

TICADVI: The Sixth Tokyo International Conference on African Development
Official Side Event

Industrial Development in Africa—KAIZEN and Beyond

On August 27, the Japan International Cooperation Agency (JICA) held a seminar on the topic of industrial development in Africa –KAIZEN and beyond at the Sarova Panafric Hotel in Nairobi.

In this seminar, a wide range of panelists—including researchers, government officials, a representative of private company and development partner—discussed the seminar topic with a particular focus on the promotion of the manufacturing industry and economic transformation through the application of *Kaizen*, a Japanese methodology of quality and productivity improvement. Among the elements integral to the *Kaizen* methodology in African context are focusing on efficient resource allocation, participatory promotion of innovation, mindset change or workers and improving employer-employee relationships.

Mr. Dirk Willem te Velde, Head, International Economic Development Group, Overseas Development Institute(ODI) mentioned three contextual reasons as to improve productivity, namely by reallocating resource to sectors of high productivity, shifting resources from low productive firms to high productive ones through competition, and efforts of productivity improvement within firms. He particularly mentioned that *Kaizen* fit in improving productivity within firms. Mr. John Page, Senior Fellow, Brookings Institution, stressed that investment climate plus strategies are needed to make firms competitive. These are, (1) developing export driven industries in competitive market environment; (2) enhancing agglomeration and cluster development to create horizontal learning among firms; and (3) improving firm's production capacity through *Kaizen* and other capacity development approaches.

Mr. Getahun Tadesse, Director General, Ethiopian KAIZEN Institute, said that on average firms' productivity increased by 37% and for the last five years and a total of \$100 million income was generated. Mr. Dawarnoba Baeka, Chief Director, Ministry of Trade and Industry, Ghana, depicted the case of one herbal product company that improved its productivity from 0.3 cartons per hours per person before KAIZEN implementation to 1.2 cartons per hours per person after they introduced KAIZEN. He also mentioned some of the qualitative KAIZEN results such as the attitudinal and mindsets change that the workers brought. Mr. Daniel Kilenge, General Manager, Manufacturing, Quality, ME & Maintenance, General Motors(GM) East Africa, representing the voice of the private sector shared the GM East Africa's experience that they accumulated in KAIZEN implementation.

Mr. Kenichi Tomiyoshi, Vice-President, JICA, mentioned two tracks for KAIZEN promotion in Africa. The first one he introduced is to establish KAIZEN platform where African KAIZEN institutes can share their experience. The second track he mentioned is to work with regional organization, such as NEPAD (New Partnership for Africa's Development) that has already shown a great interest to work together with JICA in

mainstreaming KAIZEN in Africa. In addition, he mentioned that JICA will strengthen cooperation and join efforts with other development actors to create positive synergy with other policy tools of industrial development.

In Q&A session, Professor Otsuka of Kobe University commented from the floor that *Kaizen* can be an excellent entry point for country's step of industrialization. He then stressed that it should be combined with industrial clustering, attract export oriented FDI (Foreign Direct Investment) companies, set up skill training institutes, and so on.

In the closing remarks, Mr. Mayaki, CEO, NEPAD Agency, expressed his appreciation for the *Kaizen* movement. He listed two conditions for the successful promotion of *Kaizen* in Africa. One is to have political comment at the highest level. The other one is to put in place sound industrial policies that can create common language among all actors. He explained that NEPAD would take the initiative to further promote *Kaizen* in Africa and create champion countries in Africa so that to share best experience for peer African countries.

Speakers

Opening Remarks

- Akiba Kenya (Member of the House of Representatives and Deputy Secretary General, Japan-African Union Parliamentary Friendship Association)

Speakers

- Baeka, Dawarnoba, Chief Director, Ministry of Trade and Industry, Ghana
- Kilenge, Daniel, General Manager, Manufacturing, Quality, ME & Maintenance, General Motors East Africa
- Page, John, Senior Fellow, Brookings Institution
- Tadesse, Getahun, Director General, Ethiopian Kaizen Institute
- te Velde, Dirk Willem, Head, International Economic Development Group, ODI (Seminar Moderator)
- Tomiyoshi, Kenichi, Vice-President, JICA

Closing Remarks

- Mayaki Ibrahim, CEO, NEPAD Agency

