

## **Japan's Strategic Development Cooperation**

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### **Abstract:**

Japanese development cooperation policy through the Japan Bank for International Cooperation (JBIC) has historically been rooted in the ideals of mercantilism, setting it apart from the conventional development finance approaches of Western countries. Donors from Europe and the United States were traditionally perceived as non-commercial, concessional entities without business interests, distinct from commercial lenders. In the 1970s, Japan's mercantilist development finance policy faced significant criticism from Western societies, prompting a shift towards reassessment and more concessional lending.

The 1950s, when Japan's development cooperation policy began, overlapped with war reparations initiated to support the strategic goals of the United States, playing a crucial role in strengthening the economies of Southeast Asia. The expansion of Japan's development assistance can be seen as a reactionary response, shaped by war reparations aligned with American strategic interests. The evolution of Japan's development cooperation policy through JBIC, a key player in Japanese development finance, has been influenced by legal reforms and domestic and international factors. Understanding the reactive nature of Japan's approach requires insight into the historical changes accompanying JBIC's law revisions.

This paper aims to explore Japan's government-led development cooperation policy, focusing specifically on JBIC, an aspect that has not received much attention in academic research. By reflecting on the history of JBIC's support, evaluating its alignment with the Indo-Pacific vision and national security strategy, the paper discusses an appropriate approach to Japan's distinctive style of development cooperation.