# Japan and Kenya – levels of development

## Japan

### Economic wealth and employment structures

If development is based on wealth (page 180), then Japan, with a GDP per capita of US$33 600, is the third richest country in the world after Luxembourg and Switzerland.

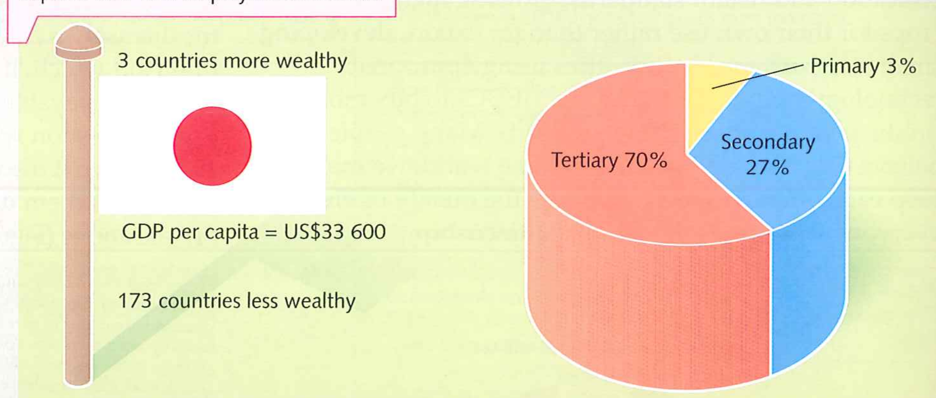
Japan's employment structure is typical of a more economically developed country (Figure 11.21 and page 94). There is only a relatively small proportion of the working population in the primary sector. This is because most young people prefer to live and work in urban areas rather than on farms; farming itself is highly mechanised; Japan has few minerals and so there is very little mining; and there is little forestry, as most domestic forests are protected. Japan, like other developed countries, has a high proportion of its workforce engaged in the secondary sector.

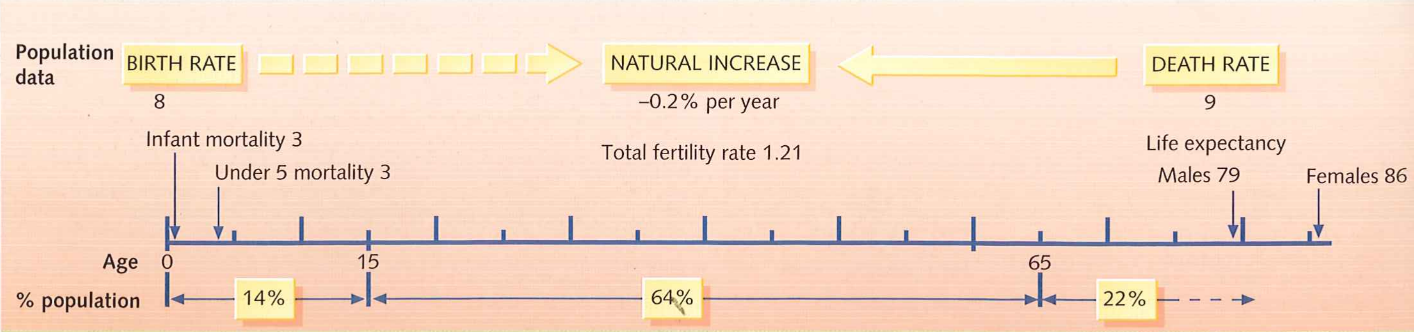
Despite a lack of raw materials, it has the capital to set up large, modern and highly mechanised industries (e.g. high-tech and car assembly); an education system that provides technological knowledge and creates a skilled workforce; a large, wealthy local market to buy goods; and the ability and ports to export manufactured goods (page 146). Japan also has, mainly due to its wealth, a high proportion employed in the tertiary sector, in health, education, commerce, transport and recreation.

### Social measures and the HDI

Figure 11.22 shows how population data for Japan corresponds closely with that expected in a more economically developed country (page 181). This is particularly true in the case of life expectancy, as the Japanese live longer than people in any other country. Figure 11.22 also lists other measures often used to show a country's level of development. In 2008, Japan had an HDI of 0.953, making it eighth in the world rankings (second equal in 1995) – a ranking lower than that based on its GDP per capita (page 182).

Figure 11.21
Japan's GDP and employment structure




| | | |
|---|---|---|
| **Education** | | |
| School life expectancy | Males 15 years | Females 15 years |
| Adult literacy | Males 99% | Females 99% |
| **Urban population** | 76% | |
| **HDI** | 0.953 | |

| | |
|---|---|
| **Energy consumption** | 4.04 barrels of oil equivalent per person per year |
| **Diet** | 3010 calories per person per day |
| **Transport** | |
| Roads | 3172 km² per 1000 km² |
| Railways | 58 km² per 1000 km² |

Figure 11.22
Japan – facts and figures



## Kenya

### Economic wealth and employment structures

If development is based purely on wealth (page 180), then Kenya, with a GDP per capita of US$1240 (giving it ranking of 159 out 177), is one of the world's poorest and least economically developed countries.

Kenya's employment structure is typical of a less economically developed country (Figure 11.23 and page 94). There is a high proportion of the working population in the primary sector. Most of these people are engaged in farming, which is labour-intensive and often at a subsistence level (Places, page 104). Smaller numbers are employed in mining, forestry and fishing. Kenya, like other developing countries, has a low proportion engaged in the secondary sector. This is mainly due to a lack of capital, energy supplies and technical knowledge to establish industry; a limited education system leaving a less skilled workforce; the export of raw materials and agricultural produce; and a relatively small local market unable to afford to buy manufactured goods. Mainly due to its lack of wealth, Kenya has a relatively small proportion employed in the tertiary sector with limitations in its health, education, commerce and transport services. The exception is tourism (page 170), which is the country's main money earner. It should also be remembered that large numbers are employed in the informal sector (page 148).

### Social measures and the HDI

Figure 11.24 shows how population data for Kenya corresponds closely with that expected in a less economically developed country (page 181). This is particularly true in the case of natural increase, especially during the early 1990s, when Kenya had the highest natural increase in the world. Figure 11.24 also lists other measures often used to show a country's level of development. In 2008, Kenya had an HDI of 0.521. Although this was a low world ranking of 148 (it was 151 in 1995), it was, nevertheless, higher than that based on its GDP per capita (page 182).

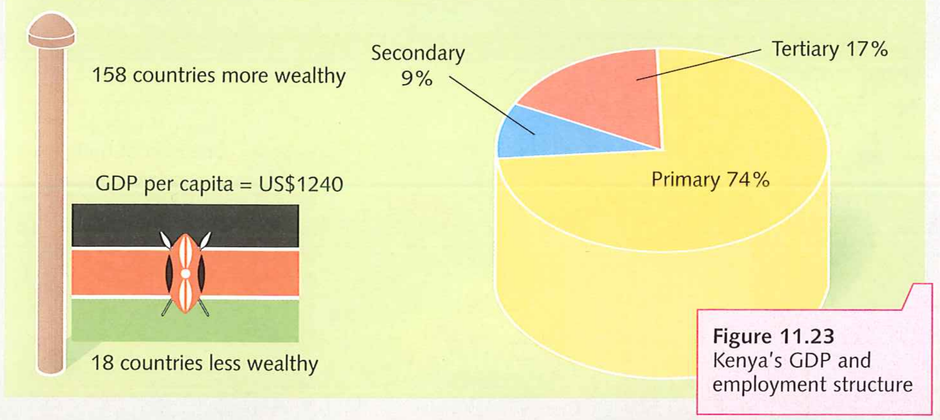
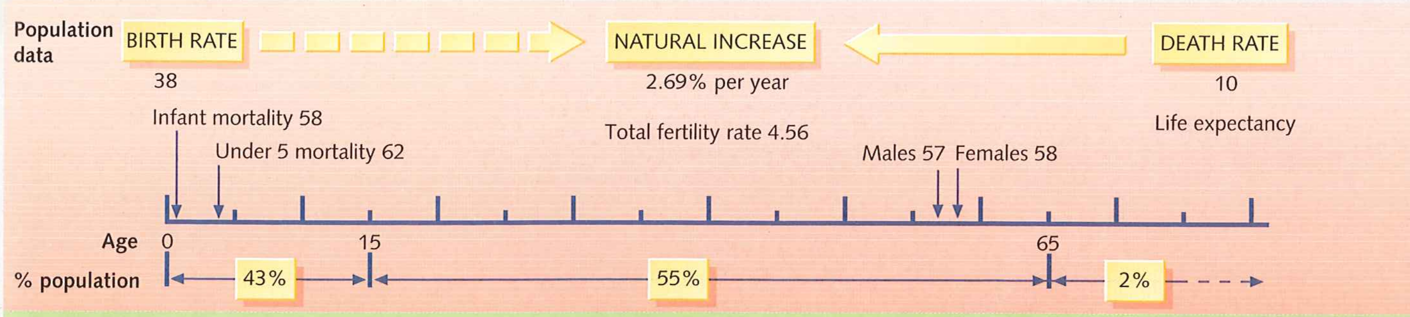



Figure 11.23
Kenya's GDP and employment structure




| | | |
|---|---|---|
| **Education** | | |
| School life expectancy | Males 10 years | Females 8 years |
| Adult literacy | Males 90% | Females 79% |
| **Urban population** | 22% | |
| **HDI** | 0.521 | |

| | |
|---|---|
| **Energy consumption** | 0.48 barrels of oil equivalent per person per year |
| **Diet** | 2150 calories per person per day |
| **Transport** | |
| Roads | 118 km² per 1000 km² |
| Railways | 4 km² per 1000 km² |

Figure 11.24
Kenya – facts and figures

CASE STUDY 11B

# Japan and Kenya – trade and interdependence

## Japan

Japan has a large population, limited amounts of flat land and few natural resources of its own (page 146). It has, therefore, to import:

- virtually all of its energy supplies (e.g. oil and coal), which are expensive, as well as various raw materials (e.g. timber) and minerals (e.g. iron ore) needed by its industries (Figure 11.25)
- considerable amounts of foodstuffs because although Japanese farming is intensive and highly mechanised, there is insufficient space to grow enough for the country to be self-sufficient.

On the other hand, by working long hours, introducing modern machinery and developing high levels of technology, the Japanese are able to produce and export across the world a range of goods noted for their high quality and reliability (e.g. electrical goods, cars and high-tech products).

This has resulted in Japan becoming the world's fourth largest trader after the USA, the EU and, recently, China (Figure 11.26). Before the 1980s, most of Japan's trade was with the advanced market economies in North America and the EU, but since then there has been a large increase first with the Asian NICs and, since 2000, China. For many years between the 1980s and 2000, Japan had the world's largest trade surplus, a position it no longer holds. This healthy trade surplus was due to Japan:

- reducing its previously high energy bill by changing from expensive imports of oil to the more controversial use of nuclear power
- importing relatively cheap raw materials (often from poorer, developing countries) and exporting expensive processed goods (usually to richer, developed countries)
- protecting – until the 1990s – its domestic industries by imposing tariffs on imported goods, and gaining foreign markets by overseas investment and building new factories abroad (e.g. Nissan, Toyota and Honda in the UK)
- financing scientific research projects and building projects in developing countries in return for their often non-renewable resources (e.g. Japanese logging companies are responsible for much deforestation in South-east Asia in order to protect Japan's own forests).

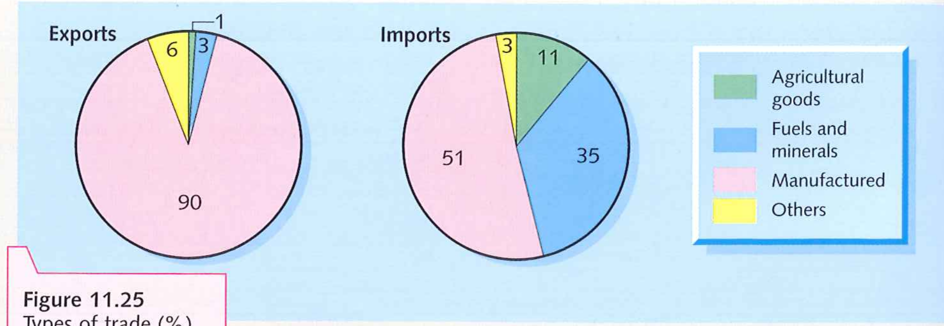



Figure 11.25
Types of trade (%)

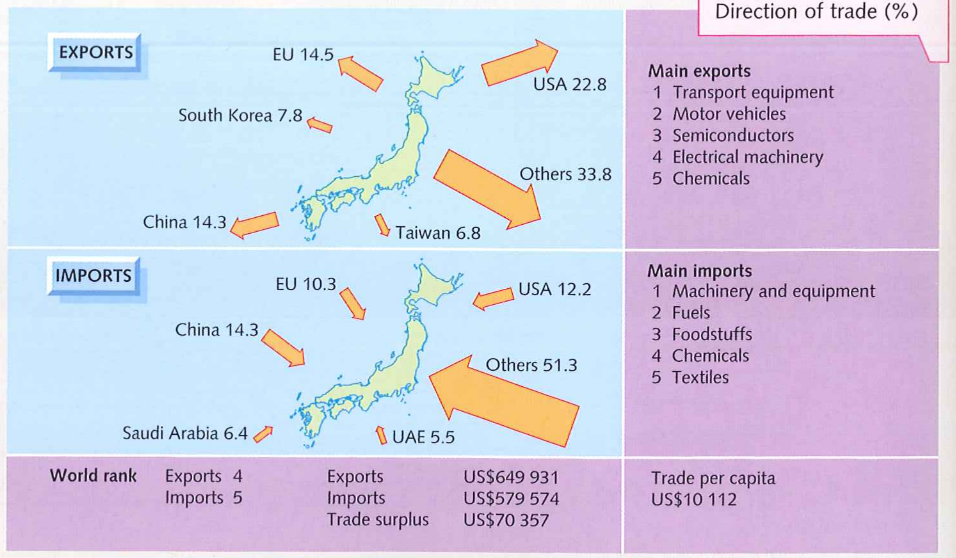



Figure 11.26
Direction of trade (%)

Figure 11.27
The busy port of Tokyo



## Kenya

Although parts of northern Kenya are desert, many areas to the south are well suited to agriculture. Where the climate and soil are more favourable, subsistence farmers can, in a normal year, grow sufficient crops to be self-supporting. Where rainfall is abundant and the volcanic soils are fertile, crops such as tea, coffee and fruit can be grown commercially for export. Unfortunately, foodstuffs, and raw materials such as soda ash, are low in value and do not earn the country much money. In contrast, Kenya has little formal industry or energy reserves and so it has to import most of the manufactured goods, machinery, cars and oil it needs – all of them expensive to buy (Figure 11.28). The result is that Kenya has a large trade deficit.

Over 25 per cent of Kenya's trade is with the EU (Figure 11.29) and the UK remains, as in colonial times, both the most important single market for Kenyan exports and the country's main supplier. In both cases, however, the proportion of trade has declined. Four significant changes have occurred during and since the 1990s.

- Japan became Kenya's largest overseas investor, which has meant that, in return, Kenya has had to buy more Japanese goods ('Bilateral aid', page 190).
- Kenya has developed a trade surplus within Africa, exporting mainly cement and refined oil to neighbouring countries such as Uganda and Tanzania (Figure 11.29). Although Kenya earns four times more through exports to African countries than it pays out in imports, the volume of trade is too small to reduce significantly its balance of trade deficit (compare the amount of activity in the ports of Mombasa and Tokyo, Figures 11.27 and 11.30).
- Air freight is used to export perishable goods to Europe. Places near to Nairobi airport can cut flowers (e.g. carnations and roses, page 104) and pick vegetables (e.g. peas and beans) one day and have them sold in Europe (e.g. in London and Amsterdam) the next morning.
- Kenya has a large trade deficit with several Middle East countries from which it imports oil but a small trade surplus with neighbouring African states to which it sells refined oil.

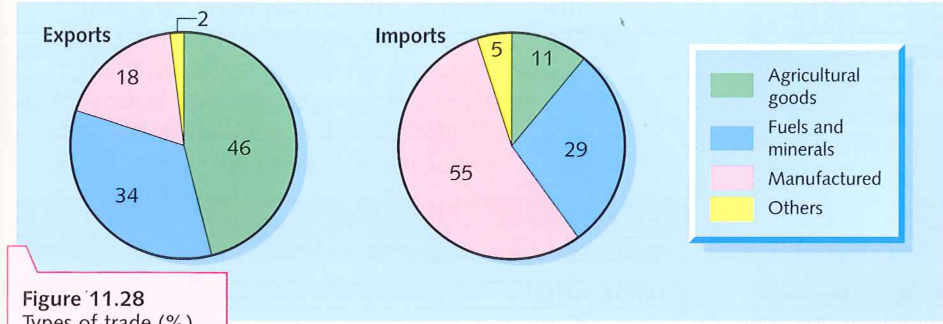



Figure 11.28
Types of trade (%)

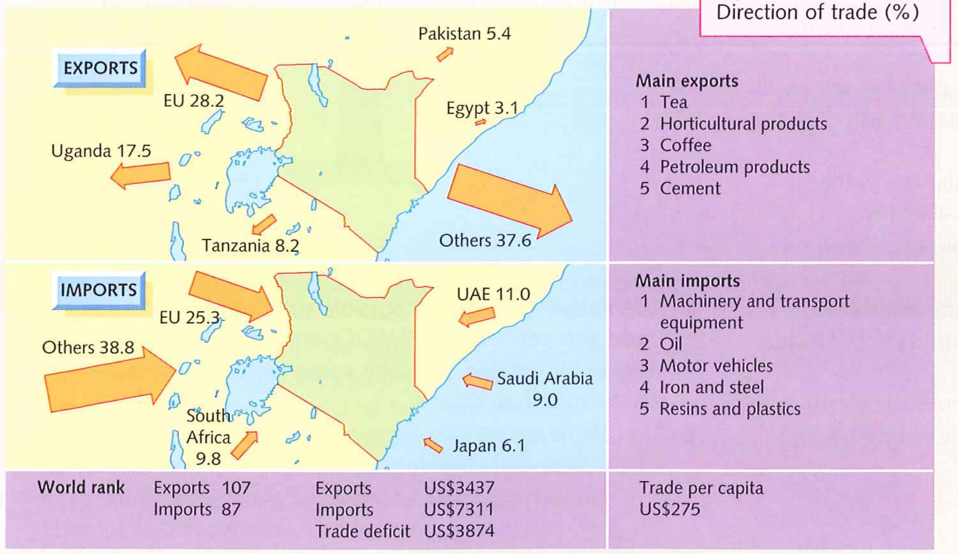



Figure 11.29
Direction of trade (%)

Figure 11.30
The quieter port of Mombasa