JSAS Annual Conference 2021

CO-CREATING KNOWLEDGE FOR SUSTAINABLE, INCLUSIVE, AND RESILIENT DEVELOPMENT

- NEW *AFRASIAN* CONNECTIVITY FOR SHAPING A POST-PANDEMIC WORLD -

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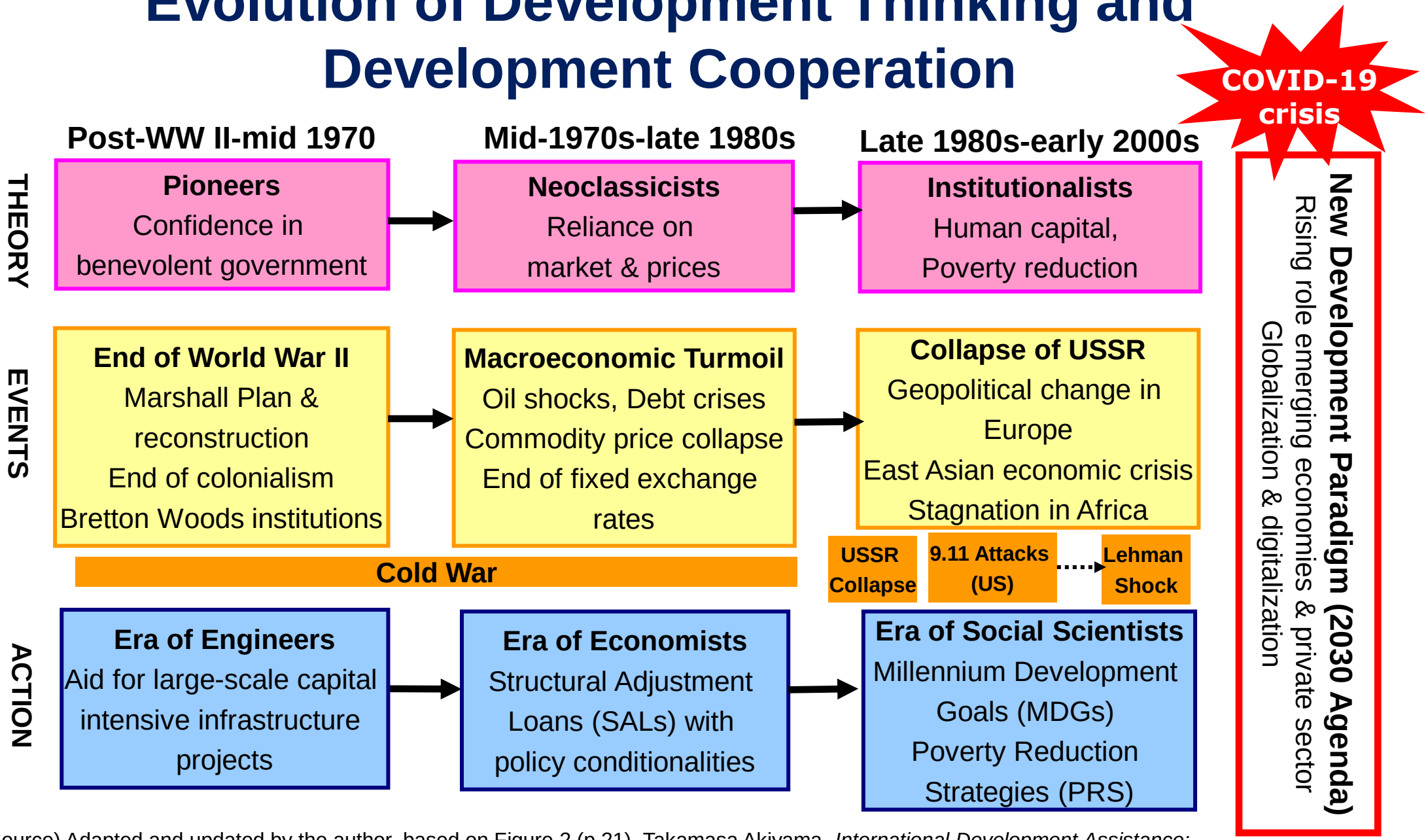
July 3, 2021

This presentation incorporates insights gained through the ongoing research project of the JICA Ogata RI "Japanese Experiences of Industrial Development and Development Cooperation: Analysis of Translative Adaptation Processes."

Evolution of Development Thinking and Development Cooperation



(Source) Adapted and updated by the author, based on Figure 2 (p.21), Takamasa Akiyama, *International Development Assistance: Evolution and Current Issues*, FASID 2006.

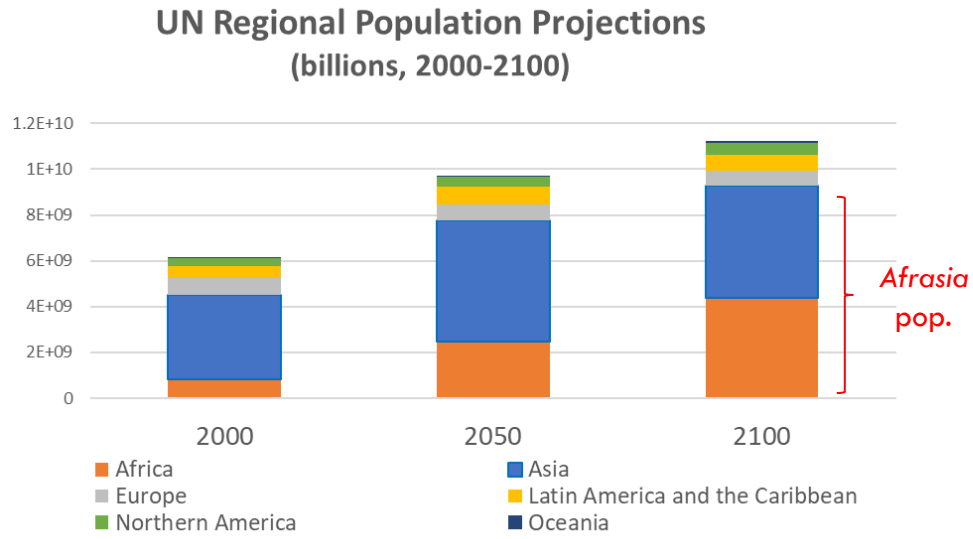
IMPORTANCE OF THE *AFRASIAN* PEOPLE IN SHAPING THE GLOBAL FUTURE

The age of *Afrasia*: population dynamics of the world in 2100

- By 2100, over 80% of the world population will live in Africa and Asia
- Africa is the youngest continent (more than 1/3)

How the African and Asian people organize their dialogues will be critical to the shaping of our global future (Mine 2019)

Important to enhance
New *Afrasian* connectivity



OUTLINE

1. What does the COVID-19 crisis mean for international development ?
2. Building-back-better (BBB) for a post-pandemic world: prospects and challenges
3. Promoting knowledge sharing & mutual learning for development, through diverse channels
4. Final thought – enhancing new *Afrasian* connectivity

WHAT DOES THE COVID-19 CRISIS MEAN FOR INTERNATIONAL DEVELOPMENT?

Considerable differences in national responses

- With no standardized treatment protocols available, each country has come up with localized solutions through trial and error.
- State-society relationship, trust and social norms matter.

The initial phase result (before the vaccination):

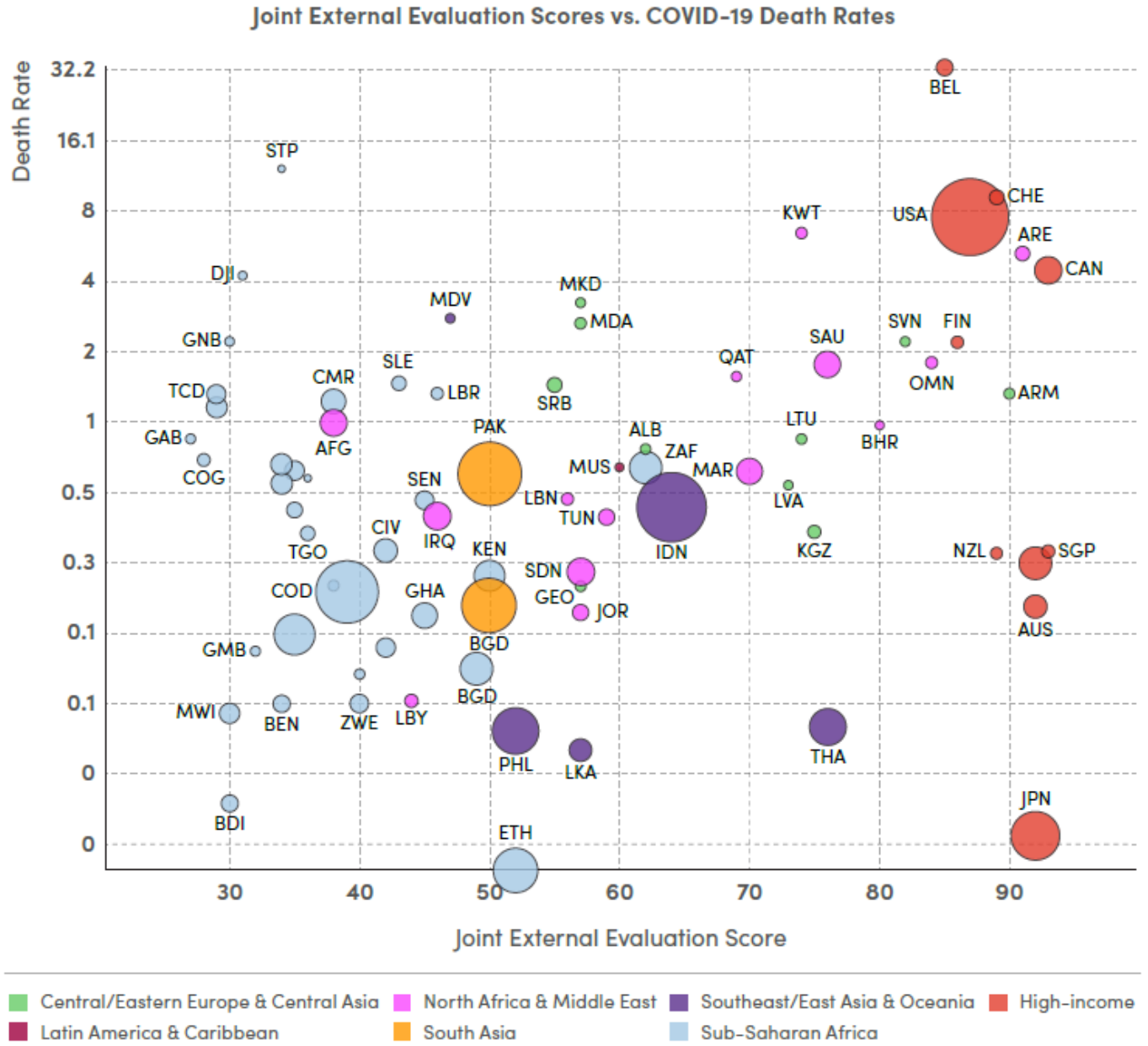
- Even low-income countries with little technological & financial resources managed to contain outbreaks.

Knowledge flow "from North to South" is not necessarily superior

No "ready-made" solutions; importance of "localized" solutions

Need to go beyond traditional approach to development cooperation

Death Rates shows the cumulative, reported, age-standardized to COVID-19 deaths per 100,000 people in the 50 days following the date of the first death in that country.



Source: Report by an Independent Panel for Pandemic Preparedness and Response, 2021 (adapted from: Sawyer Crosby et al, IHME, Think Global Health).

COVID-19: DIVERSE NATIONAL RESPONSES, LOCALIZED SOLUTIONS

Photo:
Huyen Pham

Vietnam: Govt. mobilizing various resources for controlling COVID-19 (police & armed forces, handwashing song with popular musicians, etc.)

Bhutan: Rapid & extensive roll-out of the vaccines.

- Prime Minister Lotay Tshering (doctor)'s leadership: setting up 1,200 vaccination centers; transporting vaccines to the remote areas via helicopters.
- Health Minister: citizens' "sacred duty" for the sake of their communities and protecting the monarch. (The King has decided to take vaccine only after every eligible person in the country received their shots safely.)

Photo: AFP

LOCALIZED SOLUTIONS THROUGH KNOWLEDGE CO-CREATION

Ghana: Noguchi Memorial Institute for Medical Research (NMIMR)

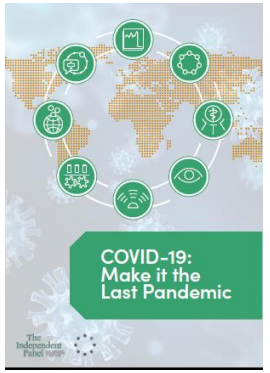
- A central role in controlling infectious diseases in Ghana (NMIMR: built by Japanese ODA in 1979).
- Implementing 80% of PCR testing in the country; providing guidance of testing methods to other medical facilities; contributing to strengthening national capacity of testing.

Madagascar: Handwashing song

- A JOCV, together with local NGOs, created a song to raise awareness of handwashing practices among children.
- Minister of Water, Hygiene and Sanitation (ex-JICA national staff) supported the DVD production with a popular musician and initiated campaign. https://www.youtube.com/watch?v=xRzjhj7LWoc

Photo: JICA website

IMPORTANCE OF KNOWLEDGE AND TECHNOLOGY



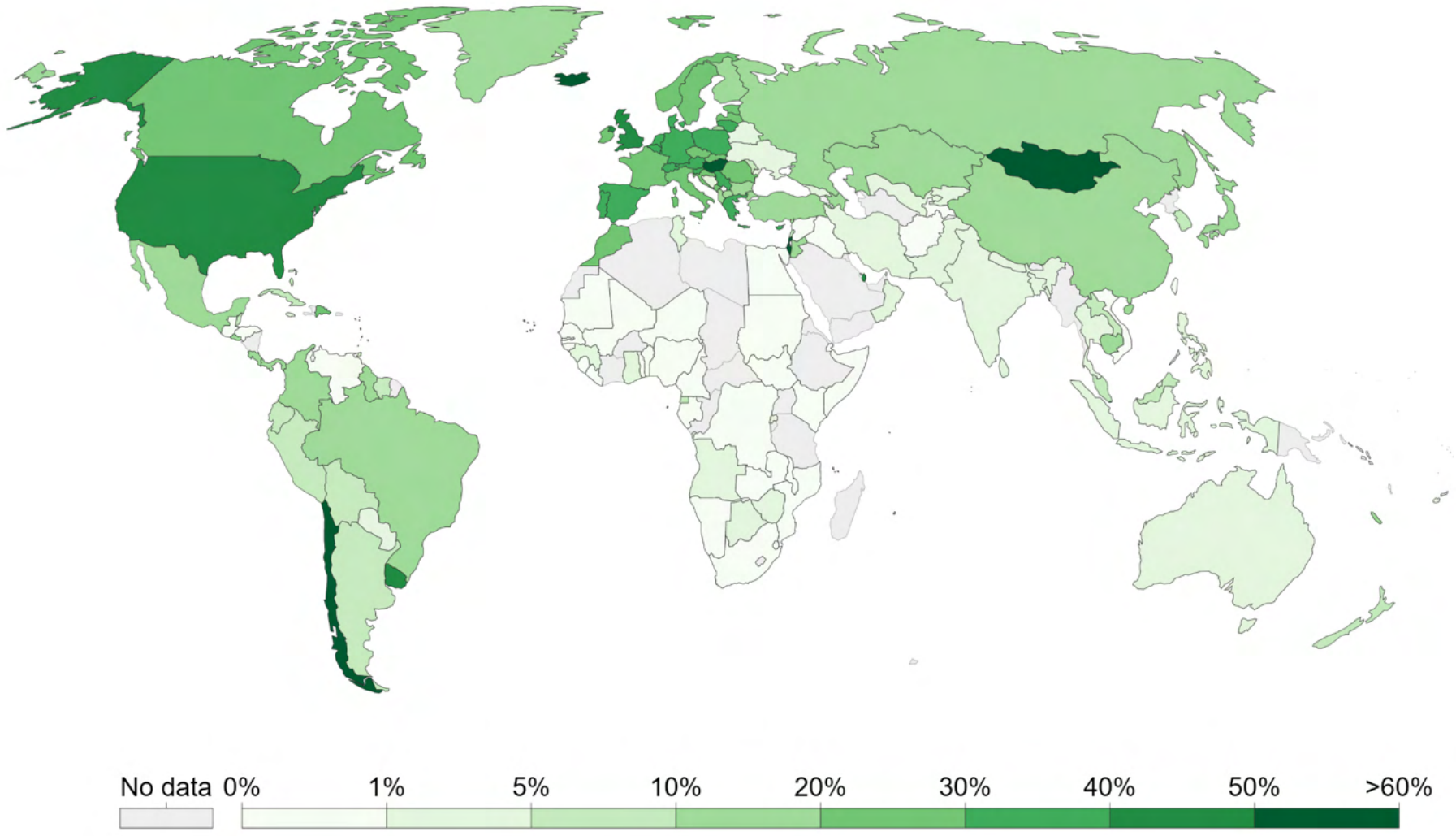
The COVID-19 crisis also suggests the importance of **knowledge & technology**, particularly related to hygiene practices, public health & vaccination (R&D, manufacturing production, technology transfer, etc.).

- Vaccine product development has proved successful.
- But, there is concentration of manufacturing capacity and of trials & knowledge generation for vaccines, therapeutics, diagnostics & other essential supplies, in a small number of countries.

Need to ensure technology transfer and build strong (regional) capacities for manufacturing, regulation, and procurement of tools for equitable and effective access to vaccines and related goods & services, etc.

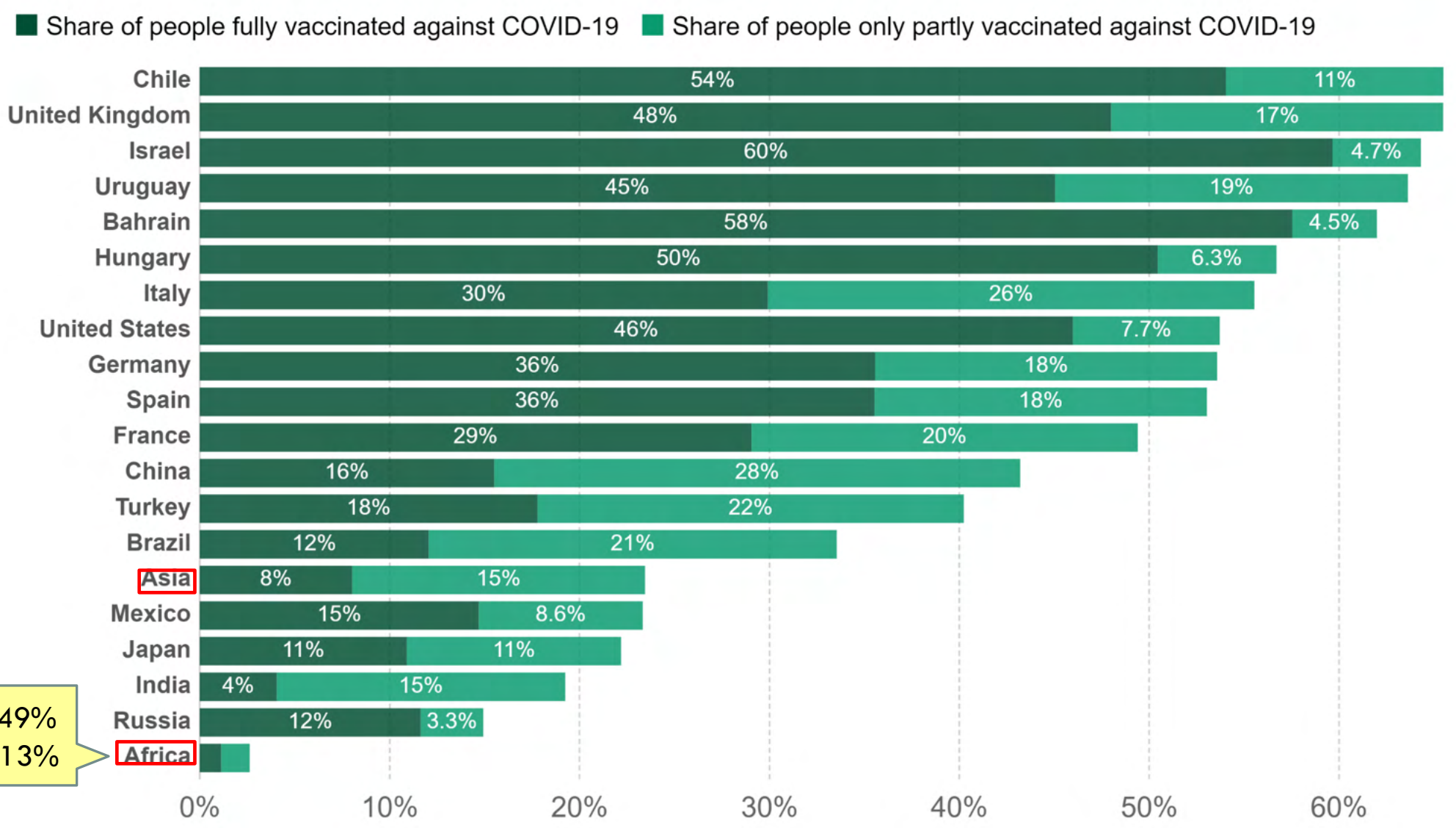
Source: "COVID-19: Make it the Last Pandemic," A report by an Independent Panel for Pandemic Preparedness & Response, 2021

Share of Population fully Vaccinated against COVID-19 (as of 28 June 2021)



Source: Official data collated by Our World in Data

High Inequity in Access to COVID-19 Vaccines (as of 28 June 2021)



One dose 1.49%
Two doses 1.13%

Source: Official data collated by Our World in Data

COVID-19 IMPACTS AND PROSPECTS FOR BBB RECOVERY

Broad and global impacts, affecting the whole economy & society—not only in short term, but medium-long term.

Reversals of Fortune (WB 2020): Along with conflict and climate change, COVID-19 has slowed global poverty reduction and reversed it for first time (over 20 yrs).

- Threatening countries' hard-won human capital gains, with implications from a life-cycle perspective (WB HCI update 2020)
- Big challenges for achieving the SDGs by 2030

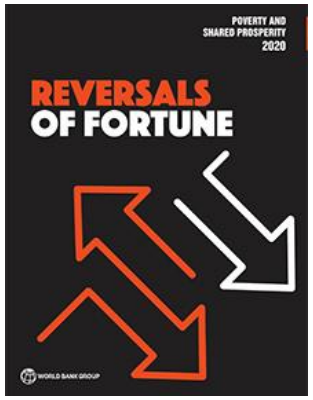
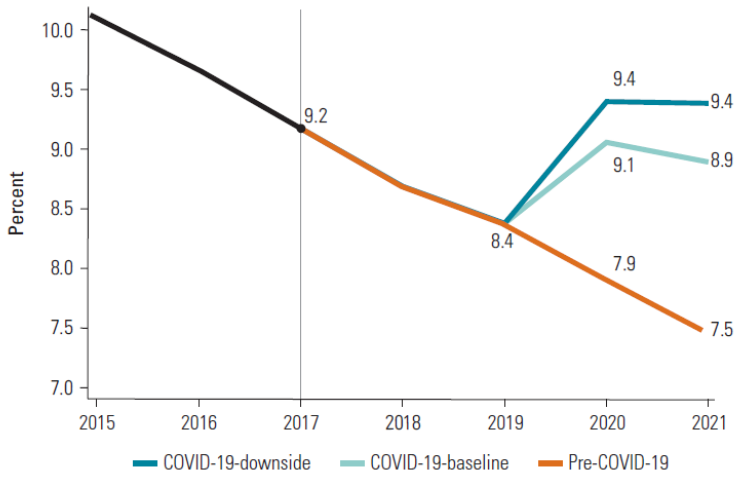


FIGURE 0.3 Nowcast of the Global Poverty Rate at the US$1.90-a-Day Poverty Line, 2015–21



Source: World Bank (2020) Reversals of Fortune

What kind of recovery do we want to achieve ?

- Investment in education, digital skills, public health system, greening industries….
- The SDGs continue to serve as our compass for "building back better" (BBB) recovery.

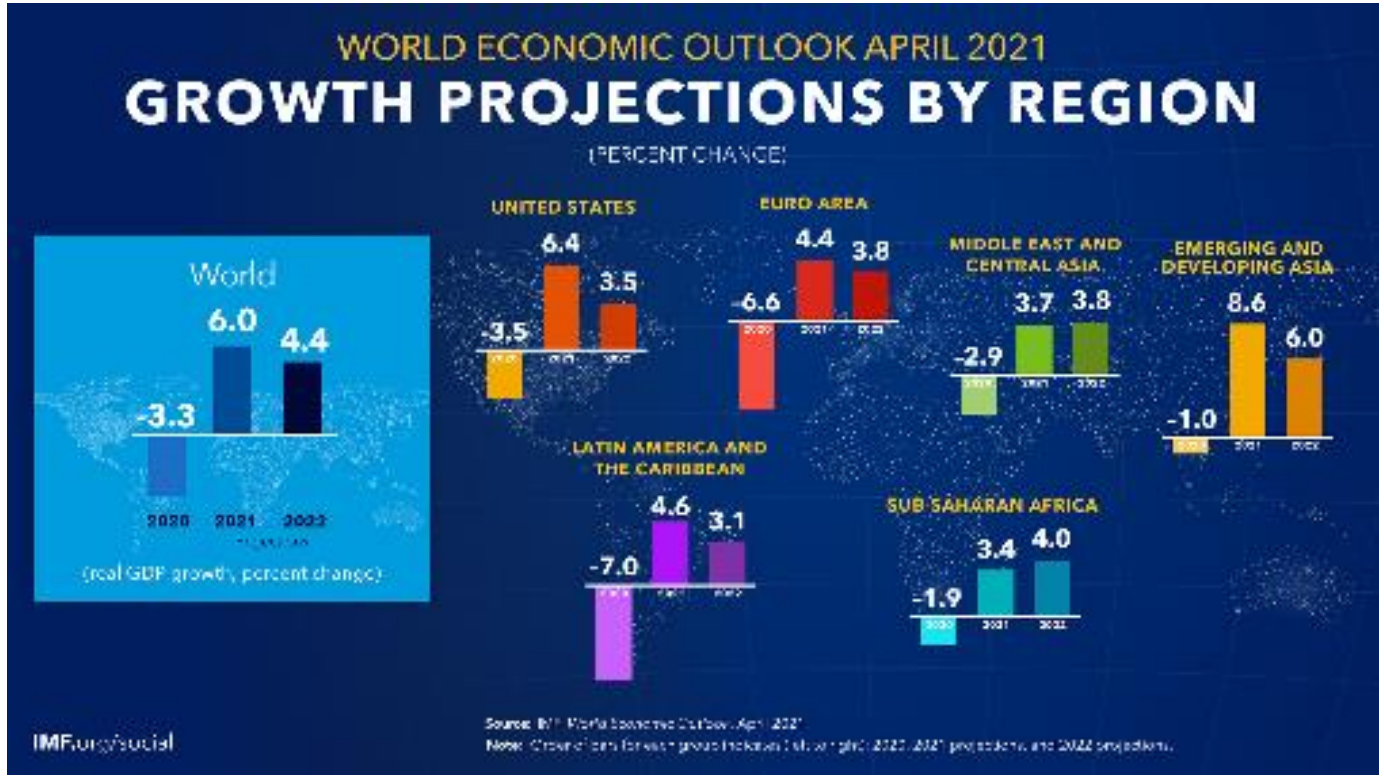
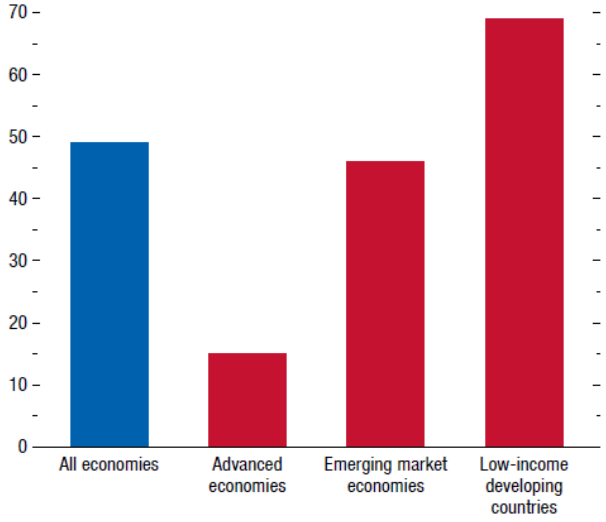


Figure 1.9. Global Education Losses Due to the COVID-19 Pandemic
(Average missed days of instruction in 2020)

Education losses have been more severe in low-income developing countries.



Sources: UNESCO-UNICEF-World Bank Survey on National Education Responses to COVID-19 School Closures; and IMF staff calculations.

IMF: WEO (April 2021)

- Divergent recovery paths are likely to create significant wider gaps in living standards between and within countries, compared to pre-pandemic expectations.
- Accessibility to vaccines could affect the speed of economic recovery, leading to inequity.

TOWARD "BUILDING BACK BETTER"

When we endeavor for BBB recovery, it is important to understand the challenges from country-specific contexts, distinguishing btw. **Covid-19 induced (short-term) and structural (long-term) problems.**

Our recent firm surveys on garment & textile sector show different impacts of the COVID-19 crisis on exports.

- **Vietnam** (31 firms): no or little negative impacts; becoming the top "China plus One" country.
- **Bangladesh** (30 firms) & **Ethiopia** (10 firms): negative impacts. Especially, in Ethiopia, firms reported many problems other than COVID-19 (e.g., forex shortage).

Overcoming the COVID-19 crisis does not guarantee a sustained economic recovery, if other problems are serious and unattended.

Also, important to address growing concern about sustainability, inclusiveness, and resilience.

DEVELOPMENT TRAPS

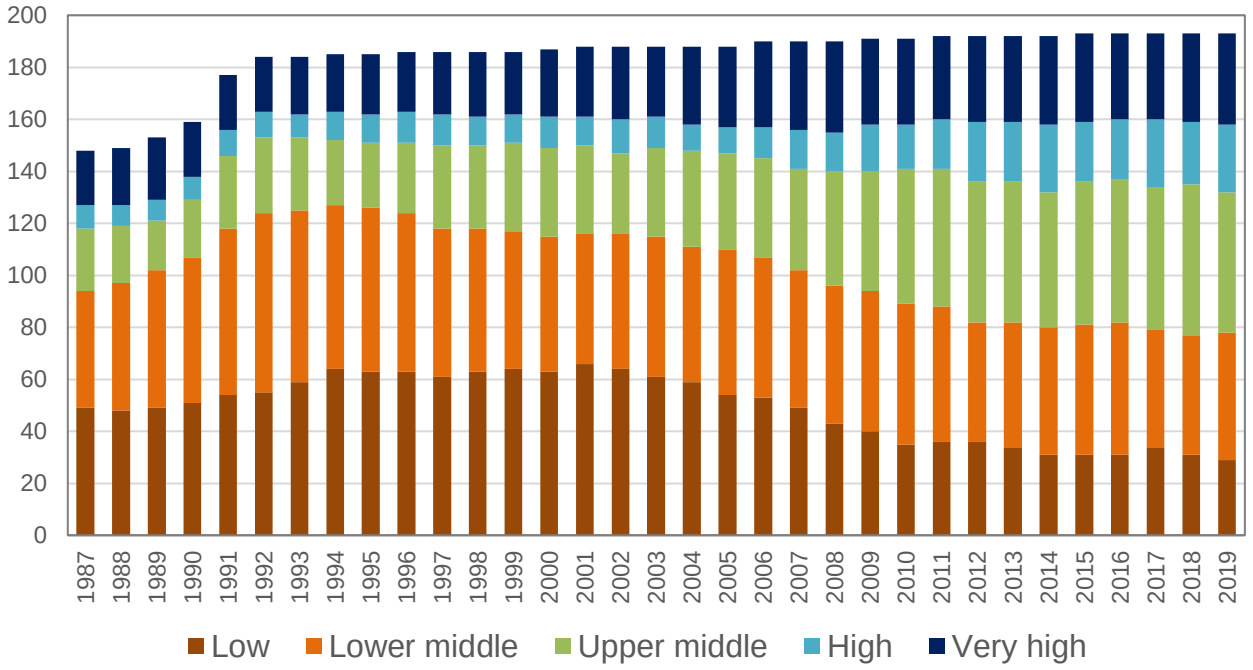
The nature of development challenges has not changed. Our analysis of WB's income classification data (193 UN member states, 1987-2019) shows a mixed picture:

- Good news: Many countries moved up WB's income ladder for the past 30 years. Now, more countries belong to the upper middle- and high-income categories.
- But, "**development traps**" exist at each stage; only a few emerging economies caught up with traditional advanced countries. Also, some countries stagnate or fluctuate btw. income categories.

Old problem (economic transformation) remains. More efforts are needed for domestic value creation.

- Importance of human & firm capability building; the role of industrial policy.

World Bank Income Classification (Count)



>USD25,000: traditional OECD countries, plus Lichtenstein, Kuwait, Singapore, Korea, Qatar, Bahamas, Brunei, Israel.

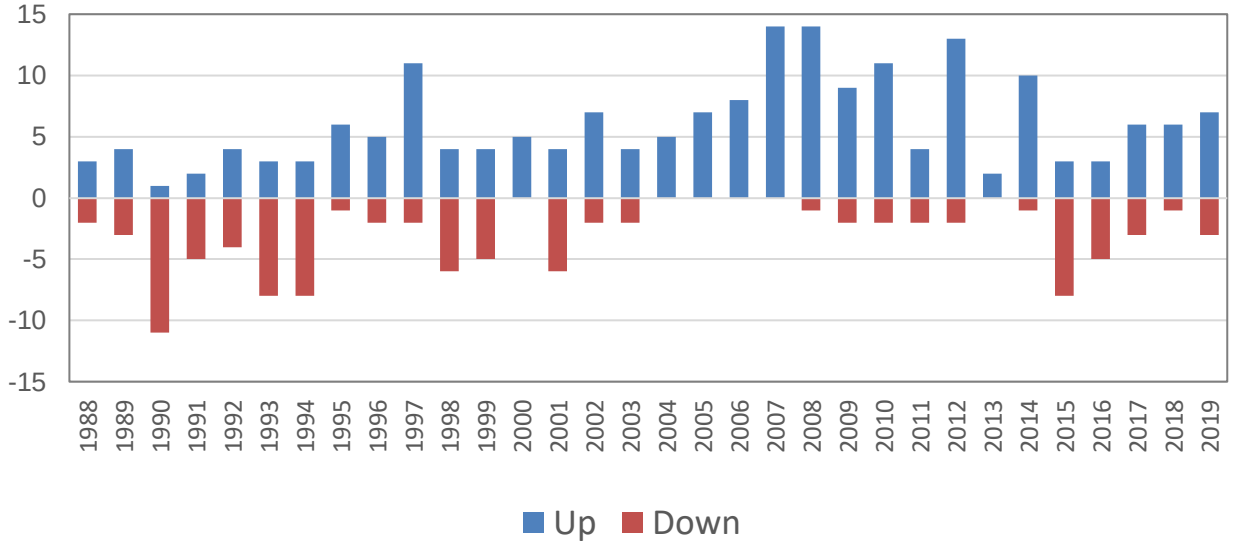
>USD12,535 to 25,000: mostly Eastern European & LAC (Chile, etc.) countries moved up.

>USD4,046 to 12,535: 4 SSA (Botswana, South Africa, Equat.Guinea, Namibia) & 9 EA countries moved up.

>USD1,036 to 4,045: 4 SSA & 6 EA countries moved up

>USD1,035 or less: 22 (of 29) countries never moved (incl. 22 SSA countries)

Moving Up & Down



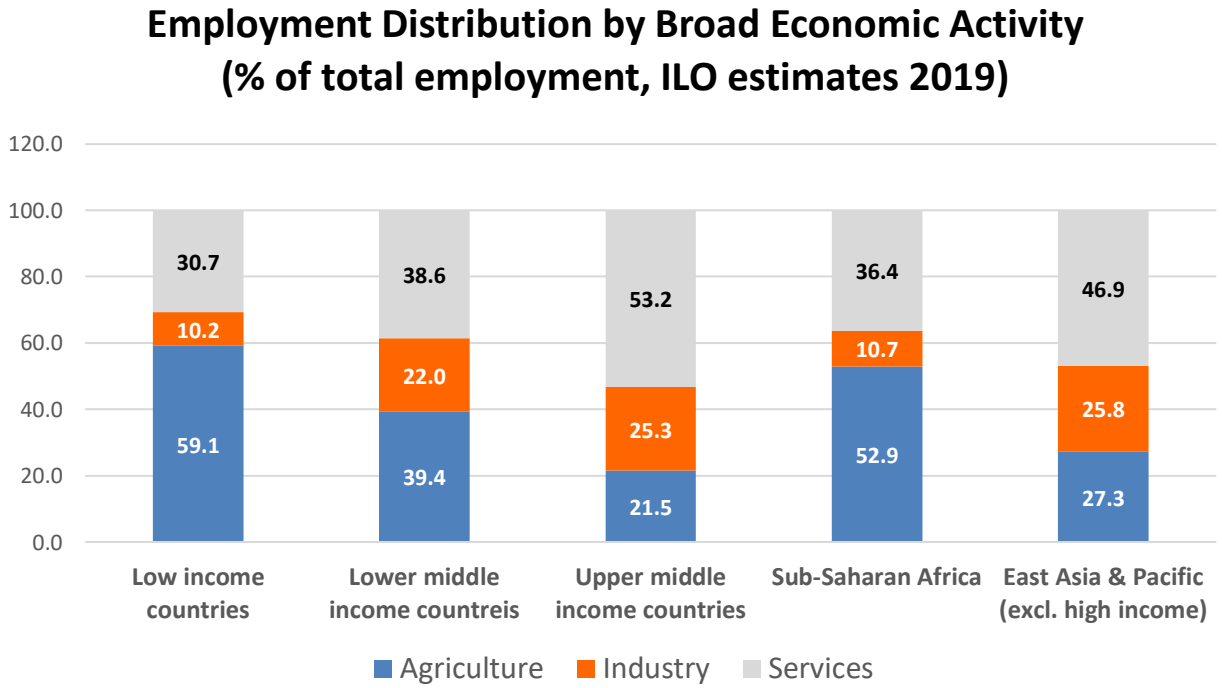
Note: UN member countries only. Equatorial Guinea which moved up two ranks from low income to upper middle income in 2004 is counted as two.

Source: Calculated by the author, based on the World Bank income classification data.

Sectoral Value Added (percentage of GDP)

	Agricuture, forestry, & fishing value added (% of GDP)		Manufacturing, value added (% of GDP)		Industry (incl. construction), value added (% of GDP)		Services, value added (% of GDP)	
	2000	2019	2000	2019	2000	2019	2000	2019
Sub-Saharan Africa	17.5	14.0	12.6	11.0	30.7	27.1	46.3	48.8
East Asia & Pacific (excl. high income)	14.8	7.8	5.3	25.4	44.1	38.0	40.0	53.1

Source: World Development Indicators (World Bank)



- Africa's growth (pre-COVID-19) has not yet translated into structural transformation.
- Manufacturing value added (% GDP) remains low (premature deindustrialization).
- Economic transformation requires workforce equipped with knowledge and skills to be highly productive.

KNOWLEDGE FOR DEVELOPMENT

Knowledge is at the core of our development efforts (WB: WDR 1998/99)

In particular, we attach high importance to two lines of thought—in light of enhancing societal capacity for acquiring, adapting, and disseminating knowledge for development.

- Knowledge-centered development thinking: ***"Creating a Learning Society"*** (Stiglitz & Greenwald 2014)—significance of local learning and the role of industrial policy in development.
- Theory of ***translative adaptation*** (Maegawa 1994, 1998, 2000)—importance of indigenous perspectives and local learning.

Source: Ohno, Hosono & Amatsu (2021 forthcoming), Ch.11 of the JICA Ogata RI research report (Industrial Policy): "Japanese Experiences of Industrial Development and Development Cooperation: Analysis of Translative Adaptation Processes"

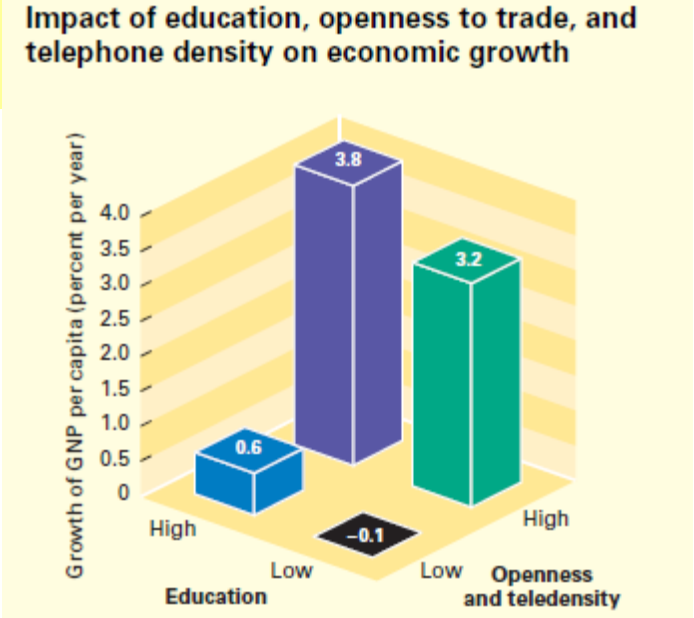
CREATING A LEARNING SOCIETY
(STIGLITZ & GREENWALD 2014)

A central focus of development policy should be closing that gap [a gap in knowledge]—and that means enhancing learning. This is, for instance, one of the central objectives of modern industrial policies, which seek to promote particular industries and particular technologies with greater learning capabilities and greater spillovers to other sectors. (p.22)

A critical aspect of "learning" is that it takes place locally and must adapt to local differences in culture and economic practice. (p.375)

- ✓ Openness to trade: opportunity to learn foreign knowledge
- ✓ Education: people's capacity to use knowledge
- ✓ Availability of communications infrastructure: people's ability to access useful information when needed.

Source: WDR 1998/99 (World Bank)

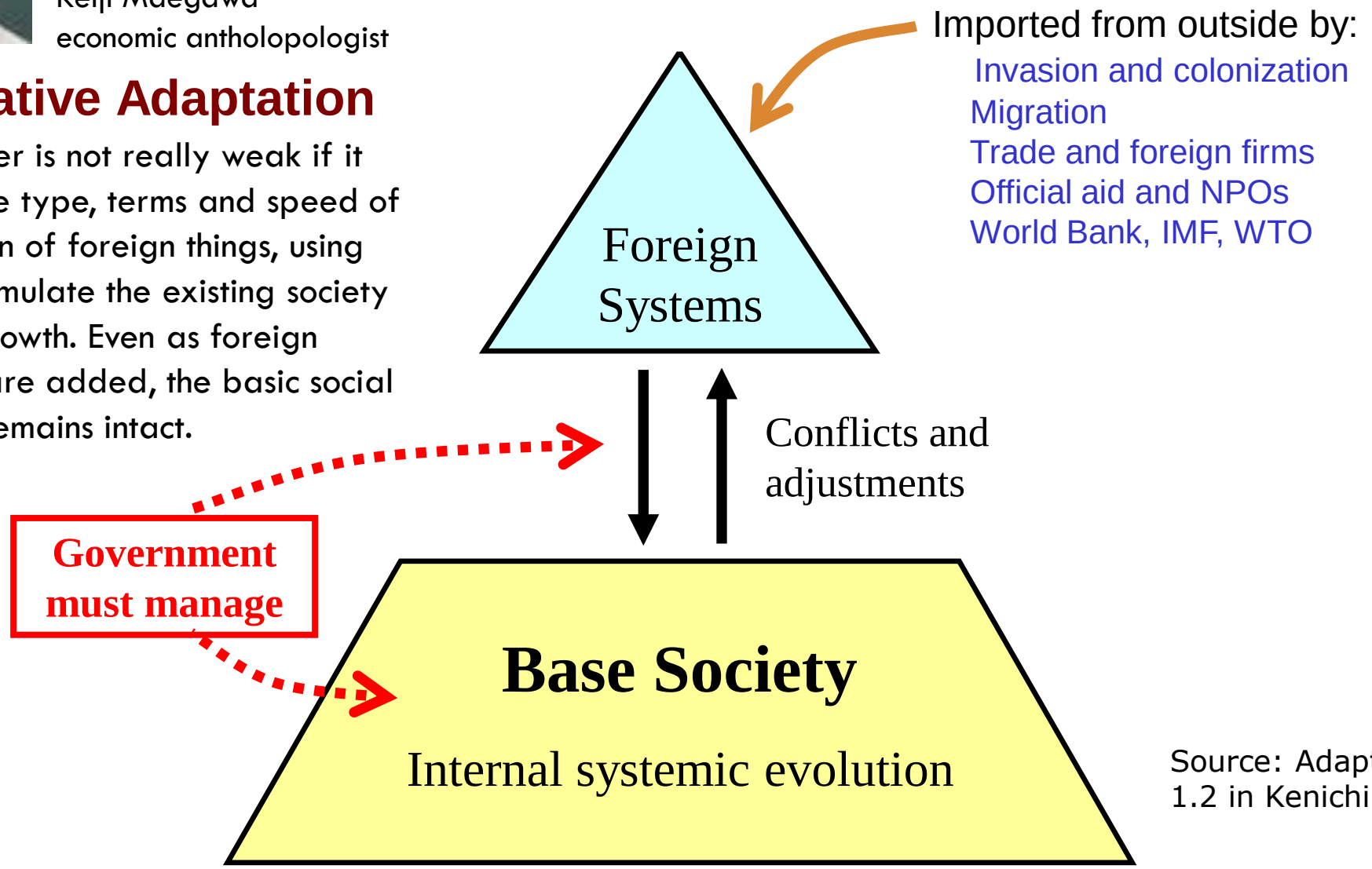


INTEGRATION VIEWED FROM INSIDE
INTERACTION OF DOMESTIC AND FOREIGN SYSTEMS

Keiji Maegawa
economic antholopologist

Translative Adaptation

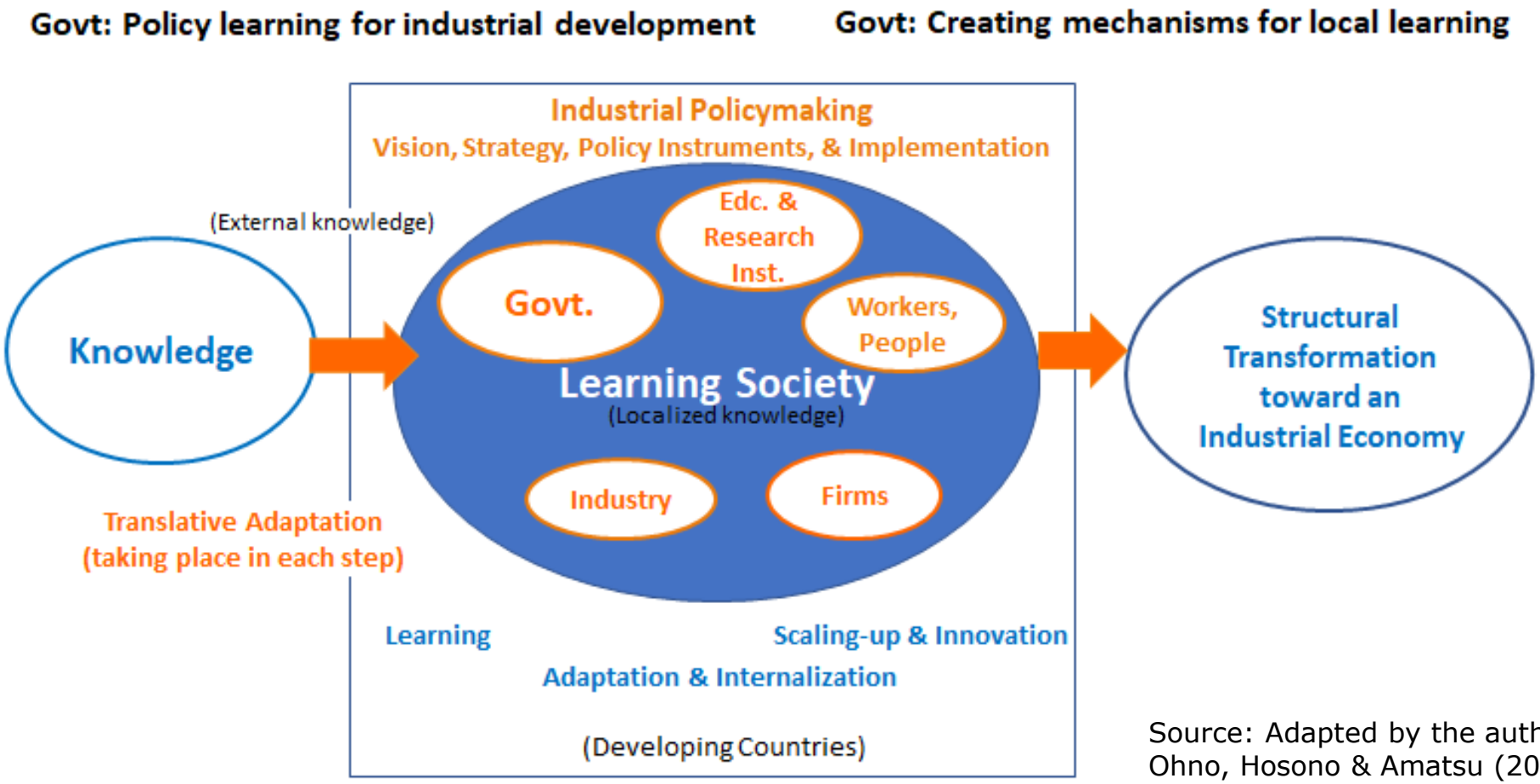
A latecomer is not really weak if it controls the type, terms and speed of importation of foreign things, using them to stimulate the existing society for new growth. Even as foreign elements are added, the basic social structure remains intact.



Source: Adapted from Figure 1.2 in Kenichi Ohno (1998)

ROLE OF INDUSTRIAL POLICY THROUGH A LENS OF TRANSLATIVE ADAPTATION

Dual role of the government as: (i) a learner (policy learning), and (ii) a facilitator of learning by the private sector (technology learning) & the whole society.



Source: Adapted by the author, based on Ohno, Hosono & Amatsu (2021 forthcoming), Ch.11 for the JICA Ogata RI research report.

JAPANESE EXPERIENCES: KNOWLEDGE PARTNERSHIP

ETHIOPIA-JAPAN INDUSTRIAL POLICY DIALOGUE

Late PM Meles Zenawi asked GRIPS & JICA to start Kaizen & policy dialogue in Ethiopia (2008).

- **Kaizen (JICA support)** – phase 1 (2009-11), phase 2 (2011-14) & phase 3 (2015-20).
  - Based on successful pilots, Ethiopia Kaizen Institute (EKI) was established; National Kaizen Movement has been launched; JICA is currently supporting advanced kaizen.
- **Policy dialogue (by GRIPS & JICA)** – phase 1 (2009-11), phase 2 (2012-16) & phase 3 (2017-21).
  - 17 sessions held so far with PM, ministers & operational level.
  - Study concrete cases in Asia & Africa, and propose pragmatic policies based on Ethiopian reality.
  - Inviting practitioners from Thailand & Malaysia to policy dialogue. Sending a group of Ethiopian senior officials to Malaysia.

Kaizen, in Japanese management, means "continuous improvement" of productivity and quality without additional cost, in a participatory process and a bottom-up approach.

With PM Meles

High Level Forums (ministerial level)

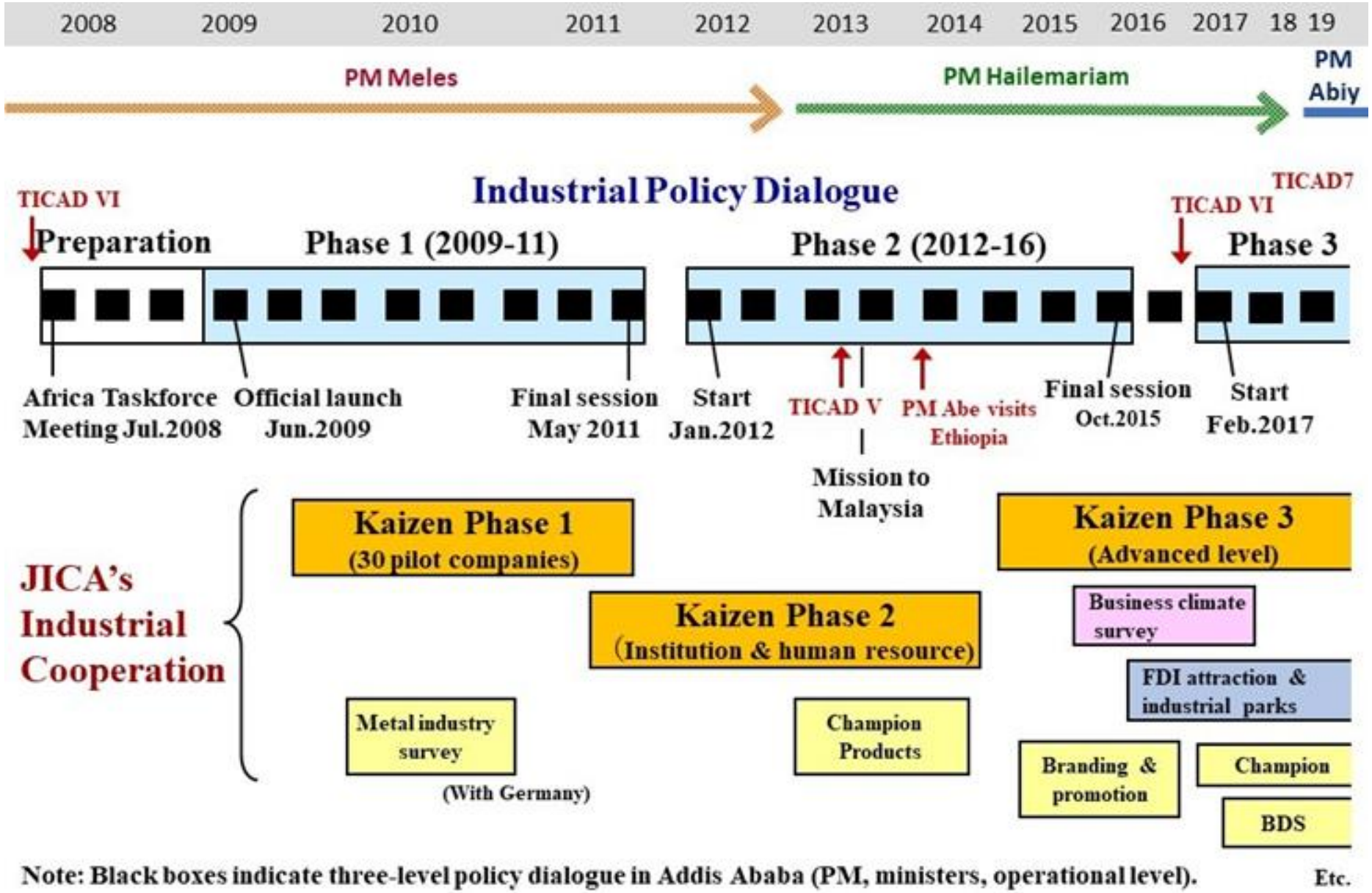
With PM Hailemariam

Lecture at Civil Service University

At Finance Ministry

Photo: Author

Industrial Policy Dialogue & Kaizen



KAIZEN: HISTORY OF DIFFUSION AND TRANSLATIVE ADAPTATION OF QUALITY & PRODUCTIVITY IMPROVEMENT METHOD (JAPAN)

Learning from the US & Europe (post-WW2 era):

- The original US model was adapted to the Japanese way, spread among Japanese companies (incl. SMEs), and became known as *Kaizen*.

Spreading to East Asia along with globalization of Japanese biz. activities (1980s-):

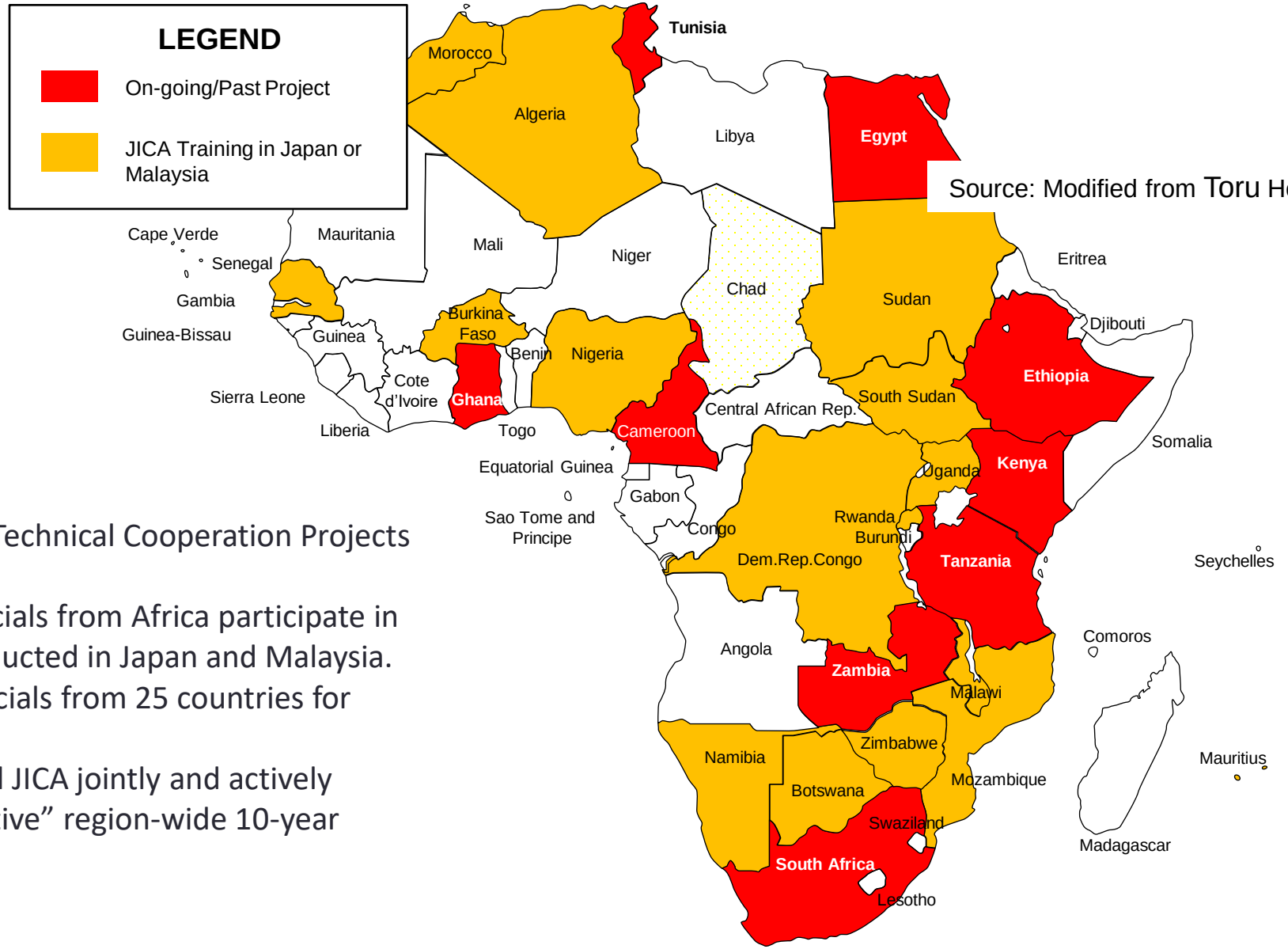
- Japanese companies taught *Kaizen* practices to their local partners.
- JICA, AOTS, JUSE, JPC, APO etc. began *Kaizen* assistance.
- Singapore as the first country which received JICA assistance (via. JPC); the Japanese model was adapted to the Singaporean way.

Promoting *Kaizen* beyond East Asia (1990s) & more recently to Africa (early 2000s-):

- Ethiopia as a serious learner: adapting the Japanese & Singaporean models to the Ethiopian way, initiating the national movement.
- JICA is now supporting "Africa Kaizen Initiative" in partnership with AU/NEPAD.

Source: GDF (2009) "Introducing Kaizen to Africa"; Jin & Ohno, Ch. 1 (2021, forthcoming) for the JICA Ogata RI research report (QPI improvement)

JICA'S KAIZEN SUPPORT IN AFRICA



Source: Modified from Toru Homma, JICA (2019)

- JICA has been implementing Technical Cooperation Projects in 9 countries.
- Every year, more than 60 officials from Africa participate in KAIZEN related trainings conducted in Japan and Malaysia.
- From 2009, JICA received officials from 25 countries for KAIZEN trainings.
- Since 2017, AUDA-NEPAD and JICA jointly and actively conducts "Africa Kaizen Initiative" region-wide 10-year program.

Kaizen in Ethiopia

Driven by strong initiative of PM with JICA's support

Tire factory

PVC pipe factory

Shoe factory

Photo: Author

PROMOTING INDUSTRIAL HRD THROUGH TRANSLATIVE ADAPTATION (THAILAND)

Technology Promotion Association (TPA): Established in 1972 by Thai alumni who studied at Japanese engineering universities and/or AOTS.

- Promoting technology transfer of Japanese *monozukuri* methods to Thai people & firms by Thai experts (industrial technology, company diagnosis, Japanese language, etc.)
- Supported by Japanese ODA and private sector (incl. JTECS)

Thai-Nichi Institute of Technology (TNI): Established in 2007 by TPA, as a *monozukuri* University **by Thai people for Thai people.**

- Courses of automobile, electronics, production technology, ICT.
- Emphasis on practical knowledge, internship with Japanese firms/ organizations in Thailand & Japan.
- High employment rate, mostly at Japanese companies or local suppliers affiliated with Japanese companies.

Photo: TNI website

TEACHING *MONOZUKURI* KNOWLEDGE & MINDSET IN A LOCALIZED WAY (VIETNAM)

Mr. Tuyen, President of Hai Phong company, provides preparatory training for Vietnamese youth who wish to work in Japan as technical intern (*gino jishu sei*)

- Emphasis on attitude, 5S, skill, Japanese, and mindset & life-long plan.
- Training methods have been developed based on his own experiences of working as technical intern in Japan. (Mr. Tuyen graduated from TVET in Hanoi)

Importance of having a life-long plan with clear motivation why going to work in Japan

- Not just to earn temporary income, but learn the Japanese way to enrich your own future.

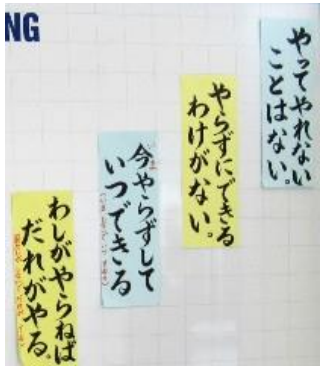
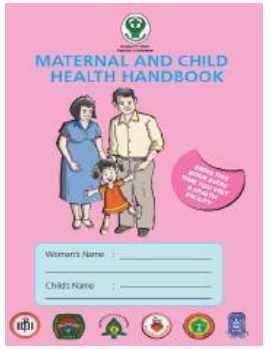


Photo: Author

PROMOTING MCH HANDBOOK THROUGH TRIANGLE COOPERATION: ROLE OF EMERGING DONORS (INDONESIA)



The Indonesian version of **Maternal & Child Health (MCH) Handbooks** was developed by JICA trainees, who learned Japanese experiences with MCH handbook.

In 1994, JICA started support to MCH Handbook Project, in one district in Central Java, which was integrated into the national system (2004), and later expanded to all provinces (33) in Indonesia (2006).

Since 2007, the Indonesian govt (MoH) has been implementing third-country training programs, sharing its experiences with MCH handbook adaptation & dissemination.

- Palestine, Afghanistan, Vietnam, Laos PDR, East Timor, Bangladesh, and Morocco

Source: Based on JICA information

Emerging Donors in Asia (bilateral aid)

Country	Policy formulation/coordination	Implementation	Type	Note
South Korea	Ministry of Economy & Finance (MEF) Ministry of Foreign Affairs (MOFA)	*Economic Development Cooperation Fund (EDCF): 1987 *Korea International Cooperation Agency (KOICA): 1991	L G, T	DAC member ODA
China	China International Development Agency (CIDCA): 2018	*Ministry of Commerce (MOFCOM) *EXIM-Bank of China: 1994 *Various minsitries, scholoarship programs, etc.	G, T L G, T	No standard definition of ODA Long history of S-S cooperation
Thailand	NESDB, Ministry of Finance (FPO) Ministry of Foreign Affairs (MOFA)	*Neighboring Countries Economic Development Cooperation Agency (NEDA): 2005 *Thailand International Cooperation Agency (TICA): 2004	L, G T	ODA
Malaysia	Economic Planning Unit (EPU)	*Malaysia Technical Cooperation Program (MTCP): 1978 Working with training & eductaional instituitons	T	Long history of S-S cooperation
Singapore	Ministry of Foreign Affairs (Technical Cooperation Directrate) & Ministry of Trade & Industry	*Singapore Cooperation Program (SCP): 1992, G-G basis *Singpore Enterprise Program (SCE): 2006, fee basis Working with training & educational instituitons	T T	Long history of S-S cooperation
Indonesia	Ministry of Foreign Affairs	*Indonesian Agency for International Development (AID): 2019		
India	Ministry of Finance (MOF) Ministry of External Affairs (MEA)	*EXIM-Bank of India (line of credits to various LDCs) *Bilateral aid to neighboring and other developing countries *Indian Technical & Economic Cooperation (ITEC): 1964 *Special Commonwealth Assistance Programme for Africa (SCAAP)	L L, G G, T G, T	No standard definition of ODA Long history of S-S cooperation

Source: Elaborated by the author, based on the available information.

Note: (L) concessional loans, (G) grant aid, (T) technical cooperaton.

PROMOTING KNOWLEDGE SHARING AND MUTUAL LEARNING, THROUGH DIVERSE CHANNELS

The COVID-19 experiences highlight the need to revisit approach to international development (beyond North-South knowledge transfer).

It is important to increase knowledge flow among *Afrasian* people (Asia & Africa).

- Some Asian countries are interested in sharing their development experiences, as emerging donors (distinctive patterns of learning, diverse paths to development, etc.)
- Co-creating practical knowledge for development

Greater attention should be paid to a perspective of **translative adaptation and the process of local learning.**

- How to adopt and adapt 'foreign models' suitable to each country.

FINAL THOUGHT – ENHANCING NEW *AFRASIAN* CONNECTIVITY

How can we increase the flow of knowledge among *Afrasian* people, while building capacity for translative adaptation ?

How can we promote knowledge sharing and co-creation in the age of digitalization ?

- Today, new knowledge and technologies are available more easily and quickly in a standardized format.
- What kind of capabilities are required at individual, organization, government, and societal levels ? How can we create a learning "mindset" ?
- How can we ensure the fair access to and the use of communication infrastructure to avoid digital divide ?

How can Japan play a meaningful role, based on its own experiences of development and development cooperation ?