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The World Bank that supported the restoration of post-war Japan and the Tokyo Olympics

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It is only a few days till the Rio de Janeiro Olympics. With the effects of the continuing stagnating economy of the host nation Brazil, problems appeared in the venues and management, such as faulty maintenance at the Olympic village and poor ticket sales. Plus there is the uncertain issue about the participation of the athletes of one of the top metal nation Russia due to the issues of doping. One can only hope that the each nation's athletes will not be affected by rumors and speculations and be able to concentrate in their sports. Also, the next 2020 Tokyo Olympic and Paralympic, due to turmoil in the Tokyo municipal government, there seems to be delays in preparation, such as the maintenance of sports venues and the improvement of transportation from the airport to the city center, one cannot feel at ease about this either.

It is obvious that a lot of attention will be on the 2020 Tokyo Olympics, which will have an effect on the Japanese economy from now on but one must not forget the last Tokyo Olympics which was one of the symbols of Japan's rapid growth and an example case on the efforts of a developing country in development issues. The Japanese economy continued a high growth on an average of over 10% since the middle of the 1950s to the early 70s, the Tokyo Olympics were held in 1964, right about the middle of this period. During this time what played one of leading role in the strong glowing economy were the many kinds of infrastructure construction done by loans from the World Bank. Between 1953 and 1966 Japan received loans for 31 times totaling 860 million U.S. dollars, mostly used for public facilities such electricity, transportation and the construction of production facilities for core industries like steel and shipbuilding, these loans supported Japan's economic development during the post war.

Most of these infrastructures were not directly related to the Olympics but transportation infrastructures such as the Tokaido Shinkansen, the bullet train, and the Shuto Kousoku Highways were the few that were related. The kind of areas that were to be finance by the World Bank changed from the first one to the last one, transportation infrastructure was the main area in the early 1960s as the Olympics approached. The Tokaido Shinkansen, which was financed in

1961, started operating on October 1, 1964, right before its target of the start of the Olympics. Also, the maintenance of the Shuto Kousoku highway was planned in the latter half of the 1950s to resolve traffic congestion which was worsening as the amount of traffic increased and progressed with a high pace because the needs to transport people and goods smoothly increased with the decision of the Olympics. After this, because of the geographical importance of the areas between Tokyo and Yokohama, the extension of Shuto Kousoku No.1 to Haneda and Yokohama was decided and for the construction, the Metropolitan Expressway Public Corporation, the operating body, received loans from the World Bank.

Of the total of 860 million U.S. dollars loans, including the before mentioned ones, the lender, the World Bank would, 1) allocate the funds, 2) support in the design of the projects and 3) do monitoring after the finance, of which, contribution in allocation of funds and design support were highly valued later on. At that time Japan was in the post war restoration period, development policies were not sufficiently prioritized and because of this the World Bank received a requests of 2.5 times of the actual total amount, from these they narrowed the policy and projects. Each infrastructure project's demand predictions and cost estimates were too optimistic and not only did the World Bank reexamine the loan amount of many projects but also ordered changes in project plan as well. They strongly ordered improvements in the financial conditions and it's strict attitude were disliked by the Japanese government and operation parties of the project but as a result the plans were high in validity and debts were repaid smoothly. As a multilateral development bank, the World Bank's contribution was large to Japan's post war restoration.

Speaking of multilateral development bank, the Asian Infrastructure Investment Bank (AIIB), which role is highly expected, whether it's supporting abilities for project planning meet the standards of a multilateral development bank is still unknown. The AIIB recently announced a World Bank co-finance poverty counter-measure project in Indonesia. Taking this opportunity AIIB can learn a lot from the World Bank, enough to provide hard proposals that would be disliked by the borrowers.