

CHAPTER I

INTRODUCTION

A. Background

Japan, one of the countries that is actively conducting diplomacy on an economic, social and cultural basis. This is based on the history of Japan's defeat in World War II, which has made Japan related to softer patterns of cooperative relations, namely by increasing economic, political, and socio-cultural relations on the international scene. Japan has position as one of the donor countries that provide government economic assistance, also called the official Development Assistance (ODA), the largest in the world in 50 years. In World War II, Japan was known as a country with soldiers who behaved cruelly that it left a mental wound on the people in Asian countries that were occupied by Japan. This is one of the reasons for Japan to focus on Asian countries as recipients of its ODA assistance. Japan, which has been economically successful post-war, especially since 1970, provides ODA as compensation aimed at increasing positive impressions in the communities of Asian countries.

Japan and Indonesia have cooperated for long time and it has big contribution toward both Japan and Indonesia development. Indonesia has been helped by the contribution of Japan in the field of human resource development and development of social infrastructure of Indonesian economy and so on, through Japan's ODA (Official Development Assistance). Indonesia received assistance from Japan starting in 1957 through the acceptance of trainees in the fields of industry, transportation, communication, agriculture, and health care. Not only in a good time, Japan also continuously provides cooperation even in hard times. In example, at the time of the Asian economic crisis in August 1997, Indonesia got help from Japan to overcome the crisis by providing assistance, such as the special loan aid, credit restructuring and policy support.

In 2004, when a major earthquake and tsunami from the Indian Ocean struck Sumatra island, Japan provided assistance amounting to 640 million US dollars to Indonesia for damage reconstruction and rehabilitations for the victims. Japan aid toward Indonesia was the largest with the total assistance up to 29.5 billion US

dollars in 2006. In the other hand, as the largest developing countries recipient of Japanese aid, Indonesia also provides assistance and made japan see Indonesia as mutually important partners. (Japan Official Development Assistance Indonesia, 2008)

Through the JICA (Japan International Cooperation Agency) and the I-JEPA (Indonesia Japan Economic Partnership Agreement), Japan and Indonesia have done a lot of bilateral cooperation. In the field of health area, the cooperation is in the form exchange of mutual experts, researches, study assignments, development of health resources, including the sending of Indonesian health worker to Japan. (Nupus, 2017)

JICA is an organization to channel Japanese ODA (Japan's Official Development Assistance) aiming at contributing to peace and the development of the international community. In this case, the assistance provided is in the form of technical forms and loans or grants. The JICA mission statement is as follows: We, as a bridge between the people of Japan and developing countries, will advance international cooperation through the sharing of knowledge and experience and will work to build a more peaceful and prosperous world. (Luyaben, 2015)

ODA has become one of the influential factors in strengthening the policy making function of the Japanese Ministry of Foreign Affairs, so that it makes every effort to improve the assistance strategy for a country and increase the capacity of JICA assistance in its three main operational pillars namely to increase the capacity of program and project planning, building capacity flexible implementation and efforts to minimize costs and strengthen governance. (JICA)

As an organization tasked with managing ODA, JICA has the duty to strengthening human resources (HR), technology transfer and infrastructure development in recipient countries through technical cooperation, loans and grants based on the interests of each country. In carrying out its mission, there are many issues that are the focus of JICA to help developing countries. Economic infrastructure that is still developing, reducing poverty, and empowering human resources by improving the quality of health services in a country, are some of the issues that are the focus of this program.

Indonesia is a developing country where the welfare of the community continues to increase over time, although there are still gaps in some quite large regions. Specifically, it can be seen that the condition of eastern Indonesia is below the national average. Therefore, it is a national priority to carry out development in this region. South Sulawesi is the center of eastern Indonesia which plays an important and strategic role in the socio-economic development of some underdeveloped regions in Indonesia.

In October 2014 on the era of Joko Widodo, Indonesia announced the “Medium-Term National Development Plan 2015-2019” that incorporated the “Nine Priority Agenda (Nawa Cita)”. In particular, this program aims at increasing international competitiveness, expanding infrastructure and reducing regional inequalities. Indonesia has drawn high expectations from the international community, as the only ASEAN country in the G-20. The support of these development policies would contribute to the stability and growth of Indonesia which is important for Asia and Japan.

With the goal of achieving balanced Indonesian development, Japan will broaden its assistance prioritizing to enhance the competitiveness of the world by developing high quality infrastructure, to realize the social security and justice of Indonesia through balanced growth and improve Indonesian capacity to face the challenges of Asia and International community. Japan is Indonesia's largest donor country, representing 45% of the total ODA since 1960. Indonesia is the largest recipient country (1960–2015, 11.3%) among 190 countries and regions where Japan provided ODA. Both countries have absolute close ties.

Mainly, the results and influence of the development cooperation of Japan are in terms of increasing national unity, foundations for stable socio-economic development, development of Indonesian business and human resources, introduction to innovative concepts and their localization and partnerships through the South-South and the Triangle Cooperation (SSTC). (JICA, 2018)

Based on the Sustainable Development Goals (SDGs) 2012, at the United Nations Conference on Sustainable Development in Rio de Janeiro, health sector area is one of the concerns to achieve a better and more sustainable future for all

countries. Health is the third goal of the seventeen goals in the blueprint of the agenda of SDGs 2030, with the aim to ensure healthy lives and promote well-being of all ages. (United Nations Development Programme, 2019) As the countries that agreed on SDGs agenda, Japan and Indonesia have committed to fix the quality of health in order to achieve a better human life.

The health issue is indeed a relatively new issue in the world of international relations. In the last decade, the world of international relations shows a variety of new trends that are substantially very different from previous periods. Health issues are the main focus in several countries because this concerns the survival of the world community and there has been an awareness of the importance of improving the quality of health services. The problem faced by developing countries, including Indonesia, is the lack of access to proper health services and the very lack of public understanding of the importance of maintaining health for those especially those in remote areas. Therefore, one focus of providing JICA assistance to developing countries is in the health sector.

Various health programs have been implemented by the Indonesian government with support from various sources. However, there is still a need to develop a better health promotion model and management. In response, Indonesian government and Japanese government cooperate through JICA's support, there are some supports from Japan in tackling and managing health issues within Indonesia. On May 2017, Japan supports research on higher risk viruses at IPB that also supported by Japan Agency for Medical Research and Development (AMED) for 5 years from 2015 to 2020. On July 2011, The National Development Planning Agency (BAPPENAS) and JICA hold a seminar on Health Security and Retirement Income Security: Sharing Japan's Experience. There are also projects in the health sector done by JICA in Indonesia, such as Project for Enhancing Drug and Food Safety, Project for Enhancement of Nursing Competency through In-Service Training, Project for Improvement of District Health Management Capacity in South Sulawesi Province, The Technical Cooperation Project for Strengthening the Surveillance System for Avian Influenza, Project for Improvement of District Health Management Capacity in South Sulawesi Province in the Republic of Indonesia (PRIMA Kesehatan), and Ensuring MCH Services with the MCH Handbook Project. (JICA)

Based on the case above, the writer is interested to make a research and analyse the development cooperation of the Japanese government for health sector with Indonesia since 1990s until 2000s.

B. Research Question

Based on background elaborate before, the researcher has reached the question is:

How does the development cooperation of Japan and Indonesia in health Sector?

C. Theoretical Framework

In order to analyze the cooperation of the Indonesian government for health area with Japan, the writer uses the theory and concept as follow:

Development Cooperation

From a development researcher's perspective, it could be stated that development is a process that creates growth, progress, positive change or the addition of physical, economic, environmental, social and demographic components. The purpose of development is a rise in the level and quality of life of the population, and the creation or expansion of local regional income and employment opportunities, without damaging the resources of the environment. Development is visible and useful, not necessarily immediately, and includes an aspect of quality change and the creation of conditions for a continuation of that change. (Society for International Development Israel Branch, 2018) According to Dudley Seers (1969), he suggested that development is when a country experiences a reduction or elimination of poverty, inequality and unemployment. Development can also be means as an improvement in country's economic and social conditions.

In this study, the author uses Development Cooperation Theory, because all countries in the world cannot stand alone. Need to cooperate with the state in accordance with the needs of each country to develop, especially for the developing and underdeveloped countries. Development cooperation is a form of relations carried out by the State with others to cooperate in attempt to create development within its countries and its people.

The term development cooperation remains, in some quarters, almost synonymous with financial aid or, even more specifically, with ODA (Official Development Aid). At the other end, development cooperation can be very wide-ranging, for example including business transfer or market flows (i.e. remittances or foreign direct investment).

Because of both its pasts and its distinctive potential, development cooperation should remain tightly focused on developing countries and internationally agreed concepts of what the global development agenda should aim for. More specifically, according to Severino and Ray in 2009 and Ocampo in 2015, cooperation with development should have three major tasks (Severino and Ray, 2009; Ocampo, 2015):

1. support and complement the efforts of developing countries to ensure the provision of universal basic social standards for their citizens, as a means for people to exercise their human rights;
2. promoting the convergence of developing countries (and especially the poorest) to higher levels of income and welfare, correcting extreme international inequality; and
3. support the efforts of developing countries to actively participate in the provision of international public goods.

Based on its characteristic, development cooperation could be defined as an activity which fulfills the following four criteria:

1. Explicitly supports national or international goals for growth and development

Development cooperation is not all international public non-profit activities. For example, internationally coordinated security maneuvers or support for the military capabilities of developing countries may require a great deal of international cooperation but would not be classified as development cooperation. They should depend on the global targets agreed upon, I.e. international development goals, such as Millennium Development Goals (MDGs and other international or regional development agreements), in order to assist in classifying practices, whether or not they are developmental – there will always be grey areas.

2. Not profit based

It means doing something that is not profitably or that allows less profit than the market can offer. It is a vital added value to development cooperation. If profitable incentives were followed alone, or at least not in the same way, it would not happen. It is about remedying market failures and regulations that hinder or undermine development goals. Development cooperation, however, can also play

a role in stimulating genuine profit-making activities, with positive effects on development.

3. Discriminates on behalf of developing states

It can only be called development cooperation if an initiative is consciously intended to create new opportunities for developing countries in a discriminatory manner and taking account of the systemic barriers that hinder the development of poor countries. In implementing the post-2015 development agenda this criterion becomes increasingly important, as it distinguishes development cooperation from international action for sustainable development in a more general manner.

4. Is based on cooperation relations aimed at improving the ownership of developing countries

Cooperation in development should be focused on cooperative and non-hierarchical relations among international partners, which need to complement the resources and capacity for growth. Such ties will respect the autonomy of the countries in the interpretation and guidance of national development strategies. Nonetheless, the goal of development cooperation should be to increase the space for maneuvers in developing countries, reduce limitations and increasing incentives for growth.

Those practices that fulfill these four requirements are known to be “development cooperation” (DC).

In fact, DC is a broad category under this definition, which might include a range of activities that are not common to most DC stakeholders, such as international trade aspects or climate talks focused on helping developing countries. It is among a wider range of actors than is usually associated with cooperation on development – good, but practically not easy to manage. Cooperation in development does not only include the sharing of resources but also involves any specific measures intended to support the growth of developing countries. The General System of Preferences (a discriminatory reduction in duty on products from developing countries, for example) is DC.

In the modern era, three main types of development cooperation can be identified to further determine and distinguish the development cooperation: *Transfer of Financial (and in-kind), Support for Capacities, Change in Policy.*

Type 1: Transfer of Financial (and in-kind)

Most people think about transfers of financial when they talk about “aids”. The assistance remains seen for good or ill, probably because it is the easiest measurable activity, as the key to development cooperation. Financial transfers may again dominate the DC discussions during the forthcoming Addis Ababa meeting on Financing for Development. Unless we did not achieve success with the quantity of finance transferred from rich to poorer countries, some other growing issues, including capacity building, would seriously impede progress and more systemic issues that require change in policies (e.g., financial stability is difficult to ensure without the contingent funds available against liquidity crises).

While in-kind transfer was frequent in the past (including food aid and clothing deliveries), but it has been criticized—the value of money may be poor and domestic markets in the receiving country may be undermined. For these reasons, the importance of DC "in kind" seems to decrease in modern times.

Type 2: Support for Capacities

Most countries emerge from extreme economic poverty and increase their income. We may still benefit from other forms of development cooperation, but we rely less on transfers (financial or in-kind). In view of shifts in the international agenda and a much wider range of topics covered in the SDGs as opposed to the MDGs, capacity building will continue to become relevant in years forward. According to DAC statistics, 10% of the ODA in 2013 accounted for services including training and capacity building, down from nearly 25% in the 1980's, and a much larger share of South South-South Co-operation (SSC) around 75%. (UNDESA, 2014).

The following three were among the main lines of action in this field:

Organizational and human resources

While there have been a variety of anecdotal successes over the years, the role of external actors in a complex field, such as organizational and human resources, is typically pessimistic and can often be difficult to understand. If the DC agents continue to focus on this area of work, it will be more because of the recognized importance than because of the confidence it has.

Cooperation in Technology

In recent decades, a common development complaint was that technology was not transferred as efficiently as possible from advanced countries to less advanced countries. This dimension has increased in importance as the international community is seeking to help develop countries, especially middle-income countries (MICs), benefit from technology, for example, from fossil-fuel to sustainable technologies (UNDESA, 2013).

Sharing Experiences on Policy

In the course of the years some of them criticized the relationship between development cooperation and development policies, for two main reasons: The quality of the advice has sometimes been inaccurate and DC agencies have provided significant advice on how to execute policies. SSC agents have developed themselves in direct response to the latter "conditionality" issue, on the basis of respect for national political processes.

Type 3: Change in Policy

It is recognized for a long time that some of the most important things richer countries can do to support poorer countries have less to do with transferring either money and information, but consider changing national and international rules and activities that are designed to keep poor countries and need support constantly. At a national level, policy changes include revising public policies, reinforcing complementarities and avoiding conflicts, in view of their effect on the development agenda. At the international level, it means creating better rules for global governance in order to ensure a more equitable distribution of resources for

growth between countries and people and to provide international public assets more effectively.

Based on the all of explanation above, we can conclude the definition and outlined the concept of development cooperation into the table as follow:

Table 1: What is development cooperation?

Purpose	Characteristic	Types
Guaranteeing universal basic standards of social protection	Explicitly supports national or international goals for growth and development	Transfer of Financial (and in-kind)
Promoting convergence among countries' standards of living	Not profit based Discriminates on behalf of developing states	Support for Capacities
Support the efforts of developing countries to actively participate in the provision of international public goods	Is based on cooperation relations aimed at improving the ownership of developing countries	Change in Policy

The definition of cooperation in development and the three principal component areas here presented will not solve all of the gray areas in this field. In particular, it may not always be clear whether an intervention is intended to favor or advance the interests of the international partner (whether a country or a private organization) in particular. This definition is simply intended to define the

parameters for discussions in different DC types and cases. Table 1 summarizes some of the elements listed here in the development cooperation framework.

The field of international action for development cooperation, as described here, can include several modalities for support. The introduction of the SDGs further emphasizes the value of DC non-financial forms and it is important for all DC operators to determine how often they use these options. The same applies not to the SDGs which emphasize a host of other measures needed to support progress, some structural, some context-specific, in that they allow the MDGs to focus on aid as a major source of international support.

In this research, the author tries to analyze the development cooperation based on the types. Then in this context, Japan cooperate to Indonesia in term of development, based on its types, mostly done by transfer of financial (and in-kind), which are grant aid and ODA loan commitments, and support for capacities, which are technical cooperation, development study and SATREPS projects.

D. Hypothesis

According to the background and theoretical framework above, Japan and Indonesia cooperate to develop in the health sector, based on its types, was held by:

1. Transfer of Financial: Japan cooperate with Indonesia to develop in health sector through; Grant Aid Commitments and ODA Loan Commitments.
2. Supports for Capacities: Japan cooperate with Indonesia to develop in health sector through; Technical Cooperation Projects, Development Study Projects, and SATREPS (Science and Technology Research for Sustainable Development) Projects.

E. Purpose of Research

To analyze how does the cooperation of the Japanese government in the health sector with the Indonesian government.

F. Research Methods

The methodology that is used by the writer for this thesis is qualitative descriptive method. That is the method that illustrates the fact with utilized the data which obtained from books, journals, news, website and writings related to the problem that will be discussed in this thesis. In this method, the writer analyzes

where the problem is described based on the fact exist later in the relationship between facts with another facts, then drawn into conclusion.

While the data collection technique used is through library research. This technique utilizes the data or materials in the library to support research obtained from books, magazines, newspapers, websites and other materials in accordance with the topic to be thorough and can be tested the truth.

G. Scope of Research

To avoid the enlargement of explanation the role of Japanese government towards the health sector in Indonesia, it needs the scope of research. In this research, writer limits since 1990s until 2000s.

H. System of Writing

This undergraduate thesis is systematically written based on the rules that applied in a scientific writing. It is divided into several chapters with different discussion within its own territory but interrelated. In order to facilitate in interpreting the topic issue, this undergraduate thesis will be divided into five chapters that consist of:

Chapter 1 This chapter examines the background of the research, research question that needed to be answered, theoretical framework that is used to analyze the research question, hypothesis, purpose of the research, method of research, and the systematic of writing that written in this chapter.

Chapter 2 This chapter examines the history of Japan and Indonesia relations in general.

Chapter 3 This chapter examines the relations between Japan and Indonesia in term of development cooperation.

Chapter 4 This section examines how does the cooperation of Japan and Indonesia in health sector.

Chapter 5 This section is a conclusion that contains the result of the discussion of the previous four chapters.