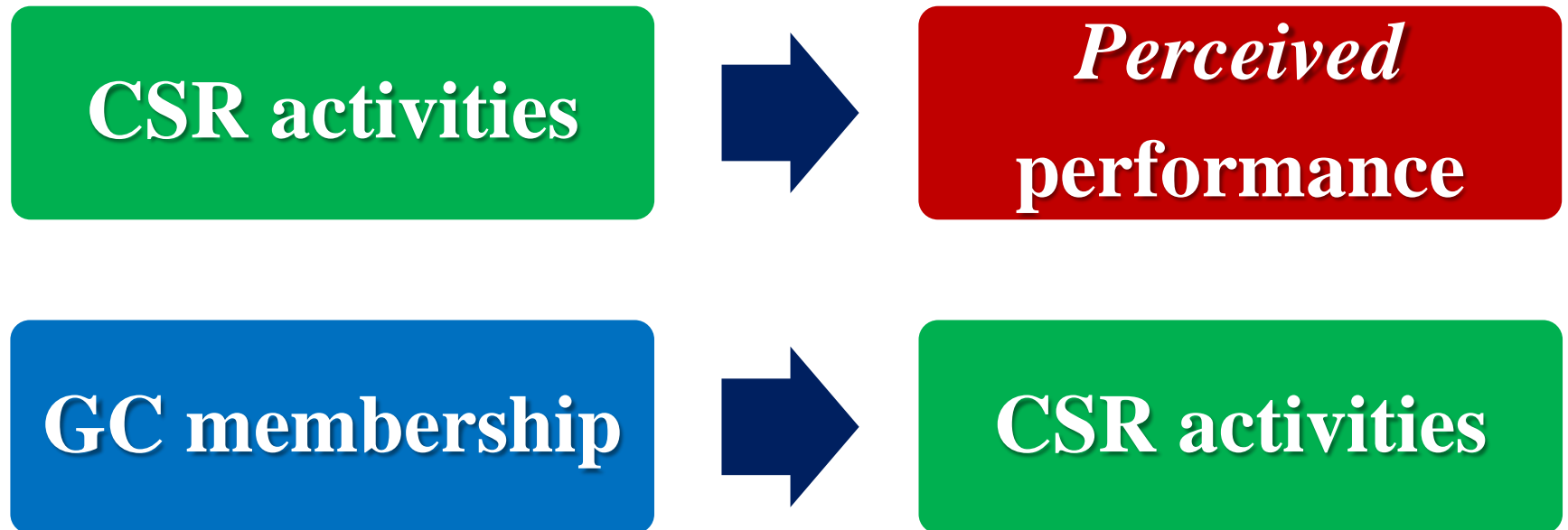


*Before and After the Participation  
in the UN Global Compact:  
An Analysis of China-Japan-Korea  
Global Compact Joint Survey Data*

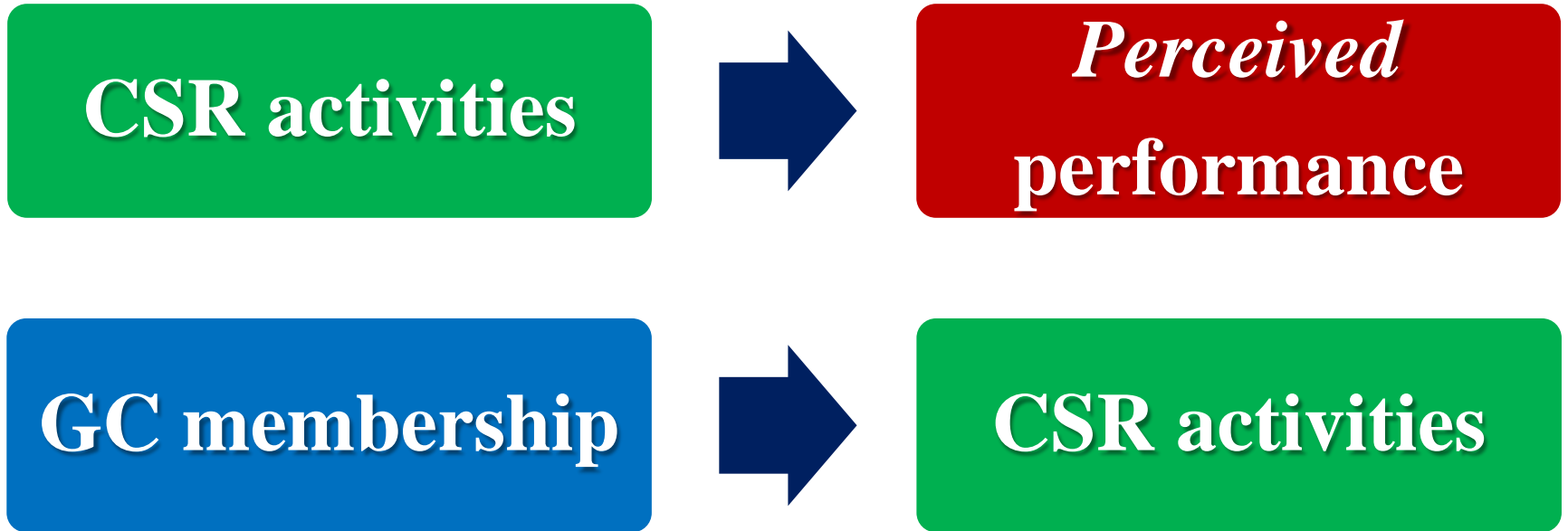
Satoshi Miura  
Nagoya University

# FOCUS

- Impacts of CSR activities and the GC membership



# Findings: overview

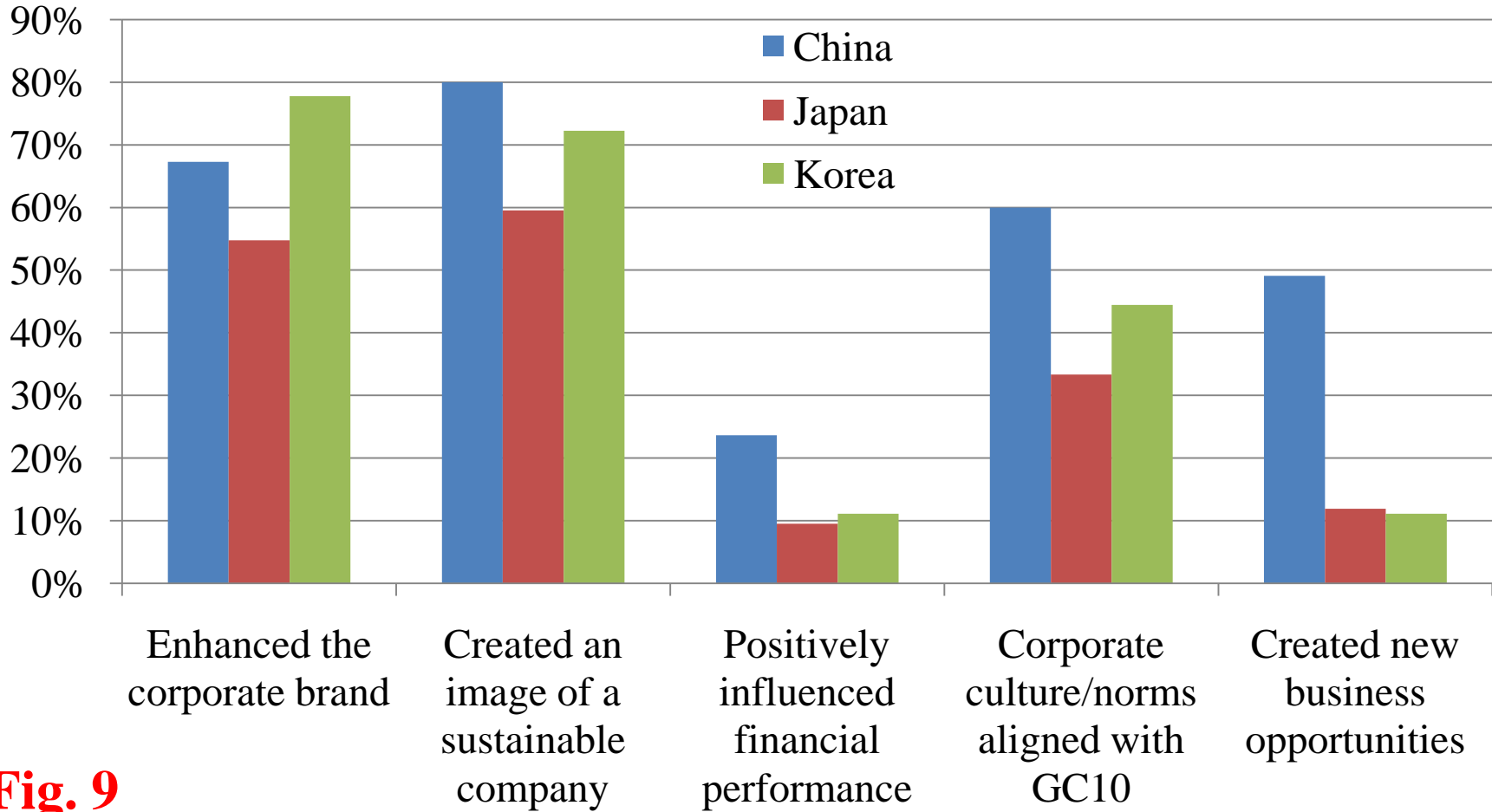


- The magnitude of impacts: **China** > **Korea** > **Japan**

CSR activities



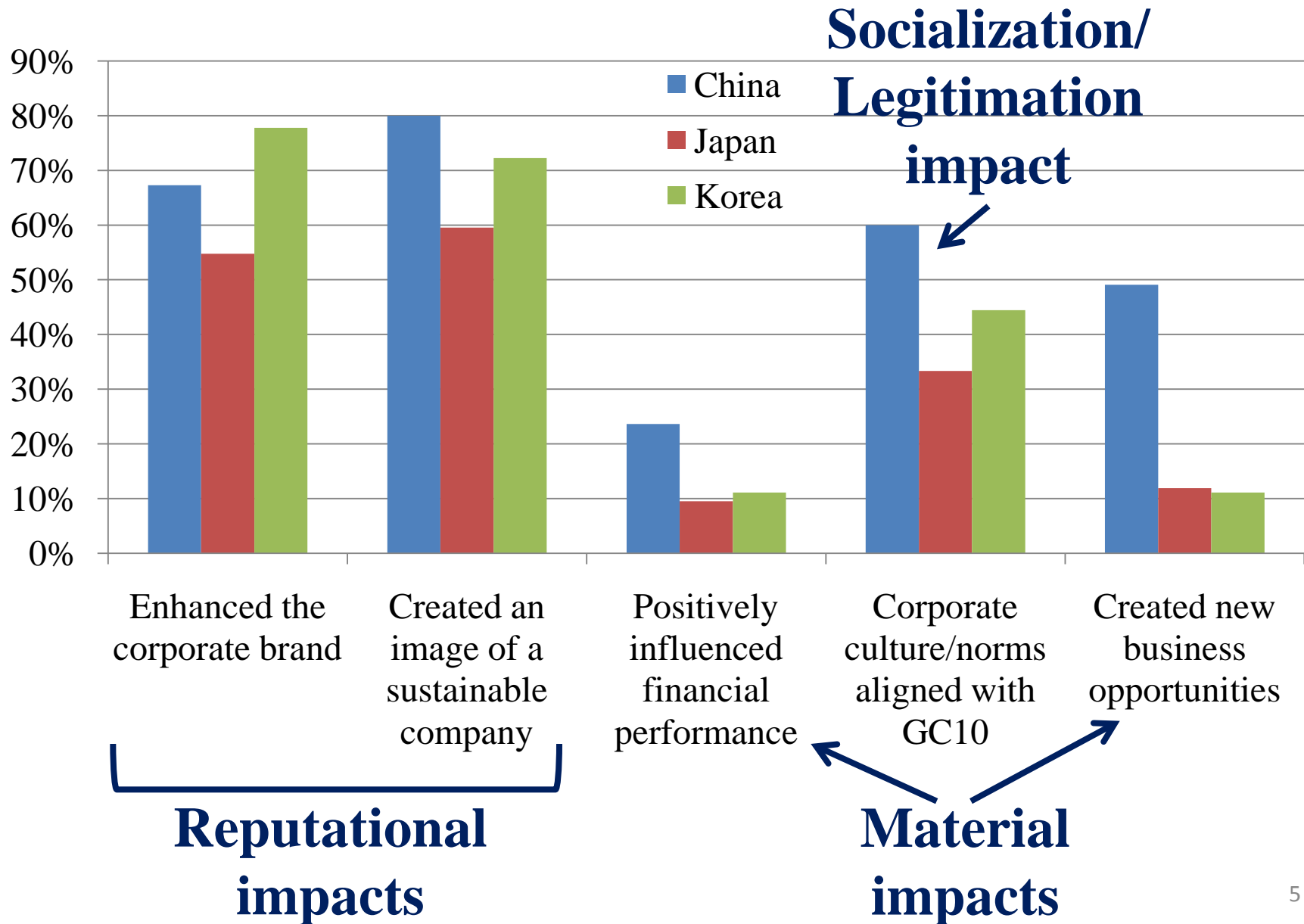
*Perceived*  
performance



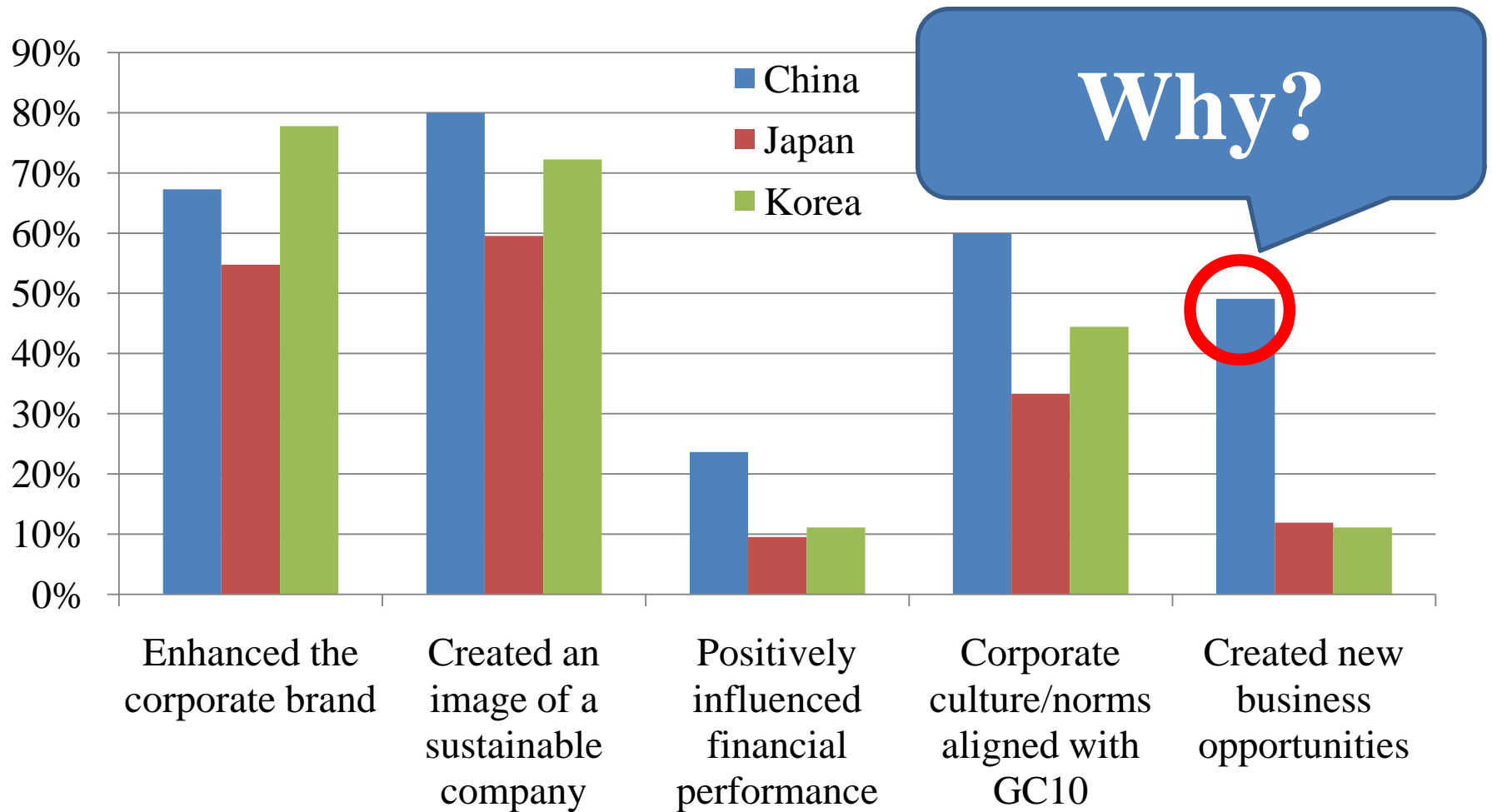
**Fig. 9**

Question: “What changes were brought about to your company after implementing CSR?”

# Impacts of CSR activities: 3 types



# Impacts of CSR activities: an anomaly?



Puzzle: Why can so many Chinese respondents create new business opportunities after implementing CSR?

# Impacts of CSR activities: impact rates

Maximum: 1.00

	<b>China</b>	<b>Japan</b>	<b>Korea</b>
Reputational	0.74	0.57	0.73
Socialization /legitimation	0.60	0.33	0.43
Material (economic/ financial)	0.36	0.11	0.11

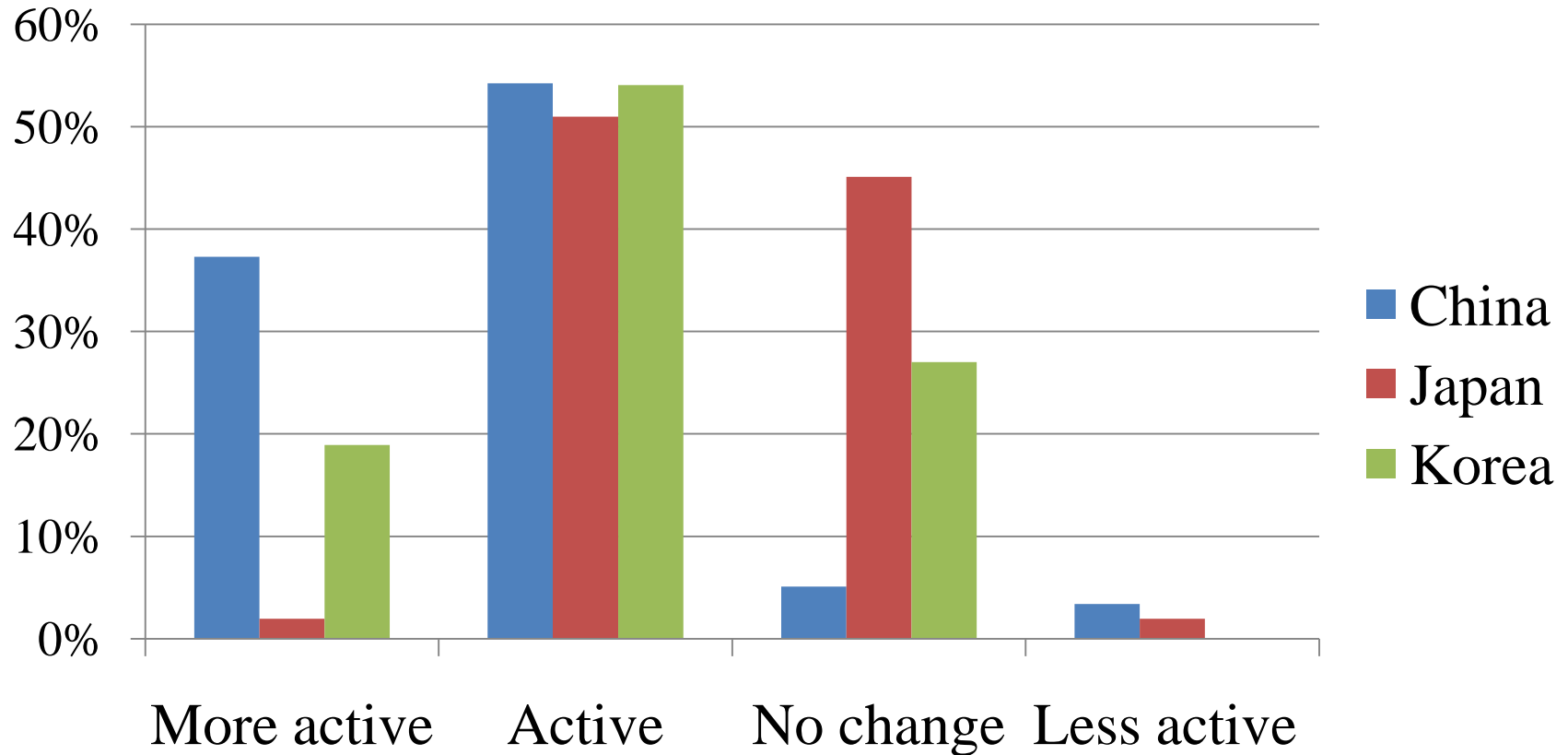
Average: **China**: 0.56 **Korea**: 0.42 **Japan**: 0.34

**Table. 1**

GC membership



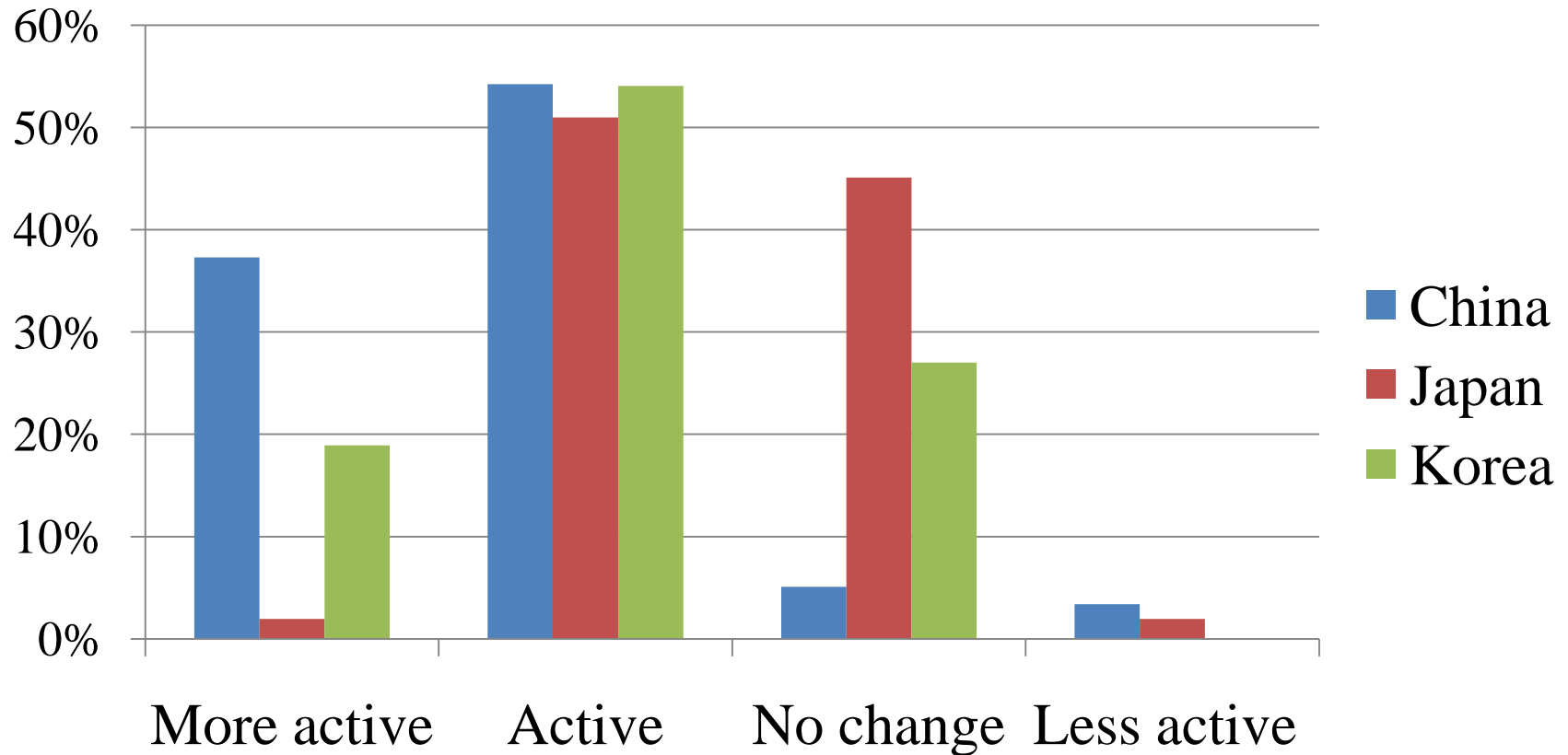
CSR activities



Question: “To what extent did your CSR activities change after participating in the UNGC?”

**Fig. 11**

# GC's impact on CSR activities



## GC's impact rate

More active: 2; Active: 1; No change: 0; Less active: - 1

**China: 1.25**

**Korea: 0.92**

**Japan: 0.53**

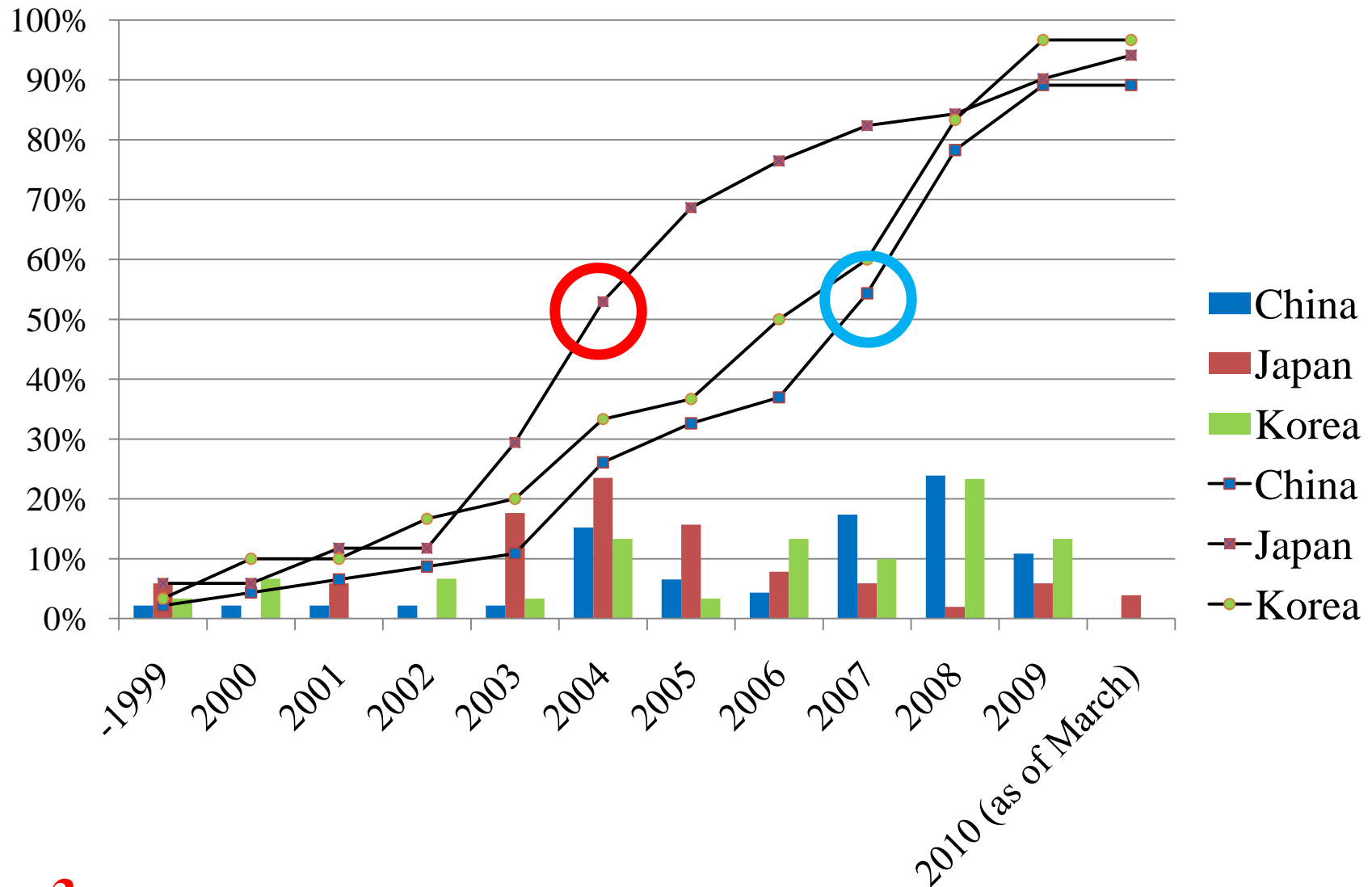
# Puzzles

- Why bigger changes in China, smaller changes in Japan?
  - Why the differential rate of change after implementing CSR?
    1. *Why can almost half (49.1%) of Chinese respondents create new business opportunities after implementing CSR?*
  - Why the differential rate of change after joining the GC?
    2. *Why do 47% of Japanese respondents not change their CSR activities even after joining the GC while 91.5% of Chinese respondents do so?*

# Explanations

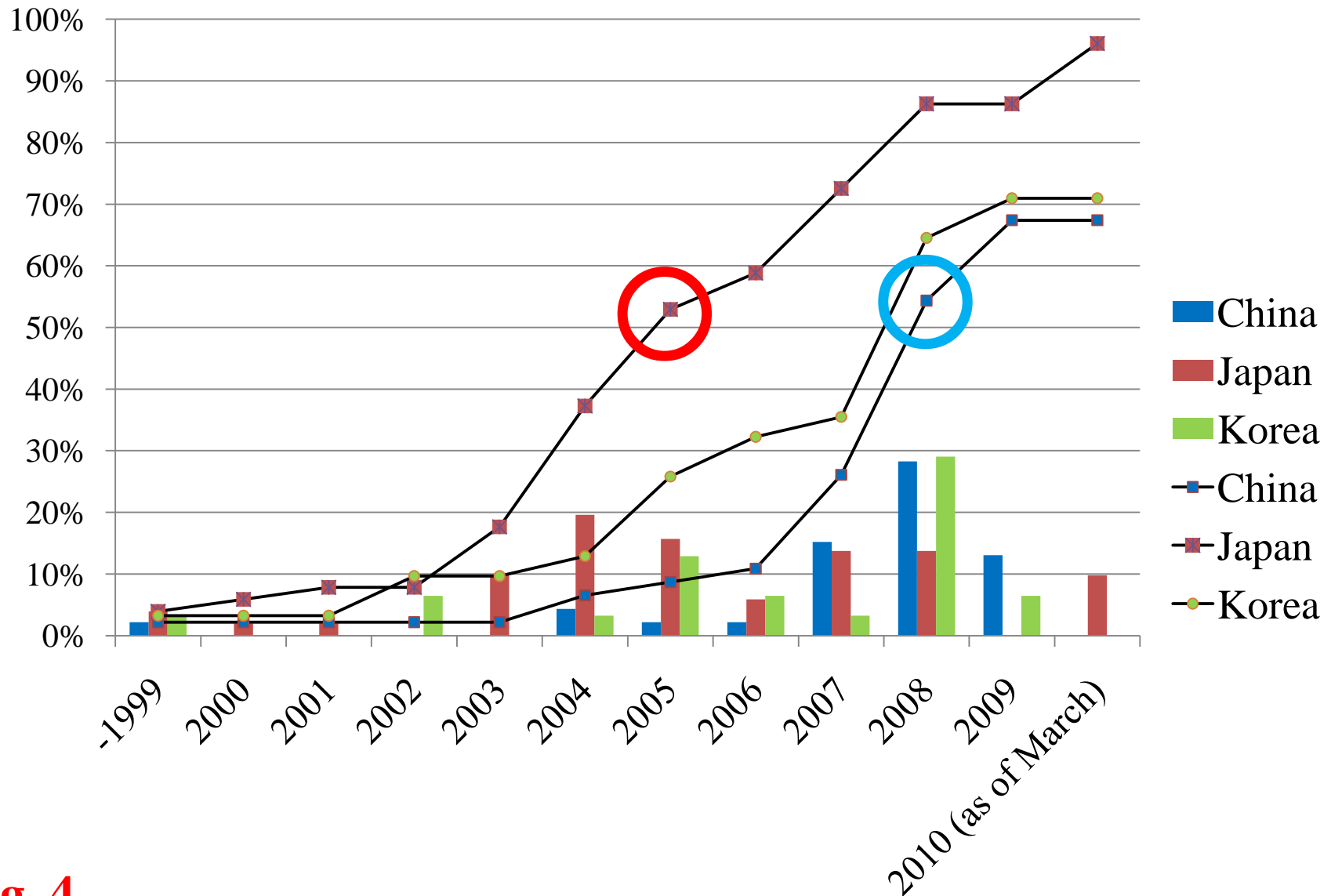
- Why the differential rate of impacts among CJK?
  - Possible general causes underlying the two puzzles
    1. The differential level and pace of diffusion of CSR practices
      - Japan: rapid spread around 2003 and 2004 → early adopters cannot distinguish themselves from others
      - China: slower spread since around 2007 and 2008 → early adopters can more easily distinguish themselves from others

# The year of CSR policy establishment



**Fig. 3**

# The year of CSR department establishment



**Fig. 4**

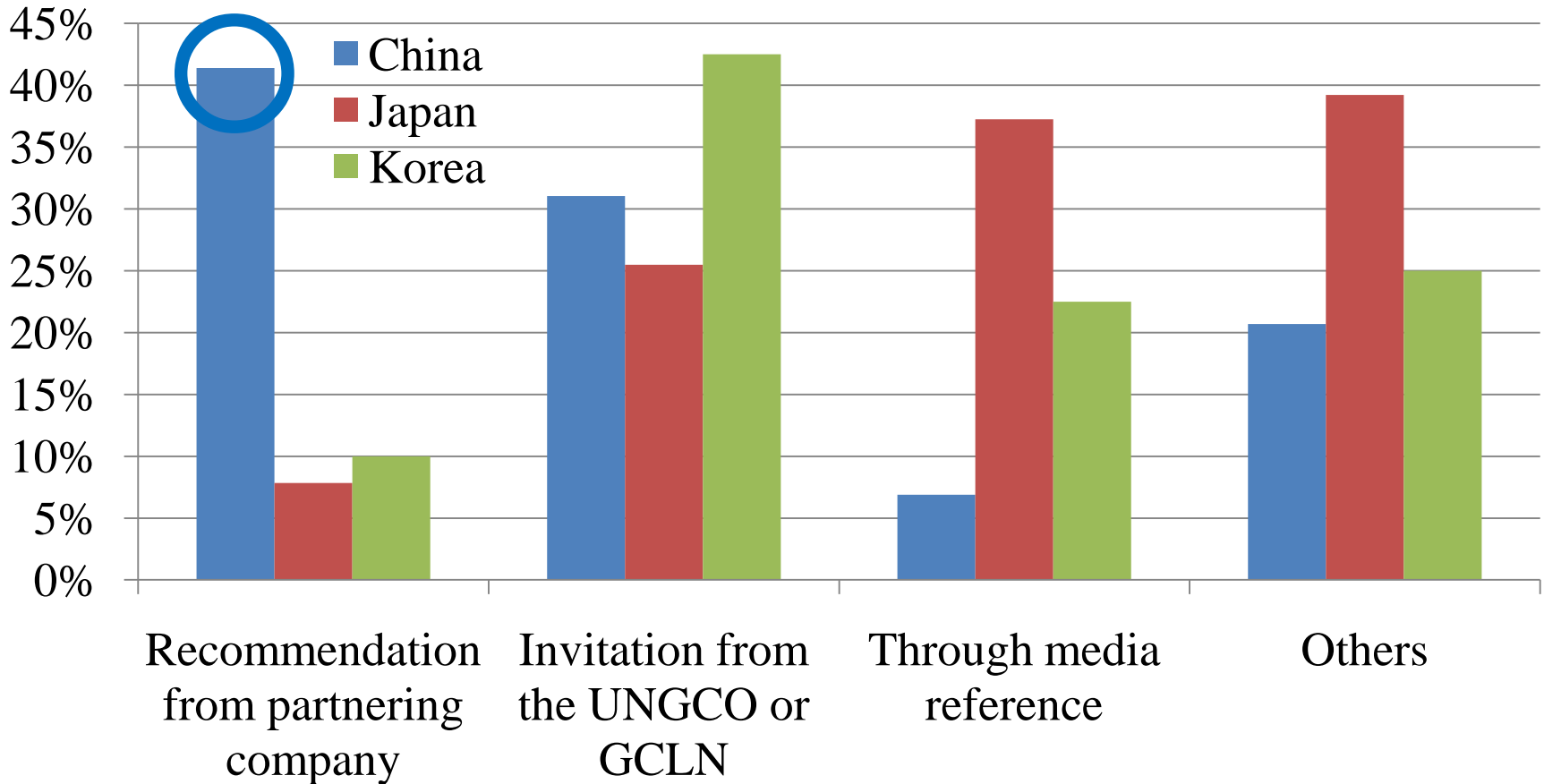
# Explanations

- Why the differential rate of impacts among CJK?
  - Possible general causes underlying the two puzzles
    1. The differential level and pace of diffusion of CSR practices
    2. The place of respondents in each country
      - China: many CSR leaders are GC participants
      - Japan: among CSR leaders but many other non-participating leaders

# Explanations

- Why the differential rate of impacts among CJK?
  - More specific cause of the first puzzle
    - *Why can almost half (49.1%) of Chinese respondents create new business opportunities after implementing CSR?*
    - **Answer: the main influencer**
      - China: partnering companies (mostly MNCs) = diffusion of CSR through supply chains
      - Japan: the media
      - Reasoning: if the partnering companies are the main influencers, adopting CSR will create more business chance

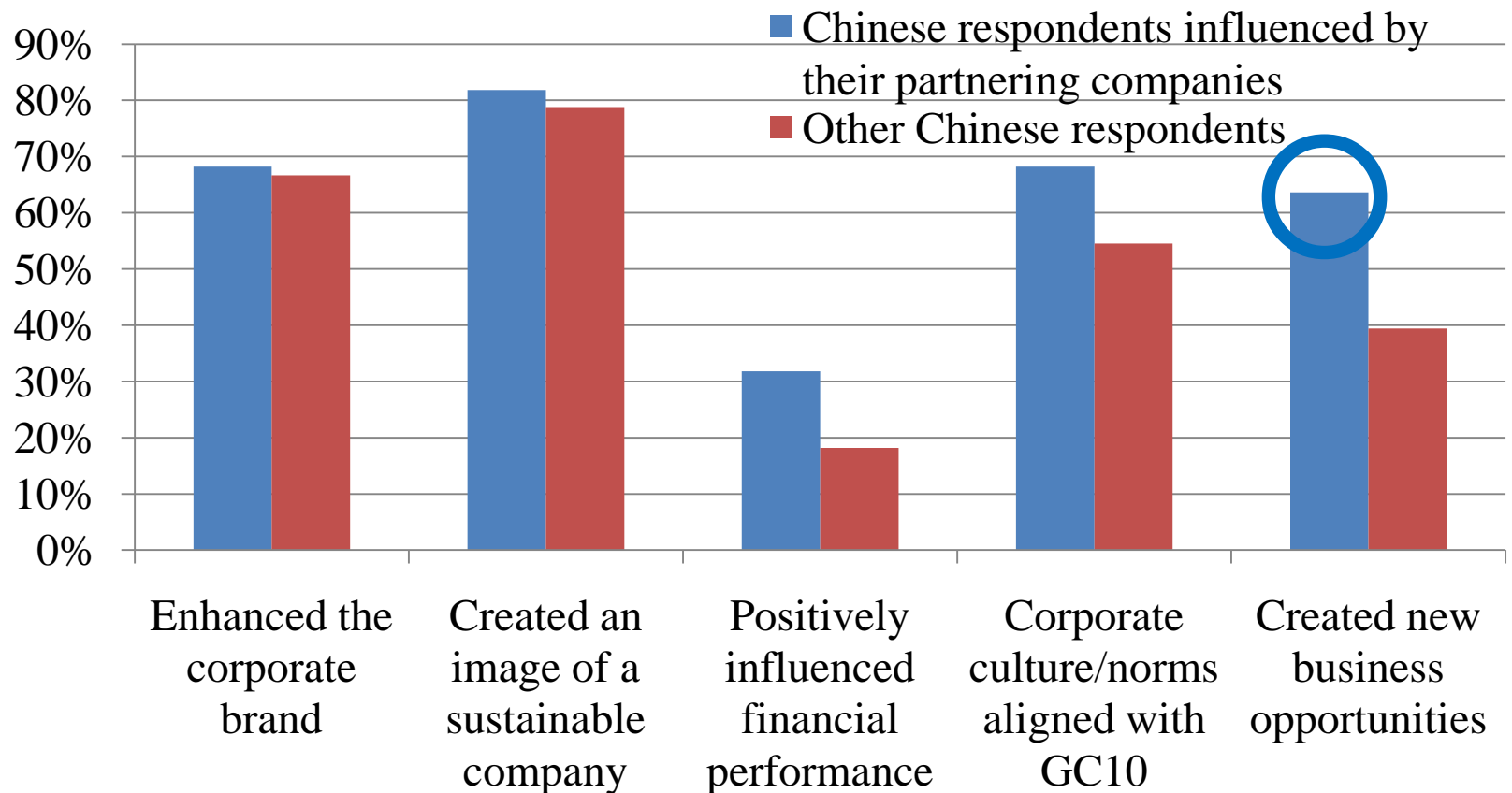
# Who is the main influencer?



Question: “How did you first participate in the UNGC?”

**Fig. 7**

Chinese companies with their partnering companies as the main influencer (n=22) perceive more impacts (20+% higher) on business opportunities than do their fellows (50+% higher than do the respondents in Japan & Korea).



**Fig. 10**

# Explanations

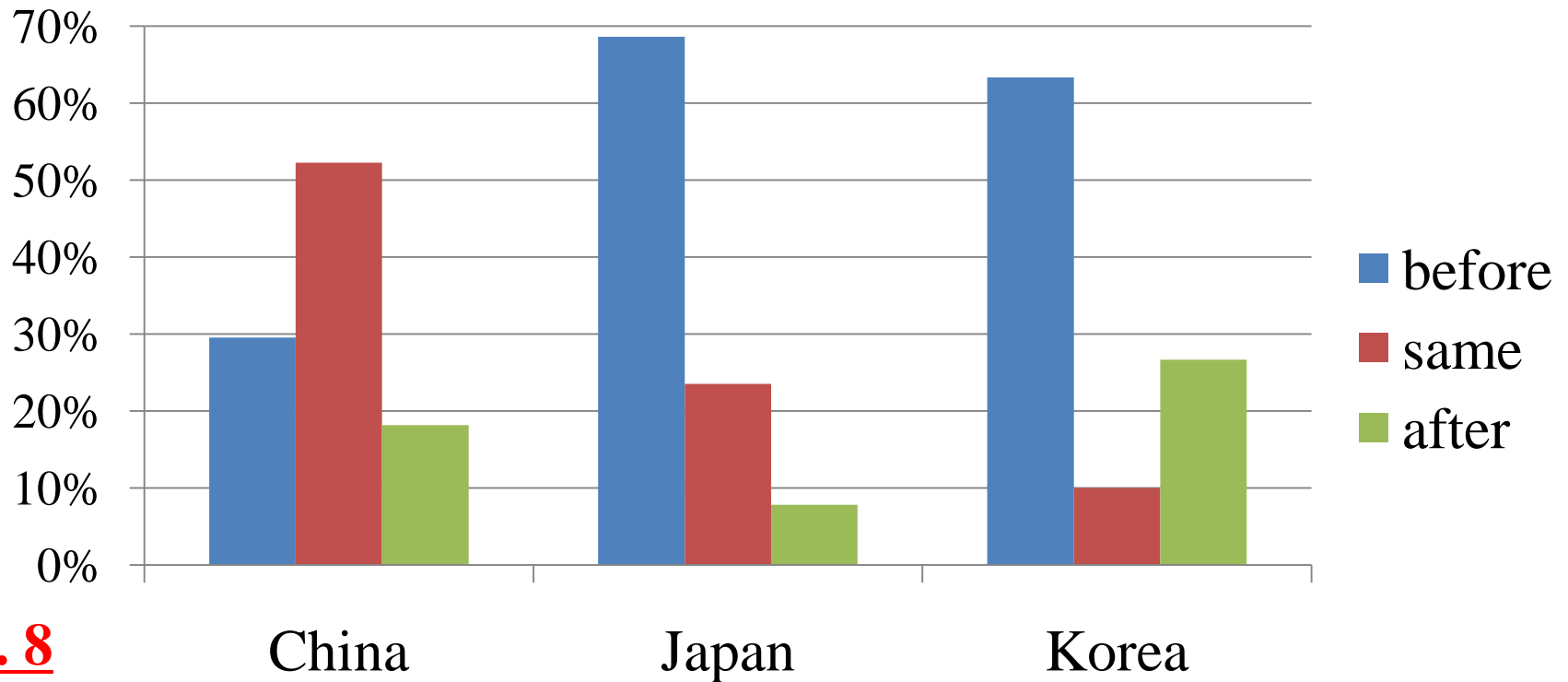
- Why the differential rate of impacts among CJK?
  - More specific cause of the second puzzle
    - *Why do 47% of Japanese respondents not change their CSR activities even after joining the GC while 91.5% of Chinese respondents do so?*
    - **Answer: the difference in preparedness**
      - Japan: more prepared before joining the GC
      - Reasoning: the more prepared a company is before joining the GC, the less room for change after the participation.

# The length of “preparation period”

	Average (year)	
<b>China</b>	0.4 (shortest)	=4 months and 24 days
<b>Japan</b>	1.75 (longest)	= 21 months
<b>Korea</b>	0.56 (medium)	=6 months and 22 days

- Length of preparation period:
  - Year of participation – Year of the establishment of either CSR policy or CSR department

# The establishment of CSR policy/department: before or after GC participation?



**Fig. 8**

- Before: 1; same: 0; after: -1
- Average value: **China**: 0.11; **Japan**: 0.61; **Korea**: 0.37
- The level of preparedness in Japan is 5+ times higher than that in China