

## Kaizen Dissemination Project in Ethiopia as an Instrument of Economic Diplomacy of Japan (2009-2020)

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### Abstract

The decline of Western humanitarian aid in the post-Cold War era prompted Japan to launch the Tokyo International Conference on African Development (TICAD) in 1993. Recognizing a strategic opportunity to enhance its presence in Sub-Saharan Africa, particularly in Ethiopia, Japan introduced the dissemination of its Kaizen management methodology. This study underscores that the Kaizen Dissemination Project, implemented by the Japan International Cooperation Agency (JICA), functioned not only as a form of development assistance but also as a key instrument of Japan's economic diplomacy toward Ethiopia. Drawing on Okano-Heijmans's framework, which posits that economic diplomacy often leverages foreign aid to advance a state's long-term strategic interests, this study highlights how Japan's assistance aimed to bolster its international reputation and build mutual trust with recipient countries. Through the deployment of Kaizen experts, Ethiopian workers were trained in the methodology, facilitating Japan's involvement in Ethiopia's Industrial Policy Dialogue. This engagement allowed Japan to align its economic interests with Ethiopia's local policy agenda. The Kaizen Dissemination Project thus serves as a notable example of Japan's use of soft power to deepen bilateral relations, promote sustained economic cooperation, and create an enabling environment for future trade and investment opportunities.

**Keywords:** *Kaizen; Foreign Aid of Japan; TICAD; Economic Diplomacy of Japan; Ethiopia.*

### Introduction

Following the end of the Cold War, humanitarian aid from Western countries to developing and underdeveloped regions, particularly Sub-Saharan Africa - experienced a noticeable decline (MOFA of Japan, 1994). For instance, U.S. foreign aid, which averaged 0.24% of its GNP between 1975 and 1979, had declined to 0.15% by 1989 (Griffin, 2008). In response, Japan, as one of the major donors of Official Development Assistance (ODA) recognized the need to recalibrate its foreign policy, shifting focus toward fostering global stability and economic development. This repositioning aimed to reinforce Japan's economic cooperation with other countries, including those in Africa (MOFA of Japan, 1993).

Against this backdrop, Japan initiated high-level international dialogue with leaders from underdeveloped nations, especially in Sub-Saharan Africa. The region, noted for its abundant natural resources such as oil, gas, rare metals, and other minerals, was also undergoing economic growth, with an average annual GDP increase of 5% (JICA, 2013). This dynamic led to the establishment of the Tokyo International Conference on African Development (TICAD) in 1993, designed as a platform to mobilize Japanese ODA in support of Africa's economic development, expanded partnerships, and sustainable development objectives (MOFA of Japan, n.d.).

Among the notable outcomes of TICAD was Japan's engagement with Ethiopia. During TICAD IV (2008), Ethiopia became the first African country to request the implementation of a Kaizen pilot project as an initiative aligned with its national industrial reform policy. This cooperation deepened through TICAD V (2013), which expanded Kaizen's implementation through multiple phases. Japan, recognizing Ethiopia's potential as both a trading partner and a strategic ally, viewed this collaboration as mutually beneficial where Ethiopia's agricultural exports could serve Japanese markets, while Japan's technology products found a growing audience in Ethiopia (Ohno, 2020; Marzagora, 2022).

This study thus investigates Japan's application of the Kaizen Dissemination Project as a foreign policy instrument under the TICAD framework, aimed at strengthening its economic diplomacy and cooperation with Ethiopia. While existing literature, such as Stein (1998) and Katsuhiko (2013), traces Japan's ODA engagement in Africa back to the 1950s, it highlights how Japan's foreign aid was initially limited to its key trading partners, such as South Africa. Post-TICAD, Japan diversified its assistance to a broader array of Sub-Saharan African nations (Ampiah, 2005; Edström, 2010; Cornelissen, 2016). Japan's foreign aid strategy has since evolved to include not only financial grants and loans but also human resource development through technical assistance and training.

Scholars like Cornelissen and Taylor (2000) and Eyinla (2018) argue that the TICAD framework was explicitly designed to facilitate both Africa's development and Japan's long-term economic and strategic interests. TICAD's support for infrastructure, governance, and human capital in recipient countries helps pave the way for Japanese trade and investment. However, most studies focus on TICAD's general impact without a focused analysis of specific projects as instruments of Japan's foreign policy. Notable exceptions include research by Desta et al. (2014), Abera (2015), Georgise and Mindaye (2020), and Dinka (2021), who explored the Kaizen initiative in Ethiopia. While these works demonstrate Kaizen's compatibility with Ethiopian cultural and organizational contexts, they tend to view Kaizen through an industrial or managerial lens, overlooking its role in Japan's economic diplomacy.

Accordingly, this research aims to fill this gap by examining the Kaizen Dissemination Project as a diplomatic tool. It seeks to answer the research question: How did Japan implement the Kaizen Dissemination Project as an economic diplomacy instrument in Ethiopia from 2009 to 2020? The project's trajectory - from its pilot in 2009 to the establishment of the Ethiopian Kaizen Institute (EKI) in 2012, and its continued development through 2020 - offers a compelling case to understand Japan's strategic behaviour in using technical assistance to pursue its foreign policy goals.

Japan's Ministry of Foreign Affairs explicitly stated in its 2010 ODA White Paper that ODA would be actively utilized as a component of Japan's economic diplomacy. This study, therefore, uses the concept of economic diplomacy to frame its analysis. Van Bergeijk, Okano-Heijmans, and Melissen (2011) define economic diplomacy as the strategic use of economic instruments, including foreign aid to achieve political or economic interests through international cooperation. Berridge and James (2003) further argue that foreign aid serves as a key diplomatic tool, allowing donor states to enhance their influence and build trust with recipients.

Okano-Heijmans (2011) highlights that Japan, in particular, has capitalized on non-financial resources such as technology, expertise, and human capital to support development in recipient

countries while simultaneously advancing its economic interests. Aid not only fosters goodwill and reputation but also creates favorable conditions for trade and investment.

Within this framework, the Kaizen methodology that originating from the Japanese words “*Kai*” (change) and “*Zen*” (better) emerges as a soft power instrument. Introduced globally in 1986 by Masaaki Imai, Kaizen emphasizes continuous improvement across personal, social, and organizational domains. It promotes participatory work culture, productivity enhancement, and mindset change (Kaizen Institute, 2016). Scholars such as Monden and Hamada (2000), Brunet and New (2003), and Abdulmouti (2015) document Kaizen’s instrumental role in Japanese industrial success and its adaptability in international contexts. As such, the Japanese government has strategically used Kaizen as a vehicle for human development assistance, advancing both recipient country development and Japan’s foreign policy objectives.

### **Research Methodology**

This study employs a qualitative methodology, with the researcher as the central instrument for analysis (Sugiyono, 2008). Data collection is based on secondary sources, including academic journals, government publications, reports from the Ministry of Foreign Affairs (MOFA) and Japan International Cooperation Agency (JICA), and credible online articles. Through this approach, the research will critically explore Japan’s implementation of Kaizen in Ethiopia as a mechanism of economic diplomacy.

### **Research Discussions**

#### *The Attractiveness of Ethiopia*

According to The Economist (2011), several Sub-Saharan African countries have driven the region’s economic growth since 1995 and into the 21st century. Among these, Ethiopia emerged as one of the “African lions,” contributing significantly to regional and global economic expansion since the 2000s. Between 2003–2004 and 2010–2011, Ethiopia sustained an impressive average annual growth rate of 10.6% (World Bank, n.d.).

This strong trajectory was supported by a series of industrial and development strategies initiated by the Ethiopian government. These included the Sustainable Development and Poverty Reduction Program (SDPRP) (2002–2005), the Plan of Action for Sustainable Development and Eradication of Poverty (PASDEP) (2005–2010), and the Growth and Transformation Plan (GTP) (2010–2015) (Gebreeyesus, 2016). The SDPRP emphasized the commercialization of agriculture, while PASDEP and GTP expanded the strategic scope to include urban and industrial development. Since these strategies were introduced, economic growth has been primarily driven by the agricultural sector, followed by manufacturing and services.

Ethiopia’s agricultural exports grew significantly from around USD 500 million in 1997 to approximately USD 4.2 billion in 2014 (Strubenhoff, 2021). Parallel to this, the government sought to accelerate industrial development by promoting the construction, manufacturing, and service sectors (Seid et al., 2016). The industrial sector expanded from approximately USD 2 billion in 2003 to USD 10 billion in 2015, while the manufacturing sector alone reached USD 2 billion between 2013 and 2015.

Ethiopia’s growing economic potential and its role as a regional hub have attracted global partners, including Japan, which has intensified its diplomatic and economic engagement.

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Bilateral relations between Japan and Ethiopia date back to the 1930s with the Treaty of Amity and Commerce, which was re-established in 1955 and has since evolved into broader economic cooperation (Marzagora, 2022). Ethiopia primarily exports coffee, oilseeds, and textiles, with total trade with Japan increasing from USD 7.46 million in 2009 to USD 91.4 million in 2014. In return, Japan exports transportation equipment and machinery, growing from USD 142 million in 2009 to USD 169 million in 2014.

The recognition of Japan as a model industrialized nation has influenced Ethiopia's interest in adopting Japanese methods to inform its own industrial policy. A significant development came during TICAD IV in 2008, when Japan proposed the Kaizen approach as technical assistance to enhance human resource productivity in industrial sectors and support Ethiopia's sustainable economic growth.

#### *Tokyo International Conference on African Development and Ethiopia-Japan Industrial Policy Dialogue*

The Tokyo International Conference on African Development (TICAD) reflects Japan's commitment to promoting development across Sub-Saharan Africa through foreign aid, capacity-building, and economic cooperation (Cornelissen & Taylor, 2000; Eyinla, 2000; Lehman, 2007). Through TICAD, Japan practices economic diplomacy by using Official Development Assistance (ODA) to foster regional development and create new markets for Japanese trade and investment (Ampiah, 2005; Adem, 2001, 2008).

Japan's ODA strategy prioritizes the development of socio-economic infrastructure, legal frameworks, and industrial human resources in recipient countries to support sustainable growth (Araki, 2007). These efforts are designed to facilitate the expansion of the private sector, attract foreign direct investment (FDI), and enhance global economic integration for Sub-Saharan African states (Eyinla, 2000; Raposo, 2009; Katai, 2020).

By aligning aid initiatives with local needs and fostering community involvement, Japan through its implementing agency JICA (Japan International Cooperation Agency) builds trust and strengthens local ownership of development programs (Lehman, 2010). These strategies enhance Japan's soft power and position it as a reliable partner in African development, while also supporting the design and implementation of effective policy frameworks in recipient countries.

TICAD is held every five years to offer strategic aid and foster dialogue between Japan and African states. The agendas of TICAD IV and V reflected a mutual interest in expanding trade and improving the effectiveness of FDI. During TICAD IV, African governments emphasized the importance of trade and investment for sustainable development and poverty reduction (MOFA of Japan, 2008). Concurrently, Japan prioritized strengthening industrial capacity to facilitate Japanese private sector expansion in Africa (Terada, 2008).

The Yokohama Action Plan 2008, a key TICAD IV outcome, pledged Japanese technical assistance to improve productivity, competitiveness, and entrepreneurial skills in promising sectors. A significant component of this assistance was the enhancement of small and medium-sized enterprises (SMEs) and local industries. In response, Japan proposed the Kaizen Dissemination Project to build industrial human capital and institutional capacity in Sub-Saharan Africa.

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Ethiopia became the first country to pilot the Kaizen Dissemination Project, reflecting its commitment to industrial reform. Under Prime Minister Meles Zenawi, the Ethiopian government sought to adapt the Japanese Kaizen methodology to local cultural contexts to ensure practical implementation and widespread acceptance (GRIPS, 2017; Oqubay, 2016). The project aimed to improve industrial productivity by enhancing supply chain efficiency and overall competitiveness.

To support this effort, the Ethiopia-Japan Industrial Policy Dialogue was established as a consultative platform co-led by JICA and the GRIPS Development Forum. The dialogue engaged stakeholders at three levels, namely prime ministerial, ministerial, and expert to facilitate knowledge exchange and policy learning (Ohno & Ohno, 2021). This collaborative initiative laid the groundwork for the institutionalization of Kaizen in Ethiopia's industrial policy.

Following the successful pilot, Japan incorporated lessons from Ethiopia into the planning of TICAD V. The Kaizen project became central to Japan's proposal for broader dissemination across other Sub-Saharan African countries, leveraging the model's success in Ethiopia to promote human resource development and industrial competitiveness throughout the region.

#### *Kaizen Development in Ethiopia*

Kaizen has evolved into a universally applicable body of knowledge that can be effectively understood through the transmission of theoretical insights combined with practical applications (King & McGrath, 2004, as cited in Jin, 2018). Jin (2018) asserts that Kaizen encompasses multiple dimensions, with a key approach being human-centered participation, which must be contextualized according to the specific socio-cultural setting in which it is implemented. In the Ethiopian context, a critical aspect of Kaizen's promotion involved adapting Japanese-style Kaizen practices to local work cultures and environments. This adaptation was achieved through inclusive participation, involving both top management and frontline employees within the recipient firms and manufacturing enterprises (Woldegiorgis, 2019).

According to the JICA Capacity Assessment Handbook (2008), the evaluation of Kaizen training is categorized into two components: technical and core capabilities. Technical capabilities pertain to specific knowledge areas, including Kaizen systems, tools, and methodologies, as well as expertise across various industries and technologies. Core capabilities, on the other hand, are foundational to cultivating discipline, attitudes, leadership, and management competencies - elements essential to achieving sustainable improvements. To facilitate experiential learning, JICA collaborated with universities and selected companies, integrating participants into in-company training settings where they engaged in learning through trial and error, reflection, and personal development. There are three phases of Kaizen Dissemination Project in Ethiopia:

- *Kaizen Dissemination Project Phase 1*

The first phase of the Kaizen Dissemination Project, formally titled the "Study on Quality and Productivity Improvement," aimed to transfer Kaizen-related knowledge and skills from JICA experts to members of the Ethiopian Kaizen Unit - a team established by the Ethiopian Ministry of Industry, which also selected pilot companies for participation (Jin & Izumi, 2022). From an initial pool of 180 enterprises, 30 pilot companies were selected based on pre-established criteria and observational visits conducted by JICA and the Kaizen

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Unit (Mekonen, 2018). These companies spanned five sub-sectors: metal and engineering, agro-processing, chemicals, leather, and textiles.

The Kaizen training module began with a one-month classroom component, including presentations, video materials, and interactive games - followed by five months of in-company training. As reported by JICA (2011), 28 of the 30 pilot firms demonstrated notable improvements in productivity and quality with minimal cost investment. The fact that 65% of participating firms reported substantial benefits attests to the project's success and led to the establishment of the Ethiopian Kaizen Institute (EKI), underscoring Kaizen's adaptability and acceptance within the Ethiopian industrial landscape.

■ *Kaizen Dissemination Project Phase 2*

In the second phase, the newly established EKI assumed the responsibility of formulating Kaizen-related policies, strategies, and dissemination practices, including the training and deployment of Kaizen consultants across Ethiopia's regions. With support from both the Ethiopian government and JICA, this phase was implemented between 2011 and 2014 under the title "Project on Capacity Building for the Dissemination of Quality and Productivity Improvement," accompanied by a policy dialogue from 2012 to 2015 (Mekonen, 2018; Jin, 2020).

As a result, JICA and EKI successfully trained 133 instructors from Technical and Vocational Education and Training (TVET) institutions and 57 Kaizen consultants. These professionals were deployed primarily in Ethiopia's leading export sectors—sugar, textiles, and leather—with a particular focus on exports to Japan (OEC, n.d.). According to Mekonen (2018), firms in these sectors reported significant improvements in productivity and management practices. The most notable achievements included positive shifts in workplace attitudes, enhanced collaboration between management and workers, and improved supply chain management. These outcomes translated into an annual trade value of approximately USD 1 million between 2012 and 2016.

■ *Kaizen Dissemination Project Phase 3*

Encouraged by the strong results from the initial phases, the Ethiopian and Japanese governments extended the initiative into a third phase, titled "Capacity Development for Kaizen Implementation for Quality and Productivity Improvement." This phase emphasized strengthening Ethiopia's industrial competitiveness (JICA et al., 2020). Key objectives included enhancing EKI's managerial capacity, introducing advanced Kaizen methodologies to address enterprise-specific challenges, and establishing a certification system for Kaizen consultants.

The third phase also aligned with Japan's strategic commitment to industrial development in Africa, as expressed during the Fifth Tokyo International Conference on African Development (TICAD V) in 2013. As part of this phase, 38 companies participated in five rounds of intermediate-level Kaizen in-company training. By 2020, EKI had engaged 18 clients in this service. The participating firms reported average performance improvements of 46% in quality, 39% in productivity, and 37% in equipment maintenance (JICA et al., 2020). Cost reductions averaged 43%, while workspace utilization improved by 50%.

Additionally, EKI developed the Kaizen Management Information System (KMIS) as a centralized database to document and monitor Kaizen implementation across companies. To further facilitate knowledge dissemination, JICA and EKI collaborated to produce case-

based teaching materials targeting key sectors and held annual workshops to showcase best practices and academic research on Kaizen's application in Ethiopia.

*Japan's Economic Diplomacy through TICAD and Ethiopia's Policy Dialogue: Deploying the Kaizen Project as an Instrument*

Japan's economic diplomacy strategy in Africa, particularly through the Tokyo International Conference on African Development (TICAD) has been distinctly visible in Ethiopia via the deployment of the Kaizen project. This approach entailed Japan's collaboration with both governmental and private entities to disseminate Kaizen principles and foster industrial human capital development in Ethiopia. The strategic goal was to stimulate foreign direct investment (FDI) and broaden the scope of bilateral trade cooperation.

A notable milestone in this effort was Japan International Cooperation Agency's (JICA) partnership with Nobel Laureate Professor Joseph Stiglitz from Columbia University in organizing the third Africa Task Force meeting of the Initiative for Policy Dialogue in Addis Ababa (Ohno & Ohno, 2021). During this forum, Professor Stiglitz introduced the concept of "dynamic capacity development," grounded in the East Asian "learning-by-doing" approach, with further insights provided by the GRIPS team on East Asian growth models (Ohno & Ohno, 2011). The success of this initiative led former Ethiopian Prime Minister Meles Zenawi to formally request Japanese support in launching two bilateral programs: an industrial policy dialogue and a national Kaizen dissemination project aimed at enhancing human resource quality and boosting industrial productivity in Ethiopia.

Beginning in 2009, annual Ethiopia-Japan Industrial Policy Dialogues were established to design frameworks for Kaizen project implementation and evaluation. In the first phase (2009–2011), Japanese stakeholders, including GRIPS, the Ministry of Foreign Affairs, the Ministry of Economy, Trade and Industry (METI), JETRO, and JICA presented case studies and methodologies from East Asia's developmental trajectory. Ethiopia, in turn, presented its industrial frameworks such as the Sustainable Development and Poverty Reduction Program (SDPRP), Plan for Accelerated and Sustained Development to End Poverty (PASDEP), and the Growth and Transformation Plan (GTP). These reciprocal engagements allowed both parties to adapt industrial policies to Ethiopian socio-cultural contexts, with significant emphasis placed on localising Kaizen principles (Ohno & Ohno, 2021).

Impressed by the pilot phase's outcomes, the Ethiopian government commissioned JICA to study institutionalisation frameworks for Kaizen from other regions, including Asia, Latin America, and Eastern Europe. Mekonen (2018) observed that other nations often failed to sustain Kaizen's impact due to reliance on foreign teaching materials unadapted to local contexts. In contrast, Ethiopia institutionalised its own approach by establishing the Ethiopian Kaizen Institute (EKI) under the Council of Ministers Proclamation No. 256/2011. EKI was tasked with mainstreaming Kaizen nationwide while embedding it within Ethiopian cultural frameworks as part of its long-term industrial development strategy.

This institutionalisation not only benefited Ethiopia but also served Japan's broader diplomatic strategy. JICA envisioned Ethiopia as a regional hub for propagating Kaizen across Sub-Saharan Africa (JICA, 2011). The first and second phases of the Kaizen project built local capacity, allowing EKI to implement its own guidelines. The success of these phases laid the groundwork for the third phase (2015–2020), which focused on advanced Kaizen training for 103 consultants and 30 companies that had participated in earlier phases (JICA et al., 2020).

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Notably, this phase introduced in-company training programs involving 360 managers and workers, primarily from firms with existing business ties to Japan. These firms reported increased productivity and improved supply chain management, contributing to trade value enhancements and investment attractiveness.

In parallel, the Industrial Policy Dialogue continued to align with national planning frameworks such as Ethiopia's GTP II (2016–2025), with Japan offering evaluation support and recommendations to ensure Kaizen's integration into agriculture and manufacturing sectors (United Nations, 2019). During the third dialogue phase, Japanese experts assisted Ethiopia in drafting its inaugural Ethiopia Productivity Report, which evaluated the impact of Kaizen and other industrial initiatives on national productivity (Mekonen, 2018). Japanese private sector actors also contributed as technical consultants and policy advisors, providing seminars and guidance to attract further investment (Ohno & Ohno, 2021).

Collectively, these activities exemplify the efficacy of Japan's economic diplomacy in Ethiopia. Through policy consultancy, capacity development, and business facilitation, Japan enhanced its soft power and trade reputation. The policy dialogue and Kaizen dissemination efforts led to tangible bilateral outcomes. For instance, Itochu Corporation signed a Memorandum of Understanding in 2019 with the Ethiopian Investment Commission (EIC) and the Ethiopian Textile Industry Development Institute (ETIDI) to enhance quality and productivity in Ethiopia's textile and garment sectors (Ohno & Uesu, 2020). Itochu leveraged this partnership to secure an apparel supply base for the Japanese market, aligning Ethiopian industrial development with Japanese commercial interests (Uddin, 2022).

By 2019, 86 Japanese companies had established a presence in Ethiopia - an increase from 25 in 2014 (African Development Bank, 2014; African Business Partner, 2020). These firms operated through local subsidiaries, branches, agents, joint ventures, or export-import partnerships. Their primary interest areas included coffee, oilseeds, and textiles as products well-suited to Japanese consumer preferences. For example, Japan's average coffee consumption has hovered around 400 million tons annually since 2005, while oilseeds remain vital to traditional cuisine (Statista, 2022; Yorulmaz, 2022). Moreover, Japan's apparel market—valued at approximately USD 9 trillion since 2011 has driven demand for Ethiopian textiles (EU-Japan Centre, 2021; Statista, 2022). As a result, Ethiopia's exports of agriculture and textile goods to Japan rose by approximately 50% between 2009 and 2020, reaching a trade value of USD 101 million in 2020 (OEC, n.d.). Concurrently, Ethiopia's imports from Japan, namely primarily vehicles, machinery, and electronics from Toyota, Mitsubishi, Canon, Toshiba, Panasonic, and Sony - totaled USD 208 million in 2020, reflecting a 40% growth since 2009.

Japanese multinationals such as Toyota Tsusho, Toshiba, Sumitomo, Marubeni, and Koyo Holdings have also expanded investment in Ethiopia, drawn by its industrial potential and regional positioning (Fikade, 2016). These private investments complement Japan's broader economic diplomacy, facilitating not only Ethiopia's industrial transformation but also Japan's strategic penetration into Sub-Saharan Africa's emerging markets.

Throughout the three phases of policy dialogue, the scope of cooperation broadened to include topics such as industrial park management, investment promotion, export development, startup support, and Japanese SME integration. Through these mechanisms, Japanese Official Development Assistance (ODA) - anchored in the Kaizen ethos - catalysed Ethiopia's industrial growth. As articulated by former Prime Minister Taro Aso, Kaizen reflects a Japanese work

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ethic of “meeting delivery deadlines and maintaining technical excellence,” which functions as a form of soft power in Japan’s international relations. In Ethiopia, this ethos has fostered economic cooperation, enhanced productivity, and deepened bilateral trade and investment ties between public and private institutions in both nations.

### **Conclusion**

Japan’s economic diplomacy in Ethiopia, operationalised through the Tokyo International Conference on African Development (TICAD) and advanced via the Ethiopian Industrial Policy Dialogue, demonstrates a long-term and mutually beneficial model of foreign engagement. Central to this collaboration was the strategic mobilisation of Kaizen, a Japanese work philosophy focused on continuous improvement, as a tool of economic diplomacy. By embedding Kaizen within its Official Development Assistance (ODA), Japan employed foreign aid not only as a humanitarian gesture but also as a diplomatic instrument aligned with its national interests, as articulated by Okano-Heijmans.

Initially introduced as a pilot initiative during TICAD IV in 2008, the Kaizen Dissemination Project attracted the interest of then-Ethiopian Prime Minister Meles Zenawi, leading to its integration into Ethiopia’s institutional reform agenda. Its success catalyzed its formal adoption at TICAD V and expansion to other Sub-Saharan African countries. The project was instrumental in improving quality and productivity within Ethiopia’s public and private sectors, thereby aligning with the core objectives of both Japanese aid policy and Ethiopia’s development priorities.

The pilot project was followed by sustained bilateral engagements, notably through the Ethiopian Industrial Policy Dialogue, where Japan further exercised its economic diplomacy. The continuity of the Kaizen project through governmental transitions - from Prime Minister Meles Zenawi to Prime Minister Hailemariam - reflects Ethiopia’s strong institutional commitment and the project’s perceived value. The third phase of Kaizen implementation marked a significant advancement by incorporating intensive training programs, which empowered local stakeholders to develop their own training materials and offer Kaizen instruction to domestic firms. Participating companies reported measurable improvements in productivity and quality, reinforcing the project’s impact.

Moreover, Japan’s active participation in policy dialogues supported Ethiopia’s efforts to craft industrial strategies conducive to attracting investment and enhancing competitiveness. These engagements not only fostered a conducive business environment for Japanese enterprises but also supported Ethiopia’s broader aspiration to become a regional industrial hub. Sectors such as agriculture and textiles benefited from increased bilateral cooperation, laying the groundwork for deeper commercial ties between Japanese and Ethiopian stakeholders.

In essence, Japan’s use of Kaizen as a diplomatic instrument within its ODA framework contributed significantly to Ethiopia’s human resource development and industrial policy formation. Simultaneously, it bolstered Japan’s influence, credibility, and long-term economic presence in Africa. The Kaizen Dissemination Project exemplifies how a culturally embedded philosophy, when aligned with structured aid and policy dialogue, can serve as a powerful vehicle for economic diplomacy and sustainable development.

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