

Does Historical Contingency Dictate Economic Diplomacy? Evidence From CIDCA and JICA

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ABSTRACT

This study examines how the historical experiences shape the approaches of developmental agencies to economic diplomacy by focusing on CIDCA and JICA through the deep-sharp lens of Path Dependence Theory. Using qualitative comparative analysis of secondary data from official documents, academic literatures, and policy papers, this research reveals distinct patterns in how the historical contingencies influence both institutional development and aid distribution strategy. JICA, established in 1974, demonstrates classic path dependence characteristics, with its human-centred development approach and technical cooperation focus deeply rooted within Japan's post- WW2 experience. In contrast, CIDCA, founded in 2018, shows limited path-dependent features due to its recent establishment and predetermined alignment with China's BRI. The analysis done yields three key insights – the temporal dimensions significantly affect institutional development patterns, historical experiences shape institutional approaches differently across time periods, and aid effectiveness correlates with both of those agencies' ability to balance historical legacies with contemporary challenges. While JICA's longer operational history has fostered a reputation for its transparency and sustainable development, CIDCA's strategy reflects contemporary dynamics of power through infrastructure-focused development. These findings contribute to understanding of how historical contexts influence development approaches, through limitations regarding distinct operational time frames and data availability suggest the need for continued research as CIDCA evolves.

Keywords: CIDCA, Development Agency, Economic Diplomacy, Foreign Aid, JICA

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1. INTRODUCTION

The relationship between historical experiences and the approaches of development agencies to economic diplomacy is a critical yet understudied aspect of international economics (Inoguchi & Jain, 1996; Hughes, 2004). This research specifically investigates how historical contexts shape the formation, development and operational strategies of two prominent agencies, the China International Development Cooperation Agency (CIDCA) and the Japan International Cooperation Agency (JICA). The central research question guiding this inquiry is, "How do historical experiences dictate the economic diplomacy strategies of international development agencies?". This study aims to illuminate the ways which past experiences influence contemporary development assistance strategies and their effectiveness in achieving diplomatic objectives (Mahoney, 2000; Pierson, 2000; Takamine, 2012; Wang, 2017). As global power dynamics evolve and new development agencies emerge, understanding the historical foundations of their approaches is increasingly crucial for analyzing their impact on international relations (Hameiri & Jones, 2018; Zhang, 2021).

Employing Path Dependence as the theoretical framework, this research examines how historical contingencies, self-reinforcing processes, and increasing returns shape institutional and policy choices in development (Thelen, 1999). the stark contrast between JICA, established in 1974 as a product of Japan's post-WW2 reconstruction experience, and CIDCA, founded in 2018 amid China's rising global ambitions, provides an ideal comparative case study for exploring these dynamics

(Arase, 2005; Zhou, 2020). Preliminary evidence indicates that historical experiences significantly influence these agencies' economic diplomacy approaches. JICA's focus on human-centered development, technical cooperation, and alignment with international norms reflects Japan's post-war commitment to peaceful international engagement (Potter, 2008; Kawai and Takagi, 2004). In contrast, CIDCA's emphasis on infrastructure development and economic cooperation through the Belt and Road Initiative (BRI) mirrors China's trajectory as an emerging economy and its strategic priorities in reshaping global economic structures (Kitano and Harada, 2016; Brautigam, 2009). By applying Path Dependence Theory, this research not only contributes to the understanding of how historical legacies shape current practices but also highlights the novelty of analyzing development agencies through this lens. The study draws from comprehensive secondary data sources, including official documents, academic literature, and policy papers, while acknowledging limitations such as the differing operational timelines of CIDCA and JICA and the recent establishment of CIDCA, which affects data availability (Hirono & Suzuki, 2020; Sun, 2021; Takamine, 2012; Wang, 2017).

The relationship between historical experiences and the evolution of international agencies has been extensively studied in academic literature, mainly in the context of economic diplomacy. This review examines how historical contexts shape the formation, development and operational approaches of international development agencies with specific focus on the case of CIDCA and JICA. Historical experiences significantly influence the institutional design and operational of the development agencies. Hughes (2004) argues that Japan's post-WW2 experience, prominently in its pacifist constitution, fundamentally shaped JICA's approach to international engagement with a proxy of economic and soft power diplomacy. This aligns with Hook's (1996) observation that Japan's inability to pursue military-oriented foreign policy led to its emphasis on economic realm and development assistance as primary instruments of international influence. The foundation of JICA in 1974 represented Japan's commitment to peaceful international engagement, constrained by its post-war pacifist constitution and position as US' ally in Asia (Arase, 2005). In contrast, China's historical experience in the 21st century produced distinct and much different approach to development assistance. Hameiri and Jones (2018) highlight how China's rising global ambitions through the BRI influenced CIDCA's establishment and the operational focus on infrastructure development. This institutional design reflects China's broader strategic aim of securing access to natural resources and expanding markets for Chinese-made goods. Sun (2001) had noted China's emphasis on non-interference in domestic politics making its investments and aid appealing to authoritarian regimes, demonstrating how historical and political contexts shaped aid distribution strategies.

The evolution of development agencies' operational approaches also reflects their historical contexts. According to Potter (2008), JICA's aid efforts initially concentrated on the neighbouring Asian states, helping rebuild economies devastated by war and underdevelopment, before gradual expand to the global stage. This evolution was shaped by Japan's own experience as a recipient of post-war aid and its subsequent economic miracle. Kawai and Takagi (2004) argue this historical trajectory influenced JICA's emphasis on technical cooperation and capacity building, reflecting Japan's own development path. On the flip side, Zhang (2021) observes that CIDCA's foundation in 2018 represented China's effort to centralise and formalise its previously fragmented aid policy making process and administration, reflecting lessons learned from its earlier development efforts and this reorganisation, as Kitano and Harada (2016) note, aimed to increase the efficiency, aside from impact, of China's overseas aid while better projecting China's influence globally. Deeping further, Hirono and Suzuki (2020) highlight how JICA's emphasis on human security, sustainable development and capacity building reflects Japan's post-war commitment to peaceful engagement in the international realm. In comparison, Brautigam (2009) argues that China's prominent focus on infrastructure development and economic cooperation through CIDCA mirrors its experience in

economic development and current strategic priorities.

Economic diplomacy strategies are also deeply rooted in historical contexts. Research done by Inoguchi and Jain (1996) demonstrates how Japan's post-war strategy of economic growth and regional integration had influenced JICA's approach to development assistance. Similarly, Zhou (2020) shows how China's development cooperation through CIDCA reflects its experience as an emerging economy and its current aspiration to reshape global economic structures. Seeking deeper and deeper, Sato argues that effectiveness development assistance is also influenced by historical legacies by depicting that JICA's long operational history has contributed to its strong reputation for transparency and established networks with international organisations. On other belief, Huang and Chen (2020) wrote that CIDCA's relatively recent establishment and particular predetermined alignment with BRI objectives have influenced international perceptions of its aid programs. Thus, this review of existing literatures demonstrates the significant role of experience of both agencies, and with no intention to disregard all these previous studies, this research plans to focus and stand its own stance by diving deeper into relations between agencies' historical side and their way of economic diplomacy with Path Dependence Theory.

2. METHODOLOGY

This research aims to examine how historical experiences shape the economic diplomacy of international development agencies by comparing the JICA and the CIDCA through the lens of Path Dependence Theory. Specifically, the research seeks to analyze how both of their respective historical contingencies have influenced institutional development and operational approaches, evaluate the manifestation of Path Dependence Theory's characteristics in both agencies' development assistance strategies, and assess how histories affect effectiveness and international perception of development aid programs. The findings of this research will best contribute to understanding the critical role of historical contexts in shaping development agencies' approaches, identifying institutional evolution patterns that affect aid effectiveness, and providing insights for emerging development agencies on organizational design and policy implementation. Additionally, this research aims to advance the application of Path Dependence Theory in analyzing international development institutions.

This research employs a qualitative comparative analysis (QCA) methodology, which is particularly suited for this study due to its capability to systematically compare and contrast the historical and institutional developments of JICA and CIDCA. The QCA allows for an in-depth exploration of how historical contexts and also institutional legacies influence operational strategies and effectiveness, making it best choice for analyzing the complex interplay between history and economic diplomacy in these agencies. The research relies on a comprehensive range of secondary data sources collected from 2018 to 2023. The selection criteria for these data sources include relevance to the agencies' historical contexts, operational strategies, and development philosophies. The data encompasses official documents and reports, such as JICA annual reports, CIDCA official publications, Japanese government ODA white papers, Chinese government BRI documentation, and Ministry of Foreign Affairs publications from both countries. Academic literature, including peer-reviewed journal articles on development assistance, books on international development cooperation, research papers on Path Dependence Theory, and studies on economic diplomacy or foreign aid, also constitutes a crucial source.

The analysis follows structured approach examining four key areas. First, historical context analysis involves examining the founding circumstances, critical historical events, and evaluating institutional evolution. Second, operational approach analysis assesses the philosophies of both agencies, compares aid distribution patterns, and evaluates strategies in project implementation. Third, Path Dependence assessment includes analyzing their respective historical contingencies, identifying self-

reinforcing processes, evaluating increasing returns, and assessing lock-in effects. Finally, the comparative analysis involves cross-examining institutional characteristics, evaluating development effectiveness, and assessing international perception and influence. This research acknowledges several limitations that must be considered when interpreting its findings. These include reliance on secondary data sources, potential bias in official documents, differing operational time frames between JICA and CIDCA, and limited availability of CIDCA's operational data due to its recent establishment. Despite these limitations, the research expects to demonstrate how historical context influences development agency operations, identify patterns in institutional evolution affecting aid effectiveness, provide insights into role of Path Dependence in shaping development aid strategies, and contribute to the theoretical understanding of JICA and CIDCA's development in foreign aid.

As for the theoretical framework, this paper employs Path Dependence Theory. This is a theoretical framework under Historical Institutionalism (HI) which emphasises the way in which past decisions, institutional arrangements, and historical contingencies influence the trajectories of institutions or policies over time. Path dependence posits that once a particular course of action or policy path is chosen, it then becomes increasingly difficult to reverse due to self-reinforcing mechanisms, even if alternatives may seem more efficient or preferable later on (Mahoney, 2000; Pierson, 2000; Thelen, 1999). Path dependence holds several assumptions, there are (1) Historical Contingency. This assumption holds belief that the specific choices or actions at key moments, or critical junctures, are often contingent on unique historical contexts. All of these actions could have been otherwise, but once chosen, they set institutions on a specific trajectory that is difficult to alter. This implies that the current structure of institutions like what the CIDCA and JICA has, cannot be fully understood with no acknowledgement of the historical context that shaped each of their origins (Mahoney, 2000; Pierson, 2000; Thelen, 1999); (2) Self-reinforcing Processes. Once a particular path is chosen, it naturally tends to reinforce itself through positive feedback mechanisms. As institutions evolve along one certain trajectory, they develop routines, norms, and vested interests that make deviation difficult and costly. This creates a form of inertia, where deviations from the established path are hard to achieve (Mahoney, 2000; Pierson, 2000; Thelen, 1999); (3) Increasing Returns. Decisions that were made early in the development of the institution or policy path often led to increasing returns over time, which means that benefits of staying on the chosen path accumulate. This can create high sunk costs and encourage far further commitment to the initial trajectory, even if they are more rational (Mahoney, 2000; Pierson, 2000; Thelen, 1999).

Aside from those assumptions, Path Dependence brings a number of key concepts, which is (1) Critical Juncture. A period of significant change that sets institutions on a particular path. This concept is crucial since it explains how CIDCA and JICA could have developed in different ways but were actually shaped by pivotal moments in their national histories; (2) Lock-in Effect. This term refers to the process where an institution becomes "locked in" to a specific path due to their self-reinforcing mechanisms, making it difficult to change. Both the CIDCA and JICA have been shaped by the economic and political priorities of their states, creating institutional inertia which perpetuates certain approaches to their development assistance (Mahoney, 2000; Pierson, 2000; Thelen, 1999); (3) Path Deviation. This is one key concept to explain the challenges of changing course. Path deviation becomes harder as institutional actors become more invested in its current system. If CIDCA were to change focus from infrastructure to a more human-centred approach of development, it would encounter substantial resistance because of its existing investment in BRI projects; and (4) Historical Institutionalism. Since Path Dependence is part of the HI framework, it emphasises the role of time and sequence in shaping institutions. This provides the analytical lens to compare CIDCA and JICA based on their respective historical contexts.

According to all of those key concepts and assumptions, Path Dependence shows a number of

differences between CIDCA and JICA. CIDCA was established in 2018, and its path is heavily shaped by China's historical approach to foreign policy, such as the principle of non-intervention and recent emphasis on infrastructure projects through the BRI. China's foreign and strategy has been shaped by critical junctures like China's economic rise in the late 20th century and strategic push for global influence in the early 21st century. The establishment of CIDCA depicts a critical juncture that locks in China's focus on large-scale infrastructure projects, which reflects broader strategic aims of the BRI (Mahoney, 2000; Pierson, 2000; Thelen, 1999). The lock-in effect then is evident in CIDCA's current focus on infrastructural development and state-driven aid strategies where significant investments in these projects make it difficult to pivot toward different types of development aid, such as human development or governance reforms. Self-reinforcing processes, such as China's growing influence in recipient states through economic ties and also geopolitical interests ensure CIDCA continues on current trajectory (Mahoney, 2000; Pierson, 2000; Thelen, 1999).

As for JICA however, it was established in 1974, reflects Japan's long history of using aid as a tool for post-war diplomacy and Japan's economic expansion. JICA's path is mostly shaped by critical junctures such as Japan's reconstruction after WW2 and Japan's transformation into a powerhouse in the international economy during the 1960s and 1970s. The Japanese foreign aid approach has historically emphasised technical cooperation, capacity building and also promoting sustainable development – an emphasis which reflects its economic needs and diplomatic strategy during these periods (Mahoney, 2000; Pierson, 2000; Thelen, 1999). The self-reinforcing process in JICA's path can be observed in its continued focus on matters like human security and capacity building, especially in Asia. As these policies have generated diplomatic goodwill and economic ties, the lock-in effect makes it difficult for JICA to deviate from its focus on human-centred aid, even as other global powers focus more on hard infrastructure projects (Mahoney, 2000; Pierson, 2000; Thelen, 1999).

3. RESULT AND DISCUSSION

Table 1 describe institutional comparison of CIDCA and JICA. JICA operates as a symbol of Japanese soft power, closely following guidelines established by international organisations such as OECD Development Assistance Committee (DAC) (MOFA, 2019; Arase, 2005). In contrast, the CIDCA embodies China's greater and yet, assertive economic diplomacy, tied to the BRI and reflective of China's broader geopolitical ambitions in reshaping infrastructure and trade networks (Hameiri & Jones, 2018; Brautigam, 2009). These comparative aspects demonstrate how both agencies don't only advance their states' development assistance goals but also pay pivotal roles in geopolitical competition through development aid (Hirono & Suzuki, 2020; Sun, 2021). Despite all of the following differences, both agencies are key players in global development, which represent their respective states' foreign policy priorities.

Table 1. Institutional Comparison of CIDCA and JICA.

No.	CIDCA	JICA
1	Foundation and Historical Background	
	Established in 2018, aligned with China's growing global influence, especially through the BRI.	Established in 1974, rooted in Japan's post-WW2 recovery and economic rise. Focused on regional development, especially in Asia.
2	Main Purpose	
	Implements China's foreign aid programs, focusing on infrastructure, economic development, and the advance of China's geopolitical and economic interests.	Contributes to sustainable development, human security, and poverty alleviation initiatives. Focuses on technical cooperation and disaster management.

No.	CIDCA	JICA
3	Geographical Focus	
	Focuses on states within the BRI, including Asia, Africa and Latin America, with an emphasis on strategic geopolitical areas and resource-rich regions.	Primarily Asia (Southeast Asia and Pacific) but also Africa and Latin America. Focused on regional stability and sustainable development.
4	Aid Modality and Approach	
	Emphasises infrastructure projects such as ports, railways etc. Uses loans and grants focused on economic development and trade improvement.	Combines grant aid, technical assistance, and soft loans. Emphasises capacity building, governance, and also long-term human development.
5	Development and Philosophy	
	Follows a policy of non-intervention and emphasises aid without any political strings attached. Development is seen as a mutual benefit, often in the BRI framework.	Promotes human-centred development, sustainability, and also recipient ownership. Closely follows multilateral guidelines such as the UN SDGs.
6	Political and Economic Alignment	
	China's aid strategy aligned with its geopolitical goals. Aid projects often support Chinese economic interests, particularly within the BRI.	Japan's ODA is a tool of soft power, aligned with peace, democracy, and multilateral cooperation. Works closely with the OECD DAC guidelines.
7	Funding and Financial Structure	
	Backed by government funds, often tied to broader initiatives like the BRI. Provides concessional loans, with limited transparency and some strategic resource repayment terms.	Funded through Japan's ODA budget. Provides low-interest loans, grants and technical aid. Transparent and accountable.
8	Impact and Global Perception	
	Criticised for debt-trap diplomacy and lack of transparency. Rapid infrastructure development is praised, but environmental and sustainability concerns exist.	Known for long-term, sustainable development initiatives with transparent and good willingness. Focus on human-centred aids.
9	Environmental and Social Safeguards	
	Environmental safeguards are acknowledged but weaker than JICA's. Large-scale projects have raised concerns about environmental degradation and displacement.	Stronger environmental and social safeguards, mostly depicted as in line with OECD and World Bank developmental standards to protect communities and ecosystems.

Source: Author data, processed in 2024

Table 2 demonstrates how CIDCA and JICA are highlighted in distinct priorities and approaches. CIDCA has more focus on infrastructure, such as transport and energy projects, that are mostly located in Africa, Latin America and Southeast Asia, often linked to its BRI (Hameiri & Jones, 2018; CIDCA, 2020). CIDCA's investments include large-scale projects in digitalisation of infrastructure and renewable energy, such as solar and hydropower, which align with a broader China's geopolitical strategy (Kitano & Harada, 2016). CIDCA also holds a major role, providing health aid during the COVID-19 pandemic, donating a notable number of medical supplies and equipment across Africa and other regions (CIDCA, 2020). In contrast, JICA focuses far more on the human development, which includes some sectors such as education, agriculture, and health. JICA's approach emphasises more on capacity building, tech transfer, and sustainable development, mainly in Southeast Asia and Africa. Its projects include transport infrastructure, but with a focus on long-run sustainability and deep focus human-centred development (JICA, 2020; JICA, 2021). For instance, JICA's initiatives

in regards of the environmental sustainability include disaster risk reduction and the water resource management, reflects Japanese commitment to international environmental standards (MOFA, 2019).

Table 2. Foreign Aid Comparison by Sector.

No.	CIDCA	JICA
1	Health	
	Major contributions in COVID-19 pandemic response, including medical supplies and equipment to Africa and other regions. CIDCA provided significant funding to WHO for pandemic control.	JICA focused on strengthening health systems in Asia and Africa, including the maternal and child health projects, as well as disease prevention programs.
2	Infrastructure	
	Investments in Africa, Southeast Asia, and Latin America for transport, energy, and digital infrastructure development, often through concessional loans.	JICA heavily invested in transport infrastructure in Southeast Asia, focusing on rail, road and airport projects to improve connectivity.
3	Agriculture and Rural Development	
	CIDCA supported agricultural modernisation projects, particularly in Africa to improve food security and productivity.	JICA led projects on rural development and agricultural innovation in Asia and Africa, emphasising sustainable farming practices and food security.
4	Education	
	CIDCA provided scholarships and support for education infrastructure, primarily in African countries.	JICA funded educational infrastructure projects and training programs in Southeast Asia and Africa, focusing on human resource development.
5	Environmental Sustainability	
	Investments in environmental protection projects in BRI states, particularly on water resources and pollution control.	JICA promoted environmental conservation projects, including disaster risk reduction, sustainable urban development, and water resource management in Asia.
6	Humanitarian Aid and Disaster Relief	
	CIDCA was active in providing emergency aid during natural disasters, notably in Southeast Asia and Africa.	JICA played a crucial role in disaster preparedness and relief operations, especially in Southeast Asia, after natural disasters.
7	Tech Transfer	
	Support for digital tech and infrastructure, particularly in Africa and Southeast Asian states, to boost local capacity.	JICA emphasised technology transfer programs in various sectors, including healthcare, agriculture, and infrastructure development.
8	Peace and Security	
	CIDCA contributed to security sector reforms, mostly in African states, focusing on capacity building and resolution.	JICA worked on peacebuilding efforts in post-conflict areas, especially in Asia and Africa, through reconstruction and governance projects.
9	Energy	
	CIDCA emphasised clean energy projects in developing countries, particularly solar energy and hydropower development in Africa and Latin America.	JICA focused on renewable energy projects, with key investments in solar, wind, and geothermal energy projects across Southeast Asia.

Source: Author data, processed in 2024

Whilst the table above highlights the foreign aid priorities of both CIDCA and JICA, Table 3 shows significant differences in their financial aid allocation and sectoral focus. CIDCA's total foreign aid

reached 22.5 billion USD, with the infrastructure sector receiving the largest portion at 9.1 billion USD, primarily benefiting states like Pakistan, Kenya and Ethiopia. CIDCA's big focus on infrastructure aligns with China's broader BRI, prioritising large-scale projects such as transport and energy infrastructure in developing regions (CIDCA, 2020). On the flipside, JICA's total aid stood at 46.8 billion USD, with a major focus on infrastructure as well, allocating 18.5 billion to fund the connectivity projects in India, Vietnam, and Bangladesh. This reflects Japan's strategy of enhancing regional growth through sustainable development (JICA, 2020). Healthcare also became a key sector for both of these agencies during the pandemic years. CIDCA provided 4.3 billion USD, particularly supporting states such as Ethiopia and Cambodia in order to address immediate pandemic-related challenges. Meanwhile, JICA allocated 7.2 billion so that it can help Indonesia and Kenya to strengthen their healthcare systems, focusing on prevention of diseases and capacity building (CIDCA, 2020; JICA, 2020).

Table 3. Financing Aid Disbursement by Sector in 2019 (in current USD).

Sector	CIDCA	Top Recipient	JICA	Top Recipient
Infrastructure	9.1 billion	Pakistan	18.5 billion	India
Healthcare	4.3 billion	Ethiopia	7.2 billion	Indonesia
Education	2.5 billion	South Africa	5.1 billion	Philippines
Agriculture	3.2 billion	Ghana	4.6 billion	Nepal
Energy	1.8 billion	Mozambique	6.1 billion	Indonesia
Hum. Aid	0.7 billion	Yemen	1.8 billion	Jordan
Environment	0.9 billion	Angola	3.5 billion	Mongolia
Total	22.5 billion		46.8 billion	

Source: Author data, processed in 2024

China's geopolitical ambitions have expanded significantly in the 21st century, driven by its desire to solidify its role as global power. Central to these interests is the BRI, launched in 2013, which aims to enhance China's influence through large-scale infrastructure development in Latin America, Asia and Africa. This initiative is rooted in enhancing connectivity through roads, ports, railways, and digital infrastructure, thus positioning China at the heart of global trade (Hameiri & Jones, 2018; Wang, 2017). The strategic goals of the BRI align with China's broader objectives of securing its access to natural resources, expanding markets for Chinese goods, fostering political alliances in regions that have traditionally been under the influence of Western powers. Furthermore, China's geopolitical strategy emphasises on non-interference in domestic politics, making its investments and aid more appealing to authoritarian regimes (Sun, 2021). These geopolitical interests reflect China's push for a multipolar world order, where it can reduce Western dominance in some areas, mostly related to global governance and international institutions, such as the IMF, World Bank, whilst positioning itself as a leader of the Global South (Zeng, 2019; Wang, 2017).

The establishment of CIDCA in 2018 represents significant evolution in China's foreign aid and development strategy. CIDCA was intentionally formed to centralise and formalise China's international aid efforts, which had previously been fragmented across various ministries, such as the Ministry of Commerce (MOFCOM) and Ministry of Foreign Affairs (MOFA) (Zhang, 2021; Wang,

2017). The agency was established to oversee important matters like aid distribution, policy making, and coordination of China's foreign policy to increase efficiency and impact of its overseas aid and to project China's influence in a better way on the global stage (Kitano, 2016). With a growing, also strong, emphasis on strategic aid, CIDCA has become a critical tool in promoting China's foreign policy goals, especially in regions that are really pivotal to China's geopolitical interests (Huang & Chen, 2020). CIDCA's focus on infrastructure, aside from industrial capacity, aligns perfectly with China's broader goal of reshaping global economic structures to suit its long-term ambitions (Zhou, 2020; Wang, 2017).

The creation of CIDCA is directly linked to China's geopolitical ambitions, mainly through its role in facilitating the BRI. CIDCA serves as a mechanism for executing the strategic vision of China by allocating foreign aid in ways that support its broader geopolitical objectives. Through CIDCA, China is able to offer development assistance that aligns with its diplomatic agenda, thus creating economic dependencies, expanding its sphere of influence, and gaining political leverage over recipient states (Zeng, 2019). CIDCA's focus on large-scale infrastructure projects in states that are resource-rich or strategically located underscores its role in advancing China's economic and geopolitical interests (Hameiri & Jones, 2018). Moreover, CIDCA operates within a branding that promotes South-South cooperation, contrasting with Western development aid paradigm that is often tied to political or economic conditions (Brautigam, 2011; Wang, 2017). This strategy has generally enhanced China's influence, particularly among developing states, and strengthened its position in international institutions and forums, contributing to the broader objective of reshaping global governance (Zhang, 2021; Wang, 2017).

As for Japan, following defeat in WW2, it underwent profound transformation in its geopolitical strategy. Under the terms of the US-imposed Constitution of 1947, Japan adopted a more pacifist approach, renouncing war as a means of settling international disputes and severely limiting very own of Japanese military capabilities. However, this did not mean Japan withdrew from affairs on the international stage. Instead, the Japanese shifted their geopolitical interests toward economic and soft power diplomacy through peaceful means. Central to Japan's post-war strategy was the pursuit of economic growth, underpinned by Japan's integration into the global economy and the establishment of a strong alliance with the US (Hughes, 2004; Takamine, 2012). Japan positioned itself as a critical player in securing regional stability in East Asia, focusing on trade, investment, and development assistance as tools for expanding its influence while adhering to its pacifist identity (Inoguchi and Jain, 1996). This strategy was particularly effective during the Cold War, as its economic prowess allowed it to become a leading power in the region, without any single urge to develop substantial military capabilities (Hook, 1996; Takamine, 2012).

In the 1970s, Japan formalised its international development efforts with the establishment of the JICA. It was created to administer Japan's ODA which had already become a crucial aspect of its foreign policy. The formation of JICA symbolised Japan's commitment to global peace and prosperity (Arase, 2005). Initially, Japan's ODA efforts were concentrated on neighbouring Asian states, helping to rebuild economies devastated by war and underdevelopment, but then gradually expanded its aid efforts globally (Potter, 2008; Takamine, 2012). JICA's creation also allowed Japan to consolidate its aid efforts under one organisation, making it more effective in realising Japan's foreign policy objectives, particularly in fostering friendly relations with developing states and countering some spreads of communism during the Cold War (Kawai & Takagi, 2004).

The formation of JICA is directly connected to Japan's post WW2 geopolitical strategy and objectives. As Japan refrained from developing military-oriented foreign policy due to some legal constraints with the US, it turned to economic diplomacy and development assistance as a critical instruments of foreign engagement. JICA became a central platform through which Japan exerted its

influence, particularly in Asia, by providing foreign aid and technical assistance that are more than just fostered economic development but also strengthened diplomatic ties (Arase, 2005). By focusing on development cooperation, Japan was able to advance its geopolitical interest without resorting to military force, maintaining its pacifist stance while building its reputation as peaceful and economically responsible global actor (Hook, 1996; Takamine, 2012). Moreover, JICA has played a vital role in promoting regional stability and economic interdependence, both of which are cornerstones of Japan's foreign policy in the post WW2 era (Sato, 2011). As Japan's ODA evolved, JICA's efforts were aligned with Japan's strategy to project soft power, foster goodwill, and secure its position as a leading global donor, which in turn bolstered its international standing and economic security (Hughes, 2004; Takamine, 2012).

3.1 Discussion

The analysis of JICA and CIDCA through Path Dependence Theory reveals critical contrasts in how these agencies align with theory's core assumptions and key concepts. This analysis demonstrates that while JICA fully embodies the principles of path dependence, CIDCA, on the other hand, fails to meet several crucial theoretical criteria. In summary, while CIDCA currently exhibits limited path dependence due to its structural ties to China's foreign policy, future developments may present opportunities for the agency to carve out a more independent identity. Understanding these dynamics is crucial for assessing CIDCA's potential evolution in the international development landscape. As the agency navigates its role, it will be essential to monitor how external pressures and internal strategic decisions shape its operational framework and institutional development moving forward.

In terms of the historical contingency, JICA's establishment and evolution clearly illustrate this fundamental assumption of path dependence. The agency's formation was rooted in Japan's post-WW2 transformation, particularly following the 1947 Constitution that mandated a more pacifist approach to international relations (Hughes, 2004). This critical historical moment created a genuine contingent situation where Japan had to choose between different paths of international engagement, ultimately leading to an emphasis on economic and soft power diplomacy through JICA (Arase, 2005). In contrast, CIDCA's establishment in 2018 lacks true historical contingency. Its formation was predetermined by China's Belt and Road Initiative (BRI), launched in 2013, representing a strategic reorganization rather than a genuine moment of institutional choice (Hameiri & Jones, 2018; Zhang, 2021). However, it is important to consider CIDCA may encounter future critical junctures that could influence its path dependence. As global economic dynamics shift and as China navigates its own role in international development, CIDCA might find opportunities to redefine its operational strategies and institutional identity, potentially allowing for a more independent trajectory.

The self-reinforcing processes, another critical assumption of path dependence, are strongly evident in JICA's development but notably absent in CIDCA. JICA has demonstrated these processes through a consistent focus on human-centered development, building long-term relationships with recipient states, and aligning with some international standards such as OECD guidelines and the Sustainable Development Goals (MOFA, 2019; JICA, 2020). These processes have created robust institutional routines and norms over decades. In contrast, CIDCA shows limited evidence of self-reinforcing processes due to its recent establishment and predetermined alignment with BRI's objectives (Kitano & Harada, 2016; Sun, 2021). The assumption of increasing returns is similarly well-demonstrated in JICA's case but lacking in CIDCA's. JICA's long operational history since 1974 has led to clear increasing returns through accumulated expertise in sustainable development, a notable reputation for transparency, and strong networks

with international development organizations (Potter, 2008; Kawai & Takagi, 2004). Given its short operational history, CIDCA has had insufficient time to develop such returns and faces challenges due to criticisms over debt-trap diplomacy affecting its institutional reputation (Brautigam, 2011; Zhou, 2020).

Regarding key concepts, JICA's development aligns with the notion of critical junctures, with its formation in 1974 represented an absolute genuine institutional turning point emerging from post-war reconstruction (Hook, 1996; Sato, 2011). Conversely, CIDCA's establishment tends to represent a continuation rather than a deviation from existing policies, predetermined by BRI objectives (Huang & Chen, 2020). The lock-in effect is both true and visibly evident in JICA's consistent human-centered development approach and adherence to international standards (JICA, 2021), while CIDCA's limited operational history and predetermined strategic alignment prevent the development of genuine lock-in effects (Zeng, 2019). Path deviation resistance is well depicted in JICA's case through its maintained focus on technical cooperation and alignment with international development norms, while CIDCA cannot demonstrate such resistance due to its insufficient operational history and lack of institutional independence from broader Chinese foreign policy objectives (Zhang, 2021).

This analysis reveals a fundamental distinction between these agencies, with JICA representing a genuine case of path dependence in institutional development, while CIDCA tends to represent a strategically created organization that has not yet developed path-dependence characteristics. JICA's approach emerges from genuine institutional evolution shaped by the historical contingencies and reinforced over time (Inoguchi & Jain, 1996), while CIDCA is predominantly determined by its own contemporary strategic objectives (Sun, 2021). This difference has significantly impacted their operational approaches and international perceptions with the JICA demonstrating stronger alignment with international development norms and the CIDCA focusing on strategic infrastructure projects aligned with China's foreign policy objectives (Hirono & Suzuki, 2020).

4. CONCLUSION

This research demonstrates that historical experiences significantly influence the way international development agencies conduct their economic diplomacy, albeit with varying degrees of impact through different mechanisms. Through a comparative analysis of JICA and CIDCA using Path Dependence Theory, the investigation reveals both the profound influence of historical contexts and the limitations of applying the theory to newly established institutions.

The analysis of JICA provides compelling evidence for the profound impact of historical experience on institutional development and economic diplomacy approaches. JICA's evolution since 1974 exemplifies the classic characteristics of path dependence, with its institutional design and operational philosophy deeply rooted in Japan's post-WW2 experience (Hughes, 2004; Arase, 2005). The agency's consistent emphasis on human-centered development, technical cooperation, and alignment with international norms directly reflects Japan's notable commitment to peaceful international engagement and its experience as a recipient of post-war aid (Kawai and Takagi, 2004; Potter, 2008). In contrast, CIDCA presents a more nuanced picture that challenges traditional path dependence assumptions. While CIDCA's approach is influenced by China's historical experience as an emerging economy, its recent establishment in 2018, along with its predetermined alignment with the Belt and Road Initiative (BRI), suggests a more strategic design than a path-dependent evolution (Hameiri & Jones, 2018; Zhang, 2021). This finding indicates that while historical experience remains influential, contemporary strategic objectives can override historical patterns in recently formed institutions.

The comparative analysis yields three significant insights. First, the temporal dimension has proven

crucial in understanding institutional development. JICA's longer operational history has allowed for the development of genuine path-dependent characteristics, while CIDCA's recent establishment limits the manifestation of such features (Brautigam, 2009; Sun, 2021). Second, the research reveals that historical experiences shape institutional approaches distinctly across time periods. JICA's approach reflects post-WW2 international development paradigms, while CIDCA's strategy aligns closely with contemporary global power dynamics (Kitano and Harada, 2016; Zhou, 2020). Third, the effectiveness of development assistance strategies appears linked to how well agencies balance historical legacies with contemporary challenges. JICA's established reputation for transparency and sustainability generally contrasts with CIDCA's focus on rapid infrastructural projects and strategic economic partnerships (Hirono and Suzuki, 2020).

The theoretical contribution of this research lies in its nuanced application of Path Dependence Theory to the analysis of international development agencies, highlighting how historical contexts and institutional legacies shape operational strategies. This study underscores the importance of considering both historical and contemporary factors in understanding the evolution of development agencies, particularly in the context of emerging institutions like CIDCA. In terms of practical recommendations, it is essential for CIDCA to cultivate a more balanced approach that integrates historical insights with contemporary strategic objectives. By fostering genuine partnerships with recipient countries and aligning its initiatives with international development norms, CIDCA could enhance its institutional reputation and effectiveness. Additionally, as CIDCA navigates its evolving role in the international development landscape, it should remain open to adapting its strategies in response to changing global dynamics and recipient needs. The limitations of this study, particularly regarding the different operational time frames for JICA and CIDCA and the limited availability of data on CIDCA's operations, suggest that further research is needed. Long-term studies tracking CIDCA's institutional evolution and in-depth comparative analyses that account for other development agencies could further enrich our understanding of how historical experiences shape economic diplomacy approaches in diverse contexts. Such research could provide valuable insights into the factors that influence the effectiveness and adaptability of development agencies in an increasingly complex global environment.

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