



ASIAN PRODUCTIVITY ORGANIZATION

OVERCOMING THE MIDDLE-INCOME TRAP

PREPARED BY

Dr. Kenichi Ohno

*Professor, National Graduate Institute
for Policy Studies (GRIPS), Japan*



Contents

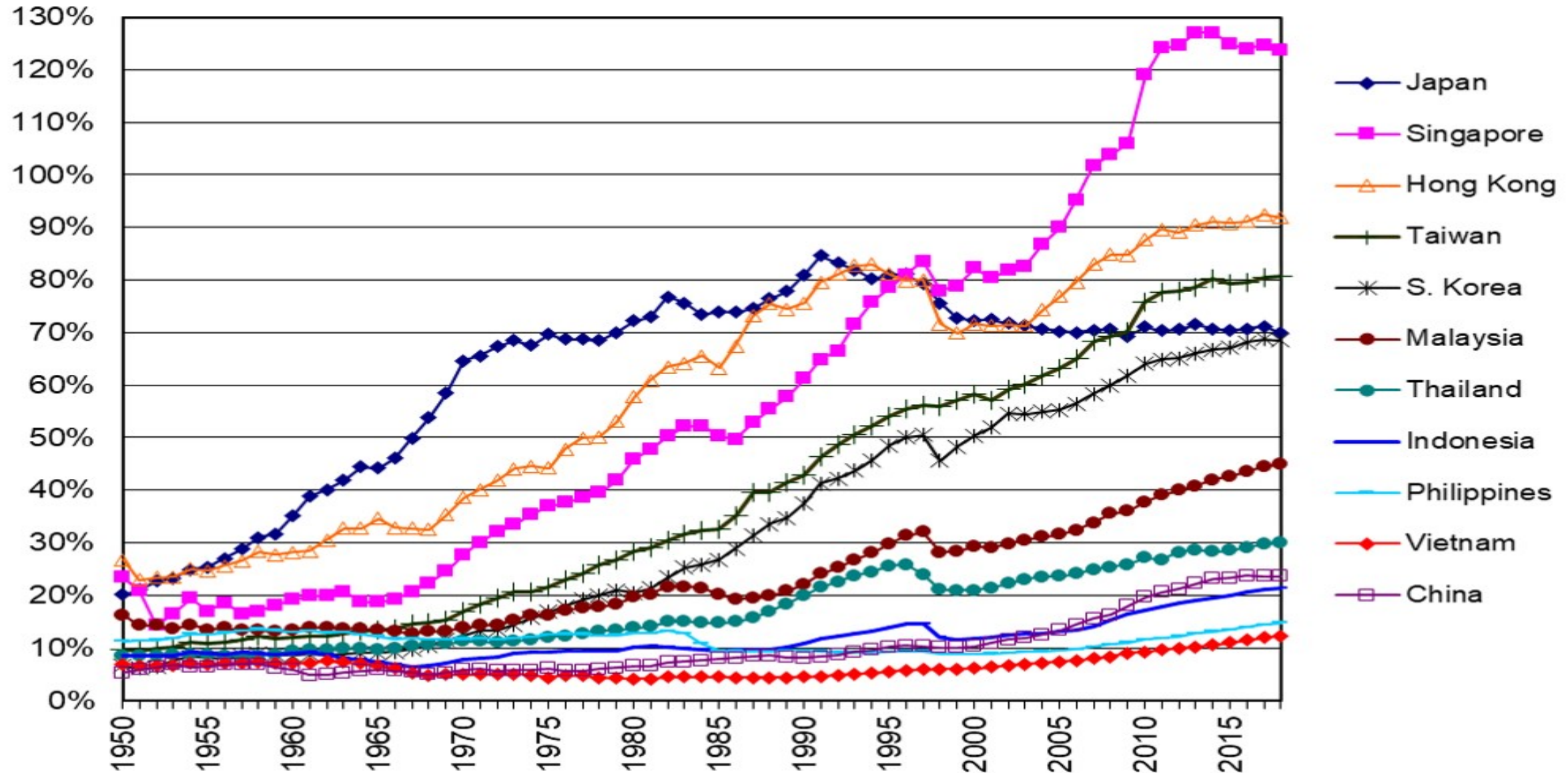
- ❑ Middle income traps—definition, some data and ideas
- ❑ Two required policy areas—growth policy and social policy
- ❑ Creation of competent and clean technocrats
- ❑ The need for policy learning—learning HOW rather than WHAT

The key message:

Growth slowdown at middle income must be avoided by **learning how to make effective policies** to enhance private dynamism. This requires a strong and persistent political will, a comparative and systematic perspective, and a creation of technocrats who draft and execute developmental policies. These conditions must be prepared by the top national leader. Random muddling through to cope with problems at hand is not enough.

Speed of Catching Up: East Asia

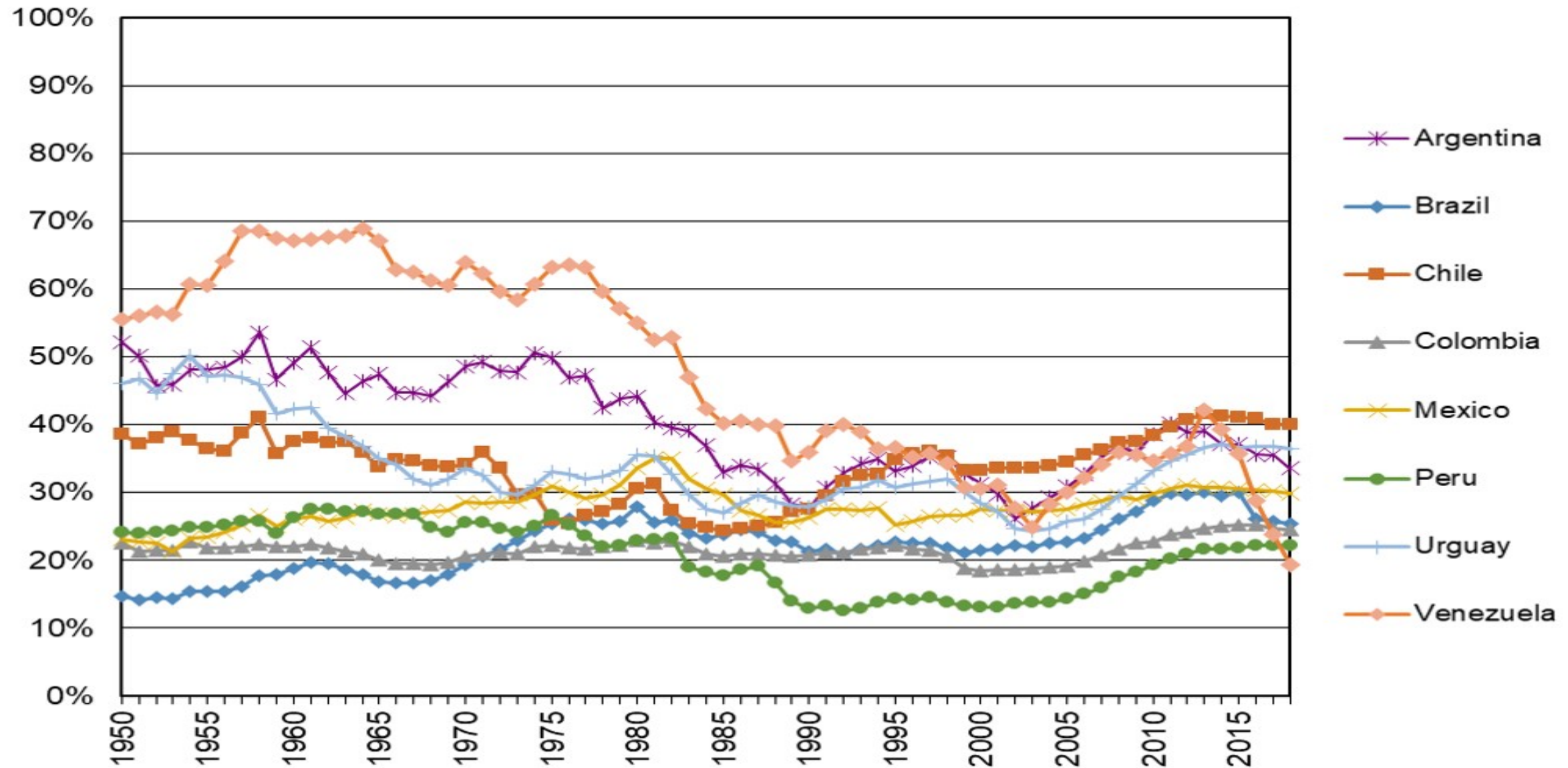
Per capita real income relative to US
(Measured by the 1990 international Geary-Khamis dollars)



Sources: Maddison Project Database 2020; for the ROC: the Central Bank of the Republic of China.

Latin America

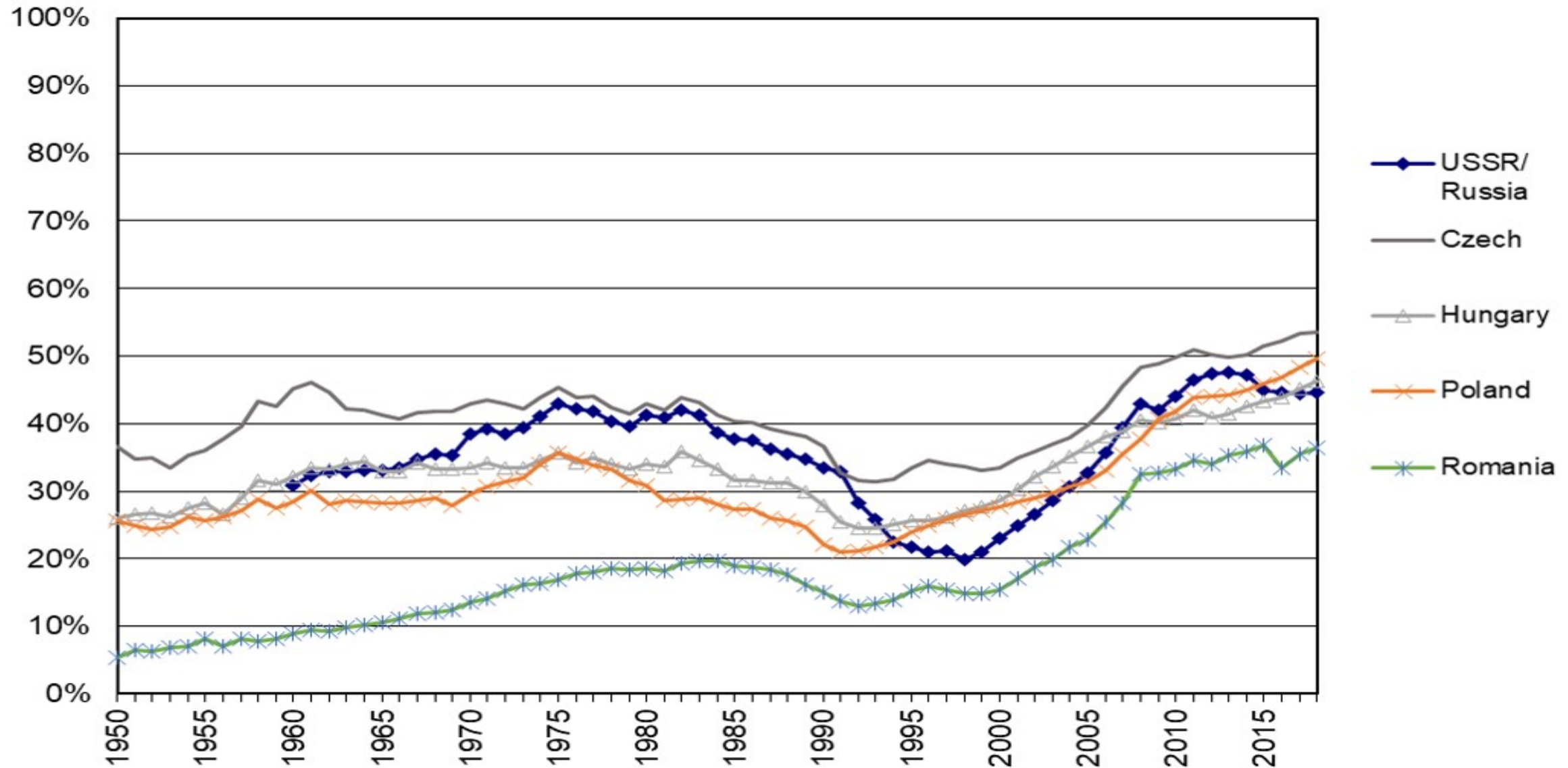
Per capita real income relative to US
(Measured by the 1990 international Geary-Khamis dollars)



Source: Maddison Project Database 2020.

Russia and Eastern Europe

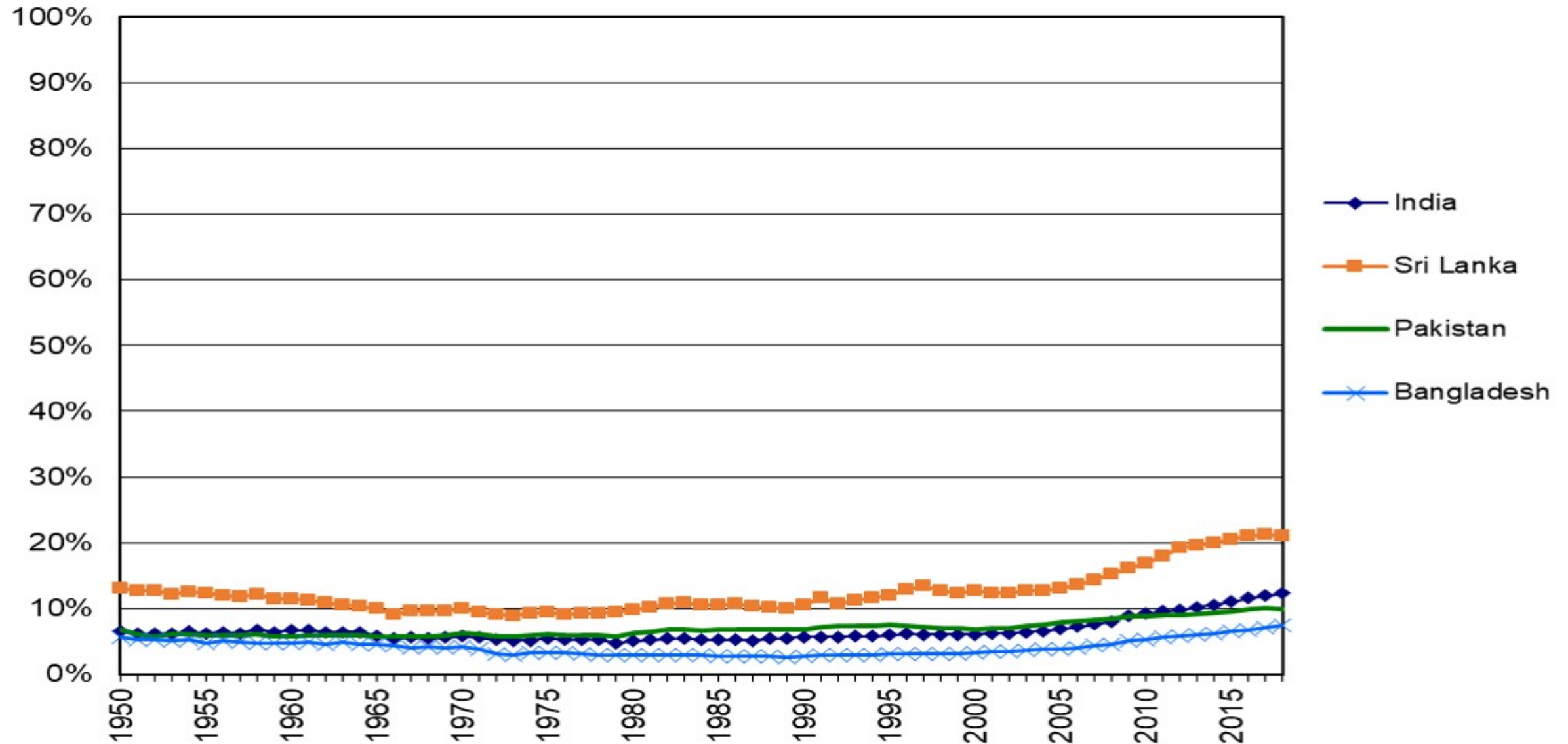
Per capita real income relative to US
(Measured by the 1990 international Geary-Khamis dollars)



Source: Maddison Project Database 2020.

South Asia

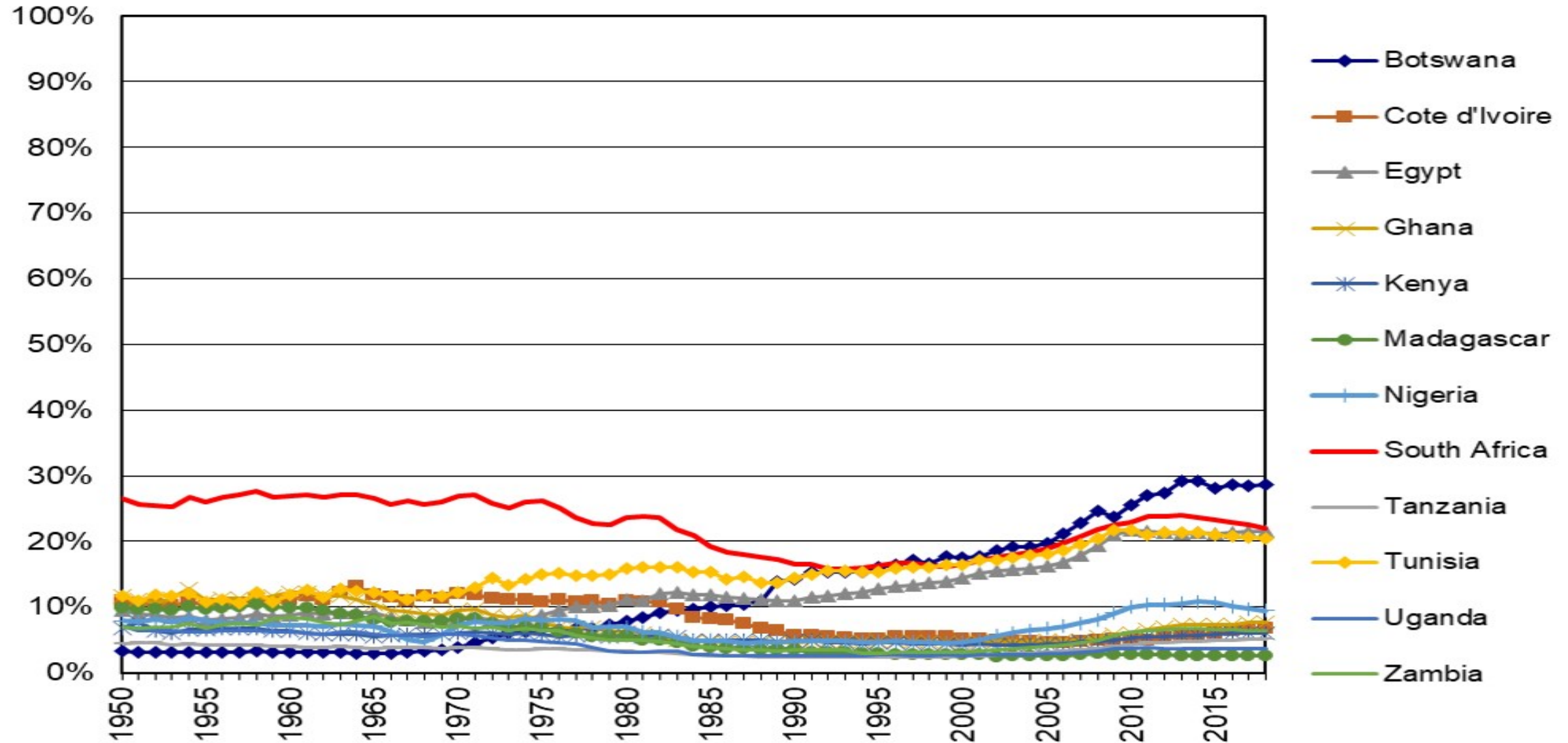
Per capita real income relative to US
(Measured by the 1990 international Geary-Khamis dollars)



Source: Maddison Project Database 2020.

Africa

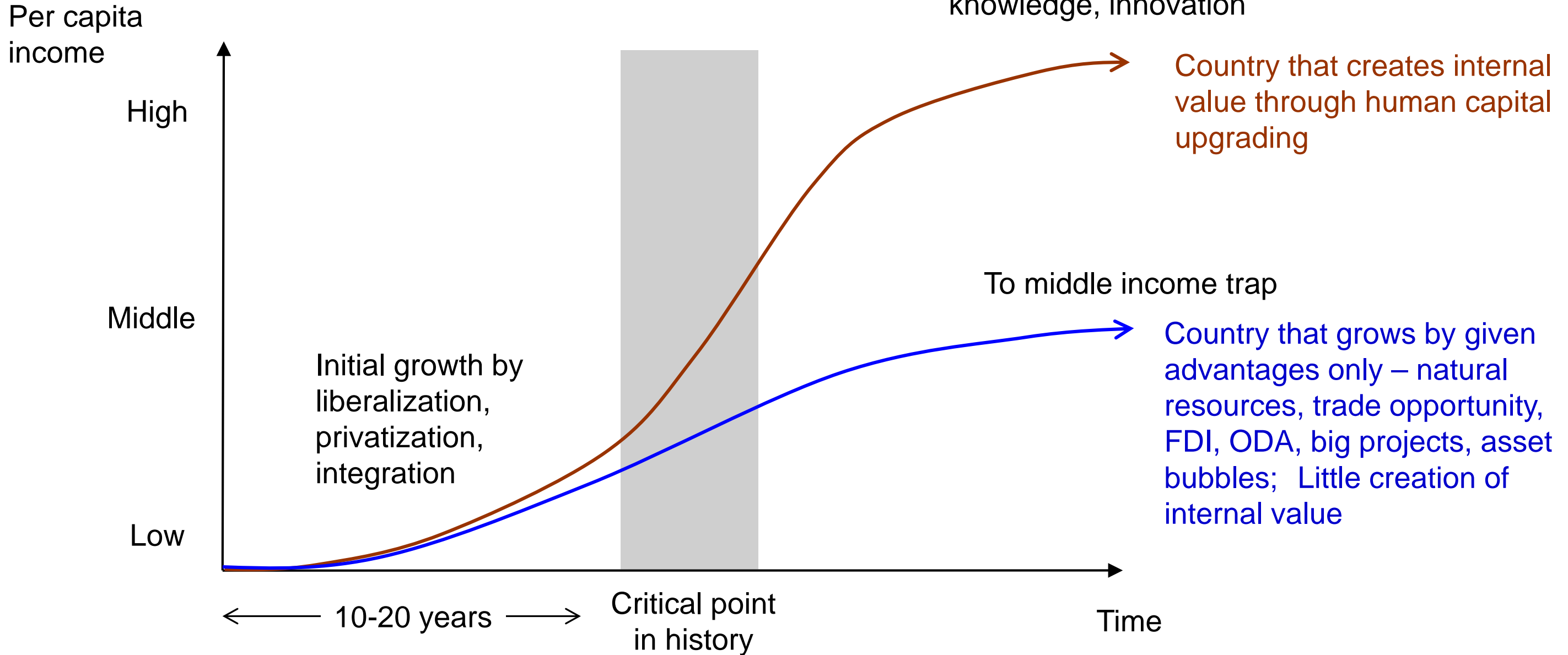
Per capita real income relative to US
(Measured by the 1990 international Geary-Khamis dollars)



Source: Maddison Project Database 2020.



Why do Nations Diverge?



The Phase Shift

From Light Manufacturing to High-tech Industries

Light manufacturing

- In the early stage, labor-intensive low-technology sectors such as garment, footwear, food processing, electronic assembly (PCs, phones) dominate.
- Domestic value creation is low. A large amount of unskilled (female) labor is needed. Few engineers and technicians are required.



Japan underwent this transition around the 1920s, and Republic of Korea and Republic of China in the 1970s. However, many developing countries are unable to cross this threshold (middle income trap).

Technology-based industries

- Establishment of high-tech, value-creating sectors such as metal, machinery, chemicals, IT and high-tech industries requires technology learning and retention of highly skilled engineers (without job hopping).
- Policy must assist technology acquisition, investment, finance, etc. Due to scale merit, large monopoly tends to emerge.

Liberalization, privatization and integration are generally sufficient

Effective policy intervention to upgrade private capacity is essential



Middle Income Trap: My Definition

- ❑ A middle income trap is a situation where an economy is stuck at income dictated by given resources and initial advantages, and cannot rise beyond that level: **growth is given, not created.**
- ❑ Growth based on FDI, aid, big projects, natural resources, or locational advantages will eventually end. The true source of development is value creation by domestic citizens and enterprises.
- ❑ Countries may reach middle income by liberalization, privatization and global integration, but reaching higher income requires strong policy effort to stimulate private dynamism, not laissez-faire.



Nations are Not Equal and Policy Quality Matters

- ❑ Development performance differs greatly across nations. Some nations quickly reach high income while others slow down or stagnate at low or middle income.
- ❑ Diverse performance reflects differences in **private dynamism** and **policy quality** —not amounts of aid, trade, FDI, natural resources, big projects, history of colonization, initial difficulties, etc.

**Economic performance = Private dynamism + Policy quality
+ External factors**

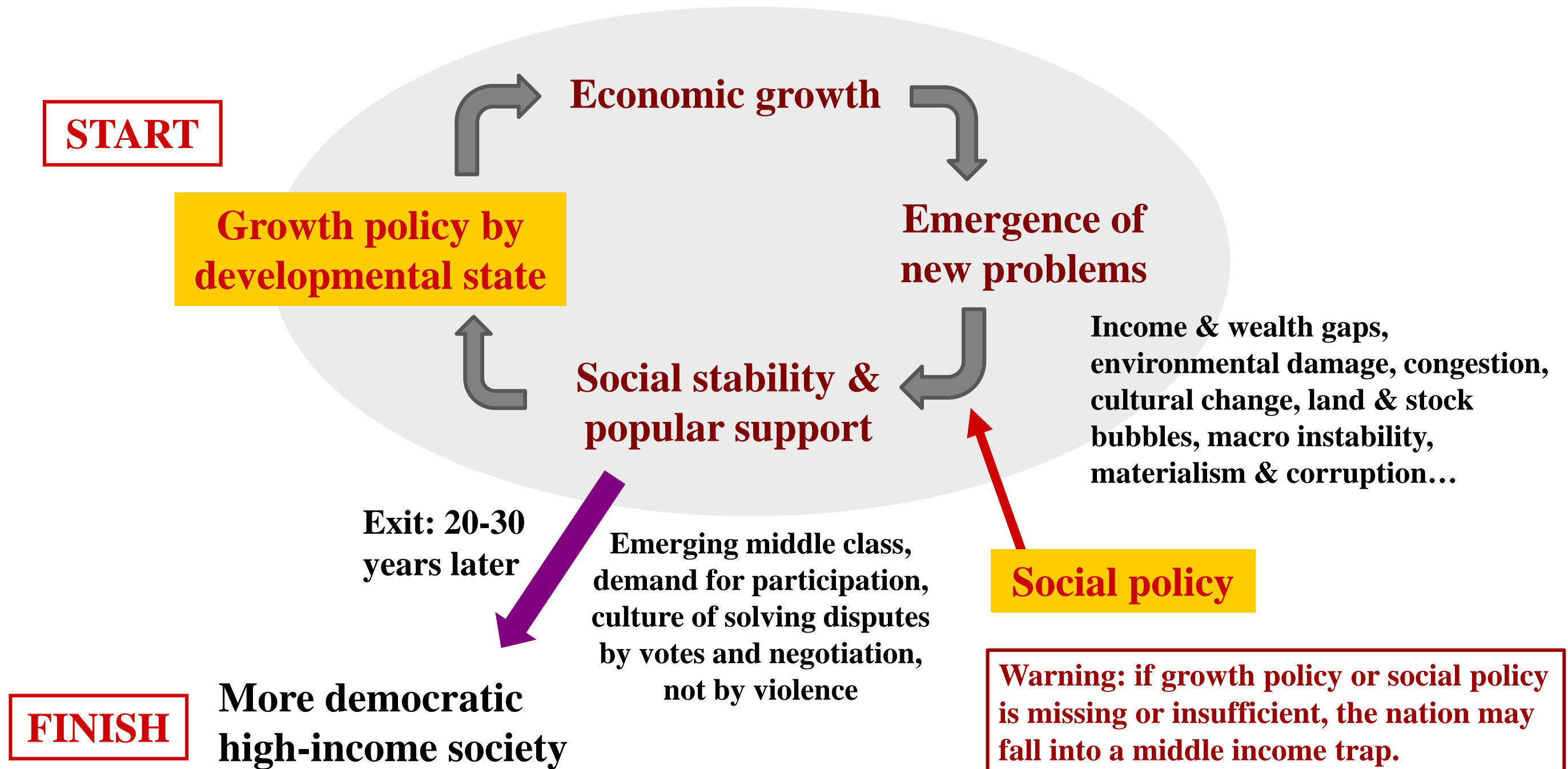
- ❑ In the long run, external shocks fade out and private dynamism dominates. Policy quality is important in enhancing private dynamism.
- ❑ The lack of policy quality is the main cause of a middle income trap (or any other long-term growth problem).



Two Policies are Required

- Middle income traps may occur for two main reasons:
 - (i) the lack of growth momentum (insufficient industrial promotion)
 - (ii) inability to cope with new problems generated by rapid growth or both.
- To avoid a middle income trap, government must competently execute two policies: **growth policy** and **social policy**.

Growth and Social Policy: East Asia's Success Pattern



Growth Policy



Industrial Policy Quality

- ❑ International comparison of industrial policy—examining policy making capacities in Asia and Africa.
 - Asia—Vietnam**, Singapore, Republic of China, Republic of Korea, Malaysia, Thailand, Indonesia, India, Cambodia, Sri Lanka, Myanmar
 - Africa—Ethiopia**, Rwanda, Mauritius, Mozambique, Zambia, Tanzania, Ghana, Uganda, South Africa, Kenya, Djibouti
- ❑ In policy quality, Asia is not always superior to Africa. Some African countries such as Mauritius and Rwanda practice better industrial policy than Vietnam or Indonesia.
- ❑ To a comparative eye, difference in policy quality is obvious and very clear. But this fact must be conveyed by some quantitative indicators.

How Do You Measure Industrial Policy Quality?

(Tentative method)


Policy areas

1. Industrial human resource
2. Domestic enterprise development
3. Business climate
4. Power & logistics
5. Export promotion
6. Strategic FDI marketing
7. Industrial parks
8. Supporting industries & FDI-local firm linkage
9. Productivity, technology & innovation
10. Standards & testing

×

Functional aspects

1. Policy ownership
2. Vision & commitment of top leader(s)
3. Policy drafting procedure
4. Authority & capacity of policy organizations
5. Mindset & competency of implementing officials
6. Budgeting & staffing
7. Inter-ministerial coordination
8. Involvement of key non-official stakeholders
9. Monitoring & evaluating mechanisms
10. Impact on the real economy

- 
- 5 – Excellent
 - 4 – Good
 - 3 – Moderate
 - 2 – Some
 - 1 – Little
 - 0 – Nothing or worse

The Scorecard for Vietnam

Date: May 2015 (based on policy research 1995-2015)

	Evaluation of industrial policy sub-components										Average
	Industrial human resource	Domestic enterprise development	Business climate	Power and logistics	Export promotion	Strategic FDI marketing	Industrial parks	Supporting industries & FDI-local firm linkage	Productivity, technology & innovation	Standards and testing	
Policy ownership	2	2	3	3	2	3	4	2	2	2	2.5
Vision & commitment of top leader(s)	1	1	2	3	2	2	2	2	1	1	1.7
Policy drafting procedure	2	2	1	3	1	1	1	1	1	2	1.5
Authority & capacity of policy organizations	2	3	2	3	2	2	3	2	2	2	2.3
Mindset & competency of individual officials	3	2	2	2	2	2	2	2	2	2	2.1
Budgeting & staffing	2	3	2	4	2	2	2	2	2	2	2.3
Inter-ministerial coordination	1	1	1	1	1	1	1	1	1	1	1.0
Involvement of key non-official stakeholders	2	2	2	2	2	2	3	2	2	2	2.1
Monitoring & evaluating mechanisms	0	0	2	3	0	0	1	0	0	0	0.6
Impact on real economy	0	2	3	4	2	2	3	1	1	1	1.9
AVERAGE	1.5	1.8	2.0	2.8	1.6	1.7	2.2	1.5	1.4	1.5	1.8
GRADE	D	D	C	C	D	D	C	D	D	D	D
Remark	Fragmented over MOET, MOLISA, MOIT, etc.	MPI & MOIT measures weak	Better than 1990s but still much room for improvement	Many ODA projects; improving significantly	Ministerial level only; not a national drive	Policy weak & decentralized but FDI comes	Too many, too decentralized; some effective	Much talk, little action except intl cooperation	No realistic or pragmatic policy	Ineffective policy design & implementation	

Notes:

- Evaluation: 0 (non-existent or worse), 1 (little), 2 (some), 3 (moderate), 4 (good), 5 (excellent).
- Evaluation of policy prepared and implemented by government only; results obtained by private effort, international cooperation or external conditions are not included.
- Letter grades: A+ (4.5 or above), A (<4.5), B (<4), C (<3), D (<2), F (<1).

The Scorecard for Ethiopia

Date: May 2015 (based on policy research 2008-2015)

	Evaluation of industrial policy sub-components										Average
	Industrial human resource	Domestic enterprise development	Business climate	Power and logistics	Export promotion	Strategic FDI marketing	Industrial parks	Supporting industries & FDI-local firm linkage	Productivity, technology & innovation	Standards and testing	
Policy ownership	5	3	3	4	5	5	5	3	5	2	4.0
Vision & commitment of top leader(s)	5	3	3	4	5	5	5	4	4	3	4.1
Policy drafting procedure	2	1	2	2	3	4	4	1	3	2	2.4
Authority & capacity of policy organizations	3	2	2	3	3	4	5	2	2	2	2.8
Mindset & competency of individual officials	3	2	1	2	4	4	4	2	3	2	2.7
Budgeting & staffing	4	2	2	4	5	5	5	1	3	2	3.3
Inter-ministerial coordination	1	1	1	3	3	3	3	2	3	1	2.1
Involvement of key non-official stakeholders	2	2	2	3	3	3	3	2	3	2	2.5
Monitoring & evaluating mechanisms	3	1	1	2	5	5	5	1	3	2	2.8
Impact on real economy	2	2	0	4	3	5	5	2	3	2	2.8
AVERAGE	3.0	1.9	1.7	3.1	3.9	4.3	4.4	2.0	3.2	2.0	3.0
GRADE	B	D	D	B	B	A	A	B	B	C	B -
Remark	TVET, engineering universities	Fragmented	Limited action to improve business climate	Infrastructure still deficient but improving	Good policy; execution needs more improvement	Main policy focus; good results	Main policy focus	Policy will exist; further development required	Strong political will; kaizen & national movement	TIDI, LIDI, etc.; but generally under-developed	

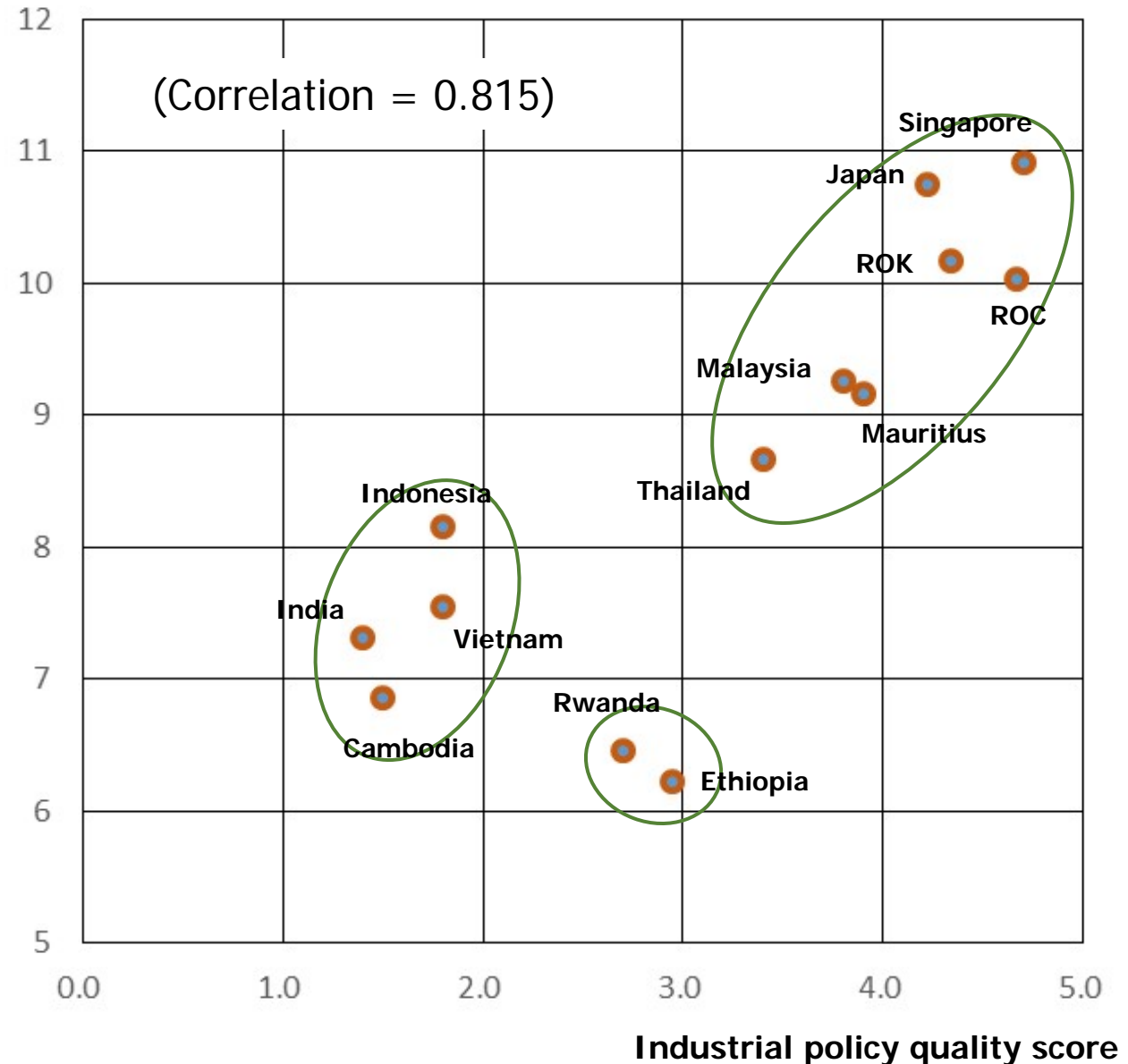
Notes:

- Evaluation: 0 (non-existent or worse), 1 (little), 2 (some), 3 (moderate), 4 (good), 5 (excellent).
- Evaluation of policy prepared and implemented by government only; results obtained by private effort, international cooperation or external conditions are not included.
- Letter grades: A+ (4.5 or above), A (<4.5), B (<4), C (<3), D (<2), F (<1).

Industrial Policy Quality: Summary of 13 Economies

	Industrial policy quality		Per capita income (WB, 2013, USD)	Doing Business ranking among 189 entities (WB, 2014)
	Mean	SD		
Singapore	4.70	0.48	\$55,183	1
Japan	4.22	0.83	\$46,330	29
Korea	4.33	0.71	\$25,977	5
Taiwan	4.67	0.71	\$22,597	19
Malaysia	3.80	1.14	\$10,538	18
Mauritius	3.90	0.57	\$9,478	28
Thailand	3.40	0.84	\$5,779	26
Indonesia	1.80	0.63	\$3,475	114
Vietnam	1.80	0.43	\$1,910	78
India	1.40	0.70	\$1,498	142
Cambodia	1.50	1.43	\$950	135
Rwanda	2.70	1.06	\$639	46
Ethiopia	2.95	1.02	\$505	132

Log of per capita income



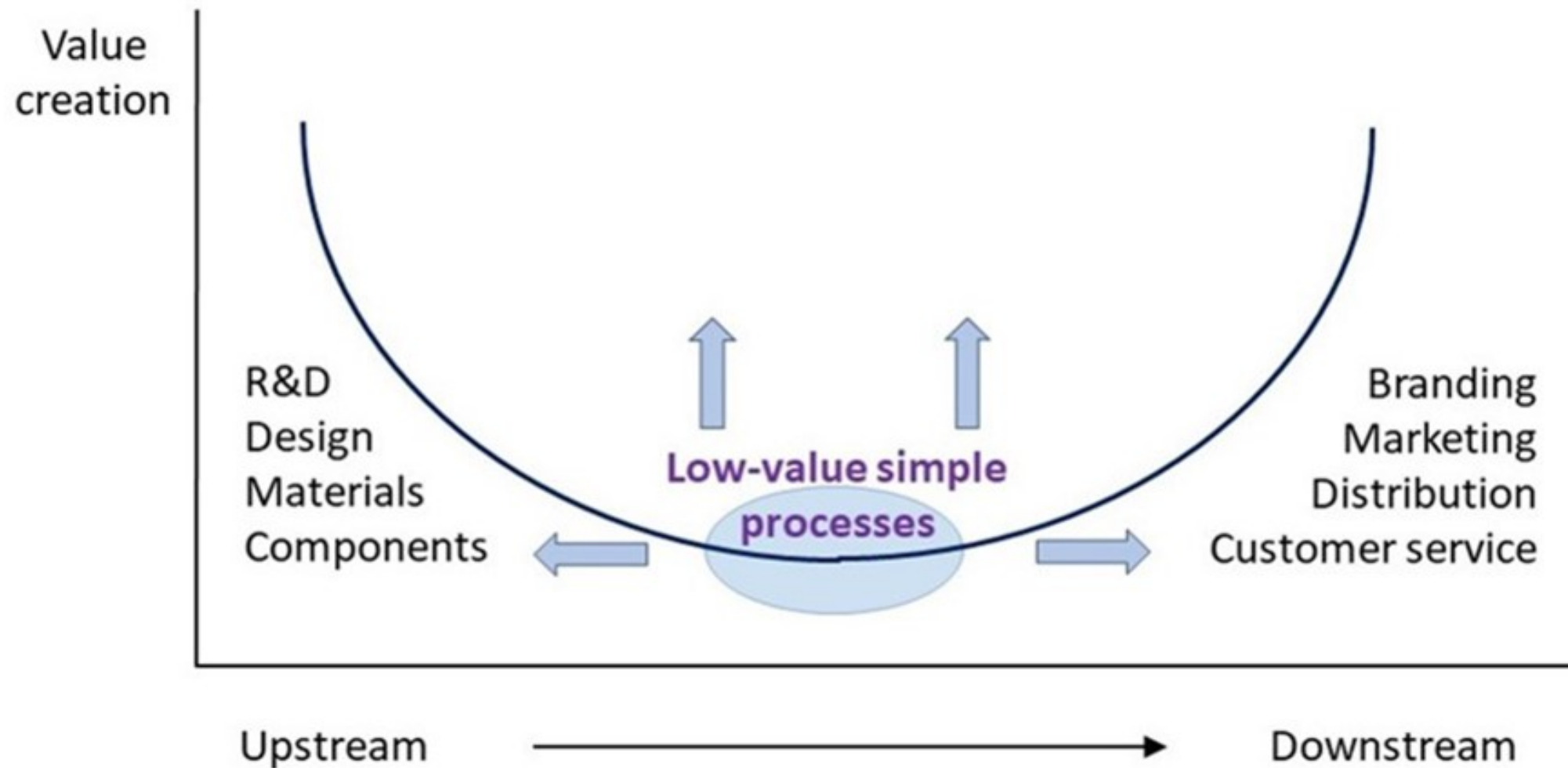


Observations

- ❑ Governments are not created equal. There is a huge gap in industrial policy quality from excellent to poor.
- ❑ Industrial policy quality and income level are positively correlated (0.815). This suggests, but does not prove, causality.
- ❑ Within each country, policy quality is similar across different components. If one policy or ministry is bad, others are also likely to be bad. There is a common policy culture prevailing in the entire government.

The Smile Curve

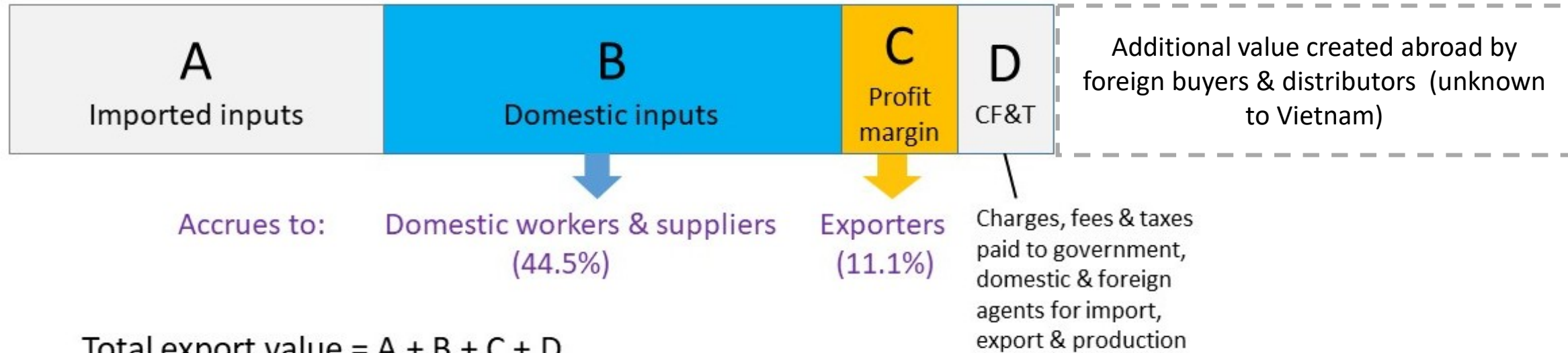
Or how much value are you creating in the Global Value Chain?



Latecomers usually start from simple cutting, sewing, assembly, etc. From there, Malaysia once had a strategy to **go up** (improve productivity) and **go sideways** (capture upstream & downstream activities) called "Manufacturing Plus Plus". Many upgradings are needed to achieve this.

Export Value Structure

Vietnam: Overall export sector, 2015



Total export value = A + B + C + D

Backward participation = $B / (A+B+C+D)$

Forward participation = $C / (A+B+C+D)$

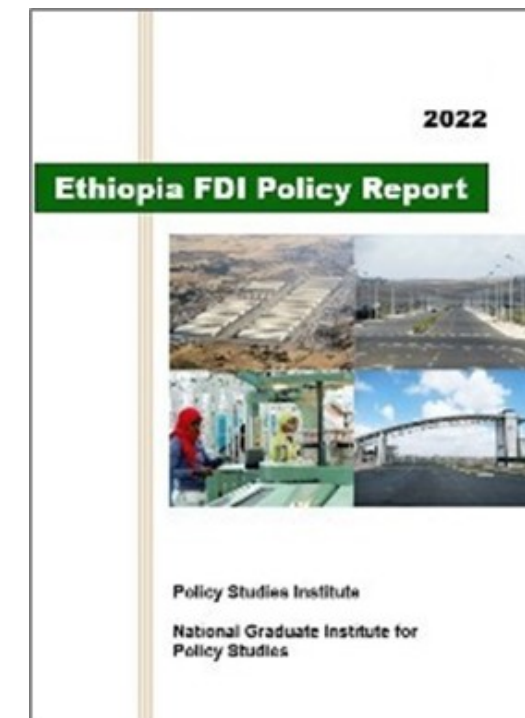
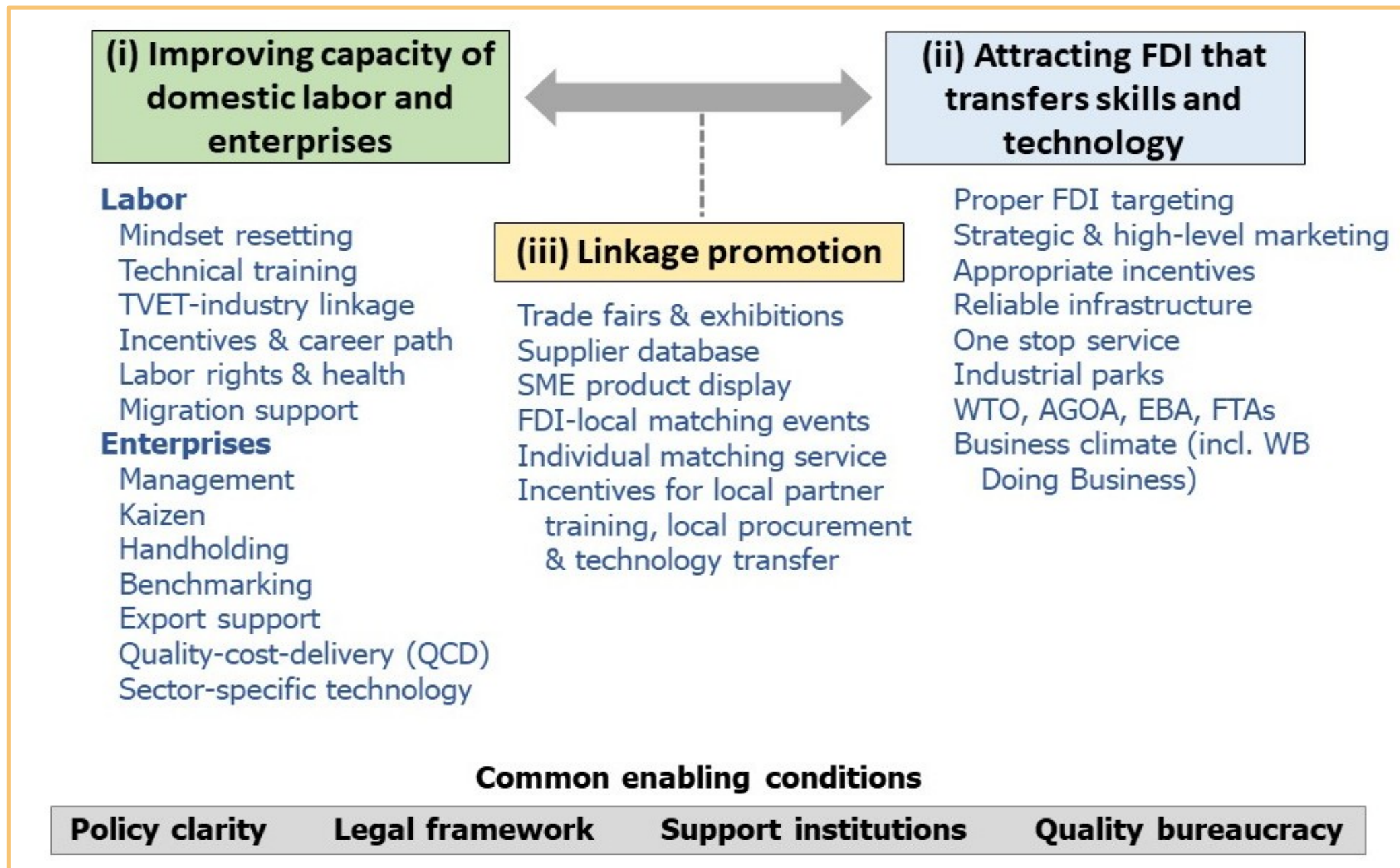
Source: Khoi & Chaudhary (2019).

Vietnam's B + C are considered too small; expanding them requires stronger domestic exporters, domestic inputs, and domestic human resources. Establishing international brands, shifting to high end products, and capturing international distribution are also desirable (but difficult).

Bangladesh, a large garment exporter, reports that **A** was 36% of total export value of garment in 2018-19 (Bangladesh Bank). This means **B+C+D** was 64%, similar to Vietnam.

Ethiopia FDI Policy Report (Jan. 2022)

Three Part Strategy for FDI-led Industrialization



Social Policy

Coping with Income Gaps



Income Equalization or Polarization?

Some societies experienced income equalization during high growth while others faced income polarization.

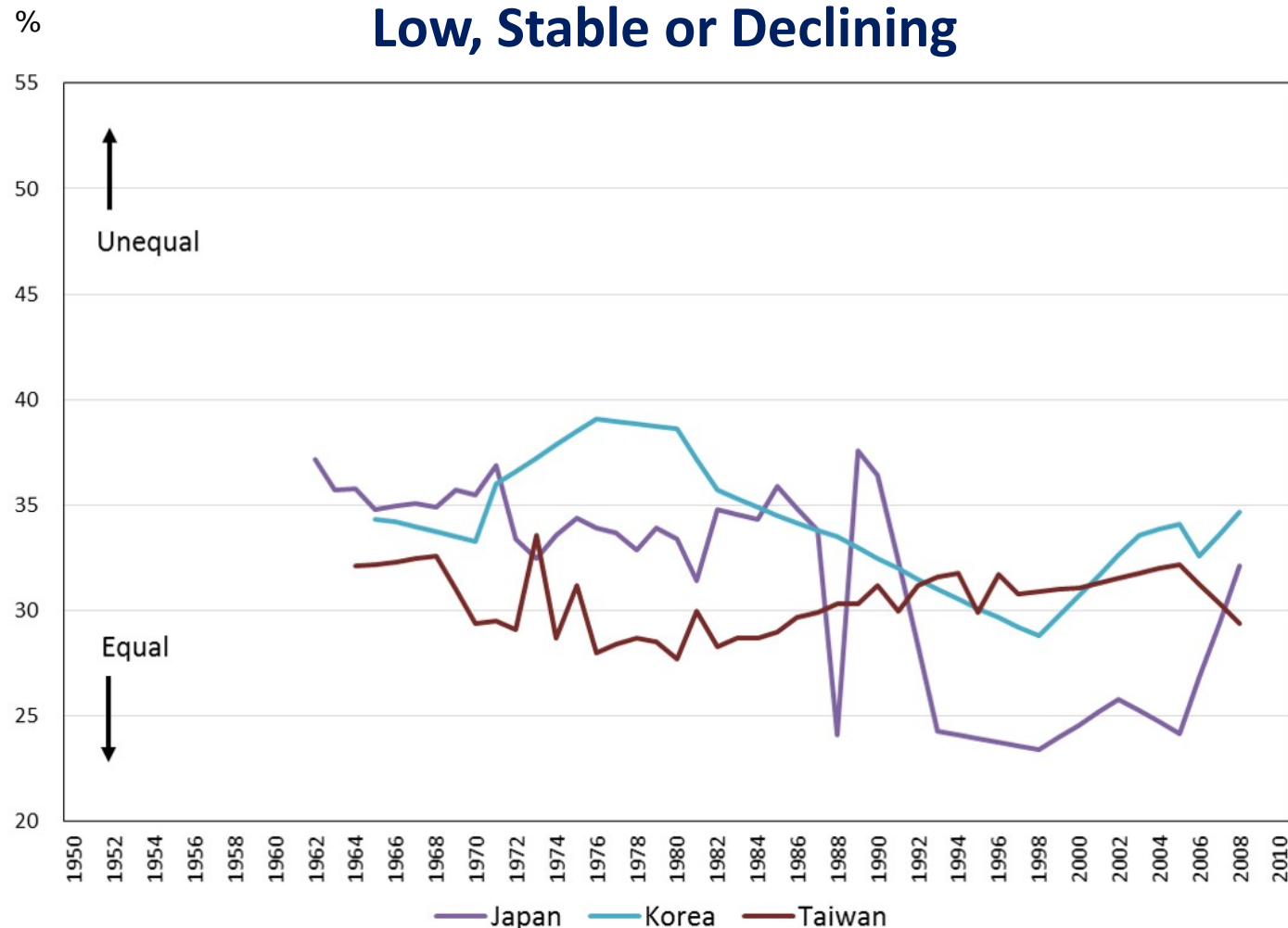
- ❑ Economies that had equal or equalizing income during high growth:
Japan (1950s-60s), Republic of Korea (1970s-80s), Republic of China (1960s-80s).
- ❑ Economies that had unequal or polarizing income during high growth:
China (after 1980s), Thailand, Philippines, Malaysia, (Indonesia, Vietnam)

These different results stem from both **market forces** and **policy actions**.

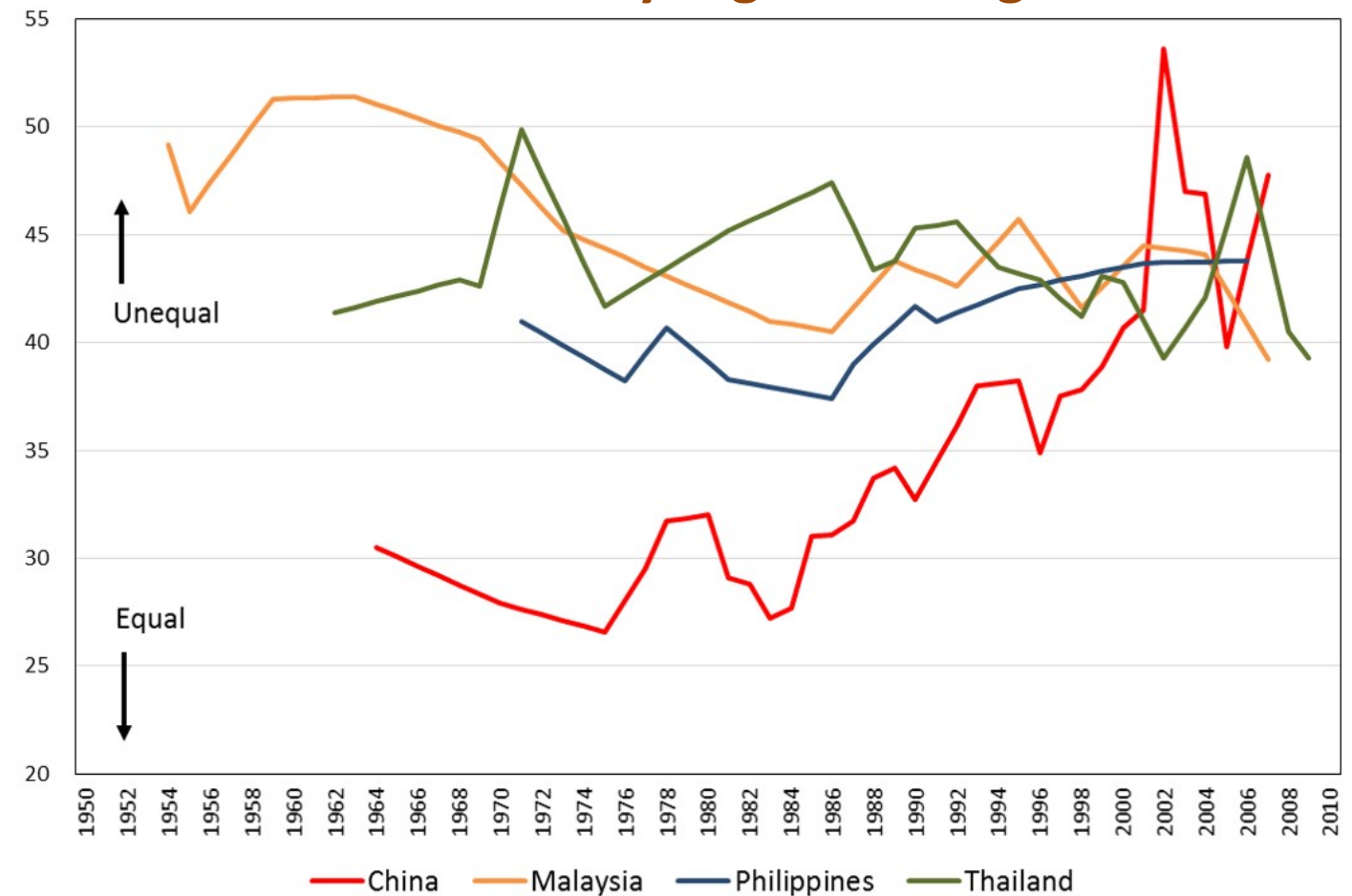


Gini Coefficient (0 – perfect equality, 1 – perfect inequality)

Low, Stable or Declining



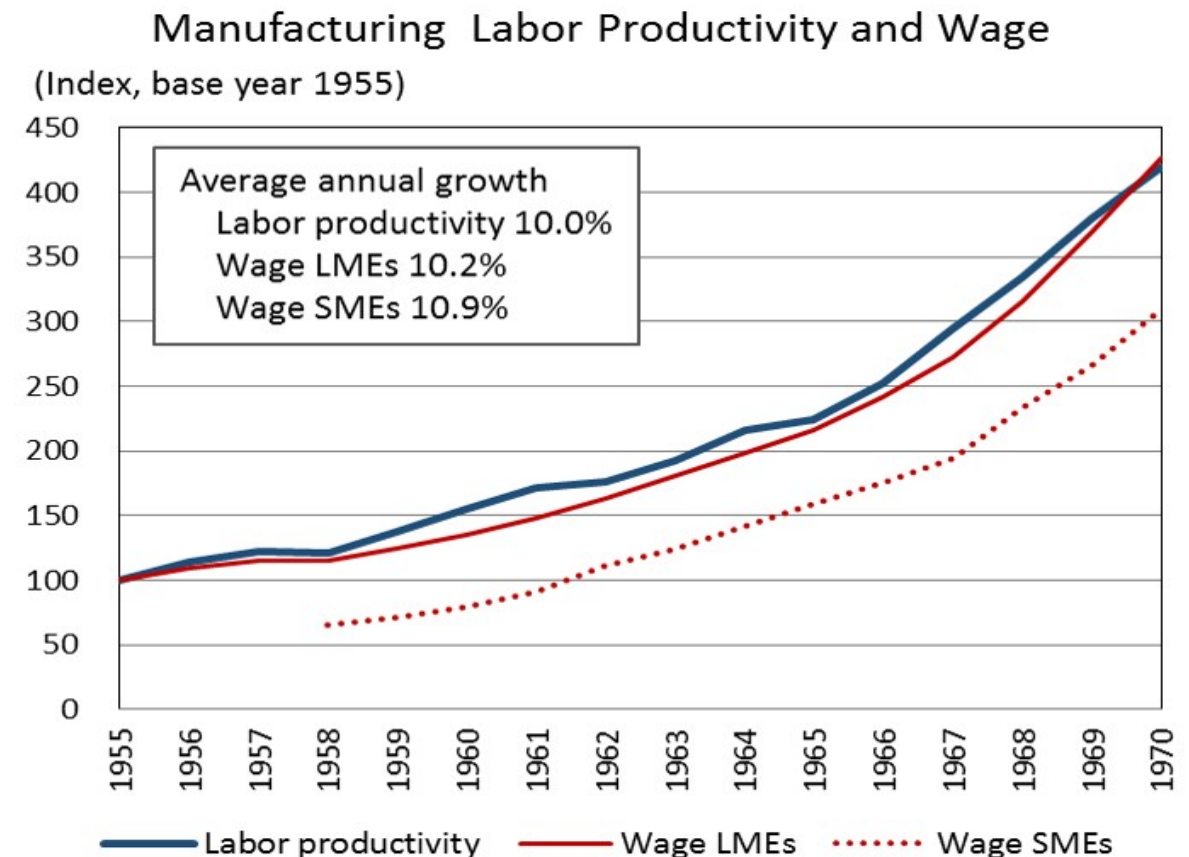
Persistently High or Rising





Japan: Rapidly Rising Productivity and Wages

- ❑ During the high growth era (1955-1970), both labor productivity and wages rose about 10% per year. Social stability and labor discipline were maintained. Virtually all people felt that they belonged to the middle class.
- ❑ Policy-based income redistribution—the government offered subsidies, price control, agricultural protection, public investment, etc. to rural areas. Urban taxes were channeled to build railroads, highways, ports and airports in rural constituencies.





ROK: Saemaul Undong and Regional Equalization

- ❑ In 1970, President Park Chung-hee launched Saemaul Undong (New Village Movement) to narrow the gap between cities and villages.
- ❑ It was a top-down order. All villages were given resources, training and instruction. They were evaluated by their action and performance.
- ❑ Some criticized this movement as forced political propaganda. But it brilliantly succeeded in eliminating urban-rural gaps. Some rural regions became richer than Seoul.

Inequality Indicators: Regional Incomes Converged

Note: Data covers regional per capita GDP of 17 cities & regions of Republic of Korea.

Source: Huh Mun-Gu, "Changing Inter-regional Income Disparities in Korea: A Gross Regional Domestic Product Analysis," Osaka Prefectural Univ. (1995).

	1971	1981	1991
Max/min ratio	2.0471	2.0143	1.7531
Coefficient of variation adjusted by economic size	0.2873	0.1643	0.1572
Gini coefficient	0.1597	0.0846	0.0644



ROC: Land Reform and SME Dynamism



- ❑ Land reform was successfully carried out in 1949-1953 to eliminate the landowning class and generate incentive to small farmers.
- ❑ Taiwanese SMEs were very dynamic and served as the main engine of growth. In 1981, SMEs' share of export was 68.1%.
- ❑ SME Administration under the Ministry of Economic Affairs conducts active SME support covering management, finance, incubation, regional clusters, etc.

Leadership and Technocrats



Critical Importance of Leadership

- ❑ A national leader who is wise, strong, action-oriented and respects democratic rules is crucial. He or she is the primary force in changing goals, rules, behavior and institution.
- ❑ Professional and dedicated technocrats must support this leader. Both are needed for successful development.
- ❑ It is difficult to foster or install a competent leader. But once such a leader is in power, he or she can create competent technocrats (cf. Republic of China in the 1950s, Republic of Korea in the 1960s).



Creation of Competent and Clean Technocrats

Ed Campos — World Bank's East Asian Miracle Report 1993 (Chapter 4); The Key to the Asian Miracle 1996 (co-author)

East Asia's high performing economies attained shared growth because their governments deliberately created three necessary conditions.

1. **An inclusive mechanism** to let all citizens participate in growth (education, land reform, rural development, strong SMEs, etc.)
2. **Productive government-business relationship** based on shared information, mutual respect and joint decision making.
3. **Competent economic technocrats** who pursue welfare for all rather than self interest.

Countries that seriously make these institutional efforts can achieve shared growth (institutions can be created, not given).



MITI and the Japanese Miracle

Chalmers Johnson, Stanford University Press, 1982

- ❑ The Japanese economic bureaucracy in the 1960s-70s was different from both the Western model and communist planning.
- ❑ In Japan, the state role in the economy was shared with the private sector. Both the public and private sectors perfected means to make the market work for developmental goals.
- ❑ This pattern proved to be the most successful development strategy, and was repeated in Republic of China, Republic of Korea, Singapore, etc.
- ❑ Japanese analysts believe that government was the inspiration and the cause of heavy and chemical industry drive and structural transformation.
- ❑ MITI said industrial policy “grew” without guiding theory. Only recently, government tried to rationalize and systematize it.

Why MITI was Effective

Lecture by Masatake Wada, former MITI official during 1966-96 (Feb. 2021)

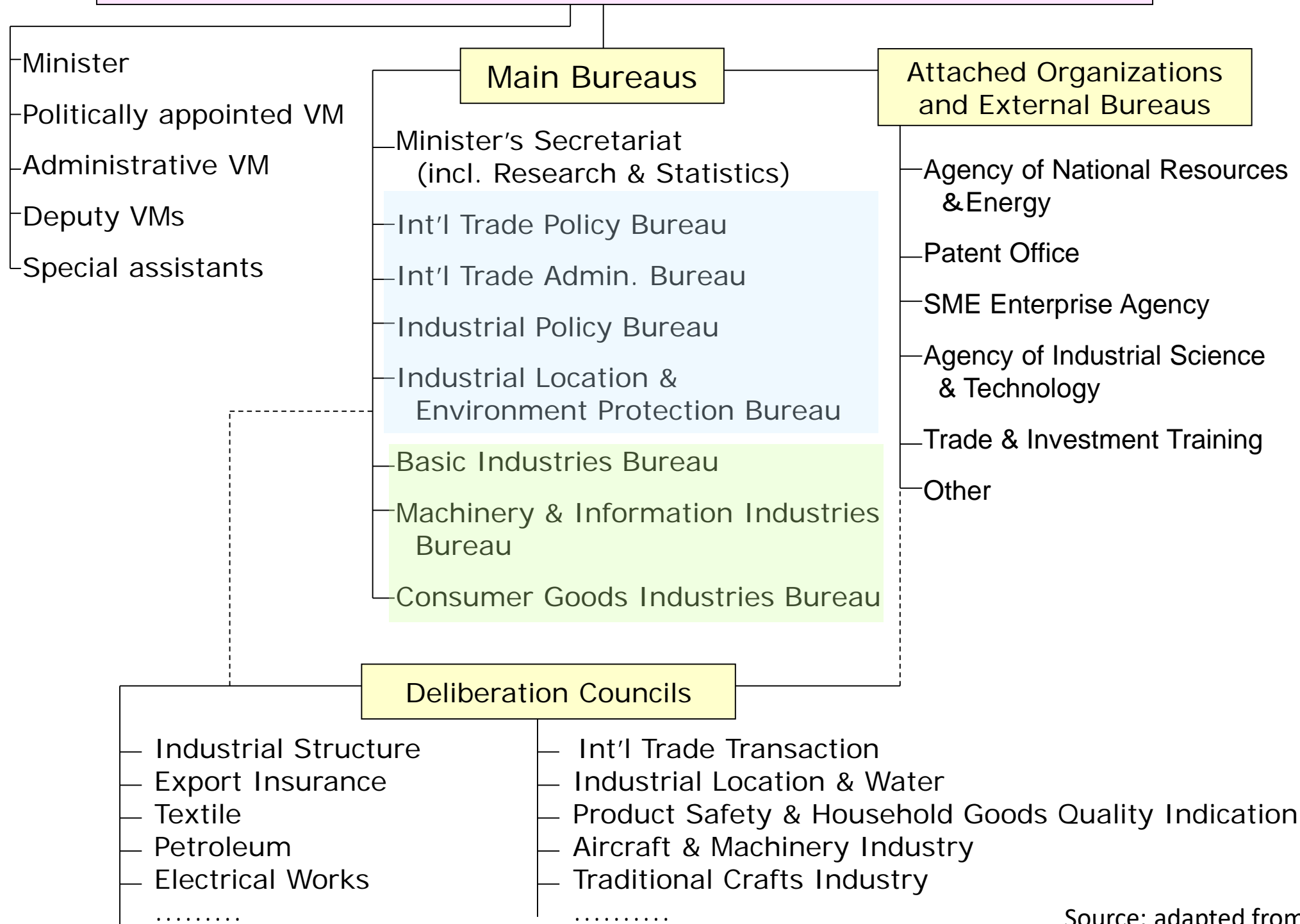


- 1. Broad perspective and capacity**—MITI's mandate was wide: industry, trade, energy, mining, SMEs, investment, technology, intellectual property, etc. Its functions were also broad: vision-setting, research, consensus-building, law-drafting, implementation, monitoring, etc. It had broad domestic and worldwide information networks.
- 2. Clean and good relationship with politics**—MITI submitted policy proposals to politicians who deliberated on them. Politicians also requested MITI to study certain issues and propose policies. MITI acted as a professional body independent of politics.
- 3. Thick information network with private sector**—MITI and businesses shared the same awareness and future visions. Industrial policy was a joint work between MITI and business circles, and this improved policy efficiency.

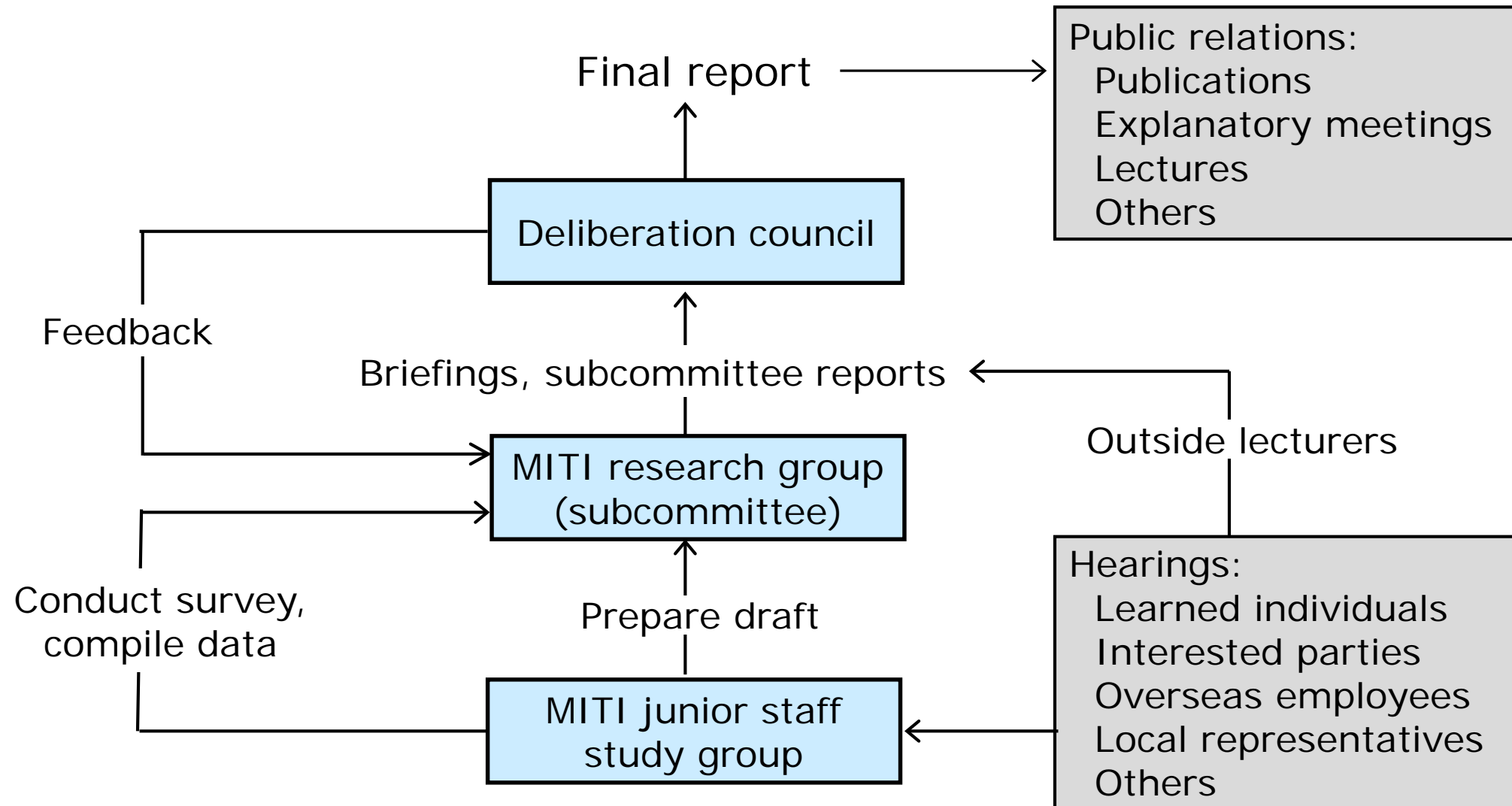
(Cont.)

- 4. Internal structure**—MITI was composed of vertical and horizontal bureaus. The former were responsible for sectoral issues and the latter managed common issues across sectors. This mechanism provided good balance. MITI staff rotated every 2-3 years to experience many positions, including overseas placement, to cultivate a broad perspective.
- 5. Strong motivation of MITI staff**—despite low salary, MITI staff were very proud to work on industrialization, which was a big national dream. They were very concerned about Japan's future, and organized private study meetings inviting academic and business people after working hours (no overtime pay). During the catch-up phase, the national goal was clear and opportunity was immense.

Ministry of International Trade and Industry



MITI's Policy Making Was Bottom-up



Young officials in their 30s actively gathered information and interacted with stakeholders, thus having substantive influence on final result—unlike in most other countries where young officials only take orders from above and do what was assigned.

Source: Ono (1992); original graph was rearranged so reporting direction goes from bottom to up.



Other Technocrats (my experiences)

- ❑ **Singapore**—officials are young, competent and well paid. They are flexible and do not engage in bureaucracy. They speak fast and to the point. Meetings are short and full of information.
- ❑ **Republic of China**—Ministry of Economic Affairs officials are more relaxed than Singaporeans but equally competent. Their policy is simple and effective (technology institutes, technology projects, science parks, SME promotion)
- ❑ **Ethiopia**—officials are serious learners. A policy mission to Malaysia took notes, did presentations, had morning meetings at hotel lobby, and worked late at the business center. The team started drafting a new policy on the return flight.
- ❑ **Country X**—a policy mission to Singapore did not show up in the morning. They went shopping instead. Some members needed English interpretation at meetings.
- ❑ **Country Y**—industrial officials were very friendly and offered many meals and gifts to us. But their policy content was very weak.

Policy Learning



Policy Learning

The best way to improve policy capability is systematic comparison of international best (and worst) practices. Use them as building blocks to create one's own policy. Policy learning must be vigorous, systematic and with proper local adjustment.

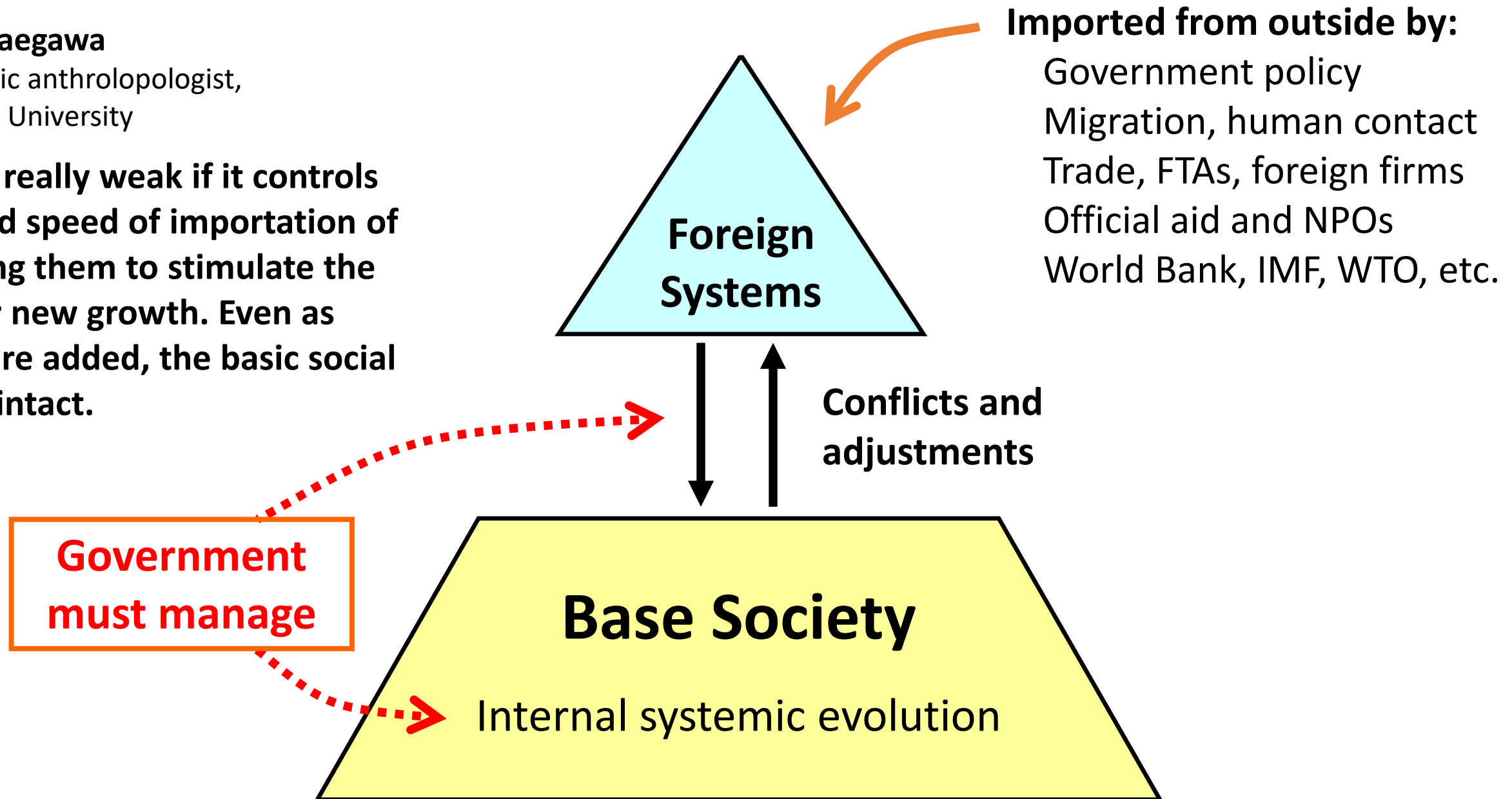
- ❑ Distinguish globally common factors and country-specific factors. These two are always present in any international comparison.
- ❑ Build general skill to create policies that fit your country. Don't copy-and-paste policies of others.
- ❑ Ask the right question. Choose the right benchmark countries. These require deep knowledge and extensive experience.
- ❑ If you don't know where to start, invite competent foreign experts to guide you through the initial steps. Regain ownership when you accumulate sufficient policy skill.

Translative Adaptation—Importation with Local Adjustment



Keiji Maegawa
economic anthropologist,
Tsukuba University

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.





Meiji Japan (Late 19c)—Learning Western Technology

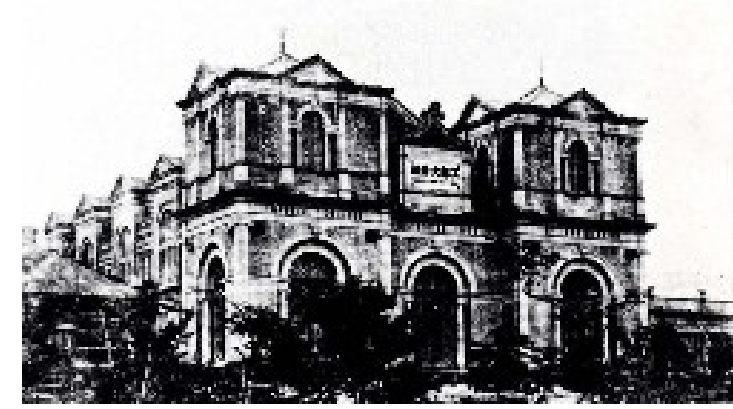
Japan's initial technology absorption progressed rapidly from easy to complex as domestic capability steady rose.

Learning took place in the following overlapping sequence:

1. Reading Dutch books
2. Learning from foreign instructors on site
3. Government turnkey projects by contracted foreign teams
4. Sending Japanese students abroad
5. Establishing engineering universities and technical schools
6. Copy production and reverse-engineering from imported machines
7. Selective learning through licensing, technical agreements and joint ventures.

Kobu Daigakko 工部大学校

(Institute of Technology)



- ❑ 1871, *Koburyo* (Industrial Training School) established by the Ministry of Industry; 1877, renamed to *Kobu Daigakko*; 1886, merged with Tokyo Imperial University under the Ministry of Education.
- ❑ The first Rector was Henry Dyer, a hired British engineer with a philosophy of “judicious combination of theory and practice.”
- ❑ The six-year program included preparatory course (language & math, 2 years), specialized studies (2 years), internship at government project (2 years). Top students were additionally sent overseas with scholarship.
- ❑ Courses were: (i) civil engineering, (ii) mechanical engineering, (iii) shipbuilding, (iv) telecommunication, (v) chemistry, (vi) architecture, (vii) metallurgy, and (viii) mining. Classes were given mostly in English.
- ❑ Top-class engineers were produced to replace foreign advisors.

Koto Kogyo Gakko 高等工業学校

(High-level Industrial Schools)



Wagener



Tejima

- ❑ High-level Industrial Schools were proposed by Gottfried Wagener (hired German engineer) and Tejima Seiichi (Ministry of Education official). The first such School was established in Tokyo in 1881.
- ❑ Students were recruited from *chugaku* (high school, about age 16-17) through exam, but best students were accepted without it. Mechanical engineering and chemical engineering were initially offered. More courses were added later.
- ❑ Unlike Kobu Daigakko, instructors were all Japanese except Wagener. *Tokyo Kogyo Gakko* became the leading institute for supplying industrial instructors, factory managers, engineers and entrepreneurs.
- ❑ Seven more Schools were created in Osaka (1901), Kyoto (1902), Nagoya (1905), Kumamoto (1906), Sendai (1906), Yonezawa (1910) and Akita (1910).

How Japan Developed Kaizen (Quality and Productivity Improvement)



Phase 1: Introduction (1950s-)

- American statistical management (W.E. Deming, J.M. Juran) was introduced to improve productivity and quality.
- The private sector drove kaizen learning. Efficiency promoting NPOs were created by large firms (Japan Productivity Center, JUSE, JMA).
- American style (top-down, statistical) was modified to Japanese style (teamwork, bottom-up, participatory).

Phase 2: National Diffusion (1970s-80s)

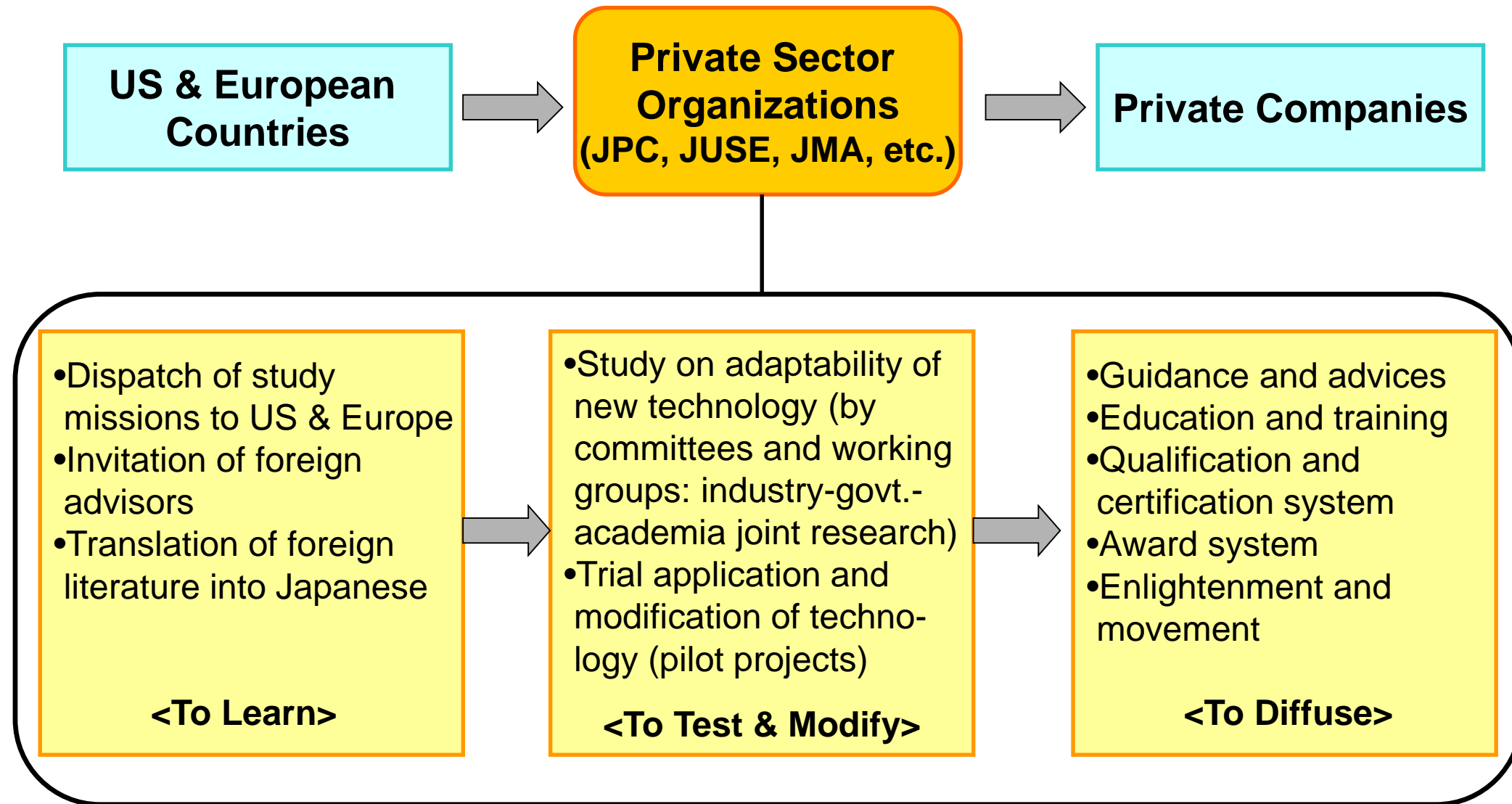
- Kaizen spread to all Japan, including SMEs, creating a large number of Quality Control Circles (QCCs). Energy-saving component was added.

Phase 3: Globalization (mid 1980s-)

- Kaizen spread to Asia and the rest of the world, teaching kaizen philosophy and tools to foreign workers and partner companies.

Three Steps to Learn Foreign Technology

Introduction, Development and Diffusion



Japan's Policy Dialogue with Developing Countries: A Selected List

Country	Phases	Key members from Japan	Remark
Argentina	1985-1987 1994-1996 (follow up)	Saburo Okita (former foreign minister, IDCJ); Hirohisa Kohama (IDCJ), Akio Hosono, Kotaro Horisaka (professors); JICA	Agriculture & livestock farming, industry, transport, export promotion (Okita Report). Follow-up phase studied measures to strengthen economic ties with Japan/East Asia.
Vietnam	1995-1996 1996-1998 1998-1999 1999-2001	Shigeru Ishikawa, Yonosuke Hara (professors); JICA	Large-scale joint study on macroeconomy, industry (with in-depth studies of selected sectors), agriculture, enterprise reform, and financial crisis management (Ishikawa Project).
Paraguay	1998-2000	Kagehide Kaku (DIR), Hidesuke Kotajima (DIR), Akio Hosono (professor); JICA	Economic development, competitiveness, and export promotion (including clusters and agro-industry chain).
Thailand	1999	Shiro Mizutani (former MITI official); JICA	Study on SME promotion policy (Mizutani Plan)
Indonesia	2000	Shujiro Urata (professor); JICA	Policy recommendations for SME promotion
Myanmar	1999-2002	Konosuke Odaka (professor); JICA	Agriculture, rural development, industry, trade, finance, ICT, etc.
Mongolia	1998-2001	Hiroshi Ueno and Hideo Hashimoto (ex-World Bank economists and professors)	Study on economic transition and development
Indonesia	2002-2004	Takashi Shiraishi, Shinji Asanuma, Shujiro Urata (professors); JICA	Macroeconomic management, financial sector reform, SME promotion, private investment promotion, democratization, decentralization, human resource development
Laos	2000-2005	Yonosuke Hara (professor); JICA	Macroeconomy, finance, state enterprises, FDI, poverty reduction.
Vietnam	2003-present	Keidanren, Japanese embassy, JICA, JETRO, JBIC	Bilateral joint initiative to improve business environment with action plans and 2-year monitoring cycles
Ethiopia	2009-2011 2012-2016 2017-present	Kenichi Ohno, Izumi Ohno (GRIPS professors); Japanese embassy, JICA	Policy methods and organizations, kaizen, export promotion, champion products, FDI policy and support, SME support, productivity, automotive assembly, inviting Japanese FDI, etc.
Myanmar	2012-2015	Konosuke Odaka, Shigeru Matsushima, Toshihiro Kudo (professors); METI, JICA	Supporting economic reform program covering finance, trade, investment, SMEs, agriculture, rural development.
Laos	2019-2020	Toshiro Nishizawa, Terukazu Suruga, Takuji Kinkyō, Kazue Demachi, Fumiharu Mieno (professors), MOF, JICA	Joint policy research and dialogue for fiscal stabilization, fiscal & debt management, resource export, balance of payments, financial system development.