

Kaizen revisited in relation to MSMEs and AfCFTA

- ✓ Kaizen's characteristics, in particular, "Economic" and "Universal"
- ✓ Kaizen's effects, in particular, reduction of costs and delivery
- ✓ Accumulation of firm capability building contributes to industrial competitiveness



Source: JICA (2018)
"Kaizen Handbook"



Human capital development

Firm Capabilities Building

Africa Kaizen Initiative (2017-2027) revisited

Goals, achievements and extensions

Goal

1. Accelerate industrialization and economic transformation
2. Create employment and decent work
3. Develop innovative human resources

Achievements so far...

Beneficiaries of **Kaizen**

25 countries

1,367 Kaizen trainers

18,096 enterprises

282,000 managers and workers

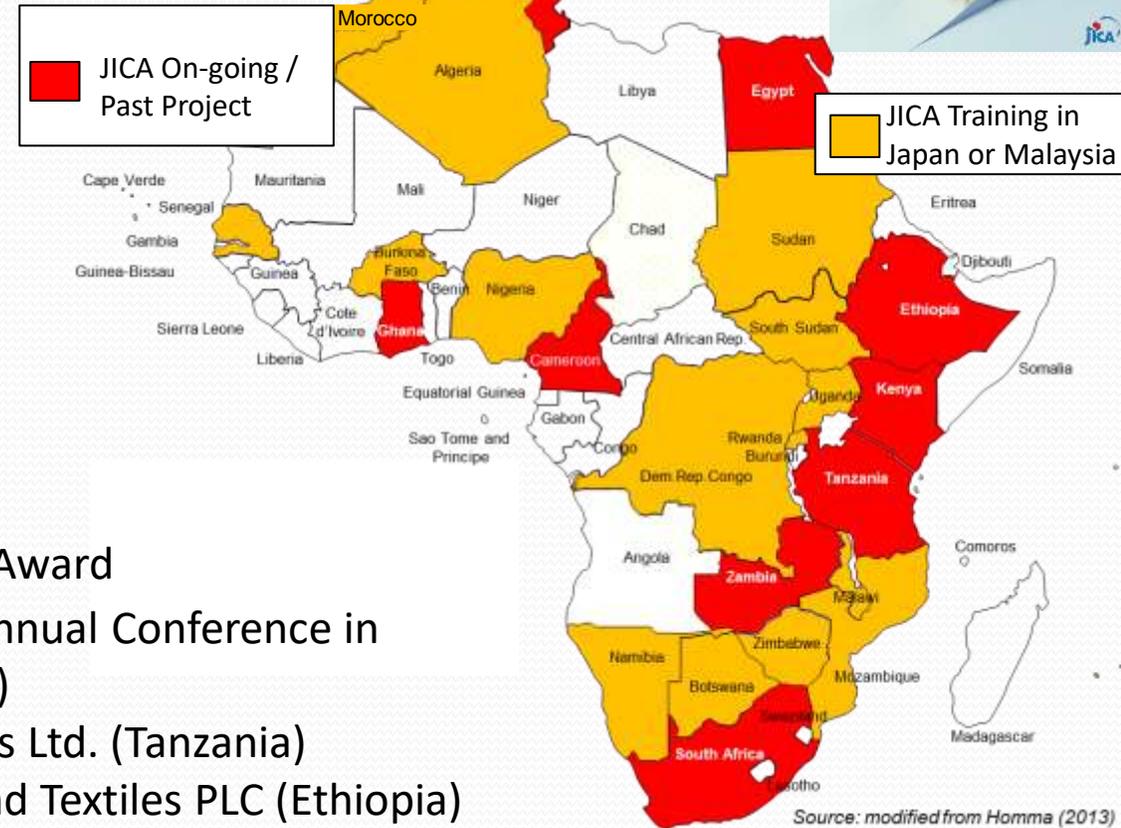


For example, in case of Ghana
37% increase in productivity
45% decrease in defect rate
53% increase in sales



KAIZEN

Management approach for attaining quality and productivity, the driving force for economic development



1st Africa Kaizen Award

(at Africa Kaizen Annual Conference in Tunis in June 2019)

- A to Z Textile Mills Ltd. (Tanzania)
- MAA Garment and Textiles PLC (Ethiopia)



Africa Kaizen Initiative (2017-2027)

Publications and Africa KAIZEN Annual Conference

“KAIZEN HANDBOOK” (2018)

https://www.jica.go.jp/english/news/field/2018/180625_01.html



“Applying the *Kaizen* in Africa: New Avenue for Industrial Development” (2018)

Open access:

<https://www.palgrave.com/jp/book/9783319913995>



“Workers, Managers, Productivity: *Kaizen* in Developing countries” (2020)

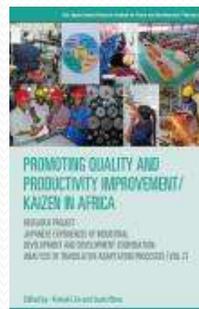
Open access:

<https://link.springer.com/book/10.1007%2F978-981-15-0364-1>



“Promoting Quality and Productivity Improvement / *Kaizen* in Africa” (2022)

https://www.jica.go.jp/jica-ri/publication/booksandreports/20220210_02.html



Africa KAIZEN Annual Conference (since 2016)

incl. Award Ceremony for the Africa KAIZEN Award (since 2019)

- Addis Ababa, Ethiopia (2016)
- Nairobi, Kenya (2017)
- Durban, South Africa (2018)
- Tunis, Tunisia (2019)
- On-line (2020)
- Dar es Salaam, Tanzania (2021)
- Yaoundé, Cameroon (2022 forthcoming)



AKAC 2021 in Tanzania: “Opportunities to Accelerate Industrialization and Trade in Africa”



Potential of the AfCFTA

<African Continental Free Trade Area> the world's largest free trade area



54

AU MEMBER STATES HAVE
SIGNED THE AfCFTA
AGREEMENT AS OF JUNE 2022



43

THE AfCFTA HAS 43 STATE
PARTIES AS OF JULY 2022



30 M

PEOPLE WILL POTENTIALLY BE
LIFTED OUT OF EXTREME
POVERTY



\$ 450 B

INCOME BOOST IN AFRICA BY
2035: A 7% GAIN

Source: AfCFTA Secretariat

- Came into effect in January 2021
- The world's largest Free Trade Area in terms of the number of participating countries
- Time-bound tariff elimination
- A continent-wide free trade area that will eventually go beyond trade in goods to cover services, investment, competition, and intellectual property
- Enhancement of intra-regional trade
- "Readiness" is important for respective countries to get benefits from AfCFTA



Keys to the AfCFTA for Sustainable Development

1. Enhancing Trade Facilitation

- Quality infrastructure and Corridor development to reinforce **connectivity**
- Enhancing the capacity of **customs administrations**
- Promoting **One Stop Border Post (OSBP)**



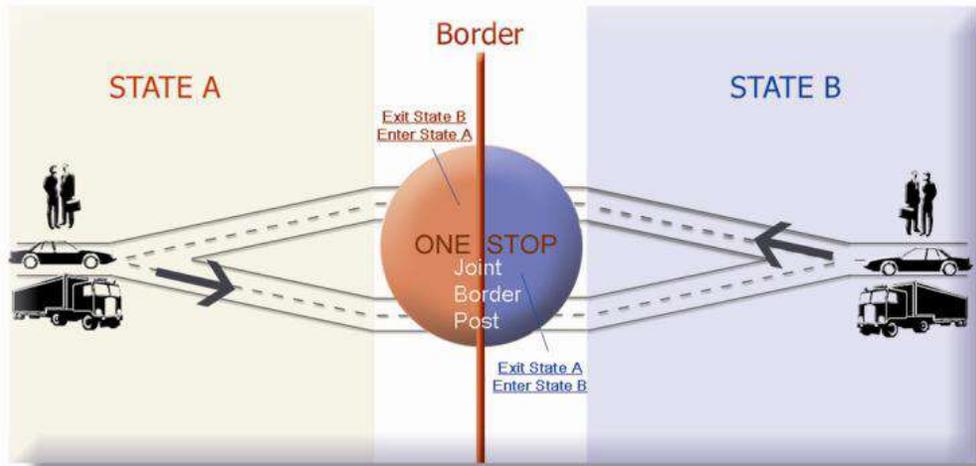
2. Strengthening Industrial Development

- Strengthening the **competitiveness of MSMEs / start-ups** and supporting **entrepreneurship**
- Strengthening **value chains**
- Providing a quality **vocational training** for youth

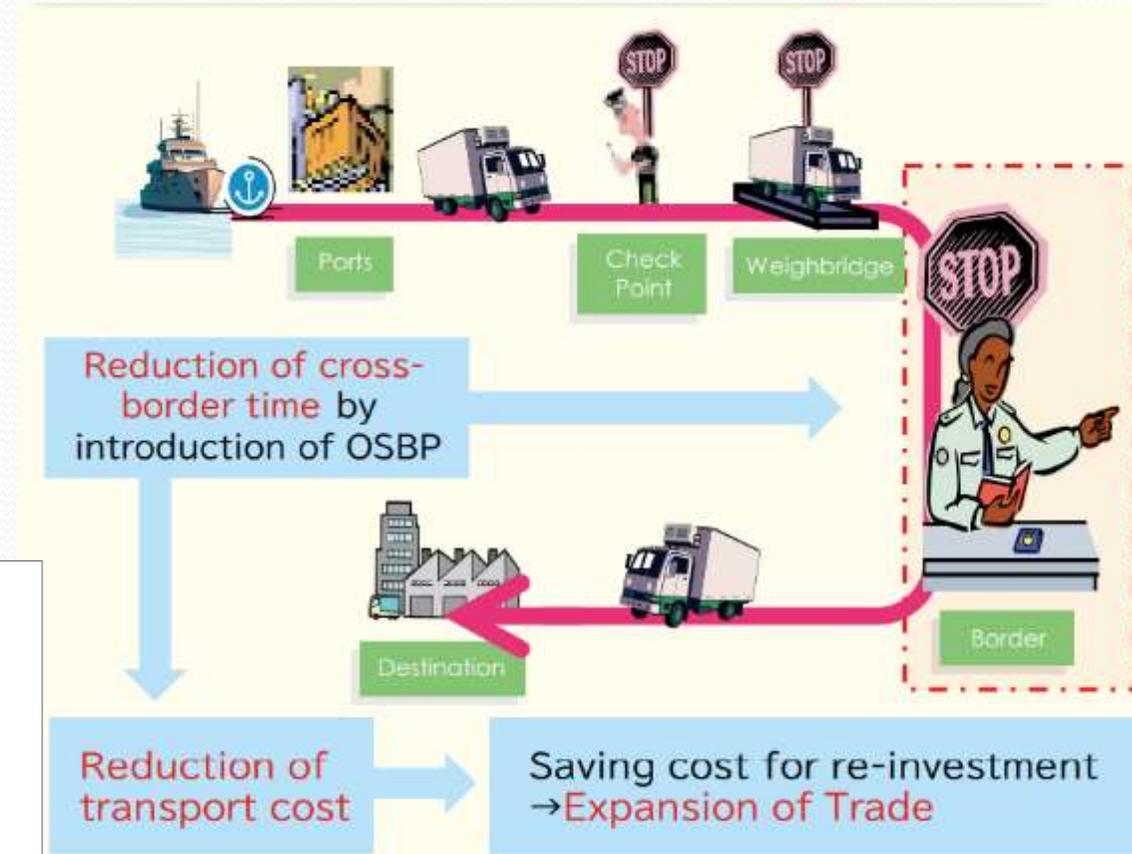
Kaizen



(Reference) JICA's cooperation with African players on One Stop Border Post (OSBP)

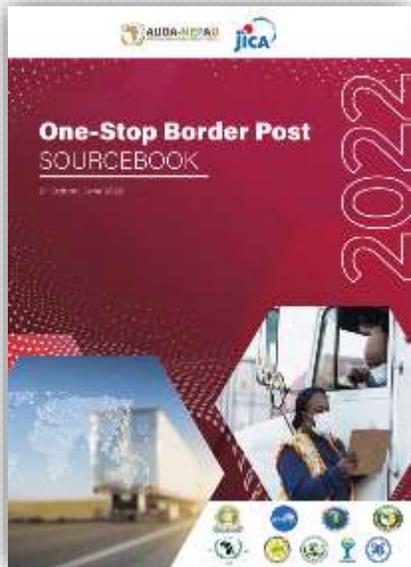
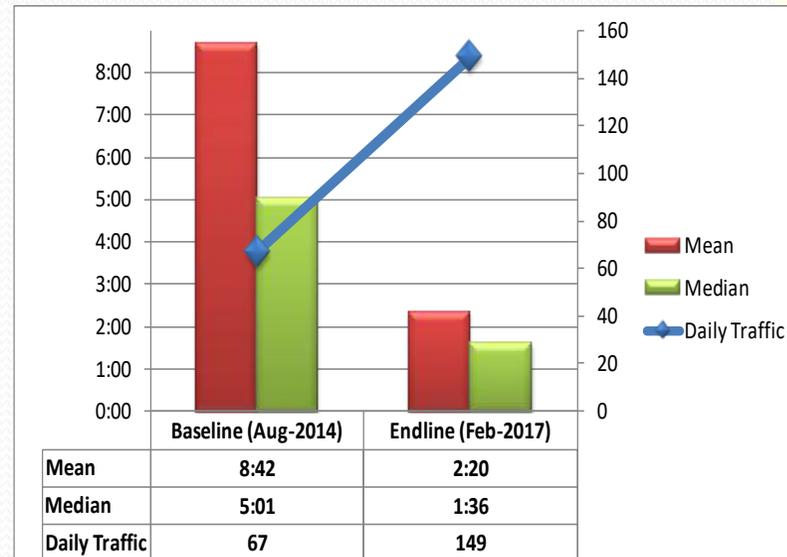


Source: ICA, CDC, EAC and JICA (2011) "OSBP Source Book"



- Cargo (TZ to RW)
8h42min (2014) → 2h20min (2017) (73 % time reduction)
- Number of **Truck/day** (TZ to RW)
75 trucks (2009) → 126 trucks (2017)

Source: 4th WCO Global AEO Conference (15 March 2018, Kampala, Uganda)



JICA Cooperation with AfCFTA Secretariat

Learnings from ASEAN Model of Economic Integration

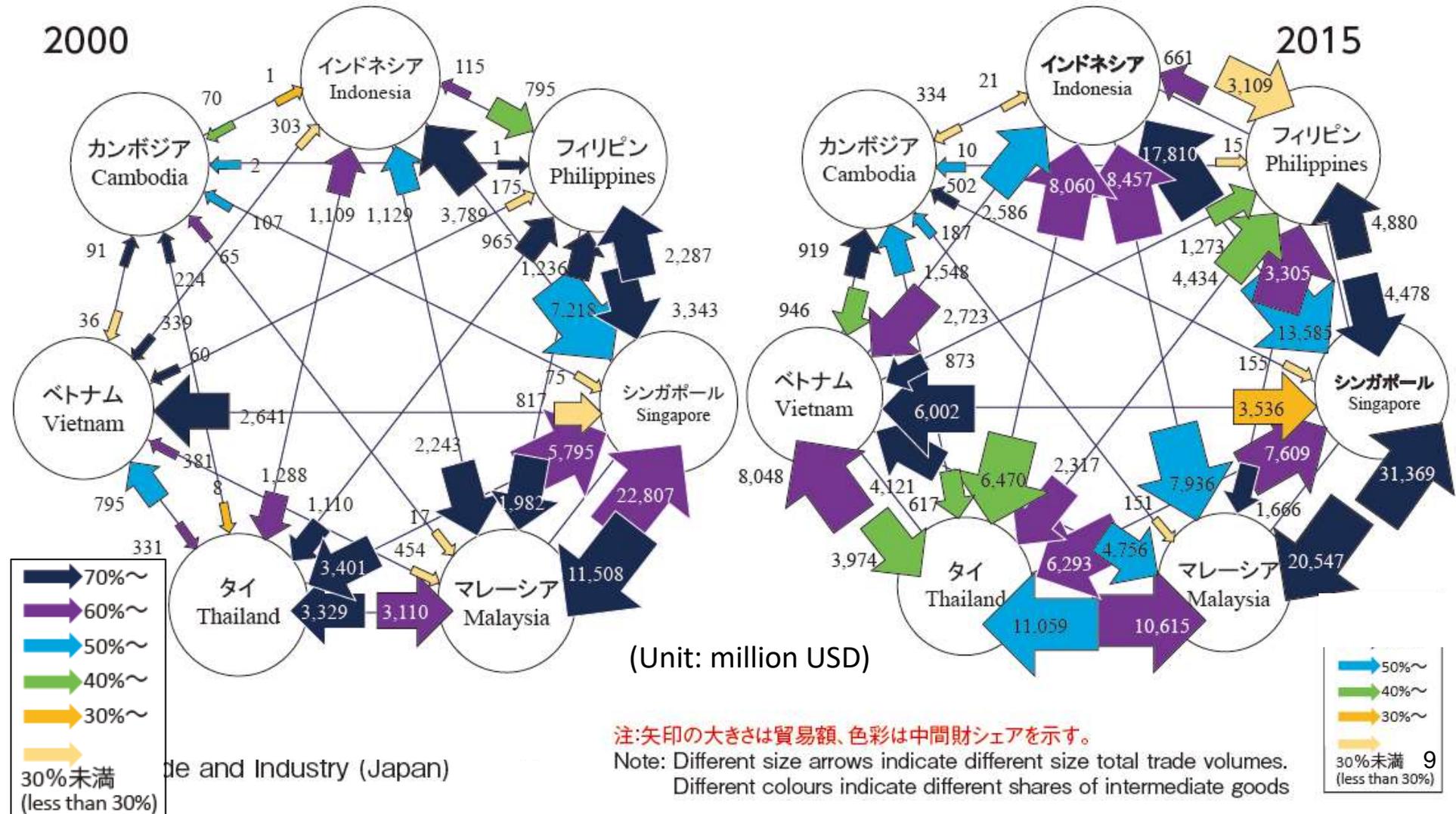


	Members	Population million	GDP US\$ billion	GDP per capita US\$	Trade US\$ billion
ASEAN	10 countries	655.9	3,166.3	4,827	2,816
EU	27 countries	447.5	15,592.7	34,843	11,343
NAFTA	3 countries	493.4	24,422.4	49,467	6,081
MERCOSUR	6 countries	306.5	2,498.6	8,151	604
AfCFTA	54 countries	1,300	3,400	-	-

Source: JICA

Intra-Regional Trade of intermediate goods within ASEAN

- Intra-ASEAN trade of parts and components grows over time
- Integration, cooperation and competition

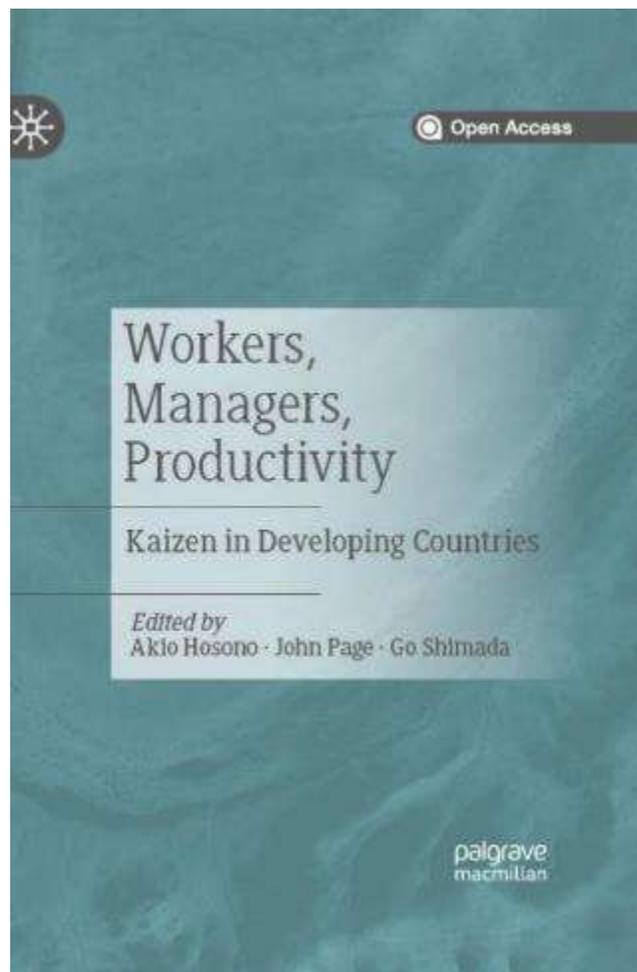


Source: Ministry of Economy, Trade and Industry (Japan), cited in ASEAN-Japan Centre (2020) "ASEAN Information Map ver. 2"

(For reference) *How Kaizen can contribute to industrialization*

“Workers, Managers, Productivity: Kaizen in Developing Countries”

- Edited by Akio Hosono, John Page and Go Shimada (2020); GDN-JICA RI joint research -



Chapter 1: Overview

Akio Hosono, John Page, Go Shimada

Chapter 2: Industrial Policy, Firm Capabilities and Kaizen

John Page

Chapter 3: Kaizen towards learning, transformation, and high-quality growth: insights from outstanding experiences

Akio Hosono

Chapter 4: Why is Kaizen Critical for Developing Countries? – Kaizen as a Social Innovation in the Era of Global Inequality

Go Shimada

Chapter 5: Kaizen promotion in Ethiopia

Kimiaki Jin

Chapter 6: Kaizen Dissemination through the Government and Private Sector in Southeast Asia: Malaysia, Indonesia, and Myanmar

Toru Homma

Chapter 7: Opportunities for Kaizen in Africa, Developing the Employability of African Youth through Kaizen

Momoko Suzuki, Eriko Sakamaki

Chapter 8: The Role of Kaizen in Participation in the Global Value Chain: The Case in Mexico

Keiji Katai

Chapter 9: Enhancing Learning through Continuous Improvement: Case Studies of the TPS in South Africa

Keiji Ishigame

Chapter 10: Does Management Matters? An Assessment of Kaizen in Brasil

Filipe Lage de Sousa, Mauricio Canêdo-Pinheiro, Bernardo Pereira Cabral, Glauca Estefânia de Sousa Ferreira

Chapter 11: Kaizen for Small and Medium Sized Enterprises in Vietnam

Vu Hoang Nam, Nguyen Thi Tuong Anh, Doan Quang Hung

Chapter 12: Management Practices and Performance Improvement in Manufacturing Enterprises: The Case in Ghana

Charles Godfred Ackah, Richmond Atta-Ankomah, Johnson Appiah Kubi

Chapter 13: Consequences of Kaizen practices in MSMEs in the Philippines:

Nestor O. Ranases, Nelson G. Cainghog, Mili-Ann M. Tamayao, Kristine Mae C. Gotera

Open Access: <https://www.palgrave.com/gp/book/9789811503634>

“Given its wide range of case studies from across Africa, Asia and Latin America, the book showed evidence in both large and smaller firms that Kaizen resulted in productivity and quality improvements and in some cases, that it enabled firms to upgrade their position in global value chains.”

(Reference) Factors that hamper industrialization of Africa



Internal Factors

**Weak Firm Capability
(Management, Technical)**

Weak Entrepreneur Capability for Innovation



Access Factors

**Lack of Access to Global Business
(Trade & Investment)**

Lack of Access to Finance

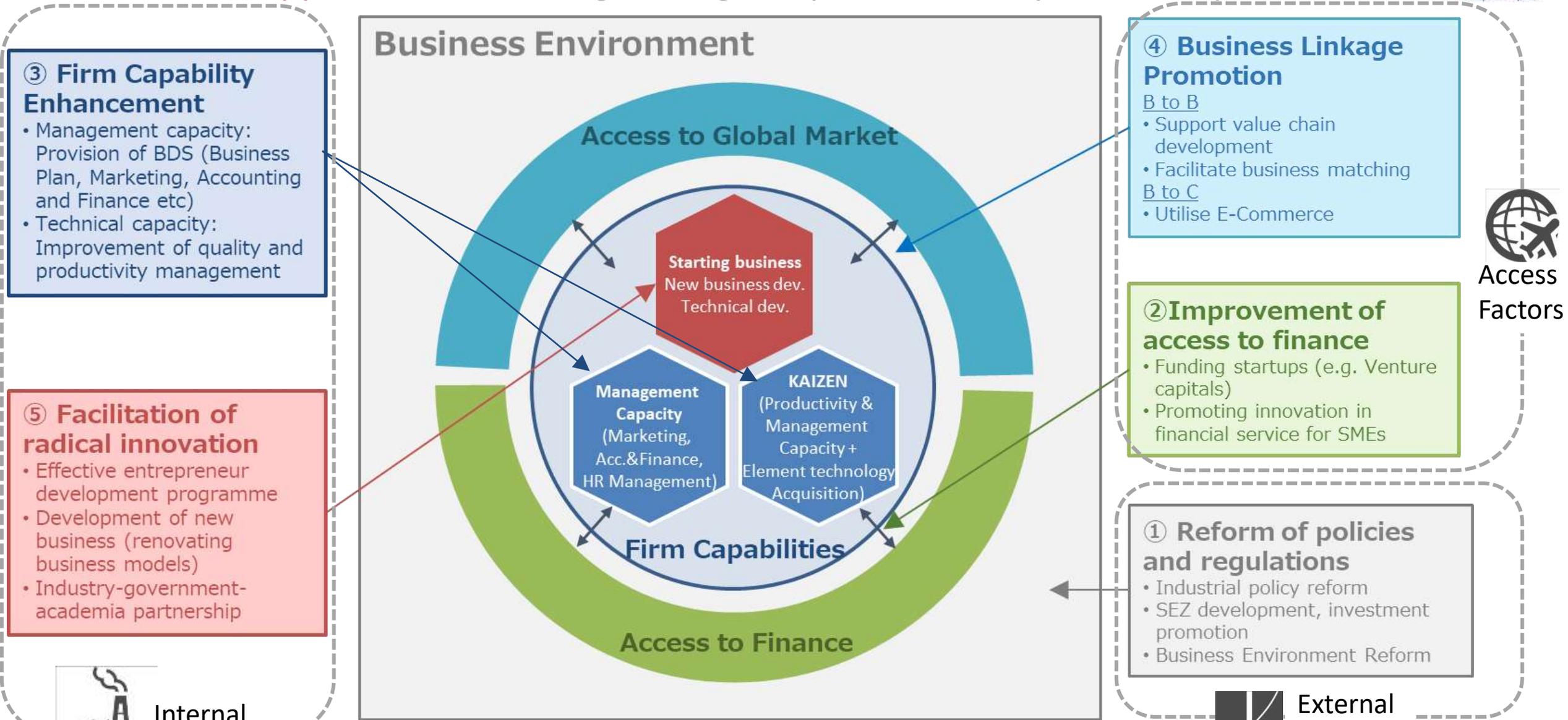


External Factors

**Unfavorable Business Environment
(incl. Policies & Regulations)**

Fundamental External Issues (incl. Security, Climate, Population etc.)

(Reference) Comprehensive approach of private sector development
 - 5 critical approaches for strengthening competitiveness by JICA with partners -



(Source: JICA Private Sector Development Group; Homma)