

Disaster and CSR

Toru Umeda

Professor, Reitaku University
Director, Business Ethics and
Compliance Research Center

Foreword

- The Great East Japan Earthquake of March 2011 had much impact on the business community
- Group research with Prof. Ebashi and Prof. Mori on business and/or in disaster
- Another research on how Japanese utility industry behaved in the post-disaster period
- Two ideas: ‘disaster utopia’ and ‘disaster capitalism’

Disaster utopia

- Rebecca Solnit's 2009 book *A Paradise Built in Hell*
- Ordinary people in the face of a calamity became generous, cooperative, resourceful, brave, and altruistic
- For Solnit, everyday life is a sort of disaster, from which an actual disaster liberates people

Disaster capitalism

- Naomi Klein's 2007 book titled *The Shock Doctrine: The Rise of Disaster Capitalism*
- Depicts how devastating situations policies of deregulation and privatization brought to the countries where they were applied
- Target of criticism: neoliberalism represented by M. Freedman and his Chicago School followers
- Depicts also corporate greedy and devouring behaviors in or amid disasters

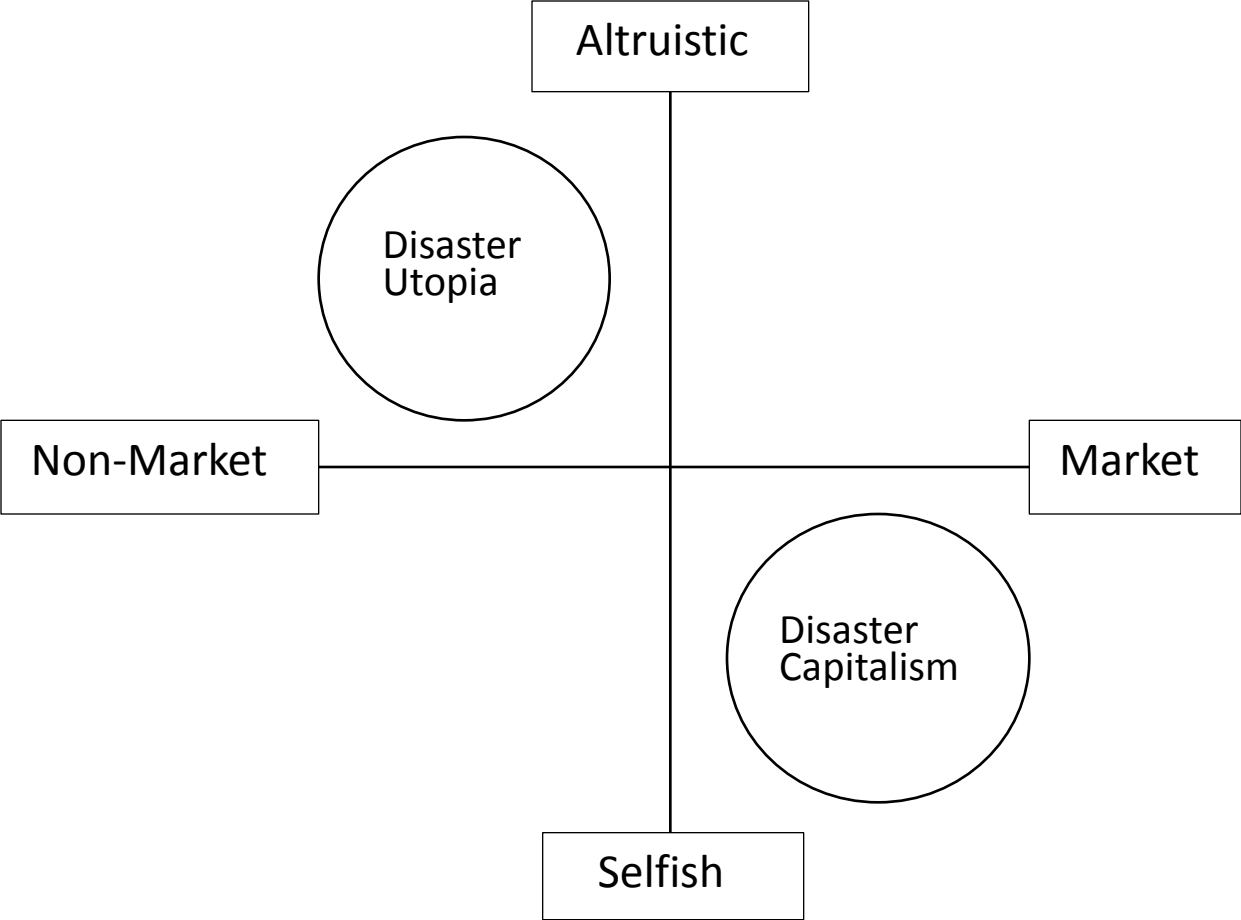


Figure 1

A narrower connotation

- As 'disaster capitalism' a wider connotation, some limitation is put on what she originally means to denote by the term
- Exclude a governmental or public authority factor and an economic ideology factor
- Reformulated disaster capitalism: denoting private companies pursuing their interest in the wake of a disaster in a very selfish way

Exchange system vs. grant system

- Ordinary citizens behavior in Non-Market vs. economic action in Market
- Non-Market: residual portion of a whole social reality minus market aspects
- Exchange system prevails in Market
- Grant system is a typical system working in Non-Market

Flip sides of the appraised, criticized

- Disaster utopia flip side: two contexts, disaster context and non-disaster context
- Negative behaviors such as thefts and lootings seen in a disaster-like situation
- Non-disaster context: lesser human connectedness and broken solidarity with other people, a result of privatization of society
- Ordinary society in which human relations become so diluted is a disaster itself

Flip side of disaster capitalism

- The word disaster in Klein's usage is wider than Solnit's
- A normally operating market is
- Disaster capitalism is an example of extreme form of capitalism and is not normal
- A market produces side effects
- Neo-liberalists tend to attribute it to insufficient liberalization of market, where we differ

An ideal form of capitalism

- Beyond the normal image of a market, an ideal form of capitalism
- “Responsible capitalism or moral capitalism”
- Depends in how morally and how self-disciplinedly business players behave in Market
- They should be conscious about discipline, ethics, community, and social responsibility as a market player

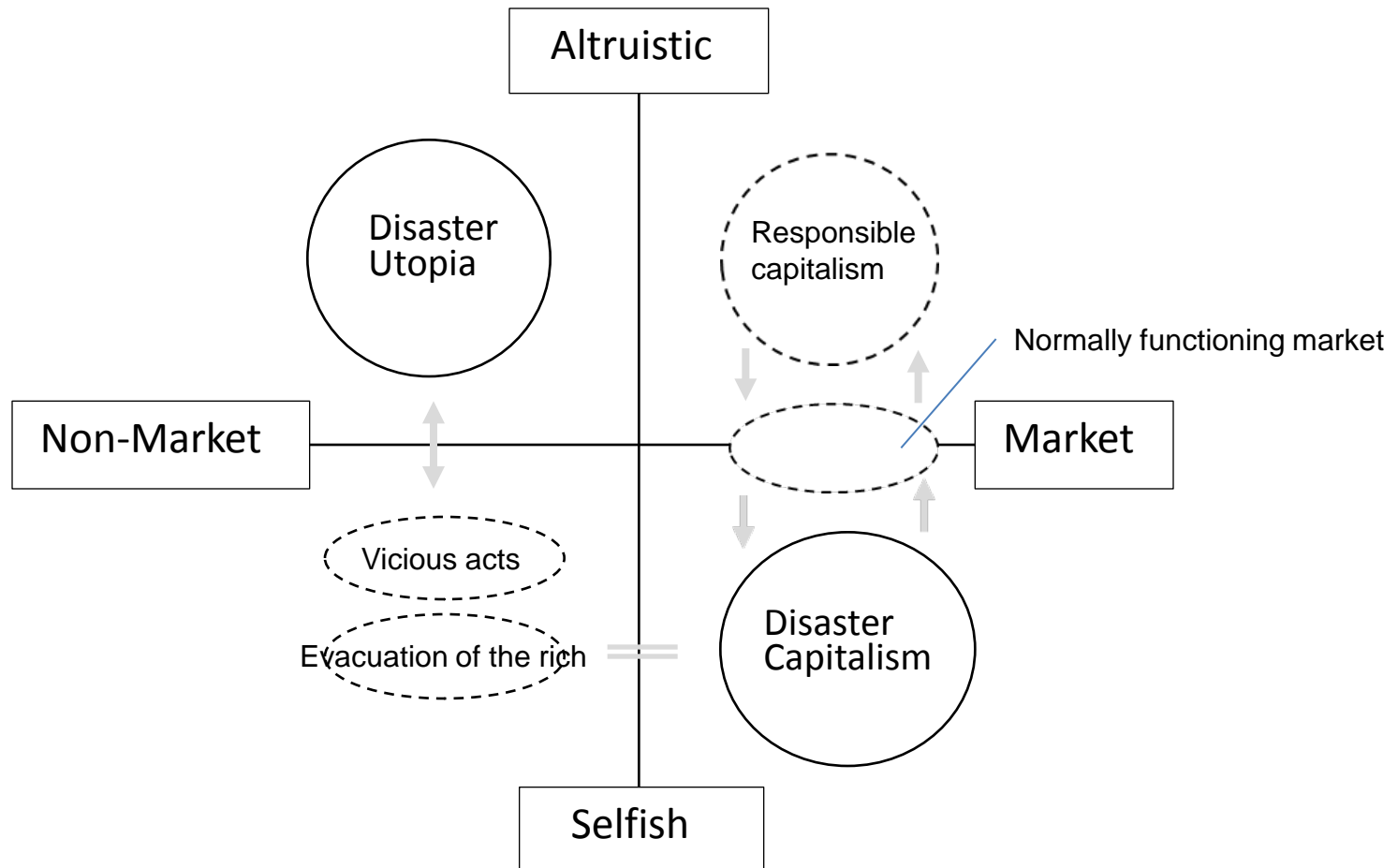


Figure 2

A driver in Non-market

- Citizens can act not as consumers but as members of civil society
- To show their interest in corporate activities, to lodge a protest or boycott, to navigate the business community into a better direction of reconstructing a community
- Actions and consciousness of citizens play an important role in realizing responsible capitalism

Some buds seem

- What I call “compassionate consumption”, a form of ethical consumption is
- Mood of consumption restraint in Hanami season
- Tohoku sake-maker’s call for more consumption of sake through You-Tube
- Consumption for the sake of someone living far away from the place of consumption

Support business disaster-hit area

- altruism in the ongoing business supporting disaster-hit regions
- Some financial institutions launched Reconstruction Support Fund
- Calls for fund sponsors to help finance local small social entrepreneurially-managed businesses involved by indigenous people
- Requires a long-term perspective and perseverance, even a generosity of giving up of any return

Gas supplier community altruistic?

- Collective efforts in the gas industry to help local operators resume gas supply suspended by the Quake
- 58 gas operators out of more than 210 across the nation dispatched a total of over 100,000 workers to Tohoku in their post-disaster relief efforts
- Similar relief operations initiated in Great Hanshin Earthquake and Niigata Earthquake

Another form of disaster utopia

- Another form of disaster utopia in which community service was placed before each business interest
- It is a temporary Non-ordinary phenomenon which will not last long
- The culture which the business community itself has built should be appreciated
- This could be regarded as a kind of social capital

TEPCO accident dire consequences

- TEPCO accident demonstrated that a nuclear calamity could actually take place, and that its dire consequences would reach a wider range of society well beyond the adjacent community
- Hugeness of risk it poses to Market as well as Non-market
- There is no clear demarcation line between Market and Non-Market so much intertwined

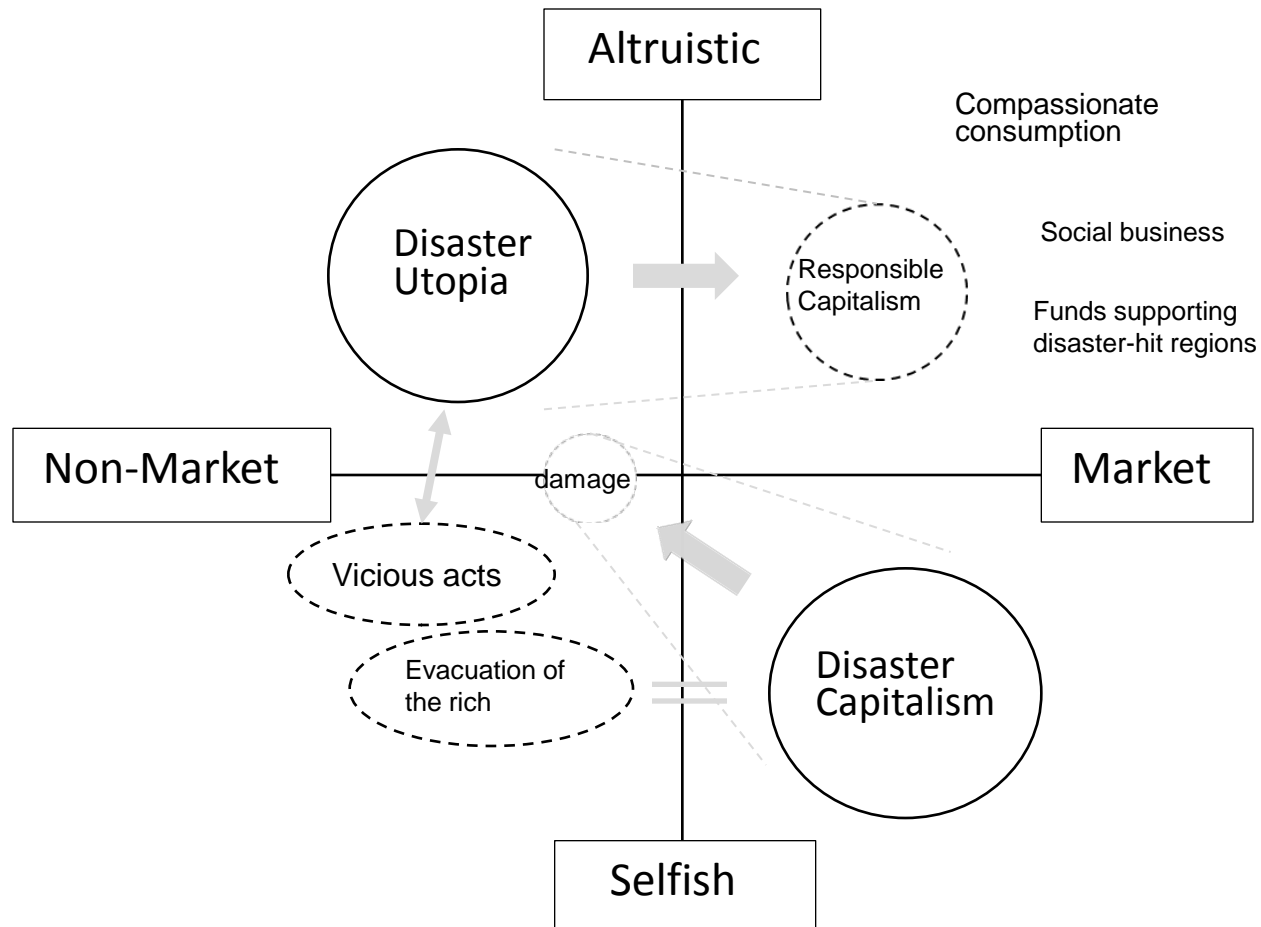


Figure 3

Lessons

- A business should take all possible measures lest an accident it triggered should disturb the smooth functioning of market economy and disrupt socio-economic life
- Utility companies should take effective measures to prevent any accident occurring with negative effects

Alternative to disaster capitalism

- Solnit argues that privatization of society is a cause of broken solidarity
- But privatization of society is irreversible
- A key: how market players think and act
- What sponsorship should be, what consumership should be for responsible capitalism to become a reality
- The corporate has a part to play

Thank You

ありがとうございます

감사합니다

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umeda@reitaku-u.ac.jp