

**Ten Years of
The Sasakawa Southeast
Asia Cooperation
Fund**

SPAF



Contents

- Foreword: On the Publication of the Sasakawa Southeast Asia Cooperation Fund (SSACF) Tenth Anniversary Commemorative Journal** 5
Yohei Sasakawa, President, The Nippon Foundation
Former Chairman, Steering Committee of SSACF
- Chapter 1: The Past Ten Years and Future of the Sasakawa Southeast Asia Cooperation Fund** 7
Takashi Shirasu, Professor, Tokyo International University
Former Senior Program Advisor, The Sasakawa Peace Foundation
- Chapter 2: Clippings from *SPF Newsletter* Articles** 37
- Chapter 3: The Activities of the Southeast Asia Cooperation Fund —Viewed from an External Perspective—** 57
- (1) Evaluation on Media-related Activities of the Sasakawa Southeast Asia Cooperation Fund 57
Akira Ichikawa, Professor, Edogawa University
Akeo Asakura, Associate Professor, Edogawa University
Shigeki Ueno, Director, NHK (Japan Broadcasting Cooperation)
- (2) Talks with Three Ambassadors to Japan from Southeast Asia 84
Interviewees: Ambassadors of Cambodia, Laos, and Vietnam
Interviewers: Isami Takeda, Professor, Dokkyo University
Lau Sim Yee, Former Acting Director, The Sasakawa Southeast Asia Cooperation Fund
-

Chapter 4: Looking Back and Looking Ahead	93
(1) In Recognition of the Tenth Anniversary of the Sasakawa Southeast Asia Cooperation Fund	93
Yoshihiro Sakamoto, President, Institute of Energy Economics Former Chairman, Steering Committee of the Sasakawa Southeast Asia Cooperation Fund	
(2) From the Southeast Asia Cooperation Fund to the Sasakawa Pan Asia Fund —For Regional Development and Inter-regional Cooperation—	95
Akinori Seki, Director, Sasakawa Pan Asia Fund	
 Appendices	 99
(1) Table of Projects	100
(2) Abstracts of Each Project	105

ON THE PUBLICATION OF THE SASAKAWA SOUTHEAST
ASIA COOPERATION FUND (SSACF) TENTH
ANNIVERSARY COMMEMORATIVE JOURNAL

Yohei Sasakawa

President of The Nippon Foundation

The First Chairman of the SSACF Steering Committee

I am truly delighted that the Sasakawa Southeast Asia Cooperation Fund is celebrating its tenth anniversary. Japan has historically leaned toward the West, and the strengthening of ties with other Asian nations has been one of the country's most important challenges. Given this situation, the Fund is to be especially commended for their capacity building initiatives in Vietnam, Laos and Cambodia—three countries that had only recently seen an end to a long period of turmoil. Furthermore, although the Fund's involvement was primarily of a secondhand nature, the assistance it provided these three countries in their bid to gain ASEAN membership was also a noteworthy accomplishment.

SSACF is planning to implement new projects in Myanmar, and establish a cooperative relationship with India in the near future. Persistence and careful evaluation of projects are crucial in the realm of international cooperation. I trust that an evaluation of the various activities conducted by the Fund over the past ten years will contribute to the further development of SSACF.

THE PAST TEN YEARS AND FUTURE OF THE SASAKAWA SOUTHEAST ASIA COOPERATION FUND

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The End of the Cold War Framework

As symbolized by the conclusion of the civil war in Cambodia, in the latter half of the 1980's, the socialist countries of Southeast Asia were facing a turning point both in terms of their economies and foreign relations.

The economies of Vietnam and Laos had been supported by the COMECON (Council for Mutual Economic Assistance) system, and needless to say, with the collapse of the Soviet Union, this economic system ceased to function. By the mid 80's, Vietnam had already begun initiating economic reform, but it appeared highly unlikely that the country would be able to successfully implement economic reform on its own. Meanwhile, it was becoming an increasing burden for Vietnam to support the civil war in Cambodia.

In the meantime, China, which had also been supporting the civil war in Cambodia, had avoided a confrontation with Vietnam, and concentrated on strengthening its economy. China's economy was already making significant headway, and the country was searching for ways to enter the East Asian market. Laos, which had been moving alongside Vietnam, was also forced to rebuild its economy on its own accord. Around the late 80's, the remarkable growth of the East Asian economy, including that of South East Asia, was becoming increasingly visible,

and came to be known as the “East Asian Miracle.” The socialist regime in Myanmar also collapsed, and as the country made preparations for national elections, a movement to reform the economic system began to surface.

The dissolution of the Soviet Union and the end of the Cold War framework brought about a fundamental change to the framework that had pitted the ASEAN nations against the three nations of Indochina for over 45 years since the end of World War II.

Following the end of the Indochina Conflict

In the latter half of the 1980’s, following the end of civil war in Indochina, the Institute of International and Strategic Studies (Malaysia) held an Asia-Pacific round-table conference on security and economic issues. The round-table was the largest meeting organized by a private organization in Southeast Asia at the time.

The discussion invited participants not only from Moscow and Washington, but also from New Zealand, Australia, China, North Korea, Japan, and the Southeast Asian nations. And starting 1987 and 1988, a few participants from Cambodia and Vietnam also began to attend the discussions. Civil war in Cambodia and Indochina was definitely an important topic at the discussions, but at the same time, it was only one of many issues within the larger framework of the “Asia-Pacific.” Even when the civil strife in Cambodia was raised, the discussions tended to focus primarily on the political aspect of the issue. Once the meetings commenced, the representatives of the three main powers of Cambodia, excluding the Pol Pot regime, each asserted their own legitimacy and showed no signs of backing down. Meanwhile, the participants from Vietnam, Laos and Myanmar were listening intently to the wide variety of discussions between the various participants. I recall that the participants from Myanmar were especially reserved, even out-

side of the official discussions.

Meanwhile, the development of Southeast Asia was gaining momentum, and the region began to show an increasing interest in the economic recovery of Cambodia and the other nations of Indochina. Around that time, Vietnam had already announced that they were taking steps to reform its economy. Therefore, the Institute of Strategic and International Studies (Malaysia) and the Sasakawa Peace Foundation (SPF) began contemplating possibilities of a collaborative research project, independent of the Asia Pacific Round Table Discussion, that would involve Japan, the ASEAN nations, Cambodia, Laos, Vietnam, and Myanmar, and focus on post-conflict reconstruction in Indochina. As a result, in 1989, the Japan–Southeast Asia Conference was organized by the Institute of Strategic and International Studies with the support of SPF. This project was the first privately sponsored meeting between the ten nations, comprising the three nations of Indochina, the six ASEAN nations, and Japan. The discussions covered a wide range of topics such as the economic recovery of Indochina, ASEAN's economic role in Indochina, and the role of Japan's official development assistance. This collaborative project provided the momentum for extending the scope of SPF's activities in Cambodia, Laos, Vietnam, and Myanmar.

Capacity Building in Cambodia

One of the participants of the Japan–Southeast Asia Conference, Dr. Lao Mong Hay, happened to be working at a refugee camp on the border of Cambodia and Thailand. He told me that Cambodia's civil war would come to an end in the near future, and when that happened, the first thing that Cambodia had to do was work toward an economic recovery. However, the Phnom Penh government did not have the resources for training its people. As for the Cambodian refugee camps

on the Thai Border, they had tried to provide at least a basic education for the refugees, but they did not have the resources to provide them with practical education at the university level. Dr. Lao Mong Hay asked me if there was any way that SPF could assist them. This is how the talks began.

We were faced with many difficulties in realizing these ideas. However, we felt that even if we could not solve all of the existing problems, if we could help solve some of them, it would provide a brighter outlook on future activities in Cambodia. But what kind of practical training did the people need? How long should the training go on for? Would the project have served its purpose once the participants were trained, or did we need to provide additional support so that once the participants returned home, they could provide similar training to the youth in their home countries? Would the people participating in the training program have a certain level of English ability, or would they need interpreters? Would we be able to find an educational institution that was familiar with Cambodia affairs, and that could produce the appropriate teaching materials? Could we produce a good quality translation of the teaching materials in such a short time span? Would there be any educational institutions willing to take on this project under these conditions? Would the host country even issue visas to the participants in the first place? New questions and problems kept coming up.

The most difficult task we faced was selecting the participants. At the time, the Phnom Penh administration and the Pol Pot faction were vying for power within Cambodia, and outside the country, the Sihanouk and Son Sann factions were asserting their legitimacy as a kind of exiled administration. The last thing that the foundation wanted was for its support to further aggravate the situation by providing another issue for the four opposing political powers to fight over. For this reason, from the very beginning we made it clear to Dr. Lao Mong Hay, that if the training programs were to be held, we would invite par-

ticipants from all four political powers. It must have been a difficult request for Dr. Lao Mong Hay to swallow, since his political beliefs were aligned with the Son Sann faction.

One day, while I was busy making preparations for the project, I received a call from Dr. Lao Mong Hay telling me that he had been in contact with the Pol Pot faction. He asked if I could meet with him that night to talk things over. When we met that night, he told me that he had explained the plan to the two representatives of the Pol Pot faction, and has requested their participation. Their response had been that although they appreciated the offer, they could not participate in the program because the youth in their faction knew about nothing other than how to shoot guns. I was struck by the honesty of these two men from this highly secretive faction, and we had no choice but to resign ourselves to the fact that nobody from the Pol Pot faction would be attending the training program.

Continuing Education Center of the Asian Institute of Technology (Thailand) agreed to carry out this project, entitled the Human Resource Development Program for the People of Cambodia (1991–92). The program invited participants from not only the Cambodian refugee camp on the Thai border, but from Phnom Penh as well. The participants from the refugee camps had not had any contact with the outside world since a very young age. At the Asian Institute of Technology, the participants from the refugee camps were placed in the same living quarters as people of the same age from Phnom Penh. I imagine that the hearts of these young people were united for the reconciliation and future development of Cambodia.

Creating New Funds

Following the establishment of the two projects—Japan–Southeast Asia Conference and Human Resource Development Program for the People

of Cambodia—SPF program officers began to visit the three nations of Indochina more frequently. In order to give birth to new projects, it was important that program officers returned to the fundamentals of their occupation. They were to firstly visit the target region, meet various locals involved in the field, and listen to what they have to say. They were then to look for people and organizations that might be willing to help, and exchange ideas with them, while looking for organizations/people in Japan and Southeast Asia that may be interested in engaging in collaborative projects to help the Indochinese nations.

In the late 80's and early 90's, in addition to Indonesia and the other ASEAN countries, Japan was also looked to contribute to the Cambodian peace process. However, Japan was unable to provide concrete support for economic reform in the three nations of Indochina, and failed to live up to the hopes of the ASEAN and Indochinese nations. Even after the Cambodia peace settlement was concluded, the economic sanctions placed on Vietnam, the largest of the three Indochinese nations, was still in place, and as a member of the Western world, Japan was not in the position to provide support to reform Vietnam's economy. Meanwhile, with the future after the Cambodia Peace Settlement in mind, international institutions such as the United Nations Development Project, the World Bank, and IMF, either officially or unofficially, began to make contact with the three nations of Indochina.

Against this backdrop, it was proposed that a meeting should be held in Tokyo to discuss approaches to economic reform in Cambodia, Laos, and Vietnam, and the role of international assistance. This idea was realized in 1991, in the form of the SPF project: Vietnam, Laos, and Cambodia in Transition: Reconstruction and Economic Development. Through these collaborative research projects and meetings, a number of ideas were developed between Vietnam, Laos, Thailand, and Malaysia. For example, the State Planning Committee

that was supervising Vietnam's economic reform asked whether it would be possible to give leaders in both the central and regional areas the opportunity to see the actual workings of a market economy. It was also becoming apparent that Laos, whose economy was largely dependent on agriculture, was eager to learn from Thailand's experience in agricultural development.

The Indochinese nations and Myanmar were clearly eager for reform. These countries made up a single regional block and were all facing similar issues. To support reform in this regional block would contribute to the peace and prosperity of Southeast Asia and East Asia. Yet, what percentage of SPF's funds could be delegated for this purpose? In order to tackle a regional shift on such a large scale, would it not be better to set up a new specific fund and take a more long-term approach? This kind of debate gradually gained momentum among the members of the foundation.

And in February 1992, at an international conference held in Tokyo entitled "Vietnam, Laos and Cambodia in Transition: Reconstruction and Economic Development," Mr. Yohei Sasakawa, President of The Nippon Foundation, announced that The Nippon Foundation was contributing 4 billion yen to SPF to set up the "Sasakawa Southeast Asia Cooperation Fund (SSACF)" starting March of that year.

The Birth of the SSACF

And thus, in addition to the "Sasakawa Pacific Island Nations Fund," "The Sasakawa Japan-China Friendship Fund," and "The Sasakawa Central Europe Fund," a fourth regional specific fund, the SSACF was established within SPF. Whereas the activities of SPF were not limited to certain regions but targeted the entire world, the regional specific funds aimed to carry out projects in the selected regions, while taking

the domestic situation in to full account and accommodating the specific needs of each region.

The target regions of this new fund were to initially be, Cambodia, Laos and Vietnam. The purpose of the fund was to support Cambodia, Laos and Vietnam, through both conducting independent projects and providing funding for other projects. Furthermore, in line with the issues facing the region at the time, it was agreed that priority would be placed on projects that would directly or indirectly contribute to the economic reform of the three countries.

The question was how to provide policy advice and foster human resources in a manner that would have the most impact on the economic transition of the Indochinese nations. When considering the gap between the level of development in Japan and the three nations of Indochina, it seemed that only a limited amount of the experience and expertise that Japan had accumulated over the years would be transferable.

On the other hand, the Southeast Asian countries, which were continuing to grow one step at a time, were only one or two steps ahead of the nations of Indochina. Therefore, SSACF decided to transfer the experience of the surrounding Southeast Asian countries to the three nations of Indochina in order to assist in their economic reform. The idea was to support the three nations of Indochina through multilateral cooperation. This kind of activity also brings about positive side effects. The most important of these positive effects is the construction of an extensive network of research institutions, researchers, and NGO's between the Southeast Asian countries and the Indochinese countries. These diverse interpersonal networks give birth to new ideas with each new place it visits, and leads to the development of new projects within the fund, or else, if not directly related to the fund, lead to the development of new projects among the participants.

In this paper, I use the term "Indochinese nations" or "the three