

**การศึกษาเปรียบเทียบอุตสาหกรรมขนาดย่อม
ของเมืองโตเกียว (ประเทศญี่ปุ่น) และ เมืองเชียงใหม่ (ประเทศไทย)**
**A Comparative Study of Small Industry of Tokyo,
Japan and Chiang Mai, Thailand**

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บทคัดย่อ

จุดประสงค์ของการวิจัยนี้เพื่อศึกษาโครงสร้างของเศรษฐกิจ ลักษณะของธุรกิจและสิ่งแวดล้อมของโรงงานอุตสาหกรรมขนาดย่อมในเมืองโตเกียว ประเทศญี่ปุ่น และในเมืองเชียงใหม่ ประเทศไทย การสุ่มตัวอย่างใช้วิธีออกแบบสอบถามสัมภาษณ์เจ้าของหรือผู้ประกอบการโรงงานอุตสาหกรรมขนาดย่อมในเมืองโตเกียว และเมืองเชียงใหม่ แห่งละ 24 ตัวอย่าง รวมทั้งสิ้น 48 ตัวอย่าง สถิติที่ใช้ได้แก่ อัตราส่วนร้อยละ ค่าโคสแควร์ และค่าสัมประสิทธิ์สหสัมพันธ์ และใช้ไมโครคอมพิวเตอร์วิเคราะห์ข้อมูล

จากผลการวิจัยพบว่า อุตสาหกรรมขนาดย่อมของทั้งสองประเทศมีจำนวนมากกว่าร้อยละ 90 ของธุรกิจในประเทศ และอุตสาหกรรมขนาดย่อมนี้มีบทบาทสำคัญต่อเศรษฐกิจของประเทศทั้งสองมากกว่าอุตสาหกรรมขนาดใหญ่ และพบว่าเจ้าของหรือผู้ประกอบการอุตสาหกรรมขนาดย่อมของทั้งสองประเทศได้รับความรู้และประสบการณ์ในการดำเนินธุรกิจมาจากครอบครัว หรือจากธุรกิจอื่นมาแล้ว จึงได้ลงทุนดำเนินธุรกิจของตนเอง ซึ่งการฝึกฝนในการดำเนินธุรกิจขนาดย่อมอื่นมาก่อนนั้น เป็นการฝึกฝนความรู้และประสบการณ์ในการจัดการเบื้องต้นที่จะก้าวไปสู่ตำแหน่งเจ้าของหรือผู้ประกอบการในอนาคต นอกจากนี้ยังพบว่าขนาดอุตสาหกรรมขนาดย่อมของเมืองโตเกียวใหญ่กว่าขนาดอุตสาหกรรมในเมืองเชียงใหม่ทั้งในด้านเงินทุน จำนวนลูกจ้าง รูปแบบของธุรกิจ ช่องทางการจำหน่ายและด้านการตลาด

Abstract

The objectives of this cross-country research project are to discover the economic structure, business characteristics and business environment of small manufacturing industries in Tokyo, Japan and in Chiang Mai, Thailand. Quota random sampling was used for the selection of 48 subjects from Tokyo and Chiang Mai, 24

owners/entrepreneurs from each region. Statistical techniques employed were percentage, Chi-square and contingency coefficient. Data were analyzed by micro-computer.

From the results of the research it was discovered that the amount of small industries of both countries accounts for more than 90% of all business in the country. Small business in Japan and in Thailand then actually plays a more important role in the Japanese economy and in the Thai economy than large business. Both countries shared economic characteristics mainly seen through small-scale industries. moreover, it was found that large numbers of owners/entrepreneur in both Tokyo, Japan and Chiang Mai, Thailand started their own businesses after gaining knowledge and experience from their own families and/during their previous employment with other businesses. The trend is for a small business to be the "managerial training ground" for future owners/entrepreneurs. But the size of small industries in Tokyo, Japan, is larger than Thai small industries in Chiang Mai. It is larger in capital investment, employees, the form of business, the channel of distribution and the market.

INTRODUCTION AND ECONOMIC BACKGROUND OF TOKYO (JAPAN) AND CHIANG MAI (THAILAND)

INTRODUCTION

In previous years, both Japan and Thailand have witnessed a growing interest on the part of academicians in the phenomenon of entrepreneurship and small business. In Thailand, topics such as technical entrepreneurs, small business growth and venture capital are typical for research and conceptualization in this area. This study has attempted to integrate two general approaches. First, it investigates a theoretical model of entrepreneurs and small businessmen and their activities in the managerial functions of small business in both countries. At the same time it deals with a descriptive analysis of individual organizational and environmental dimensions of entrepreneurship within small size business. from a methodological standpoint, this study proceeds from a statistical approach to an hypotheses-testing framework. Data collection was done through the instruments of questionnaires and secondarily by reviewing documents and literature related to the topic.

ECONOMIC STRUCTURE, GEOGRAPHY AND POPULATION

ECONOMIC STRUCTURE

At the present time, both Japan as a developed country and Thailand as a developing country share economic characteristics mainly seen through small-scale industries.

In Thailand 60-70%¹ of the population are engaged in agriculture so the development of agricultural products is very important. At present 90%² of all business in Thailand is small business. Moreover, the Gross Domestic Product (GDP)³ of Thailand, 19.77% consists of manufacturing, 18.15% consists of wholesale and retail trade, and 5.08% consists of construction.

In Japan most of the population is involved more closely with manufacturing than with agriculture. In 1984, small business accounted for 99.4%⁴ of all Japanese companies. Small business accounted for 51.2% of all shipments by manufacturing industry, 61.5% of the wholesale business, 79.2% of the retail business, and 14.3% of the export shipments of industrial products.⁵ Small and Medium Enterprise Agency (MITI) of Japan reported that "Japan also has a large number of small all medium enterprises throughout the country whose manufacture and sale of products depend heavily on local capital and local resources; i.e. raw materials, technology and manpower. These local industries support local economics and generally play an essential role in regional societies"⁶In 1985, Japan's GNP was \$ 1,349.4 billion,⁷second in the world of free market economies. And also the rise of modern industries during the 1960s and 1970s boosted the economy's growth. Moreover, small and medium business in Japan is helped a lot by Japan's high level of technology, especially small and medium businesses which produce parts and semimanufactured goods for bigger or other industries, at home and abroad. So small and medium enterprises have consistently sustained a high position in the Japanese economy."

¹The Fifth National Economic and Social Development Plan of Thailand (1981-1988) Bangkok, P.51.

²The Small Industry Service Institute of Thailand (SISI), the division of Industry service, Bangkok, 1986, P.25.

³Ibid P.384.

⁴MITI, "Establishment Census of Japan" Statistic office, Prime Ministry's office, Japan, 1981.

⁵Japan, A Pocket Guide, Japan 1984. P.57.

⁶Small and Medium Enterprise Agency (MITI), Japan Small and Business Corporation, Outline of the Small and Medium Enterprise Policies of the Japanese Government, Japan, 1986, P.52.

⁷Ministry of Foreign Affairs, "Japan Today", Japan 1987, P.13.

GEOGRAPHY AND POPULATION OF CHIANG MAI AND THE NORTH OF THAILAND

Northern Thailand has a total land area of approximately 170,000 sq.kms,⁸ comprising 17 administrative provinces. Its area is divided into two parts, the Upper North and the Lower North.

The Upper North is mountainous with elevations higher than 600 meters⁹ above sea level, over half of its area. The four major tributaries of the Chao praya River, the Ping, Wang, Yom, and Nam Rivers, all originated in this area of small highland valleys. It comprises nine provinces: Chiang Rai, Chiang Mai, Lamphang, Lumphun, Mae Hong Sorn, Nan, Prayao, Phrae and Tak, with a total area of 100,474 sq.Kms¹⁰ or 59.1 %¹¹ of the northern region.

Chiang Mai is the economic center of the Upper North with 13 million¹² people or 12.1% of the total population of the country. The total area of Chiang mai province is 20,107 sq.kms. The population density is 65 persons per sq.kms. The central government decided on Chiang Mai as the site for its regional Cities Development Project (RCDP). Small Business is part of a comprehensive national urbanization strategy outlined in the Sixth National Economic and Social Development Plan of Thailand 1987-1991). Its main goal is the dispersal of urban and economic growth.

Over the last decade a considerable improvement in Chiang mai's business infrastructure can be observed. This improvement is manifested in the transport infrastructure, banking, credit, facilities, communication, energy supply and business service. Due to the agriculturally-based economy of Chiang Mai's hinterland and the city's role as tourist, educational, and administrative centers, the economic sectors with the greatest growth potentials will be agro-industry, handicrafts, services and tourism. Chiang Mai is one of four Investment Promotion Zones created by the

⁸Profile of Northern Thailand, Chiang Mai University, 1985, P.1.

⁹ibid..

¹⁰ibid.

¹¹ibid.

¹²ibid. P.15

¹³ibid.

¹⁴ibid.

Industrial Estate Authority of Thailand and the Board of Investment (BOI) in order to facilitate the dispersal of industries from the Bangkok area. Investment in these areas is encouraged through a variety of incentives, such as tax exemption, reduced energy costs, easier access to credits, etc. As of late 1985, however, only seven investors had committed themselves to operating plants in the Chiang Mai industrial estate. At the present time, there are 1,567¹⁵ manufacturing facilities in Chiang Mai province : 455 in the city, 134 in the district of San Kamphaeng, and the rest are scattered in other districts.

TOKYO, JAPAN

Japan, lying off the Eastern Coast of the Asian Continent, consists of four main islands, Hokkaido, Honshu, Shikoku and Kyushu, as well as thousands of adjacent smaller islands. Japan's land surface is mostly mountainous, with mountains claiming 71%¹⁶ of the national land area; the plains area is the remaining 29%.¹⁷ The total population of Japan is about 121¹⁸ million. Japan's population is the seventh largest in the world after China, India, The Soviet Union, The United States, Indonesia and Brazil. However, because so many mountains limit the living space, this huge population makes Japan one of the most densely populated countries in the world. As of 1983, Japan's population density was 317 per sq.km.¹⁹ About 76% of the Japanese people live in cities. Of this urban population, nearly 60% is crowded into Japan's four largest metropolitan areas, which comprise the 16 prefectures: Tokyo, Osaka, Nagoya and Kitakyushu.²⁰

Tokyo is the national capital city of Japan. Tokyo has the largest population of any city in the country at 11.8²¹ million. Other major cities are Yokohama, a major harbor and port; Kyoto, a major cultural center; and the Osaka, Kobe area, an important commercial and industrial center.

City life in Tokyo has changed rapidly. There are crowds of shoppers and workers, modern and tall office buildings, department stores filled with all kinds of products, subways and express-ways, and many movie houses, theaters, and concert

¹⁵**Key Statistics of Thailand**, National Statistical Office, Office of the Prime Minister, Bangkok, 1987, p.2.

¹⁶Ministry of Foreign Affairs "**Japan Today**" Printed in U.K., 1987, P.9.

¹⁷*ibid.*

¹⁸*ibid.* P.13.

¹⁹**Japan, A Pocket Guide**, Kinji Kawamura, Japan, 1984, P.7.

²⁰*ibid.*

²¹*ibid.*

halls. in the city proper and in the suburbs there are many now housing developments and large shopping districts.

BENEFITS OF RESEARCH

1. To study the structure and characteristics of small business of Tokyo, Japan and Chiang Mai, Thailand.
2. To understand the problem of small manufacturing industry of both countries.
3. To find the best solutions to solve those problems of both countries.
4. To learn a modernized model of Japanese small business to be utilized in the development of small business in Thailand.

OBJECTIVES AND SCOPE OF RESEARCH

OBJECTIVES

The objectives of this research are:

1. To draw a comparison between the economic structure, geography, population and business characteristics of small industry in Tokyo, Japan and Chiang Mai, Thailand
2. To identify the roles, activities, and managerial functions of small industry in both countries.
3. To study the nature of small industry in both countries.
4. To study the roles and activities of small industry in the economic development in both countries.

DEFINITIONS

Sector*** main activities are manufacturing and wholesaling in both countries

- (***) Reason for two sector selection are: firstly, manufacturing and wholesale create more multiplication effects and value added than other sectors. Secondly, manufacturing can create wealth to the region as well as the country by exporting since it will bring in new money from outside or by substituting imports. The other type of businesses are too diversified and difficult of make comparisons with.

Form of Organization:

- Sole-proprietorship
- Partnership
- Company

Small Industry* - firm with the number of employees

(Thai concept) between 5-100.

- independently-owned firms
- firms are not dominant in their sector, or countries
- non franchised firm

- (*) Firms with less than five employees are businesses which are too small; they do not have structure. Firms with over 100 employees cannot be easily found. At the present time, Thailand does not define the term "small business" as a standardized concept as the other countries. Many institutions and academics have defined the term small business in different ways. Researchers hope that the Thai government will soon remedy this situation and establish an official definition for small business which can be generally accepted.

Small and Medium Enterprises :

(Japanese Concept)

Mining, Manufacturing, Transportation, Construction : Y 100 million or less in capital, or 300 or less employees.

Wholesale : Y 30 million or less in capital, or 100 or less employees.

Retail and Service : Y 10 million or less in capital, or 50 or less employees.

Small Enterprises : Manufacturing : 20 or less employees.

Commerce and Services : 5 or less employees.

(**) Source: Small and Medium Enterprise Agency, (MITI) Japan, Small Business Corporation "Outline of the Small and Medium Enterprise Policies of the Japanese Government", Japan 1988, p.1.

Region and Country : Tokyo, Japan

Chiang Mai, Thailand

Economic Structure: Japanese economy and Thai economy

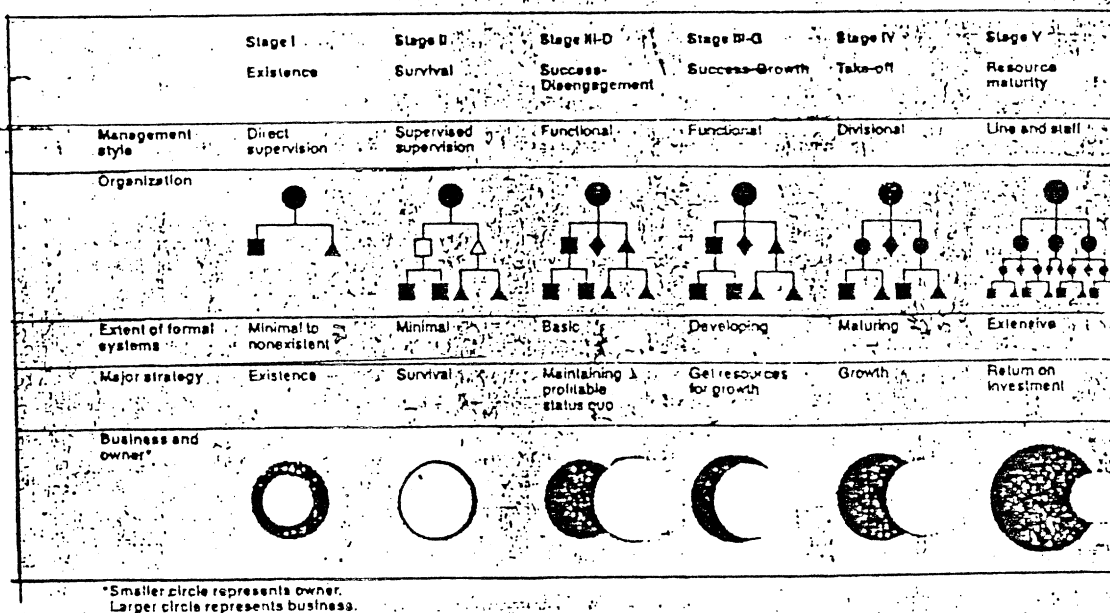
Entrepreneur: As an individual who establishes and manages a business for the principal purpose of profit and growth. The entrepreneur is characterized principally by innovative behavior and will employ strategic management practices in the business.

A Small Business Owner: As an individual who establishes and manages a business for the principal purpose of furthering personal goals. The owner perceives the business as an extension of his or her personality intricately bound with family needs and desires.

THEORY/CONCEPT AND RESEARCH DESIGN CONCEPTUALIZATION OF THE RESEARCH

Content and the conceptual model at the base of this study is from "The Five Stages of Small Business Growth" by Neil C. Churchill and Virginia L. Lewis, Harvard Business Review, May-June 1983, p.4-8.

Characteristics of small business at each stage of development



The framework of small business that evolved from this effort delineates five stages of development. Each stage is characterized by an index of size, diversity, and complexity and described by five management factors: managerial style, organizational structure, extent of formal systems, major strategic goals, and the owner's involvement in the business.

DATA COLLECTION AND POPULATION AND SAMPLE SIZE

Manufacturing firms and wholesale firms, pertaining to small industry characteristics, located in Tokyo, Japan and Chiang Mai, Thailand, will be chosen on the basis of quota sampling, 24 sampling units for each region. The firms were identified from existing lists of the dominant commercial and industrial institutes included in government bureaus in both countries. Questionnaires, documents and observations were used as the research instruments.

DATA ANALYSIS AND STATISTICS

To analyze data, statistical techniques were used as follows:

1. Percentages (%)
2. Chi-square (χ^2)
3. contingency coefficient (C)

These statistical procedures were used in order to test the hypotheses and better interpret the data for more valid generalizations.

OUTCOME AND CONCLUSION

OUTCOME

This research discovered that:

1. the economic structure in both countries is similar. One noteworthy characteristic of the Japanese economy and the Thai economy is that small business accounts for more than 90% of all business. Both countries shared economic characteristics mainly seen thorough small-scale industries.
2. Most of the owners/entrepreneurs who have created now ventures in small industries are males.
3. The ages of the Japanese owners/entrepreneurs are mostly between 41-50 years but the Thai owners/entrepreneurs average between 31-40 years.
4. The education levels of the owners/entrepreneurs are mostly the same, undergraduate university or higher.
5. The form of small industry in Japan is usually as the organized company, but Thai small industry is organized mostly as the sole-proprietorship.
6. The ages of small industries in both countries are the same, on average over 10 years old.
7. The source of initial capital investment of Japanese small industry is mostly capital borrowed from the bank of other financial institution, but in Thailand small industry is mostly financed from the owners/entrepreneur's own savings.
8. The capital investment of Japanese small industries is, on average, higher than that of Thai small industries.
9. For the most part, the channel of distribution of Japanese small industries includes middlemen and other producers, but Thai small industries use the direct channel i.e. directly to customers.
10. The market for Japanese small industry is mostly both in-country and abroad, but the Thai market is mostly local.
11. The source of raw materials for Japanese small industries is both in-country and abroad, but Thai small industries mostly purchase raw materials only in the country.

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