

Japan's New Assistance Program to Mongolia

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1." The foreign Economic Cooperation Council " discussed the foreign assistance policy of the Japanese government and drafted before. Now " the ODA General Strategy Conference " discuss and draft. I have reviewed about previous " the Mongolia aid "(1). This time I review Japan's Country Assistance Program to Mongolia drafted at November 2004(2).

This Help Plan was drafted by Marokimi Hanada, former Japanese Ambassador in Mongolia who was chief investigator and other organizations. Hanada says that as Mongolian policy is concerned, the people in each area participated, and did hot discussions and (they) gathered one document up(3). Frankly speaking, it is minuter than the previous one. Surely, the previous one had been written by the several members of Foreign Economic Cooperation Council, which was crude.

2. " Japan's Country Assistance Program to Mongolia drafted at November 2004 " consists of two parts. One is Mongolia's present situation analysis and another is the description of the help contents.

" The help plan " is analyzing " the development plan of the (Mongolian) government " (Page 12 - 14). According to it:

(a) Principles:

- Drastic economic reform and economic growth through exports
- Respect for and preservation of education and culture
- Improvement of living standards by promoting efficiency of income distribution, and amplification of social welfare by developing an effective system
- Implementation of the regional development concept and reduction of the gap between rural and urban areas;

(b) Sector-specific policies:

A. Social policy: provision of basic education and vocational training, health promotion through top-quality medical and preventive care, art and culture based on unique Oriental characteristics and its global worthiness, promotion of science and technology, improvement of wealth and income distribution mechanism and reduction of the gap between the rich and poor.

B. Economic policy: macroeconomic stabilization, development of sound fiscal and banking system, pursuance and promotion of efficiency of privatization, revitalization of domestic industries and promotion of exports, strengthening the mining sector, stemming the decline of the livestock industry, tourism development, and development of rural infrastructure.

C. Regional and rural development policy: rural-oriented taxation, investment and credit policies, and rural development of respective five blocks of the country.

D. Environmental policy: eco-friendly economic growth, precisely defined civil rights and responsibilities related to the utilization and protection of local natural resources.

E. External policy: crime prevention in border areas, development of good

neighborly relations with Russia and China, strengthening and extension of the comprehensive partnership with Japan, strengthening of relations with the Asia-Pacific countries.

F. Strengthening of governance, public order and discipline: efficient implementation of policies, effective public services for citizens, strengthening of governance including development of law and order, improvement of public service accountability and eradication of corruption, bribery and crime through drastic legal reform and improvement in law enforcement.

As for " the Help Plan ", it assumes that this is " the poor reduction which is due to the sustainable economic growth ". However, it isn't possible to read this as being " the sustainable economic growth " plan simply.

Enkhbayar administration (2000-2004), putting up wiping out the maladministration and corruption of the former " Democratic Union administration " (1996-2000), made the ultimate absolute majority of 72 seats in the State Great Khural (Parliament) among 76 members. Enkhbayar appeared as dashing as " Blair on the grassland "(4)

Enkhbayar, chairman of The Mongolian People's Revolutionary Party, reported at this party's small conference (the executive committee meeting) on July 17th, 2000, and clarified the build of the next term administration. According to it:

The implementation of the Mongolian People's Revolutionary Party election outline

The healthy-ization of the bank monetary policy

The proper-ization of the customs duties and the taxation system

The domestic industry upbringing

The small and middle business support

Making out of the work opportunity

Electrification of an agriculture and stock raising industry

The making public of a budget

The reducing of the learning and the medical expenses

The maintenance of the market economy system

The sightseeing industry upbringing

(5) That is to say, the next term government policy outline is based on the Mongolian People's Revolutionary Party's election outline, correcting errors of the ex- administration, and " the maintenance of the market economy system " and " the sightseeing industry upbringing " were added to it(6).

This government policy outline (2000-2004) was as follows:

The economic growth

The exportation promotion

The education culture development

Society security's fullness

The correction of the gap among the district and the city, the area development

Mongolia's special-ness consideration

1. Social policy

The basic direction of the social policy is to promote the development of the human being and to be in the improvement of the public welfare, the provision of the society service, and eradication of the unemployment and the poverty.

2. Economic policy

It makes macro economy firm and it aims for the economy to be stable mainly in the exportation promotion and private ownership. It develops a mining industry, a pasturage industry, exportation promotion, and a sightseeing industry. It makes an economic growth rate 6 % by 2004.

3. Regional policy

The capital investment and the settlement policy which is based on the regional development conception

4. Natural environment policy

The ecology protection

5. National defense policy

6. Administrative confusion removal, Morale control (7)

That is to say, though this government policy outline follows the IMF policy of the economic growth celestial principle, it is "centre-left" policy which aims at the third way. For example, it pursues the education culture development, society security's fullness, Mongolia's special-ness consideration, and administrative confusion removal. It is different from IMF policy.

However, the Enkhbayar administration changed the action policy suddenly. The US World Trade Center Building collapsed on October 11th, 2001. Prime minister Enkhbayar talked with American president Bush after the speech at the General Assembly of UN on November 11th, 2001. At the meeting, he opposed the terrorism which is based on the Islam principle and requested investment increase from the U.S..(8). He makes this interview a border and works out a policy of " privatization of the land ownership " (the enforcement on May 1st, 2003) and so on. This was sudden conversion into " the economic growth " policy. But it is not from the beginning.

Moreover, this " the economic growth " policy brought about the expansion of the difference of the poverty and wealth.

Therefore, at the State Great Khural (Parliament) member election in 2004, " Motherland and the democracy " Union declared an election campaign, promising " furnishing children with 10,000 Togrog every month " , which was the catcher phrase for cancellation of " the expansion of the difference between the poor and the rich ", used the tactic which is approximate in the election violation, and made 72seats of MPRP into 37 seats, which reduced approximately by half. That was the actual victory by " Motherland and the democracy " Union. This was accompanied by the cause which produces offshoot " the tradition, the innovating - the democracy, the justice " group inside MPRP.

" (sustainable) economic growth " was not one from the first, and " the poverty reduction " wasn't realized and the difference rather expanded.

In other words, " the Mongolian present situation analysis " which is described by the Help Plan isn't based on the fact.

This Help Plan is being described as follows about the help contents to Mongolia:

Ever since the establishment of diplomatic relations with Mongolia in 1972, Japan has made steady diplomatic efforts and has provided assistance of approximately 6 billion yen by 1990.(p.14)

In 1991, Japan provided emergency assistance to help ease the confusion caused by the political and economic transition. Since then, Japan has actively supported Mongolia as the top donor, taking the following points into consideration: mid- to long-term development needs of Mongolia centered on economic infrastructure such as energy, communication and transport (railways, roads), human resource development and institutional building necessary for smooth transition to a market economy, promotion of agriculture and livestock industry, basic needs for living such as education, healthcare, water supply and food aid.(p.14)

(However), there are some projects that could not be fully utilized as the management system for the assisted facilities collapsed due to the hasty transition to a market economy. There were other projects for which the results took extra time to materialize, due to financial difficulties and lack of maintenance costs on the Mongolian side.(pp 14-15)

In this way, it admits that there were " some " helps which didn't encounter the actual condition of Mongolia, too.

What was the help which encountered?

" The Help Plan " describes as follows:

The following are a few examples of assistance which are very highly regarded within Mongolia. For infrastructure, among the popular projects are establishment of the earth station for satellite communications, construction of cargo reshipping base at the China-Mongolia border, road construction, refurbishment of the 4th thermal power station, provision of urban buses, extension of school buildings, and provision of diesel generators to the rural areas. For emergency aid, food aid, food production aid, and provision of shortwave radio through an emergency grant are highly appreciated. School refurbishment projects are popular under the grant assistance for grassroots projects scheme. Human resource training in the infrastructure sector, specifically for staffs of the 4th thermal power plant, the bus company and the Darkhan Steel Company received high marks.(p.14)

That is to say, 1)establishment of the earth station for satellite communications and shortwave radio, 2)construction of cargo reshipping base at the China-Mongolia border, 3)the blacktop road construction, 4)refurbishment of the 4th thermal power station and human resource training for staffs, 5)provision of urban buses, 6)enlarging and repair of school buildings, 7)provision of diesel generators to the rural areas.

As for helping total sum of the 140,071,000,000 yen until 2005 from the tax of Japan people, it will not be the satisfactory result.

The first reason of this unsatisfactory result is that Japan's help doesn't suit the actual condition of Mongolia. For example, Hanada himself says that the Japanese company-support-factory took part in the failure of the heating organization privatization which was done by the powerful pressure of the certain country in Khovsgolno(i.e. Khovsgol)(9).

Secondly, the middle exploitation by both the aid-side and the aided side is pointed out(10).

Therefore, it says that it decides the emphasis field and that it aids with it in the future. These fields are as follows:

the overall goal of Japan's assistance to Mongolia is to support Mongolia's self-improvement efforts toward poverty reduction through sustainable economic growth, and in order to achieve this goal, the intermediate goal is to bring about a general economic uplift in the rural areas and absorb surplus labor of the livestock industry in newly created jobs in other sectors.(p.17)

Based on the direction mentioned above, Japan's assistance to Mongolia for the next five years will have the following four priority areas:

1. Support for institution building and human resource development necessary for promoting a market economy.
2. Support for rural development (support for certain model development areas centered on regional development hubs, revitalization of pasture, livestock breeding and farming.)
3. Support for environmental protection (preservation of the natural environment as well as appropriate utilization of natural resources, and measures against environmental problems in Ulaanbaatar).
4. Support for development of infrastructure to promote economic activity.(p.17)

As far as the present situation analysis is mistaken, the actual help is unsatisfactory, it doesn't suit actual condition, and the cause lies behind the side of Mongolia which is helped, the effect is doubtful as before mentioned.

Therefore, as for " the help plan ", it gives " Matters to keep in mind in assistance to Mongolia " (pp.21-22) ".

That is 1) Policy dialogue, 2) Aid coordination and partnership with other donors and NGOs, 3) Considerations for environmental and social aspects, 4) Evaluation for effective implementation, and others.

However, these things are not to have limited to any help. It will be the basics when each group does mutual understanding. Rather, there is not to have shown these so far as much as the wonder.

Moreover, illusion to Japan's help is combustible to the Mongolian by them and they swell it.

Furthermore, it is said that " the help " for Mongolia was a whole aid so far(11).

Actually, the sum of Japan's help decreases(12).

There will be a reaction when this " illusion " is defeated without being able to be ignored.

3. In this way, I lean on " Useless Assistance " theory. First, the help of the Japanese government doesn't reflect actual condition for the defect of the present situation analysis. For example, Mongolians put nonconfidence to the continuation of the policy of the Enkhbayar administration actually and the M.Enkhbold administration was formed, who managed to incorporate a socialistic policy. M.Enkhbold was expected to succeed to Enkhbayar's policy. But because of the situation of the Enkhbold administration's formation, he was compelled to convert the policy. He cannot help implementing policies which IMF(13), WB(14), ADB dislike. Those are " 13000 togrog for children a month ", " salary of civil servants 1.5 times " and so on.

Secondly, in Mongolia, the rise of the nationalism is seen. In the aspect of the politics, " the National Party " (November 30th, 2005, party leader Gundalai), " the National New Party(May 19th, 2006, party leader M.Enkhsaikhan), and civil movements which declare repulsion to the politics corruption, the arraignment of the poor difference and so on, was born. For example, " Citizen Movement for the Healthy Society ", " The radical reform " Movement, the " Soyombo " Movement, " Our Mongolians' Place " Movement and so on, furthermore, " Dayar Mongolia (all Mongolia) " Movement which have an antiforeign idea, or Nazism, emerged. This trend is getting constant support of the Mongolian people. Economically, the claim of mineral resources to the nation, becomes strong and The trend which demands the cancellation of the mineral resource mining concession is rising.

These are opposed to Japan's assistance(15).

Furthermore, " the Help Plan " presupposes Mongolia which proceeds with " the market economic-ization ". However, it only passes transiently if seeing it from the history in Mongolia. The Mongolian society to have the public ownership of the means of the production such as the land shifted to the socialism (but a Mongolian type). The capitalism like Japan doesn't match this society.

When reviewing Japan's aid for Mongolia to the details, there is a side of the preparation for the Japanese company's advance.

Japanese government supports " Millennium road " project financially. It is the Asian EC version in the future. It is possible to tie it with Tumen River through the river from eastern Aimags in Mongolia(16).

The repair of the railroad is for the smooth transportation of goods by the Japanese company today and in the future.

The 4th power plant repair at Ulaanbaatar comes from need in case of life of the

Japanese corporation.

Trainings in Mongolians are indispensable for the Japanese companies to come in.

4. If it is necessary to help Mongolia, it is necessary to convert into the help by the NGO as " the help plan " says.

Moreover, It is required that JICA should be substantially reduced, such organizations as Mongolians seek truly should be focused on, organizations which intervenes between the middle should be excluded, and cultural relations should be centered.

(Note):

(1)<http://www.aa.e-mansion.com/~mmurai/> M.Murai, Special Features about Japanese Aids-Decision-Process to Mongolia and Its Problem

(2)Ministry of Foreign Affairs, Japan's Country Assistance Program for Mongolia, November 2004 (mongolia0411)

(3)Ministry of Foreign Affairs, The 17th ODA General Strategy Conference Minutes, September 2004. <http://www.mofa.go.jp/mofaj/gaiko/oda/kunibetsu/enjyo/mongolia.html>

(4)" Blair's fan in Mongolia" Monday, 3 July, 2000, 18:12 GMT 19:12 UK http://news.bbc.co.uk/1/hi/english/world/asia-pacific/newsid_817000/817356.stm

(5)" Odrijn Sonin " 2000.07.18

(6)The Mongolian People's Revolutionary Party outline was fixed by the 20th the Mongolian People's Revolutionary Party Congress of 1997

(7)" Odrijn Sonin " 2000.09.08

(8)The Mongol Messenger, November 15, 2001

(9)Ministry of Foreign Affairs, The 9th ODA General Strategy Conference Minutes, March 2003. " At certain village of Khovsgolno prefecture which I visited in August of two years ago, the certain country strongly requested the privatization of the heating organization. So the central government privatized it. When they privatized the heating organization, the villagers raised capital, made one company and privatized, because there is not a person to buy all of the heating organization. They don't have the money which pays learning expenses because it became market economy and the school became charged. So they cut the sedge of the heating organization according to the investment money and sold it the iron is in Darkhan. The ironworks was built by the support of the certain trading company in Japan. They complained that your country's factory made no good. This time, the heating passes away at the school, and in the winter, it cut trees and did a class in the smoke. Because they fell trees indiscriminately, water had died in the summer. Water doesn't flow from both though there is

a confluence on the river. There are a lot of such examples in the district. "

(10)As the criticism of help itself, Graham Hancock, Lords of Poverty, London, 1990, Kazuo Sumi, ODA Enjono Genjitu, Tokyo,1989. This is universally seen in the world.

(11)The Foreign Affairs Administration Office of the Prime Minister Secretariate, the Foreign Economy Cooperation Council the 12th Minutes with the 13th Period Time, October 28th, 1999

(12)Ministry of Foreign Affairs, the Overview of Economic Cooperation for Mongolia, September, 2006

Results of ODA for Mongolia in our country

(Unit: 100,000,000 yen)

The year	Yen loan	The free fund cooperation	The technology cooperation
1999	0	53.74	19.29
2000	61.39	65.68	19.58
2001	0	55.12	19.18
2002	0	40.60	18.33
2003	0	30.85	15.26
2004	0	18.80	14.69
2005	29.81	40.06	14.57
total	391.07	746.95	262.69
sum	1400.71		

(13)About criticism to IMF's policies, See Joseph. E. Stiglitz, Globalization and Its Discontents, 2002、 TS. Baatar, Economic Globalization: External Factor of Mongolian Development, 2005

(14)It is said that WB president is Neo-Conservatist. And see M.Murai, The World Bank president visited Mongolia for the first time (May 16-18th, 2002), <http://www.aa.e-mansion.com/~mmurai/>

(15)Therefore, trading company Marubeni in Japan doesn't conceal a sense of the guard about the investment in Mongolia. ' Supposing that the rational judgement by the Mongolian government is a presupposition, it thinks that few concerns which run to the resource nationalism as it damages the diplomatic and economic relation with the foreign countries occur. When the Mongolian government loses most rational judgement power, the possibility to result in being different can not be denied. ' Marubeni Economic Research Institute, " the Mongolian business trip report ", December 8th, 2006, p.21

(16)M.Murai, Special Features about Japanese Aids-Decision-Process to Mongolia and Its Problem.<http://www.aa.e-mansion.com/~mmurai/>

(The reference Books)

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Товчлол

Японы Засгийн Газрын Монголд үзүүлэх шинэ тусламжийн хөтөлбөр нь 2004 оны 11 сард “Монгол улсад үзүүлэх тусгай тусламжийн хөтөлбөр” болон зарлагдсан билээ. Энэхүү тусламжийн хөтөлбөр нь өмнөхтэйгээ харьцуулбал илүү нарийвчилсан төлөвлөгөө бөгөөд хоёр хэсгээс бүрдэж байна. Нэг хэсэг нь Монголын Засгийн Газрын үйл ажиллагааны төлөвлөгөөнд задлан шинжилгээ хийх, нөгөө хэсэг нь Японы талаас Монголд үзүүлэх тусламж юм. Гэвч Монголын Засгийн Газрын үйл ажиллагааны төлөвлөгөөнд задлан шинжилгээ хийх нь зохисгүй бөгөөд тусламжийн хөтөлбөрийн агуулга нь монголын бодит байдалд нийцэхгүй зүйл олон бий. Эдүгээ Японы Засгийн Газраас Монголд үзүүлэх тусламжийн хэмжээ багасаж ирж байна. Энхүү хандлага энэ хэвээрээ үргэлжлэвэл Монголын Японд хандах үзэл нь хол хөндий, хоосон зүйл болж, эцэстээ эвдрэх аюул бий. Тиймээс цаашид монголд үзүүлэх тусламжаа соёл төвтэй тусламж болгох хэрэгтэй биз ээ.