

JAPAN'S CORPORATE SOCIAL RESPONSIBILITIES CARRIED OUT THROUGH CULTURE AND THE ARTS

– THE POTENTIAL UNLOCKED BY PROVIDING SOCIAL INCLUSION FUNCTIONS –

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SUMMARY

- Promoting the concept of social inclusion, which aims to create a society that accepts people with differences and respects those differences, could be an effective means by which Japanese companies can support culture and the arts and, at the same time, create corporate value.
- Culture and the arts are considered to be the building blocks of a social foundation that opens up opportunities to participate in society for children, young people, the elderly, people with disabilities, the unemployed, foreign residents, and other groups, and there is believed to be further room for Japanese companies to be involved in culture and the arts and to promote social inclusion through their involvement.
- With social unrest spreading across the globe in the wake of the COVID-19 pandemic, Japanese companies' involvement in culture and the arts can be focused on expanding educational outreach activities and promoting social inclusion centered around human resource development. This type of approach could enable them to make further contributions to society, while continuing to maintain consistency with corporate business that emphasizes international harmony as well as diversity & inclusion.

1. INTRODUCTION

The spread of the COVID-19 pandemic has caused social unrest around the world. In a report published in March 2021, the UK private research organization EIU (Economist Intelligence Unit) highlighted unrest as a risk factor for the global economy, stating "Given the negative effect of the pandemic on incomes and quality of life, a spike in unrest is possible in 2021, including in traditionally more stable Western states and long-standing authoritarian regimes".¹ In addition, in the 24th Annual Global CEO Survey conducted in January and February 2021 by the UK accounting and consultancy firm PwC, the percentage of the 5,050 CEOs from 100 countries and regions who cited social unrest as a "lingering anxiety" rose from 18% in 2020 to 28%.

What can companies do in such a situation? This report focuses on the fact that culture and the arts, areas in which Japanese companies, in particular, have long been involved as part of their social contribution activities and have a role to play in promoting social inclusion. It also looks at the potential for companies to further contribute to solving social issues as members (partners) of society themselves.

¹ Economist Intelligence Unit, *Global risk – Widespread social unrest weighs on the global recovery* (<https://gfs.eiu.com/Article.aspx?articleType=gr&articleid=3534>)

2. JAPANESE CORPORATE INVOLVEMENT IN CULTURE AND THE ARTS AND SOCIAL INCLUSION FUNCTIONS OF CULTURE AND THE ARTS

2-1 The involvement of Japanese companies in culture and the arts – From patron to partner

While the involvement of Japanese companies in culture and the arts extends to the following three facets, there are no clear dividing lines between them and a large degree of overlapping.²

- 1) Marketing through culture (cultural marketing): The use of cultural events and aspects to promote sales of products and services, and to form a corporate image, and other purposes.
- 2) Marketing of culture (cultural commercialization): Establishment of cultural facilities, and investment in culture-related industries, etc.
- 3) Contributing to culture (mécénat)³: Activity arising from a sense of cultural responsibility with no expectation of a direct return.

It appears that Japanese companies, including their founders, have traditionally tended to direct their cultural support towards the supply side, such as artists, organizations, and facilities⁴. In response to changes in the economic and social environment resulting from factors such as recession and natural disasters, companies have undergone a change in attitude from being patrons to partners, and their focus has extended to the demand side as well such as audiences and other consumers of culture. According to the Mécénat Report 2019 conducted by the Association for Corporate Support of the Arts⁵, while the basic purpose of cultural support activities is to “support art and culture”, an increasing number of Japanese companies cite the objective of “connection to company business and creation of corporate value”. This is also related to the fact that a stronger engagement is required to the core business from the perspective of ESG, which has become increasingly important in recent years. Some are of the opinion that business opportunities exist where social significance and economic value overlap, and that strategies tailored accordingly will support medium to long-term corporate growth.⁶

In the same survey, “building relationships with local communities” was the top focal point in relation to “Points of focus in connecting to company business and creation of corporate value” (Figure 1). Formerly, corporate stakeholders had referred to people with a direct interest such as shareholders, customers, and employees, but now that there is need for management being conscious of broader multi-stakeholders, the local communities in which companies operate represent one of their core stakeholders.⁷ Social contributions made by Japanese companies through culture and the arts are often realized through facilities rooted in the community such as art galleries, museums, theatres, and concert halls, as well as through exhibitions, shows, and performances at

² Yasuo Ito (2019), “Mesenat (Corporate Cultural Support) Theory”, *Current Culture Policy 2* edited by Mari Kobayashi, University of Tokyo Press, p.149

³ A French term, derived from the name Maecenas, who was a counsellor to the Roman Emperor Augustus and a patron of literature and the arts. From ancient times, through the Renaissance and the absolutist era to the present day, nations, wealthy citizens, and companies in Western Europe have acted to safeguard their culture.

Source: Association for Corporate Support of the Arts (https://www.mecenat.or.jp/ja/about_mecenat/council_history)

⁴ There is no shortage of examples, including in the field of music, the Itoya Youth Band (predecessor of the Tokyo Philharmonic Orchestra) founded in 1911 by the Ito kimono shop (the present-day Matsuzakaya Department Store); in the world of theatre, the Takarazuka Group (the present-day Takarazuka Revue Company) founded in 1913 by the Minoarima Electric Railway (today’s Hankyu Electric Railway); in the field of traditional performing arts, the Shochiku Company oversaw all Kabuki performances at large theatres in 1929; and in the field of fine arts, Shojiro Ishibashi (founder of Bridgestone) built and donated the National Museum of Modern Art, Tokyo in 1969.

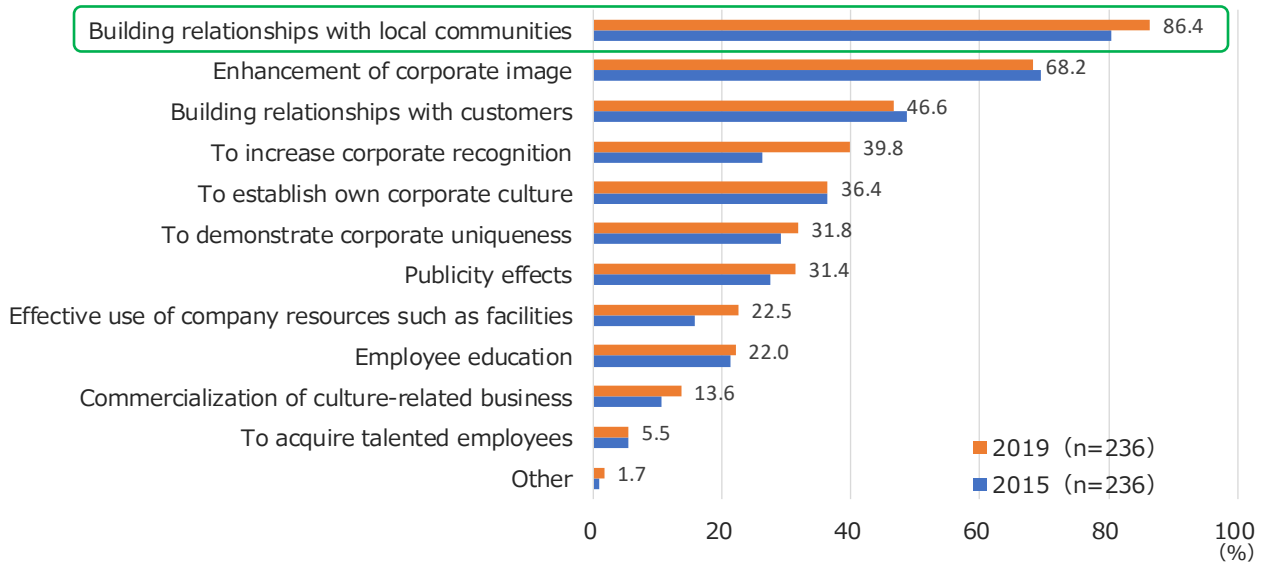
⁵ Established in 1990 with input from France’s Association pour le Développement du Mécénat Industriel et Commercial (ADMICAL), and similar organizations. It has a current membership of 150 Japanese companies and organizations.

⁶ “Contributing to Society is Also a Company’s Duty”, Reiko Akiike, Co-Chairperson-Japan, Boston Consulting Group, World Without Pax” *Nihon Keizai Shimbun* March 7, 2021

⁷ For example, Johnson and Johnson is renowned for the establishment of “Our Credo”, which embodies the core values of the company, and states that its responsibilities are to its customers first, its employees second, the local and world communities third, and its shareholders fourth. (<https://www.jnj.co.jp/about-jnj/our-credo>)

these facilities, and there are therefore strong connections with the local community. Growing interest in such activities among companies is expected.

Figure 1: Points of focus in linking to company business and creating corporate value



Source: Created by MGSSI based on the Mecenat Report 2019 by the Association for Corporate Support of the Arts

2-2 Promoting the social inclusion role of culture and the arts

What kind of roles, then, do culture and the arts play? The Japanese government has defined culture and the arts as public assets imparting social benefits (external), including sources of growth in a mature society, bringing national prestige, deepening attachment to local communities, having a spillover effect on periphery business, and values to be passed down to future generations. It also explains that culture and the arts can be the building blocks of a social foundation that opens up opportunities to participate in society for children, young people, the elderly, people with disabilities, the unemployed, foreign residents, and other groups, and that attention has recently been focused on their role in promoting social inclusion.⁸ This role in promoting social inclusion is also attracting attention among experts in the field of culture and the arts.⁹

Social inclusion is a concept originating in Europe which aims to create a society that accepts people who are different and respects those differences.¹⁰ Social inclusion is considered along with social exclusion in social policy and welfare policy with the aim of empowering minorities who are excluded from participation in society (empowering individuals to realize their potential) and, at the same time, raising awareness of the issue among the majority. It is close to the concept of “social capital”¹¹, which refers to the networks of shared norms, values, and understandings that facilitate cooperative relationships within or among groups.¹²

In Japan, too, there is a strong relationship between social inclusion and social welfare, and it has come to be discussed as a policy issue. The first domestic study on social inclusion is said to be the Report of the Commission on Social Welfare for People in Need of Social Support, which was published by the former Ministry of Health and Welfare in December 2000. While welfare policy had until then targeted primarily poverty, the report pointed out that in the present day, issues to be covered by welfare policies include social exclusion and

⁸ “Basic Policy on the Promotion of Culture and the Arts” (Cabinet approval obtained February 8, 2011). Revised May 22, 2015.

⁹ Nobuko Kawashima (2020) “‘The Value of Culture’ and Museums – Relation to Economy, Social Inclusion, and Happiness”, “The Museum in the New Age” Nobuko Kawashima, Mari Kobayashi, Masaomi Tsuchiya, Minerva Shobo, pp. 50-73, and other sources

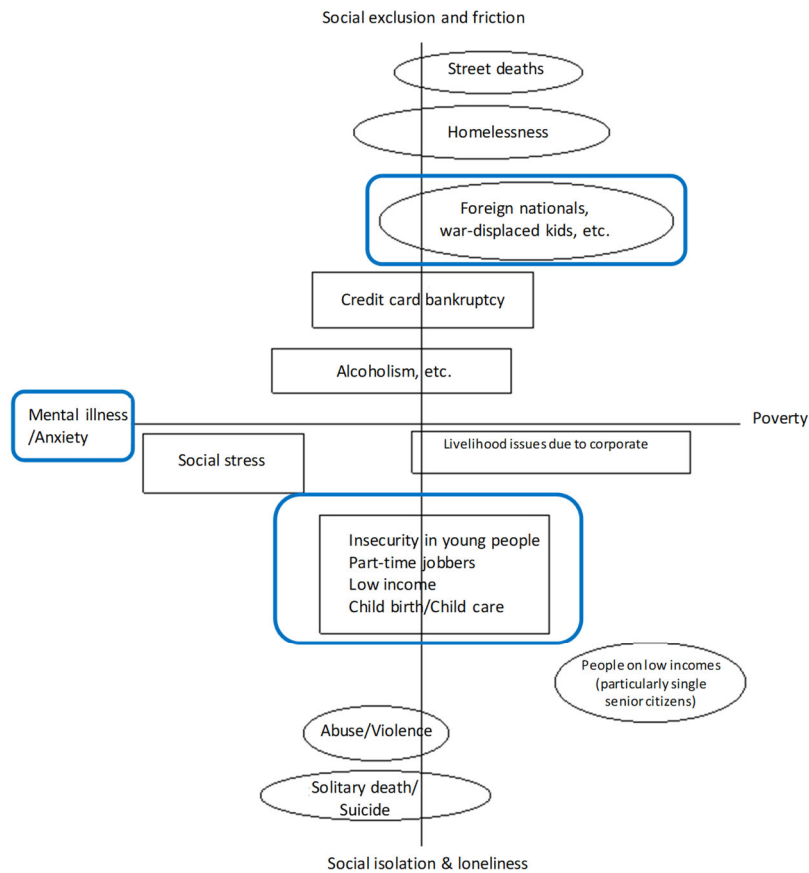
¹⁰ *Les Exclus: Un Français sur dix* by Rene Lenoir (1974) shed light on the issue. The European Union (EU) continues to attach great importance to social inclusion, and it is included as the fourth of the five priority areas for investment under its “Cohesion Policy in 2021-2027” (1) Smarter Europe, 2) Greener, carbon free Europe, 3) More Connected Europe, 4) More Social Europe, 5) Europe closer to citizens), which aims to correct economic, social, and regional disparities and achieve overall growth within the EU.

¹¹ “Social capital is defined by the OECD as “networks together with shared norms, values and understandings that facilitate cooperation within or among groups””. Source: OECD (2007) *Human Capital - How what you know shapes your life*, p.103

¹² Miho Nakamura (2018) “Cultural Policy and Social Inclusion”, op. cit. (footnote #2), p.90

friction, mental or physical disability and anxiety, and social isolation and loneliness, therefore overlaps and complications among these issues are also observed (Figure 2).

Figure 2: Social welfare issues in modern-day society



Note: The issues on which this report is focused are framed in blue by the author.
 Source: Ministry of Health and Welfare (2000) *Report of the Commission on Social Welfare for People in Need of Social Support*

Although policy measures have been introduced to reduce and mitigate social exclusion since then¹³, the problem is thought to have become more serious recently with the onset of the COVID-19 pandemic.¹⁴ There are four areas of policy that address various issues in relation to social inclusion: 1) employment, 2) income¹⁵, 3) citizenship¹⁶, and 4) individual support for excluded persons. It is cultural policy that demonstrates its true worth in the case of 3) citizenship, and 4) individual support for excluded persons.¹⁷

¹³ For example, one of the objectives of enhancing Japanese language training for foreign nationals is to prevent foreign residents from being excluded from Japanese society.
 Source: Prime Minister’s Office “Comprehensive Measures for Acceptance and Coexistence of Foreign Nationals” (revised 2020) pp.22-23

¹⁴ For example, with respect to social isolation and loneliness, in February 2021, the Japanese government appointed a minister of loneliness, and established an isolation and loneliness countermeasures office within the cabinet. Liaison and coordination meetings on measures to combat isolation and loneliness are held for the purpose of recognizing individuals’ social unrest, and considering and implementing, on a government-wide basis, holistic and effective measures to tackle the problems of loneliness and social isolation, which are being exacerbated. (https://www.cas.go.jp/jp/seisaku/kodoku_koritsu/pdf/konkyo1.pdf)

¹⁵ 1) Employment and 2) income are sometimes referred to as elements of “economic inclusion” and are discussed separately. A specific example is “universal basic income”, which is a fixed amount of income paid to every citizen. In January 2021, the World Bank published its “State of Economic Inclusion Report 2021– Potential to Scale” through the Partnership for Economic Inclusion, which promotes a wide-range of cooperative relationships among national governments, NGOs, research institutes, the private sector, and other bodies. The report reveals that in a world with over 700 million people facing extreme poverty, economic inclusion programs that seek to boost incomes and build assets are on the rise in 75 countries around the world, reaching approximately 20 million poor and vulnerable households and benefitting nearly 92 million individuals.

¹⁶ 1) Civil rights: Rights necessary for individual freedom such as the right to liberty and property rights; 2) Political rights: The right to participate in politics through the right to vote and the right to be elected; 3) Social rights: The right to live life according to the standards prevailing in society. Source: Marshall, T.H. (1950) *Citizenship and social class: and other essays*, pp.27-29

¹⁷ Miho Nakamura (2018) op. cit. (footnote #12), p.90

For companies, too, the kinds of issues listed in Figure 2 above cannot be ignored considering their relationships with their employees and the local communities in which they operate. Given that Japanese companies are also required to respond to these issues, social inclusion can be promoted through their involvement in culture and the arts, and there would still appear to be ample scope for doing so. The following chapter provides supporting evidence for this hypothesis.

3. PROMOTING SOCIAL INCLUSION BY EXPANDING EDUCATIONAL OUTREACH

ACTIVITIES IN CULTURE AND THE ARTS

3-1 Specific areas of activity in which culture and the arts promotes social inclusion

There are five specific types of activities by means of which culture and the arts accomplish social inclusion. These activities are creation, presentation, appreciation, exchange, and human resources development¹⁸. Examples of recent initiatives relating to social inclusion by public cultural facilities in Japan include the National Ainu Museum (The Foundation for Ainu Culture)¹⁹, which exhibits and conducts research into Ainu culture, and art space co-jin (Kyoto Culture and Art Promotion Organization for People with Disabilities)²⁰, which exhibits works produced by and runs workshops for people with disabilities. In terms of the four policy areas described in section 2-2 above, the former initiative is an example of area 3) citizenship, while the latter is an example of area 4) individual support for excluded persons.

3-2 Focus on educational outreach activities by companies

To explore the scope for Japanese companies to play a role in promoting social inclusion through involvement in culture and the arts, this report will first give an overview of philanthropy (general activities to support society) by public interest foundations around the world. According to a survey of 260,358 public interest foundations in 38 countries (excluding Japan) conducted by Harvard University in the US, the priority sector for receipt of support such as donations and volunteering is education, while culture and the arts ranked fourth (Figure 3).

Figure 3: Philanthropic priorities (Top 5) and organizations supported by public interest foundations

Global (260,358)	Share (%)	Europe (154,271)	Share (%)	N. America (91,850)	Share (%)	Asia & Pacific (13,170)	Share (%)
Education	35.1	Education	27.5	Education	93.6	Education	47.1
Human services / social welfare	21.2	Human services / social welfare	22.5	Health	88.3	Poverty alleviation	17.9
Health	20.4	Health	18.0	Human services / social welfare	87.4	Health	16.6
Arts & culture	17.7	Arts & culture	16.9	Arts & culture	80.9	Arts & culture	10.2
Poverty alleviation	16.3	Poverty alleviation	16.8	Philanthropy & nonprofit	71.4	Disaster response	8.5
		Latin America (859)	Share (%)	Middle East (161)	Share (%)	Africa (47)	Share (%)
		Education	45.5	Education	65.2	Education	55.2
		Arts & culture	26.7	Health	43.9	Poverty alleviation	31.0
		Health	25.8	Community development	42.4	Health	27.6
		Human services / social welfare	24.4	Human services / social welfare	39.4	Arts & culture	24.1
		Environment & animals	23.8	Religion	39.4	Disaster response	20.7

Note: The survey covered 260,358 public interest foundations in 38 countries (Japan not included). The number in parentheses is the number of public interest foundations. The share is the percentage of organizations.

Source: Harvard University (2018) Global Philanthropy Report - Perspectives on the global foundation sector, p.25 (author's provisional translation)

(https://cpl.hks.harvard.edu/files/cpl/files/global_philanthropy_report_final_april_2018.pdf) Accessed April 9, 2021

¹⁸ Agency for Cultural Affairs & Kyushu University Joint Research Team (2019) *First Social Inclusion & Culture and the Arts Handbook*

¹⁹ Opened in 2020 in Shiraoi, Hokkaido. The “Upopoi” (symbolic space for ethnic harmony) that includes the museum was awarded first place in the 2020 Nikkei Excellent Products and Services Awards (Services category) sponsored by Nikkei Inc.

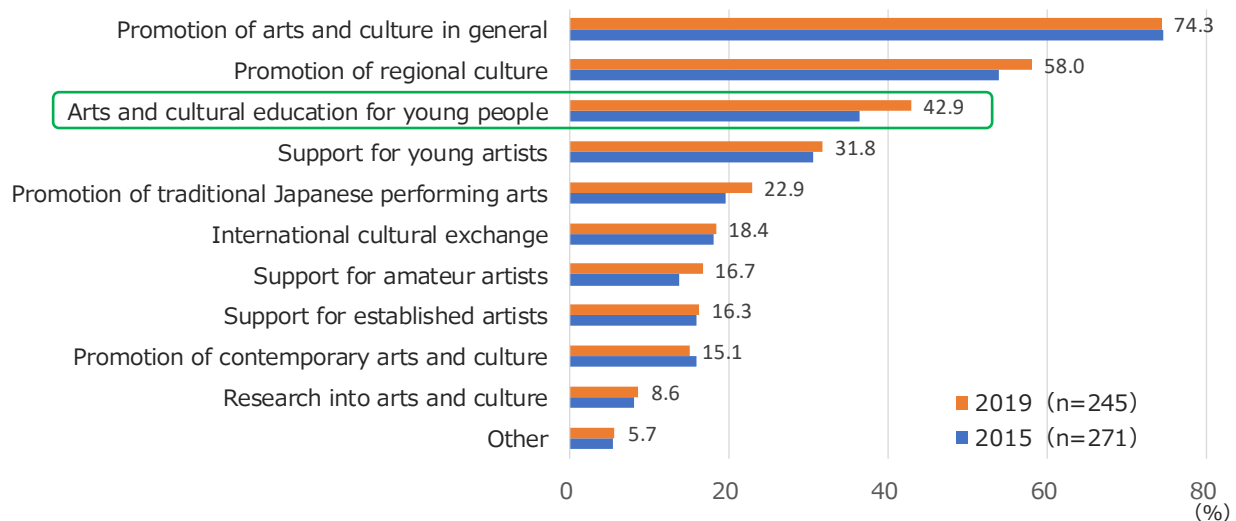
²⁰ Located in Kamijo Ward, Kyoto. The initiative was also introduced by NHK (Japan Broadcasting Corporation).

(<https://www.nhk.or.jp/heart-net/article/474/>)

However, considering the fact that the manner in which education is delivered has been diversifying in recent years as seen, for example, with the advent of active learning, significant potential for educational outreach activities²¹ through culture and the arts manifests itself. As mentioned in section 3-1 above, culture and the arts can play a role in promoting social inclusion through the five types of activities, creation, presentation, appreciation, exchange, and human resources development, and in this report, human resources development, in particular, is considered to be an approach in which Japanese companies can be actively involved.

According to the Association for Corporate Support of the Arts, while “art and cultural education” ranks in a relatively high position, in third place, in terms of the focal areas when supporting culture and the arts by Japanese companies, that support is targeted only at young people (Figure 4).

Figure 4: Focal areas for support of culture and the arts



Source: Created by MGSSI based on the Mecenat Report 2019 conducted by the Association for Corporate Support of the Arts

While it was mentioned earlier in this report (2-2) that the arts “can be a social foundation that opens up opportunities to participate in society for children, young people, the elderly, people with disabilities, the unemployed, foreign residents, and others groups”, in this survey at least there is no explicit mention of groups such as the elderly, people with disabilities, or foreign residents in the involvement of Japanese companies in culture and the arts, which suggests that the response of companies is not necessarily sufficient. There may well be room for promoting social inclusion here. If Japanese companies extend art and culture education to people regardless of age, nationality, disability, or other status as a part of their mecenat activities, rather than limiting it to young people, thereby promoting social inclusion, it can be expected to help build social capital, and contribute to building relationships with the local community.

3-3 A foundation for further social contributions by Japanese companies

Educational outreach activities relating to culture and the arts, in museums for example, have been developed mainly in the US, and a variety of approaches are devised and provided according to age and environment²². It has been observed that the future of museums actually lies in educational outreach activities²³. A good example of Japanese corporate involvement is the Children’s Art Museum, a hands-on learning experience provided

²¹ Although the term “outreach activities” originally referred to services in the social welfare sector that are delivered by traveling to the location of the person in need of the service, it has also come to mean external activities in the field of culture and the arts. (The term “outreach services” is used to describe any type of health service that mobilizes health workers to provide services to the population or to other health workers, away from the location where they usually work and live.) Source: WHO (2011) *Outreach services as a strategy to increase access to health workers in remote and rural areas*

²² There are many examples of earlier studies such as the American Association of Museums (2008) *Excellence and Equity: Education and the Public Dimension of Museums*.

²³ Akiya Takahashi (2015) *Behind the Scenes of the Museum – Creating a Fascinating Exhibition* Chikuma Shinsho, p.76

since 2002 by the Ohara Museum of Art²⁴ in Kurashiki, Okayama Prefecture. While seemingly aimed at children, the true purpose of this activity is to inspire the parents or guardians who participate with the children²⁵. Every year, more than 1,000 people take part, and workshops and appreciation tours are held involving 200 outside staff members. For the participants, the experience provides an opportunity for active learning to draw out their cognitive, ethical, and social skills, while the people involved on the museum side also have the opportunity to learn and gain insights. Furthermore, there are also several benefits for companies that are involved with the museum. The companies Kurabo and Kuraray, (the founder of the museum belongs to the founding family of these companies) are leading manufacturers of products including textiles and high-performance resin. By providing opportunities for local residents to come into contact with culture and the arts at the locations where the companies were established, not only do they fulfil their social responsibilities as companies representing the local community, but they also create a sense of pride and attachment among the employees working there.

Moreover, companies these days are paying attention to STEAM education, in which “Arts” education, consisting of the liberal arts and humanities, is added to the STEM subjects (Science, Technology, Engineering, and Mathematics)²⁶ that have long been the focus of attention in education²⁷. It is widely believed that incorporating questions raised by the arts into technologies created by STEM will enrich people’s lives.²⁸ Given the trend towards so-called recurrent education (lifelong education), the target of such an education is not limited to young people, and promoting STEAM education is therefore likely to empower social inclusion initiatives as well.

Japanese corporate involvement in culture and the arts can be a foundation that enables companies to contribute even more to society if they can view education in an integrated manner, and focus on human resources development, one specific area of activity in which culture and the arts can promote social inclusion.

4. CONCLUSION

As Figure 5 below illustrates, internationally, Japan is not necessarily perceived as performing well in the area of social inclusion.

Figure 5: Japan's standing in international surveys, including a social inclusion perspective

Organization	Survey	Year	Target countries	Japan's position	Top position
UN (Sustainable Development Solutions Network)	World Happiness Report *	2021	149	56th	Finland
UNICEF	Worlds of Influence: Understanding what shapes child well-being in rich countries	2020	38	20th	Netherlands
Charity Aid Foundation: UK	World Giving Index	2019	126	107th	US
World Economic Forum: Switzerland	Global Gender Gap Index	2021	153	120th	Iceland

Note*: The survey items include social support (i.e. whether relatives or friends are available to help out whenever a person is in difficulty) and generosity (i.e. the amount donated to charity in the past month).

Source: Created by MGSSI based on reports issued by each of the organizations concerned

²⁴ Japan’s first private museum of Western art established in 1930. Operated by the Ohara Museum of Art.

²⁵ Nobuko Kawashima (2020) *A Museum Open to Children: A Case Study of the Ohara Museum of Art*, op. cit. (Footnote #9), p.127

²⁶ The STEM philosophy emerged in 2005 over concerns raised by the United States National Academies of a decline in the academic abilities of US citizens in Science, Technology, Engineering, and Mathematics. In 2013, the then Obama administration established the Committee on STEM Education (CoSTEM), and the development of human resources in the relevant fields became a national strategy in the US.

²⁷ Mariko Yoshihara-Yang and Rie Kijima (2019) *STEAM Human Resources that are Changing the World – The Heart of Design Thinking in Silicon Valley*, Asahi Shinsho, etc. In 2020, the Ministry of Education, Culture, Sports, Science and Technology revised the national curriculum guidelines to enhance education relating to culture and the arts in elementary schools, junior high schools, and high schools, and the Ministry of Economy, Trade and Industry also launched a project to establish a “STEAM Library”.

²⁸ For example, the Swedish furniture retailer IKEA has developed a range of carefully designed aids to assist people with disabilities in using their furniture. This project, which goes by the name “ThisAbles”, publishes data for 3D printing for free, and can be seen as forward-thinking from the perspective of social inclusion. (<https://thisables.com/en/about/>)

Culture and the arts play a role in promoting social inclusion. Japanese companies have gained widespread recognition for their track record of involvement in culture and the arts, including support for artists and groups, and for the possession and exhibition of fine arts and crafts. If companies were to broaden their educational outreach activities, which hitherto seem to have been focused on young people, to encompass groups such as foreign residents, the elderly, and people with disabilities, and to play a role in promoting social inclusion, particularly through human resource development activities, it will result in building relationships with the local communities. The conclusion of this report is that promoting social inclusion by expanding educational outreach activities in culture and the arts opens up the possibility for Japanese companies to make further contributions to society, while maintaining consistency with their corporate business, which positions international harmony and diversity & inclusion²⁹ as driving forces for the realization of a sustainable capitalist society.

²⁹ The Japan Business Federation (Keidanren) has called for the management of companies to reaffirm the importance of Diversity and Inclusion (D&I) and to position D&I as a pillar of management strategy, and for each company and organization to make further efforts in promoting D&I. (https://www.keidanren.or.jp/journal/times/2021/0325_01.html)