

Japanese FDI to Thailand: Mobility and harmony

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ABSTRACT—Japan has been the top investor in Thailand since the end of WWII. In 1972, following violent protests against Japanese investment, the Japanese government established the Japan Foundation as the main agency to take care of cultural diplomacy. Though under the supervision of the Ministry of Foreign Affairs, the Japanese business community financially contributed to its establishment from the beginning. In addition, Japanese business in Thailand continuously cooperated with the government in its cultural diplomatic activities. Their daily operation created an atmosphere for human exchange which led to understanding between peoples of different cultures. Japanese investment promoted the mobility of labor, both blue and white collar alike. At the international level, Japanese managers were sent to local business facilities and local staff were sent to Japan as a part of human resource development. The economic sphere was the main driver of globalization. In the case of Thailand and Japan, mobility of people took place mainly because of economic interaction. When the economic relationship was disturbed it was the cultural sphere of people-to-people relations that restored the overall relationship between Thailand and Japan.

Conceptual framework

International relations presents the framework for national sovereign states. Domestically, a nation is held together by a structure of power. The relationship between sovereign states is conducted by representatives appointed by the State. This is the meaning of diplomacy. Because of this framework, political and economic aspects of the relationship are given priority as 'high politics'. When a sover-

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eign state is the core of analysis, national interest, national strategies and national competition are issues in the understanding of the world order. This framework gives us the idea of 'the other', which can easily leads to rivalry, conflict and war.

However, according to imagined community concept, a state is composed of individuals who perceive themselves as parts of the group. A country is an imagined community and the relationship between countries is carried out by people. Based on this concept, social and cultural aspects which used to be seen as 'low politics' are emphasized. People as individuals, such as writers, artists and musicians can extend their influence beyond their borders and, hence, become agents of diplomacy. These days, given the influence of technological development, the mobility of humans has increased drastically. The cultural international relations concept gives us a picture of the linkage and flow of culture through human agents. With intercultural relationships, tolerance and cooperation can be achieved and domestic and international development can be connected.

Thailand-Japan economic relations

Economic relations has been the focus of Thailand–Japan relations ever since the beginning of the relationship. Mobility of the people occurred for the purpose of trade and the amount of trade between the two countries explained the small number of migrants from Japan. Before WWII, there was attempt to mobilize the Japanese to Thailand as part of the government's attempt to go southwards but the attempt was short lived and did not create the atmosphere for cultural exchange. After WWII, in comparison to other Southeast Asian countries, Thailand was one of the most favored destinations for Japanese investment and larger numbers of Japanese were sent by their companies. However an understanding of the Japanese language and culture was rather limited and the abrupt increase in the Japanese presence in society became a cause for alarm.

After WWII, with the support of the United States, Thailand and Japan normalized their relationship after the Japanese signing of the San Francisco Peace Treaty. The Japanese economic expansion policy caused conflict between Japan and other countries including Southeast Asian nations and violent protests erupted in Thailand and Indonesia

in 1972. However, Japanese investment was not totally to blame. One decade after WWII, the economic aspect was primarily the character of Thailand and Japan relationship.

After WWII, economic cooperation was Japan's re-entry point into Southeast Asia. With the expansion of communism in East Asia, the US decided that Japan should shift its source of raw materials and markets from China and Mongolia to Southeast Asia (Khamchoo 1998). Japan's economic relationship with Thailand was a part of this US policy. During the same period, economic development was the main target of the Thai government for the purpose of both development and as a method to control the expansion of the communist insurgency. Therefore, the ruling regime drew up the first national economic development plan which took effect in 1961. These plans have become road maps for the development of the Thai economy until today. According to the first plan, the aim of development was to raise the per capita income and the standard of living. This could be achieved by expanding the production sector which, in turn, would foster employment. The government intended to allow the private sector to be in charge of production while the government itself would focus its efforts only on infrastructure projects, such as, irrigation, electricity, roads etc. However, the main obstacle was capital, both material capital and financial capital. Thailand's savings increased by only 8 percent per year, which was only 14-15 percent of national income. In order to promote industrial production, Thailand had to increase its capital, both material capital, such as heavy machinery, and financial capital. Japan was in good position to fulfill this need

Taking all international investment as a whole, Japan invested more in Thailand than in any other nation. Japanese investment increased drastically from 1960-1970, especially in promoted industries. After the Investment Promotion Act B.E. 2503 took effect, Japanese investment accounted for 11.23% of total promoted investment (Manasphaiboon 1973). Although foreign investment was necessary, Japanese investment incurred a great trade deficit and a dependency on Japanese trade. In 1973, 35.3% of total imports to Thailand came from Japan. Of this number, 97.7% was carried out by Japanese companies (Phetpraset 1975). During 1972-1973, Japanese general trading companies controlled approximately 40% of Thai imports and took control of 50% of Thai exports (Prasartsert 1983).

The imbalance of trade and payments became a serious issue of conflict in Thailand-Japan relations. The Thai government tried to alleviate this problem through negotiation and the Thailand-Japan Joint Committee on Trade was established in 1968 in an attempt to solve this economic conflict. However, the conflict spread to other aspects of relationship.

Evidence of anti-Japanese sentiment could be seen in 1970s among university students. In 1972, a campaign against buying Japanese products was launched. Violent protests erupted in Bangkok and the protest was supported by students in many other Southeast Asian countries.

Reaction from Japanese business group

The Japanese business community was worried about this sensitive situation. The Chamber of Commerce issued a warning and advised Japanese corporations to limit the number of Japanese import – export products and to promote Thai products. They told Japanese companies not to retaliate with violent measures but to praise the Thai people and give more economic assistance. Kanzai Keikai (Setasuka, 67) – a fact finding group - was appointed to visit Southeast Asian countries; the Philippines, Hong Kong, Indonesia, Malaysia, Thailand and Singapore. They concluded that Japanese investment had had both positive and negative effects on SEA countries. Japanese investment was crucial to Thailand's economic development but, on the negative side, some issues should be considered as follows:

1. The behavior of some Japanese businessmen in Thailand was not acceptable.
2. The Japanese meddled in retail sales, which actually should be left to Thai traders.
3. Regarding Japanese investment in Thailand, the Japanese reaped too much from the joint venture. (Up to 74% in 1967, and 68% in 1969)
4. The Japanese even tried to sell some products that were not necessary to Thai society.
5. There was too small a proportion of Thai executives in Japanese companies.

6. Japanese business took advantage of Thai weak points and exercised influence on the Thai economy.

7. The Japanese did not engage in cultural exchange in order to understand the locals.

In addition, many other studies had been done by other agencies including in academic circles in order to understand the true reasons for this antagonistic feeling towards Japan. This was to encourage strategic planning to alleviate the problem. The conclusion was reached that the origin of the conflict was that foreign countries did not understand the unique Japanese culture. Until the end of 1960s, Japan used economic measures as a tool for its foreign relations. Other aspects, such as, political relations and relationships at the people level were not given so much consideration. As a result, when there was conflict in economic relations, it spilled over into other aspects of the relationship.

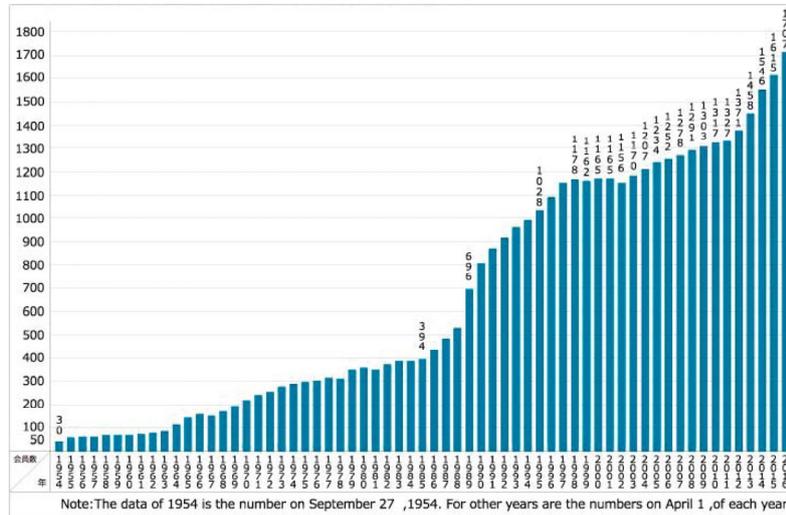
In order to improve the relationship, the Japanese government and business sector coordinated their efforts. The government established the Japan Foundation to be the main operator and coordinator of Japan's cultural diplomacy. The business sector made some effort to improve the situation as well. As for the short term strategy, Keidanren (Japan Federation of Economic Organizations), under pressure from the Japanese government, set up guidelines for Japanese multinational corporations in 1973. The major guidelines were endorsed by all major business organizations:

1. Basic orientation: long-term investment for the benefit of both parties, with the emphasis on the recipients' development needs.
 2. Promotion of business activities based upon mutual trust.
 3. Promotion of employment and recruitment.
 4. Proper selection of representatives to recipient countries.
 5. Promotion of education and training.
 6. Contribution to local industrialization.
 7. Promotion of re-investment in the destination countries.
 8. Co-ordination with the recipient countries' enterprises.
 9. Co-operation and harmonization with the recipient countries.
- Some of these guidelines were of cultural exchange in nature.

Thai-Japanese cultural exchange

The anti-Japanese movement catalyzed many studies, mainly by Japanese agencies, in order to understand the situation and to search for a long term solution. Human exchange was believed to be a means of understanding other cultures and, hence, of creating more tolerance towards each other. It was good basis for international relations. Cultural exchange can be divided roughly into 2 categories; intentional cultural exchange and unintentional or natural cultural exchange. During 1970s, it was suggested that cultural exchange that occurred intentionally through government agencies should be emphasized because of its stability and durability of performance. Therefore, during that period of time, many cultural exchanges between Thailand and Japan took place intentionally in formally structured exchanges instigated mainly by governments. The Japanese government established the Japan Foundation to be the main agency responsible for cultural diplomacy. In addition, human exchange in the form of educational scholarships was increased actively.

Table 1. Number of members of the Japan Chamber of Commerce



Source: Japanese Chamber of Commerce, Bangkok. <http://www.jcc.or.th/en/about/index3> [accessed on July 15, 2016].

The study found that besides the government's effort, the business operators' role was indispensable in promoting cultural exchange between Thai and Japanese people and it was unintentional cultural exchange that occurred because of the mobilization of employees between the two countries.

In order to understand the role of Japanese FDI and companies in promoting human mobility and cultural exchange, we should understand the general condition of Japanese companies in Thailand.

At the moment there are almost 7,000 Japanese companies operating in Thailand. Among them, as of April 2015 only 1,715 companies are members of the Japan Chamber of Commerce. From the survey of the Japan Foundation, large multinational companies entered Thailand before 1990. According to table 3, most of the Japanese corporations that entered Thailand before the year 2000 hired more than 100 employees. As many as 66 companies were hiring more than 500 employees. Table 4 explains that majority of Japanese companies were manufacturing companies. This means that they employed a large workforce. Six companies were hiring more than 5,000 employees.

Table 2. Date of business enterprises entry to Thailand

Date of entry	Number	Percentage
Prior to 1990	117	54.2
1991-1995	33	15.3
1996-2000	34	15.7
2001-2005	24	11.1
2006 -	8	3.7

Source: Survey of Philanthropic Activities by Japanese Companies in Thailand

Table 3. Companies by number of employees and dates of entry to Thailand

Empl-oyees	<100	101-500	501>	Unknown	Total
Prior to 1990	20 17.1%	51 43.6%	44 37.6%	2 1.7%	117 100%
1990-2000	16 23.9%	29 43.3%	22 32.8%	-	67 100%
2001 or thereafter	20 62.5%	5 15.6%	6 18.8%	1 3.1%	32 100%
Total	56 25.9%	85 39.4%	72 33.3%	3 1.4%	216 100%

Source: Survey of Philanthropic Activities by Japanese Companies in Thailand

Table 4. Industry and dates of entry into Thailand (no. of companies)

Industry	Prior to 1990	1991-2000	2001 -	Total
Service industry	40	11	18	69
Manu-facturing Industry	77	56	14	147
Total	117	67	32	216

Source: Survey of Philanthropic Activities by Japanese Companies in Thailand

Table 5. Number of companies with different sizes of employment.

Number of employees	Number of companies
5,001 and higher	6
1,001-5,000	32
501-1,000	33
101-500	85
51-100	16
11-50	26
10 and fewer	14

Source: Survey of Philanthropic Activities by Japanese Companies in Thailand

Table 6. Number of Japanese employees

Number of Japanese employees	Number of companies	Percentage
51+	5	2.3
41-50	6	2.8
31-40	5	2.3
21-30	14	6.5
11-20	24	11.1
6-10	51	23.6
5	24	11.1
4	24	11.1
3	18	8.3
2	24	11.1
1	16	7.4
No response	5	2.3

Source: Survey of Philanthropic Activities by Japanese Companies in Thailand

As the majority of these companies are manufacturing companies, they hire a large number of local Thai labor, and majority of them (56.9%) hire more than 4-10 Japanese employees.

Japan Chamber of Commerce

When Japanese companies invested abroad, it was natural for them to form a group with representatives to deal with local government and other local agencies. The Japan Chamber of Commerce in Thailand was established in 1954. It is one of the biggest Chambers of Commerce in the world with a membership of 1,715 companies (JCC n.d.). The JCC plays the role of representative for Japanese companies in Thailand. Its focus is on developing good relations with the government, especially those government agencies related to economic affairs. The JCC's role is to promote trade, industry and economic cooperation in general between Japan and Thailand. Firstly, the JCC mission is to create opportunities for company members in order to make progress in their business in Thailand. Secondly, the JCC also promotes the exchange of information, vision and cooperation between members by arranging seminars and other activities that can quickly provide information to the members. In addition, the JCC gives consultation and facilitates the activities of its members. This is achieved by the exchange of ideas with the Thai government and joint meetings with the BOI and other government agencies. This provides the opportunity for members to express their opinion and make other requests not only to the government agencies but also among JCC members.

From interviews with some members of the JCC in Bangkok and some Japanese company employees, human exchange is not the main consideration of the Chamber of Commerce. Neither is it the main consideration of most Japanese companies, since its mission concerns general economic relations. Japanese companies, either as individuals or as a group, contribute to human exchange through human resource development schemes.

Human resource development

The above statistics illustrate the migration of labor, both Thai and Japanese, to and from Thailand and Japan, because of the flow of capital in the form of direct investment from Japan. Japanese executives are sent by their companies to Thailand. Thai employees are sent to Japan to gain experience of the Japanese working system. Interaction occurs between Japanese executives and Thai employees and so does cultural

exchange between Thais and Japanese. This situation happens with any foreign direct investment. However, Japanese business conduct is different. Japanese employees are supposed to start in a company from a young age. They will be trained in certain skills according to the demand of their companies and promoted to higher positions within the companies. The system is one of life-long employment.

Attempts at cultural exchange between foreign employees and students and the Japanese can be traced back to even before WWII. It was initiated by the private sector. When the Korean Peninsula and Taiwan was under Japanese rule, large numbers of foreign labor were brought into Japan. Students from Korea, Taiwan and China came to study in Japan. They were put together in one dormitory, which was under supervision of Mr. Goichi Hozumi. Hozumi's principle was to treat everyone as human beings regardless of where he/she belonged. "Dealing with one another on a one-on-one basis, it is possible to achieve total mutual understanding" (Ministry of Foreign Affairs 2001). He began to take good care of these foreign students.

After WWII, Japan's economic cooperation with Southeast Asian countries began early. It was important that human resources in destination countries could respond to the demand of Japanese companies. Many employees and students from developing countries were sent to Japan, especially in the 1950s, when new scholarships were started. Goichi Hozumi founded the Asian Students Cultural Association (ASCA) in 1954 (Asian Students Cultural Association 2016). With support from the Ministry of International Trade and Industry, Hozumi established the Association for Overseas Technical Scholarship (AOTS) in 1959, and the Asia Bunka Kaikan (ABK), a meeting hall for foreign students in 1960.

The anti-Japanese sentiment erupted in Thailand around the end of 1960s and, in 1970, the Japanese government consulted with Mr. Goichi Hozumi. In order to understand the situation, Mr. Hozumi came to Thailand to listen to opinions from Thai alumni members and local industrial people. He came to the conclusion, which was accepted by the MITI and Japanese industrial circles that a new structure should be established. This new structure should be on a private sector basis rather than as a government initiative. This new office would bring together alumni of Japanese universities and those who were trained in Japan. To accomplish this idea, the Japan-Thailand

Economic Cooperation Society (JTECS) was established in Japan in 1972 (JTECS n.d.). Meanwhile, in Thailand, as its counterpart, the Technology Promotion Association (Thailand-Japan) or TPA was founded in 1973. JTECS was established from contributions from private circles under the coordination of the Japan-Thailand Trade and Economic Committee of Keidanren and through subsidy by the Japanese government. The Japanese circle was supported financially through JTECS, in the earlier stages, for the activities of the TPA until it became a self-supporting organization. All decision making and management of the TPA was to be carried out by Thai people. In addition, communication between JTECS and TPA was to be done on an equal basis.

The TPA was established in 1973 as a non-profit organization (TPA News 2009). During its first decade, the TPA's activities involved:

1. Teaching the Japanese language to Thai people.
2. Teaching the Thai language to Japanese in Thailand.
3. Translation and production of Japanese technological textbooks.
4. Production of a Japanese technological-related journal.
5. Organizing seminars.

In addition, the TPA initiated a few more projects, such as, QC (quality circle) activities, the industrial tool measurement project and energy saving technology. These activities later expanded and were accepted among Thai academic scholars. As Japanese investment in Thailand grew, companies realized that it was beneficial if the local labor force understood Japanese technology, Japanese working systems and the Japanese language. They appreciated the quality of employees graduating from TPA's institutions. In 2007 the TPA launched the Thai-Nichi Institute of Technology (TNI), which was an academic institution. This new institution was established with the cooperation of many Japanese companies in Thailand, AOTS alumni and the TPA. The TNI offered under-graduate and post-graduate degrees in many industrially-related disciplines, for example, engineering, information technology and business administration.

Together with the Japanese government, companies agreed to support the establishment and operation of the TNI through 1) annual financial support, 2) providing experts to lecture at TNI, 3)

providing tools and instruments, and 4) providing the opportunity for student internships. Up to 200 companies joined this scheme and fully supported the first year of establishment. This support has continued until today although to a lesser degree as the TNI has become stronger and more independent¹.

In the case of human resource development, Japanese business and government learned from the past that labor migration could cause some conflict. They also learned that cultural exchange through human exchange could be a measure for the prevention and solution to this conflict. Therefore, human exchange schemes were initiated as a part of human resource development. The outgrowth of it was unmeasurable. Thai students and trainees after coming back from Japan formed themselves as AOTS alumni group in Thailand. They contributed further in promoting mutual understanding between Thais and Japanese. By teaching the younger generation, they instilled into young minds their impressions of Japan. By spearheading the establishment of JTEC and Technology Promotion Association, they helped spread knowledge about Japanese culture to a wider society. With the support of Japanese companies, the work of these alumni was ever more powerful.

Large Japanese community in Thailand

Japanese FDI has encouraged the entrance of Japanese employees into Thailand. Some of them have brought along their families. According to the statistics of the Embassy of Japan in Thailand, in 2013 there were 64,285 Japanese in Thailand. The largest portion of them (75%) worked with private enterprises and their families. This created a large pool of Japanese people in Thailand. A survey from the Ministry of Foreign Affairs showed that Japanese in Thailand constituted the 5th largest Japanese community overseas, following the United States, China, Australia and the UK respectively. They had become a large market for Japanese products and services, such as, restaurants, schools, health care, supermarkets, car rentals, apartments etc.

¹ Interview with Assoc. Prof. Budit Rojarayanond, Rector of TNI on October 31, 2016.

Table 7. Number of Japanese in Thailand

Year	Number (persons)
1975	5,952
1980	6,424
1985	7,852
1990	14,289
1995	21,745
2000	21,154
2005	36,327
2010	47,251
2013	64,285

Source: The Japan Embassy in Thailand <http://www.japankiku.com/tour/nihonjin.htm> Accessed on May 14, 2013

Table 8 shows that most Japanese in Thailand were company employees and their families. Employees of Japanese corporations were sent overseas only for a certain period of time (3-5 years). This basic fact has constructed the character of the Japanese community in Thailand and their interaction with Thai people.

The Japanese tended to stay in condominium buildings in some area in Bangkok, for example, Sukhumvit Road. They did not live in Thailand long enough to truly understand Thai culture, although managed to learn some necessary Thai language in order to live their daily lives. Some Japanese companies gave their employees information on how to work with Thai people and how to live in Thailand. Some consultant companies also offered seminars to Japanese newcomers. The Japanese tended to live together as a group in order to exchange information about life in Thailand. They had their preferred market for food and some Japanese supermarkets carried not only food but also other necessary Japanese products. Unlike Thai people, the Japanese were not used to negotiating the price of products. They felt more comfortable with markets where price tags could clearly be seen. Japanese children went to a school with the Japanese Ministry of Education's curriculum but the school taught the Thai language as well. However the older ones had to go back to Japan for higher

education levels. In Bangkok where a large Japanese community was located, some hospitals provided Japanese interpreters and a Japanese section.

Table 8. Categories of Japanese resident in Thailand

Categories of residents	2016	Percentage
Employees and families of private sector	47,742	74.2
Journalists and families	245	0.4
Self-employed and families	2,471	3.9
Students/researchers and families	2,919	4.6
Government officers and families	835	1.3
Others	8,849	13.8
Sub total	63,061	98.1
Permanent residents	1,224	1.9
Total	64,285	100

Source : Japanese Embassy in Thailand 2016

A constructive consequence of hosting a Japanese community in Thailand was the Thai-Japanese Association. It served as a symbol of people-to-people relationships between Thailand and Japan.

Thai-Japanese Association

The Thai-Japanese Association was established as the “Japan-Siam Association” in 1935 by Thai and Japanese people who lived in Thailand during that period. The Association was suspended during WWII. It was restored in 1968 by its old members as the Japanese-Thai Association and changed its name to the Thai-Japanese Association in 1980. The objectives were :

1. To promote friendship and closed cooperation between Thai and Japanese people.
2. To promote activities in different aspects such as economic, social and cultural.

3. To develop acquaintanceships among members in order to promote better understanding between the people of the two countries.
4. To occasionally offer assistance to the society.

The objectives and activities explained the business character of this Association which was supposed to reflect collaboration between the Thai and Japanese.

In its attempt to look after Japanese members, the Association operated a school called the Thai-Japanese Association School. It was a school for Japanese children who had followed their parents who had come to work in Thailand. The school was registered as an international school under the supervision of the Private Education Committee at the Ministry of Education. The School offered basic education in accordance with the Japanese curriculum, from Grade 1-9. The school had another branch in Amphur Sriracha, Chonburi. Students were taught by both Japanese and Thai teachers. In addition, they learned both Japanese and Thai at the school. According to interviews by Kanako Arike, the majority of Japanese children went to this school as companies provided for the tuition expenses. As of 2016, there were 2,699 students.

Table 9. Numbers of Japanese language teaching institutions, teachers and students

Years	Teaching institutions	Teachers	Students
1975	24	58	3,512
1981	28	128	9,217
1987	34	155	13,282
1990	63	274	11,869
2009	377	1,240	78,802

Source : Compiled from the Japan Foundation <http://www.jpf.go.jp/j/japanese/survey/result/surveyold.html>

A large Japanese community meant that services using the Japanese language were required, for example, translators in factories and trans-

lators in health service offices. The demand for workers with Japanese language skills stimulated the widespread supply of Japanese language schools all over Thailand.

Besides learning and teaching the Japanese language in schools in general, there was a demand for special translators. For example translators in factories required some technical knowledge. Hospitals required translators who could communicate to Japanese patients. Many academic institutions offered special training courses to accommodate this need.

A large Japanese community was not only a large market for Japanese products and job opportunities for some group of people. These overseas Japanese were agents of cultural exchange between Thailand and Japan as well. Due to the limited length of stay in Thailand, it did not seem necessary for Japanese to learn and deeply understand Thai culture, although they might try to get acquainted with the basic Thai way of life. On the other hand, it became the mission of Thais to learn Japanese culture for the sake of job opportunities and smooth business contacts.

This phenomenon happened also in the case of Japanese companies' human resource development schemes. The Thai students/trainees were taught the Japanese language, Japanese technology and Japanese working culture in order that they would be able to work smoothly in Japanese factories. In both cases, the cultural exchange that occurred was business-driven. However, understanding of each other's culture sent ripples through society at large. The impression of Japan as the leader of technological advance and Japanese working culture that nurtured economic success inspired Thai people to look up to Japan as a model of several aspects of development. Among Japanese executives, Thailand possessed many suitable factors as an overseas office. To facilitate connection between Japanese businessmen and Thais, the Thai-Japanese Association was established. It became the focal point of the relationship between Japanese and Thai businessmen.

Conclusion

Japanese FDI to Thailand was the prime reason for Japanese migration to Thailand. Statistics show that the migration of Japanese has corresponded to Japanese business incentives in SEA ever since the

earliest times. The existence of Japanese in Thai society allowed the opportunity for Thais to have access to Japanese culture and opportunities for the Japanese to learn about Thai culture. This cultural exchange served as the basis for people-to-people relations.

The World War experience in Southeast Asia left a bad impression of the Japanese. It even stimulated mistrustful feelings of the Japanese economic presence in Thailand during the Cold War. The antagonistic feeling hindered smooth business operations. In order to alleviate the problem, the Japanese business community drew on their experience with the Chinese and Koreans. The TPA and JTEC scheme, which was introduced, resulted in deeper cultural exchange through the educational system. The scheme not only responded to the demand for skilled labor with Japanese language ability, it also created a pool of local people who understood the Japanese way of life. The mobility of Thai people in the form of students and trainees to Japan led to cultural exchange of a wider caliber. Statistics show that the numbers of Thai students going for further study in Japan on their own private scholarships increased continuously. Thailand became a preferred destination for Japanese employees and families. A large community of Japanese in Thailand resulted in Thai people learning the Japanese language not only for the sake of job opportunities but also to appreciate more of Japanese culture.

This paper has tried to explain the influence of Japanese foreign direct investment on mobility between Japan and Thailand. The influence of business incentives led to human resource development of local labor. This involved sending local labor to Japan for training and sending Japanese trainers and executives to Thailand. The consequence of this labor movement went beyond economic benefit. It created the atmosphere for cultural exchange, which resulted in mutual understanding and tolerance towards each other.

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