KAIZEN in Africa

March 2016
Mr. Susumu KATSUMATA
Deputy Director General, Private Sector Development Group, Private Sector Development and Public Policy Department JICA
Today’s Outline

1. Japan’s approach on Private sector Development in Africa
   1. JICA’s approach to Private Sector Development
   2. TICAD V

2. JICA’s assistance in KAIZEN
   1. KAIZEN development in Japan
   2. JICA’s KAIZEN projects across continents
   3. KAIZEN in Africa

3. Way Forward
JAPAN’S APPROACH ON PRIVATE SECTOR DEVELOPMENT IN AFRICA
JICA’s Approach to Private Sector Development

JICA’s Vision
Inclusive and Dynamic Development

Economic Development
Social Development

Private Sector Development
Create employment, revitalize region, generate income & wealth
increase savings & investment, develop human resources,
provide suitable goods & services
and strengthen industrial competitiveness

Trade and Investment
Small and Medium Enterprises (SMEs)
Local Industries and Economies
JICA’s Approach to Private Sector Development

Overall Policy

Basic Environment

Individual Measures

Formulation of Industrial Development Policies
- Master plan for industrial development
- Policy Dialogue

Improvement of Business Environment
- Development of legal system and institutions for industries (laws, judicial system, intellectual property rights, industrial standards and conformity)
- Economic infrastructure (electric power, road, port, etc.)

GLOBAL
International Competitiveness, Benefits from Global Market

LOCAL
Regional Gap Correction, Poverty Reduction

Trade and Investment Promotion
- Strengthening organizations of trade/investment promotion
- Formulation of trade/investment policies and institutions

SME Development
- Improvement of quality and productivity
- Strengthening SME Development organizations
- Formulation of SME development policies

Local Economy Development
- Local enterprises/community development (One Village One Product movement, Cluster development)
- Tourism development (utilizing local resources)

New Partnerships that Support Economic Growth

Public Private Partnership
- Study for PPP Infrastructure Projects
- Study and Pilot Project for Disseminating SME's Technologies
- Study for BOP Business Promotion, SME Partnership Promotion Survey
Recent Highlights

[Industrial Development Policies]
1. Policy Dialogue of Industrial Development in Ethiopia

[Improvement of Business Environment]
2. OSBP in Africa
3. Intellectual Property Rights in Indonesia
4. Infrastructure Development

[Trade and Investment Promotion]
5. Investment Promotion Advisors
6. SEZ Development in Myanmar

[SME Development]
7. Productivity Improvement (KAIZEN) Project in Ethiopia and Africa
8. Automobile Industry in Mexico (*Value Chain Development of FDI and Local SME*)

[Local Economy Development]
9. One Village One Product Project in Kenya
10. Tourism Development Project in Dominica Republic
11. Supporting Women Entrepreneurs

[New Partnership that Supports Economic Growth]
12. Private Sector Investment Finance
TICAD V: What is TICAD?

Tokyo International Conference on African Development (TICAD)

1993: Inception of TICAD

- Initiative took by Japanese Government at time of decline in international ODA flow (after the end of the Cold War)
- Co-organizers, AU, UN, UNDP and WB

2013: TICAD V
- Yokohama Declaration and Yokohama Action Plan adopted (on-going)

2016: TICAD VI
- For the first time, to be held on African Continent (hosted by Kenya)
6 Priority Areas

1. Boosting Economic Growth
2. Accelerating Infrastructure and Capacity Development
3. Empowering Farmers as Mainstream Economic Actors
4. Promoting Sustainable and Resilient Growth
5. Creating an Inclusive Society for Growth
6. Consolidating Peace, Stability and Good Governance

Assistance Package

1. Boosting Economic Growth (Private Sector Development, Trade and Investment, Natural Resources)
   - Dispatch policy advisor on investment promotion to 10 countries
   - Capacity building of 300 people in 20 countries to function OSBP and to facilitate regional trade
2. Accelerating Infrastructure and Capacity Development
   - Build capacity of 30,000 people for business and industry
   - TICAD Human Resource Development Centers for business and industry at 10 locations for 25 countries
   - Networking of the institutions for promotion of productivity in African Countries
   - Launch “African Business Education Initiative for the Youth: ABE Initiative” inviting 1,000 people to Japan
One of Japan’s assistance packages committed at TICAD V (June 2013)
Launch the Centers at 10 locations for 25 countries

1. Objectives of the Centers
The Centers are expected to offer training that will effectively:
   - meet the needs of local job markets by linking the graduates of the training courses with job opportunities; and
   - meet the needs of Japanese companies that are operating (or will operate) in Africa.

2. Expected Activities at the Centers
KAIZEN training, Technical & Vocational training, Higher Education etc.
The Centres are expected to:
   - put emphasis on the dissemination and utilisation of Japanese knowledge and experiences; and
   - facilitate local entities to network with Japanese companies & organisations.
JICA’S ASSISTANCE IN KAIZEN

Source: Toyota, cited CNN
KAIZEN Development in Japan: What is KAIZEN?

• 改善(KAIZEN) simply means ‘improvement’
• Japanese management philosophy and know-how that brings about continuous improvement of productivity and quality
• It intends all individual’s behavior changes, promoting their creativity and ingenuity

<table>
<thead>
<tr>
<th>Period</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1942</td>
<td>Japan Management Association (JMA) established</td>
</tr>
<tr>
<td>1945</td>
<td>End of WW2</td>
</tr>
<tr>
<td>1946</td>
<td>Japanese Scientists and Engineers (JUSE) established</td>
</tr>
<tr>
<td>1950</td>
<td>JUSE invites Drs. Deming and Juran</td>
</tr>
<tr>
<td>1951</td>
<td>JUSE establishes “Deming Prize” Mr. Goshi (fist Chairman of JPC) visited Europe and learns productivity movement</td>
</tr>
<tr>
<td>1955</td>
<td>Japan Productivity Center (JPC) established - JPC starts sending study missions abroad</td>
</tr>
<tr>
<td>1962</td>
<td>JUSE publishes magazine “Quality control for the foreman”</td>
</tr>
</tbody>
</table>
KAIZEN Development in Japan: Core NPOs for Quality and Productivity Improvement

Japan Productivity Center (JPC)
- Established in 1955 as a public-interest foundation; received US support during 1955-61
- Tripartite collaboration: govt., business, and labor unions
- Main role: productivity improvement (leading Productivity Movement) (supporting Singapore's Productivity Movement under JICA project)

Union of Japanese Scientists and Engineers (JUSE)
- Established in 1946, as an incorporated foundation
- Main role: quality improvement ("Deming Prize", QC Circles) (supporting Burkina Faso (QCC) under WB/Japan PHRD fund project)

Japan Management Association (JMA)
- Established in 1942, as an incorporated association
- Main role: noritsu (efficiency) improvement, management innovation

KAIZEN Development in Japan: Role of Private Sector Organizations

US & European Countries

Private Sector Organizations (JPC, JUSE, JMA, etc.)

Private Companies

<To Learn>

• Dispatch of study missions to US & Europe
• Invitation of foreign advisors
• Translation of foreign literature into Japanese

<To Test & Modify>

• Study on adaptability of new technology (by committees and working groups: industry-govt.-academia joint research)
• Trial application and modification of technology (pilot projects)

<To Diffuse>

• Guidance and advices
• Education and training
• Qualification and certification system
• Award system
• Enlightenment and movement

JICA’S KAIZEN PROJECTS ACROSS CONTINENTS

- Singapore’s interest in productivity dates back to the 1960s (early days of independence).
- With the request from PM Lee Kuan Yew, JICA started Productivity Development project from 1983-1990
  - Assistance to National Productivity Board (NPB)
  - Training of Trainers (TOT), staff upgrading & training material development
  - a successful case of transferring “productivity technology”
  - Leading productivity centre to train other countries

Evolution of Productivity Movement in Singapore

**Awareness stage**
1981-85

Create widespread awareness of productivity among companies and the workforce

**Action stage**
1986-88

Translate “Awareness” into specific programs To improve productivity At the workplace

**Follow-up stage**
1989-90s

Encourage ownership of Productivity Movement by private firms

Start international cooperation

---

JICA-supported Productivity Development Project (PDP: 1983-90)

- Training of NPB staff
- Massive campaign

⇒ NPB staff (with JICA experts)
conduct company visits,
model company project, etc.

⇒ Private management consultants

Key factors of success

- Strong personal commitment of the top leader
- Establishment of core organizations
- Supporting institutions and mechanisms at central and local levels
- Massive campaign for mass participation
- Authorized and standardized training programs and materials for those concerned
- Developing private sector capability
Central America: example of regional cooperation

Project on Productivity Improvement for Enterprises (Phase 1) (1992-1997)

Project on Productivity Improvement for Enterprises (Phase 2) (2001-2006)

Project on Capacity Building of Facilitators on Improving Productivity and Quality for Small and Medium Enterprise in Central America and Caribbean Region (2009-2012)

CEFOF

Dispatch CEFOF consultants
Develop Network
Participate in Trainings

Belize
Guatemala
Honduras
El Salvador
Nicaragua
Costa Rica
Panama
Dominican Rep.

11 consultants who were accredited by JICA-JPC (Japan Productivity Center) through past cooperation, played the key role in the Project.
Project on Capacity Building of Facilitators on Improving Productivity and Quality for Small and Medium Enterprise in Central America and Caribbean Region

6 pillars of productivity (Curriculum of CEFOF)

- Production floor
- Quality
- Cost
- Stock
- Business Management
- Safety/Environment

Outputs of the Projects

- 56 facilitators from 8 countries were developed
- 112 SMEs from 8 countries received KAIZEN consultancy
- 50 types of textbooks were developed
- 2,000 people were trained through third country training, seminars
KAIZEN in Africa: Various backgrounds/elements (1)

i. Policy support and initiative
   ● National mid-term plan, industrial strategy …
   ● Ethiopia: H.E. Prime Minister’s strong initiative

ii. Implementing/related ministry/agency
   ● Ministry of Industry: most often observed
   ● Ministry of Trade: international competitiveness
   ● Ministry of Labour: productivity movement
   ● Ministry of Education: TVET system
   ● Agencies/Centres: Productivity Centre, Development Agency (Zambia ZDA), Small enterprise development agency (Ghana NBSSI) …
   ● Specially established organisation: Productivity Centre, Kaizen Centre, Kaizen Unit, Kaizen Institute …
KAIZEN in Africa:
Various backgrounds/elements (2)

iii. Target sector/size
- Sectors: Manufacturing, service, public ...
- Sub-sectors: Metal, agro, food, textile, leather ...
- Size: Large, medium, small and micro

iv. Existing mechanism
- BDS provider/facilitator
- Productivity Centre
- Management consultant: public, private
- Private sector organisation

v. Contents of KAIZEN programme
- 5S, Muda elimination, QC Circle ...
- OJT, TOT, pilot project, seminar/workshop ...

KAIZEN in Africa: KAIZEN Network

- **Objective**: Provide a platform where institutions promoting quality and productivity improvement (KAIZEN) in Africa can gather to share, accumulate and develop their experience and knowledge on KAIZEN.

- **Plan**: KAIZEN network seminar (KAIZEN knowledge sharing seminar) will be held once a year till 2020 with the support of JICA.
KAIZEN IN OTHER SECTORS
KAIZEN in Health Sector

- Program of Quality Improvement of Health Services by 5S-KAIZEN-TQM
- Started as a part of the Asia-Africa Knowledge Co-creation Program (AAKCP) in 2007
KAIZEN in Public Sector

- Project for Improving Public Services Through Total Quality Management in Bangladesh
Project on Capacity Development for Kaizen Implementation in the African Union Commission

- Project Period: 2015-2017
- To improve efficiency and quality of service delivery within AUC through KAIZEN approach.
WAY FORWARD
Way Forward

- TICAD human resource development center as regional center of excellence
- South-south cooperation within Africa
- Networking KAIZEN related institutions in Africa
- Ownership of African countries
- Make impact in the private sector