

Speech at JISPA 30th Anniversary Event

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Memories of the Founding of the Japan-IMF Scholarship Program for Asia (JISPA)

I would like to join many distinguished participants in this event, including the IMF, the Ministry of Finance, and others, as well as Alumni, in congratulating JISPA on its 30th anniversary.

The reason I am here today is because Mr. Yoshida and Ms. Kin, JISPA Program Manager at OAP asked me to tell you about the founding of JISPA.

JISPA was officially launched in 1993. I was Senior Deputy Director of the International Organizations Division, a division dealing with the IMF and G7 issues, from the summer of 1991 to the summer of 1993 when the creation of JISPA had been discussed.

Around that time, the Soviet Union was collapsing. And on the occasion of the IMF World Bank Annual Meetings in Bangkok in the fall of 1991, Japan chaired the G7 Finance Ministers and Central Bank Governors' Meeting.

The main topics of the G7 meeting at that time included what quota should be allocated to Russia upon its accession to the IMF (it joined on June 1, 1992), and how to help Russia's transition to a market-based economy (Japan also proposed the establishment of a Structural Transformation Facility in the IMF).

The 15 republics under the former Soviet Union became separately independent. The process of democratization and the transition to a market economy advanced, including in Eastern Europe.

Meanwhile, in Asia, China switched to a reform and open-door policy in 1978, Vietnam announced its Doi Moi policy in 1986, Laos announced its market economy policy in the same year, and Cambodia followed suit after its civil war ended.

In October 1991, the IMF-Institute approached my division. They had proposal to establish a scholarship program to provide training in macroeconomics to young and mid-career public officials in the Soviet Union and Eastern Europe, with Japanese funding. It was meant to assist them in their transition to a market economy.

I was deeply involved in the discussion as the senior Deputy Director. There were already precedents for a scholarship program funded by Japan, such as those administered by the World Bank, ADB (Asian Development Bank), and IADB (Inter-American Development Bank).

As for the main architecture of this new scholarship program, I argued that:

- (1) The focus should be placed on Asia, since there are many transition countries to a market economy in the region, including China, Vietnam, Laos, Cambodia, and Mongolia; and,
- (2) It is difficult to get the understanding of Japanese taxpayers if the program would only support studying at US universities. Since some Japanese universities also offer economics education in English, priority should rather be given to those universities.

I also felt that students from transitioning countries would benefit from learning about Japan's development experiences during Meiji and post-WWII periods.

I first thought of Saitama University, because it had a graduate school of policy science which taught some courses in English.

In the end, we agreed on a scholarship system to educate 12 students from Asia each year at Saitama University, and we began accepting them in October 1993, during the academic year.

By the way, I do not remember how I had negotiation with Saitama University, but I do remember that Dr. Toru Yoshimura once visited my office at the MOF and expressed his gratitude to me for launching the program.

Later, the Graduate School of Policy Science at Saitama University developed into the National Graduate Institute for Policy Studies (GRIPS). There Dr. Yoshimura served as its first president. His contribution to foundation of the GRIPS and JISPA was great.

The beneficiary countries in early years were China, Mongolia, and countries in Indochina, and Central Asia.

From 1998 to 2000, when I served the International Organizations Division, this time, Director instead of Deputy, I was also deeply involved in the JISPA reform to expand the number of host institutions from one to four, New ones included Hitotsubashi University, IUJ in Niigata, and Yokohama National University.

The scope of beneficiary countries was also expanded by including Pacific countries, and the countries hit by the Asian Financial Crisis, that is, Indonesia, Philippines, and Thailand. Later in 2009, Bangladesh, Bhutan, and Nepal were added.

When in 2000-2002, I was a Budget Examiner in charge of Ministry for foreign affairs, Ministry of economy, trade and industry, and economic cooperation at the Budget Bureau, I decided to support a dormitory and hall for international students in the Bay Area of Tokyo.

When I was at the Budget Bureau, I was also asked by Yokohama National University to teach a course of JISPA on public finance in English in the spring semester of 2002. As a part time visiting professor, once a week, I went to Yokohama and taught the theory of fiscal policy, using Stiglitz's Economy of the Public Sector as a textbook.

I have a vivid memory of students from China, Cambodia, Laos, and other countries who were studying very hard.

I served as President of the ADB from 2013 to 2020. When I visited Central Asian countries and Myanmar, I met many government officials who told me fondly that they had studied at Japanese universities under the JISPA Program.

As such, it is my great honor and privilege that I have been so deeply involved in JISPA's history and evolution over the past 30 years.

If you allow me to summarize the three significant achievements of JISPA, they are:

- (1) It has provided important economics training opportunities for young public officials in transition countries;
- (2) it has helped students to become familiar with and fond of Japan; and
- (3) it has helped to enhance graduate-level education in English in Japan.

As the market transition countries and emerging economies have undergone rapid development, JISPA's role may have also shifted to more two-way learning and networking opportunities.

But I believe that JISPA will continue to play an important role in fostering competent public officials. It would also develop long-lasting friendship among alumni in the Asia-Pacific region.