

Whither Japan's CSR—Corporate Citizenship in the Post-Great East Japan Earthquake Era

Abstract

Given the growing complexity of globalization, Japan's corporate sector is now reassessing its corporate social responsibility (CSR). This short essay tries to examine today's CSR activities conducted by Japanese companies. Especially, economic and societal rehabilitation in the Tohoku region that was hard hit by the Great East Japan Earthquake and the Fukushima Daiichi nuclear disaster in March 2011 needs soul-searching on further sophistication of Japan's CSR; what can the Japanese business community do for the region as a responsible member of the country?; what can it provide lessons learned based on its past and current experiences among the global business community? To respond these questions, the essay starts with a brief overview of Japan's CSR activities. It then highlights several exemplary companies whose experience can be shared by other firms irrespective of their nationality. Finally, the essay discusses future challenges facing the Japanese companies for their sophistication of global and local CSR.

1. Introduction: CSR—A Brief Overview

1.1 Japan's CSR at a Crossroads

The recent economic developments during the years of 2013 and 2014 have witnessed a robust recovery in Japan's business sector, though the global business climate seems to be being shrouded by darker clouds especially over the South China Sea, Ukraine, and the Middle Near East. Under these precarious circumstances, major Japanese companies are now changing their attitudes in their investment strategies.² These strategies include those of globalization, diversification, and corporate organizational structure to name a few. In other words, Japanese competitive companies are in the middle of readjusting their entire business scope globally.

Undeniably, such task is extremely complex and sometimes intimidating for any company. Therefore, elaboration of global business strategies might need an integrated and systemic approach to each individual and specific issue. In order to capitalize on such integrated and systemic approach, each company has to identify first its own long-term mission and corporate culture as well as its capability and resources.³ Deep deliberation of such long-term mission and corporate culture necessitates reviewing of corporate social responsibility (CSR); with what kind of goods and services, and then how does the company can compete in the global market?

¹ Jun Kurihara (栗原潤) is Research Director (U.S. information and networks) of the Canon Institute for Global Studies (CIGS), (Kurihara.Jun@gmail.com). The views expressed in this essay are those of the author and do not necessarily reflect those of CIGS. The author would like to thank Angela Joo-Hyun Kang, anonymous reviewers and participants at workshops at CIGS and Global Competitiveness Empowerment Forum (GCEF) for comments and helpful suggestions on earlier drafts.

² As for the recent business sentiment of Corporate Japan, see, for example, Development Bank of Japan (DBJ), 2014, "Tokubetsu Anketo, Kigyo Kodo ni kansuru Ishiki Chosa Kekka [特別アンケート 企業行動に関する意識調査結果/Special Questionnaire Survey: An Attitude regarding Corporate Behavior]," August 2014 (only in Japanese).

³ As for the importance of corporate culture, see, for example, Edgar H. Schien, *The Corporate Culture Survival Guide*, new and revised edition, San Francisco, CA: Jossey-Bass, 2009.

Given the unstoppable trends of globalization as well as the political and environmental challenges facing Japanese firms, these companies cannot reevaluate their strategies without required considerations of community agenda that appear at first sight to lie beyond the realm of their business domains and their own nationality. Especially growing cross-border activities, through their global supply chains and business networks, are now forcing Japanese companies to pay attention to business practices and social values in host countries as well as those in their home country, i.e., Japan.

Accordingly, Japanese companies, along with their foreign counterparts, should be more thoughtful about their code of conduct, by striking an optimal balance between their integrated company-wise behavioral principles and their locally customized behavioral guidelines. In other words, in the age of globalization, they have to develop simultaneously their own globally applicable hyper-norms while devising, to a lesser extent, consistent but locally modified norms.⁴

With respect to such hyper-norms, a wide variety of skeptical views remains among academics as well as practitioners. At the same time, there is no solid agreement as for the optimal corporate codes of ethics or universally applicable CSR guidelines.⁵ However, several researchers have identified the imperative nature of CSR, not as a peripheral corporate strategy but as an indispensable one. Luo Xueming, a distinguished professor of marketing at the University of Texas and distinguished honorary professor at Fudan University, and her colleague, Shuili Du, found that CSR programs can make a company more innovative. In order to develop innovative goods and services in the global market, such consideration is a *sine qua non*.⁶ Companies with active CSR activities, according to their arguments, place more importance on their relationships with external stakeholders, including customers, suppliers, nonprofits, and governments. Such relationships give the companies access to a broader body of knowledge, and keep them abreast of swiftly changing customer preference, and rapidly and sometimes mercurially changing technological advancement. Xueming and Du also add another intriguing argument: “The higher the investment on R&D, the greater the stimulating effect, especially on pioneering, or first-of-a-kind, innovations.”⁷

When it comes to a general trend, Japanese companies seem to confer to the arguments developed by Xueming and Du. A survey unveiled by Keidanren (Japan Business Federation) last year indicate that Japanese firms allocate more financial resource for CSR activities. Out of 370 respondent companies, 118 firms or 32% of

⁴ As for the conceptualization of hypernorms, see, for example, Thomas Donaldson, Thomas W. Dunfee, *Ties that Bind: A Social Contracts Approach to Business Ethics*, Boston, MA: Harvard Business School Press, 1999. At the same time, it is of great importance to note that the Integrated Reporting Framework was unveiled by the International Integrated Reporting Council (IIRC) on December 9, 2013 with its aims including (a) enhance accountability and stewardship for the broad base of capitals (financial, manufactured, intellectual, human, social and relationship, and natural) and promote understanding of their interdependencies, and (b) support integrated thinking, decision-making and actions that focus on the creation of value over the short, medium and long term. However, the relationship between CSR and the International Integrated Reporting Framework is now very ambiguous and will be dependent on what kind of accountability and stewardship for social and nature capitals, and what kind of long-term value. See, IIRC, “International <IR> Framework,” December, 2013, p. 2.

⁵ Some experts suggest that in the age of globalization, diversity is of great importance. Therefore, a solid and unanimous agreement on CSR activities is not necessarily required.

⁶ See Luo Xueming and Shuili Du, “Good Companies Launch More New Products,” *Harvard Business Review*, Vol. 90, No. 4 (April 2012), p. 28.

⁷ *Ibid.*; at the same time, as for the intellectually provocative but still controversial concept of Creating Shared Value (CSV), see, for example, the papers entitled “Strategy and Society. The Link between Competitive Advantage and Corporate Social Responsibility,” (*Harvard Business Review*, December 2006) and “The Big Idea: Creating Shared Value” (*Harvard Business Review*, January 2011) written by Michael E. Porter and Mark C. Kramer.

the total suggest that they adopt, or plan to adopt a strategy of CRM (Cause Related Marketing), a marketing strategy integrated the company's CSR programs.⁸

The most pioneering and best known CRM is the one developed by American Express; American Express used the term for the first time in 1983 to raise money to help restore the Statue of Liberty. The company made a one-cent donation to the Statue of Liberty whenever an American Express charge card was used. The result was a spectacular success; an astonishing 45% increase in the number of new card holders and card usage increased by 28%.

A representative case in Japan was a CRM program developed by Oji Holdings. As part of CRM for Nepia, the brand name of Oji's paper products, the firm developed a CSR program in cooperation with UNICEF under the name of the "1,000-toilet project" in East Timor. The program started in 2008 and contributed to upgrading of sanitation facilities in East Timor (see Table 1). For the five consecutive years since 2008, Oji and UNICEF completely reached their financial targets through CRM and build sanitation facilities.⁹

Table 1 Oji's Successful CRM in Cooperation with UNICEF for East Timor (2008~2013)

	2008~09	2009~10	2010~11	2011~12	2012~13
Number of Toilet installed in a House	1,242	1,202	1,208	1,488	n.a.
Number of Sanitation Facilities built at Schools and Other Community Buildings	18	7	7	1	2
Financial Target to Collect to Build Toilets and Related Facilities (Millions of Yen)	20.4	24.4	24.2	10.0	20.1

Source: Oji (see footnote 9).

As noted above, there is no clear agreement regarding what kind of CSR would be among the Japanese business community like the cases of other countries. Accordingly, some skeptics say that in Japan, like the situation in other countries, the conceptualization of CSR remains contested and even confused.¹⁰ There are, however, several companies in Japan that are actively engaged in CSR and allocate a substantial amount of their financial resource for the CSR projects.

Table 2 Japan's CSR: CRS Budget as a Percentage of Ordinary Profit

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
(A) Number of Respondent Companies	332	407	386	351	355	297	288	373	390	370
(B) CSR Budget: % of Ordinary Profit	1.54	1.75	1.38	2.18	1.42	1.87	2.44	1.81	2.46	1.62
(C) Number of Companies with CSR Budget > 5%	21	27	20	27	21	27	26	26	41	20
(C)/(A)*100: Share of Leading Companies (%)	6.3	6.6	5.2	7.7	5.9	9.1	9.0	7.0	10.5	5.4
(D) Number of Companies with CSR Budget < 1%	211	174	169	235	218	150	165	239	183	229
(D)/(A)*100: Share of Average Companies (%)	63.6	42.8	43.8	67.0	61.4	50.5	57.3	64.1	46.9	61.9

Source: Keidanren (日本経済団体連合会(経団連)/Japan Business Federation), "2012-nendo Shakai Koken Katsudo Jisseki Chosa Kekka [2012年度社会貢献活動実績調査結果/Survey on Corporate Social Responsibility Activities, Fiscal Year 2012]," October 2013, p. I-12.

Table 2 shows the number of companies with CSR projects according to the latest survey conducted by the Keidanren (Japan Business Federation). Every year about 20 companies report that they develop their CSR

⁸ Keidanren (日本経済団体連合会(経団連)/Japan Business Federation), "2012-nendo Shakai Koken Katsudo Jisseki Chosa Kekka [2012年度社会貢献活動実績調査結果/Survey on Corporate Social Responsibility Activities, Fiscal Year 2012]," October 2013, p. II-3 (only in Japanese); CRM is defined as "the public association of a for-profit company with a nonprofit organization, intended to promote the company's product or service and to raise money for the nonprofit." (See, <http://nonprofit.about.com/od/glossary/g/crm.htm>).

⁹ As for the details of the 1,000-toilet project, see Oji's website (<http://1000toilets.com/about/>) (only in Japanese).

¹⁰ As for the definition and conceptualization of CSR, see, for example, Jesse Dillard *et al.* eds., *Corporate Social Responsibility: A Research Handbook*, London: Routledge, 2013.

project with the budget size of over 5% of their ordinary profit. These companies regard their CSR activities as “a crucial capital investment, not an operational cost,” as Xueming and Du suggested.¹¹ Of course, it also should be noted that almost over the half of the companies surveyed do not have such aggressive CSR projects.

Setting aside the lack of unanimity of the CSR definition, intensified global competition, mounting pressure on disruptive innovation, and growing complexity of economic and environmental challenges the world society facing have all forced the world business community to develop individual and collaborative schemes to secure the sustainability of the business climate as a global corporate citizen. In this sense, all companies are now expected to devise their CSR programs according to their vision, value, and capability.

1.2 Japan’s Watershed Moment: The 2011 Great East Japan Earthquake and the Fukushima Nuclear Disaster

In Japan, the Great East Japan Earthquake and the Fukushima Daiichi nuclear disaster that took place in March 2011 presented a watershed moment every individual and organization in Japan. Witnessing directly hardships and ordeals people in the Tohoku region were suffering, many Japanese companies tried to devise on their CSR programs an ad hoc basis.¹² At the same time, business organizations developed coordinated schemes to mobilize individual CSR efforts and transform and coordinate them to enhance efficiency and efficacy at industry levels. In addition to collaboration within the business community, Japanese companies tried to develop more effective and efficient CSR activities, and resultantly explored every possibility of collaborative frameworks with other sectors—individuals, hospitals, governments, and NGOs/NPOs.

Table 3 shows that the shares of the CSR budget allocation based on the latest survey conducted by the Keidanren in 2013.

Table 3 Japan’s CSR: Financial Resource Allocation (% of the Total CSR Budget)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Education and Enlightenment	10.0	12.6	16.1	15.9	16.6	17.3	18.8	18.7	11.0	17.7
Culture and Arts	17.4	18.7	16.1	13.2	14.3	14.6	11.6	12.6	8.3	12.8
Science and Research	13.5	14.0	14.2	20.3	14.2	13.2	14.8	16.8	8.9	12.3
Health, Medicine, and Sports	15.4	11.6	13.6	11.8	10.7	12.1	12.7	11.4	8.4	11.0
Environment	12.9	11.5	10.8	9.4	11.6	13.5	12.4	13.9	7.2	10.6
Historical Education for Community	9.5	10.5	10.9	9.1	9.3	10.1	10.9	8.4	5.2	8.1
Social Welfare	7.8	5.8	5.4	5.0	3.9	4.4	5.3	4.9	3.6	5.8
Disaster Relief	0.6	4.2	1.9	1.6	2.9	3.8	2.4	1.4	39.4	9.4
Disaster Prevention	-	0.2	0.3	0.1	0.7	0.1	0.2	0.3	0.2	0.5
NGOs/NPOs Support	0.3	0.2	0.3	0.3	0.1	0.3	0.5	1.0	0.7	0.9
International Exchange	3.2	3.4	2.6	3.2	3.4	3.4	3.0	2.1	1.5	2.0
Human Rights, Human Security	0.4	0.1	0.1	0.3	0.0	0.1	0.1	0.2	0.1	0.2

Note: The total amount of the shares listed in the table does not show 100% because there are several minor segments that are not shown in the table.

Source: Keidanren (日本経済団体連合会(経団連)/Japan Business Federation), “2012-nendo Shakai Koken Katsudo Jisseki Chosa Kekka [2012年度 社会貢献活動実績調査結果/Survey on Corporate Social Responsibility Activities, Fiscal Year 2012],” October 2013, p. 1-5.

¹¹ Xueming and Du, *op. cit.*

¹² Many Japanese companies have published their CSR activities with respect to the disaster relief activities associated with the Great East Japan Earthquake. As for comprehensive documents, see, for example, Keidanren (日本経済団体連合会(経団連)/Japan Business Federation), “Higashi Nihon Daishinsai ni Okeru Keizaikai no Hisaisha Hisaichi Shien Katsuko ni Kansuru Hokokusho [東日本大震災における経済界の被災者・被災地支援に関する報告書/Report on the Japanese Business Community’s Efforts to Support the People and Region after the Great East Japan Earthquake],” Tokyo: Keidanren, March 2013.

According to the data, the figures for the year 2011 show that the Great East Japan Earthquake and related disasters dramatically changed the financial resource allocation for Japan's CSR activities. At the same time, their NGOs/NPOs support among CSR shows a slight increase. This trend, though still not so evidently observed compare with the cases in Western societies, indicates that the range of external stakeholders is now being expanded in Japanese civil society.

Faced with the daunting task to alleviate the hardships and ordeals the northern Japan region was suffering, every individual and organization realized that any individual organization cannot achieve the goal to help the region on its own effort. Accordingly, every sector, at the time of the 3/11 disaster, began to search more effective and efficient through collaboration with other stakeholders.

Collaboration with other stakeholders can enhance the effectiveness and efficiency of CSR by producing complementary effects that are not expected as long as each company sticks to its individual and segregated CSR. At the same time, collaborative CSR, if better developed, would involve better competition of ideas; it would avoid seeking an internally coherent but restrictedly recognized consensus and running the risk of being trapped in the tunnel vision, producing only ineffective and inefficient CSR.

As an exemplary case at the time of the Great East Japan Earthquake, we should note a CSR project of Sompo Japan Insurance. In the middle of the turbulent situation just after the Earthquake, the company quickly identified what one of the company's core competence is, i.e., swift and accurate administrative processing and coordinating ability that is required among the employees of the insurance companies; such swift and accurate administrative function is needed at the time of crisis management. With such competent employees, Sompo Japan devised a collaborative scheme with Cannus Tohoku, an NPO that provides nursing volunteers for those who need care in the Tohoku region (northeastern Japan).¹³

Over three years have passed since the outbreak of the Great East Japan Earthquake and Fukushima Disaster took place; the road to recovery in the Tohoku region, however, still appears to be long and winding. Therefore, Japanese firms have to continue their CSR activities to rehabilitate the region.

In this connection, Sompo Japan Insurance devise a collaborative CSR scheme, named "Michinoku Fukko Jigyo Patonazu [みちのく復興事業パートナーズ/The Michinoku (a.k.a. Tohoku) Reconstruction Enterprise Partners]" along with other companies—Ajinomoto, Isuzu, Kao, Dentsu, Toshiba, and Benesse.¹⁴ Now, Sompo Japan Insurance's CSR efforts are widely known and highly acclaimed among experts. Thus, the company was named as one of the world's most ethical companies for four consecutive years by the Ethisphere Institute, an American think tank specializing in research on the issues of corporate ethics and CSR.¹⁵

¹³ As for the details of this CSR activity, see, for example, the website of Cannus Tohoku (<http://cannus-saigai.jimdo.com/>) (only in Japanese).

¹⁴ As for the details of this CSR activity, see, for example, the website of the Michinoku Fukko Jigyo Patonazu (http://www.michinokupartners.jp/michinoku_partners.html) (only in Japanese).

¹⁵ See, Sompo Japan Insurance, "Sompo Japan Named as One of the World's Most Ethical Companies For Fourth Year In A Row," March 26, 2014 (http://www.sompo-japan.co.jp/~media/SJcms/english/news/2014/e_20140326_1.pdf); see also, Ethisphere Institute, "World's Most Ethical Companies" March 20, 2014, (<http://ethisphere.com/worlds-most-ethical/wme-honorees/>).

Coca-Cola Japan's response is another illustrative example of Japan's CSR at the time of 3/11 disaster. Because of the Fukushima nuclear disaster, all nuclear power plants in Japan stopped generating electricity; pre-earthquake days, nuclear power plants supplied over 30% of Japan's electricity. Accordingly, the post-disaster electricity shortage forced Japan to adopt serious electricity conservation, including rolling blackouts in the Tokyo metropolitan and surrounding areas. This electricity shortage produced extraordinary pressure on companies and shops that utilize vending machine. As one of such companies, Coca-Cola Japan has nearly 1 million machines installed across the country. Coca-Cola Japan tells its CSR activity in response to electricity conservation:¹⁶

Vending machines are an integral part of Japanese culture. . . . These ubiquitous beacons of convenience are as diverse as they are creative. . . . But this modern convenience faced challenges in the wake of the March 2011 Tohoku earthquake and tsunami. . . . Vending machines are a part of that energy need. In 2011, more than 5 million units were installed in Japan, according to the Japanese Vending Manufacturers Association (JVMA). . . . But the machines also raked in \$67 billion in sales during a time when the economy was suffering badly — and despite the crisis, sales dropped only about 2 percent in 2011, according to the JVMA. . . . Coca-Cola has nearly 1 million machines installed across the country, so the scheduled blackouts that took place after the quake were “a really, really critical issue,” recalls Yoshinari Okuyama of Coca-Cola's R&D division in Tokyo. . . . First, the company tried staggering vending machine shutdowns throughout the morning, afternoon and evening, which helped save energy, but didn't keep the beverages cold. “It's kind of defeating the vending machine purpose [to operate this way], and we couldn't keep doing it every summer,” Okuyama says. “So that's how we started Apollo.”¹⁷ . . . Okuyama's team set out to design a machine that could be shut down for up to 16 hours at a time and still dispense ice-cold drinks. It was a goal considered “impossible” at first. . . . The experiment paid off: The machines kept drinks cold while reducing daytime energy use by 95 percent and consuming 10 percent less energy overall than an average machine. . . . Okuyama says. “Will all Coca-Cola vending machines become Apollos? Probably not. But we want to [introduce] as many as possible.”

2. CSR in the Age of Globalization

2.1 Importance of Collaborative CSR and Proliferation of CSR-related documents

The importance of collaboration in CSR activities is now recognized and emphasized not only in Japan but also abroad.¹⁸ Relentless globalization and the rapid advancement in information and communication technologies (ICT) and transportation technologies have made challenges facing human beings more complex and intertwined. Such complexity and intertwinedness of a globalized world have made the capacity of nation states less effective, less efficient, and sometimes time consuming. Though this incapacitatedness of governments does not derive from their own organizational lethargy, therefore governments in the world should strengthen inclusive characteristics of institutional development. And private sectors, especially leading companies that develops cross-border businesses should tackle such global challenges as environmental and human rights problems in tandem with NGOs/NPOs and governments.

Undeniably, such collaborative global networks themselves do not lead to effortless successes. Rather, the majority of such collaborative efforts often proved to be cumbersome and at times abortive.¹⁹ Large transnational companies (TNCs), however, have resources in human, financial, and physical areas.

¹⁶ Coca-Cola Japan, “How the Japanese Earthquake Launched the 'Impossible' Vending Machine,” October 24, 2012 (<http://www.coca-colacompany.com/stories/how-the-japanese-earthquake-launched-the-impossible-vending-machine>).

¹⁷ Cola-Cola Japan put the name of Apollo on the project of Coca-Cola's ultra-energy-saving vending machine development.

¹⁸ As for the effective collaboration, see, for example, Lucian J. Hudson, *The Enabling State: Collaborating for Success*, London: Foreign and Commonwealth Office.

¹⁹ As for the difficulty of developing successful global networks, see, for example, Prashant Kale *et al.* “Relating Well: Building Capabilities for Sustaining Alliance Networks,” in *The Network Challenge: Strategy, Profile, and Risk in an Interlinked World*, edited by Paul R. Kleindorfer and Yoram Jerry Wind, Upper Saddle River, NJ: Pearson Education, 2009.

Therefore, however difficult it may be, these TNCs should take on responsibility, and there should be incentives both obvious and latent to collaborate in the global politico-economic sphere. Accordingly, there rises a need to have good command of communication, both oral and written. In this connection, a vast sea of literature regarding the United Nations Global Compact, the Global Reporting Initiative (GRI), ISO2600, in addition to an integrated reporting standard, International Integrated Reporting Committee (IIRC), is increasingly developed.²⁰

Such proliferation of CSR-related documents, however, leads automatically neither to sophisticating the definition of CSR, nor to more effective and efficient collaborative cross-border CSR activities. Likewise, documentation of CSR activities does not necessarily lead to a better understanding of CSR. Some Japanese experts express problems of the documentation of CSR reporting in Japan. Some CSR reports, often called sustainability report, are criticized as a report that is staple-bound disorderly and inconsistently with CSR activities. Therefore, the reader of such CSR reports hardly understands those companies' philosophy and vision with which they proceed with CSR activities.²¹ Similar skeptical views also exist outside Japan. For example, the "KPMG Survey of Corporate Responsibility reporting 2013," suggests that "Some people say these reports are a waste of time and money, believing them to be so dense and so dull that no one could possibly bother to read them. Others see them as vehicles for corporate "greenwash,"²² an opportunity for companies to exaggerate their social and environmental credentials without any genuine intention to change."²³

The results of the questionnaire survey conducted by NTT (Nippon Telegraph and Telephone) in such countries as Japan, the United Kingdom, Germany, China, and Malaysia, during the month of October 2013 are also of great interest.²⁴ As for sustainability reports, only 7.8% of the respondents affirmatively evaluate the information contained in the reports. 47.6% of the respondents suggest they understand to some extent, while 41.6% say that they cannot understand the information in the report. As for satisfaction after reading the reports, a meager 5.2% suggest they are fully satisfied; 32.1% somewhat satisfied; 38.8% hesitate to reach their conclusion; and 5.4% suggest that they are extremely dissatisfied with the information. The results of this questionnaire survey convey another important message from the reader. First, the readers want to learn not only successes but also failures. Second, they want to know objective data. Third, they dislike ambiguous and abstract descriptions. Those responses should be incorporated and received as constructive feedback.²⁵

²⁰ The relations between CSR Reporting and the International <IR> Framework have been very ambiguous and not yet fully discussed. In other words, the IIRC-proposed Integrated Reporting does not necessarily designed to replace other reporting streams such as CSR, financial, or corporate governance reporting. However, as the concept of social responsible investment (SRI) is sophisticated though discussions and experiences, such relations will take shape in the future. There is much to be discussed in the future.

²¹ As for these problems, see, for example, Zentaro Kamei, "Togo wo Mezasu CSR—Sono Genjo to Kadai [統合を目指す CSR—その現状と課題/CSR in Search of Consistent Integration—Its Current Situation and Challenges]," in *CSR Hakusho 2014* [『CSR 白書』/CSR Whitepaper 2014], Tokyo Foundation, 2014, p. 22 (only in Japanese).

²² Greenwash means "Disinformation disseminated by an organization so as to present an environmentally responsible public image," according to Oxford dictionaries (www.oxforddictionaries.com/definition/english/greenwash).

²³ KPMG, "KPMG Survey of Corporate Responsibility Reporting 2013," December 2013, p. 10.

²⁴ Nippon Telegraph and Telephone (NTT) Group, "Kankyo Shakai Hokokusho Dokusha Anketo [「環境・社会報告書読者アンケート」/Questionnaire Survey on Reports on Sustainability and Social Responsibility]," December 2013 (http://eco.goo.ne.jp/business/event/env_report/web_sympo2013/report01/report.pdf) (only in Japanese).

²⁵ *Ibid.*

2.2 Difference in Corporate Culture Values between Japan and the Rest of the World

In the age of globalization, Japanese companies, along with their foreign counterparts, further their efforts to sophisticate their approach to comprise their CSR reporting. However, Japanese companies should take into consideration differences in corporate culture or values between Japan and the rest of the world. Since these differences are not subject to the issue of which values are more important; comparing corporate values by any vernacular values would be of no importance and produce futile arguments. The most important thing is that we should acknowledge and endorse the existence of such differences, and find non-conflictual and complementarily beneficial ways for global society. In this sense, as a first step, we should grasp accurately differences in values between Japan and the rest of the world.

Table 4 shows an international comparison in relative importance among individual CSR issues. Though such qualitative comparison based on the questionnaire survey have a limited capability to provide a clearer guidance, we have to understand there are differences in value perception among individual countries.

Table 4 International Comparison in Relative Importance among Individual CSR Issues
(% of the total respondents who say that the issue in question is very important)

		Japan	UK	Germany	China	Malaysia
	Organizational Governance	24.7	27.5	24.2	42.0	39.0
Human Rights	Due Diligence	17.8	36.5	38.8	36.1	35.8
	Human Rights Risk Situations	29.5	45.9	50.3	40.5	47.0
	Avoidance of Complicity	19.4	25.3	36.8	33.6	34.7
	Resolving Grievances	25.3	33.2	37.0	38.2	34.5
	Discrimination and Vulnerable Groups	29.8	41.1	46.3	40.7	38.5
	Civil and Political Rights	19.8	32.7	46.8	45.7	36.5
	Economic, Social and Cultural Rights	20.4	30.8	33.9	32.5	40.7
	Fundamental Principles and Rights at Work	31.5	38.2	50.3	43.0	39.2
Labor Practices	Employment and Employment Relationships	36.7	42.6	49.7	36.3	41.9
	Conditions of Work and Social Protection	34.1	46.1	58.8	55.9	42.8
	Social Dialogue	16.9	22.7	30.2	26.4	21.8
	Health and Safety at Work	30.8	55.0	55.7	55.0	59.3
	Human Development and Training in the Workplace	22.2	28.6	23.9	23.4	40.1
Environ- Ment	Prevention of Pollution	41.8	55.2	56.8	61.4	59.2
	Sustainable Resource Use	30.2	40.8	49.0	53.0	43.9
	Climate Change Mitigation and Adaptation	24.9	34.7	43.7	42.0	41.0
	Protection of the Env., Biodiversity and Restoration of Natural Habitat	28.1	43.4	46.8	40.7	50.3
Fair Operating Practices	Anti-Corruption	34.1	46.7	48.6	56.8	58.8
	Responsible Political Involvement	20.9	25.6	28.2	29.8	32.3
	Fair Competition	27.1	29.9	37.0	44.8	39.0
	Promoting Social Responsibility in the Value Chain	15.1	22.1	28.1	31.6	33.4
	Respect for Property Rights	16.8	31.0	37.9	40.4	41.6
Consumer Issues	Fair Marketing, Factual and Unbiased Info. and Fair Contractual Practices	24.8	36.2	36.6	49.1	39.6
	Protecting Consumers' Health and Safety	39.9	47.8	61.2	47.5	58.1
	Sustainable Consumption	20.1	31.7	34.8	31.6	39.0
	Consumer Service, Support, and Complaint and Dispute Resolution	25.4	31.5	30.8	33.4	39.7
	Consumer Data Protection and Privacy	30.6	41.0	51.4	52.9	47.9
	Access to Essential Services	20.7	39.3	40.8	30.2	33.9
	Education and Awareness	19.8	30.3	26.1	23.4	43.9
Community Involvement and Develop- ment	Community Involvement	11.9	21.4	21.7	23.2	32.5
	Education and Culture	12.7	26.6	25.3	28.4	36.8
	Employment Creation and Skills Development	16.5	28.6	29.0	32.5	39.0
	Technology Development and Access	13.3	23.6	26.6	31.1	36.4
	Wealth and Income Creation	13.8	25.5	27.1	32.5	32.3
	Health	16.6	44.3	55.0	42.5	58.1
	Social Investment	14.5	23.2	28.8	26.1	27.8

Source: Nippon Telegraph and Telephone (NTT) Group, "Kankyo Shakai Hokokusho Dokusha Anketo [「環境・社会報告書読者アンケート」/Questionnaire Survey on Reports on Sustainability and Social Responsibility]," December 2013, p. 11.

For example, Japanese have different perceptions regarding several issues associated with human rights. It is also worth noting that despite pervasive practices of corruption, the Chinese respondents in this survey are

very sensitive to corruption. Accordingly, setting aside the issue of how anti-corruption problems in China are solved, we have to bear in mind that perceptions about priorities among agenda vary from one country to another as well as one moment to another.

In addition to differences in value and in prioritized agenda among countries, we have to pay attention to differences among countries in expectations about which organization or individual player should take primarily on responsibility to tackle a challenge.

Table 5 tells that the Japanese respondents in this survey suggest the principally responsible and leading organizations are different in each environmental issue. The respondents in the survey think that Corporate Japan should take on the initiator responsibility to address the issues of (1) industrial waste disposal, (2) water and oceanic pollution, (3) organic compound contamination, (4) noise, smell, and vibration hazards, and (5) energy conservation. On the other hand, the national government is expected to play the leading role in the field of (1) invasive alien species and (2) renewable energy development. Individuals also play an important role as initiators to tackle the problems of (1) garbage piles, (2) 3R (reduce, reuse, and recycle), and (3) eco-friendly lifestyle. It should be noted that foreigners are also expected to take principally on responsibility in the fields of (1) global warming, (2) air pollution, (3) acid rain and deforestation, (4) desertification, and (5) biodiversity. Local governments are expected to play a leading role in stopping the deterioration in rural areas. Finally, NGOs/NPOs are expected to play a supplementary role as smoothing and catalyzing agents.

Table 5 Expectations about Who Is Most Responsible to Tackle Environmental Problems
(% of the total respondents who chose two players that hold the most responsible role in each problem)

Environmental Agenda	Companies	National Gov't	Local Gov'ts	NGOs/NPOs	Individuals	Foreigners
Global Warming	25.5	28.4	2.5	2.5	24.9	58.9
Air Pollution	39.1	27.4	4.4	2.4	10.9	56.0
Acid Rain and Deforestation	26.6	29.0	5.5	3.6	5.7	55.5
Desertification	15.2	27.3	4.5	4.4	5.1	59.5
Industrial Waste Disposal	51.3	27.9	24.6	2.1	7.3	23.6
Water and Oceanic Pollution	40.4	36.1	13.7	2.4	6.9	36.4
Biodiversity	11.4	32.5	8.6	5.8	11.2	44.1
Deterioration in Rural Areas	18.3	32.0	36.2	6.7	20.2	19.1
Organic Compound Contamination	43.8	33.1	16.2	3.1	9.1	29.1
Garbage Piles	34.1	16.0	22.0	2.0	55.2	15.4
Noise, Smell, and Vibration Hazards	43.9	16.6	22.3	2.1	35.2	13.9
Invasive Alien Species	10.7	40.5	9.8	4.8	24.7	37.3
Renewable Energy Development	38.7	47.1	8.3	3.6	5.2	30.7
Energy Conservation	41.3	32.9	7.6	2.7	30.2	23.6
3R (reduce, reuse, and recycle)	36.4	21.6	14.9	4.1	39.9	17.9
Ecolife (Environment-friendly Lifestyle)	23.3	18.3	11.0	5.0	55.3	16.8

Note: The figures typed in bold font designate that the actor is expected to play the most important role to address the problem.

Source: Nippon Telegraph and Telephone (NTT) Group, "Kankyo Shakai Hokokusho Dokusha Anketo [「環境・社会報告書読者アンケート」/Questionnaire Survey on Reports on Sustainability and Social Responsibility]," December 2013, p. 8.

Although there is no appropriate questionnaire survey available conducted outside Japan, one can easily imagine expectations held by other countries are different to some extent from those of the Japanese respondents. As mentioned above, differences in prioritized agenda and in expected responsible initiators between countries might become nagging obstacles at the time of enhancing the levels of cross-border collaboration.

In light of the growing importance and opportunities of alliances for global CSR networks, TNCs are

realizing, on the one hand, the difficulties in managing alliances, and on the other, a capability to manage alliances could become a vital source of competitive advantage for TNCs. Indeed, “research on alliances shows that more than half of them fail, demonstrating the difficulty of managing these relationships.”²⁶ If TNCs sophisticate their relational capabilities for building and managing successful alliances, they can reach out to a wide variety of networks to access complementary capabilities.

3. Wither Japan’s CSR—Novel CSR in Search of Participatory Schemes

3.1 Keen Awareness of Active Participation of All Stakeholders

The preceding sections have argued that Japan’s CSR is now experiencing a sea change after experiencing the tidal waves of the Great East Japan Earthquake and the accompanying Fukushima nuclear disaster, and of relentless globalization. At the time of the 2011 crisis Japanese companies demonstrated an undeniable fact that companies are not a source of troubles but a source of public goods; they can play a principal, if not dominantly leading, role to provide swiftly and efficiently emergency support in disaster-hit regions. In addition, the previous section has revealed that a growing opportunities of global CSR networks that embrace the risks and rewards of complementary alliances with other stakeholders. It has also reminded that proliferation of CSR-related documents and the existence of international differences in prioritized agenda and in expected responsible initiators.

This concluding section will discuss novel types of CSR for Japanese companies. Such CSR would be accompanied with a keen awareness of active participatory schemes in which all stakeholders try to sophisticate continuously CSR programs and associating networks to achieve goals. Accordingly, strong leadership and effective and continuing two-way communication are important.

3.1.1 Leadership toward both Internal Stakeholders and External Collaborators

To launch any type of organizational change, leadership is required. It plays an indispensable role to mobilize every participatory effort in integrated and coordinated fashion.²⁷ Zentaro Kamei, director of policy research at the Tokyo Foundation, in a recently publish report on CSR, points out the fact that the implementation of Japan’s CSR has been excessively dependent on the leadership exercised by the head of the company or the team members of the CSR department or section in the company, leaving other members within the company to maintain a pervasive “let-George-do-it” attitude.²⁸ Such observations are understandable and well received, but any type of leadership cannot avoid such cumbersome tasks when any type of organizational change is needed.

²⁶ Prashant Kale *et al.*, *op. cit.*, p. 353.

²⁷ As for the relationship between leadership and organizational change, see, for example, Edgar H Schein, *Organizational Culture and Leadership*, fourth edition, San Francisco: Jossey-Bass, 2010; see also, Sander G. Tideman, *et al.*, “Sustainable Leadership: Towards a Workable Definition,” *Journal of Corporate Citizenship*, Issue 49 (March 2013), pp. 17-33, Keith Grint, “Problems, Problems, Problems: The Social Construction of ‘Leadership’”, *Human Relations*, Vol. 58, No. 11 (November 2005), pp. 1467-1494, and Sandra J., Sucher, *The Moral Leader: Challenges, Tools, and Insights*, London: Routledge, 2008, Manfred F.R., Kets de Vries, *Reflections on Character and Leadership*, Chichester, West Sussex: John Wiley & Sons, 2009.

²⁸ Zentaro Kamei, *op. cit.*, p. 22.

In addition, as Joseph Nye, Jr., a prominent political scientist at the Harvard Kennedy School (HKS), says, “Leadership is an art, not a science.”²⁹ The most important challenge in the CSR context is whether individual or collective leadership within the company can transform the “let-George-do-it” attitude into a “can-do” attitude by dexterously inspiring the hearts and minds of all the stakeholders and nurturing the esprit de corps among followers. In other words, combined efforts made by leadership and stakeholders’ active participation should elaborate an integrated and coordinated approach with which CSR activities address such social challenges as the climate change and poverty reduction.

3.1.2 Continuing Two-way Communication

Successful CSR, in addition to an important but elusive element of leadership, needs a sophisticated organizational structure, i.e., continuing two-way communication. In this connection, many observers look to an important approach to sophisticate any project is PDCA (plan–do–check–act or plan–do–check–adjust), an iterative four-step management method. This PDCA is extremely important in the area of CSR.³⁰ The Bridgestone Group, a prominent Japanese tire maker, considers CSR to be a core component of management and announces that “CSR activities are conducted in the PDCA (‘plan,’ ‘do,’ ‘check,’ ‘act’) cycle for achieving the goals of the Plan so that they are an integral part of that process.”³¹ In this connection, Table 6 shows an interpretation of the questionnaire survey results conducted by the Tokyo Foundation that was published in July 2014. The Tokyo Foundation collected responses from 218 companies regarding their CSR activities.³²

Table 6 Existence of an Independent CSR Section and Balancing between Plan and Act (Difference in Organizational Structure and Implementation, % of the total; Number of Respondents)

CSR Issues ↓	Organizational Structure (%)				Balancing between Plan and Act (number of respondents)					
	With CSR Section		No CSR Section		Japan			World (outside Japan)		
	CSR in Japan	In the World	CSR in Japan	In the World	Plan	Act	P-A	Plan	Act	P-A
Human Rights	91	73	91	75	132	146	▲	98	84	○
Eradicate Extreme Poverty and Hunger	60	50	81	56	20	31	▲	59	74	▲
Improve Maternal Health	95	89	82	50	154	150	○	38	48	▲
Abolish Child Poverty	77	53	88	47	36	50	▲	64	75	▲
Promote Gender Equality	95	88	96	62	149	144	○	63	62	○
Combat HIV/AIDS and Other Diseases	89	67	82	67	57	62	▲	52	61	▲
Ensure Environmental Sustainability	100	83	100	83	193	200	▲	134	140	▲
Preserve Cultural Landscape	86	74	79	71	129	154	▲	58	74	▲
Figure/Table of the Source Document	F. 12	F. 13	F. 12	F. 13	T. 2	T. 2		T.2	T. 2	

Note: ○ designates that the number of Japanese companies that planned CSR activities in the issue exceeds the number of those that implemented it; which is construed that the CSR issue is well discussed and sophisticated through feedbacks. In contrast, ▲ designate the opposite situation where companies implement CSR with relatively fewer feedbacks. See the original source pp. 246-247.

Source: Tokyo Foundation, *CSR Hakusho 2014* [『CSR 白書』/CSR Whitepaper 2014], Tokyo Foundation, 2014, pp. 246, 248 (Figures 12 and 13, and Table 2).

Kamei says that “From whatever the viewpoint, either individuals or companies, importance lies in the processes where discussions over pros and cons take place. . . but, I came to learn that in the case of Japan’s CSR, importance is being placed solely on the implementation process not on the discussion processes.”³³ The

²⁹ Joseph Nye, Jr., *The Powers to Lead*, New York: Oxford University Press, 2008, p. xii.

³⁰ Zentaro Kamei, “Nihon no CSR ga Chokumensuru Kadai to Tembo [日本の CSR が直面する課題と展望/Challenges Facing Japan’s CSR and A Future Prospect],” in *CSR Hakusho 2014* [『CSR 白書』/CSR Whitepaper 2014], Tokyo Foundation, 2014, p. 246 (only in Japanese); see also Kanji Tanimoto, “Structural Change in Corporate Society and CSR in Japan,” in *Corporate Social Responsibility in Asia*, edited by Kyoko Fukukawa, London: Routledge, 2010.

³¹ The Bridgestone Group (<http://www.bridgestone.com/responsibilities/csr/overview/index.html>).

³² Tokyo Foundation, *CSR Hakusho 2014* [『CSR 白書』/CSR Whitepaper 2014], Tokyo Foundation, 2014, pp. 234-305.

³³ Zentaro Kamei, “Togo wo Mezasu CSR—Sono Genjo to Kadai [統合を目指す CSR—その現状と課題/CSR in Search of Consistent

Foundation is concerned with the organizational structure, i.e., whether the company has an independent department or section. At the same time, the Foundation is also concerned with the PDCA cycle, especially, the relationships between P (plan) and A (act) because such P-A relationship plays a key role for improvement of CSR activities through dense discussions and feedbacks.

Table 6 suggests that the organizational structure of Japanese companies does not necessarily provide any obstacles against CSR implementations. But, Japanese companies tend to pay more domestic CSR issues rather than outside Japan; such CSR issues as (1) eradicate extreme poverty and hunger, (2) improve maternal health and (3) abolish child poverty, though such kind of phenomenon might be observed and accepted favorably in any country.

As for the P-A relationship and consideration of feedback, Japanese companies seem to have a judicious stance toward CSR activities, though repeated planning, in the areas of (1) improve maternal health and (2) promote gender equality in Japan, and outside Japan, in the areas of (1) human rights and (2) promote gender equality. Though further in-depth studies are to be required, we can safely say that Japanese are making efforts to familiarize such CSR areas as human rights outside Japan and gender equality promotion.

At the same time, we have to look closer to the cases regarding CSR activities conducted by Japanese firms in the areas of (1) human rights in Japan, (2) ensure environmental sustainability both at home and abroad, and (3) preserve cultural landscape in Japan. In those areas, the number of companies engaged in implementation exceeds that of those companies in planning. But those areas are the ones Japanese companies have long been engaged in. Accordingly, it would be early to jump at a hasty conclusion that Japanese companies have made effort insufficiently to leave much room to be improved. In order to discuss these issues further in-depth studies would be needed.

3.2 Japan's CSR—The Bottom Line

Having observed briefly the current situation surrounding Japan's CSR and examined international differences in prioritized agenda and in assumed leading players as well as future prospects for Japan's CSR, we now move to the examination of the bottom line of the current CSR activities conducted by Japanese firms.

Table 7 in the next page shows an interpretation of the same questionnaire survey to which Table 6 referred. This time, Table 7 looks to methods employed in each CSR issues, i.e., (1) utilization of goods and services provided by the company itself, (2) support for CSR activities conducted either by NGOs/NPOs or a kind of consortium comprising various kinds of stakeholders, or (3) financial donation by using the ordinary profit of the company.

As Table 7 tells us, dominantly employed CSR methods vary from one CSR issue to another, though most companies usually adopt the method of (2), i.e., supporting for CSR activities. In other words, they try a

bandwagon method by utilizing external networks and resources. For example, CSR activities in improving maternal health in Japan, 80% of the respondent companies adopt this bandwagon method. Similarly, with the purpose of gender equality promotion, 81% of the Japanese companies adopt the same method.

However, it would be interesting to note that tackling the issue of maternal health improvement outside Japan; Japanese companies rely on financial donation, i.e., the method of (3); 57% of the Japanese respondent companies adopt the donation method. Such difference in method employed in the same CSR issue provides an intriguing possibility for explanation of this difference, though further surveys and analyses would be required. In short, within Japan, because of its geographical familiarity, Japanese companies find other stakeholders and/or like-minded companies that are seeking similar CSR activities. On the other hand, because of paucity of information and networks outside Japan, Japanese companies find it difficult to adopt the same method, which would force them to the method of (3), i.e., being dependent on financial donation. In the similar vein, Japanese companies would adopt the donation method overseas in the areas of (1) eradicate extreme poverty and hunger, (2) abolish child poverty, and (3) preserve cultural landscape.

Table 7 Japan's CSR: the Bottom Line (% of the total respondent companies)

CSR: Methods and Evaluations →	CSR Methods						CSR Results					
CSR: Geographical Position →	Japan	World	Japan	World	Japan	World	Japan	World	Japan	World	Japan	World
CSR Issues ↓	(1) Utilize Goods and Services		(2) Support for Activities		(3) Financial Donation		(a) Business Expansion		(b) Human Resources		(c) Improved Image	
Human Rights	8	9	74	70	15	17	6	8	57	53	23	23
Eradicate Poverty and Hunger	20	21	32	18	41	44	15	15	27	27	38	38
Improve Maternal Health	6	17	80	17	9	57	7	7	60	60	25	25
Abolish Child Poverty	16	13	39	25	39	51	5	5	27	23	48	48
Promote Gender Equality	4	9	81	67	9	17	7	8	63	57	22	25
Combat HIV/AIDS and Other Diseases	33	25	41	28	19	40	26	23	22	19	27	37
Ensure Environmental Sustainability	29	31	48	47	19	19	32	32	21	21	27	25
Preserve Cultural Landscape	15	14	22	25	53	54	14	13	20	20	52	53
Figures in the original report	F.16	F.17	F. 16	F. 17	F. 16	F. 17	F. 20	F. 21	F. 20	F. 21	F. 20	F. 21

Note: The figures typed in bold font designate the most dominant method and results among answer choices.

Source: Tokyo Foundation, *CSR Hakusho 2014* [『CSR 白書』/CSR Whitepaper 2014], Tokyo Foundation, 2014, pp. 252, 255 (Figures 16, 17, 20, 21).

Usually, it would be extremely difficult to match needs emerging from a CSR activity with supply of the company's own products or services. Accordingly, few companies find appropriate goods or services internally supplied by them; though not a dominant method, in several field, some companies find themselves their internal goods or services applicable directly for their CSR activities; such CSR issue are (1) Combat HIV/AIDS and other diseases (33% of the respondent companies utilize their products or services as Table 7 shows), (2) ensure environmental sustainability (29% of the companies adopt this method), and (3) eradicate extreme poverty and hunger (20% of the respondent companies use it).

The method of utilizing the company's own products has less relevance in supplying those product, which in turn a geographical differences between Japan and the rest of the world is relatively less conspicuous compared with the case of improving maternal health as explained above.

3.3 Successful Japanese CSR Activities: Exemplars

3.3.1 Successful CSR Activities closely connected the Main Business Activities of Companies (CRM)

We now look at concrete results of CSR activities very briefly. First, several Japanese companies have reaped the benefit of CSR activities by combining them with marketing, especially in the field of ensuring environmental sustainability. As is explained before, a strategy of CRM (Cause Related Marketing) proves to be effective. The following are several exemplary cases developed by Japanese companies. The following cases are successful CSR programs well known both at home and abroad.

- (1) One of the best known companies in this field is Toyota as spearheaded by Prius. The company says that “Toyota hopes to offer cars with superior features in terms of environmental, safety and quality performance, while also offering the intrinsic appeal of cars, such as driving performance, at an affordable price.”³⁴
- (2) The Bridgestone Group is also noted for its retreading tires. Retreading involves removing used tire treads and applying freshly vulcanized new treads so that the body of the tire can be reused safely.³⁵
- (3) In addition to the automobile industry, Japan’s housing industry has been actively engaged in CSR activities in energy conservation. For example, Sumitomo Forestry’s Smart Houses have capacity not only to use efficiently electricity but also to generate electricity, store it, and then employ IT to use it efficiently.³⁶
- (4) Furthermore, the food processing companies also actively develop their own CSR activities. For example, Meiji, one of Japan’s representative confectionery maker support agroforestry activities in Brazil, by developing its “Agroforestry Chocolate” made from agroforestry-grown cacao. The term “agroforestry” is being used without a clear and unified definition. But agroforestry-related CSR has been recognized gradually by Meiji’s effort. According to Meiji, by using cacao grown in this way, the company “is helping regenerate the Amazon’s forests.” And it has “dispatched research personnel to Brazil to conduct joint research on technology for cacao fermentation processing.”³⁷
- (5) Active CSR has not been confined to the environmental area. The better known among the world community is a product developed by Sumitomo Chemical, Olyset Net. According to Sumitomo Chemical, “It has revolutionized the global fight against malaria. Protecting nearly 800 million people since it received WHO recommendation in 2001; the highly durable and award-winning LLIN (long lasting insecticidal net) uses hybrid polymer and controlled insecticide release technology to repel, kill and prevent mosquitos from biting for up to five years.”³⁸

3.3.2 CSR Activities Closely Integrated with the Company’s Business Capabilities and Its Mission

Finally, the essay suggests two promising directions in which Japanese companies can pursue with illustrative examples that show the importance of the integration between CSR and the company’s business capabilities and its mission and values.

The first example is with regard to the water pollution problem. Since ancient days, Japan has been blessed with ample water resources and appreciated its vital importance because of its blessing. Therefore, Japanese companies have developed technologies to keep clean water resources available anywhere and at any moment. Asahi Kasei has developed a product named “Microza”—highly efficient, precise filtration, durable module, with a possibility of being deployed in various liquid separation, filtration, and purification processes. Asahi Kasei suggests that the world is now suffering serious water resource problems, “including water pollution

³⁴ Toyota, “Sustainability Report 2013,” September 2013. p. 20.

³⁵ Bridgestone, (http://bridgestone.com/products/technologies/retread_technology/index.html).

³⁶ Sumitomo Forestry, (<http://sfc.jp/english/information/society/highlights/index.html>).

³⁷ Meiji, (<http://www.meiji.com/english/csr/society/>).

³⁸ Sumitomo Chemical, (<http://sumivector.com/mosquito-nets/olyset-net>).

problems in China and tighter drinking water regulations in North America.”³⁹ Therefore, the company is “determined to advance the use of “Microza” to help provide solutions to the world’s water problems.”⁴⁰

The second example is Shiseido’s CSR. The cosmetics company’s CSR is extremely promising. Undeniably Japan’s untapped resource is its female labor force. Japan with its aging population and mounting public debt, devoid of its natural resources, has to look to active participation in Japan’s socio-economic activities. Under such circumstance, the company’s unique CSR is expected to bring brilliant new breeze to the world. According to Shiseido, it “aspires for CSR to create a beautiful society that will be sustainable well into the future by everyone related to Shiseido. Shiseido's social responsibility is based on the basic concept of "Our Way," established under our corporate initiative of "Our Mission, Values and Way." The following "three commitments of Shiseido CSR" are three focal CSR activities that Shiseido will address toward 2020 in order to resolve social issues.”⁴¹

The Women-and-Cosmetics-centered CSR approach devised by Shiseido poses an exemplary approach for other company (see Table 8).

Table 8 Shiseido: The Identification of Social Issues That Can and Should Be Tackled by Shiseido

	Social Issues	What Shiseido Can Do	Commitment for 2020
Women and Cosmetics	[International Society] Eradication of poverty Promotion of gender equality and women’s status Health of pregnant and parturient women reduction of child mortality rate Achievement of universal primary education [Japanese Society] Response to declining birthrate and aging society Realization of gender-equal society	Accumulated knowledge of women’s beauty and health or support women taking active role by using experience as a company promoting gender equality	Provide Support
Culture	Response to values that seek emotional peace of mind and or enrichment rather than material affluence	As a company that has continuously valued aesthetic sensibility, support realizing a fulfilling and enriched society through support of culture and the arts	Create Beautiful Culture
Environment	Curb global warming and reduce CO ₂ reduction Response to resource depletion and resource saving Response to biodiversity	Various activities that connect a beautiful and enriched lifestyle and the environment through manufacturing	Promote Environmental Activities

Source: Shiseido (<http://www.shiseidogroup.com/csr/promise/>). (Slightly modified for simplification by the author, regarding the third column).

Shiseido does recognize a wide variety of social issues that should be tackled by present human beings. However, each issue presents a daunting task that is beyond the capability of any organization on the globe—even the omnipotent and seemingly omniscient United States government cannot achieve completely its goals, which are ranging from maintaining world peace to poverty reduction even in the United States. Based on such wisdom that every individual or organization cannot be satisfied with its completion of goals, Shiseido tries to concentrate its focus specifically on the areas closer concentrically to the core businesses of Shiseido and pour its resources, both internal and external, into the its prioritized agenda listed in Table 8.

³⁹ Asahi Kasei, CSR Report 2013, November 2013, p. 17.

⁴⁰ *Ibid.*

⁴¹ Shiseido, (<http://www.shiseidogroup.com/csr/promise/>)

Conclusion

This short essay has examined briefly the past and present circumstances surrounding Japan's CSR and also described its characteristics. After the 2011 complex, and natural and manmade disasters triggered by the 3/11 gigantic earthquake, Japanese socio-economy has suffered various types of hardships and ordeals. In order to overcome such difficult time, all stakeholders in Japan should integrate and coordinate their efforts to revitalize Japan's socio-economic structure. These efforts are now urgently needed because of the fragile fiscal position of the Japanese government, and rapidly advancement of the aging population. Accordingly, Japan's CSR activities are expected to make an enormous contribution for Japan.

At the same time, feeble fiscal conditions, aging society, and required enhancement of disaster prevention and recovery strategies, all issues are closely connected with current Japanese CSR activities. Therefore, the applicability and universality of Japan's CSR can be expanded enormously if active communication can be achieved on a global scale. Furthermore, in the age of globalization, challenges will have more complex and diversified. And such diversity in turn will produce various opportunities to develop diversified approaches to meet such challenges. Therefore, Japan's diversified CSR activities will deserve the accolade of being innovative approaches. For this very reason, the individual company in Japan should accurately identify the possibilities and limitations of internal and external capabilities and resources. Through such continuing identification of possibilities and limitations, the company can sophisticate its long-term business purposes and its fundamental philosophy closely integrated within the company. With firm conviction of its basic values and business goals, the Japanese company can identify what kind of CSR the company can devise and develop complementary business and CSR networks on a global scale.

This short essay has also confirmed that many Japanese companies have the potential to sophisticate and expand effective and efficient CSR activities for the welfare of human beings, given the growing trends of globalization and diversification. As this essay recognized at the outset, the conceptualization of CSR remains contested and even confused. And researchers around the world try to sophisticate the concept and redefine CSR activities. In the age of globalization, several competent companies to which this short essay referred will make a not a small contribution to a clearer conceptualization of CSR approaches in the 21st century.⁴²

The short essay ends with cautiously optimistic comments that Japanese companies will devise its own indigenous CSR strategies. After having learned from successes and failures of the conceptually and intellectually simulative CSR strategies developed, in particular, by other companies including both Asahi Kasei and Shiseido, Japanese companies will painstakingly and strenuously devise their unique but potentially universal CSR approaches with its constraints well acknowledged by themselves, and develop their proposition about hyper-norms for CSR in the age of globalization.

⁴² As for current sophistication efforts in CSR areas, see, for example, Kyoko Fukukawa, ed., *Corporate Social Responsibility and Local Community in Asia*, London: Routledge, 2014, Wayne Visser, *CSR 2.0: Transforming Corporate Sustainability and Responsibility*, London: Springer, 2014, Kumiko Kondo, *Kigyo no Komunikeshon Noryoku* [『企業のコミュニケーション能力: 仕事は単語、キャリアは言語、CSRとCSVは文法』/Japan's Communication Ability: Task is Words, Career is Languages, and CSR and CSV are Grammars], Kyoto: Nakanishiya Shuppan, 2013, and Sunji Kobayashi and Hiroo Takahashi, eds., *Gurobaru Kigyo no Keiei Rinri CSR* [『グローバル企業の経営倫理・CSR』/Global Business Ethics and CSR], Tokyo: Hakuto Shobo, 2013.