan belonging to intellectuals, government officials, students, business community, politicians and ordinary citizens. Similarly thirty persons were interviewed in Bangladesh of the same categories in order to determine their perceptions on a series of questions relating to Japan- Bangladesh relations on various dimensions over the years. On the basis of the findings, the future directions are suggested. The full report will be in the form of a book incorporating data, information, major findings and suggestions.

Performance and Shortcomings of Relations:

Political and diplomatic arenas

The relations between Japan and Bangladesh were shaped in the past three decades, to a considerable extent by economic assistance and trade orientations. Although historically political and strategic considerations also played an important role when 'a solid foundation of lasting friendly relations' in 1973 was laid down. Since then, the exchange of visits by heads of governments, ministers, parliamentary leaders, political missions and foreign policy managers contributed to the friendship and communication between the two countries. In this context, the contribution of late Mr. Takashi Hayakawa, the founding President of Bangladesh - Japan

Friendship Society and a special envoy of the Japanese government was most noteworthy. He was an influential parliamentarian who developed “love and deep sympathy” for the people of Bangladesh and lobbied throughout his life for the cause of Bangladesh.

Economic Performance

As a country that renounced the goal of military supremacy and nuclear power, Japan has been trying to create a desirable international community mainly through economic cooperation and cultural bonds. Japan's ODA policy towards nations in South Asia is based on a general perception about the region that centered on: high rate of population, low literacy, poor infrastructure, inequalities in income, and bad governance of the countries. It is in this context and encouraged by democratization of these countries in the 1990s that Japan began to give new priorities to Bangladesh. In fact, it was from 1992 that Japan became the largest donor for Bangladesh and is continuing to keep that position till today. The success of Japan-Bangladesh relations are symbolized by a series of monumental friendship bridges including the Jamuna, massive assistance in power and telecommunication, and establishment of fertilizer factories in addition to host of other social sector development contribution.

Implementation constraints

An evaluation was made on Japan's development assistance over the past three decades in terms of respondent's perception both in Bangladesh and Japan. Most of the respondents were happy over the performance of Japanese aid, technical assistance and cultural cooperation. But almost all people indicated that the impact of the vast aid was less than optimal. The reason was the lack of capability of the Bangladesh government's institutions that handled or implemented the aid. The implementing agencies of the concerned ministries and the External Economic Relations Division suffer from complexities and weaknesses in aid coordination – from its inception to final implementation. The less competent organizational framework and weak project implementation process - to evaluate and monitor a large number of programs - often led to less optimal results. While Japan's aid has been of high quality, the capacity of aid utilization needs substantial improvements in the future. In this context, the “medium-term” project and program formulations have to be increased and efficiently implemented.

Emphasis on infrastructure and new priorities

There are some concerns that Japanese aid has been concentrated mainly in infrastructure sector. The impact of such aid has been good, but less optimal because of disproportionate emphasis on this sector. It was also indicated by most Japanese that I interviewed that they wished to give priorities to social sectors like health, poverty reduction, environment, disaster management, and education. They also preferred to provide more assistance to grassroots organizations (NGOs), research institutions, hospitals and local governments. Many Bangladeshi respondents also suggested that the Japanese aid would have made more impact on Bangladeshi society given its size if it could be channeled in critical social sectors, and in areas of institutional capacity building for effective governance including local levels, human resource management and poverty reduction.

Social sector development and technical cooperation: Role of JICA

The role of JICA was also examined in this context that obtains 10 percent ODA grant for technical cooperation. The JICA administrators emphasize on the institutional and cultural factors that constrained the full utilization of their cooperation. Lack of ownership by governmental institutions is a serious problem, ‘Bangladesh has efficient officers as persons, but they often lack national interest in view, and work in a weak institutional framework. These seriously constrain national goal achievements. The technical cooperation provided by Japan also suffers from lack of cooperation between public and private sector. Too much donors’

involvements also complicate aid efforts for achieving targeted goals. The future direction of JICA's efforts in vital social sectors should be on medium-term planning and implementation. The responsibility of Bangladesh civil servants needs to be clearly located and fixed, and their capacity development be undertaken and utilized for the realization of ideas and goals of the planning process. The culture – meaning political culture of Bangladesh at all levels needs to be more compatible with development dynamics. Divisive culture and personal interests should pave the way for social cohesion and nation interests. Only then, the aid ownership and its full potential can be realized.

Trade and Investment Shortcomings:

There is no denying the fact that Japan moved away from its purely 'commercial interests' to more liberal ODA policy, trade concessions and investment opportunities. In case of Bangladesh, this is very clear, Japan's aid quality is high in form and kind, and Japan would also like to expand trade and investment relations with Bangladesh on mutually beneficial terms. This was also illustrated by the recent exemplary move by Japan to write-off Bangladesh's past 'debt' to the tune of US \$ 1.46 billion so that Bangladesh could use it for poverty reduction purposes and social sector development. While the trade relations between Japan and Bangladesh continued unabated since the early 1970s, there has not been any significant improvement in volume and terms of trade between the two countries in the past three decades. The total volume of trade peaked US \$ 600 million. In other words, Bangladesh continued to have large negative imbalance of trade, imports constituting many-fold times than the exports, and there has not also been significant increase in volume in real terms. While most of the respondents emphasized the need for greater trade relations, it proved difficult for Bangladesh garments, leather products and frozen foods to enter Japanese markets because of the stiff competition from other countries, including China and Southeast Asian countries.

Poor investment climate

Bangladesh's high priority to attract Japanese investment has not been matched by the creation of congenial infrastructure facilities, and administrative and political climate. Therefore, despite huge potential for Japanese investment in Bangladesh as an economic base' in South Asian region, Bangladesh so far failed to realize its 'high priority'. Most of the people interviewed expressed a sense of despair that Bangladesh could not win Japan in this crucial area of relations. Japan has already made a huge commitment as BOI data shows, but actual investment is yet to be made in substantial kind. Therefore, a serious gap exists for any realistic expectation of Japanese investment in Bangladesh unless there are some fundamental changes in the governance of the country – in terms of administrative efficiency, combating corruption, improvement in law and order and public-private sector collaboration. Continuity of policy and political stability are two important factors for attracting Japanese investment. These are conveyed to the successive governments, but in reality the situation did not change so far – that worries Japanese investors.

Bangladesh's "Look East Policy", therefore should be made more meaningful to fulfill the conditions needed – that is to create an effective and transparent governance framework in Bangladesh. It is in this context, Japan should extend necessary help in improving governance institutions and leadership potential of professionals and bureaucrats, although the task has to be done mainly by the domestic political forces and national commitment. After all, economic development and foreign policy effectiveness of a country depend largely on the strength of a nation's internal political dynamics, unity of purpose and efficiency of people at various levels, and accountability of the administrative structures of the state.

Future Directions

No doubt, the relations between Japan and Bangladesh survived more than thirty years with constructive engagement in many fields. The present global situation brought new imperatives for Japan as well as for Bangladesh in terms of responsibilities and challenges to forge ahead. The long-economic recession in Japan, new ODA priorities, emphasis on grassroots organizations, particularly in human resource development, and new global security environment and economic competition are going to make significant impact on Japan's relations with 'West Asian' countries including Bangladesh. A strong perception has emerged from this study that new structures of relationship, and re-routing of cooperation along these new structures are needed at this juncture of Japan-Bangladesh relations. Identification of main changes in global and regional order needs to be done so that Japan-Bangladesh relationships can be adapted to that context. In the 1990s, Japan responded to the imperatives of a new global order based on democratization and sharing of responsibilities of the developing world as the No. 2 power in the world. Today, Japan expects more mutuality of interests that is contingent upon continuity of a recipient country's policy as well as change that can rebound to the interests of both partners. It is in this context, how far Bangladesh could provide a 'stable platform or 'base' for pursuance of such economic and security interests for Japan? Although it is difficult to answer the question at this point of time, much depends on the positive answer to the question. There is absolutely no doubt that trade, investment, cultural, educational and tourism will determine the future dynamics of Japan- Bangladesh relationships. Of course, Japan will promote pro-poor policy and 'self-help' assistance to Bangladesh to succeed in its poverty reduction strategy. This is because of Japan's deep sense of responsibility, commitment and long-growth and stability of Bangladesh.

In fact, Japan's vision of building network of economic relations and development cooperation hinges on a broader perspective both in terms of economic cooperation as well territorial coverage in terms of regional and inter-regional cooperation. In this context, Japan wants Bangladesh to become a well-governed society where poor are not marginalized, and national determination grow to achieve economic development through building up of democratic institutions, and remedying bureaucratic pathologies. It is our responsibility in the future to create a new generation of professionals and leaders in various fields who can appreciate Japan's unique beneficial role for Bangladesh, and can also become responsive to its legitimate interests in economic, diplomatic and security arenas. In the course of conducting this study, many people expressed their frustration that Japan's impact has not been commensurate to her contribution to Bangladesh in the past three decades. Bangladesh has not also been responsive enough to accord higher priority to Japan.

The Bangladesh government, particularly the Ministry of Foreign Affairs should extend more cooperation to good initiatives by 'think-tanks' (like JSC, JUAAB) and other private organizations to promote Japanese studies, including language and exchange of persons for greater understanding. The gaps in information and understanding should be addressed at various levels of interactions. In my encounters with scores of Japanese of various professions and ordinary citizens during the survey, I was overwhelmed by the desires of so many Japanese people to have more information about Bangladesh. They expressed their interest to come to Bangladesh as tourists, and to know more about the country. It is in this context, it is my expectation that the government should set up a 'Bangladesh Chair' in a good university in Japan for greater dissemination and understanding of Bangladesh among the Japanese people.

We have a large number of students now in Japan, currently almost 1000 – the highest from South Asia. They can play a tremendous role in creating a good image and understanding of Bangladesh if facilitated and coordinated. The Bangladesh Embassy in Japan should also be invigorated in the art of new diplomacy that is termed recently by Harvard Professor Joseph Nye as "soft power".

My overwhelming impression based on this survey and my twenty years of personal involvements with Japan as a scholar, that there is an enormous good will for Bangladesh among Japanese people. We need to tap that good will to use it for our national interest.

There is hardly any doubt that if we have to strengthen our foreign policy and diplomacy, we have to improve our image abroad. This is relevant for any foreign country, but more so for Bangladesh in the context of people of Japan who were historically 'exclusivists' in nature. We have to read their mind. The Japanese people overwhelmingly think about Bangladesh as 'less secure', 'poor' 'too difficult', 'disaster-prone', too complex and unpredictable. It is heartening to note that the number of people who think about Bangladesh as positive and has good possibilities is on rise. It is at this crucial juncture, I think we should not be too complacent about Japan, we must develop 'critical thinking' and effective strategy to accomplish our goal in improving relations with Japan. I take this opportunity to urge the Honorable Foreign Minister – a long and committed friend of Japan, to contribute to greater engagement, and more dense relations with Japan from his vantage point. He should emphasize in his foreign policy framework on the diplomacy of 'soft-power' of Bangladesh through greater exposure of its culture, education, democratic institutions and social resilience, and religious tolerance, in order to win Japan. At the same time, Japan needs much more recognition and greater appreciation for what she has done for Bangladesh over the past three decades.

It is painful that there still exists a large gap in our understanding of Japan that needs to be bridged. I would therefore urge the distinguished guests particularly today's special guests, to encourage institutions that are working for the understanding of the great civilization of Japan, its politics, culture, society and economic success. In conclusion, I think that we have to prioritize our national agenda of development in the context of greater engagement with Japan in a peaceful, democratic and orderly Bangladesh, and in harmony with the neighbors of our region in an emerging new global order.

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