Comments on

Applying the Kaizen in Africa: A New Avenue for Industrial Development

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Fundamental contributions

- Kaizen as a “input” to improvements in quality, productivity, cost, delivery, safety, morale, and environment (QPCDSME)
  ←The book serves as a Textbook

- Consistent framework for Kaizen dissemination
  ←The book serves as a Practical Guide

- TIF strategy for sustainable industrial development
  ←The book serves as a Development Plan

Kaizen as an “input” to improvement in QPCDSME

- Timely
  - ←Role of noncognitive skills on labor market outcomes
  - ←Role of management practices on firm growth and survival
- Useful
  - ←Continuous improvement
  - ←Participatory improvement
  - ←Incremental improvement
  - ←Low-budget improvement
- Sectoral focus
  - ←Manufacturing
  - ←Other services
- Multi-target
  - ←Uneducated workers
  - ←Highly educated workers

Organizing framework for Kaizen dissemination

- Key to success
  - ← Institutionalization
  - ← “Strong” personal commitment of the top leader
  - ← Adjustment to the local context

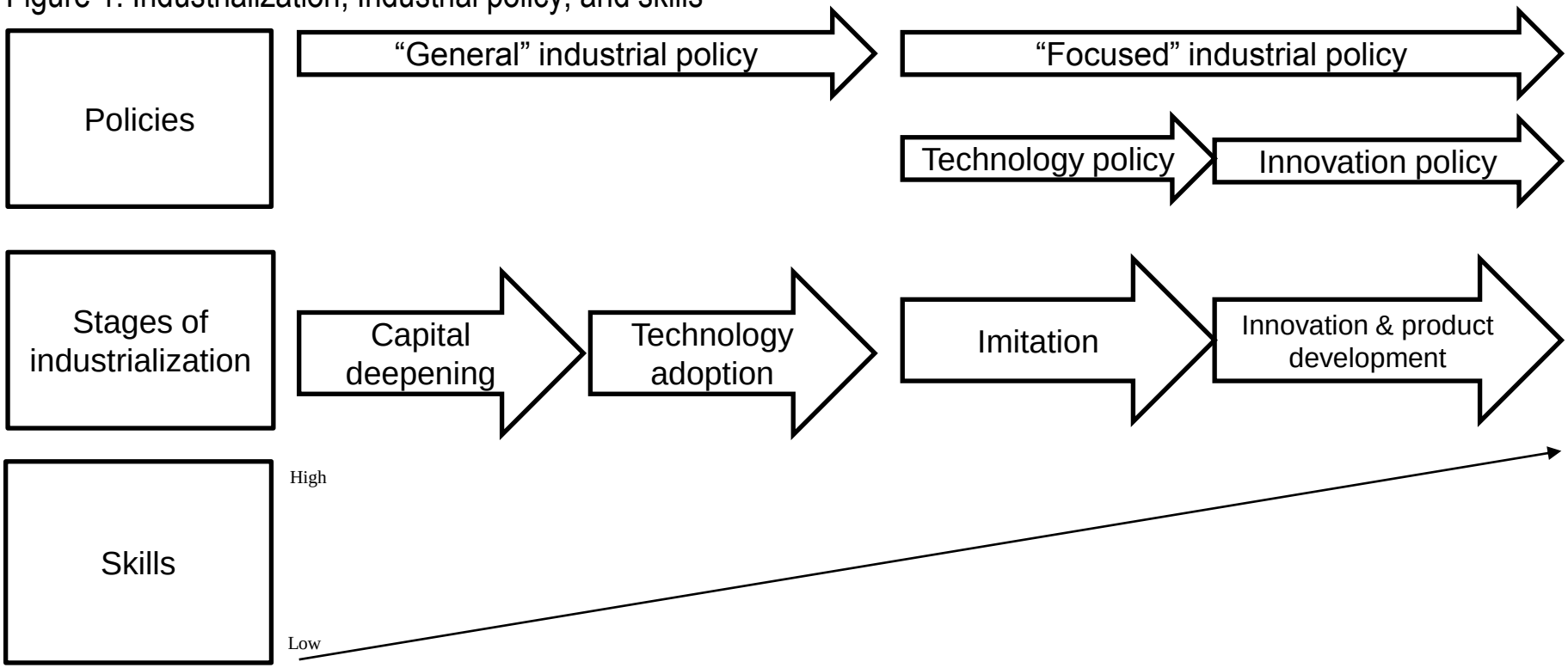
- African-style Kaizen: Will the sun rise from Ethiopia?
  - ← Differences in historical settings
  - ← Differences in institutional settings

- Complementary approach based on domestic value chains and spillover analysis

TIF strategy for sustainable industrial development

- Sequencing of industrial policy
  - ← Initial training
  - ← Targeting high-growth potential firms
  - ← Infrastructure
  - ← Other complementarity policies

Figure 1. Industrialization, Industrial policy, and skills



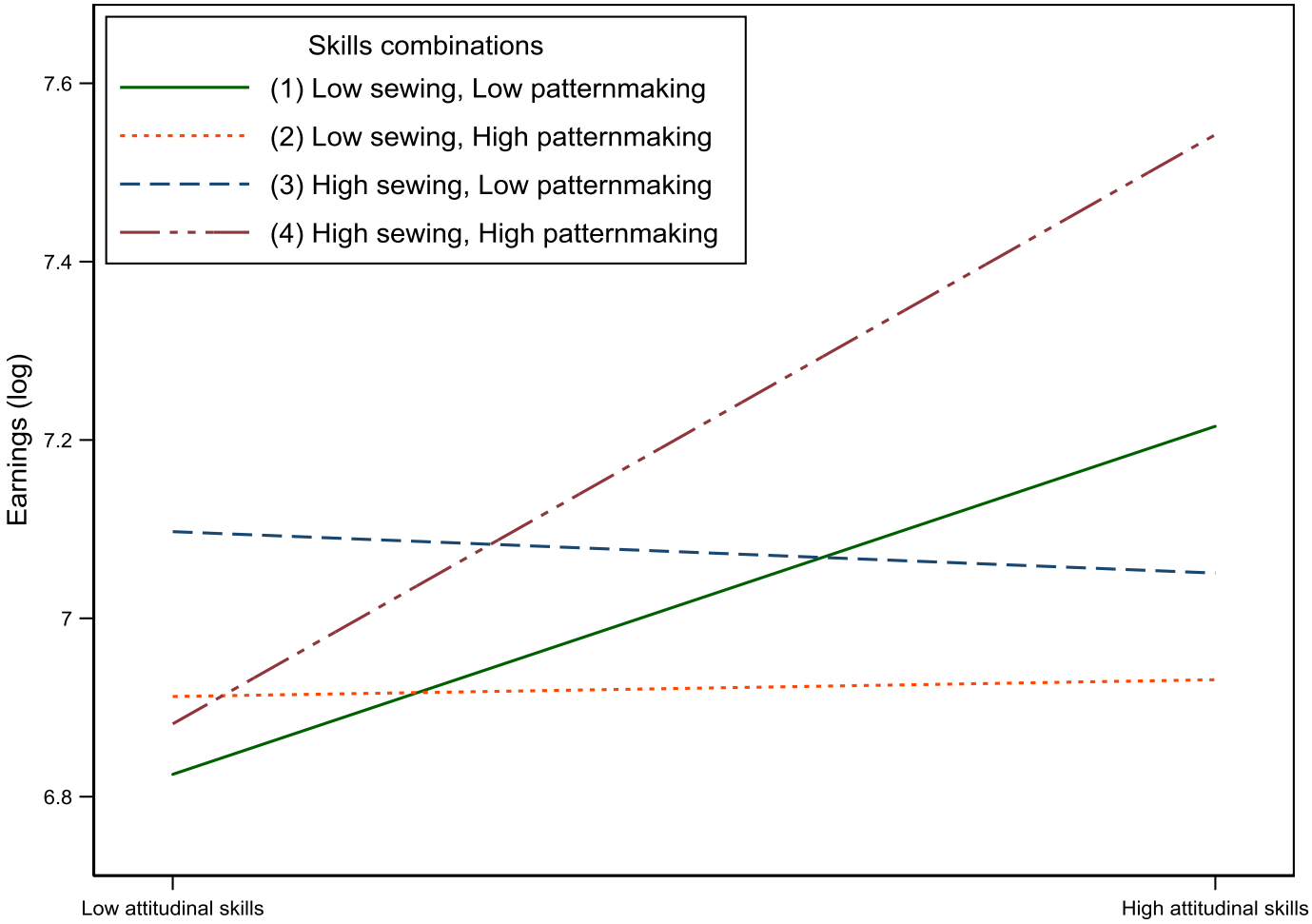
Returns to “Kaizen” skills

	Vocational skills (1)	Attitudinal skills (2)
Job experience	0.292	1.694***
	(0.186)	(0.174)
Main task is sewing	-0.508*	0.530*
	(0.264)	(0.293)
On the job training	0.727***	0.011
	(0.184)	(0.377)
Exporter	-1.321***	1.376***
	(0.182)	(0.184)
TVET	0.065	1.129***
	(0.172)	(0.401)
Observations	171	171

Notes: This table reports the coefficient in a regression where the outcome is vocational skills or attitudinal skills. Vocational skills are measured on tasks such as pattern making, cutting, sewing, and ironing whereas attitudinal skills include the capacity to maintain the workplace clean and tidy, to detect problems with the machine, to report to and follow the guidance of supervisors. Robust standard errors in parentheses are clustered at factory level.*** p<0.01, ** p<0.05, * p<0.1

Source: Yamada and Otchia (2018). The Effect of Non-cognitive Skills on Comprehensive Capacities of Workers: KAIZEN Education and Workers of Garment Industry in Ethiopia (Forthcoming in the JIDS)

Returns to “Kaizen” skills



Notes: The coefficients represent the average (log) earnings from an OLS regression specified to test for skills complementary by adding a three-way interaction between patternmaking skills, sewing skills, and attitudinal skills. The specification controls for age and age squared.
Source: Otchia and Yamada (Forthcoming). Measuring Occupational Skills in Developing Countries: The Case of Garment Production in Ethiopia