

Saturday, August 27 10:00–12:00 | Sarova Panafric Hotel "Simba"

# Industrial Development in Africa: KAIZEN and beyond

Cohosted by Overseas Development Institute (ODI)

## 1. Background

Policy support for economic transformation through industrialization can be categorized into three mutually complementary areas: (i) policies that promote structural change (e.g. industrial policy, investment climate reforms and financial sector development); (ii) policies that help improve productivity within individual sectors (e.g. competition policy, export diversification, foreign direct investment (FDI), policy and development of global value chains), and (iii) policies that target productivity improvements at the firm level (e.g. firm level human resource management and innovation policy).

Playing a key role among various policy interventions in policy area (iii) above has been the one based on the concept of KAIZEN. KAIZEN is a Japanese term meaning "improvement" and refers to a process of innovation in firms involving the entire workforce. It can be applied to such areas as customer oriented service and product provision, quality control, new product development, just-in-time, automation, cooperative employer-employee relationships, and so on. KAIZEN targets individual firm productivity enhancement through the implementation of a standard set of tools that are easily adaptable and scalable. Since 2009, KAIZEN has helped to improve firm performance in Ethiopia, its estimated benefits amounting to ETB 2.15 billion (about \$100 million).

Industrial development and economic transformation are key priorities in the African Union 2063 agenda. African governments are actively seeking to implement policies in collaboration with development partners. These activities have significant complementarities, focusing on general as well as specific support, such as industrial policy support that can target specific sectors, firms, or value-chain interventions. KAIZEN support at the firm level is a flexible tool that can be used alongside other programmes, thereby exploiting synergies to support African efforts for productivity change and economic transformation.

## 2. Objectives

The panel discussion and the following open discussion will look into key policies and institutional arrangements required for industrialization in Africa, focusing on the potential contribution of the KAIZEN approach, as well as other concrete measures and challenges.

## 3. Key Questions

The discussion focuses on three questions: (1) What are the progress, potential, and challenges of African industrialisation, (2) What is the role of KAIZEN in this, and (3) What else can government do to reinforce the effects of KAIZEN.

## 4. Speakers

- Dr. Dirk Willem te Velde, Head of International Economic Development Group, Overseas Development Institute
- Mr. Hiroshi Kato, Vice President, JICA
- Dr. John Page, Senior Fellow, Brookings Institution
- Mr. Getahun Tadesse, Director General, Ethiopian Kaizen Institute
- Mr. Dawarnoba Baeka, Chief Director, Ministry of Trade and Industry, Ghana
- Ms. Carole Kariuki, CEO, Kenya Private Sector Alliance
- Mr. Daniel Kilenge, General Manager of Manufacturing, Quality, ME & Maintenance, General Motors East Africa