Article

Relationship between the Japanese CSR Activities and the Companies’ Business: An Approach from the Forest-Related Activities of Japanese Enterprises

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ABSTRACT

According to society’s demand for the companies’ commitment to the social responsibilities and public responsibilities, Corporate Social Responsibility (CSR) is gaining increased attention. CSR is defined variously and even currently there is no definitive definition that can pinpoint what CSR is. This is due to the CSR concept emerging out of varying conditions depending on the individual country or region, and that it is also strongly subject to the backdrop of the period. This study targets the CSR in Japan. The purpose of this study is to clarify the significance of CSR activities, to describe the characteristics of forest-related activities of Japanese companies, and to discuss how the relationship between CSR and business should be. About the significance of CSR activities, the survey results are as follows: 1) The significance of CSR activities for companies includes to enhance their reputation and to establish their corporate brand. 2) CSR is unclear in its profitability despite its costliness in time and funds, and disregarding eco-efficiency, it falls short of evidence in how it may benefit the company. 3) The relationship between CSR and competitiveness is issues and the dialogues with diverse stakeholders become complex and unclear. 4) Japanese companies are especially inclined to view social contribution through business, namely the provision of products and services to the society, as CSR. Reflecting this view, CSR is referred to as “a social contribution through business; nothing out of the ordinary” in Japan. On the other hand, 62% of the companies have been involved in some kind of forest-related activities and much participation to forest-related activities in industries other than forestry and related industries. The objectives of investing in forest-related activities also varied from activities related to business operation such as materials procurement, to forest conservation, CSR, employee education, regional contribution and biodiversity conservation. So, these activities are more CSR-like in nature. These interests in forest-related activities are the characteristics of Japanese CSR activities. These survey results showed that the actual state could not be sufficiently captured in the CSR concept of “social contribution through lines of business.” In conclusion, the current mainstream concept of CSR “social contribution through business” must be separated into the narrow sense and broader sense and defined individually. In order to promote environmental efforts including forest-related activities, CSR in the broader sense also needs to be evaluated and accordingly it must be incorporated into the core of the management strategy. In order to realize this, internal and external requests by the diverse stakeholders and new incentives would be necessary.

Keywords: (Japanese) CSR, Japanese enterprise, forest-related activities, companies’ business

INTRODUCTION

As the existence and continuation of a company have been evaluated and justified by its efficient performance of economic obligations and the level of achievement of economic benefits, its economic functions have long been prioritized over governing functions and social functions.

Social and environmental activities and community contributions apart from their lines of business are not the foremost issue for a company. However, given the current situation that asks for sustainability to be placed at the core of management (Itoh, 2004), economical, governing, and social issues that concern the continuation and prosperity of the company must be resolved by the company itself. Drucker (1957) and Hart (2005) argue that companies have a greater potential than governments and civil societies to lead the world to a sustainable direction, if their profit-pursuing activities were directed in such a way, in cooperation with the NGOs, government, and international organizations. The conditions for corporate continuation under the global environment age are, firstly, to have the foresight to discern long-term, global environmental problems, and secondly, to coexist with the society with the sensitivity to capture the changes in civic values, and thirdly, to have the power to overcome constraints that allows for flexible response to changes in natural environment and reforms of social system (Seto, 2000). Today, business administrators are challenged to conduct management on a dual pillar of economic and social aspects (Itoh, 2004), and a company must consider social fairness and environmental issues as well as profitability by establishing a sustainable management system demanded by the markets (Kiriuchi, 2007).

Suzuki (1992) classifies corporate responsibilities broadly into three types. The first type is a company’s responsibility to efficiently meet its economic functions, i.e. the economic responsibility. Secondly, a company owes a responsibility to use due care in fulfilling its economic functions in relation to the changing social values and priorities—the social responsibility. Thirdly, a company takes on the public responsibility, which is a newborn responsibility that will arise out of the company’s expanded future commitment to be involved in active improvement of social environments. Under these circumstances, Corporate Social Responsibility (CSR) is gaining increased attention. The increased interest in CSR can be seen as the society’s demand for the companies’ commitment to the social responsibilities and public responsibilities.

MATERIAL AND METHOD

As many institutions and scientists pointed, CSR is defined variously and even currently there is no definitive definition that can pinpoint what CSR is. This, as subsequently will be explained in detail, is due to the CSR concept emerging out of varying conditions depending on the individual country or region, and that it is also strongly subject to the backdrop of the period.

EC (2001) described CSR as the ‘companies’ voluntary integration of social and environmental concerns in their business operations and interaction with their stakeholders beyond what is legally required and expected.” The European Parliament (2007) adds that “CSR policies should be promoted on their own merits and should represent neither a substitute for appropriate regulation in relevant fields, nor a covert approach to introducing such legislation.” WBCSD (1999), assuming diversity in the content of CSR according to company, defines it as “the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society.”

Looking Japan, in the Nihon Keizai Shimbun (1974), CSR (Kigyo-no-Syakai-teki-Seikin) is defined as “to responsibly fulfill the functions the company is or should be responsible for socially.” It also gives its three elements: “to not harm the society,” “to fulfill the fundamental function of a company” and “to actively and widely contribute to the improvement of social environment such as participating in and/or cooperating to the resolution of social problems” beyond the frame of a company’s fundamental functions. Kawaguchi (2007) defines CSR as “understanding the company in which you are employed at from the inside and out, and reconfirming that understanding.”

As such, CSR is presently given a broadly diverse definition. However, the two common keywords found in many definition suggestions are “triple bottom-line (1. Economy, 2. Environment and 3. Society)” and “stakeholders” (Umida, 2006) and the elements typically included are “sincerity,” “accountability” and “transparency.”

The next is about the background of the emergence of CSR. Countries and regions have developed their own views on CSR. In this study, cases of Japan, Europe and the U.S. are separately explained referring to Suzuki (1992), Fujii (2005), Seto (2000) and Umida (2006).

In Europe, the CSR developed in the backdrop of serious unemployment issues associated with the establishment of the EU. In contrast to the interest of Japanese enterprises centering on environmental concerns, CSR in Europe deals with a wide range of social and human rights issues. Furthermore, Europe still carries political responsibility for their former African colonies, and an issue of developing countries is one of the pillars of CSR in Europe.

CSR in the U.S. centers on returning profits to the community, with which Japan is familiarized from trade friction experiences. The characteristic of American CSR is described as “philanthropy × community.” As such, CSR is more commonly referred to as “corporate community service” in the U.S. While CSR in the U.S. developed under the social condition that calls for societal contribution, philanthropy and addressing diversity, after the Enron incident in 2001, the focus of interest has shifted to corporate governance.

CSR in Japan provided the purpose of a company as the creation of clients, and based on Drucker’s concept that profit is its result, integrated the American marketing concept (i.e. consumer-oriented management principle), human relations
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theory (i.e. labor-management cooperation management principle), a view of the heterogeneous society (i.e. management principle with balanced social authority and responsibility) and the combination of a better productivity movement and nationalism (i.e. economic nationalism), developing a uniquely Japanese theory of social responsibility (Suzuki, 1992). In addition to heavy political focus on environmental problems caused by pollution, and due to corporate scandals accounting for most legal violations, CSR in Japan is unique in a way that the term is used synonymously with compliance with laws and regulations. Ogawa (2007) pointed the aspect of the corporate ethics becomes stronger connected with the concept of the internal control. CSR in Japan is also characteristic that the ISO triggered the interest in CSR. By packaging the inherent problems of companies into the loanword "CSR," they attempted to give it social propulsion. On the other hand, the political theory that shapes the centerpiece of CSR has been dropped off in the process of casually introducing CSR to Japan (Fujii, 2005).

Given the variation in the meaning of CSR and the background of its emergence by country and region, this study targets the CSR in Japan. The basic part of this study consists of literature reviews of CSR theories regarding Japanese CSR and aims to clarify the significance of CSR activities. This is followed by describing the characteristics of forest-related activities of Japanese companies. Finally, this study discusses how the relationship between CSR and business should be and how forest-related activities based on CSR should be undertaken.

The method of study centers on literature research concerning CSR theories and shall be discussed in reference to the results of a questionnaire survey titled “CSR Activities Relating to Forests.” Subject corporations of the questionnaire survey were extracted from two surveys “Environmental Brand Survey 2008” and the “11th Environment-Conscious Management Survey.” The top 100 companies were selected from “Environmental Brand Survey 2008.” In consideration of industrial balance, 30 companies were selected from manufacturing, 10 companies were each selected from sectors of non-manufacturing 1 (retail, food service), non-manufacturing 2 (finance), non-manufacturing 3 (trading), non-manufacturing 4 (transportation), non-manufacturing 5 (warehousing, real estate, others), non-manufacturing 6 (communications, service), electricity and gas, and construction, thus sampling a total of 110 companies from “11th Environment-Conscious Management Survey.” Out of these 110 companies, 32 companies overlapped with the 100 companies sampled from EB, making the total number of subject companies 178.

The period of the questionnaire survey was from August to September 2008 and the response rate was 39% (69 companies out of 178). The contents of survey were about corporate forest-related activities, emission trading activities, and the activities of A/R CDM.

**RESULTS**

Significance of CSR Activities for Companies

CSR is based on the recognition of society, and thus is subject to change whenever there is a change in economy and society (Fujii, 2005; Suzuki, 1992). Therefore, social responsibility

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1 The survey was conducted by Nikkei Business Publications ECO Management Forum. The subjects of this online survey were general consumers (Responses: 20,233). 560 target companies were selected primarily from top sales enterprises in different industries. The major index was “Environmental brand indices” which consists of the degree of exposure to environment-related information, as well as the environmental communication index, environmental image index and environmental evaluation index.

2 Annual survey of Nikkei, conducted from 1997, targeting companies for questionnaire responses. Respondent companies include companies listed on JASDAQ and other publicly-held companies, and non-listed major companies. The main index is “Environmental management score,” which evaluates management system, long-term goals, anti-pollution measures, resources recycling, product measures, global warming efforts, and office.

3 The Clean Development Mechanism (CDM) is a political measure based on the Kyoto Protocol imposing emission reduction goals for greenhouse gas (GHG) on industrialized countries. Based on the CDM, industrialized countries will undertake GHG emission reduction programs in developing countries, for which credits (CER Certified Emission Reduction) are issued according to the resulting reduction amount and shared among the participants. The target of A/R CDM (CDM for GHG absorption) is afforestation (tree planting in areas which have not been forested for over 50 years) and reforestation (tree planting in areas which have not been forested since 1990). Fukushima (2006; 2009) and Fukushima and Nakajima (2008), drawing on the results from interview surveys on relevant A/R CDM actors and onsite surveys they conducted in Fiji and Madagascar, pointed out the limitations of political promotion concerning A/R CDM under present rules.
is not performed by companies without a general principle, but is carried out in a way that social problems are resolved for the maximization of profit. In order to understand CSR, the modern society must first be understood, which specifically means to gain an insight into the society as well as consider the company itself in terms of its value, integrity as an organization, and its external influence. Business management that places foresight as the most important requirement for corporate survival must also undertake pioneering management without depreciating such changes in values (SETO, 2000). If CSR is simply conceived as "to follow rules and to be sincere" without including the socio-structural context such as the changes in role-sharing between government and companies and the direct impact of the developing countries' social governance issues on corporate activities, its essence is forgotten.

The significance of CSR activities for companies includes to enhance their reputation (UMEDA, 2006) and to establish their corporate brand (TAKA, 2004; FUJI, 2005; ITOH, 2004). These two consequentially points in the same direction. This is because while A) CSR undertakings minimize the risks of scandals that hurt corporate brand and of conflicts with civil society, companies can also B) enhance their corporate brand to make it more appealing for stakeholders through CSR activities. In addition, if C) CSR can improve employees' risk awareness and sensitivity, it can remove risk elements (brand risk, brand liabilities) in the stakeholders' trading with the company with the said corporate brand value. This will consequently contribute to the sustainability of the company. In such a way, CSR in recent years is rather more commonly positioned as a concept that evolves and innovates the management itself (ITOH, 2004). CSR introduces control from a multilateral perspective to corporate strategies, which tend to be pursued under the single standard of profit, and thus may contribute to enhancing management quality (MINATO, 2007).

What is required of a company is to reposition the corporate brand in the its social composition and to reconfirm and reestablish the corporate brand in the broader social term (FUJI, 2005). CSR activities should be regarded as an opportunity of 'dialogue' for polishing and enhancing corporate brand (ITOH, 2004).

Challenges in CSR

As such, CSR has now become a vital, socially-demanding element for sustainable growth of the company. However, on the other hand, CSR is accompanied with a variety of challenges such as those listed below (FUJI, 2005):

Against these challenges, several essential elements for successful CSR have become apparent:

The above items in need of improvement are all crucial. To develop CSR in the future, it is necessary to proceed with concept diffusion, promotion of commitment and establishment of partnership.

For companies, in relation to the significance of participating in CSR, the relationship between CSR and competitiveness is also a great concern. The correlation between the progress of CSR and the performance as a subject of investment remains unproven (TAKAOKA, 2004). Whether the CSR activity leads to improved competitiveness or not depends greatly on how it is approached, and to use CSR for the competitiveness of the company, CSR efforts must be incorporated in all lines of business (FUJI, 2005). With only social contribution as the standpoint, CSR will not be long-lasting with limited budget. Even when the company has ample budget at time of good performance, if a turn of the tide implicates immediate budgetary reduction, CSR will contain vulnerabilities in continuance and scale. The rapid subsiding of

<table>
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<th>Table 1 The Challenges of CSR</th>
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<td>• CSR is unclear in its profitability despite its costliness in time and funds, and disregarding eco-efficiency, it falls short of evidence in how it may benefit the company.</td>
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<td>• CSR requires great efforts including adaptation to new ways of operation in relation to the introduction of CSR and restructuring of the organization.</td>
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<td>• There are not enough information and examples of actual approaches by companies.</td>
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<td>• Consideration of environmental and social impacts of the company and the dialogues with stakeholders may become both complex and unclear.</td>
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<td>• The borderline of responsibility is unclear – Which part of the organization, geographically and/or in terms of supply chain layer, should be held responsible?</td>
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<td>• Stakeholders must be identified according to the issue.</td>
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<td>• Priorities in CSR approaches include those conflict each other.</td>
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<td>• Companies that cannot afford to participate in CSR due to lean budget and companies that do not place much importance in reputation may become involved in activities that contradict CSR.</td>
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<td>• The term 'CSR' itself is, in particular, unapproachable to small-to-medium scale companies.</td>
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<td>• State governance and the rule of law are weak in developing countries, and thus there is a shortfall in socially-underpinning facilities. Moreover, stakeholders are also powerless without sufficient funds.</td>
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Source: Created by author referring to FUJI (2005).
the philanthropy movement and mecenat, which became a trend in the 1990s, reflects this problem. Therefore, in order to make CSR effective and sustainable in terms of developmental contribution, it is inevitable that CSR be positioned as a part of the actual lines of corporate business (FASID, 2008).

**Relationship between CSR and Business**

In the increasing interest in CSR, companies have come to acknowledge that CSR, which was previously considered a mere cost factor to clear pollution regulations in the same line as environmental efforts, is a management risk indispensable as an element of corporate value and that the capital injection to CSR is not a cost but an investment (Itoh, 2004). Besides, the CSR demanded today is not of the nature that unilaterally imposes burden on the companies. Instead, in CSR, companies seek to effectively use their management resources on the resolution of local problems and the support of socially vulnerable people with the understanding and cooperation from citizens, consumers, and employees, while exploring stronger competitiveness (Taka, 2004). Under such conditions, the recognition that the “CSR management is a necessity to facilitate corporate governance. A fair and open corporate management is now an important element in earning credibility from the clients and market,” has become increasing prevalent.

In 2003, Keizai Doyukai (Japan Association of Corporate Executives) conducted a survey concerning the specifics of CSR for Japanese companies.

The results of the survey revealed that Japanese companies are especially inclined to view social contribution through business, namely the provision of products and services to the society, as CSR.

Reflecting this view, the Nikkei CSR Project Office (2004) referred to CSR as “a social contribution through business; nothing out of the ordinary.” Under the circumstances where there is a strong trend of companies combining social contribution and their lines of business (FASID, 2008), the question here is “how” business is to be conducted (Fumi, 2005). Faced with environmental problems to which everyone is subject, companies are expected to take on a major role in combating such problems. Consideration of CSR includes reviewing the production system and business system for the 21st century, and involves issues of corporate philosophy and environmental ethics (Iwabuchi, 2000). Umeda (2006) argues that to contribute to the fair and sustainable growth of the society and economy in the lines of business that use the company’s abilities and resources may be the objective of the
CSR Japanese companies should aim for.

Indeed profit is not an objective but a means of continuing business activities (KAWAGUCHI, 2004), but for companies whose primary reason for existence is to exert its economic functions, it cannot completely escape from the pursuit of self-interest even in the name of social contribution. Companies use the efforts to process environmental problems, the "external diseconomy," with "business logistics" while exploring the approaches to global environmental problems and organizational re-creation on their own responsibility. In future community contributions, a practice of contributing to the community in their business activities is expected even from the aspect of off-market value creation. This stands on the nature of the CSR that as long as CSR mirrors social crises, regionality cannot be disregarded from CSR, as observed in the concept developed in the U.S. In consideration of the above, the idea of "discerning self-interest" (UMEDA, 2006) will be an answer to "how" business should be conducted.

On the other hand, it is becoming increasingly difficult to draw a clear line between the actual lines of business and social contribution activities. However, regardless of whether the activity is based on the company's image boosting strategy or eco-business development, as long as it is tangibly effective for environmental conservation, such activities cannot be denied and eliminated as companies are naturally bound by the capitalistic market economy logic (SUZUKI, 1992). CSR must also contribute to corporate growth as well as render service to the society's sustainable development (FUJII, 2005). Otherwise, corporate approaches to CSR themselves are not sustained. For companies, environmental efforts are also an opportunity for attaining further growth. What is necessary is active encouragement from the citizens' (movement's) side and that citizens develop the power to do so, and thus environmental conservation can be promoted as part of corporate responsibility. In doing so, it should be publicized that company-driven environmental efforts are a corporate responsibility in and of themselves.

However, the reality of CSR in Japan is that CSR is directed solely towards compliance with laws and regulations, namely the ethical responsibility. This is largely due to the fact that consumer interests are focused on limited subjects and that it is difficult to appropriately communicate corporate efforts to consumers. Abiding by laws and ordinances is a prerequisite that comes before the discussion of social responsibility (SUZUKI, 1992). The point that it was the Japanese consumers' conception that popularized the idea among companies that compliance with laws and regulations is the pivot of CSR suggests that the citizens' awareness must change. CSR is a corporate social responsibility that also needs to transform into a "citizens' social responsibility" (TAKA, 2004). Without citizens paying attention to corporate undertakings, evaluating them and taking actions based on that evaluation, corporate activities founded on social responsibility cannot be sustained. Present exertion of corporate social responsibility is lead by corporate leadership, but inevitably CSR will go through the discussion of citizens' social responsibility that calls for the understanding and cooperation of citizens.

The Results of the Questionnaire Survey "CSR Activities Relating to Forests"

The above sections dealt with the review of the theory of CSR in Japan. Through identifying the current status of the forest-related CSR activities, I will discuss its relationship with companies' business at the next section. I implemented the questionnaire survey "CSR Activities Relating to Forests," focusing on the corporate forest-related activities, emission trading activities and the activities of A/R CDM, from August to September 2008. The survey result is as below:

1) About CSR, 60% of companies responded as "CSR being a business opportunity" and "Non-implementation of CSR being a business risk." 2) 62% of companies are involved in forest-related activities in some way, irrespective of industry. 3) About the interest in the carbon sinks in relation to the Kyoto Protocol, domestic forest conservation activities achieved most interest from companies (41%) but 20% of companies are interested in overseas afforestation/reforestation (sink CDM). 4) 23% of companies have purchased emission credits, and 67% of companies have the high level of interest in carbon offsets. 5) About A/R CDM, 71% of companies have high recognition but 75% of companies are at the "Information collecting stage" with regard to participation.

In this paper, the important survey result is about B) Forest-related activities. While significant differences are observed in the content of activity, in terms of target country/region, area of activity and investments, the survey result revealed that 62% of the companies have been involved in some kind of forest-related activities or are planning to take part in such activities. Furthermore, much participation to forest-related activities is also observed in industries other than forestry and related industries. The objectives of investing in forest-related activities also varied from activities related to business operation such as materials procurement, to forest conservation, CSR, employee education, regional contribution and biodiversity conservation. Forest-related activities, other than materials procurement, such as employee education and regional contribution are more CSR-like in nature.

DISCUSSION

Based on the literature study and the results of the questionnaire survey above, I will discuss the relationship between CSR activities and the lines of business found in Japanese companies, as an approach from corporate forest-related activities.
A) CSR
- Over 80% of companies have created environmental reports and implemented environmental accounting since around 2000
- Nearly equivalent number of companies responded as "CSR being a business opportunity" and "Non-implementation of CSR being a business risk," accounting for 60% combined.

B) Forest-related activities
- 62% of companies are involved in forest-related activities in some way or plan to be involved, irrespective of industry
- Most activities take on a CSR-like quality.

C) Interest in the carbon sinks in relation to the Kyoto Protocol
- Domestic forest conservation activities achieved most interest from companies (41%)
- 20% of companies are interested in overseas afforestation/reforestation (sink CDM)

D) Emissions trading (As buyer)
- 23% of companies have an interest in emissions trading
- Interest in carbon offsets is high (67%) regardless of emissions credit purchase
- Common reasons for interest are CSR-conscious, such as stakeholder trends

E) Recognition of and participation in sink CDM
- High recognition; 71% of companies responded as "I know very well" or "I know about it"
- However, 75% of companies are at the "Information collecting stage" with regard to participation, and that leaves a limited number of companies who are participating in a more active role

Fig. 1 Summary of CSR Survey Results
Source: Created by author based on survey results.
Relationship between the Lines of Business and Forest-related CSR Activities

TAKA (2004) categorized CSR into three phases: (1) Compliance in a narrow sense, (2) Practice of ethics (compliance in a broader sense), and (3) social contribution. CARROLL (1991) categorized corporate social responsibility into four groups: a) Economic responsibility, b) legal responsibility, c) ethical responsibility, and d) charitable responsibility. The a) economic responsibility is the base of the social responsibility pyramid, with d) charitable responsibility on the very top.

Normally, a company would consider Phase 1 and a part of Phase 2 in Taka's (2004) categorization as targets that require actions to fulfill their corporate social responsibilities, in relation to the company's lines of business. In CARROLL's categorization, a) economic responsibility and b) legal responsibility fall in that range. Given this perception, a conclusion "forest-related activities and corporate lines of business are remotely related" can be drawn. This means that the actual state revealed by the survey, i.e. that many companies have an interest in forest-related activity or have already participated in such activity, cannot be sufficiently captured in the CSR concept of "social contribution through lines of business," advocated by Taka (2004) and many other researchers. Therefore, this study defines CSR as "social contribution activities through and beyond the lines of business." The philanthropy and mecenat, which became a boom in CSR activities in the 1990s, are activities categorized in Phase 3 of the Taka (2004) categorization and d) charitable responsibility in CARROLL's (1991) categorization. These activities themselves can be valued as corporate activities and can be recognized as a CSR activity using the above definition provided that it is a social contribution activity that goes beyond the lines of business.

Among environmental activities required of a company, it goes without saying that measures of environmental protection in the lines of business come first in line. To give an example, promotion of GHG emission reduction and energy-saving in plants and offices through introducing regulations and technical development would be a measure in the lines of business. Another example would be to develop and deliver environmentally friendly products. On the other hand, there are criticisms of the CSR activities of Japanese companies where activities "beyond lines of business" tend to attract more attention and are thus implemented. A criticism in this regard is not based on the non-performance of these projects, which are fundamentally charitable activities, but on the tendency to restrict the amount of monetary investment because there is no requirement of scale. In fact, along with the collapse of the bubble economy and the demise of the boom, most philanthropic and mecenat activities disappeared. Another criticism from an environmental perspective argues that companies should concentrate on social contributions relating to the lines of business, such as "producing environmentally friendly products" and "reducing GHG in the course of production" as mentioned previously.

As such, the range of the lines of business has been discussed as being the economic and legal responsibilities, but considering that no company would do without paper in their course of business, forest-related activities can be associated with the lines of business in this sense. Philanthropy and mecenat, categorized in the said charitable activities, lead to the establishment of a corporate brand, and in broader terms that could also be considered to be in the lines of business. To what extent Taka (2004) and other studies perceive 'lines of business' is not explained and therefore this exposes the limit of the CSR theories presented by Taka and other studies.

To overcome this limit, it is necessary to consider the range of the lines of business and CSR in portions. In relation to this, there are numerous suggestions to be also found in literature published in 2003, the so-called 'first year of CSR (in Japan),' and earlier. STEINER (1975) divided social responsibility into two categories "internal social responsibility" and "external social responsibility," and defined that the former is obligatory responsibility and the latter as responsibility beyond that. Similarly, TSUCHIYA (1991) presented the division "duty responsibility" and "response responsibility." MORIMOTO (1994) made the division "social responsibility in the narrow sense" and "social responsibility in the broader sense" and included legal responsibility, economic responsibility, and institutional responsibility in the former while adding spontaneous activities in the latter.

In the light of the above, the current mainstream concept of CSR "social contribution activity through the lines of business" advocated by Taka and others must be separated into the narrow sense and broader sense and defined individually.

Forest-related activities discussed in this study are basically activities beyond the lines of business (except in the case of paper and lumber companies), it shall be categorized as CSR activity in a broader sense. Traditionally, as pointed out in numerous studies, activities that go beyond CSR in a narrow sense (but fall under CSR in a broader sense) have not developed in investment scale. The survey results prove that while the high interest in forest-related activities was considered favorable in the light of promoting this field, the scales of projects and investments varied by company and were not significant. In the future, in order for a company's forest-related activity as CSR projects to be conducted in an 'appropriate' scale (the scale of activity considered 'appropriate' is determined by the society at the time and therefore specific numbers will not be given here), as one direction, there needs to be a change in recognition that activities categorized as CSR in broader terms are included in the range.
of social responsibilities taken on by companies and in correspondence with that change CSR must be incorporated into the core part of management strategies.

However, while such a flow may promote forest-related activities of an 'appropriate' scale, it may also work in the direction of decreasing forest-related activities without clear intentions, such as those intended to be used as environmental PR. If observed only from the perspective of forest conservation and recovery this may not be the desired direction, but considering the positioning of CSR activities in Japanese companies in general, and from a longer-ranged perspective of the sophistication of individual activities, such a shakeout shall be considered inevitable and not a matter to be denied.

I would like to state another point regarding the direction CSR will have to take in the future. This is drawn from the "sustainable growth" concept, a factor facilitating the increase of interest in CSR. That is to say, even for the company who is expected to contribute to creating a sustainable society, "sustainability" is an element required in every aspect including management and thus CSR should be considered in a longer span. In view of all that, activities aimed at establishing a corporate brand that were previously undervalued in the conventional short-term timeline may be considered to contribute to the company’s sustainable growth in the light of a longer span, and consequently be given more weight in business strategic aspects. This has great possibilities in terms of encouraging forest-related activities categorized under CSR in broader terms that extend beyond the narrow sense, with an additional advantage of being able to accommodate the long-term nature of forest-related activities.

Toward the Promotion of Environmental Efforts through CSR

In order to promote environmental efforts including forest-related activities, CSR in the broader sense also needs to be evaluated and accordingly it must be incorporated into the core of the management strategy. In order to realize this, internal and external requests and new incentives would be necessary. Here, I would like to especially focus on the diverse stakeholders, a characteristic of CSR, and in particular, review and discuss this in relation to climate change and forest-related activities.

CSR in Japan has been led by the initiatives of economic bodies, such as the Nippon Keidanren (Japan Federation of Economic Organizations) and Keizai Doyukai, and some multinational companies (Goto, 2007). On this account, guidelines provided by the Nippon Keidanren and Keizai Doyukai have great impact on companies. For example, Nippon Keidanren established the 1% Club in 1990, encouraging spontaneous spending of 1% or more of the company's ordinary income and disposable income on social contribution activities. This is an introduction of efforts conducted in the U.S., where there is a 3% Club and 5% Club. An establishment of a 3% Club and 5% Club under the Nippon Keidanren would boost CSR activities. At the initiative of Nippon Keidanren, various social action programs, relating to environment, social welfare, education, international cooperation and so on, have been conducted (The Committee of Promotion of Philanthropic Activities of Nippon Keidanren, 2008). As for the activities of biodiversity which has received a lot of attention in recent years, Nippon Keidanren takes a leading role in the activities by domestic companies. It announced "Declaration of Biodiversity by Nippon Keidanren" in March 2009, which is for the International Year of Biodiversity in 2010. This initiative led to the actions of Japanese companies (Kohsaka and Tokuyama, 2009) as below:

- 90% of companies considered biodiversity as a topic which needed to be taken into consideration in management decisions.
- 80% of companies were involved in the field of nature protection and biodiversity conservation, and 74% of companies were involved in the field of nature education.
- The companies referred to nature protection (74%), nature education (56%) and biodiversity conservation (38%) in corporate policies or management policies.

What is required of citizens, including consumers, is to put pressure on corporate activities in the form of public opinion and to check and evaluate CSR activities. The development of the "Corporate Social Responsibility" into the "Citizens' Social Responsibility" advocated by Taia and Nikkei CSR Project (2004) has significance in backing such a reform of recognition. "Diversity" would become an increasingly important keyword (Keizai Doyukai, 2006) and citizens would be required to evaluate the individualization and differentiation in corporate activities. Therefore, citizens need to cultivate the ability to make decisions not easily influenced by mass media.

NGO activities that play a part in citizens' activities and the role of Social Responsibility Investment (SRI) are both indispensable elements in the promotion of CSR. NGO activities are not substantially active in Japan, and although its scale is gradually expanding, the scale of SRI is insignificant compared to those of the U.S. and Europe. In the U.S. and Europe, SRI implementation organizations do not limit their activities to investment but also offer meaningful company rankings to common consumers. This, of course, has great meaning for companies subject to ranking. For companies to position CSR activities at the center of their strategy, such encouragement from external factors is required.

Other influential factors include stockholders and the local residents who claim environmental development in the vicinities of company plants. The Nikkei "CSR Ranking" mentioned previously, and the "Environment Ranking" by the Sustainable Management Forum of Japan and Shiga Bank — the number of evaluation approaches are still small, but such approaches are expected to play a more active role in the aspects of CSR evaluation and diffusion. Furthermore, as
pointed out by CHAPPLE and MOON (2005) and FORTANIER and KOLK (2007), multinational companies tend to have stronger interest in CSR. A pioneering role as an opinion leader is expected of multinational companies.

Lastly, this study offers a discussion based on an approach from a particular sector, namely the forest-related activities. Approaches from other sectors would be reviewed in the future.

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LITERATURE CITED


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