



Comparing Asian Economies

China, India, Japan,
& North Korea



China

Economic System

- China is transitioning from a command economy that was completely controlled by the Chinese Communist government to a **mixed** economy that is overseen by the Communist government.
 - China calls its economy a “socialist market economy”.
- During the 1970s, China’s government began to reorganize the economy with a plan called the Four Modernizations.
 - These reforms have led to excellent growth in China’s economy.
- China is gradually reducing government control and allowing more foreign investment.
 - Today, China’s economy continues to be growing and strong, and many Chinese enjoy a higher standard of living than ever before.

GDP

- China's GDP is \$12.26 trillion (US dollars).
 - It is ranked 3rd in the world (after the US and EU).
 - China's GDP goes up about 8% every year.
- The GDP per capita (value of goods and services produced per person) is \$9,100.

Natural Resources

- The massive country of China has an abundance of natural resources.
- What are China's major natural resources?
 - coal, iron ore, petroleum, natural gas, mercury, tin, tungsten, antimony, manganese, molybdenum, vanadium, magnetite, aluminum, lead, zinc, rare earth elements, uranium, hydropower potential (world's largest)
- Even though much of China's land is not arable (good for farming), the country's land and rivers provide a good foundation for China's industry and economic growth.



Chinese Coal Miners

Land Use

- What percentage of the land is **arable** (capable of being farmed)?
 - 11.6%
- China is the world leader in gross agricultural output.
- What are the major agricultural products?
 - rice, wheat, potatoes, corn, peanuts, tea, millet, barley, apples, cotton, oilseed, pork, fish

Longji Rice Terraces, China



Industries

- China has made important capital investments that serve as the foundation for its growing GDP.
 - It has poured lots of money into its manufacturing sector, which accounts for 46% of its GDP.
- It is the world leader in gross value of industrial output.
- What's produced in China's factories?
 - mining and ore processing, iron, steel, aluminum, and other metals, coal, machine building, armaments, textiles and apparel, petroleum, cement, chemicals, fertilizers, consumer products - including footwear, toys, and electronics, food processing, transportation equipment - including automobiles, rail cars and locomotives, ships, & aircraft, telecommunications equipment, commercial space launch vehicles, satellites

Specialization

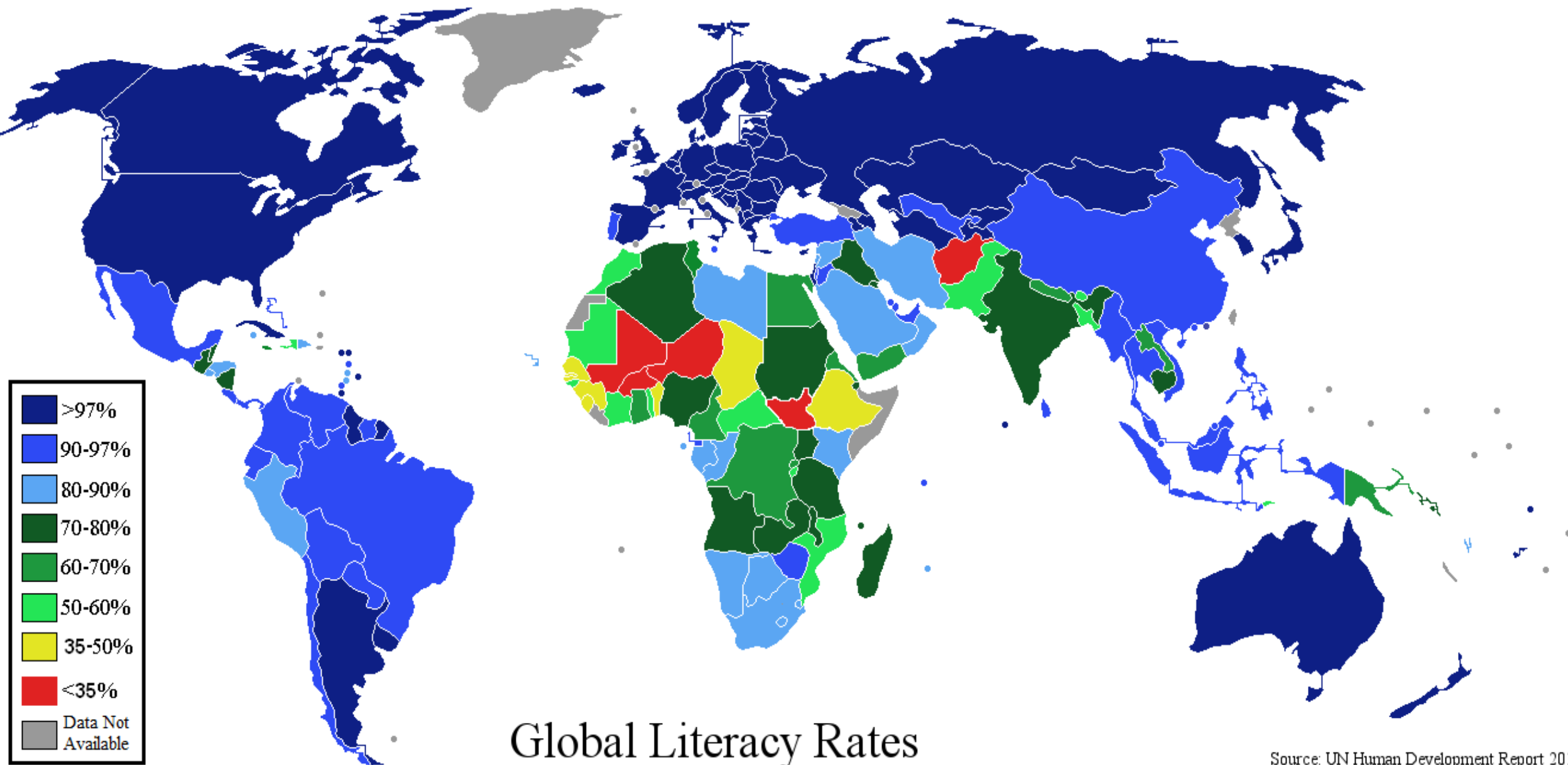
- China has become a leader in exporting consumer goods to the world market.
- China's chief exports include:
 - electrical and other machinery, including data processing equipment, apparel, radio telephone handsets, textiles, integrated circuits

Toy Assembly Line in China



Literacy Rate

- What percentage of the population over the age of 15 can read and write?
 - 95%
- How long are students expected to stay in school?
 - Most students drop out of school when they are 12 years old.



Global Literacy Rates

Source: UN Human Development Report 2011

Chinese Middle School



Unemployment Rate

- What percentage of people do not have jobs?
 - 6.5% of China's workforce is unemployed.
- What percentage of people live in poverty?
 - 13.4% of China's population live below the poverty line and cannot meet basic needs.

Entrepreneurship

- The Chinese government did not let people start their own businesses until the late 1970s, so entrepreneurship is still relatively new.
- The government realizes that the country has to be more competitive in the world market, so they have decided to let entrepreneurs help lead the way.
 - Now, private business is the fastest growing segment of China's economy.
- Many Chinese people today have small businesses of their own, even though the government still has final authority.



India

Economic System

- After India's independence in 1947, the government set up a command economy.
- Starting in 1991, India began to lift some government control and allow citizens a role in running some of India's industries.
- Today, India has a **mixed** economy that is moving away from a command system.
 - India's government makes some decisions about agriculture and industry, but free enterprise and entrepreneurship are very common.

GDP

- India's GDP is \$4.7 trillion (US dollars).
 - It is ranked 4th in the world.
 - The country's GDP has been growing at a rate of about 8.5% per year.
- The GDP per capita (value of goods and services produced per person) is \$3,800.

Natural Resources

- India's fertile land and ample water supply are its most valuable resources.
- What are India's major natural resources?
 - Coal, iron ore, manganese, mica, bauxite, rare earth elements, titanium ore, chromite, natural gas, diamonds, petroleum, limestone, & arable land
- India has the fourth-largest coal reserves in the world.

India's Coal Mines



Land Use

- What percentage of the land is **arable** (capable of being farmed)?
 - 47.9%
- About half of India's land can be farmed, and its most important crops are rice and wheat.
- What are the major agricultural products?
 - rice, wheat, oilseed, cotton, jute, tea, sugarcane, lentils, onions, potatoes, dairy products, sheep, goats, poultry, & fish

Indian Wheat Fields



Industries

- India has invested heavily in the factories, modern machinery, and technology that make up what is known as capital goods.
 - Now, India is one of the world's top ten industrial nations.
- What's produced in India's factories?
 - textiles, chemicals, food processing, steel, transportation equipment, cement, mining, petroleum, machinery, software, & pharmaceuticals
- Service industries are also booming in India, with thousands of people employed to handle technology questions, airline reservations, and customer service help for customers around the world.

Textile Factory



Specialization

- India has a booming industrial and technological economy.
 - This specialization makes it possible for India's economy to focus on the businesses that are the most profitable in the world market.
- India's chief exports include:
 - petroleum products, precious stones, machinery, iron and steel, chemicals, vehicles, & apparel

Literacy Rate

- What percentage of the population over the age of 15 can read and write?
 - 62.8% (Male – 75%, Female -- 50%)
- How long are students expected to stay in school?
 - Most students drop out of school when they are 11 years old.
- India has made investment in human capital a major priority over the past few decades.
 - Although India's literacy rate is low, the rate among children is much higher.
 - India's investment in human capital will benefit the economy greatly in the future as educated children enter the workforce.



Middle School Lunch

Unemployment Rate

- What percentage of people do not have jobs?
 - 8.5% of India's workforce is unemployed.
- What percentage of people live in poverty?
 - 29.8% of India's population live below the poverty line and cannot meet basic needs.
- In 2011, India had the largest concentration of people living below the international poverty line of \$1.25 of all Asian countries.

Entrepreneurship

- Entrepreneurship is rising dramatically in India.
- India has a high rate of entrepreneurship, partly because the government supports new business owners with training and facilities.



Japan

Economic System

- Japan has one of the most technologically advanced economies in the world.
- Japan has a **mixed** economy; the Japanese government has a close and cooperative relationship with major industries in the country.
 - The government owns few businesses other than the country's major TV network, but does oversee many aspects of the economy like banking and trade.
- Japan has few natural resources and little farmland, but it has one of the strongest economies in the world because it built its economy on manufacturing.

GDP

- Japan's GDP is \$4.56 trillion (US dollars).
 - It is ranked 5th in the world.
- The GDP per capita (value of goods and services produced per person) is \$35,900.

Natural Resources

- Japan has very little farmland and few natural resources.
 - It imports the raw materials that it needs for industry.
 - Japan is the world's largest importer of coal and natural gas, and the second largest importer of oil.
- What are Japan's major natural resources?
 - Very few mineral resources & fish



Land Use

- What percentage of the land is **arable** (capable of being farmed)?
 - 11.3%
 - Because there is so little arable land, crops are often planted in terraces carved out of hillsides.
- What are the major agricultural products?
 - rice, sugar beets, vegetables, fruit, pork, poultry, dairy products, eggs, & fish
 - One of Japan's largest industries is the fishing industry.

Terraced Rice Field



Industries

- Investment in capital goods makes Japan a world leader in industrial production and in providing the wide range of services demanded by the world market.
- What's produced in Japan's factories?
 - motor vehicles, electronic equipment, machine tools, steel and nonferrous metals, ships, chemicals, textiles, & processed foods
- Japan is among the world's largest and most technologically advanced producers of motor vehicles and electronic equipment.
- Industrial production and work in providing services account for almost 98% of Japan's GDP.

Specialization

- Japan is a country with very few natural resources, so specialized industries have been developed to earn money needed to buy food and raw material from other countries.
- Japan's chief exports include:
 - motor vehicles, semiconductors, iron and steel products, auto parts, plastic materials, & power generating machinery

Nissan Motor Vehicles Plant



Literacy Rate

- Japan places a high emphasis on education; the Japanese are among the most highly educated people in the world.
- What percentage of the population over the age of 15 can read and write?
 - 99%
- How long are students expected to stay in school?
 - Most students drop out of school when they are 15 years old.

Japanese Middle School



Unemployment Rate

- What percentage of people do not have jobs?
 - 4.4% of Japan's workforce is unemployed.
- What percentage of people live in poverty?
 - 16% of Japan's population live below the poverty line and cannot meet basic needs.

Entrepreneurship

- Japan has one of the lowest rates of entrepreneurship of the world's top economic powers.
- Japanese entrepreneurs face difficulties getting business loans from banks and there is very little training on how to run a business.
- Japanese companies typically guarantee lifetime employment, so it is very rare for a person to leave a job to start a new business venture.



North
Korea

Economic System

- North Korea has one of the least open and most government-controlled economies in the world today.
 - The Communist party controls the government and the economy, though most of power lies with the dictator, Kim Jong-il.
- North Korea has a **command** economy.
 - The government controls all the resources and decided what is to be produced.
- The North Korean economy has serious problems, and the government is finally making some reforms and relaxing some of its controls.

GDP

- North Korea's GDP is estimated at \$40 billion (US dollars).
 - It is ranked 103rd in the world.
- The GDP per capita (value of goods and services produced per person) is \$1,800.
- *North Korea does not post reliable income data so these amounts are estimated.

Natural Resources

- What are North Korea's major natural resources?
 - coal, lead, tungsten, zinc, graphite, magnesite, iron ore, copper, gold, pyrites, salt, fluorspar, & hydropower

Land Use

- What percentage of the land is **arable** (capable of being farmed)?
 - 19%
 - Farms are owned and organized by the government: farmers are told what to grow and how much.
- What are the major agricultural products?
 - rice, corn, potatoes, soybeans, cattle, pigs, pork, & eggs
- Agriculture in North Korea does not produce enough food to feed its people.
 - Food aid from other countries has been needed to avoid widespread starvation.

Kim Jong-il Inspecting A Farm



Industries

- Premier Kim Jong-il has tried to build up North Korea's industries in recent years.
- The production of steel and machinery are leading industries in the country.
- What's produced in North Korea's factories?
 - military products, machine building, electric power, chemicals, mining (coal, iron ore, limestone, magnesite, graphite, copper, zinc, lead, and precious metals), metallurgy, textiles, & food processing

“Farming Simulator – How North Korea Trains Future Farmers”



Factory Inspection



Specialization

- North Korea's chief exports include:
 - minerals, metallurgical products, manufactures (including armaments), textiles, agricultural & fishery products

Literacy Rate

- What percentage of the population over the age of 15 can read and write?
 - 100%



North Korea Middle School



Unemployment Rate

- What percentage of people do not have jobs?
 - North Korea's government does not make this information available.
- What percentage of people live in poverty?
 - North Korea's government does not make this information available.

Currency Exchange

- Currency exchange is the price of one country's currency compared to another.
 - 1 US dollar = 6 Chinese yuan
 - 1 US dollar = 62 Indian Rupee
 - 1 US dollar = 103 Japanese yen
 - 1 US dollar = 131 North Korean won
- What does this mean?
 - China's economy is the strongest of the Asian countries, but the US's economy is stronger than China's.