Title	英文抄録
Sub Title	
Author	
Publisher	慶應義塾経済学会
Publication year	1974
Jtitle	三田学会雑誌 (Keio journal of economics). Vol.67, No.8 (1974. 8) ,p.1- 2
JaLC DOI	
Abstract	
Notes	
Genre	
URL	https://koara.lib.keio.ac.jp/xoonips/modules/xoonips/detail.php?koara_id=AN00234610-19740801-0074

Japanese Direct Investment in Developing Countries under the Nationalization Policy

——African Cases——

By Katsu Yanaihara

Japan is about to emerge as a major capital exporter in the world. This paper is designed to point out some characteristics of Japanese enterprises in developing countries and to discuss the problems with which they are facing under the nationalization policy in host countries. Most of the basic research for this study was undertaken between 26th November and 19th December, 1973, while I was making a lecture tour in four African countries. As I selected just eleven Japanese enterprises in three African Countries, Kenya, Nigeria and Ethiopia, this is a case study of Japanese direct investment in African countries, where the nationalization policy can be called Africanization in general.

The main Japanese interests in investment in Africa may be found in the presence of local market for their products, available raw materials, abundant labour in host countries. Two out of eleven enterprises have distinguished characteristic in combining the production exclusively for Japanese market with the use of local raw materials and cheap skilled labour. The products are green tea and frozen meat respectively.

A salient feature of Japanese direct investment abroad in the co-operation of a manufacturer with a trading company, financially backed by a specific bank is also confirmed in the present study.

It will be convenient to divide the Africanization policy into two aspects, capital and personnel. Nigeria offers us a good case for the capital.

The Federal Military Government of Nigeria issued the Nigerian Enterprises Promotion Decree in 1972. The date of commencement of this decree is 1st April 1974. All enterprises specified in Schedule 1, where 22 items are listed up, are reserved for Nigerian citizens or associations. All enterprises specified in Schedule 2, where 33 items are listed up, are barred to aliens, if their paid-up share capital does not exceed £200,000, or their turnover does not exceed £500,000, and equity participation of Nigerian citizens or associations is less than 40%.

Nigerian government seems to start its Nigerianization of foreign-owned enterprises from public utilities, service industries, and manufacture which is easy to nationalize in consideration of its scale and technology. According to the information reached to me after the appointed day, all Japanese enterprises have managed to be exempted from the application of this decree. Some of

them have raised the ratio of equity participation of Nigerians up to 40% by increasing capital, and others have begun to manufacture some components of their products. However, one Japanese textile enterprise, which did not expect to be the object of Nigerianization because its manufacture is not included in both Schedule 1 and 2, and its paid-capital exceeds £200,000, is now demanded to raise Nigerian equity participation from present 29.42% to 40%.

This suggests that the government after getting political independence is able to extend its nationalization policy to any enterprise, even if it is not listed up in Schedule.

Personnel Africanization, which means the replacement of Japanese by Africans in this study, is found commonly in three African countries.

For instance, the above mentioned Japanese textile enterprise is required by the Nigerian government to reduce Japanese employee from contemporary 45 to 24 by the end of September, 1974, to 10 by the end of September, 1975, and to 4 by 1978. Another textile enterprise in Kenya is asked by the Kenyan government to reduce Japanese from 11 to 6.

Sometimes the government suggests the post which is to be transferred from Japanese to African, and demands to know the actual name of the African personnel who is under training for replacing Japanese.

As the wage and salary of Japanese personnel is nowadays getting quite high, there is no conflict between the government personnel substitution policy and the profit maximization cum cost minimization motive of Japanese entrepreneur, privided that (1) Africans who are substituted for Japanese can do the work as efficiently as Japanese, and (2) the Africans will be satisfied with the same level of wage and salary as Japanese.

Technology is partly embodied in labour. There is a common view among Japanese managers in Africa that Africans can work well on a routine basis. But, so far as technology is composed of managerial, planning and controlling ability and capability to cope with emergency, Japanese are afraid that the transfer of technology has not yet been complete despite their effort to train African employees. This is the reason why they are hesitating to follow the rapid personnel Africanization.

This is, however, a Japanese viewpoint as a direct investor. Althongh foreigners who came to Japan as technical advisors and teachers in the Meiji period had some doubt about Japanese capabilty, when they were dismissed and left Japan, the subsequent history has proved that their worry was unnecessary.

The situation in which Japan was placed 100 years ago is quite different from the present situation for developing countries, The character of technology itself has changed remarkably. It would be important to recognize the possible deviation from a least-cost path of economic development by Africanization policy.