

Chapter 1

Introduction



1.1 Statement of the Problem

The Thaniya entertainment area is laid out around Thaniya Road in Thailand. At night, the area is full of lighted *karaoke* signboards in Japanese. Many young women in fancy dresses stand outside and call customers in Japanese saying, '*irasshaimase*' ('welcome to our club' in English). Most people passing by are Japanese men in business suits, some walk with their colleagues, others with young women. Very few Thai men can be seen in Thaniya, much less Westerners. This picture would make many Japanese feel as if they were at a typical entertainment district targeting salary men in Japan except one thing: all young women calling passers-by are Thai. The author could not help but feel curious and strange with this night view of Thaniya reflecting its exclusiveness.

The author first came to Thailand in October 1996 to accompany her husband, who was transferred to the Bangkok office from the headquarters in Tokyo. She was soon surprised that no difference could be found in the way that Japanese salary men's spend after-five evenings in Japan and in Bangkok. It seemed almost customary for Japanese resident officers to escort their business guests and partners to the Thaniya entertainment area and offer evening's entertainment. The custom is called *settai* among Japanese, the term which means corporate entertainment conducted at the company's cost. *Settai* has become an essential practice, and has served as a lubricant of Japanese business especially among white-collar workers (Asahi Shimbun 1995: 87). *Settai* has frequently been an issue reflecting several significant aspects of Japanese corporate culture, which has influenced not only Japanese

business but also Japanese society. It is hence noteworthy that *settai* is performed here in Bangkok at the Thaniya area.

This thesis will discuss the nature and the conditions both of the Japanese corporate culture, and economic, cultural and social background of the Thai sex industry, both of which seem to function in the Thaniya entertainment area. Then, the thesis will examine whether the nature and the conditions really affect the prosperity of the Thaniya entertainment area, if so, what features and elements are introduced as they are, and modified in the process of the development. Furthermore, the thesis will consider how the Thaniya entertainment area would be changed by the recent Japanese economic slump, which is so serious that Japanese style management and its corporate culture seem to be on a turning point.

1.2 Literature Survey

There have been many studies on the Japanese corporate culture, which is originally derived from the characteristics of Japanese style management. It is generally agreed among scholars that Japanese style management consists of lifelong employment, seniority-based promotion, and enterprise unions, and the success of the management is traced to the introduction of systems of Japanese interpersonal relations, where the group as a whole has priority over its individual members (Abegglen 1958, Reishauer 1979, Odaka 1984, Tao 1997 and 1998). Japanese corporate culture therefore is marked by employees' loyalty and conformity to the company (Odaka 1984, Teruoka 1997, Watanabe 1996, Tao 1997 and 1998, Arai 1997).

Numerous practical attempts have been made by journalists and writers to show concrete examples and real conditions of Japanese style

management and its corporate culture. Asahi Shimbun has published a book about the impact of Japanese economic growth on post-war Japanese society (1995). Noguchi Yukio and Miyamoto Masao have critically disclosed the real conditions of Japanese corporate culture based on their own experiences as bureaucrats in the Ministry of Finance, and the Ministry of Health and Welfare respectively (Noguchi 1995, Miyamoto 1997a and b). One of Miyamoto's books entitled "The Straitjacket Society" was published in English, in German and in French as well.

There has been research much conducted on Japanese style management in Thailand. The Japanese Chamber of Commerce in Bangkok (JCCB) has taken a leading position in the area. JCCB has occasionally conducted research projects and seminars regarding labor management of Thai-Japanese joint venture companies in Thailand. JCCB has reported the results and details by monthly journals and other publications. These reports have shown that most conflicts between Japanese resident officers and Thai local employees have arisen from differences in work-related values.

A considerable number of studies have been conducted on historical, political, economic and social relations between Thailand and Japan. Numerous articles and works written by Ishii Yoneo (1991), Yoshikawa Toshiharu (1992, 1995), Ishii and Yoshikawa (1993), Suehiro Akira (1996), and Wun'gaeo Surichai (1984, 1989, 1990) are readily available in various publications, and they have played an important role in explaining the background of Thai-Japanese relations. Akagi Osamu explained in detail the structure of Thai society, politics and culture (1990). Saito Chikanori, not a scholar but the chairman of a board of a Thai-Japanese joint venture as well as the director of JCCB has, in his book, described in detail Thai-Japanese relations based on his more than ten-years experience of working as a Japanese resident officer in Bangkok (1999).

Many attempts have been made by scholars to show the economic, social and cultural structures and background of the Thai sex industry.

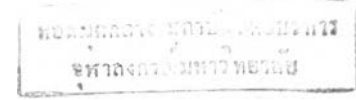
Phongpaichit Pasuk has shown that the causes of migration, the experience of the girls involved, and the impact on the families in their hometowns, made peasant girls migrate to Bangkok. She conducted her research by interviewing 50 girls working at massage parlors in Bangkok (1982). She continues to conduct research regarding economic and social impact of the Thai sex industry as well as other social issues that Thai society has faced so far from an economist point of view (1998).

Boonchalaksi Wathinee and Guest Philip's study discusses the historical development, the diverse patterns, the legal framework, and the socio-cultural structure of the Thai sex industry. They moreover analyze the actual conditions of masseuses working at massage parlors through empirical research (1994).

Truong, Thanh-Dam discusses and analyzes the Thai sex industry from the socio-cultural, political and economic context with emphasis on issues concerning women's labor and women's sexuality from political economy perspective (1990, translated in Japanese in 1993). Many works approaching the Thai sex industry from various angles have already been undertaken (Odzer 1994, Cohen 1996, Botte and Mari 1997, Bishop and Robinson 1998).

Surprisingly few studies have so far been conducted at the Thaniya entertainment area examining relations between Japanese corporate culture and the Thai sex industry. Munakata Tsunetsugu has touched Japanese men's sexual behavior and its relation to *settai* in Bangkok, however, his major argument is the issue of the HIV/AIDS epidemic (1993a, b). Vorakitphokatorn Sairudee, Mahidol University, has conducted research to explore Japanese men's sexual behavior in Thailand, but her standpoint of the study is the same as Munakata (Interview July 2, 1998).

Yoshimura Mako has pointed out that many Japanese sex tours to



Thailand as well as the other Asian countries have a peculiar style – *settai* –, however, her major point of contention is about the issue of Thai women illegally staying and working as prostitutes in Japan (1993).

Ieda Shoko, a nonfiction writer rather than a scholar, has empirically observed the Thaniya entertainment area. In her words, Thaniya is nothing but an extraterritorial area for Japanese men seeking sexual pleasure abroad (1994). She, however, just touches on the Thaniya area as an example of sexual entertainment areas in Thailand where Japanese are involved.

Kuroki Junichiro, a journalist, has conducted empirical research at the Thaniya entertainment area focusing on Thai hostesses and *karaoke* houses serving tourist-oriented commercial sex services. His purpose, however, is to explore the real circumstances of prostitutes who had babies of their Japanese patrons and abandoned (1994).

'Data House', a Japanese publisher, published a book reporting its staff's experience in the red-light districts in Thailand (1994). The staff (all are male) experienced a various kinds of commercial sex services available in Thailand, and reported in detail about the establishments, the prices, and the nature of commercial sex workers (CSWs) with pictures and maps. They describe the Thaniya entertainment area as the most satisfactory red-light district for Japanese men who seek a quasi-love. This book was strongly criticized by feminist groups, both in Thailand and Japan, as a publication providing a distorted view of Thailand and Thai women. The movement became an issue of affecting relationships between Thailand and Japan. The Thai government finally requested to stop publishing the book. This book is now out of print.

Some articles about the Thaniya area have been conducted from the viewpoint of *settai*. Taniguchi Kazunori and Fujii Shinji have interviewed some Japanese resident officers in Bangkok and derived that Japanese resident officers actually arrange commercial sex services for their business customers. However, an analysis from the socio-cultural context is lacking (Taniguchi 1997, Fujii 1997a and b).

In this way, many works and articles have focused on Japanese style management and its corporate culture. On the Thai sex industry, however, little is known about the social history and the contemporary setting of the Thaniya entertainment area. Assuming that the above mentioned night-view of Thaniya is really reflective of the area, it can be said that the Thaniya entertainment area is the place where Japanese corporate culture merges with the Thai commercial sex industry. It would be possible to examine the issue, through empirical study of the area. Firstly, what forms and factors of Japanese corporate culture functions in Thailand? Secondly, how does the Thai sex industry affect Japanese corporate culture? And thirdly how the two interact and mutually affect each other?

1.3 Documentary Research

Based on the studies on Japanese style management and its corporate culture, and the Thai sex industry, empirical research is conducted in order to make clear that the Thaniya entertainment area functions as the place where Japanese corporate culture merges with the Thai commercial sex industry. Research items are divided into three categories, as described below.

It should be kept in mind that the purpose of this work is not to criticize the Thai sex industry as such, or to compare commercial sex services performed at the Thaniya area with those at other districts, such as Patpong. Furthermore, this survey was not conducted in order to accuse Japanese men of promiscuity in Bangkok.

1) Japanese resident officers and their business guests

Method: Participant observation was conducted in order to explore the actual conditions of *settai* carried out at the Thaniya area. The author, being a woman and not a Japanese resident officer, needed a male assistant as a participant observation researcher. Since *Settai*, as will be discussed in Chapter 2, is practiced by male white-collar workers, it is almost impossible for the author to conduct participant observation at the Thaniya entertainment area by herself. The author therefore needs help of a Japanese resident officer who often escorts his business guests and partners to the Thaniya entertainment area in order to conduct empirical research of the area.

The author asked a Japanese resident officer working in the Bangkok office of a Japanese governmental agency to cooperate in the research. He was chosen as an assistant because his work provided with sufficient budget for *settai*, and he actually escorted a large number of Japanese to the Thaniya *karaoke* houses. He can be a suitable subject as well as an assistant to survey and analyze the actual conditions and background of *settai*. He is called Mr. Y through the thesis in order to protect his good reputation among his colleagues and seniors especially among those whom he escorted to Thaniya.

Mr. Y willingly accepted the author's request because we have known each other for over ten years. We discussed research items and method before conducting the survey several times so that Mr. Y completely understood the author's intention in the research, and so that the result could reflect the actual conditions and problems of *settai*, and the behavior of Japanese salary men at the Thaniya area. It must be kept in mind that such research is delicate and can easily cause an invasion of privacy. The empirical research was accordingly conducted by means of observing Mr. Y's visitors' behavior and taking down their background from casual conversations in a secret and careful manner in order not to arise suspicions. Mr. Y made no notes at the scene but kept the

information in his mind. The author had Mr. Y report the results whenever he escorted his visitors to a *karaoke* house at Thaniya

Samples: A total of 230 Japanese men, including 94 Japanese visitors from Japan on business, whom Mr. Y escorted to the Thaniya entertainment area.

Observing items:

For visitors from Japan on business:

- Length of the stay
- Escorted to Thaniya or not
- Occupation
- Having commercial sex service or not

For the total of Mr.Y's business guests escorted to Thaniya:

Relation between those who had commercial sex services and their:

- Age
- Marital status
- Academic background
- Smoker or non-smoker

Period: October 1997 to June 1998

2) Thai hostesses working at *karaoke* houses

Method: Mr. Y and the author conducted personal interviews with 40 Thai hostesses to reveal working conditions and personal background of Thai hostesses working at *karaoke* houses in the area.

Mr.Y was the main interviewer, and the author interviewed several hostesses at some establishments which received, if not welcomed, women customers. We visited nine *karaoke* establishments posing as ordinary customers, picked hostesses like other customers did, and made casual conversations with the hostesses. We could thus select only one sample at an interview. Special attention was paid not to pick a similar type of hostess as one selected the previous time, though we could only judge by their appearances. We prepared some questions in advance, inserted them into the casual conversation. Since we had to keep an amicable atmosphere by pretending to enjoy ourselves as customers, rather than as interviewers, we posed questions carefully so as not to make the hostesses uncomfortable with the questions, or to reveal that they were being interviewed.

Samples: 40 Thai hostesses Mr.Y and the author picked in the nine *karaoke* establishments at the Thaniya area.

Questions:

- Name (nickname)
- Age
- Birthplace
- Educational background
- Remittances to family
- Home background
- Commercial sex services available or not

* Question items will be listed in Appendix-5.

Period: October 1998 to March 1999

3) Karaoke establishments at the Thaniya area

Method: In order to explore business systems and structures of *karaoke* establishments at the Thaniya entertainment area, the author made a personal and focused interview with a Japanese manager who operates several *karaoke* establishments and restaurants at the Thaniya area, on November 5, 1998. The author asked for an interview through an acquaintance who had known him well. The author had the acquaintance explain the purpose of the interview to the manager in advance, and he accepted the interview on condition of anonymity. He therefore is called Mr.A in the thesis. Business systems, hostess management, customers' behavior, and other inside stories are disclosed through the face-to-face interview.

To support this research, Mr.Y obtained some information concerning operating systems from other *karaoke* house managers through casual conversations. Since little attention has been given to the business systems and structures of establishments at the Thaniya area so far, information regarding the subject was collected informally by talking with those who were familiar with *settai* at the area, for example, Japanese resident officers who had stayed in Bangkok for a long period and a Japanese tour operator taking care of Japanese business tours. In addition, the payment procedure Mr.Y made and the bills sent to him were served as evidence showing some aspects of how *settai* functions in the area.

Period: October 1997 to March 1999.

1.4 Key Concepts and Definitions

Culture

This thesis adopts the concept of the term “culture” as explained in The Harper Collins Dictionary of Sociology: “culture may be taken as constituting the way of life of an entire society, and this will include codes of manners, dress, language, rituals, norms of behavior, and systems of belief. Sociologists stress that human behavior is primarily the result of nurture rather than nature” (1991: 101-2).

Organization

The term ‘organization’ is defined as a type of collectivity established to pursue specific aims or goals, characterized by a formal structure of rules, authority relations, a division of labor, and limited membership or admissions, for example, business enterprises, schools, political parties, and so on. In addition, ‘organization’ refers to any purposeful arrangement of social activity or set of activities. In this context, ‘organization’ implies active control over human relations for specific ends, for example, work organization to specify allocation and coordination of tasks, patterns of authority, forms of recruitment, and employment relationships (The Harper Collins Dictionary of Sociology 1991: 345-6). Corporations and companies, meaning business enterprises, therefore, can be referred to ‘organization’.

Kaisha

The term of ‘corporation, company, or business enterprises’ is called ‘*kaisha*’ in Japanese. ‘*Kaisha*’, however, seems to have a different connotation from the Western ‘corporation’ or ‘company’. For most Japanese, one’s ‘*kaisha*’ is relevant to only one organization, which he is to be involved in his whole life (strictly speaking, until retirement age)

after recruitment. This is contrary to a Western 'corporation', which refers to a workplace to attain or some other goal. Under Japanese style management, Japanese employees, in general, come to have no other identity than that of the employees of the *kaisha* by means of nurtured loyalty and a sense of solidarity and unity towards their company. '*Kaisha ningen*', literally meaning 'a company man' implies an employee with a strong sense of identity with the company, with little interest in any other thing, such as his family or his personal pleasure (Tao eds. 1997). In this thesis, when the terms 'corporate', 'corporation' or 'company' are used in the Japanese sense, the context of *kaisha* is included. This context can definitely be applied to Japanese bureaucracy (Miyamoto 1997a and b).

Corporate culture

Denison Daniel explained the term 'an organization's culture' in his work entitled *Corporate Culture and Organizational Effectiveness*, as follows;

...An organization's culture has a direct impact on its effectiveness and performance strategies, structures, and their implementation are rooted in the basic beliefs and values of an organization and present both limits and opportunities for what may be accomplished. In addition, the theory also implicitly argues that the effectiveness of an organization must be studied as a cultural phenomenon linking assumptions and shared values with management practices and strategies in order to understand a firm's adaptation over time (1990: 175).

As mentioned earlier, the term 'organization' can be referred to 'corporation' or 'company', therefore, Denison's definition 'an organization's culture' can be applied to the definition of 'corporate culture'. In this thesis, the word "Japanese corporate culture" is extended to indicate the above mentioned principles and practices with emphasis

on specific features reflecting the values and characteristics of Japan's social and economic systems that differ from those of Western corporations (Kodansha International 1998: 290).

Japanese style management

This term refers to the conventional systems of personnel management developed among Japanese enterprises. The management style firstly drew attention of American economists, sociologists and enterprisers as a unique style that adopted so-called old-fashioned social values seen in the preindustrial period in Western countries. The major characteristics of the style are lifelong employment, seniority-based promotion and enterprise unions, which nurture family-like labor-management relations (Odaka 1984: 11). Further details are described in Chapter 2.

'Sakariba': an entertainment area

The Japanese word '*sakariba*' can be translated to 'entertainment area' in English. The term only refers to a district designed for serving adult customers with food, drink and other night amusement in this thesis. According to the Dictionary of Thailand, each "*sakariba*, or entertainment area" has its own style and atmosphere depending on the reason of its emergence, such as targeting customers' social class or ethnic group (Ishii and Yoshikawa eds. 1993: 134).

For instance, Pattaya was designed for rest and recreation for American soldiers during the Vietnam War, and then developed into one of the most popular resorts as well as a lavish red-light district among foreigners. Patpong emerged in the late 1950s in Bangkok targeting foreign businessmen, and still maintains the reputation of providing a greater variety of sex shows (Odzer 1994: Introduction).

Karaoke clubs targeting Japanese businessmen gathered along Thaniya Road since the 1970s. Hat Yai and Sungai Kolok in the southern

part of Thailand has become prosperous with Chinese ethnic men living in Malaysia where drinking and sexual entertainment are prohibited by Islam (Ishii and Yoshikawa eds. 1993: 134).

It is noticeable that these entertainment areas are known for tourist-oriented commercial sex services. In this way, the word “*sakariba*, or an entertainment area” has broadened to mean “a district serving night entertainment, drinking, food and offering commercial sex services mainly targeting male customers” in this thesis.

Settai

“*Settai*”, is explained as “the Japanese custom of providing an evening’s entertainment for business guests” (Abegglen 1958: xi). In the process of Japan’s economic growth, *settai* extended to invitations to golf, celebrated seasonal events and sightseeing tours with providing women at night (Asahi Shimbun 1995: 84-91). It must be kept in mind that Japanese *settai* functions as a lubricant of Japanese business, hence any negotiation concerning their business should not be made during the dinner, or when playing golf. Repeated *settai*, however, can be built a tacit understanding between the two parties (Asahi Shimbun 1995: 84).

1.5 Organization of the Thesis

Chapter 1 introduces the purpose of this thesis, the methodology of the empirical research, the concepts and the definitions of the key words, and an overview of the chapters.

Chapter 2 surveys Japanese corporate culture with a special emphasis on *settai*. Since Japanese corporate culture has developed and strengthened in parallel with Japanese style management, it is useful to examine the Japanese style management that once drew great attention

from western economists and sociologists as what greatly contributed to Japan's economic development after World War II. However, the evaluation of the theory of Japanese style management as such is not the point in question here. The latter section of this chapter discusses the introduction of Japanese style management and its corporate culture in Thailand, in the process of Japanese investment and technology transfer in the country.

Chapter 3 deals with the economic, cultural and social context of the Thai sex industry, which seems to considerably influence operating systems and hostess management of Thaniya *karaoke* establishments. The contents of this chapter include the conceptual tools to analyze the interview results of the hostesses working at some Thaniya *karaoke* houses in Chapter 5.

Chapter 4 provides a deep look at the Thaniya entertainment area. Through the observation of social history, operating system, hostess management, and changes in the area, this chapter also demonstrates that the Thaniya entertainment area functions as the place where Japanese corporate culture merges with the Thai sex industry. Moreover, this chapter points out that the current condition of the area shows a hint of another great change caused by Japan's serious economic slump.

Chapter 5 analyzes the research results of the two kinds of people gathering at Thaniya: Japanese men as customers, and Thai women as hostesses. The survey results show the actual conditions of each group, followed by an analysis reflecting the problems that both the Japanese corporate culture and Thai social culture face today.

The last part, Chapter 6, discusses the results acquired in the previous chapters, and leads to the conclusions of this work, considering the future of the Thaniya entertainment area.