

How to attract international tourists to Japanese rural area

- Lessons learned from SANPO-YOSHI, an old Japanese CSR philosophy -

Kiyoto KUROKAWA
Ritsumeikan University

I. Introduction

1.1 Background

Even in the advanced country like the USA, “Rural small businesses have moved from agricultural foundations to retail and service sectors. The retail sector is the largest provider of jobs in small communities” [3] Local governments in Japan are trying to attract more international tourists to activate their local towns. In Shiga prefecture, they are rich in terms of historical treasures such as temple, statues of Buddha and Shinto shrine. Those physical treasures can be much easier to attract them. However, invisible software treasures such as philosophy and business culture are much difficult to attract them. Local people sometimes do not know the value. A business philosophy, “Sanpo Yoshi” is a management philosophy embraced by merchants in Omi region, Shiga prefecture, which means to be good for seller, buyer, and community. It is very close to CSR (Corporate Social Responsibility), originated from the western business world. In this study, we examined local understandings for this business philosophy to attract new kinds of international tourists. We have conducted interview surveys in Nagahama and Omihachiman city. After that, we visited those towns with international students to understand their frank opinions on Japan’s traditional CSR, “Sanpo-Yoshi”. And we have also examined awareness on “Sanpo-Yoshi” of the local community via a questionnaire survey. And we have also conducted a comparative study between CSR and Sanpo-Yoshi. Finally, we found that these traditions can attract new international tourists.

1.2 Problem statements

We have identified several problems on local tourism including lack of awareness of local community on local treasures. However, there is a strong demand for local tourism among international tourists. Local cities identified many international tourists, but they do not have enough knowledge to welcome them. In this study, we focused on local ethical treasures so called “Sanpo-Yoshi” or “Tree way satisfaction”. It is well known to business people, but it can be used to many kinds of human activities like “Kaizen” or “Continuous Improvement”.

1.3 Significance of the study

The concept of “Sanpo-Yoshi” can be fully utilized if we can observe those examples. We have identified several usages of it including medical care, and international labor issues. This study will encourage local people and government to understand those ethical treasures to revitalize local economy.

1.4 Research objectives

We identified the following facts via a series of discussions with stakeholders in Shiga prefecture including Nagahama, Omi-hachiman, and Koka city. The objectives of this study are;

- i) to identify the concepts of “Sanpo-Yoshi” including new opportunities and challenges,
- ii) to understand the incentives for private company to introduce “Sanpo-Yoshi”
- iii) Local universities are closely working with local community and local government, but how they must work for the revitalization of local town?

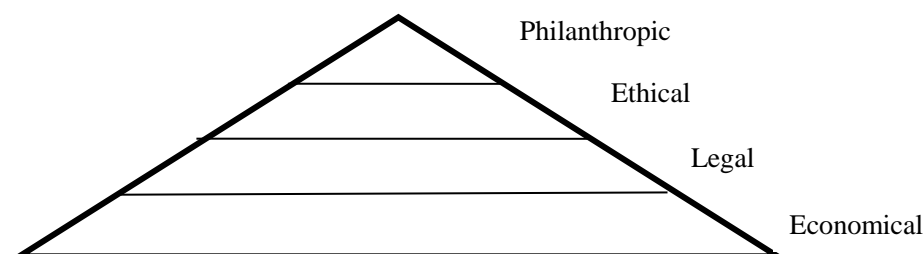
II. Previous studies

2.1 Traditional Studies on Business Ethics

The culture and history of East Asia has been influenced tremendously by a philosophical system originally developed from the teachings of “Confucius”. Carroll's CSR Pyramid is a simple framework that helps argue how and why organisations should meet their social responsibilities.[3] The key features of Carroll's CSR Pyramid are that: CSR is built on the foundation of profit – profit must come first. Then comes the need for a business to ensure it complies with all laws & regulations. Before a business considers its philanthropic options, it also needs to meet its ethical duties. The four responsibilities displayed on the pyramid are:

- i) **ECONOMIC**
 - This is the responsibility of business to be profitable
 - Only way to survive and benefit society in long-term
- ii) **LEGAL**
 - This is the responsibility to obey laws and other regulations
e.g. Employment, Competition, Health & Safety
- iii) **ETHICAL**
 - This is the responsibility to act morally and ethically
 - With this responsibility, businesses should go beyond narrow requirements of the law
e.g. Treatment of suppliers & employees
- iv) **PHILANTHROPIC**
 - This is the responsibility to give back to society
 - The responsibility is discretionary, but still important e.g. charitable donations

Figure-1 : Carroll's CSR Pyramid



Source: Carroll, A.B. (1991)

As you can see on Figure-1, “Philanthropic” is similar to Japanese “Sanpo-Yoshi” concept. Without workers’ strong commitment, we are unable to revitalize our local towns. Some

scholars pointed out the importance of people's awareness. Dobson (2018) stated that "Providing effective strategies to remain sustainable within a rural community may give entrepreneurs incentive to operate small businesses in rural areas. Increasing entrepreneurial interest could increase rural population, decrease deficits in local resources, and increase interest in rural living." [1]

2.2 Definitions of Sanpo-Yoshi

There are several definitions on Sanpo-Yoshi since our definitions of CRS itself expanded the contents year by year.

- *Seken-yoshi*: (Good for society)
1-1 Philanthropy, 1-2 Sustainable Development, 1-3 Environmental and Social issues, and 1-4 Environmental impact disclosure, 1-5 Local procurement, 1-6 Linkage to local community
- *Urite-yoshi*: (Good for seller)
2-1 Human rights issues, 2-2 Rights for workers, 2-3 Prevention of forced labour, and 2-4 No discrimination for recruitment and promotion, 2-5 Usage of local labour
- *Kaite-yoshi*: (Good for customer)
3-1 Information on security, 3-2 Communication with consumers and the general public and 3-4 Efforts in privacy policy, 3-5 Information about local materials
(Source: Canpan CSR+ (The Japan Foundation), et al)

In our study, we focused on local re-vitalization aspect of Sanpo- Yoshi. Then, we can add more indicators such as local procurement policy to contribute to the local economy.

2.2 Japanese uniqueness on business culture

The Japanese culture stresses the importance of maintaining group harmony, saving face, and maintaining emotional ties such as "amae" or emotional dependence, "on" or obligation and "giri-ninjo" or affection. (Doi, 1971; Yabuuchi, 2004) We can call this "Group-centered culture" Taka (1994) pointed out that "why some American business practices are regarded as unethical by the Japanese business community." They are self-centered instead of group-centered. And he suggested the ethical directions in which the Japanese business community should proceed. They should "alter the group-centered climate into a democratic ground."

And we can add "Kaizen" or "Continuous improvement" as the center of the business ethics in Japan as well. This means to change the current situation and then build it into the ideal state. "The entire Continuous Improvement process should be performed within a culture of respect." [x] This is to enhance the cultural mindset to the team.

2.3 Regional Development and Religion to Sanpo-Yoshi and CSR

In Australia, Regional Ethical Development Australia (REDA) is to actively engage in and promote sensible, sustainable environmental development while creating jobs, growth and social benefit. According to Mckinney (2016), "Evangelical Christian showed a higher level of ethical judgement." Wolf (2013) also identified religious background in Japan's business ethics and identified that Japanese ethics is not top down but bottom up based approach.[5]

III. Case studies (Methodology)

We surveyed listed companies in the first section of the Tokyo Stock Exchange by analyzing CSR reports published in FY2018. Our survey scope is;

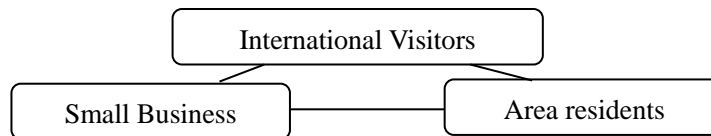
- i) CSR reports (CSR reports analyzed in FY2018 on CSR disclosure level)
- ii) Company websites where URLs are found in CSR reports or other existing information.

And we have been conducting field surveys in Shiga prefecture including Kusatsu, Otsu, Nagahama, Omi-hachiman, and Koka city since 2013.

3.1 Kumamoto Prefecture

Kumamoto Prefecture is providing information in several languages including English, Chinese and Korean. And they are also providing Information on vegetarian, halal, and Japanese restaurants. And their basic policy is “Sanpo-Yoshi” or “Triple Satisfaction” despite their land is far away from Ohmi, Shiga prefecture. According to “Kuma visit”, their web site for international travelers, “Our goal at Kuma Visit is to make Kumamoto as visitor-friendly as possible through Sampo Yoshi – triple satisfaction that benefits not only visitors from abroad, but local – especially small businesses, and area residents.” (See Figure-2)

Figure-2 “Sanpo-Yoshi” or “Triple Satisfaction”



(Source: Kuma Visit, Kumamoto prefecture)

They are assisting their visitors to enjoy their stay there by providing useful information on all aspects of life and culture in Kumamoto. They are also supporting local businesses through translation and interpretation services with a view to attracting more international customers. And they hope to raise pride of hometown through “Kumamoto Curio radio program” and “Kuma Visit” website. Their top message is “Come join us Sampo Yoshi -Triple Satisfaction!”

3.2 Private companies

We can observe Omi merchant philosophy, Sanpo-Yoshi in successful Japanese companies such as Itochu Corporation, and Marubeni, Takashimaya. But in our study, we will focus on how they can use it to attract foreigners visiting local area of Japan, many private companies are trying to highlight the appeal of the area in partnership with local people.

3.3.1 ITOCHU Corporation and Marubeni Corporation

The basic philosophy is evident in Chubei Itoh’s personal motto, “Trade is a compassionate business. It is noble when it accords with the spirit of Buddha by profiting those who sell and those who buy and supplying the needs of the society.” However, their commitment to their home town, Ohmi is not so evident like Marubeni corporation. According to the Compliance Manual of Marubeni in 2018, “When you are faced with a choice between integrity and profit,

choose integrity without hesitation.” In this sentence, “Integrity” means the harmony with the society. Marubeni is still conducting some trainings for their officers at their home town, Toyosato town about “Sanpo- Yoshi”

3.3.2 Seibu Holdings

Seibu Group, “Ohmi Railway” and “Lake Biwa Otsu Prince Hotel”, is trying to attract inbound travelers to Shiga area through local partnerships.

3.3.3 Minakai Department Store

This is the mysterious failure case under “Sanpo-Yoshi” spirit. Mr. Katsujiro NAKAE (1872-1944) started his business, and finally, they established their department stores, 12 in Korea, 3 in Manchuria and 3 in China until 1945. The most interesting issue of this “Minakai” was the greatest failure of the corporation and there is a small cake shop, “Minakai” under their descendants in Hikone city. There are still many arguments about their failure.

3.4 NPOs

3.4.1 Sanpo-Yoshi Research Institute, Omi-Hachiman city

It was established in 1972 in Omi-Hachiman city among the local members in the region. They are organizing several seminars about Sanpo-Yoshi and issuing news letters monthly. And in their web pages, they have clearly categorized their way of business including marketing methods, labor incentives, mass sales thin profits and mutual assistance in case of disasters.

3.4.2 Sanpo-Yoshi Research committee, Higashi Omi city

This organization is for medical doctor and staffs to spread their idea about Sanpo-Yoshi to their patients and community people. According to them, Sanpo-Yoshi means good for patients, good for medical staff and good for the community. This means good care for the patients must be done not only by the medical staffs but also by the community.

3.4.3 Toyosato Elementary School, Toyosato town, Shiga prefecture

This school is famous for its long history with Sanpo-Yoshi spirit. In 1937, Mr, Tetsujiro FURUKAWA, Senior managing director of Marubeni corporation, donated huge amount of the construction fees, it was almost ten times of the local government annual budget at that time. Now, Toyosato Elementary School has become famous because of the Anime, “K-ON!!” or “Light music”. The anime is attracting younger travelers in this small town. However, they cannot fully use the idea of Sanpo-Yoshi for these younger travelers.

IV. Findings

4.1 A comparison between Sanpo-Yoshi and other ethics

Our study found out some similarities among Sanpo-Yoshi and other business ethics including CSR. In any cases, religious influences such as Buddhism and Cristian are strongly identified. (Mckinney(2016) ,Wolf (2013) et.al) (See table-1)

Table-1: A Comparison between Sanpo-Yoshi and CSR

	Sanpo-Yoshi	CSR
Relationship with community	Return some profits to local society	Commitment of social responsibilities
Philosophy	Altruism	Philanthropism, Pro-poor
Religion	Buddhism	Christianity,
Disaster relief	Disaster prevention and relief	N.A.
Social challenge	Communication with local people	
Environmental problem,	N.A.	Natural environmental conservation, 3R (Reduce, Reuse, Recycle)
Community link	Bottom up	Top down
Expansions of their philosophy	Medical Sanpo-Yoshi (Good for patients, doctors and communities)	Housing constructions by using traditional woods resources

(Source: Adopted by the author from the web sites of Sanpo-Yoshi and CSR etc.)

V. Conclusions and further studies

Several interesting facts were discovered during our study. In general, we can learn new roles of our traditional business ethics. To activate our local economy, good managements of our business ethics are the essential. But it is not perfect and still needs some improvement to activate people's awareness. All the private companies are trying to introduce CSR. However, they do not have strong commitment to the local economy. Consultations between community, local university and local governments could assure more motivate good business environment.

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