The Collaboration between Corporations and Social Organizations

in the Practices of Corporate Social Responsibility

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1 Project Overview

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1.1 Project Background and Objectives

1.1.1 Project Background

The 21st century witnesses rapid development of the social sector in China. The "Statistical Communique of the People's Republic of China on the Development of Social Services in 2014" released by the Ministry of Civil Affairs in June, 2015 shows that, by the end of 2014, there were a total of 606,000 social organizations (310,000 social associations, 292,000 civilian-run non-enterprise units and 4,117 foundations) in China, providing jobs for 6.823 million people, having a fixed asset of 156.06 billion, and attracting social donations worthy of 52.49 billion in all kinds of forms. Nowadays, social organizations have emerged to become an important force driving China's social development and are playing important role in many areas including community building, environmental protection and disaster relief and reduction, which neither the governmental organ nor the market sector is capable of playing.

Meanwhile, with the transformation of China's economic growth mode, corporate social responsibility (CSR) has become an inevitable choice of corporations and nations to pursue sustainable development. The "Company Law" amended in 2005 set CSR as a general principle for corporation operation. Since 2006, the State-owned Assets Supervision and Administration Commission, China Banking Regulatory Commission, Shenzhen Stock Exchange, Shanghai Stock Exchange and the Ministry of Commerce introduced one after another policy guiding central state-owned enterprises, listed companies and foreign-invested enterprises to assume CSR. In such contexts, more and more corporations started to fulfill their corporate social responsibilities in various ways including carrying out charitable donation, organizing employees for voluntary services, regulating business operations in line with CSR standards or guidelines, launching philanthropic projects in cooperation

with social organizations and releasing CSR reports.

Economic globalization accelerated continuously ever since 1990s; foreign-invested enterprises, especially Japanese-funded ones, have become powerful force driving the development of CSR and social sector in China. According to a report, "Social Contribution Activities of China-based Japanese corporations", released by the Japan Foundation in 2010, 215 out of 388 Japanese companies surveyed (55.4%) are engaging in various social contribution activities in China such as disaster relief, community activities, environmental protection, education, and physical education in forms of financial assistance, donations, voluntary services by employees, and other services.

The vigorously developed CSR propels the development of China's social sector, and provides a broad platform for the cooperation between corporations and social organizations. The rapid growth of foundations with corporate backgrounds, the accumulation of corporate donations and corporations' volunteer resources, and the emerging of social innovative practices such as social responsible investment and venture philanthropy may all contributed abundant resources to the growth of China's social sector.

Promoting collaboration between corporations and social organizations in CSR practices can benefit all stakeholders. On the one hand, resource scarcity is one major development dilemma encountered by most social organizations and the cooperation with corporations can bring in more resources (including corporation donations, service fees, loans and investment) as well as other forms of support and services (such as technologies, innovation capacity and management skills). On the other hand, through such cooperation, corporations can better understand social expectations of CSR, enhance corporate legitimacy and reputation, win more trust from the public and thus boost their soft power in market competition. Moreover, promote the collaboration between corporations and social organizations on the CSR platform helps the government and international organizations achieve their policy goals in a low-cost, low-risk and sustainable way in many important public policy areas (such as sustainable development, environmental protection, human rights, labor rights and

interests and development assistance) while advancing innovations in public governance.

Based on the above-mentioned ideas, ever since 1990s, major international organizations and international development aid agencies worldwide have been dedicated to advance CSR and the cooperation between corporations and social organizations. The year of 1999 witnessed the launching of "United Nations Global Compact" (UNGC) by the United Nations, calling on corporations to implement ten CSR principles on human rights, environmental protection, anti-corruption and labor standards, and to report CSR practices. During the same period, the World Bank established a CSR special agency and encouraged the governments of developing countries to accept and promote the implementation of CSR, while the World Bank Institute engaged in providing CSR capacity building support by holding conferences and arranging training courses. In 2001, the European Commission adopted the green book on "European Framework on Promoting Corporate Social Responsibility", which offered a unified policy framework for corporations of the EU countries to implement CSR.

At the same time, projects of "international development" and "international aid" under the administration of government agencies in most developed countries began to switch from conventional government-dominated mode to highlighting the participation of private sectors (especially transnational corporations and social organizations). As early as in 1997, the British Department for International Development (DFID) published in sequence two white books, in which the potential importance of CSR for the protection of labor rights and poverty reduction were emphasized. In addition, the international development agencies in European and American developed countries also unveiled similar measures, upholding CSR as a new force stimulating the advancement of international development aid.

Japan, as a major developed country in Asia, has achieved significant performance in international development and international aid. For decades, the Japanese government, through the "Official Development Assistance" (ODA) project, have provided tremendous capital and technological assistance for developing

countries and was once the largest ODA donor worldwide. In recent years, just like most developed countries, the ODA agency of the Japanese government starts to attach great importance to the role of private sectors (corporations and social organizations) in the advancement of international development aid. In 2008, the Japanese government promulgated the policy on "Public-Private Partnership for Growth in Developing Countries" to strengthen corporations' role in ODA and facilitate their cooperation with governmental ODA agencies. Three years later, Japan announced the establishment of Public-Private Partnership Network for Millennium Development Goals, with an aim to assist Japanese corporations in their commercial operations and philanthropic activities and ultimately facilitate the fulfillment of the Millennium Development Goals. It was pointed out in the "Official Development Assistance 2013" by Japanese Ministry of Foreign Affairs (MOFA), that in making and implementing ODA policies, importance should be attached to carrying out extensive international cooperation with the private business sector, NGOs, universities, local governments, international organizations and other donor nations. (MOFA, 2014:147)

1.1.2 Project Objectives

1. To shed light on the development landscapes of the CSR practices of China-based Japanese corporations and their cooperation with social organizations, and the participation of Chinese social organizations in CSR practice and their cooperation with corporations, through systematically collecting and analyzing relevant literature (including academic journals, books, dissertations, etc. in Chinese, Japanese and English) and secondary materials (including laws, regulations and policies, statistical data and survey research report, etc.).

2. To conduct questionnaire survey and case study on China-based Japanese corporations, comprehensively analyze the corporations' organizational features, CSR notion, policies and practices, the practices and dilemma of corporation-social organizations cooperation, and the plans and suggestions on their future cooperation

with social organizations.

3. To conduct questionnaire survey and case study on Chinese social organizations, analyze their organizational features, main activities and achievements, the practices and dilemma of corporation-social organizations cooperation, and plans and suggestions on their future cooperation with corporations.

4. To inform major stakeholders (Chinese and Japanese governmental agencies, corporations, social organizations, media, scholars and the public, etc.) with the process and achievement of the project through project conferences and other communication channels, to provide suggestions to major stakeholders, and to explore a feasible model and action plan on promoting corporation-scial organization collaboration via CSR platform in China.

1.2 Survey Implementation Plan

1.2.1 General Framework

Against the background international development assistance model transformation and in response to the strategic need for innovation of operational model of Japan International Cooperation Agency (JICA) China Office, this project focusing on:1) through literature review, analyzing the development situations of social sector, CSR practices and corporation-social organization collaboration in China; 2) through questionnaire survey and case study, understanding the development situations of CSR notions and practices of China-based Japanese corporations, the CSR awareness and notion of Chinese social organizations, corporation-social organization collaboration as well as their plan suggestions on future cooperation; 3) based on a scientific analysis of the above-listed empirical data, providing effective policy and action suggestions to stakeholders, including corporations, social organizations, governmental organs, business groups, international assistance agencies, CSR consulting agencies and capacity building institutions serving social organizations).

1.2.2 Survey Method

This project adopts both quantitative and qualitative research methods and collect and empirical data are collected mainly from questionnaire survey and secondary sources of literature/documents.

1. Questionnaire survey

	Survey on Japanese corporations	Survey on social organizations
Sampling method	1. Convenience sampling ・ The research team designs the questionnaire ・ The Japanese	1. Convenience sampling Sampling frame (3,238 social organizations) ・ "NGO Directory" of the "China Development Brief" (2,938 social

	Chamber of Commerce and Industry in China distributes the questionnaires among membership corporations via JCCIC website, websites of local chambers and e-magazines.	organizations of all types) · Academic platform and network of the School of Social Development and Public Policy of Beijing Normal University (300 social organizations) 2. Quota sampling Respondents (603 Chinese social organizations） · The research filters and classifies these social organizations in accordance with such factors as registered organizational forms, scale, fields of activities, registration time and location.
Questionnaire distribution method	E-mail	Online (Internet+mobile phone)
Number of questionnaire collected	194	199
Data analysis method	SPSS software analysis	SPSS software analysis

2. Literature/document analysis

1) Relevant literature (including academic journals, books, dissertations, etc. in Chinese, Japanese and English) are collected and analyzed systematically.

2) Relevant statistical data, including books, research reports, statistical yearbook, statistical bulletin, etc. are collected and analyzed systematically.

3) The websites of related institutions, such as JICA and Japanese institutions engaging in CSR activities[①] are browsed and relevant materials are collected.

1.2.3 Survey Schedule

Time	Period	Major tasks

Mar.-June, 2015	Preparation	1. Discuss and determine a general research framework.
		2. Determine a detailed research plan, including:
		  ✓ Drafting sampling plan
		  ✓ Designing questionnaire

[①] The Japanese Chamber of Commerce and Industry in China, Japan Business Federation (Keidanren), Japan Association of Corporate Executives, Keizai Doyukai and Japanese Standards Association, JSA.

		✓ Drafting implementation plan on questionnaire survey
		3. Hold a launching ceremony (the first conference)
July-Nov. 2015 July-Nov. Aug.-Nov. Sept. Nov.-Dec. Dec.	Implementation Data collecting Data cleaning Mid-term conference Data analyzing Final conference	1. Conduct the questionnaire survey 2. Create SPSS database basing on survey data 3. Report on survey process and have preliminary discussion on the structure of the report 4. Survey data analysis 5. Report on survey results, release the draft of project report and collect feedbacks widely
Dec. 2015- Feb. 2016	Summary Project report	1. Submit a summary of the project report and collect feedbacks widely 2. Prepare the draft of project report 3. Submit the final version of project report

1.2.4 Definitions and Terms

PDCA	PDCA, short for Plan-Do-Check-Adjust, is a universal model in management sciences. It was firstly constructed by Walter A. Shewhart in 1930 and then developed and popularized by American quality management expert Dr. Deming in 1950 in the process of continuous product quality improvement. At present, the PDCA management model is widely used by corporations in their daily management of CSR affairs. PDCA mainly has the following meanings: 1) Plan: Establish the objectives and processes necessary to deliver results in accordance with the expected output; 2) Do: Implement the plan and execute the process; 3) Check: Monitor and assess the process in accordance with principles, targets, indicators, laws and regulations and other requirements to and report results; 4) Adjust: Take measures to continuously improve the performance of the responsibility management system.
Stakeholders	Stakeholders refer to those individuals or groups that have

	vital interests in the organizations' policies or activities, including governmental organs, consumers, customers, owners, shareholders, media, employees, suppliers, trade unions, communities and social organizations, etc.
Corporate Social Responsibility (CSR)	Corporate Social Responsibility was firstly defined in IS026000 as "The responsibility of an organization for the impacts of its decision and activities on society and the environment, through transparent and ethical behavior."
Corporation-social organization collaboration	Corporation-social organization collaboration refers to the collaboration between corporations and non-profit organizations in the practice of CSR and can be understood as a kind of "social alliance"[①]. Social alliance is a cross-border partnership forged between for-profit sectors and non-profit sectors for resource, knowledge and capacity sharing. It has two distinctive features from corporation alliance: 1) A social alliance is comprised of at least one non-profit organization; 2) Apart from fulfilling objectives of economic benefits, social alliances also have non-economic objectives like promoting social welfare.
Social organizations	Social organizations are non-profit and non-governmental organizations with a formal organizational form, featured by self-governing, voluntariness, non-profit or mutual benefit. In other countries, social organizations are also referred to as non-profit organizations (NPOs), non-governmental organizations (NGOs) and third sector organizations, etc. In China, they are officially referred to as social organizations. Social organizations recognized by the government are usually social associations, civilian-run non-enterprise units

[①] Berger, I, Cunningham, P, & Drumwright, M. (2004) "Social alliances: company-nonprofit collaboration", *California Management Review*, 47 (1): 58-90.

	and foundations registered in the Ministry of Civil Affairs and local civil affairs departments.
Social associations	Pursuant to the "Regulations on the Registration and Management of Social Associations" issued by the State Council of the People's Republic of China in 1998, "social associations" are voluntary groups formed by Chinese citizens in order to realize the shared objectives by carrying out non-profit activities according to their charters. As shown in "Statistical Communique of the People's Republic of China on the Development of Social Services in 2014" released by Ministry of Civil Affairs in June 2015, by the end of 2014, there were 310,000 social associations nationwide. Compared with other types of social organizations, social associations are quasi-governmental entities. At present, there are around 200 social associations that maintain a staffing system similar to government or government affiliated institutions and are funded by appropriations from state treasury, among which the All-China Federation of Trade Unions, the Chinese Communist Youth League and All-China Women's Federation are the ones with special political status and far-reaching influence.
Civilian-run non-enterprise units	Pursuant to the "Regulations on Social Organizations and Civilian-run Non-enterprise Units" issued by the State Council of the People's Republic of China in 1998, "civilian-run non-enterprise units" are social organizations established by corporations and institutions, social associations and other social forces or individuals with non-state-owned assets to provide non-profit social services. As shown in the "Statistical Communique of the People's

	Republic of China on the Development of Social Services in 2014" released by Ministry of Civil Affairs in June 2015, by the end of 2014, there were a total of 292,000 "civilian-run non-enterprise units, among which 15,110 fell into the category of science and technology services, 398 of eco-environment, 163,681 of education, 14,148 of culture, 11,901 of physical education, 5,915 of business service, 82 of religion, four of international and other foreign-related organizations and 15,308 others.
Foundations	Pursuant to the "Regulations for the Management of Foundations" issued by the State Council of the People's Republic of China in 2004, "foundation" refers to the non-profit legal person established in accordance with this Regulation by making use of the property donated by natural persons, legal persons, or other organizations with the purpose of pursuing welfare undertakings. There are two types of foundations: public-raising foundations (which are allowed to raise funds from the public) and the non-public-raising foundations (which are prohibited from raising funds from the public). As shown in the "Statistical Communique of the People's Republic of China on the Development of Social Services in 2014" released by Ministry of Civil Affairs in June 2015, by the end of 2014, there were a total of 4,117 foundations nationwide, among which 1,470 were public-raising foundations, 2,610 non-public-raising foundations, nine foreign foundations and 28 representative offices of foreign foundations.

2 Survey Data Analysis

Survey Data Analysis

2.1 China-based Japanese Corporations

Based on the survey of 194 China-based Japanese corporations, the main findings are summarized as follows.

2.1.1 Corporation Profiles

(1) Starting Year of Operation in China

The surveyed China-based Japanese corporations vary in terms of their starting year of operation in China. "2001-2005" represents a relatively larger figure compared with other periods (60 corporations, accounting for 31%); 38 corporations "1991-1995" is the second major period, (38 corporations, accounting for 20%); "1996-2000" and "2006-2010" have fewer corporations, accounting for a proportion of 9% and 8% respectively.
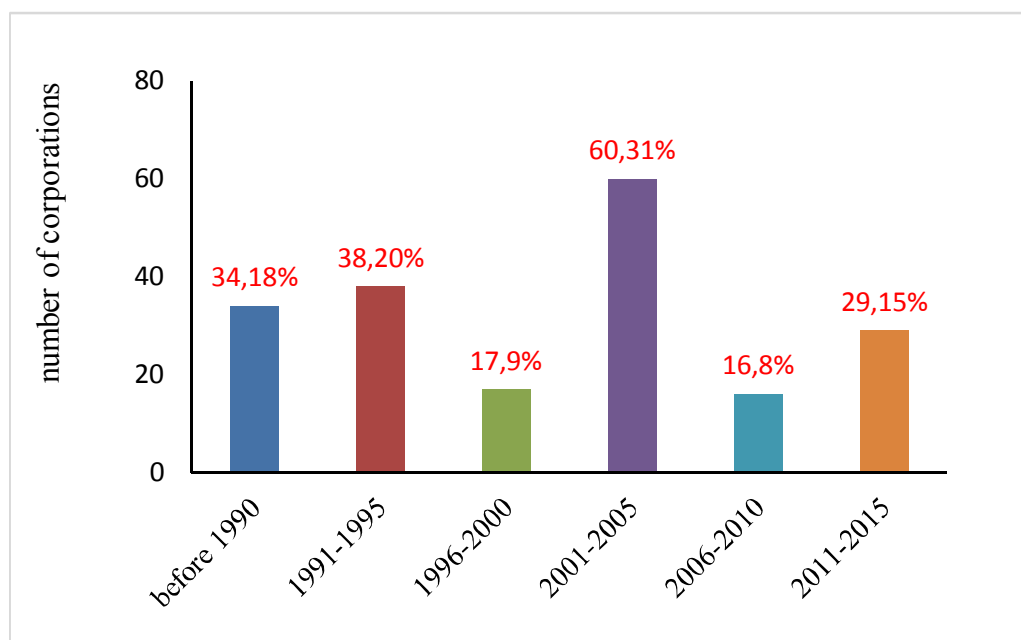

Figure 1: Starting Year of Operation in China

(2) Industry

With regards to industry, 134 China-based Japanese corporations are involved in manufacturing, taking up 69%; wholesale & retail & industry came in second with 20 corporations, taking up 10%. Besides, there are 5 corporations belong to information & telecommunication industry, 5 to finance & insurance and 2 to construction, accounting for 3%, 3%, and 1% respectively.
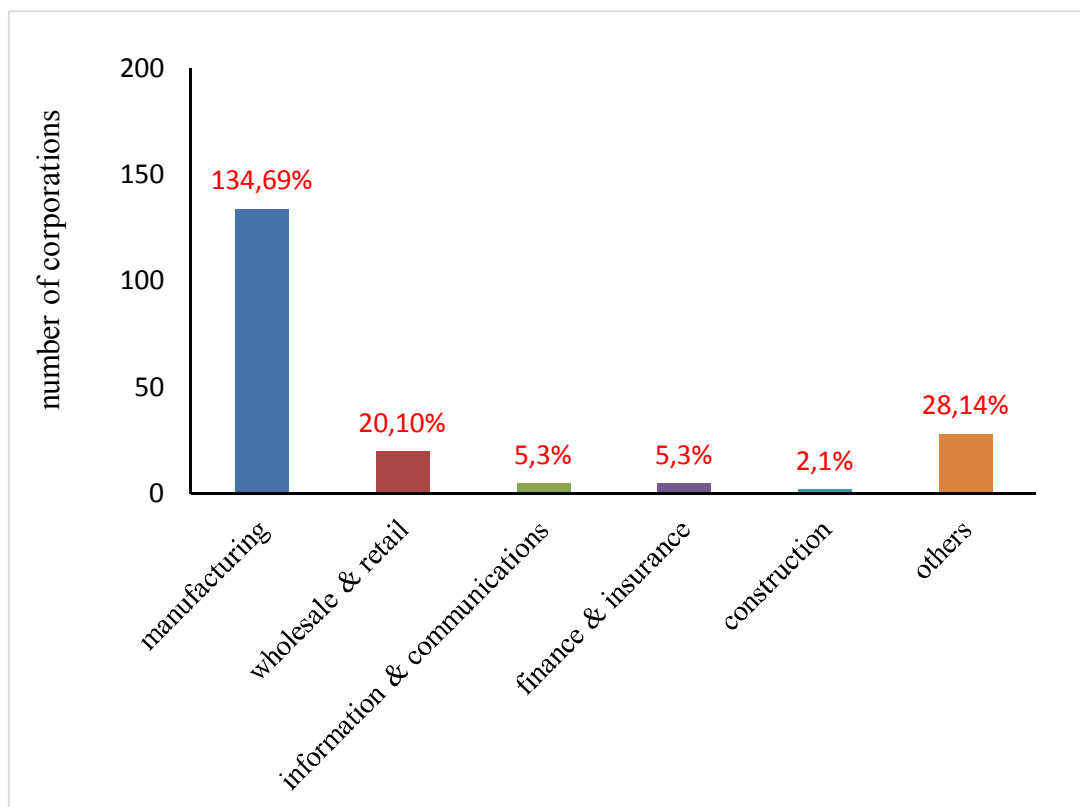

Figure 2: Industry

(3) Registration Mode

In terms of the registration mode, a majority of China-based Japanese corporations are "corporations registered in China" (147 corporations, making up 77%), while others are "subcompanies, subsidiaries, offices or bureaus of corporations registered in Japan" (44 corporations, making up 23%).
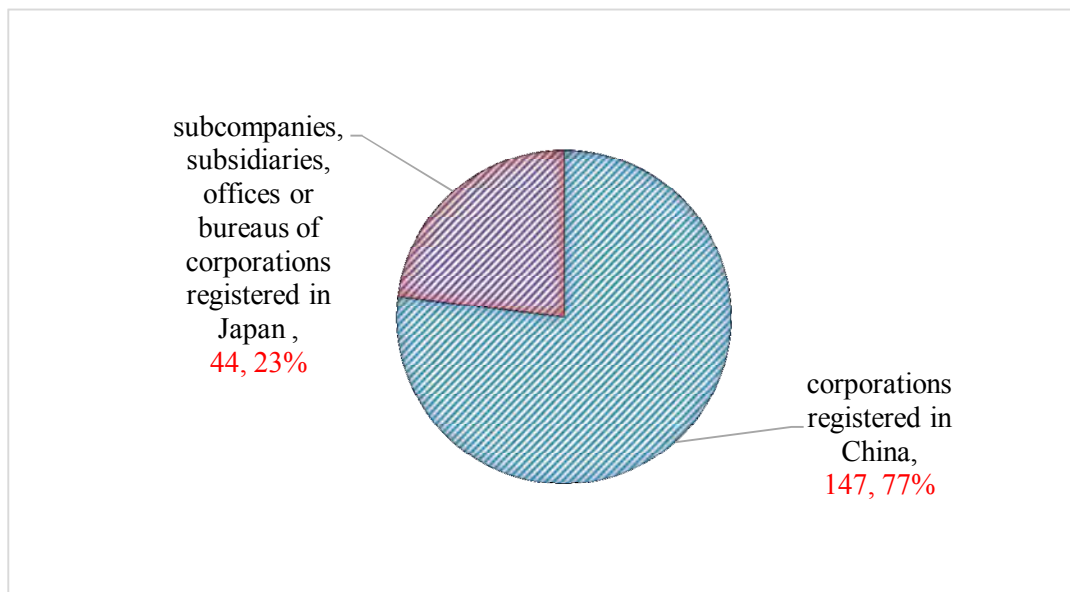
Figure 3: Registration Mode

(4) Ratio of Investment

Speaking of the ratio of investment, a large majority of China-based Japanese corporations are "100%" funded by the Japanese investors (116 corporations and the percentage reaching 81%; the second largest category is "50%-99%" (22 corporations, 15%); only 5 corporations belong to "1-49%" category, taking up 4%.
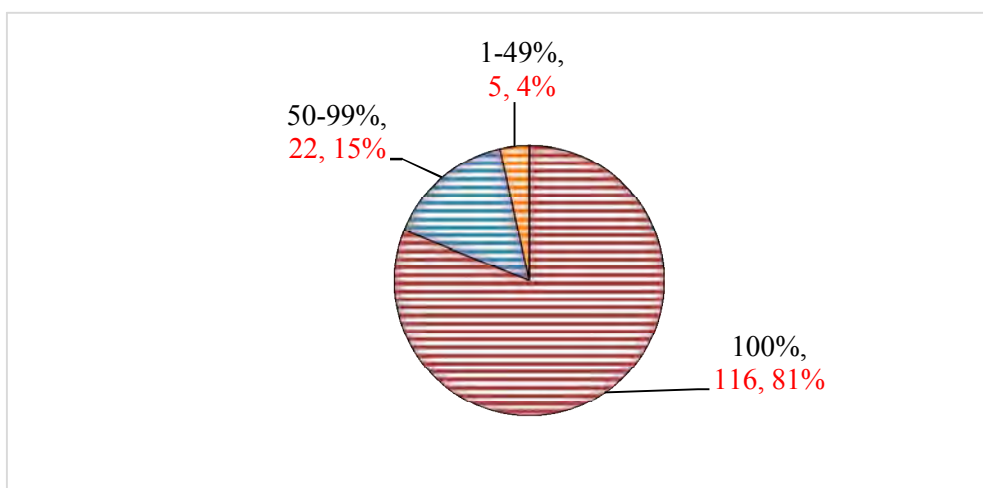

Figure 4: Ratio of Investment

(5) Business turnover

When it comes to business turnover, 88 large corporations reaped over 300

million RMB in 2014, accounting for 47%; 59 medium-sized corporations turned over 30-300 million RMB, accounting for 31%; 42 small-sized corporations, gained less than 30 million RMB , accounting for 22%.
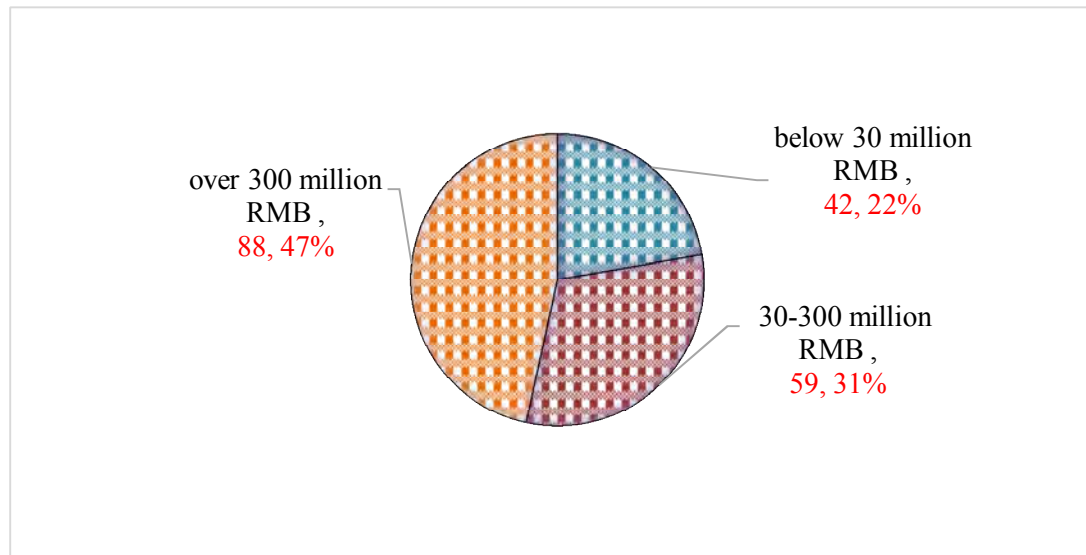

Figure 5: Business Turnover (2014)

(6) Number of Employees

103 China-based Japanese corporations hire fewer than 300 employees, accounting for 53%; 66 corporations, or 34%, with 300-2,000 employees; and 25 corporations employ over 2,000 employees, accounting for 13%.
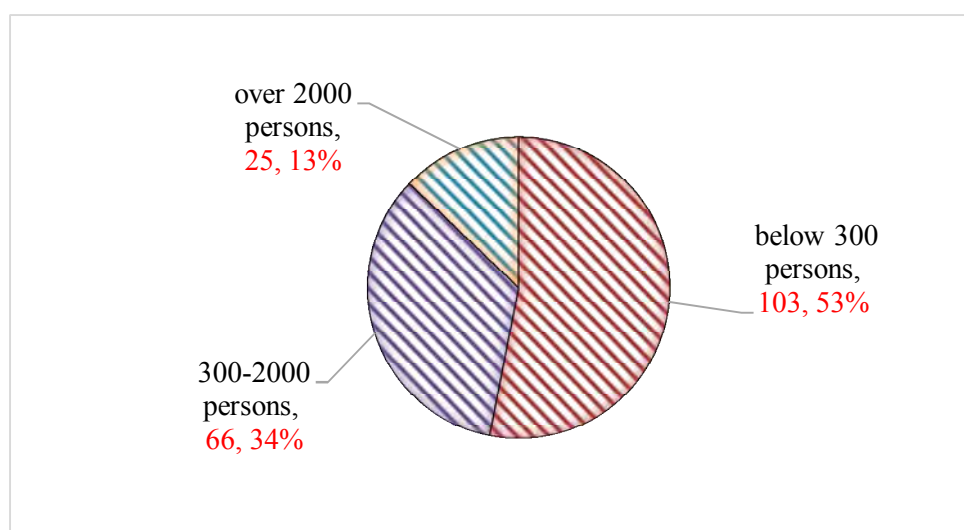

Figure 6: Number of Employees

2.1.2 CSR Notion and Practices

(1) CSR Conception

The understanding of CSR conception by the surveyed China-based Japanese corporations can be clearly explained by theory of "CSR pyramid", which was proposed in 1991 by Professor Archie Carroll from the University of Georgia, U.S. This model identifies four areas of responsibility that make up holistic ideas of CSR, namely economic, legal, ethical, and discretionary (usually philanthropic) responsibility. Economic and legal responsibilities are legally obligatory, and the former is to be profitable and forms the basis for assuming other social responsibilities of higher level, while the latter means a corporation is to act and operate in accordance with laws and regulations. Ethical responsibilities are morally obligatory, meaning that a corporation should act in line with the basic social morality respecting principles of justice and fairness. Discretionary responsibilities are assumed on a voluntary basis, meaning that a corporation, as a member of society, should contribute its due part to promote social development and social welfare of the whole society.

In this survey, we designed four options according to the four types of responsibilities in the pyramid model:

♦ Economic responsibility: generating profit for shareholders, creating wealth for society, and promoting socioeconomic development

♦ Legal responsibility: abiding by laws and regulations

♦ Ethical responsibility: following business ethics like fairness, justice, and avoidance of harming

♦ Discretionary (philanthropic) responsibility: being engaged in charitable donations, corporate volunteering and other philanthropic activities

The importance attached by the surveyed China-based Japanese corporations to economic, legal, ethical and discretionary responsibilities basically coincides with the

CSR pyramid model. As shown in Figure 7, on a scale of 1-5 points, the respondents assign, on an average basis, 4.61 points to economic responsibilities: "generate profit for shareholders, create wealth for society, promote socioeconomic development", 4.91 points to legal responsibilities: "in the course of business, abide by the laws and regulations", 4.81 points to ethical responsibilities: "in the course of business, follow business ethics like fairness, justice and avoidance of harming", and 3.96 points to discretionary (philanthropic) responsibilities: "engage in charitable donations, corporate volunteering and other philanthropic activities".
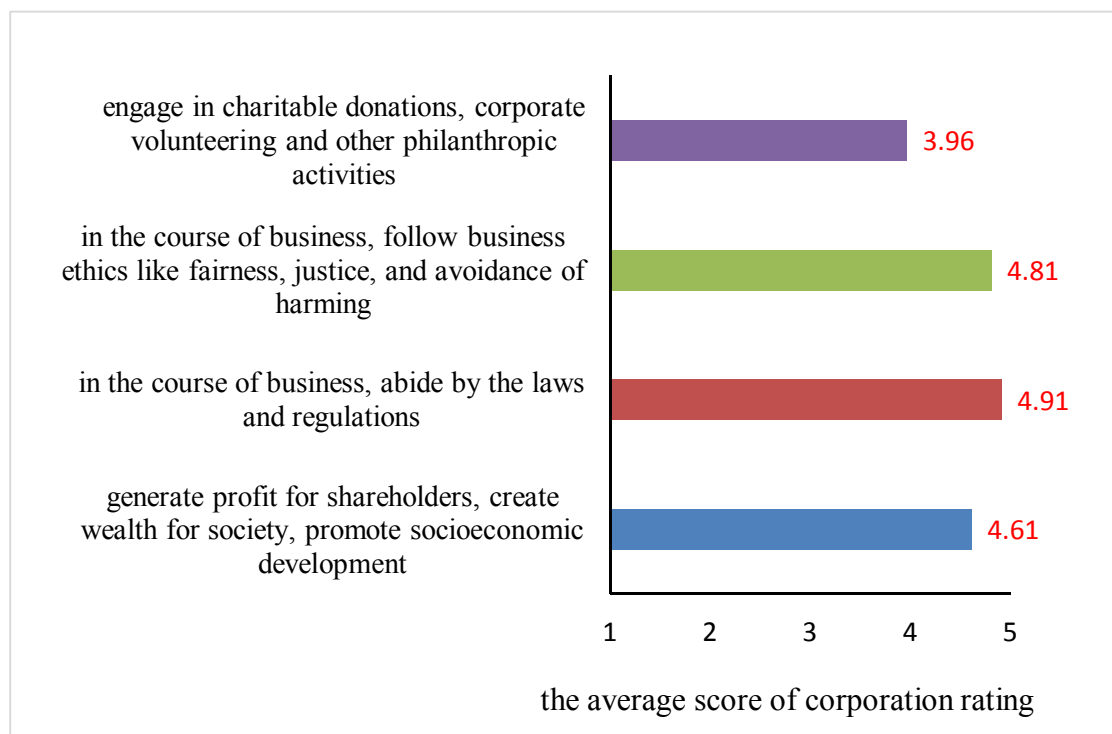

Figure 7: Japanese Corporations' CSR Conception

(2) Corporate Stakeholders from the View of CSR

Stakeholder theory provides another theoretical instrument that allows us to comprehensively understand the respondents' perception of CSR. A stakeholder refers to a group or an individual that has a stake in a corporation's operations and consequences. A stakeholder can be a company's trading partner (such as its shareholders, creditors, employees, consumers, and suppliers), a governmental organization, a pressure group (such as local residents and communities, the media,

and environmentalists), and objects (even including natural environment and future generations) directly or indirectly affected by a corporation's operation. Closely connected with the survival and development of corporations, these stakeholders share their operational risks, pay dearly for their business activities, or keep corporations under supervision and in check, so much so that corporate decision-makers must take the stakeholders' interests into consideration or are subject to their constraint. In this sense, the survival and development of a corporation relies on how it reacts to the stakeholders' requirement rather than only on the shareholders.

Generally speaking, Western corporations have three types of stakeholders:

✧ Stakeholders inside a company (employees)

✧ Stakeholders in the product market (major clients, suppliers, local social organizations and industry associations and business councils)

✧ Stakeholders in the capital market (shareholders and investors)

The perception of corporate stakeholders held by the surveyed China-based Japanese corporations and that held by their Western counterparts converge as much as they diverge. Both of them agree on the categorization of corporate stakeholders into three groups: those inside a company, in the product market, and in the capital market. In terms of stakeholders inside a company, 187 surveyed Japanese corporations (96%) consider employees as their main stakeholders; as for stakeholders in the product market, 183 corporations (94%) and 148 corporations (76%) see clients and suppliers respectively as their main stakeholders; and concerning stakeholders in the capital market, 155 corporations (80%) think of shareholders as their main stakeholders.

However, the surveyed China-based Japanese corporations obviously differ from their Western counterparts in their perception of stakeholders. In the Western social, political and economic environment, Western companies views in local social organizations and trade unions as main stakeholders in the product market, while only

38 surveyed Japanese corporations (20%) count social organizations as stakeholders.
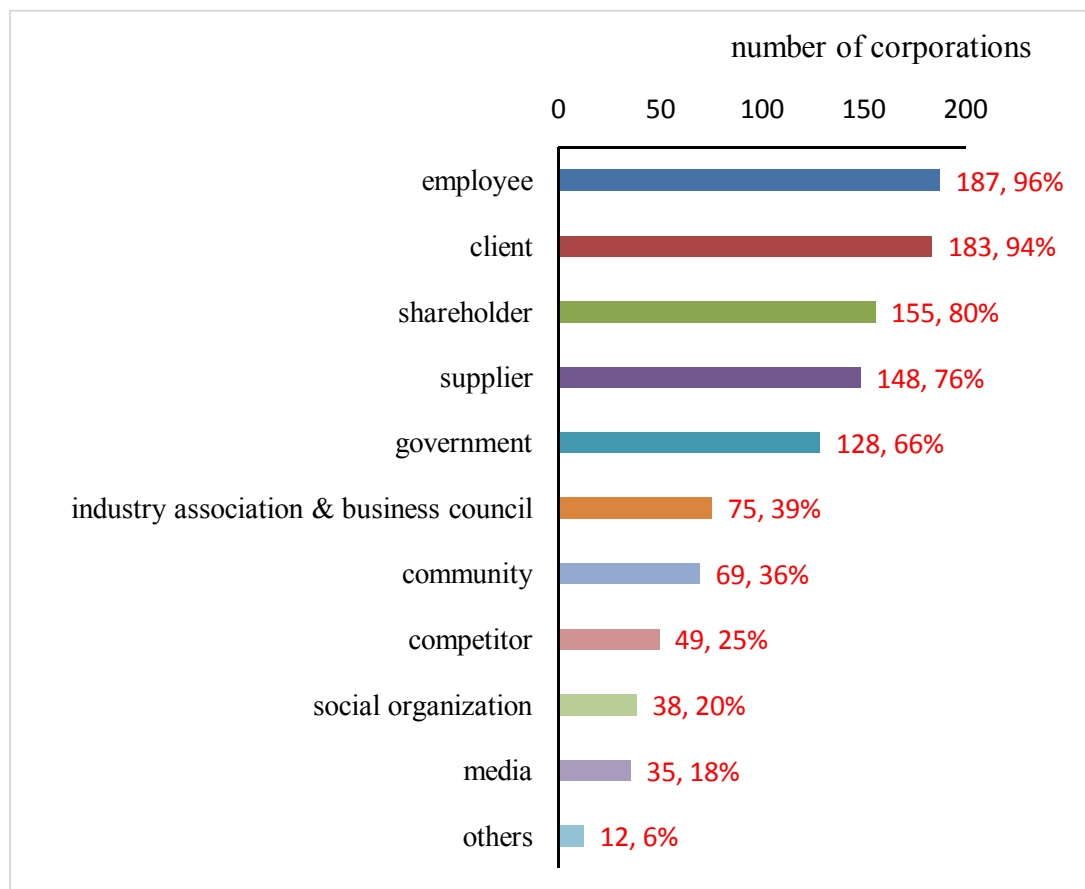

Figure 8: Corporate Stakeholders from the View of CSR (multiple choices)

(3) Reasons to Fulfill CSR in China

Researchers have categorized in detail the reasons to fulfill CSR[①]. As shown in Figure 9, in terms of "CSR drivers", CSR can be either "externally pushed" (namely by outside stakeholders and pressure groups such as media, NGOs, and market competitors) or "internally pushed" (namely by factors inside corporations). Behind "internally pushed CSR" there may be an "ethical, moral, or ideological motivation" (namely a moral obligation to do something in return for society, a motivation that usually leads to uncertain short-term philanthropic activities that vary from one to another) or a "strategic motivation" (which comes from corporate management's

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[①] Campopiano, Giovanna, Alfredo De Massis and Lucio Cassia (2012) "The Relationship between Motivations and Actions in Corporate Social Responsibility: An Exploratory Study", *International Journal of Business and Society*, 13(3): 391-425.

rational plan to promote corporate development). "Strategic motivations" can be subdivided into "instrumental motivations" (management's belief that CSR activities can bring a corporation various competitive edges in a short period, such as exploration of new business opportunities, protection of multiple stakeholders' interests, and avoidance of more costly governmental regulation), and "institutional motives"(management's conviction that long-term CSR activities can improve a corporation's public image and reputation, which, in turn, can lead to a positive change in institutional environment for the corporation).
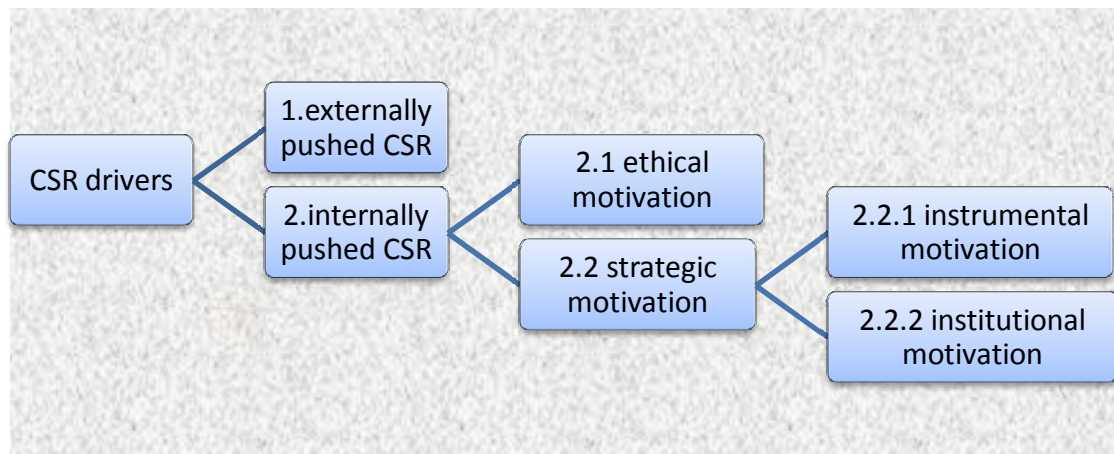

Figure 9: Categorization of "CSR Drivers"

As shown in Figure 10, the surveyed China-based Japanese corporations fulfill their social responsibilities for various reasons, almost all of which are covered in the aforesaid motivation model. Generally speaking, the majority of corporations are motivated by "internal factors", and both "ethical motivations" and "strategic motivations" are significant. To be specific, the first-ranking CSR rationale, as chosen by 175 corporations (90%), is to "make more contribution to social development", which is a typical "ethical motivation". "Strategic motivations" take various forms. On one hand, it is "instrumental motivation", such as to "abide by laws and regulations and reduce legal risks", as chosen by 162 corporations (84%) or to "create better working conditions and attract and maintain qualified employees", as chosen by 147 corporations (76%). On the other hand, it is "institutional motives", such as to

"improve corporations' reputation and brand image", as chosen by 126 corporations (65%). However, "external factors" are not important CSR drivers among the surveyed China-based Japanese corporations. Specifically, only 25 corporations (13%) chose the option to "cope with the pressure from competitors"; only 19 corporations (10%) chose "to act in response to public opinions". In addition, for 101 corporations (52%), to "obtain government's recognition and support" is their motivation for CSR activities.
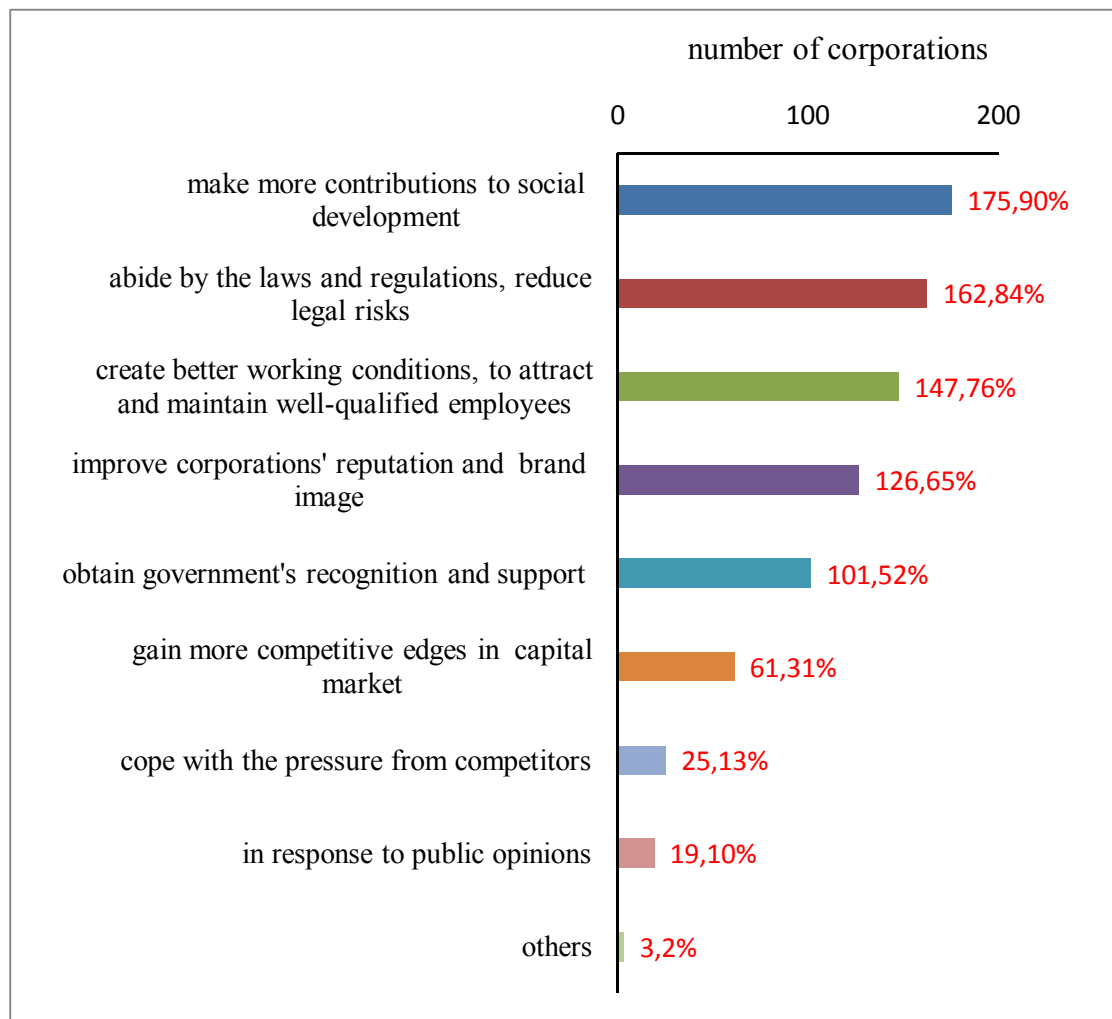

Figure 10: Reasons to Fulfill CSR in China (multiple choices)

(4) Starting Time of CSR Activities in China

Starting time of CSR activities by the surveyed China-based Japanese corporations lasts from the 1990 to present and the last decade (2006-2015) is the

fastest-growing period. First, within the period of 2011-2015, 67 corporations (39%) engaged in CSR activities; second, 51 corporations (29%) engaged in CSR activities in the period of 2006-2010.
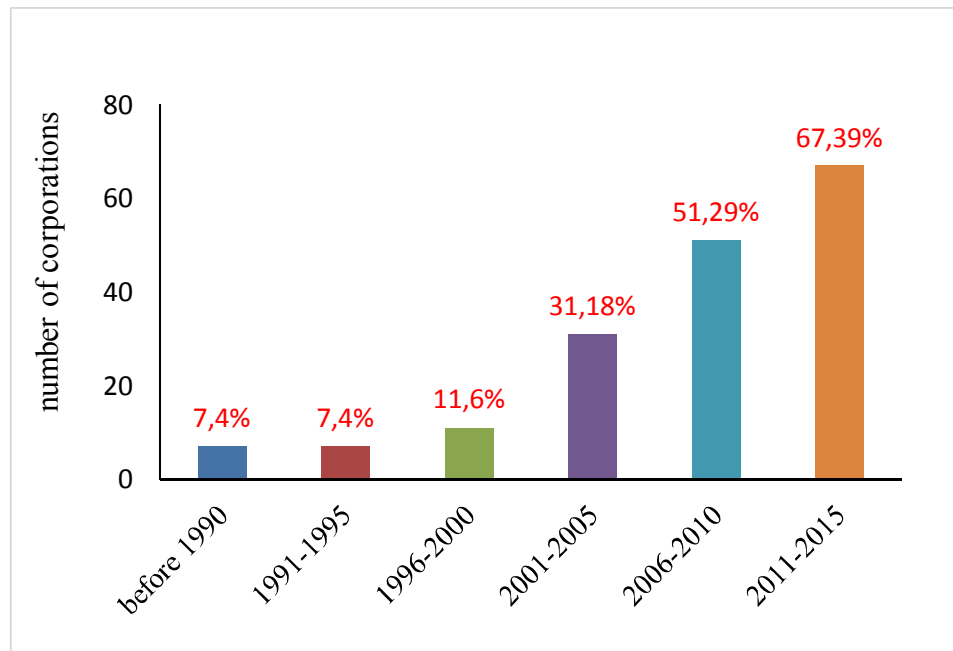

Figure 11: Starting Time of CSR Activities in China

(5) Content of CSR activities in China

As mentioned previously, CSR management is essentially about identifying, analyzing and responding to the needs and expectations of corporations' multiple stakeholders. The CSR activities carried out by the surveyed China-based Japanese corporations clearly demonstrate a "multiple stakeholders orientation", namely the surveyed corporations are attentive and responsive to a wide range of stakeholders including shareholders, employees, consumers, suppliers, governmental organs, local residents, local communities and natural environment.

As shown in Figure 12, the top five CSR activities performed in China by Japanese corporations are: "comply with business ethics and abide by the laws and regulations" (178 corporations, 93%); "pay taxes according to laws" (161 corporations, 84%); "save resource and energy and protect the environment" (155 corporations, 81%); "coordinate labor relations" (148 corporations, 77%); and

"enhance customer services" (145 corporations, 76%). Other CSR activities conducted by over 50 percentage of the total number of the surveyed corporations include: "maintain and create job opportunities" (119 corporations, 62%); "make contributions to local economy" (117 corporations, 61%); and "ensure corporate transparency & information disclosure" (97 corporations, 51%).
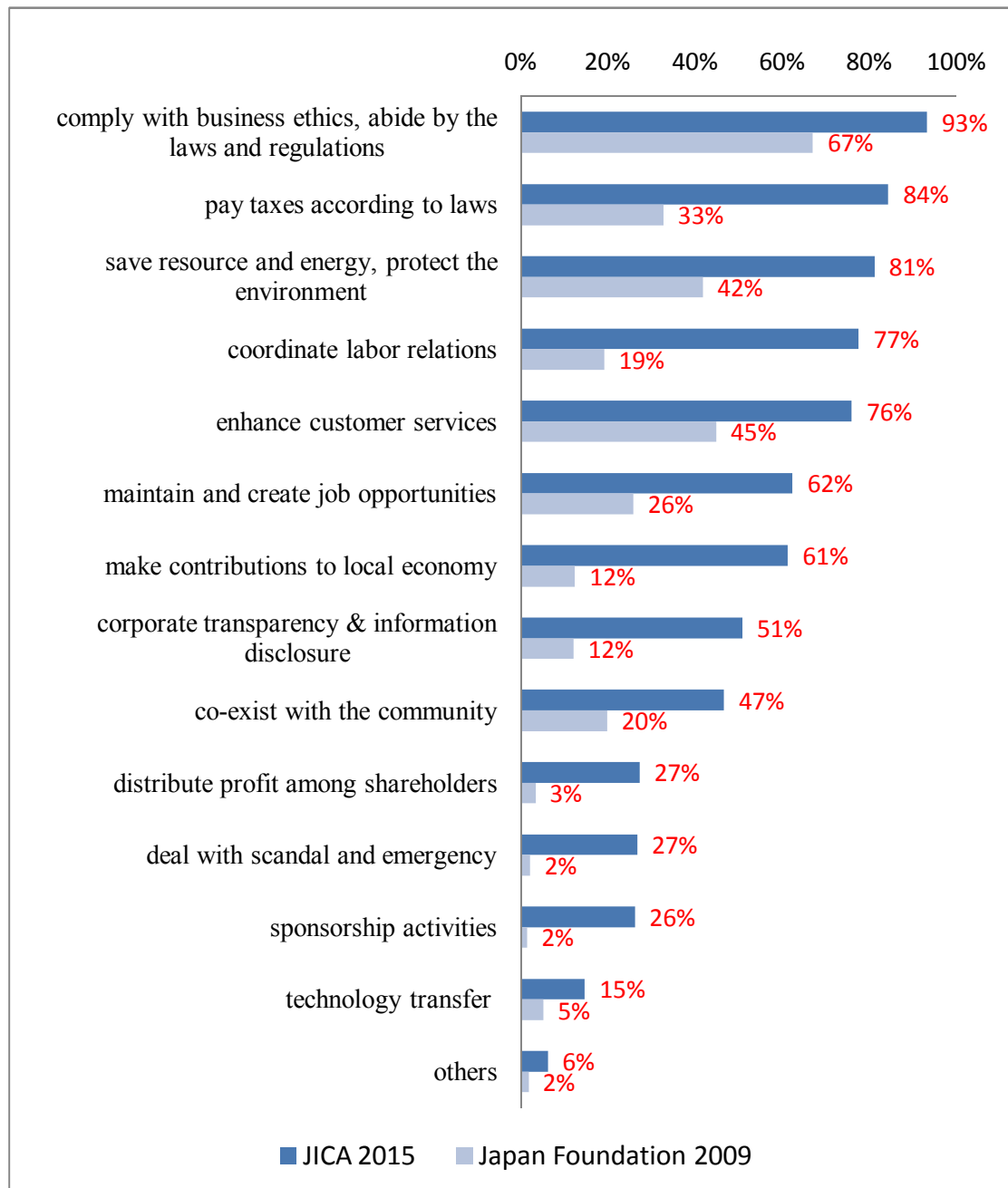

Figure 12: Content of CSR Activities in China (multiple choices)
A Comparison between JICA Survey (2015) and Japan Foundation Survey (2009)

In order to shed light on the trend of China-based Japanese Corporations in recent years, we compare the data of this survey with the Japan Foundation's survey in 2009 on "Social Contribution Activities of China-based Japanese corporations". The survey in 2009 revealed that in 2009 China-based Japanese corporations mainly carried out CSR activities in the following aspects: "comply with business ethics and abide by the laws and regulations" (as chosen by 67% of the surveyed corporations); "enhance customer services" (45%); and "save resource and energy and protect environment" (42%). During 2010 to 2015, the most remarkable change in the CSR activities of China-based Japanese corporations lies in the diversification of CSR activities and increased incidence rates of various forms of CSR activities. Specifically, the following areas witness dramatic growth of CSR activities: "pay taxes according to laws" (from 33% to 84%), "coordinate labor relations" (from 19% to 77%), "maintain and create job opportunities" (from 26% to 62%), "make contributions to local economy" (from 12% to 61%), "ensure corporate transparency & information disclosure" (from 12% to 51%), "co-exist with the community" (from 20% to 47%), "distribute profit among shareholders" (from 3% to 27%), "deal with scandal and emergency" (from 2% to 27%), and "sponsorship activities" (from 2% to 26%) and "technology transfer" (from 5% to 15%).

Furthermore, previous studies showed the CSR activities by China-based Japanese corporations were highly homogenous, lacking special features[1]. In other words, many Japanese corporations failed to develop their own CSR strategies to reflect industrial and company-specific features and needs, but only jumped on the bandwagon of CSR to maintain a positive public image[2]. But according to this survey, this situation seems to have been rectified in the last five years. Put simply, CSR activities of China-based Japanese corporations are becoming more diversified and pervasive growth are occurring in various areas of CSR activities.

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[1] Zhong Hongwu (2008) "Study on Japanese Corporate Social Responsibility", *China Industrial Economics*, 9.
[2] Lei Ming (2010) "Features of Japanese Corporations' Discharging Social Responsibilities and Things to Learn from It", *Japanese Studies*, 6.

(6) Managerial Departments Responsible for CSR Affairs

Continued performance of CSR activities relies on the establishment of the managerial departments inside corporations. In 2005, Japan Business Federation (Keidanren) investigated the situation of departments in charge of CSR affairs within Japanese corporations and results go as: "an independent CSR department" (23.5%), "the business planning department" (15.2%), "the legal service/compliance department"(13.9%), "the general affairs department" (10.6%), "CEO" (8.4%), "the advertising/public relations department" (7.6%), "the environment/security department" (3.6%), "three or more departments" (4.9%), "two or more departments" (6.7%), or "other department" (5.7%). Judging by the previous experience of Japanese companies, things go the best when CSR activities fall in the remit of a competent department such as the strategic planning department or general affairs department[1].
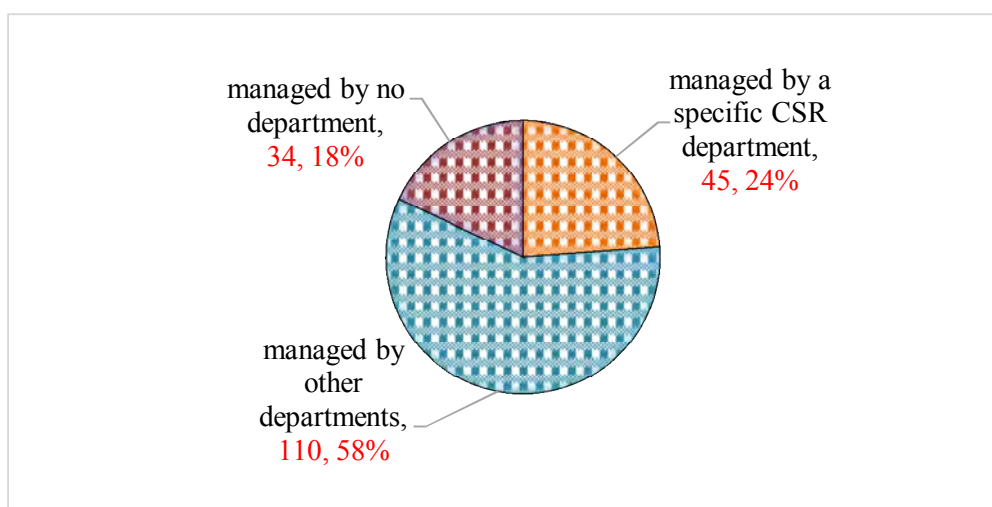
Figure 13: Managerial Departments Responsible for CSR Affairs

The arrangement of managerial department responsible for CSR affairs among the surveyed China-based Japanese corporations reflects the typical pattern of Japanese corporations discussed in existing literature. Specifically, in 45 corporations (24%) CSR affairs are "managed by a specific department", in 110 corporations (58%), "managed by other departments", and in 34 corporations (18%), "managed by

[1] Zhong Hongwu (2008) "Study on Japanese Corporate Social Responsibility", *China Industrial Economics*, 9.

no department".

(7) Approaches to Manage CSR Affairs

PDCA (Plan-Do-Check-Adjust) is a general model in management studies. As a brainchild of Walter A. Shewhtarn in 1930, the theatrical instrument was re-explored and publicized in 1950 by Dr. W. Edwards Deming, an U.S. expert on quality management, for use in product quality improvement. Nowadays, the PDCA management model has been applied widely to the routine management of CSR affaires. In 2004, Nomura Research Institute of Japan, proposes a five steps method for corporations to manage their CSR affaires: to analyze the current situation of CSR – to identify a CSR vision – to develop a CSR strategy – to put in place the PDCA model and a implementation mechanism – to develop a strategy and structure for communication. Currently, the PDCA cycle is well underway in most Japanese corporations, enabling them to engage in CSR activities according to their development strategy in an orderly, well-organized and properly-supervised manner, enhance Japanese corporations' ability to improve consistently the managerial performance of CSR affaires[①].
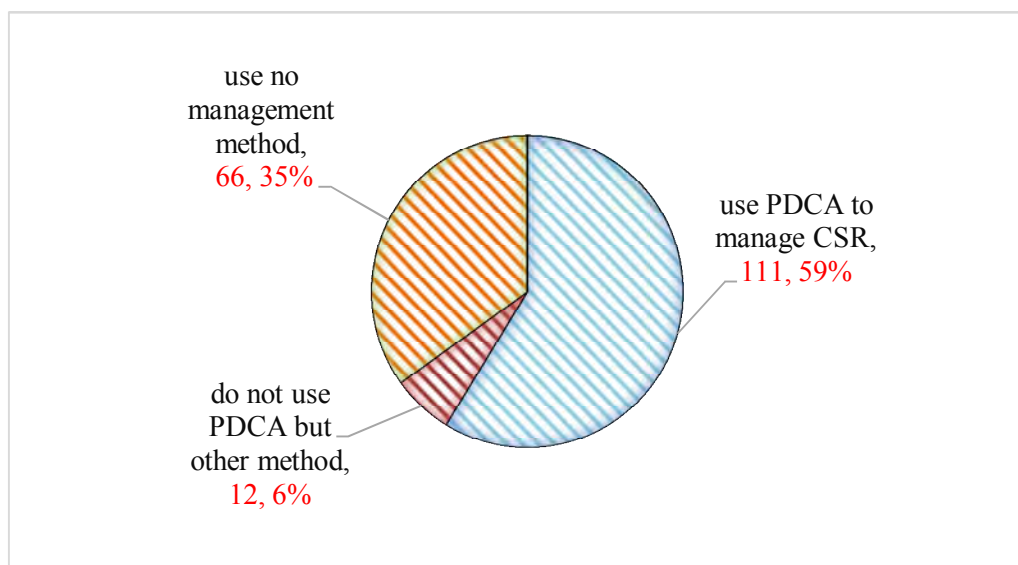

Figure 14: Approaches to Manage CSR Affairs

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① Xu Wei, Zhang Fei (2012) "Research on Corporate Social Responsibility Management of Japanese Corporations", *Technoeconomics & Management Research*, 7.

As showed in Figure 14, out of the surveyed China-based Japanese corporations, 111 corporations (69%) "use PDCA to manage CSR", 12 corporations "do not use PDCA but other method"; and 66 corporations (35%) "use no management method".

(8) Budget for CSR Affairs

The budget for CSR affairs is identified as an important indicator of how much a corporation is committed to CSR. In this survey, this indicator is measured by "the ratio of a corporation's CSR budget to its annual turnover" (hereafter is abbreviated as CSR budget ratio). The general distribution of the CSR budget ratio of the surveyed China-based Japanese corporations takes on a "spindle shape", which means more of the surveyed corporations set a middle-sized CSR budget, and fewer allocate either a huge or a small CSR budget. Specifically, 49 corporations (37%) have a CSR budget ratio of "over 1%", 28 corporations (21%) have a CSR budget ratio of "0.1%-1%", 23 corporations (18%) have a CSR budget ratio of "0.01%-0.1%", and 31 corporations (24%) have a CSR budget ratio of "below 0.01%".
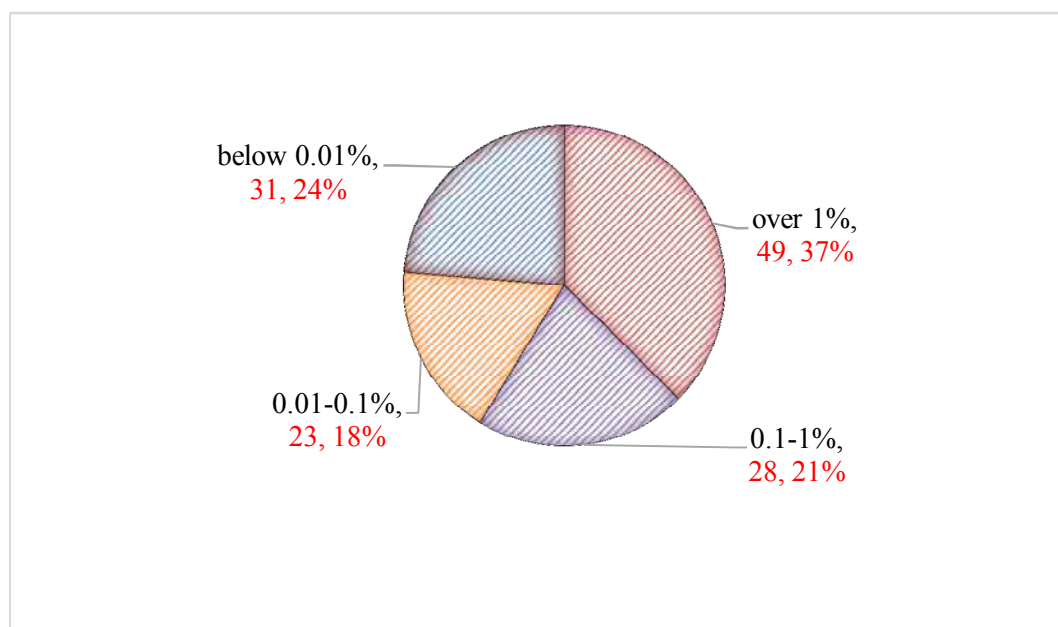

Figure 15: CSR Budget-Turnover Ratio (2014)

(9) Main Areas of CSR Activities in China

International guidelines on CSR usually call on corporations to be attentive and responsive to each aspect of the impacts of corporate decisions and activities upon society and environment. For example, "Guidance on Social Responsibility ISO26000" identifies seven main themes for CSR activities: organizational governance, human rights, labor practices, environment, fair operating practices, consumer issues, and community involvement and development.

Among the surveyed China-based Japanese corporations, a broad variety of CSR activities have been widely conducted. The two most intensively engaged in CSR activities are employee-related responsibilities (including human rights, labor relations and labor rights) and environment-related responsibilities (including pollution prevention and treatment, energy saving, resource conservation and ecological protection), which are carried out by 85% and 83% of the surveyed corporations, respectively. The third widespread CSR activities is product/service-related responsibility (including product safety, consumers' rights and interests) which is carried out by 67% of the surveyed corporations. The fourth widespread CSR activities is about the responsibilities related to social development (poverty reduction, health care, disaster relief, prevention & reduction, education, and community service), which is carried out by 52% of the surveyed corporations.

In comparison, fewer Japanese corporations (only 38% of the surveyed corporations) engage in CSR activities related to supply chain management (providing requirements, guidances and supervision for suppliers to meet CSR standards in terms of environment issues, labor practices, and human rights, etc.). In fact, this is a long-existing phenomenon in Japanese corporations' CSR practices. Previous studies reveal that few large Japanese corporations really include their suppliers into CSR management system, sharply differing from their European and U.S counterparts which conduct CSR audits of their suppliers[1]. The insufficient CSR management of the supply chain has been mainly ascribed to a corporate notion that large corporations should only literally "mind their own business" and undertake its own

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[1] Zhong Hongwu (2008) "Study on Japanese Corporate Social Responsibility", *China Industrial Economics*, 9.

social responsibility within the corporation, while passing their CSR onto medium and small-sized suppliers is viewed as irresponsible behavior. Additionally in reality, to require suppliers – many of which are SMEs – to comply to high-level CSR standards take advantage of ascendant positions of large corporations in supply chains is to act in the way of the strong domineering over the weak, and may cause disturbance and dissatisfaction among suppliers[①].
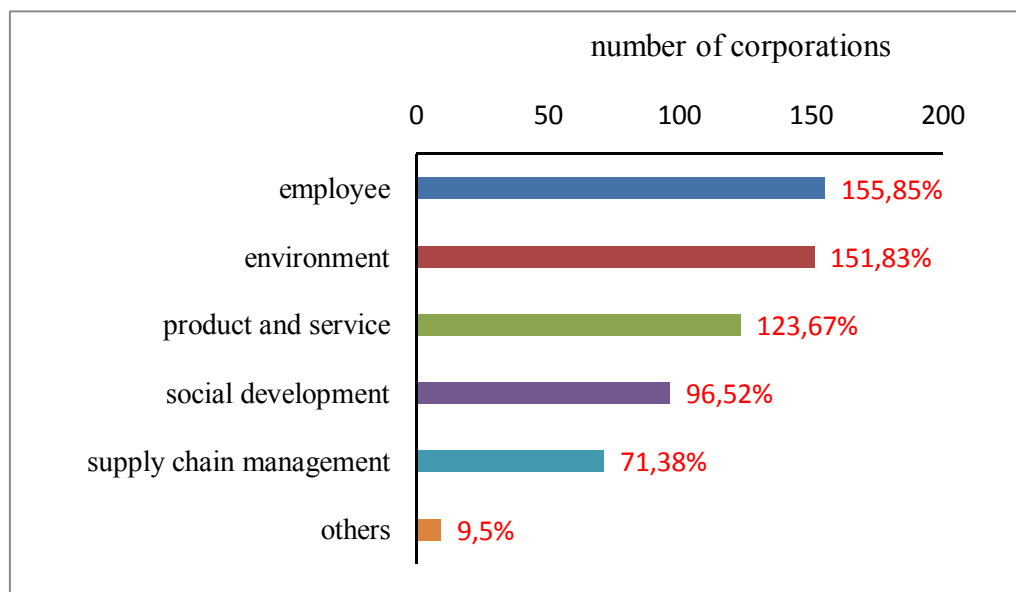
Figure 16: Main Areas of CSR Activities in China (multiple choices)

(10) Specific Ways to Carry Out Employee-Related CSR Activities

The surveyed China-based Japanese corporations adopt a variety of approaches to carrying out employee-related CSR activities. The most used way is to "establish good means of communication with employees and coordinate labor relations" (145 corporations, or 87% of the respondent). The second most used way is to "provide safe and healthy working conditions and prevent occupational accidents" (144 corporations, 87%). The third most used way is to "enhance employees' future employability" (137 corporations, 83%). Then follows to "eliminate discrimination in employment relations" 115 corporations, 69%) and to "organize volunteering

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① Eiko Ibuki (2006) *CSR for Strategic Management*, Tokyo: Toyokeizai.

activities among employees" (66 corporations, 40%). Last comes to "demand suppliers to reach certain labor standards" (34 corporations, 20%).

number of corporations

establish good means of communication with employees, coordinate labor relations	145,87%
provide safe and healthy working conditions, prevent occupational accidents	144,87%
enhance employees' future employability	137,83%
elimanate discrimination in employment relations	115,69%
organize volunteering activities among employees	66,40%
establish corresponding management system based on international, Japanese and Chinese standards	45,27%
demand suppliers to reach certain labor standards	34,20%
others	4,2%

Figure 17: Specific Ways to Carry Out Employee-Related CSR Activities
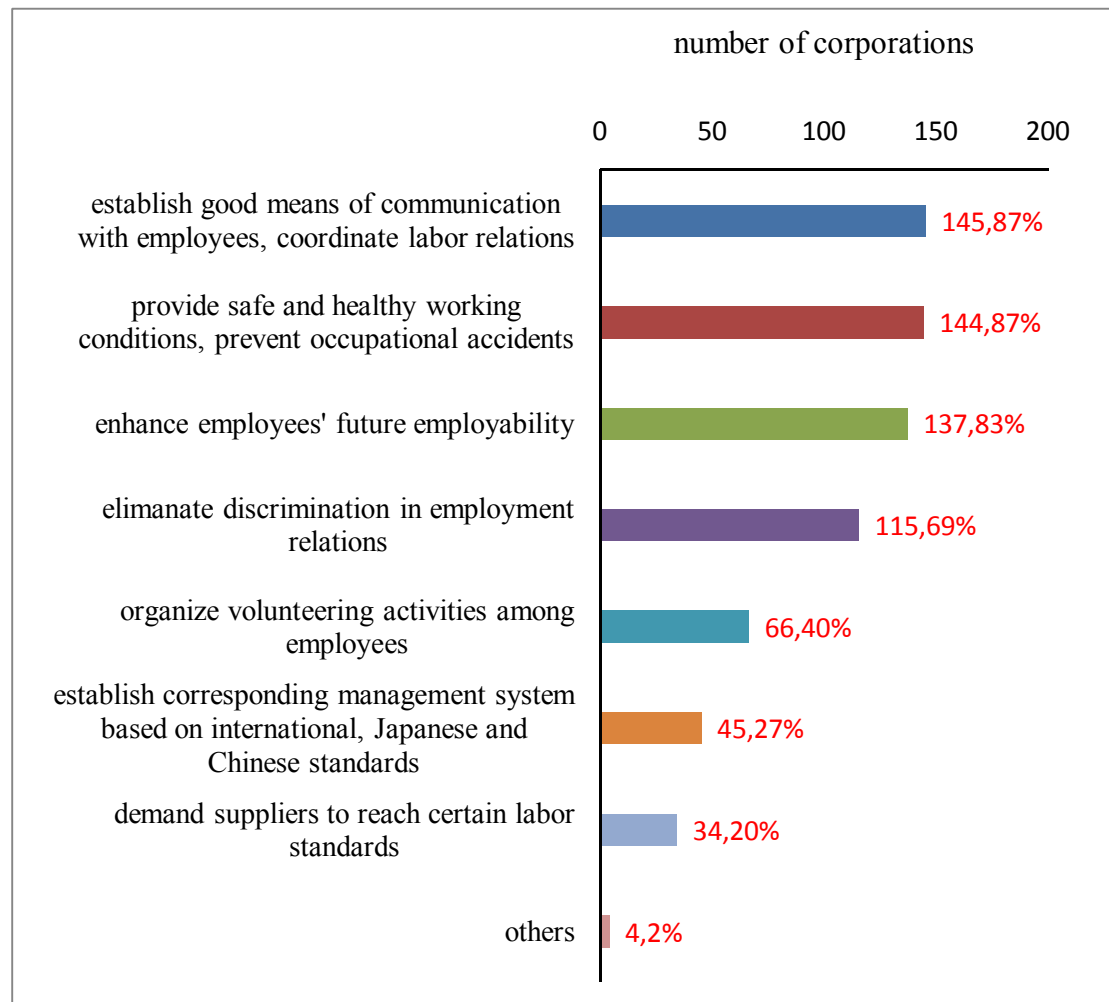
(multiple choices)

(11) Specific Ways to Carry out Environment-related CSR Activities

The surveyed China-based Japanese corporations apply difference methods to carrying out environment-related CSR. What takes the first place is "dedicate to energy saving in the course of producing and operating" (137 corporations, 84% of the respondents); the No.2 choice is to "limit and reduce the emission of harmful substances" (117 corporations, 72%); the No. 3 choice is to "establish environment management system based on international or Japanese standards" (102 corporations,

63%). What follows is to "actively develop energy-saving and environment-friendly products" (82 corporations, 50%), to "organize volunteering activities among employees" (72 corporations, 44%), and the last comes to "preserve ecology & environment (such as to plant trees and maintain biodiversity)" (56 corporations, 34%).
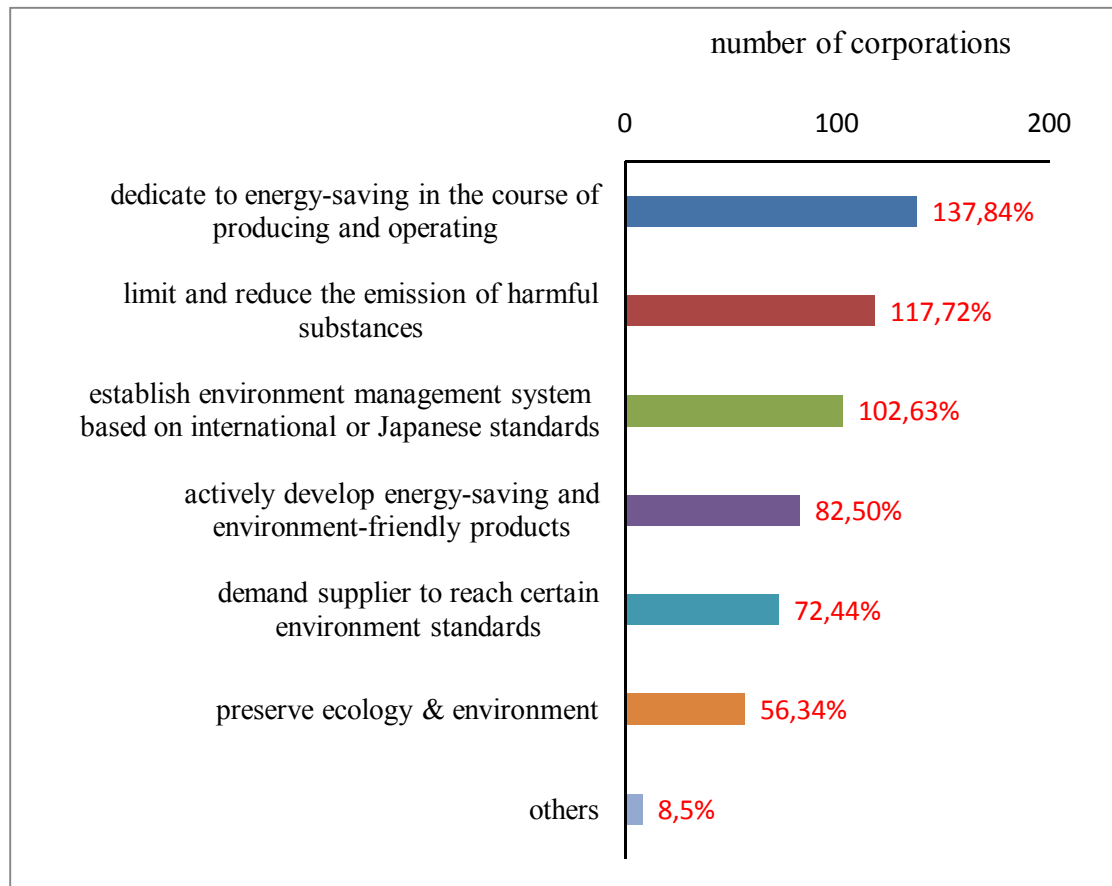

Figure 18: Specific Ways to Carry out Environment-related CSR Activities
(multiple choices)

(12) Specific Fields of CSR Activities Related to Social Development

The surveyed China-based Japanese corporations carry out CSR activities in varying fields of social development. In rank order, these areas are "education" (77 corporations, 68%), "disaster relief, reduction and prevention" (74 corporations, 65%), "community services" (49 corporations, 43%), "poverty reduction" (29 corporations, 26%), and "health care" (25 corporations, 22%).
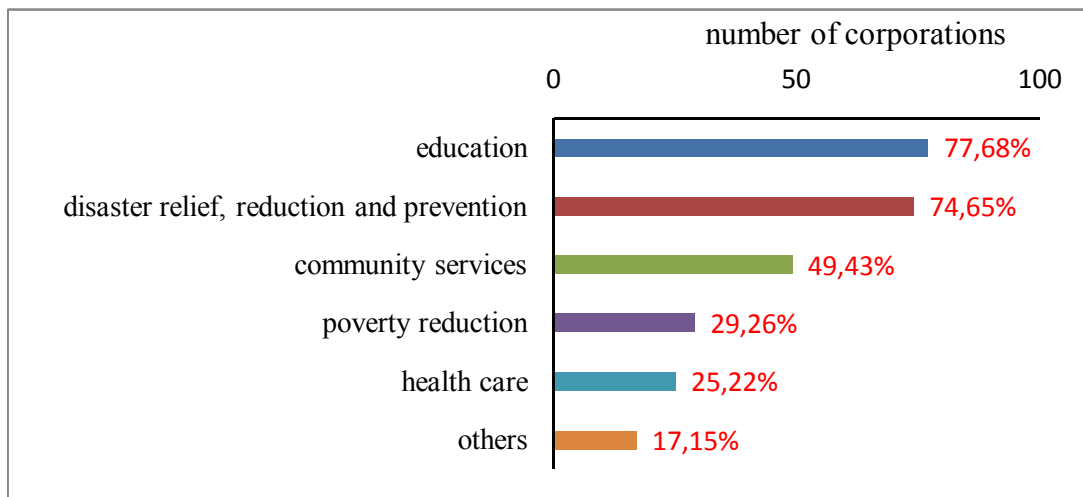
Figure 19: Specific Fields of CSR Activities Related to Social Development
(multiple choices)

(13) Specific Ways to Carry out CSR Activities Related to Social Development

The surveyed China-based Japanese corporations take divergent approaches to fulfilling CSR related to social development. What tops the list is to "provide monetary or material donations for beneficiaries directly" (71 corporations, 63%). What ranks the second is to "provide donations or services for beneficiaries indirectly" (65 corporations, 58%). What ranks the third is to "provide services for beneficiaries directly" (55 corporations, 49%). At the bottom of the list is to "provide facilities for beneficiaries directly" (21 corporations, 19%).
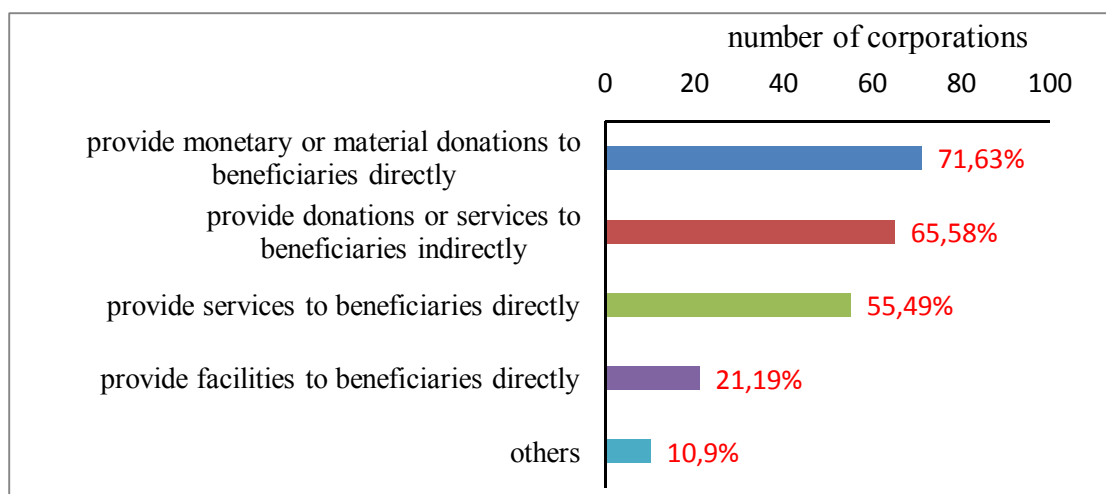

Figure 20: Specific Ways to Carry out CSR Activities Related to Social Development
(multiple choices)

(14) Importance of CSR to Corporation's Development

Basing on observation of the CSR activities of Japanese corporations ten years ago, previous studies conclude that Japanese corporations' CSR notions were relatively conservative, namely viewing CSR as an insurance-like investment that allowed them to minimize the negative effects of business activities on society. On the whole, Japanese corporations lack of a strategic consideration of the value of CSR, believing that CSR initiatives are not really relevant to industry features, business modes or value chains. Although CSR practices contribute to the improvement of social welfare, they are not helpful to improve corporations' competitiveness[1].

In response to this situation, Japanese CSR scholars and CSR research and advisory institutions[2] increasingly suggest Japanese corporations to shift from "conservative" CSR to "proactive" CSR. For example, Eiko Ibuki from Nomura Research Institute urges Japanese corporations to emphasize not only on risks but also on opportunities and to carry out CSR activities in an ambitious and well-thought-out fashion, so that CSR activities can create business values to corporations such as enhanced customer loyalty, greater business opportunities, increased share price, improved employee loyalty, and better reputation[3].

One of the foci of this survey is to answer to what extent China-based Japanese corporations have shifted from "conservative" CSR to "proactive" CSR. This is made possible by investigating of CSR notions and practices of China-based Japanese corporations in recent years, analyzing how they understand the importance of CSR to corporation's development, and how CSR activities integrate into the management or core business, and assessing the impact of CSR upon corporation's development.

In terms of CSR perception, most of the surveyed China-based Japanese corporations recognize the importance of CSR to corporation's development. To be

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[1] Zhong Hongwu (2008) "Study on Japanese Corporate Social Responsibility", *China Industrial Economics*, 9.
[2] In recent years, there have emerged Japanese corporations specializing in CSR research and planning, such as Japan Research Institute, NLI Research Institute, Nomura Research Institute, and Nikkei CSR Project. See Zhu Haishen (2011) "On the Research of Corporate Social Responsibility by Japanese Scholars", *Contemporary Economy of Japan*, 5.
[3] Eiko Ibuki (2006) *CSR for Strategic Management*, Tokyo: Toyokeizai.

specific, 85 corporations (45%) deem that CSR are "very important" to corporation's development, another 85 corporations (45%) deem it is "quite important", and only 20 corporations (11%) think it is "not clear". None of the surveyed corporations deny the importance of CSR to corporation's development.
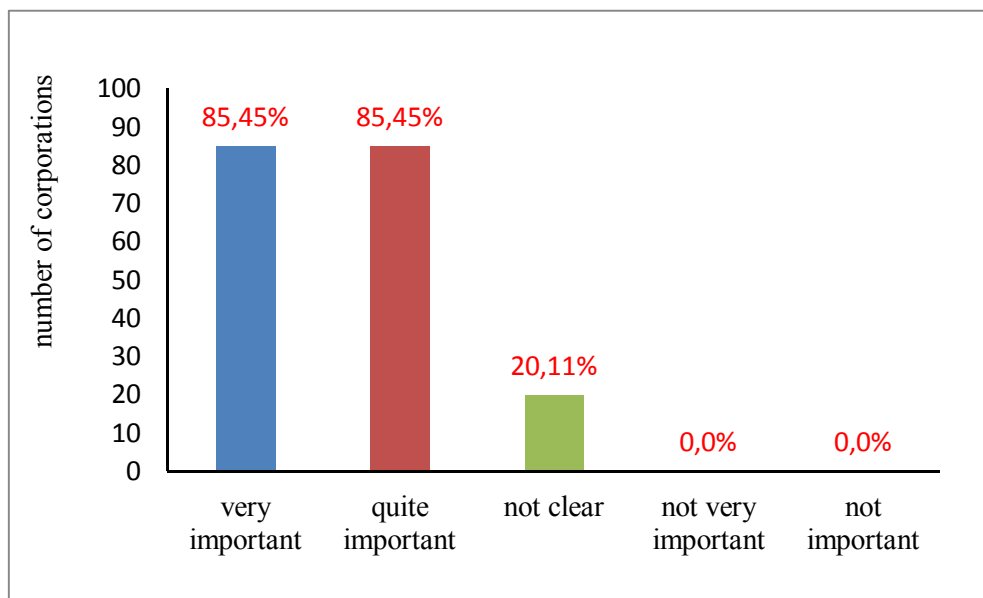

Figure 21: Importance of CSR to Corporation's Development

(15) Integration of CSR with Main Business Management

In the past decade, more and more scholars, entrepreneurs and policy-makers began to perceive, practice and evaluate CSR at a level of strategic importance for business operation[①]. Despite the awareness of this significance, it remains a challenge for corporations to integrate CSR affairs strategically with main business management.

The data of this survey tell us that most China-based Japanese corporations have responded effectively to this challenge in varying degrees. As shown in Figure 22, only 18 corporations (10%) do not integrate CSR affairs with main business management, and 177 corporations (90%) engage in the integration. More specifically,

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[①] Apospori, Eleni, Konstantinos G. Zografos and Solon Magrizos (2012) "SME corporate social responsibility and competitiveness: A literature review", *International Journal of Technology Management*, Vol. 58, Issue 1/2, pp.10-31.

areas of business management integrated with CSR distribute in following sequence: "corporate governance" (135 corporations, 72%), "human resource management" (110 corporations, 59%), "strategic management" (78 corporations, 41%), "marketing" (61 corporations, 32%), "supply chain management" (59 corporations, 31%), and "investment management" (23 corporations, 12%).
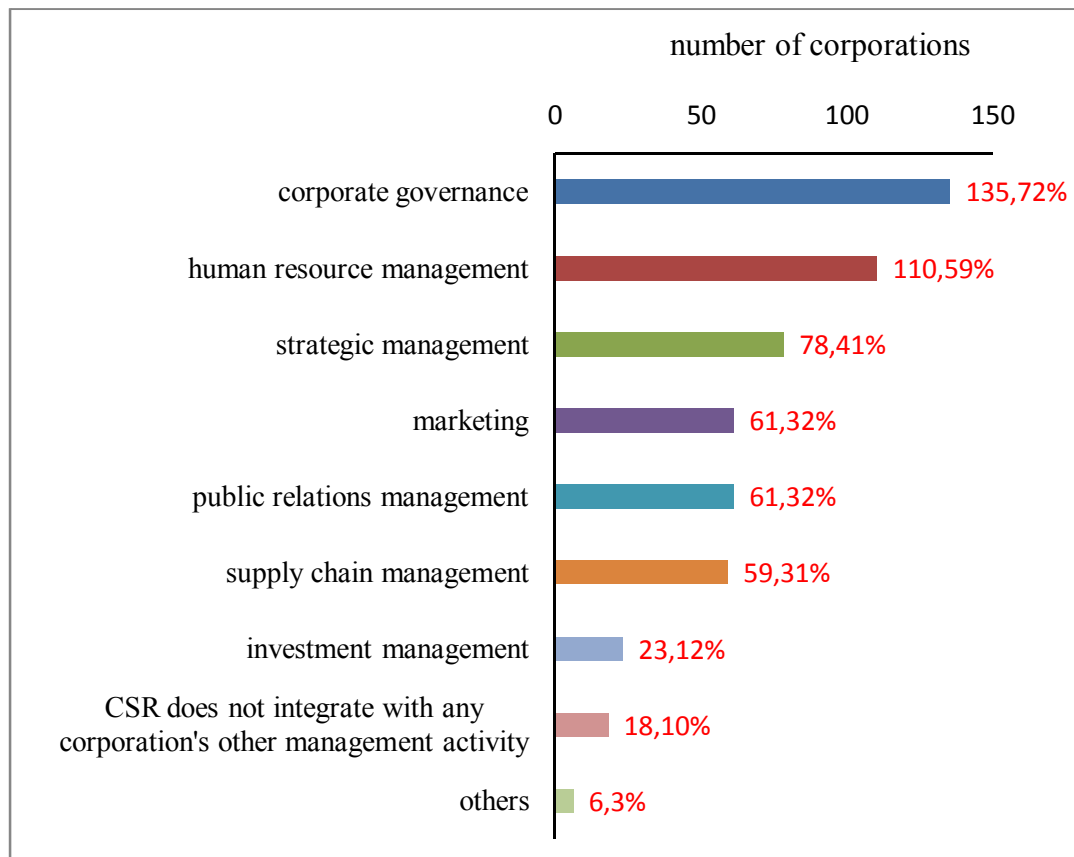
Figure 22: Integration of CSR with Main Business Management (multiple choices)

(16) Impacts of CSR on Corporation's Development

How to improve corporate competitiveness and economic performance by fulfilling CSR is widely concerned issue. Existing literature argue that, in the long run, CSR activities can lead corporations to "do well by doing good", or realizing the potential business value of CSR. To be specific, through CSR activities, corporations can reap commercial benefits in terms of productivity and legitimacy. As for productivity, the corporations with high level of innovation capacity and sound policies on society and environment can gain more competitive edges in cost saving,

quality enhancement, employee mobilization, product R&D, market development and crisis management. As for legitimacy, good performances in social responsibilities, environmental protection, and business ethics can bring corporations better reputation and enhanced relations with their main stakeholders such as consumers, investors, suppliers, local communities and the government, thus leading to better economic performances in products, labor, and the capital market[1].

number of corporations

| | 0 | 50 | 100 | 150 | 200 |

help to improve human resource management — 132, 70%

help to analyze, avoid and cope with risks effectively — 110, 59%

help to improve corporations' reputation and brand image — 105, 56%

help to improve customer relations — 103, 55%

help to improve government relations — 86, 46%

help to increase sales and profits — 42, 22%

help to attract investments — 7, 4%

other contributions to corporations' development — 7, 4%

promote corporation's development, and create social values — 79, 42%

have no use to corporations' development, but create some social values — 17, 9%
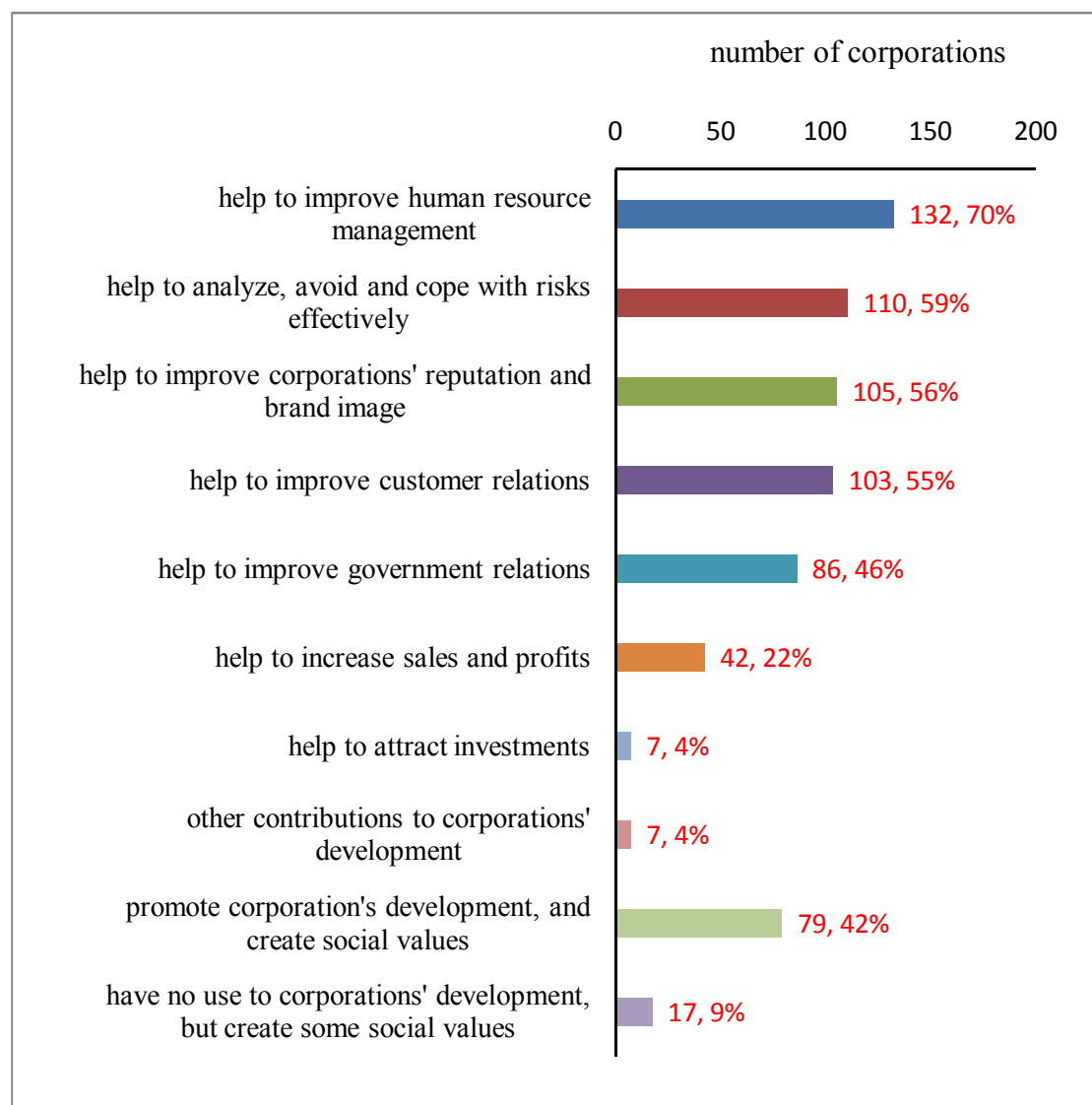
Figure 23: Impacts of CSR on Corporation's Development (multiple choices)

The survey on China-based Japanese corporations finds that CSR practices have

[1] Zadek, S., Sabapathy, J., Dossing, H. and Swift, T. (2003) *Responsible Competitiveness: Corporate Responsibility Clusters in Action*, The Copenhagen Centre & Accountability, Copenhagen, Denmark.

promoted the corporation's development either directly or indirectly. Specifically, the positive effects of CSR upon corporations' development (or the commercial value of CSR) are manifested in the following aspects: firstly, "help to improve human resources management" (132 corporations, accounting for 70%); secondly, "help to analyze, avoid and cope with risks effectively" (110 corporations, 59%); thirdly, "help to improve corporations' image and reputation" (105 corporations, 56%); fourthly, "help to improve customer relations" (103 corporations, 53%); fifthly, "help to improve government relations" (86, 46%); sixthly, "help to increase sales and profits" (42 corporations, 22%); last but not least, "help to attract investment" (7 corporations, 4%). In addition, a large number of corporations report that CSR activities create a "win-win situation", namely CSR undertakings "promote corporation's development, and create social values" (79 corporations, 42%).

(17) Disclosure and Dissemination of CSR Information

Releasing CSR report (or sustainability report, environment report) is a major feature of Japanese corporations' CSR activities. It is worth noting that the circulation of CSR reports of large Japanese corporations tops the other countries worldwide. In recent years, Japanese corporations have paid greater attention to CSR communication and reporting. In his introduction of the new trend of Japanese CSR, Masao Seki, the Steering Committee Chairman of Council for Better Corporate Citizenship (CBCC)[1], board director and CSR director of Sompo Japan Insurance Inc., laid special emphasis on the fact that Japanese corporations, especially the large ones, attach great importance to CSR reporting. As revealed by a report of KPMG, Masao has compared the CSR reporting of the largest 100 corporations of each country; around 99% Japanese corporations have published CSR reports and around 1,100 Japanese corporations have done that[2].

However, scholars also report that China-based Japanese corporations tend to

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[1] CBCC, short for Council for Better Corporate Citizenship, is a non-profit association established by Japan Business Federation (Keidanren) in 1989 in an effort to promote CSR fulfillment in Japan and overseas.
[2] Lin Bo (2012) "New trend of Japanese CSR: Localized Application of International Standard", *China WTO Tribune*, 2012, 7.

"engage in unostentatious hard work without sufficient communication". Many Japanese corporations have contributed actively to Chinese society by engaging in disaster relief, building hope schools, protecting environment and afforesting, etc. Nevertheless, for lack of publicity, most of these efforts are left unknown to the public; even resulting in an image that Japanese corporations have fallen behind to make social contribution[①].

Data collected in this survey show that the characteristic of emphasizing CSR information disclosure basically remains unchanged in most China-based Japanese corporations. It can be seen from Figure 24 that, among the surveyed corporations, 111 corporations, namely 59%, have disclosed and disseminated CSR information while 77 corporations (41%) have not.
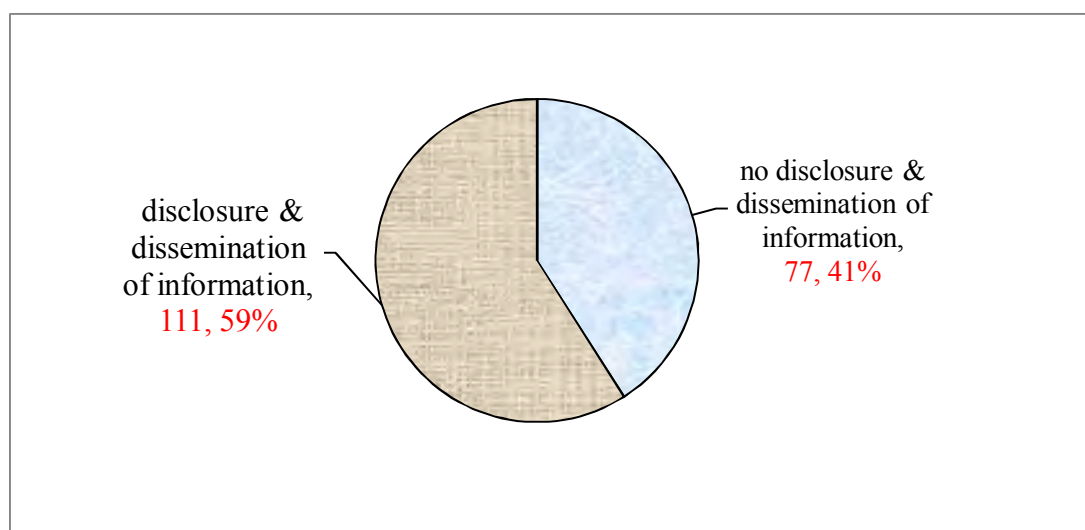

Figure 24 Disclosure and Dissemination of CSR Information

In accordance with previous studies, the forms of CSR reporting of Japanese corporations go beyond printed brochures. Many corporations publish CSR activities on the website and print summary versions of the report to make them more readable[②]. However, these corporations are found to "lay less emphasis on CSR publicity and lack communication skills". Despite the refined and outstanding CSR management

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[①] Liu Yayu (2013) "Research on localized CSR practices of Japanese corporations' in China - take Hitachi Group for example", *Journal of Changchun Education Institute*, Volume 29, 22.
[②] Tomita Hidemi, Jia Zhijie (2009) "90% Japanese corporations release CSR reports", *China WTO Tribune*, 3.

condition, they are neither willing to nor good at publicity. Japanese corporations have abundant CSR materials in internal communication, but relatively fewer in external communication, let alone external information in English. Meanwhile, Japanese corporations seldom communicate with the media or NGOs proactively, making the public mistakenly to believe that Japanese corporations achieve little in CSR fields[1].

Data collected in this survey demonstrate that the China-based Japanese corporations are getting better in diversifying CSR communication channels. As can be inferred from Figure 25, 111 corporations that conduct CSR information disclosure and dissemination have adopted multiple channels. The most commonly used channel is the "corporation's website" (69 corporations, accounting for 62%), followed by "CSR report" (45 corporations, 41%), then "public media" (41 corporations, 37%) and finally "corporation annual report" (24 corporations, 22%).
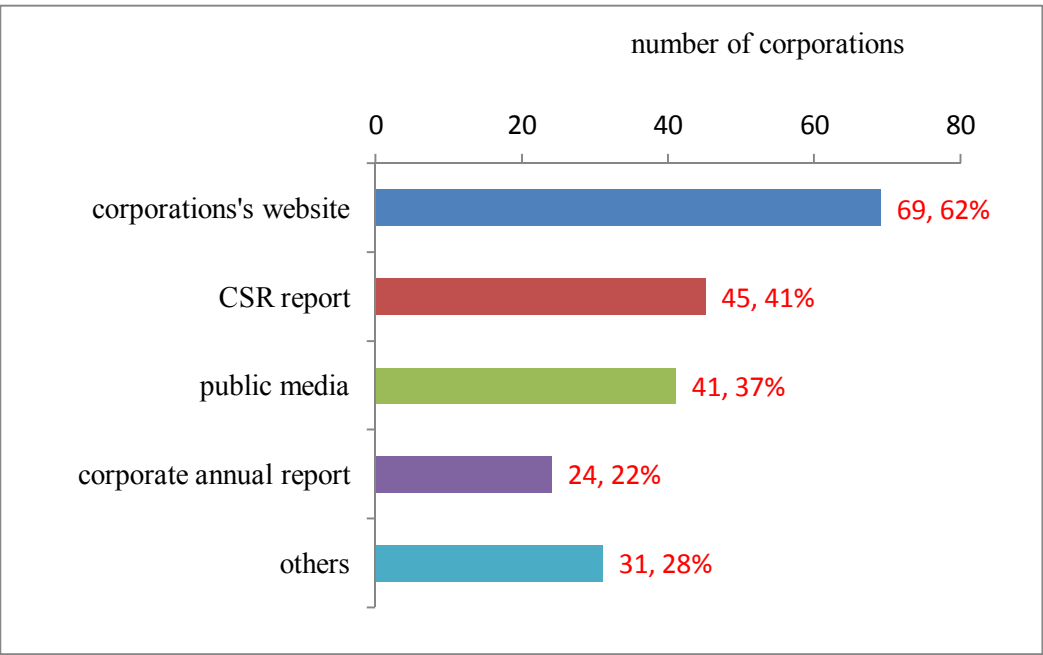

Figure 25: Disclosure and Dissemination Channels of CSR Information
(multiple choices)

(18) Communication Targets of CSR Affairs

In general, corporations communicate CSR affairs with all stakeholders

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[1] Zhong Hongwu (2008) "Research on Japan CSR", *China Industrial Economics*, 9.

including shareholders, employees, suppliers, governments, communities, media, etc., so do the surveyed China-based Japanese corporations. Firstly, the surveyed corporations mainly communicate with salient stakeholders exerting a direct influence on their business operations. To be specific, 145 corporations choose "employee" (77%); 119 corporations choose "shareholder" (63%); 102 corporations choose "client" (54%); 80 corporations choose "government" (43%) and 77 corporations choose "supplier" (41%) as their main communication targets. On the contrary, the surveyed corporations pay less attention to CSR information communication with those stakeholders who do not exert direct influence on business operations but are subject to corporations' influence. For instance, only 37 corporations choose "community" (20%); only 36 corporations choose "social organizations" (19%) and only 31 corporations choose "media" (16%) as their main communication targets.
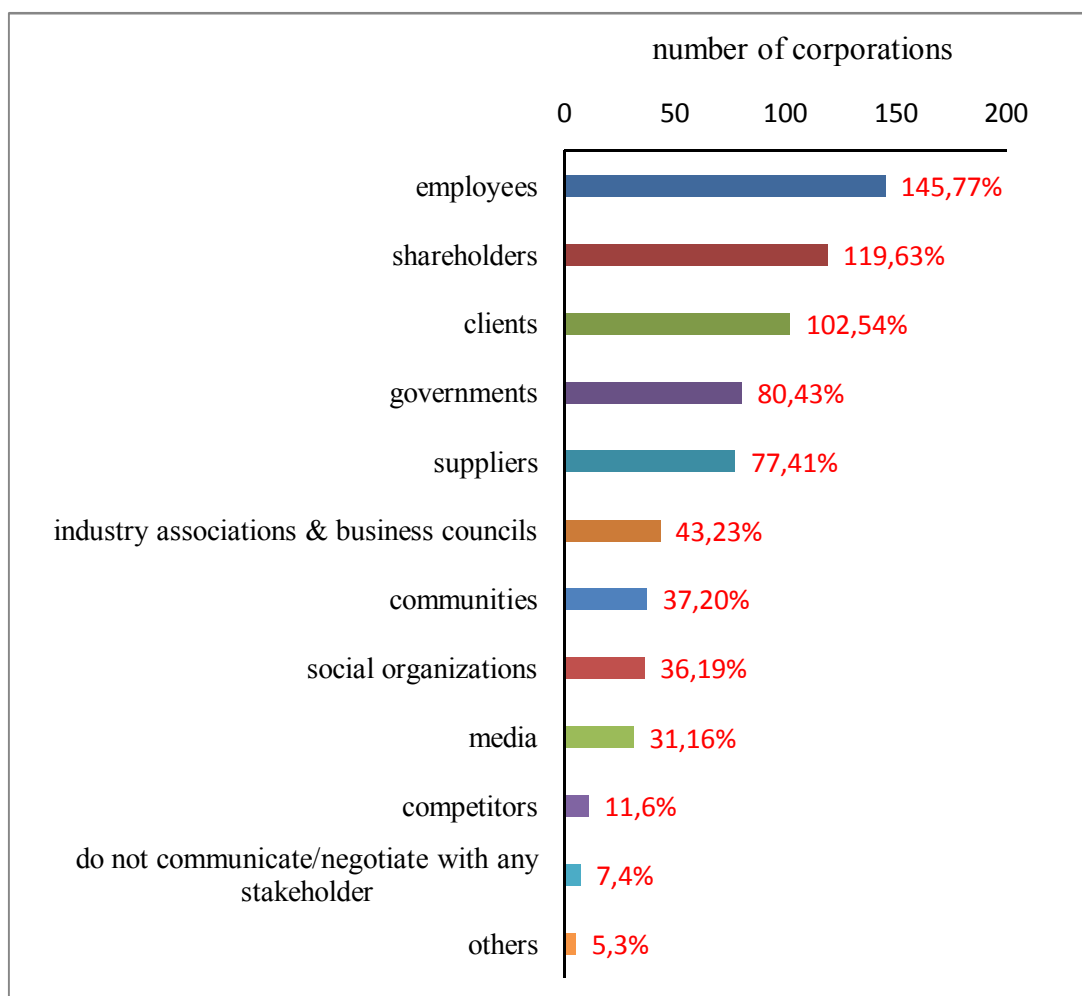

Figure 26: Communication Targets of CSR Affairs (multiple choices)

(19) Guiding Standards for CSR Reporting

During the past decade, a series of CSR guidelines or reporting guidelines have been released nationwide, industry-wide and worldwide, helping corporations to improve their CSR notions and advance the quality of their CSR reporting. To a great extent, it can be attributed to the guidance of the CSR guidelines or reporting guidelines released internally and externally that Japanese corporations think highly of the CSR report. The Ministry of the Environment of Japan issued "Environmental Reporting Guidelines", in which the commendation mechanism was established, and thus promoted Japanese corporations to release environment reports. In addition, "Eco Action 21", known as a briefed version of ISO14001, provided a frame of reference for small and medium-sized corporations in CSR reporting. The issue of "Sustainability Reporting Guideline" by the Global Reporting Initiative (GRI) played a key role in switching the trend of CSR reporting from environment report to CSR report. Since then, in order to meet international standards, Japanese corporations began to prepare and release CSR reports in reference to GRI guidelines, reporting corporations' financial, environmental, social and governance performances holistically.
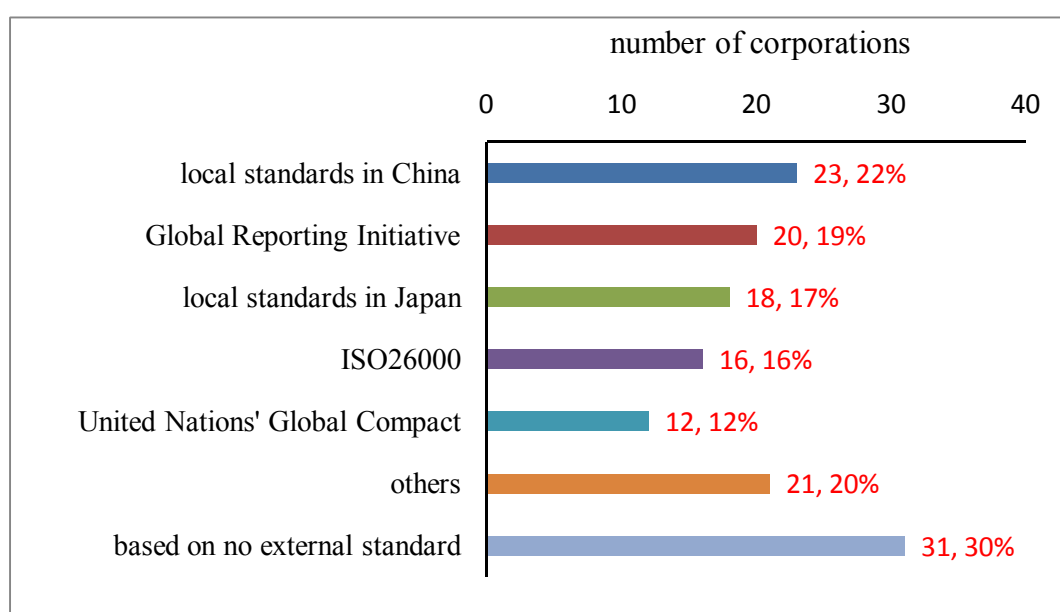

Figure 27: Guiding Standards for CSR Reporting (multiple choices)

Among the surveyed China-based Japanese corporations, 72 corporations (or 70%), have referred to external standards (namely all kinds of CSR guidelines or reporting guidelines) in CSR reporting while 31 corporations have not (30%). The external standards these corporations have referred to distribute evenly and main standards go as: 23 corporations (22%) choose "local standards in China"; 20 corporations (19%) choose "Global Reporting Initiative"; 18 corporations (17%), choose "local standards in Japan"; 16 corporations (16%) choose "ISO 26000"; and 12 corporations (12%) choose "United Nations' Global Compact".

2.2 Chinese Social Organizations

2.2.1 Organization Overview

(1) Time of Establishment

Most of the surveyed social organizations are established within less than ten years, which generally reflects that the social sector flourishes in China over the past decade. As is shown by the questionnaire survey data, the largest proportion of the social organizations are established during "2011-2015" (81 organizations, 41%); 72 organizations (36%) are founded during "2006-2010"; and only 8 organizations (4%) are established "before 1990".
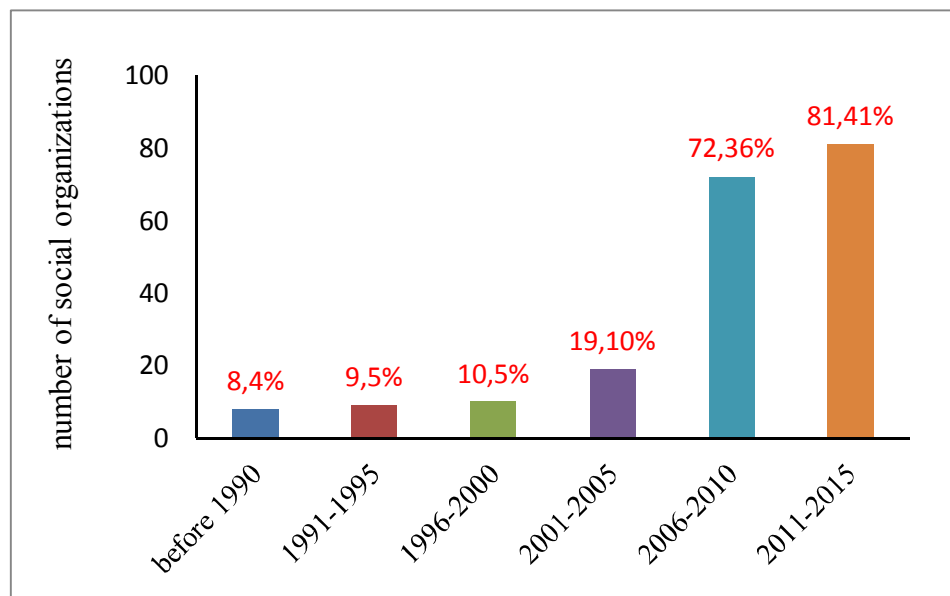
Figure 28: Time of Establishment

(2) Number of Employees

In terms of the number of employees, the most surveyed social organizations are small and medium-sized organizations. Medium-sized social organizations with "10-100 workers" constitute the largest group (110 organizations, 55%), followed by 82 small-sized social organizations with "fewer than ten workers" (41%); only 7 organizations (4%) are large-sized ones with "over 100 workers".
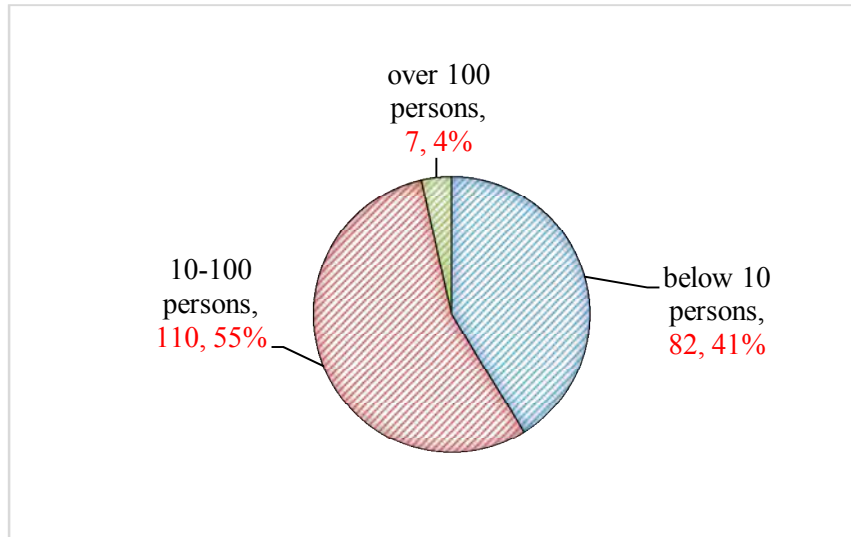
Figure 29: Number of Employees

(3) Number of Volunteers

Only a few surveyed social organizations have no volunteers (41 organizations, 21%) while a majority of them (158 organizations, 79%) have volunteers to a varying degree. Specifically, 31 social organizations (16%) have "1-10 volunteers"; 59 organizations (30%) have "10-100 volunteers"; 51 organizations (26%) have "100-1,000 volunteers" and 17 (9%) have "over 1,000 volunteers".

Figure 30: Number of Volunteers

(4) Major Fields of Activities

The surveyed social organizations carry out activities in a variety of fields.

Social organizations operating in "multiple fields" (no fewer than three fields) with a number of 52 organizations and a proportion of 26%, is the largest group; followed by 41 organizations (21%) engaging in "education"; 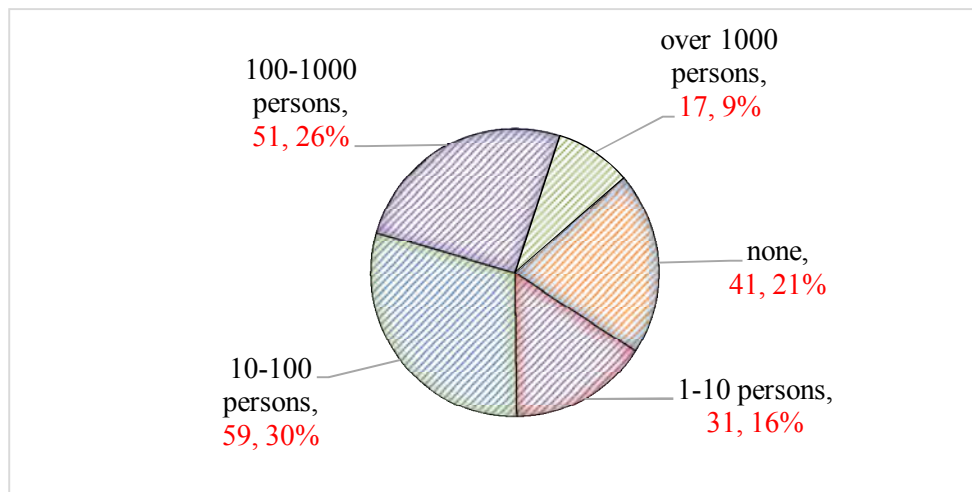in addition, there are 19 organizations (10%) involving in "the elderly services", 14 organizations (7%) in "disaster relief, reduction and prevention", 10 organizations (5%) in "environment", 7 organizations (4%) in "health care" and 5 organizations (3%) in "poverty reduction".
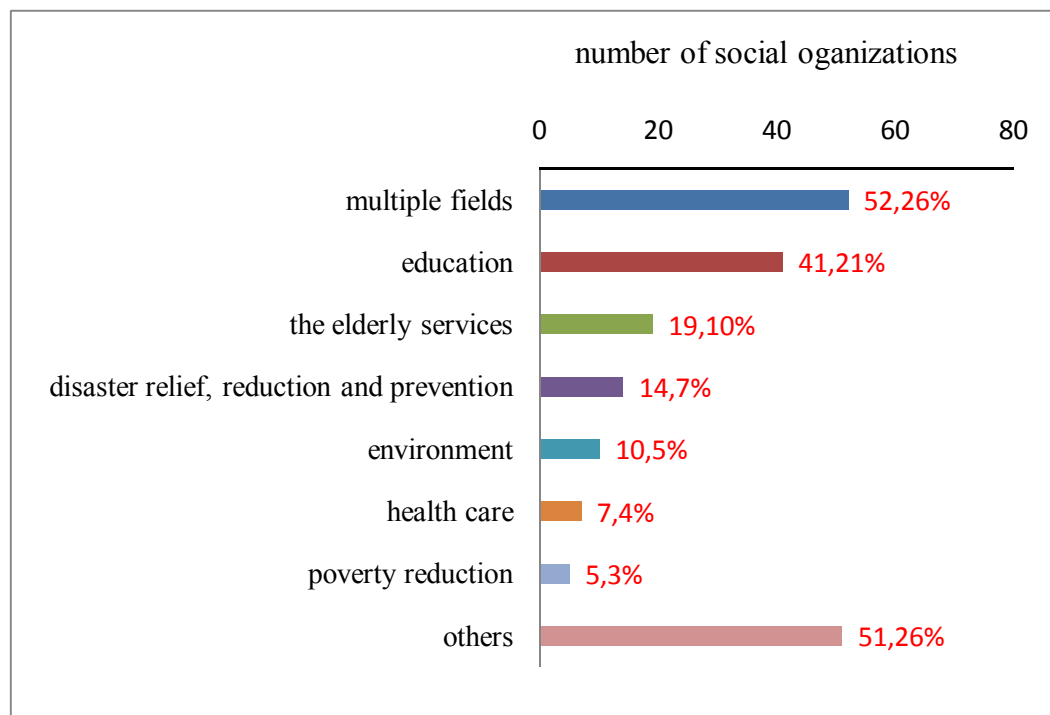
Figure 31: Major Fields of Activities

(5) Registration Mode

The surveyed social organizations are most commonly registered as "civilian-run non-enterprise units" (104 organizations, 52%). Other social organizations are registered as "foundations" (39 organizations, 20%), "social associations" (27 organizations, 14%), "business-registered social organizations" (13 organizations, 7%), "non-registered social organizations" (7 organizations, 4%) or "international and foreign NGOs" (2 organizations, 1%).

number of social organizations

civilian-run non-enterprise units	104, 52%
foundations	39, 20%
social associations	27, 14%
business-registered social organizations	13, 7%
non-registered social organizations	7, 4%
international and foreign NGOs	2, 1%
others	7, 4%
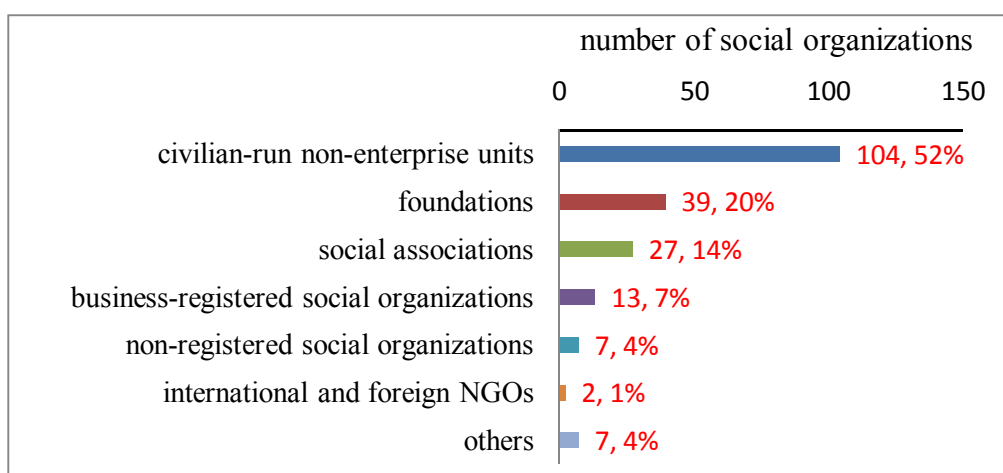
Figure 32: Registration Mode

(6) Income

In terms of income, the most surveyed social organizations are also small and medium-sized ones. The data of 2014 collected for this survey show that, 31 organizations (16%), yielded "below 100,000"; 73 organizations (38%) earned "100,000-1000,000"; 64 organizations (33%) gained "1000,000-10,000,000"; 17 organizations (9%), made "10,000,000-100,000,000"; still another 8 organizations (4%) got an income of "over 100,000,000".
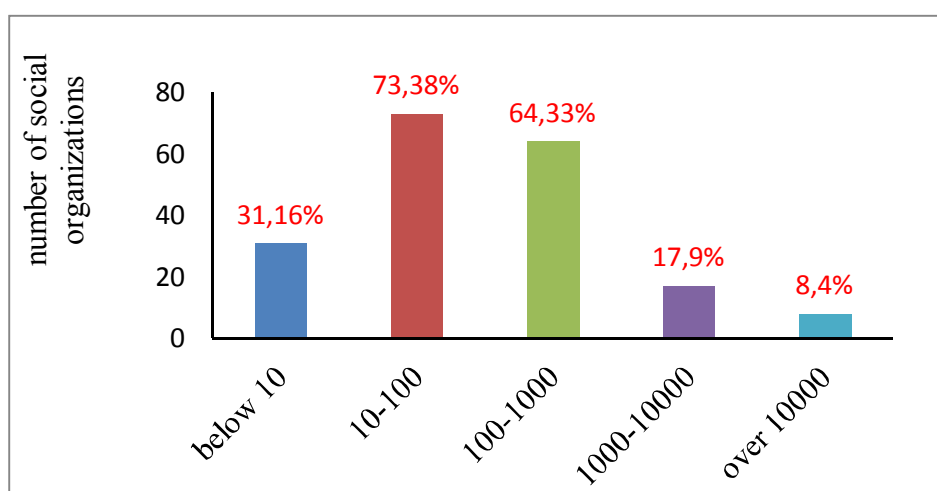
Figure 33: Income (Year 2014, Unit: ten thousand)

(7) Financial Status

The financial status of the most surveyed social organizations proves to be

normal. Specifically, 112 social organizations (56%) "break even"; 25 organizations (13%) have "surplus"; and 62 organizations (31%) have "deficit".
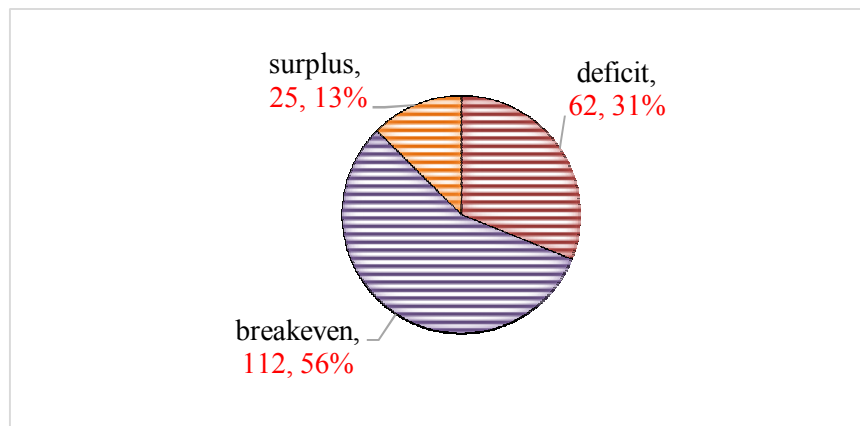
Figure 34: Financial Status

(8) Sources of Income

The surveyed social organizations rely mainly on three kinds of sources of income. Particularly, 112 organizations (56%) rely on "social donations", 109 organizations (55%) on "business supports", 81 organizations (41%) on "fees for government procured services". Moreover, other major sources of income include "market-based income" (37 organizations, 19%), "government grants" (21 organizations, 11%), "membership fees" (17 organizations, 9%) and "investment income" (5 organizations, 3%).

Figure 35: Sources of Income (multiple choices)

2.2.2 CSR Perception and Notion

(1) Perception of CSR-related Concepts

The effective corporation-social organization collaboration in CSR field requires a precondition that the two parties share the common understanding of CSR notions. Relevant questions are designed in this survey to examine if the underlying rationale for corporation-social organization collaboration exists, through studying the perception of social organizations on CSR-related concepts (corporate philanthropy, corporate citizenship and corporate charity, etc.). Data coll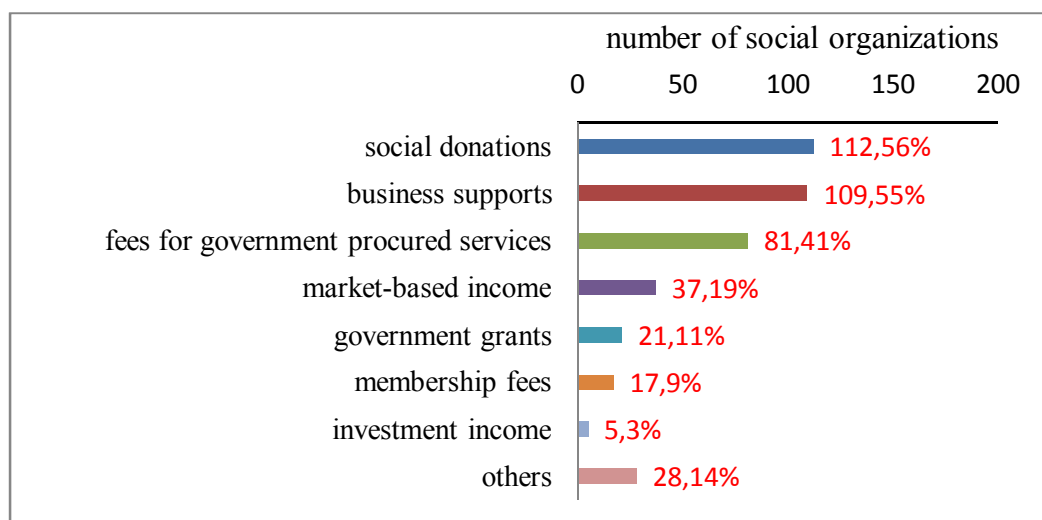ected in this survey show that most surveyed social organizations have a good knowledge of CSR-related concepts. Specifically, 112 organizations (56%) choose "heard of and know a little"; 28 organizations (14%) choose "heard of and know well"; 55 organizations (28%) choose "heard of but know little"; and only 4 organizations (2%) choose "never heard of".
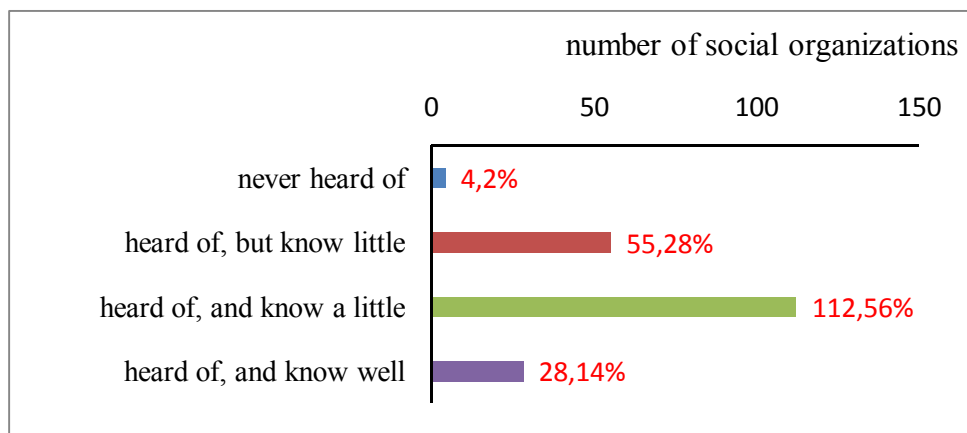
Figure 36: Social organizations' Perception of CSR-related Concepts

(2) CSR Conception

Similar to the research results of China-based Japanese corporations, the surveyed social organizations' understanding of CSR meaning also fits in the pyramid model of CSR connotations. Figure 37 presents that, within the range of score of one to five, the average score for corporate economic responsibility, namely to "generate profit for shareholders, create wealth for society and promote socioeconomic

development" is 4.44, and that of corporate legal responsibility, namely "in the course of business, to follow social ethics like fairness, justice and avoidance of harming in business operations", is 4.66 and that of discretionary/philanthropic responsibility, namely to "engage in charitable donations, corporate volunteering and other philanthropic activities" stands at 4.44.
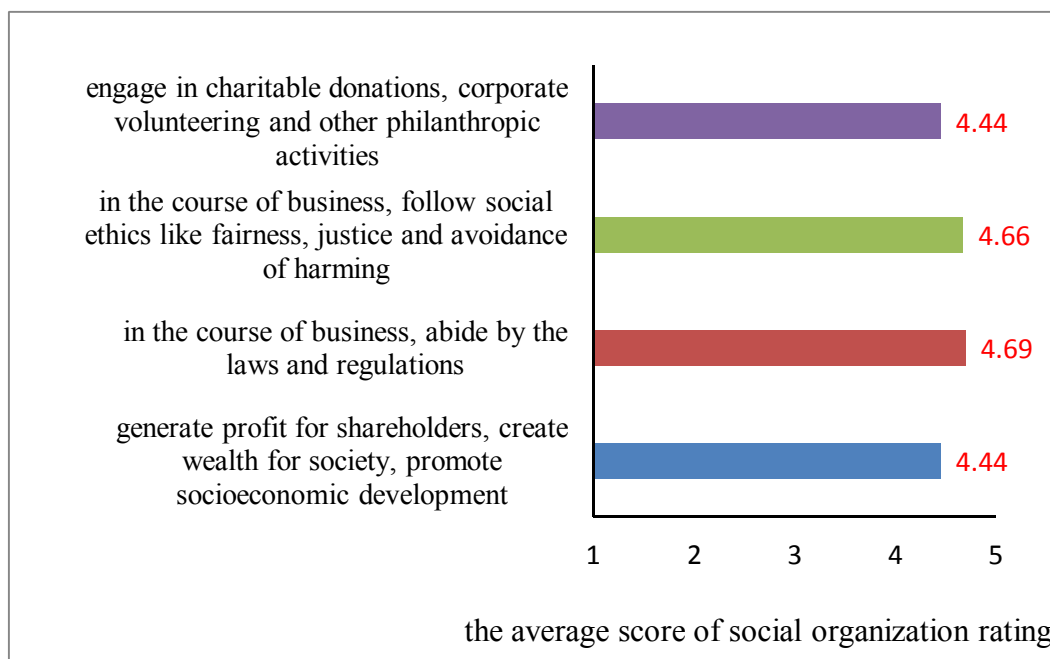
Figure 37: Social organizations' CSR Conception

(3) Corporations' Stakeholders

The surveyed social organizations share similarities and differences with the China-based Japanese corporations in terms of the perception of corporations' stakeholders. The main similarity lie in that the most social organizations also think corporations' major stakeholders comprise of these within corporations and these in product market and capital market. As for stakeholders in product market, 129 organizations (92%) opt for "client"; as for stakeholders within corporations, 122 organizations (87%) prioritize "employee"; and as for stakeholders in capital market, 119 organizations (85%) choose "shareholder".

Meanwhile, the surveyed social organizations' perception of corporations' stakeholders also differs from that of China-based Japanese corporations. As shown in

Figure 8, fewer China-based Japanese corporations view community, social organizations and media as the major stakeholders of the corporation (36%, 20% and 18% respectively). On the contrary, a majority of social organizations hold these three subjects as their major stakeholders. Specifically, as shown in Figure 38, 95 organizations (68%) choose "community", 90 organizations (64%) choose "social organization", and 58 organizations (41%) choose "media".

number of social orgnizations

	129, 92%	client
	122, 87%	employee
	119, 85%	shareholder
	100, 71%	government
	95, 68%	community
	90, 64%	social organization
	84, 60%	supplier
	59, 42%	industry association & business council
	58, 41%	media
	48, 34%	competitor
	7, 5%	others
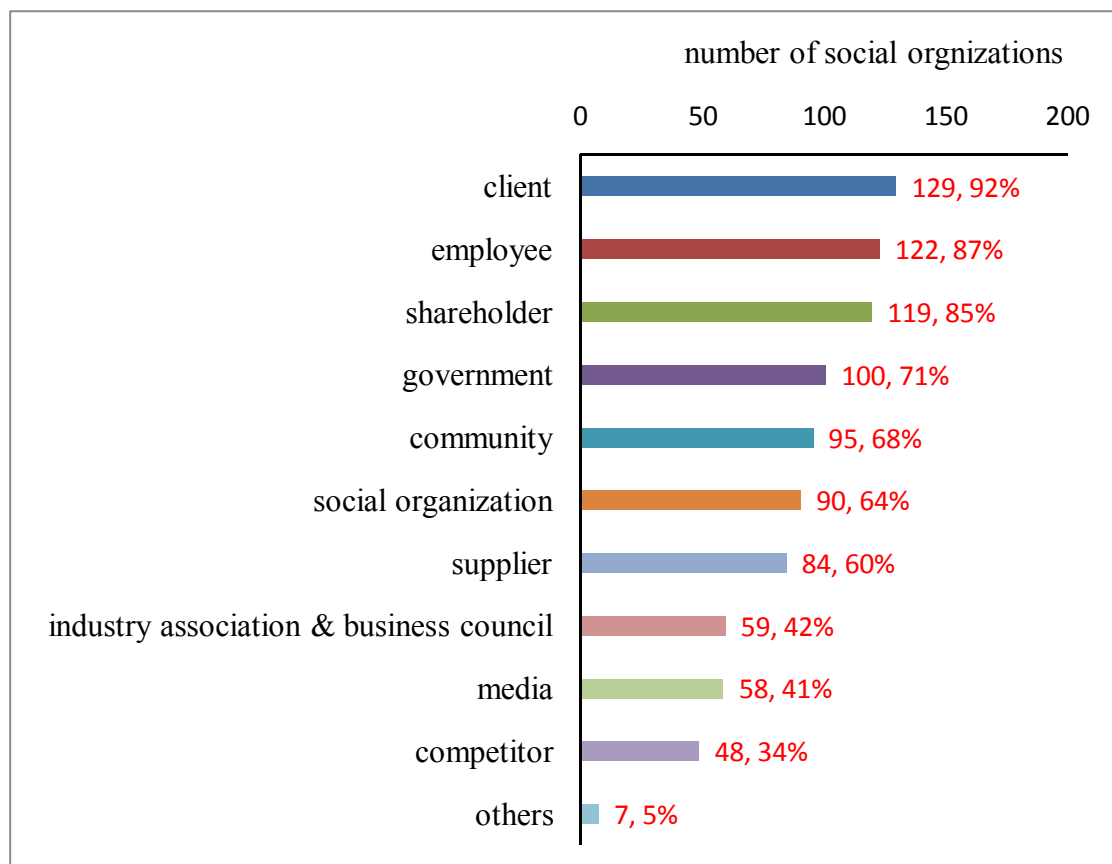
Figure 38: Social Organizations' Perception of Corporations' Stakeholders

(multiple choices)

(4) Reasons for Corporations to Fulfill CSR

From the perspective of social organizations, corporations have multiple reasons to fulfill CSR. Similar to the survey results of China-based Japanese corporations, social organizations think corporations' CSR fulfillment is mostly "internally motivated" and driven by both ethical and strategic motivations. However, social organizations and Japanese corporations have remarkable differences in explaining

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corporations' CSR motivations. To be specific, social organizations think "strategic motivations" are stronger than "ethical motivations", and vice versa for China-based Japanese corporations.
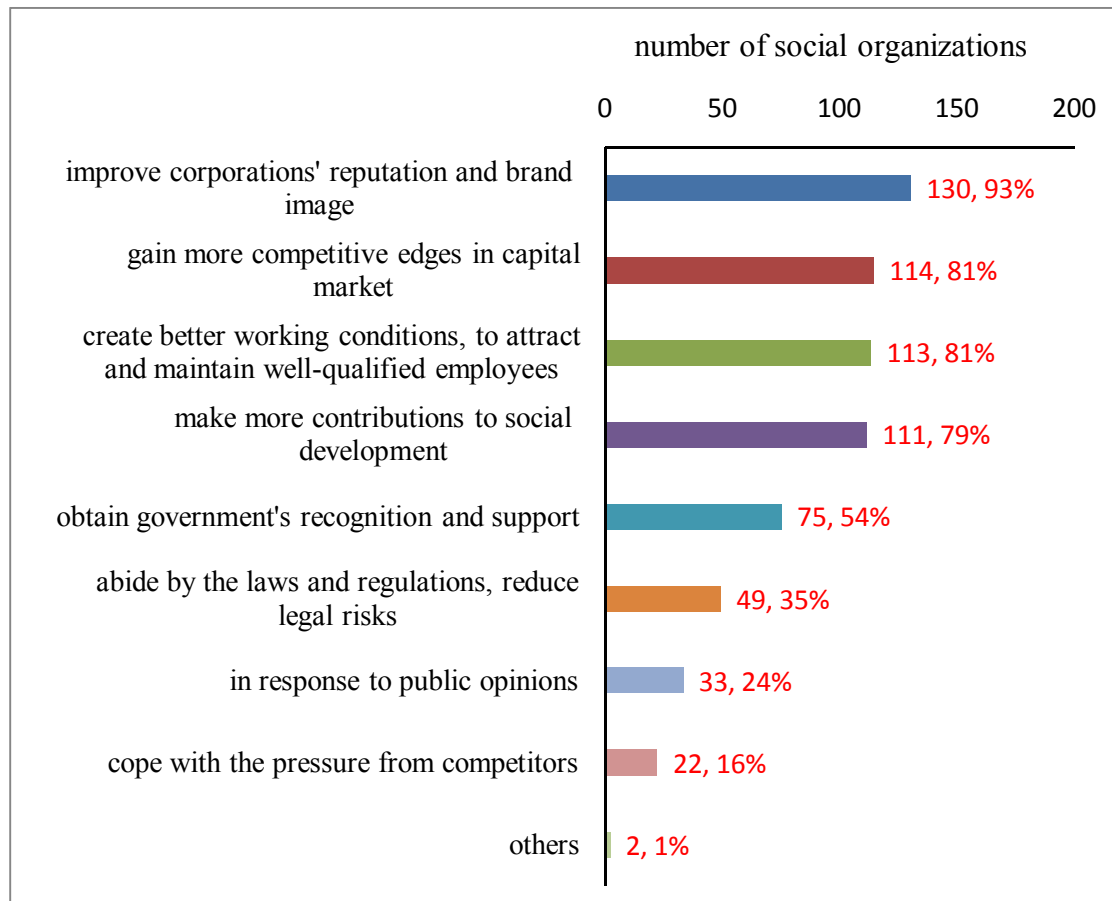
Figure 39: Reasons for Corporations to Fulfill CSR (multiple choices)

As shown in Figure 39, among the surveyed social organizations, 130 organizations (93%) hold the view that corporations practice CSR to "improve corporations' reputation and brand image"; 114 organizations (81%) contend that as socially responsible investment develops rapidly, CSR helps corporations to "gain more competitive edges in capital market"; 113 organizations (81%) think that CSR helps corporations to "create better working conditions, to attract and maintain well-qualified employees". On the contrary, 111 organizations (79%) believe that corporations fulfill CSR to "make more contributions to social development", whereas 90% of the surveyed corporations take this as the primary motivation.

2.3 Corporation-Social Organization Collaboration

2.3.1 Collaboration Philosophy

(1) Expected Roles of Social Organizations in CSR Affairs

During the past several decades of CSR development, social organizations (all kinds of NGOs and NPOs) have played important roles. Western scholars, by adopting the "engagement-confrontation spectrum", classify the Western social organizations' roles in CSR affairs into eight categories[①], including:

1. Dialogue aiming at promoting the adoption of voluntary codes of conduct;

2. Advocacy of social auditing and independent verification schemes;

3. The filing of shareholder resolutions;

4. Documentation of abuses and moral shaming;

5. Calls for boycotts of company products or divestment of stock;

6. Advocacy of stricter purchasing laws;

7. Advocacy of government-imposed standards;

8. Litigation

In Japan, scholars find that many corporations have only a limited knowledge of NPOs and some corporations even define corporation-social organization cooperation narrowly as charitable donations[②]. Moreover, the confronting NGOs are relatively so weak that NGOs can hardly exert pressure directly on corporations, except for on corporations which have large-scale overseas business[③].

As observed by previous researchers, NGOs sector in China is under-developed, and many NGOs face the dilemma of resource scarcity. Therefore, NGOs' involvement in CSR fields, to a large extent, is to obtain more resources by

[①] Winston, Morton (2002) "NGO Strategies for Promoting Corporate Social Responsibility", *Ethics & International Affairs*, Vol. 16 Issue 1, pp. 71-87.
[②] 伊吹英子(2006) "Discover the true value of CSR", *21st Century Business Review*, 21.
[③] Tomita Hidemi, Jia Zhijie (2008) "Japan CSR keeping its pace with the times, CSR practices in Japan --torical development (Ⅱ)", *China WTO Tribune*, 12, 2008.

establishing partnership with corporations. In accordance with their methods and strategies to promote CSR activities, NGOs are categorized into three groups: 1) collaborative NGOs: they establish relationship with corporations either by setting up self-funded/integrated social enterprises or by cooperating with an external corporation; 2) independent NGOs: they conduct CSR monitoring and provide training for supplier factories located in mainland China as a third-party auditing agency by cooperating with overseas branded companies; 3) confrontational NGOs: they monitor corporations' CSR performance by social movement approaches (for instance, media exposure and public campaigns)[①]. Meanwhile, existing studies report that the development of China's social sector lag behind to many developed countries in terms of sector scale and regulatory system, thus China's social organizations play insufficient roles in promoting CSR development. Firstly, the number of social organizations specializing in evaluation and certification is rather limited. Foreign experiences show that by having dialogues with corporations, social organizations can formulate rigid CSR codes and thereby guide, evaluate and certificate corporations basing on these codes, eventually promote corporations to undertake their CSR well. However, social organizations rarely engage in the formulation of CSR codes or industrial standards in China if not non-existent. Secondly, social organizations China seldom play the roles of pressure groups. Few Chinese social organizations take the initiative in monitoring and criticizing corporations for their irresponsible business behaviors. Even when a few social organizations play the roles of pressure group, their monitoring activities are either non-institutionalized or composed of over-simple methods, thus having limited impact[②].

Synthesizing findings in existing literature, this survey designs relevant questions to understand China-based Japanese corporations and Chinese social organizations' perspectives on the roles that social organizations are expected to play in CSR affairs. Data collected in this survey show that, sharply differing from the situation in many

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[①] Yang Jianing, Chen Jianmin (2010) "A Discussion of Several Models of NGO-Stimulated Advancement of CSR", *China Non-profit Review*, 2.

[②] Huang Guang, Luo Wen'en, Zhou Yanfeng (2008), "A Study of How Non-profit Organizations Improving Corporate Social Responsibility", *On Economic Problems*, 11.

Western countries, most China-based Japanese corporations and Chinese social organizations view social organizations as "partner" rather than "watch-dog" or "antagonist" in CSR affairs. The role of "partner" can be further categorized into two types. Firstly, as "think tanks", social organizations "provide consulting services to corporations and help them to formulate/refine CSR strategies". 82 corporations (44%) and 53 social organizations (38%) agree with this positioning. Secondly, as "the implementer of CSR projects", social organizations "help corporations to carry out CSR projects". 83 social organizations (59%) and only 53 corporations (28%) choose this positioning.
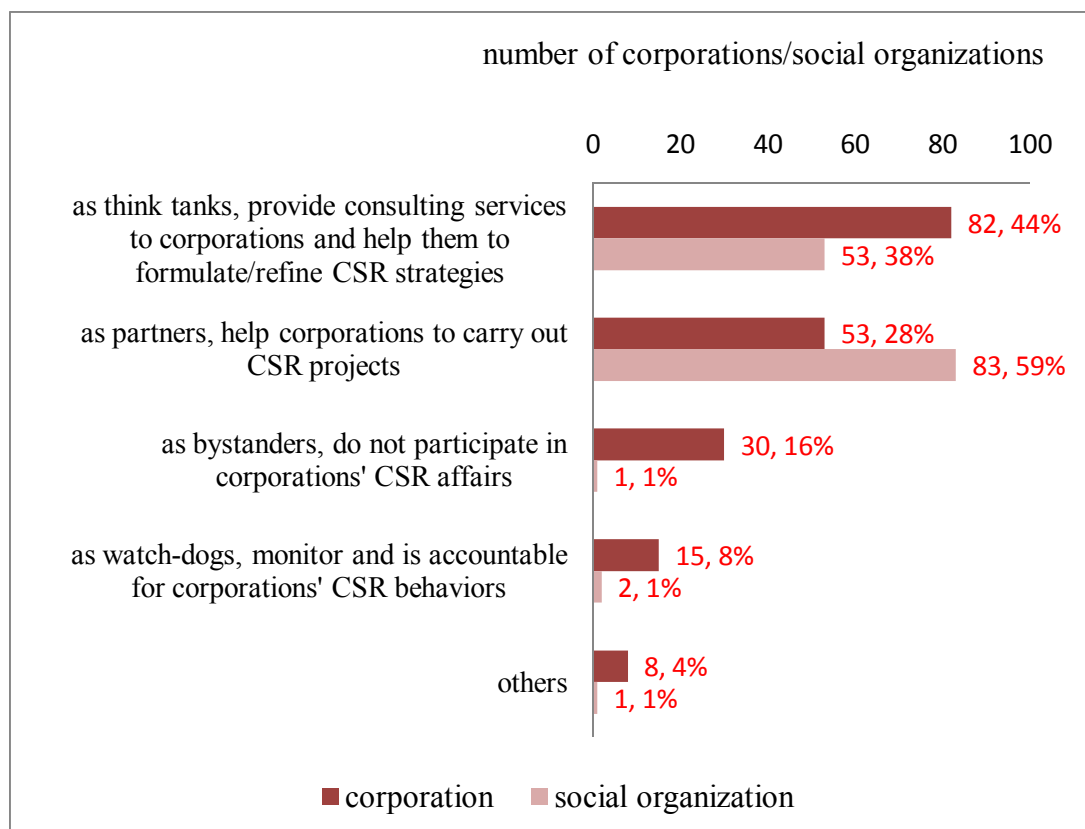

Figure 40: Expected Roles of Social Organizations in CSR Affairs

Moreover, far fewer social organizations identify themselves as "by-stander" or "watch-dogs" than China-based Japanese corporations. Only 2 organizations (1%) contend that social organizations shall perform "as watchdogs, monitor and hold accountability for the corporations' CSR behaviors"; and only organizations (1%)

thinks that social organizations, as "by-standers, do not participate in the corporations' CSR affairs". Nevertheless, China-based Japanese corporations holding the two opinions account for 8% and 16% respectively. It can be deduced that China-based Japanese corporations have a lower expectation on the positive role of social organizations in CSR affairs than social organizations.

(2) Actually Played Roles of Social Organizations in CSR Affairs

When it comes to roles social organizations actually played in CSR affairs, Data collected from China-based Japanese corporations and Chinese social organizations are basically the same. As shown in Figure 41, what comes foremost is social organizations' role "as partners, help corporations to carry out CSR projects" (55 corporations, 30%; 65 social organizations, 46%). Coming next is the option of "as by-standers, do not participate in the corporations' CSR affairs" (54 corporations, 30%; 37 social organizations, 26%). The third most-selected option is "as think tanks, provide consulting services to corporations and help them to formulate/refine CSR strategies" (36 corporations, 20%; 26 social organizations, 19%). The last-ranked option is the role "as watchdogs, monitor and hold accountability for the corporations' CSR behaviors" (16 corporations, 9%; and 9 social organizations, 6%).

In comparison with Figure 40, Figure 41 reveals that the gap between expectation and reality mainly arise from social organizations' roles like "think tanks" and "by-standers". It cannot be denied that quite a number of China-based Japanese corporations and social organizations (44% and 38% respectively) expect social organizations to play role "as think tanks, provide consulting services to corporations and help them to formulate/refine CSR strategies", but only 20% corporations and 19% social organizations believe such a role have been played in reality. A relatively smaller group of Japanese corporations and social organizations (16% and 1% respectively) believe that social organizations should be "by-standers" and "do not participate in the corporations' CSR affairs", but in reality, 30% corporations and 26% social organizations thing that social organizations are by-standers in CSR affaires. Therefore, social organizations should take more efforts to become "think tanks" in

corporations' CSR affairs, to meet the potential demands of corporations.
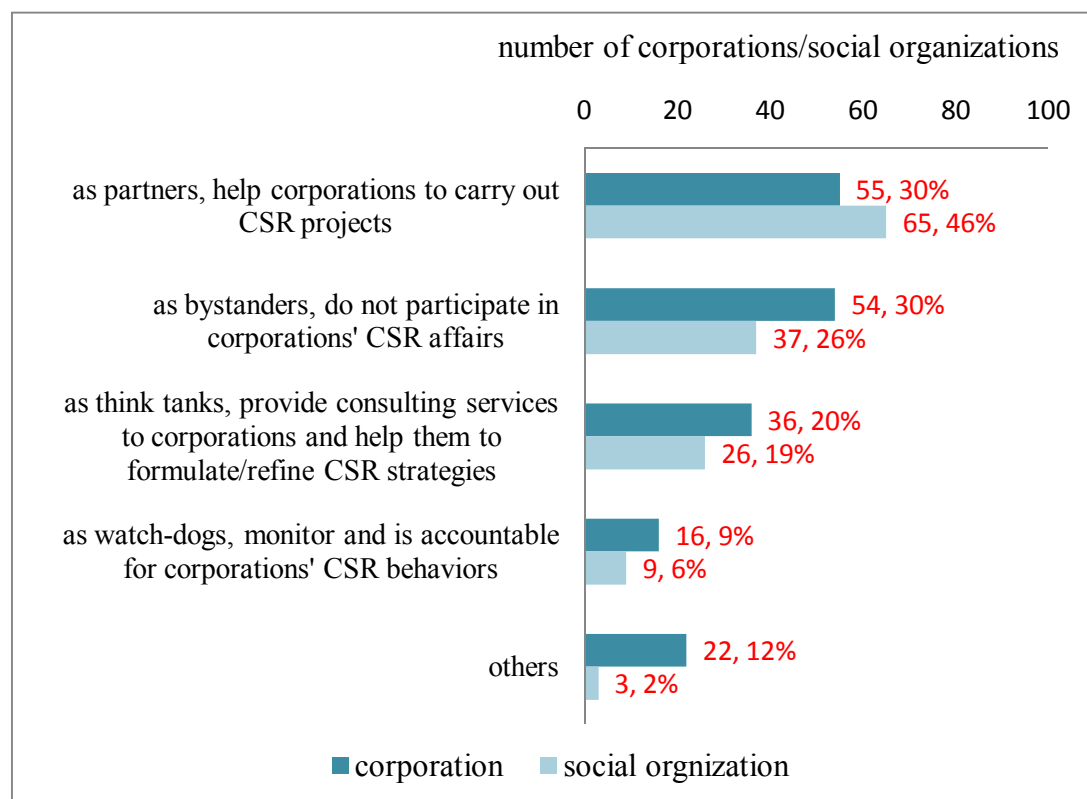
Figure 41: Actually Played Roles of Social Organizations in CSR Affairs

(3) Importance of Collaboration

The effective collaboration between corporations and social organizations largely depends on the two parties' perception of the importance of collaboration. The surveyed China-based Japanese corporations and social organizations share common acknowledgment of the importance to cooperate. 18 corporations (10%) and as much as 115 social organizations (58%) believe it is "very important" to collaborate; meanwhile, 69 corporations (37%) and 69 social organizations (35%) regard it is "quite important" to collaborate. Nevertheless, quite a number of corporations have a vague understanding of the importance of collaboration, evidenced by the fact that 74 corporations (39%) are "not clear", while for social organizations, the number is much lower (12, 6%). In addition, only a few corporations and social organizations make negative evaluations. 20 corporations (11%) and only 3 social organizations (2%)

view the collaboration as "not very important"; 8 corporations (4%) take it as "not important" while none of social organizations think so.
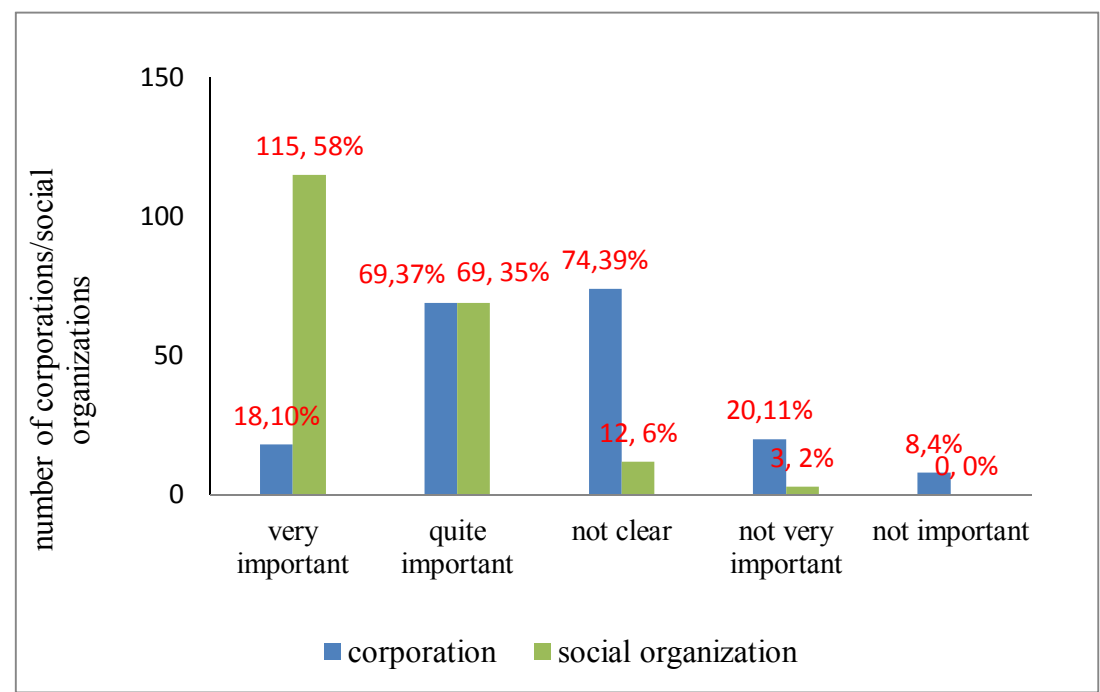
Figure 42: Importance of Collaboration

2.3.2 Collaboration Practices

(1) Past Experiences in Collaboration

As the existing research results show, recently, Japanese corporations are becoming more and more attentive in collaborating with social organizations. In accordance with a research conducted by Japan Business Federation (Keidanren) among its membership corporations, 71.4% large-sized corporations with a capital of over ten billion yen are collaborating or plan to collaborate with NGOs. For small and medium-sized corporations with a capital of less than ten million yen, the proportion is 45.5%[①].

Reviewing relevant literature systematically, we find that there is no empirical

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[①] CSR Activities Conducted by Keidanren Membership corporations http://www.keidanren.or.jp/policy/2009/066.pdf, quoted from: Hu Shu & Xia Meiling (2011) "Cooperation relationship analysis between Japanese corporations and non-governmental organizations under the view of social responsibility - an example of Panasonic Electric Corporation", *Journal of Inner Mongolia University (Philosophy and Social Sciences)*, Vol.43, No.5.

data describing the situation of collaboration between China-based Japanese corporations and social organizations. This survey, therefore, may help to provide some valuable information for stakeholders concerning this issue. By analyzing the survey data collected from China-based Japanese corporations and Chinese social organizations, we have several findings. Firstly, to both China-based Japanese corporations and Chinese social organizations, cross-sector collaboration is not a "widespread" practice. Specifically, 136 China-based Japanese corporations (71%) have "never collaborated" with social organizations and 119 social organizations (60%) have "never collaborated" with corporations. Secondly, only a few China-based Japanese corporations and social organizations are collaborating or have collaborated. Particularly, 43 corporations (23%) and 33 social organizations (17%) "are collaborating at present"; 12 corporations (6%) and 47 social organizations (24%) have "ever collaborated, but are not collaborating at present".
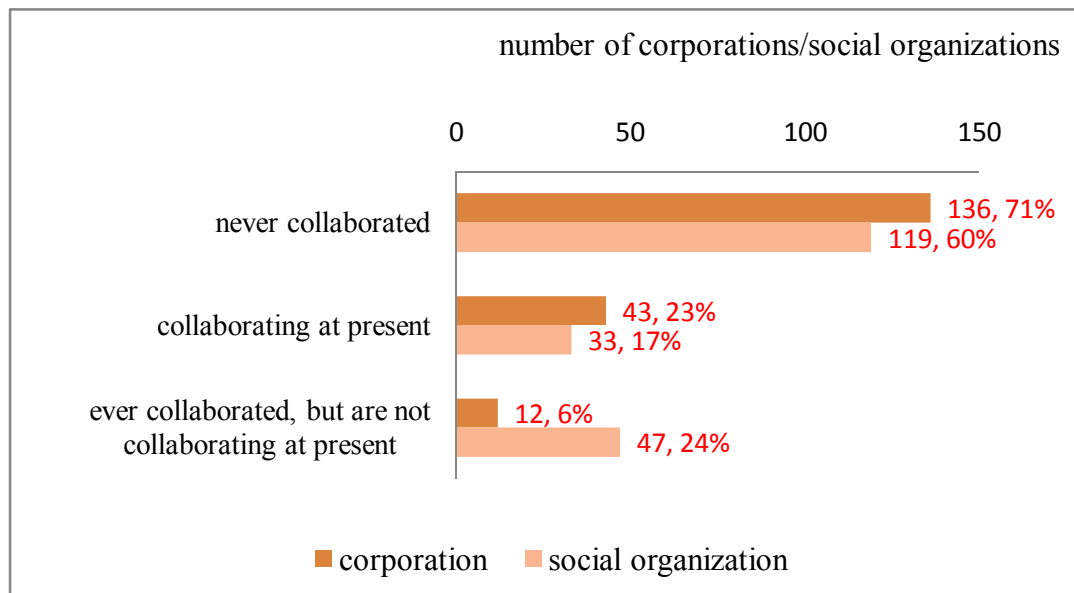

Figure 43: Past Experiences in Collaboration

(2) Reasons for Collaboration

The existing researches have provided a well-established framework for analyzing the reasons for corporation-social organization collaboration. On the whole, there are mainly two motivations: 1) "Resource dependence" motivation: to improve

efficiency, to enhance stability under uncertainties, to lower risks, to obtain legitimacy and to improve competitiveness, etc. 2) "Organization learning" motivation: to solve social problems jointly, to learn new skills or to acquire implicit knowledge and to use the resources, capacity, advantages and skills of each sector[①].

Moreover, when considering each party separately, researchers find the collaboration motivations of corporations differ from that of social organizations. The following table shows a comparative analysis of both similarities and differences of motivations of each party[②].

Motivations for corporations	Motivations for social organizations
1. Shoulder social responsibility	1. Diversify sources of income
2. Acquire legitimacy	2. Motivate organization members
3. Manage human resources	3. Improve performance
4. Diversify strategies	
5. Motivate employees and improve performance	
1. Establish and expand public relations 2. Construct culture 3. Create a new coherent effect 4. Learn and transfer knowledge	

Japanese scholars find that the fundamental reasons for Japanese corporations to collaborate with NGOs in their CSR practices lies in that a consensus are reached between two parties that collaboration create a "win-win situation"; that is, such

[①] Rondinelli, D A, & London, T. (2003) "How corporations and environmental groups cooperate: assessing cross-sector alliances and collaborations", *Academy of Management Executive*, 17 (1): 61-76.
[②] Waddell, S. (2000) "New institutions for the practice of corporate citizenship: historical, intersectoral, and developmental perspectives", *Business and Society Review*, 105 (1): 107-126; Austin , J E. (2000) "Strategic collaboration between nonprofit s and businesses", *Nonprofit and Voluntary Sector Quarterly*, 29 (Sup): 69-97; Rondinelli, D A, & London, T. (2003) "How corporations and environmental groups cooperate: assessing cross-sector alliances and collaborations", *Academy of Management Executive*, 17 (1): 61-76; Hu Yangcheng, Cai Ning, Tian Xueying (2006) "Analysis of the current situation of the alliance between non-profit organization and corporations", *Foreign Economics and Management*, 28(10).

collaboration may satisfy the interests of both corporations and NGOs. From the perspectives of corporation and NGOs, motivations to collaborate are summarized as follows[①].

From the perspective of corporations:

 (1) The cooperation with NGOs with specialized knowhow and innovative ideas may facilitate the fulfillment of CSR more effectively;

 (2) The participation of NGOs may enable corporations to meet the customers' needs in better way in their business operation and improve their economic performance;

 (3) NGOs' evaluation of corporations may impact social recognization of corporations and in turn, the long-term development of corporations;

 (4) The adoption of NGOs' service philosophy may influence employees and the overall reform of business management, thus improving corporate management.

From the perspective of NGOs:

 (1) Corporations comprise the most important sources of income;

 (2) NGOs can take advantage of the corporations' human and material resources;

 (3) NGOs can learn advanced managerial experiences from corporations;

 (4) NGOs can spread their CSR appeals to among corporations more widely and deeply;

 (5) While increasing their social credibility level, NGOs can expand activities and better fulfill social missions and promote social development.

In this survey, specific questions are designed basing on the general analytical framework developed in existing studies and the characteristics of the practices of cross-border collaboration between China-based Japanese corporations and Chinese social organizations. Data collected in this survey show that, generally, "organization learning" motivation and "resource dependence" motivation coexist.

[①] Xia Meiling (2011) "Cooperation relationship analysis between Japanese corporations and non-governmental organizations under the view of social responsibility - an example of Panasonic Electric Corporation", *Journal of Inner Mongolia University (Philosophy and Social Sciences)*, Vol.43, No.5.

Figure 44: Corporations' Motivations for Collaboration (multiple choices)

As revealed by Figure 44, for corporations, the major five motivations stimulating the collaboration with social organizations include a consideration that if social organizations: 1) "have social networks with and trust of communities/serving groups" (34 corporations, 61%); 2) "have networks with other social organizations (30 corporations, 54%); 3) "have the operational/practical capacity to solve social problems" (27 corporations, 48%); 4) are "good at discovering social problems and giving advice" (28 corporations, 50%); 5) "master methods/techniques to solve social problems" (27 corporations, 48%). In addition, other factors also include a

consideration that if social organizations: 6) are "adept in using mass media and spreading information to the public effectively" (24 corporations, 43%); 7) "have policy impacts" (23 corporations, 41%); 8) "have communication capacity" (22 corporations, 39%); 9) are "skilled at analyzing social problems profoundly" (19 corporations, 34%); 10) are "able to discover, analyze, avoid or reduce risks" (14 corporations, 25%).
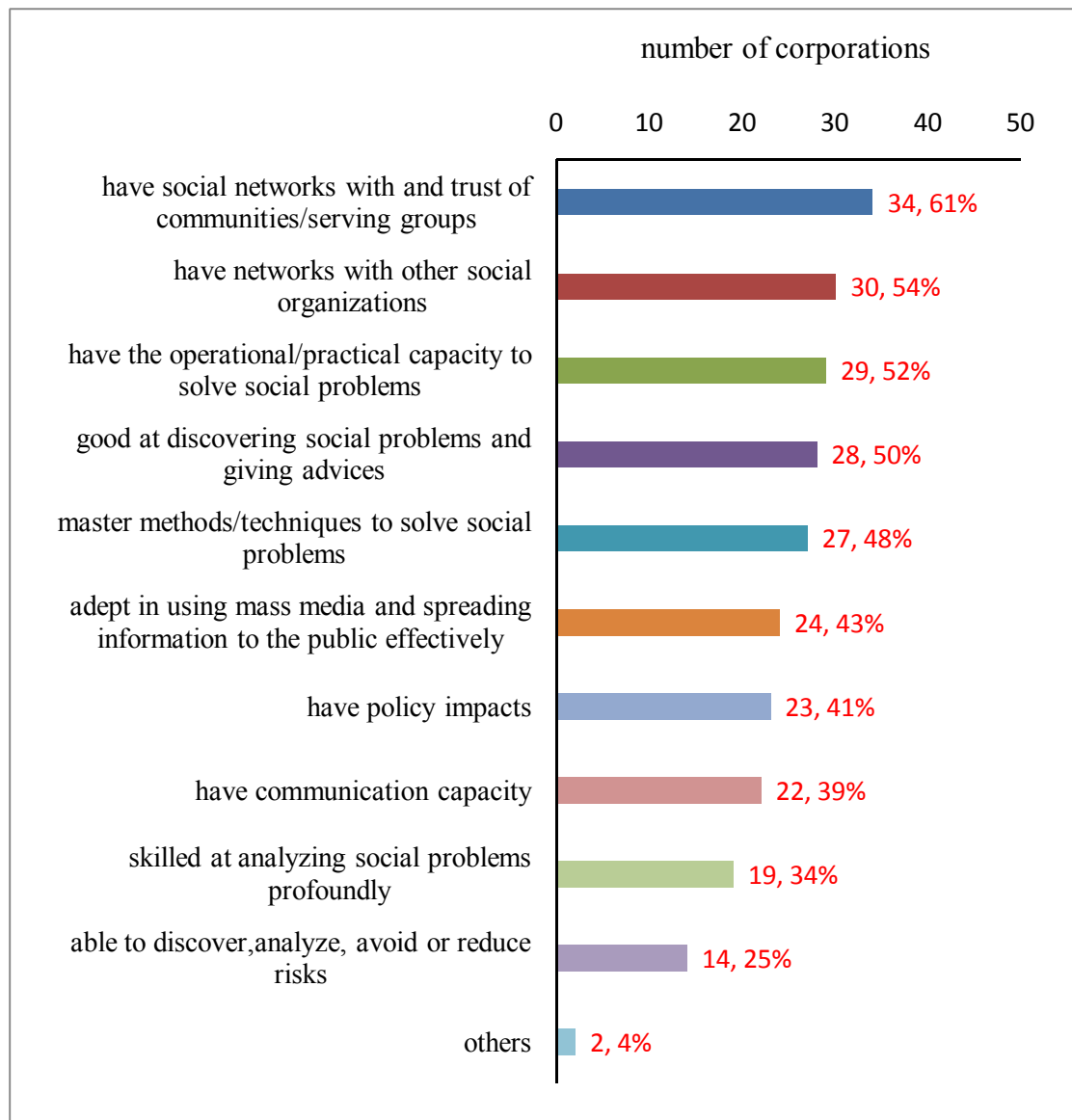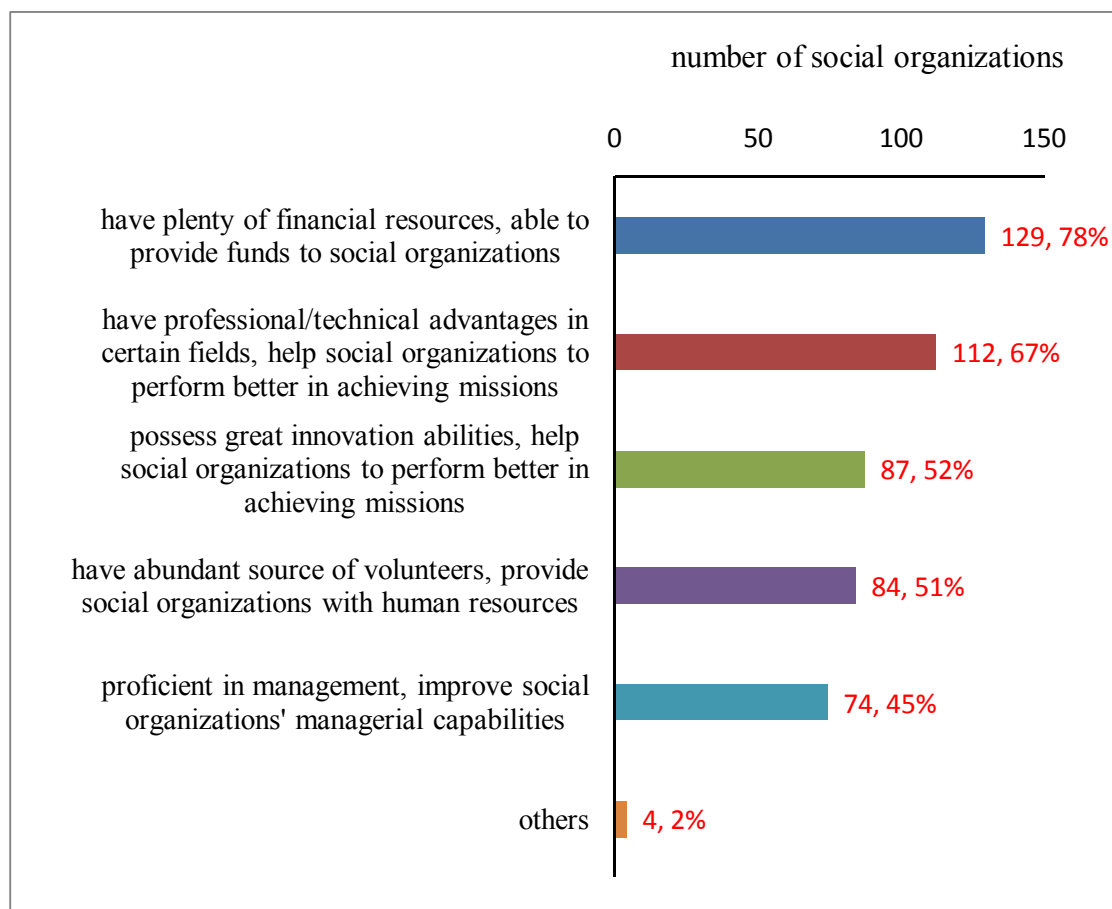

Figure 45: Social Organizations' Motivations for Collaboration (multiple choices)

As revealed by Figure 45, for social organizations, the major five motivations stimulating the collaboration with corporations include a consideration that if corporations: 1) "have plenty of financial resources and are able to provide funds to social organizations" (129 organizations, 78%); 2) "have professional/technical advantages in certain fields, help social organizations to perform better in achieving missions" (112 organizations, 67%); 3) "possess great innovation abilities, help social

organizations to perform better in achieving missions" (87 organizations, 52%); 4) "have abundant sources of volunteers, provide social organizations with human resources" (84 organizations, 51%); 5) are "proficient in management, help improve social organizations' managerial capabilities" (74 organizations, 45%).

Compared with corporations' motivation to collaborate, the motivations of social organizations are more relevant to "resource dependence", namely social organizations depend on collaboration to obtain financial donations, technological support and volunteer resources which are necessary for their development. To a large extent, it reflects the development dilemma commonly faced by Chinese social organizations. The rapid development of CSR in China and the increasingly strengthened corporation-social organization collaboration in CSR practices will offer new possibilities for social organizations to break through the development bottleneck caused by resource insufficiency.

(3) Reasons for Non-collaboration

Since the corporation-social organization collaboration has not yet become a widespread practice among China-based Japanese corporations and Chinese social organizations, this survey also try to unveil non-collaboration reasons from the perspective of each party. Firstly, the surveyed China-based Japanese corporations and social organizations all attribute this phenomenon to inadequate opportunities for communication and mutual understanding. As shown in Figure 46 and Figure 47, 80 Japanese corporations (54%) report that they "have no chance to know and contact social organizations in China" and 63 social organizations (56%) report they "have no chance to know and contact the corporations' CSR projects". Secondly, the insufficient understanding of the value of cooperation also constitutes one major reason. Specifically, 42 corporations (29%) and 18 social organizations (16%) express that they "do not know the value of cooperation with social organizations" or "do not know the value of cooperation with corporations" Thirdly, the non-collaboration also stem from organizational culture and policies. 28 corporations (19%) and 34 social organizations (30%) agree that non-collaboration "depend on culture and policies".

Fourthly, the past collaboration experiences can also negatively affect current decisions. One corporation (1%) and 12 social organizations (11%) express that "the past experiences of cooperation negatively affect development". Finally, 10 corporations (7%) attribute the fact to "the limited abilities and impacts of social organizations in China".
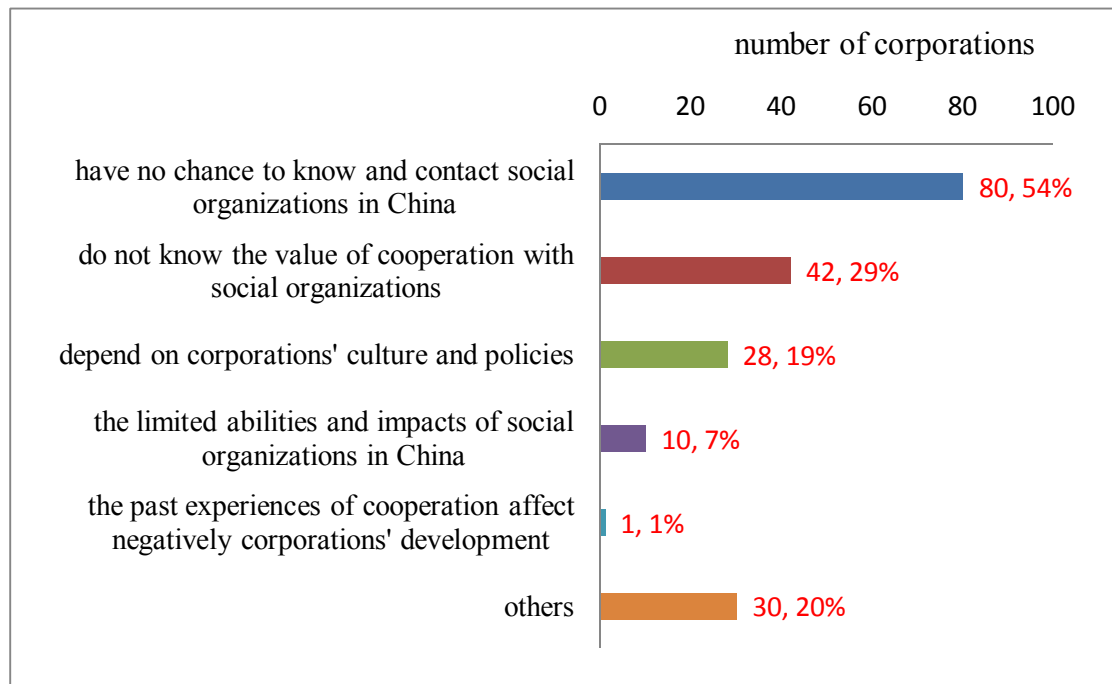

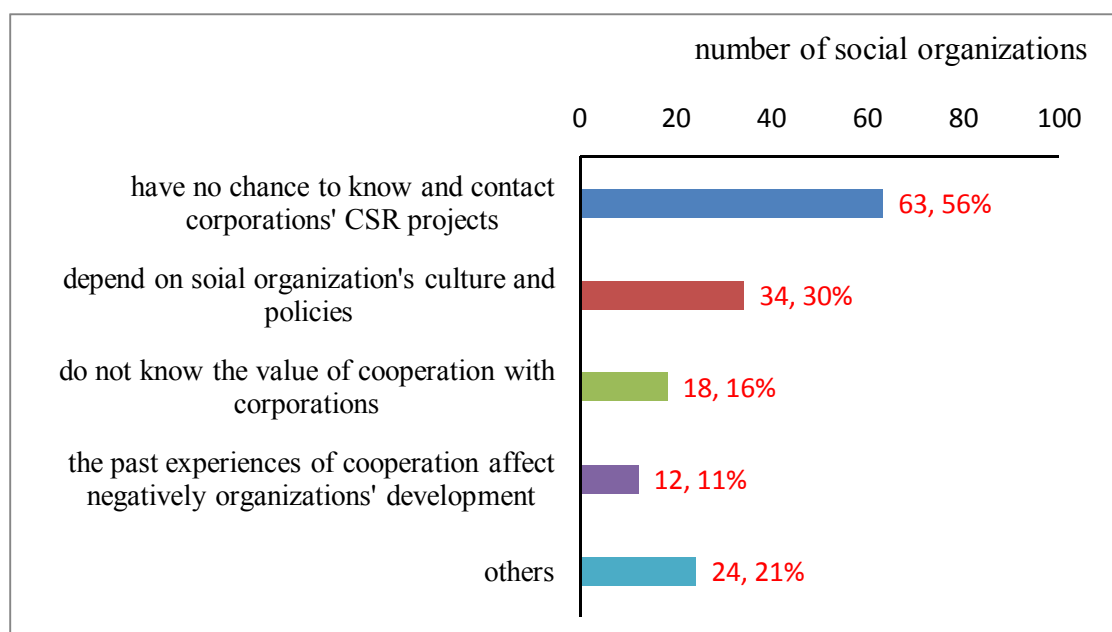Figure 46: Corporations' Reasons for Non-collaboration (multiple choices)

Figure 47: Social Organizations' Reason for Non-collaboration (multiple choices)

(4) Forms of Collaboration

Scholars classify the forms of corporation-social organization collaboration from different perspectives. In 2003, Western scholars Walter W. Wymer and Sridhar Samu summarized the alliance between corporations and non-profits into seven categories, namely, corporate philanthropy, corporate foundations, licensing agreements, sponsorships, transaction-based promotion, joint issue promotions and joint ventures.

1. **Corporate philanthropy** refers to the charitable donations of profits and resources at the disposal or in possession of a corporation. Corporate philanthropy, the most common and easiest way of collaboration, generally consists of cash donations but can also be in the form of use of their facilities, technologies, services or volunteer time offered by the corporation's employees.

2. **Corporate foundations** are non-profit organizations established for public benefits by businesses or business owners. Corporate foundations, sponsored and operated, are characterized by independence, commonweal, strategicness, transparency and professionalism.

3. **Licensing agreements** mean that social organizations authorize corporations to use the name or logo of the social organizations in commercial activities upon paying certain fees.

4. **Sponsorships** mean that corporations sponsor social organizations in their advertising or other external communication activities, obtain naming rights and market such sponsorship as sponsors.

5. **Transaction-based promotion** refers to the fact that corporations make cash or in-kind (such as food, equipment, etc.) donations with a certain proportion of sales revenue to one or several non-profit organizations. For example, Cause Related Marketing (CRM), the most common marketing program, tries to improve business performance and help nonprofit causes by linking donations to the purchase of a corporation's products.

6. **Joint issue promotions** are projects jointly launched by corporations and social organizations to solve certain social problems. Different from corporate donations in common sense, corporations have a larger role to play in these projects.

7. **Joint ventures** are new social organizations co-founded by corporations and social organizations and operate towards common goals of the two parties.

James E. Austin, a professor at the Harvard Business School finds that the corporation-social organizations collaboration goes through a certain development process, evolving from elementary and simple forms to advanced and complex forms. He further draws a useful distinction between philanthropic, transactional and integrative partnerships. As shown in Figure 48, in terms of level of engagement, importance to mission, magnitude of resources, scope of activities, interaction level, managerial complexity and strategic value, these three development stages of collaboration manifest different characteristics[①].

Nature of relationship	Stage Ⅰ Philanthropic	Stage Ⅱ Transactional	Stage Ⅲ Integrative
Level of engagement	Low	⟹	High
Importance to mission	Peripheral	⟹	Central
Magnitude of resources	Small	⟹	Big
Scope of activities	Narrow	⟹	Broad
Interaction level	Infrequent	⟹	Intensive
Managerial complexity	Simple	⟹	Complex
Strategic value	Minor	⟹	Major

Figure 48: Collaboration Continuum

Combining the analytical perspective of collaboration forms and that of the development stage of partnership, we can obtain a more comprehensive analysis framework of corporation-social organization collaboration. As is shown in the figure, philanthropic partnerships are limited in both depth and breadth and mostly take the form of outsourcing or corporate charity. Transactional partnerships evolve into more-developed stage with moderate levels of engagement, investment of resources, scope of activities, interaction and strategic value and normally take the forms of

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① Austin, James E (2000) "Strategic collaboration between nonprofits and businesses", *Nonprofit and Voluntary Sector Quarterly*, 29(1): 69–97.

licensing agreements, corporate sponsorships and transaction-based promotion (for instance, cause-related marketing). An alliance reaches the integrative stage when it is of clear strategic value to the partners, with clear mission connect, and higher levels of engagement, increased investment of resources, broadened scope of activities, intensified interactions, as well as increased complexity in management. Integrative partnerships are usually presented as joint issue promotions and joint ventures.
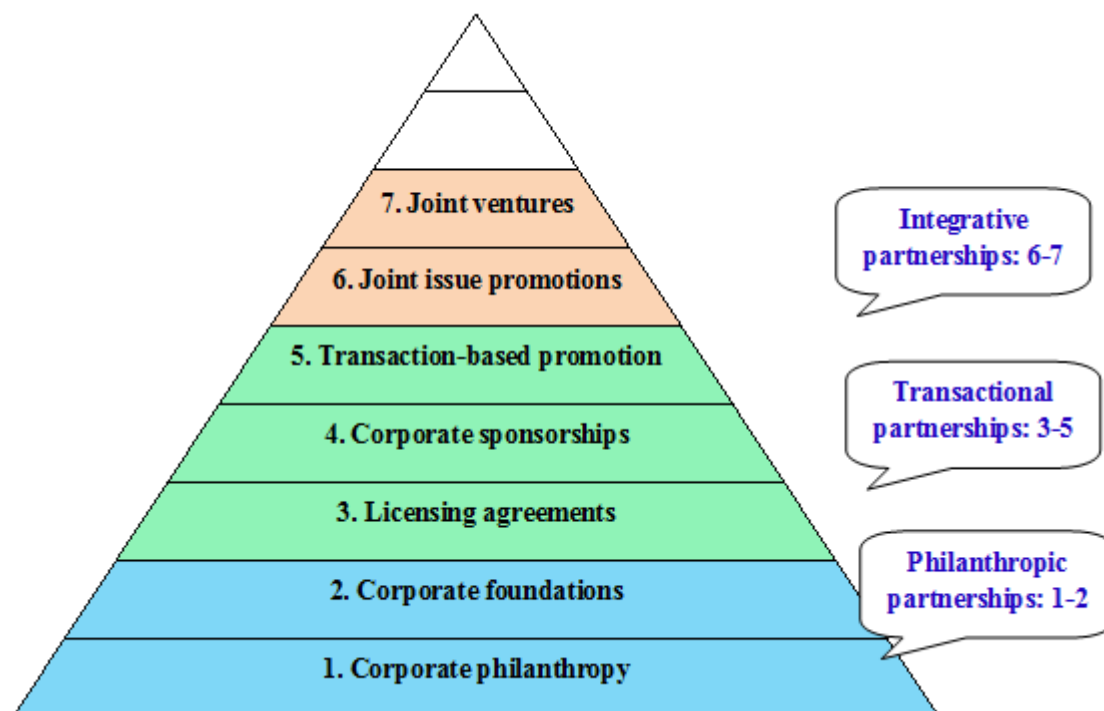
Figure 49: Analysis Framework of Corporation-Social Organization Collaboration[①]

Basing on the analytical framework of corporation-social organization collaboration constructed in previous literature, this survey analyzes the forms and concrete features of the collaboration between China-based Japanese corporations and Chinese social organizations.

As illustrated in Figure 50, the collaboration between China-based Japanese

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① Walter, W Wymer Js. and Sridhar Samu (2003) "Dimension of Business and Nonprofit Collaborative Relative Relationships", *Journal of Nonprofit & Public Sector Marketing*, 11: 3- 22; Austin, James E (2000) "Strategic collaboration between nonprofits and businesses", *Nonprofit and Voluntary Sector Quarterly*, 29(1): 69–97; Jamali,Dima，Mary Yianni and Hanin Abdallah (2011) "Strategic partnerships, social capital and innovation: accounting for social alliance innovation", *Business Ethics: A European Review*, 20(4): 375-391.

corporations and Chinese social organizations adopt various forms in practices. Moreover, China-based Japanese corporations and Chinese social organizations share a strong similarity in terms of the distribution of occurrence rates of different types of collaboration which is sorted in the descending order as follows: corporate philanthropy→joint issue promotions→sponsorships→corporate foundations→joint ventures→cause-related marketing→licensing agreements. Specifically, "corporate philanthropy" tops the list, with 41 corporations (73%) and 134 social organizations (81%) engaging in; "joint issue promotions" follows, with 22 corporations (39%) and 94 social organizations (57%) involving in; "sponsorships" comes third, with 21 corporations (38%) and 86 social organizations (52%) participating in.
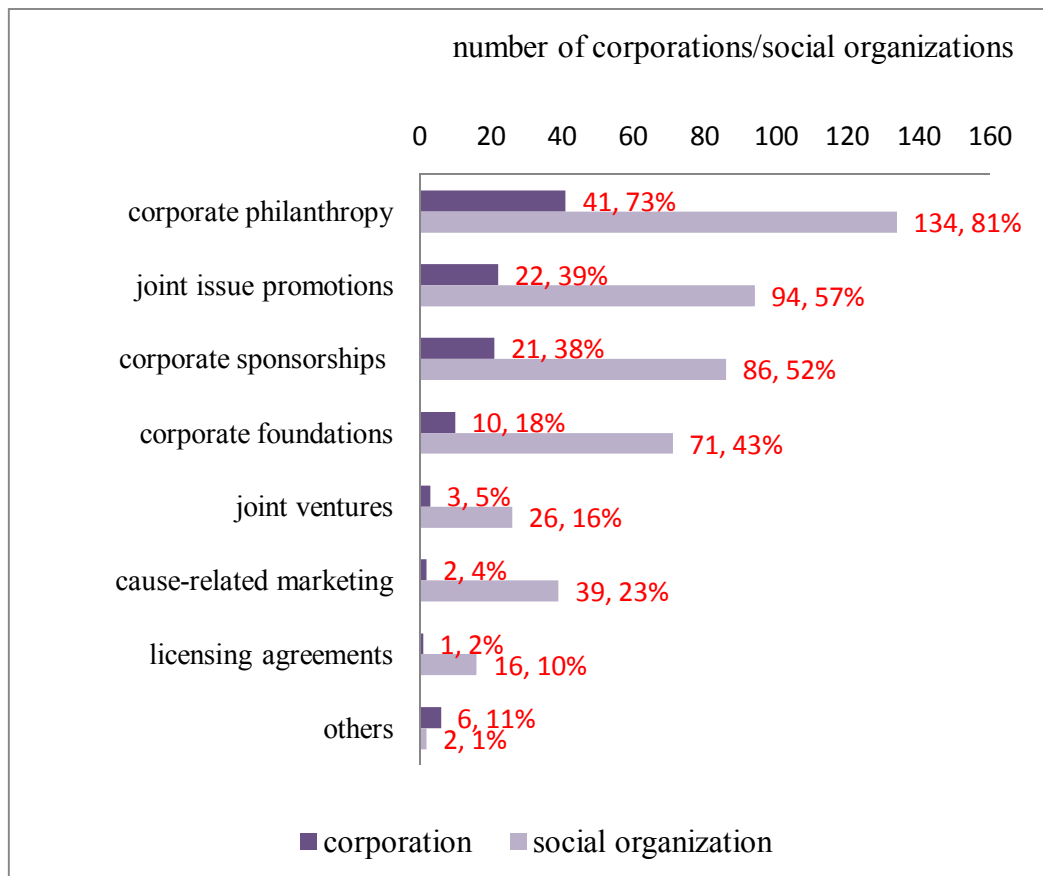

Figure 50: Forms of Collaboration (multiple choices)

In accordance with the above-mentioned theoretical model of corporation-social organization collaboration, "corporate philanthropy" is a form philanthropic

partnership at elementary stage, "sponsorship" is a type of transactional partnership at the moderate stage and "joint issue promotion" is kind of integrative partnership at advanced stage. Data collected in this survey show that all three types of partnerships exist prevalently among China-based Japanese corporations and Chinese social organizations, with the philanthropic partnership being the most common one, the transactional partnership coming second and the integrative partnership listing third.

(5) Funds Scale of Collaboration

Data collected among China-based Japanese corporations and Chinese social organizations reflect a similar distribution pattern of funds scale of collaboration.
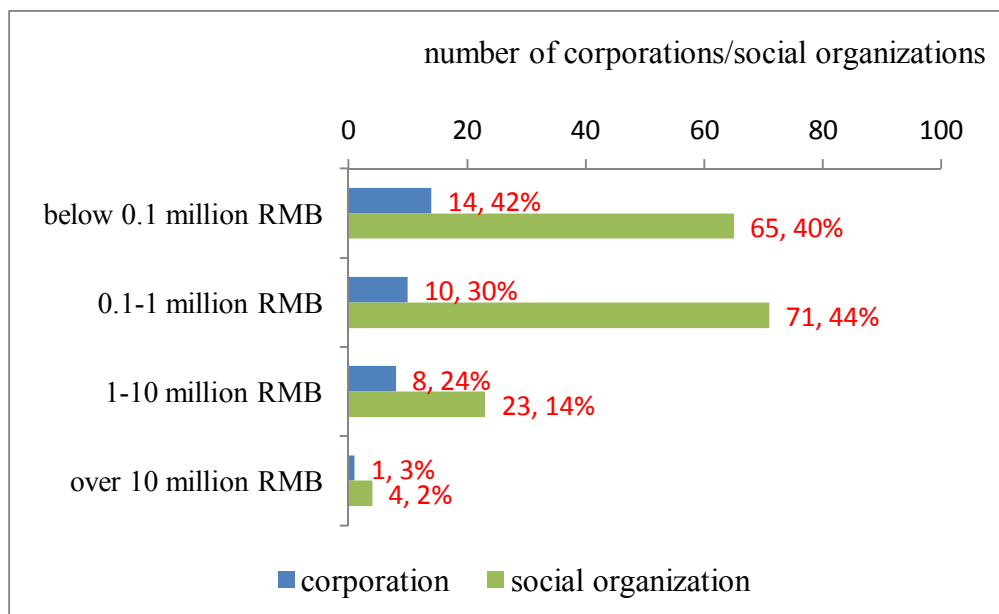
Figure 51: Funds Scale of Collaboration

Figure 51 shows that small-scaled collaboration with a fund scale "below 0.1 million RMB" constitute the largest proportion of collaborations (14 corporations, 42% and 65 social organizations, 40%). What comes next is the medium-scaled collaboration with a fund scale of "0.1-1 million RMB" (10 corporations, 30% and 71 social organizations, 44%). The third largest group is the large-scaled collaboration with a fund scale of "1-10 million RMB" (8 corporations, 24% and 23 social organizations, 14%). What ranks at the bottom is the ultra-large collaboration with a

fund scale of "over ten million RMB" (1 corporation, 3% and 4 social organizations, 2%).

The distribution of funds scale of collaboration in which "small-scaled collaboration" dominates is largely coincident with the distribution of forms of collaboration in which "philanthropic partnership" dominates.

(6) Occurrence Frequency of Collaboration

As data collected for this survey show, there is a remarkable resemblance between China-based Japanese corporations and Chinese social organizations in terms of occurrence frequency of collaboration. As shown in Figure 52, what ranks first is the "continual cooperation to achieve long-term goals" (23 corporations, 41%) and 33 social organizations, 20%). What takes the second place is "both one-off cooperation and continual cooperation" (18 corporations, 32%) and 98 social organizations, 59%). Finally, only 15 corporations (27%) and 35 social organizations (21%) choose "mainly one-off cooperation to achieve short-term goals".
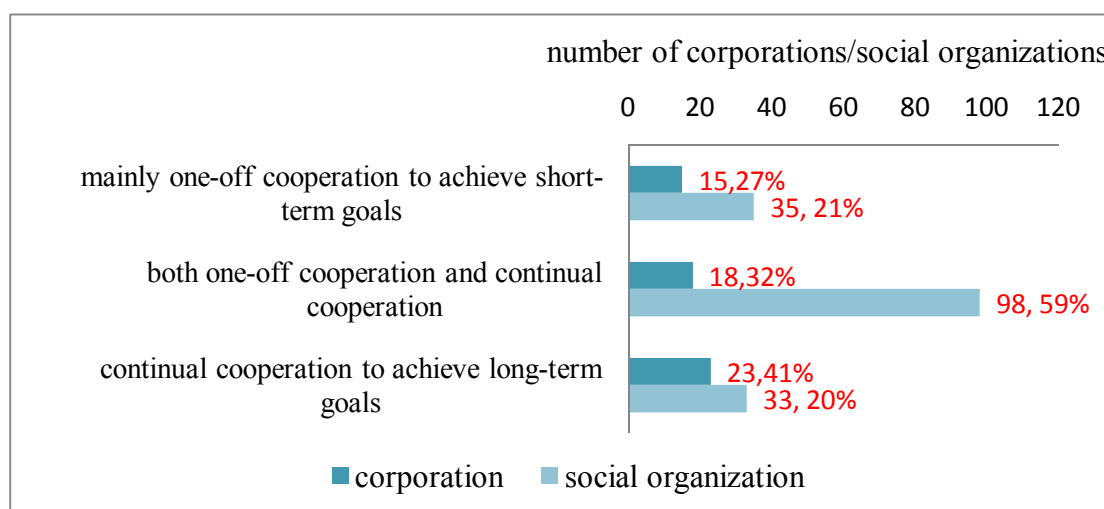
Figure 52: Occurrence Frequency of Collaboration

However, the findings that most collaborations are "continual cooperation to achieve long-term goals" on one hand and "small-scaled collaboration" and "philanthropic partnership" on the other hand has stark disparities with theoretical

arguments summarized previously. In theories, "continual cooperation to achieve long-term goals" normally has significant strategic importance for both parties involving into collaboration, and falls into the category of "integrative partnership" with a relatively large fund scale. Nevertheless, in reality, though both China-based Japanese corporations and Chinese social organizations give priorities to "continual cooperation to achieve long-term goals", they do not devote sufficient resources nor select appropriate forms of collaboration. Such inconsistency, if not effectively adjusted, will possibly hamper the current philanthropic partnership to develop into an integrative partnership in future.

(7) Fields of Collaboration

Data collected in this survey reveal that China-based Japanese corporations and social organizations also share similarities in fields of collaboration, which are sorted in the descending order as follows: social development→environment→employees→products and services→supply chain management.

Figure 53: Fields of Collaboration (multiple choices)

As demonstrated in Figure 53, the No.1 major field is "social development"

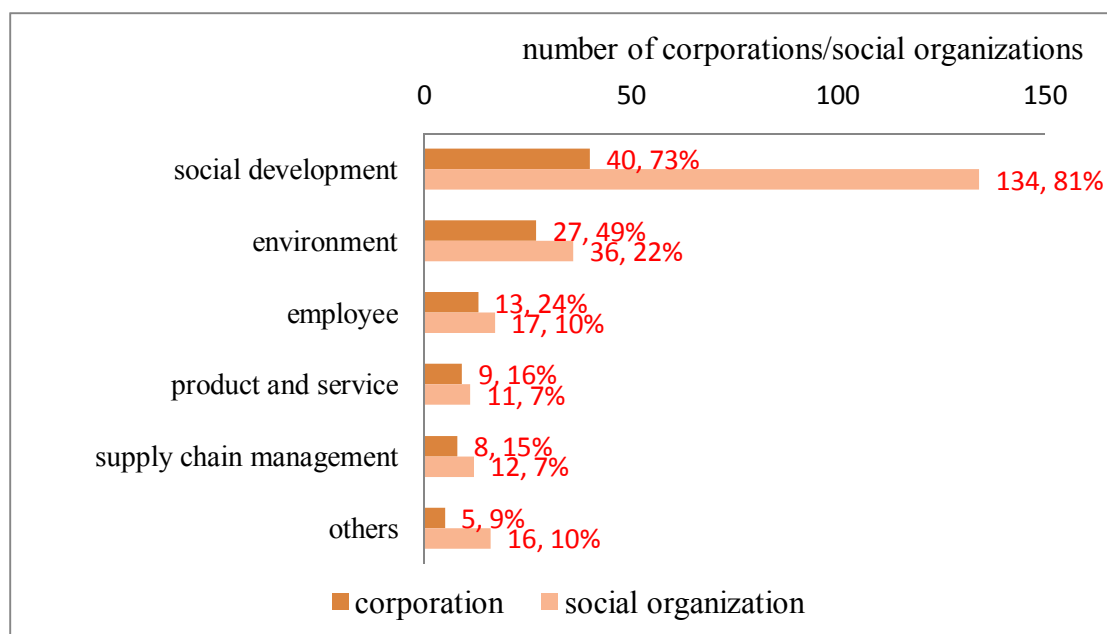(including poverty reduction, health care, disaster relief, reduction and prevention, education, social service, etc.), with 40 corporations (73%) and 134 social organizations (81%). The NO.2 major field is "environment", with 27 corporations (49%) and 36 social organizations (22%). In addition, there are 13 corporations (24%) and 17 social organizations (10%) taking "employee" as a main collaboration field.

(8) Factors Influencing Partner Selection

Experiences of overseas non-profits and business alliances indicate that the ideal partners of such alliances, in general, have distinctive advantages in knowledge, technologies, skills, products, finance and human resources. With regard to the factors influencing partner selection, some scholars proposed the "5C principle": 1) capacity; 2) contribution (whether the partner is willing to contribute to the partnership); 3) complementariness (whether the capacity and contribution complement each other); 4) compatibility (whether the two parties are compatible with each other in organizational principles, organizational strategies and financial conditions); 5) credibility (including organization credibility, quality credibility and financial credibility, etc.).[1]

For the perspective of China-based Japanese corporations, corporations choose their social organization partners based on a variety of factors. As shown in Figure 54, the major factors considered by corporations are generally related to the ability, popularity and reputation as well as the nature of the social organizations. As expressed by 46 corporations, or 84% among all surveyed ones, "abilities of social organizations" constitutes the primary factor, followed by "popularity and reputation of social organizations" as agreed by 30 corporations (55%) and 29 corporations (53%) view "nature of social organizations" as main factor. In addition, factors influencing corporations' selection also include "corporations' past collaborating experiences" (27 corporations, 49%), "suggestions of other relevant groups" (22 corporations, 40%)

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[1] Du Lanying, Yao Yiling & Li Liping (2007). "A study on the selection of strategic alliance partners between the profit and non-profit organizations' cooperation based on game theory", *Journal of Hubei University of Technology*, Vol.22, No.1.

and "scale of social organizations" (18 corporations, 33%).
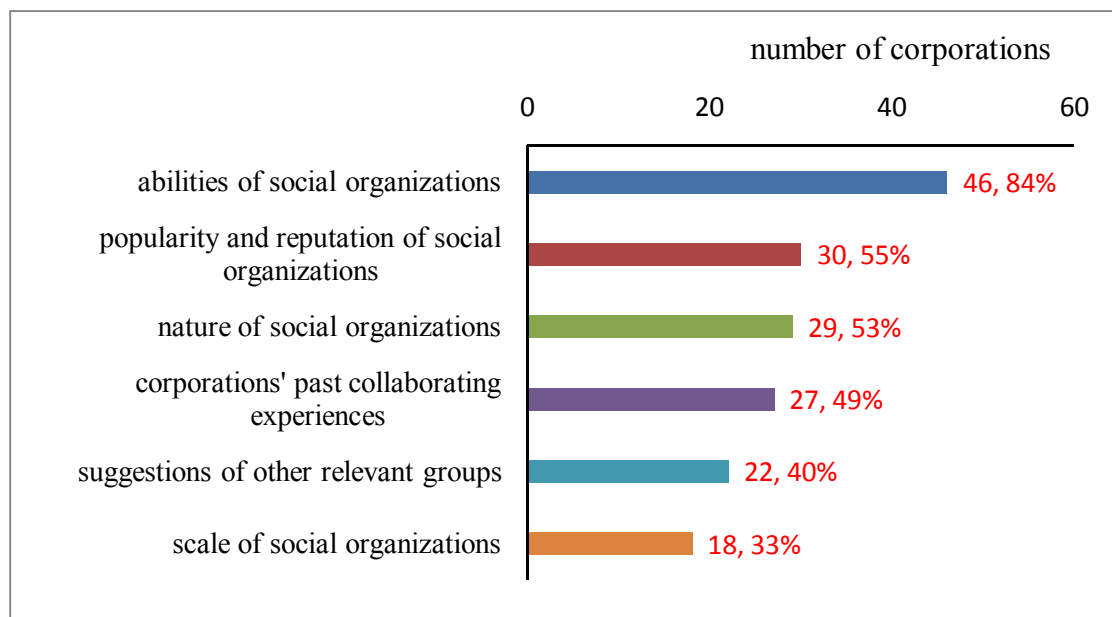

Figure 54: Factors Influencing Corporation' Selection of Social Organization Partner
(multiple choices)
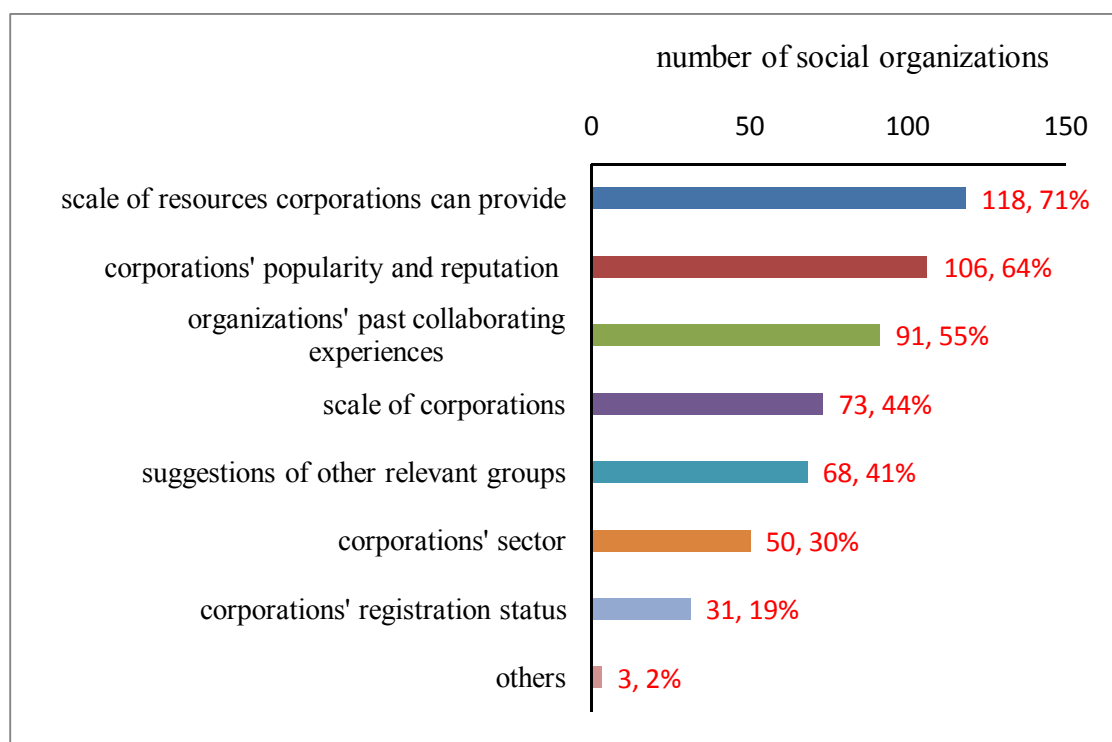
Figure 55: Factors Influencing Social Organization' Selection of Corporation Partner
(multiple choices)

From the perspective of social organizations, the factors worthy of consideration
are also diversified. As shown in Figure 55, the major factors considered by social

organizations are generally related to the scale of resources the corporations can provide, popularity and reputation as well as the past collaborating experience. As expressed by 118 social organizations, or 71% among all surveyed ones, "scale of resources corporations can provide" constitutes the primary factor, followed by "corporations' popularity and reputation" as agreed by 106 social organizations (64%), and 91 social organizations (55%) think that "organizations' past collaborating experience" is also a major factor to be considered in partner selection. In addition, factors influencing social organizations' selection also include "scale of corporations" (73 social organizations, 44%), "suggestions of other relevant groups" (68 social organizations, 41%) and "corporations' registration status" (31 social organizations, 19%).

(9) Contributions of Collaboration in Fulfilling Goals of CSR Affairs

Have the corporation-social organization collaboration contributed to the fulfillment goals of corporations' CSR affairs? Data collected for this survey indicate that a majority of China-based Japanese corporations give an affirmative answer. There are 29 corporations (54%) viewing such collaboration as "of much help" and 22 corporations (41%) viewing it as "of some help". Few corporations give unclear or negative response, manifested by the fact that 2 corporations (4%) choose "not clear" and 1 corporation (2%) choose "of no help".

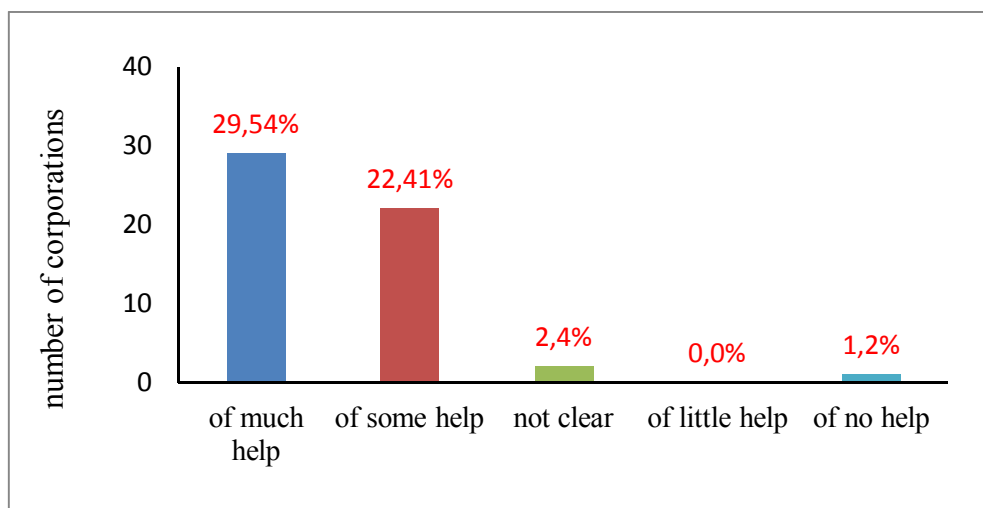Figure 56: Contributions of Collaboration in Fulfilling Goals of CSR Affairs

(10) Impacts of Collaboration

One of the investigation foci of this survey lies in the comprehensive impacts of corporation-social organization collaboration on the development of corporations, social organizations and society.
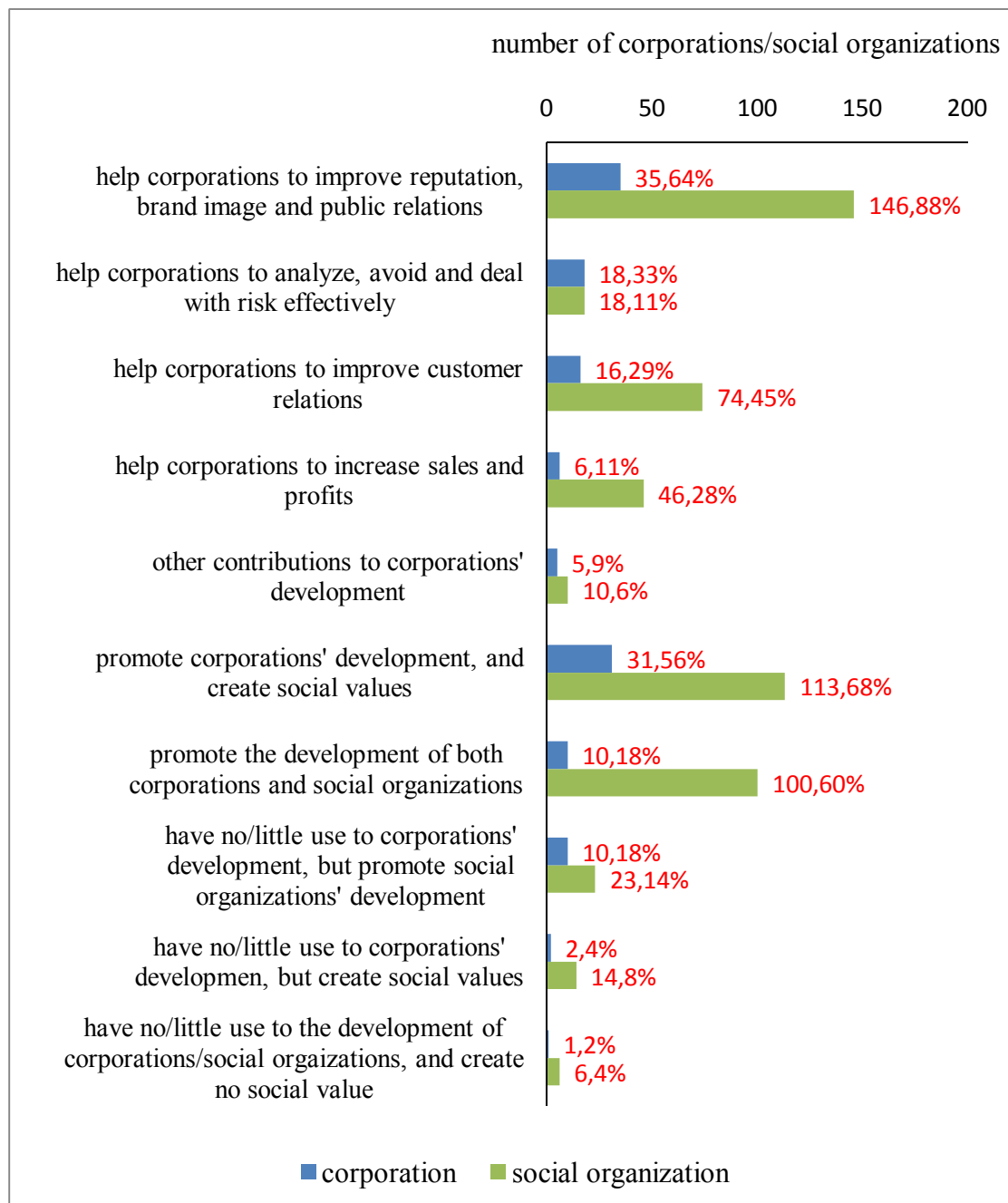

Figure 57: Impacts of Collaboration

First and foremost, data collected among both China-based Japanese corporations and social organizations show that, corporation-social organization collaboration produces positive impacts on the development of corporations mainly in four aspects. Such impacts can be ranked in following order: 35 corporations (64%) and 146 social organizations (88%) conclude that collaboration can "help to improve corporations' reputation and brand image and public relations"; 18 corporations (33%) and 18 social organizations (11%) view that the collaboration can "help corporations to analyze, avoid and deal with risks effectively"; 16 corporations (29%) and 74 social organizations (45%) attribute "help corporations to improve customer relations" to such collaboration; and 6 corporations (11%) and 46 social organizations (28%) believe that it can "help corporations to increase sales and profits".

Secondly, data collected in this survey also reveal that such collaboration can result in a "win-win situation". On the one hand, collaboration can "promote corporations' development and create social value" (31 corporations, 56% and 113 social organizations 68% hold this opinion); on the other hand, collaboration can "promote the development of both corporations and social organizations", as agreed by 10 corporations (18%) and 100 social organizations (60%).

Finally, only a few China-based Japanese corporations and social organizations give negative response to this matter. As revealed by data collected in this survey, 10 corporations (18%) and 23 social organizations (14%) think that collaborations "have little/no use to corporations' development, but create social values"; only 2 corporations (4%) and 14 social organizations (8%) choose "have little/no use to corporations' development but promote social organizations' development"; and only 1 corporation (2%) and 6 social organizations (4%) select "has little/no use to either corporations' or social organizations' development and does not create social value".

(11) Potential Risks of Collaboration

Existing studies analyze the potential risks of corporation-social organization

collaboration from the perspectives of each party, which are summarized as follows[①]:

Potential risks for corporations	Potential risks for social organizations
1. Diminish sales/market shares 2. Provoke the resentment of shareholders/employees	1. Reduce other sources of income (e.g. government funding) 2. Get trapped into financial crises once the corporation suspends or reduces financial support 3. Lack of control over the partnership, become less autonomous or even deviate from original goals.
1. Spoil organization's reputation/image	

Data collected for this survey indicates that all surveyed China-based Japanese corporations comment that no problem or risk occurs in their cooperation with social organizations, while 100 social organizations (60%) share the opinion. Among social organizations reporting the occurrence of problem or risk in their cooperation with corporations, 47 social organizations (28%) think main risk lies in if "corporations suspend or reduce financial support", the organization may get trapped in a financial crisis; 20 social organizations (12%) believe that such collaboration may "spoil organization's image and reputation"; and 14 social organizations (8%) view the potential risk as "reduce organizations other sources of income".

[①] Walter, W Wymer Js. and Sridhar Samu (2003) "Dimension of Business and Nonprofit Collaborative Relative Relationships", *Journal of Nonprofit & Public Sector Marketin*g, 11: 3- 22; Wang Xiangnan, Jin Xizai (2013). "Cooperation between non-profit organizations and corporations v.s. the functions and measures against risks", *Journal of Yanbian University (Social Science)*, No.3.
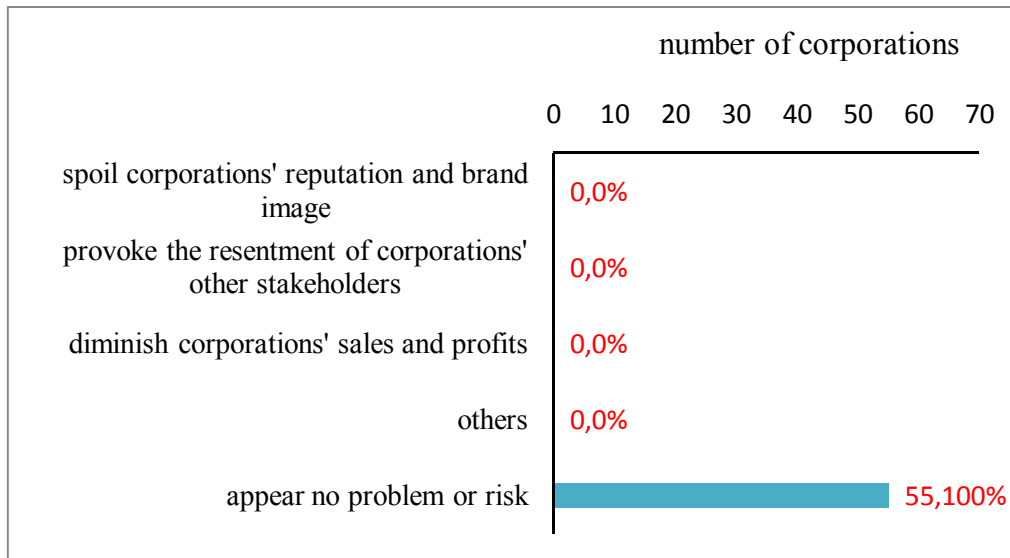
Figure 58: Potential Risks for Corporations to Collaborate with Social Organizations

(multiple choices)
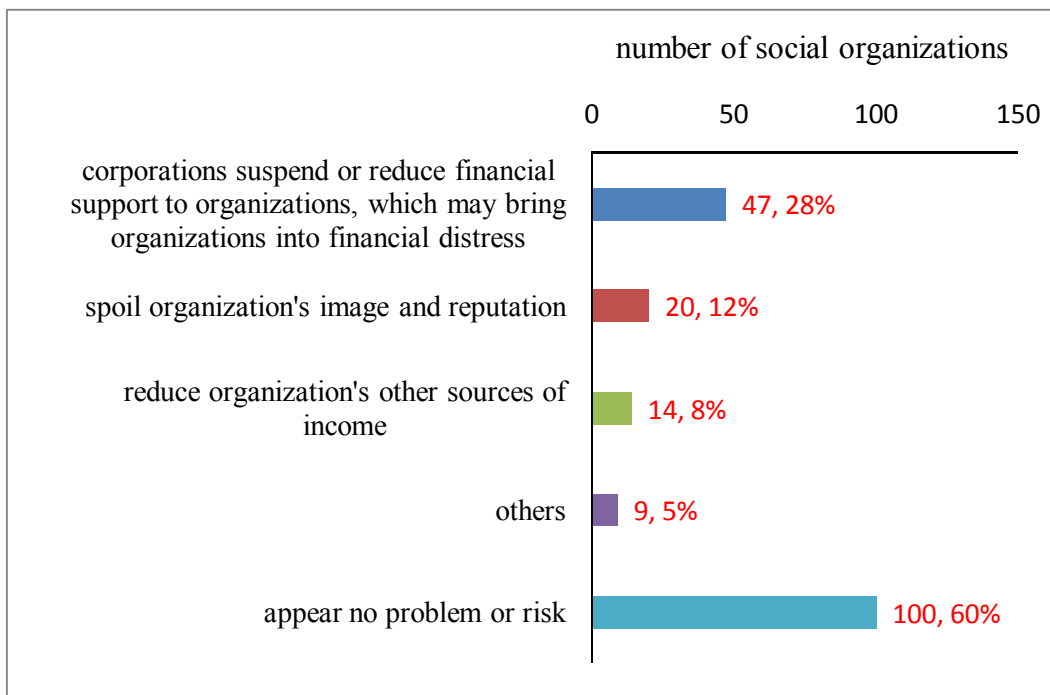
Figure 59: Potential Risks for Social Organizations to Collaborate with Corporations

(multiple choices)

2.3.3 Collaboration Plan

(1) Expectations on Collaboration within One Year

This survey includes relevant questions to investigate the expectations of both

China-based Japanese corporations and Chinese social organizations on collaboration within one year. As revealed by data collected in this survey, social organizations have a higher expectation than China-based Japanese corporations. Figure 60 shows that 194 social organizations (97%) "hope to collaborate" with corporations in the coming year while only 65 China-based Japanese corporations (35%) expressed the same wish.
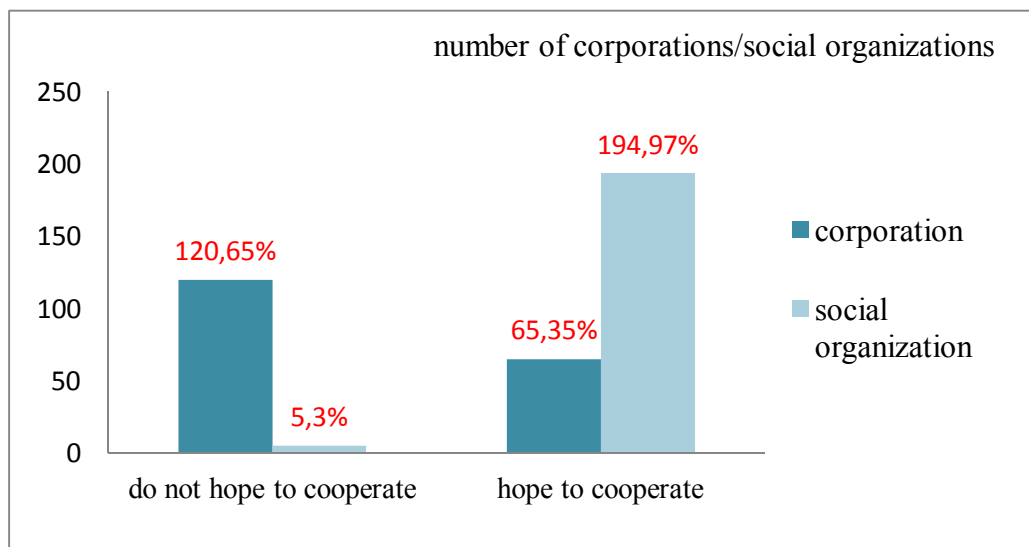
Figure 60: Expectations on Collaboration within One Year

Compared with the occurrence rate of actual collaboration (see Figure 43), corporations' expectations on collaboration (35%) is a little higher that the occurrence rate of actual collaboration (29%). On the contrary, social organizations' expectations on collaboration (97%) is a significantly higher that the occurrence rate of actual collaboration (41%).

(2) Fields of Future Collaboration

Both China-based Japanese corporations and Chinese social organizations expect to cooperate in such fields as environment, social development, employee, supply chain management as well as product and service. For China-based Japanese corporations, the top three fields of future collaboration are "environment" (53

corporations, making up for 77%), "social development" (51 corporations, 74%) and "employee" (31 corporations, 45%). In addition, corporations also hope to collaborate with social organizations in the fields of "supply chain management" (24 corporations, 35%) and "product and service" (21 corporations, 30%).

For social organizations, the top three fields of future collaboration are "social development" (169 social organizations, making up for 87%), "environment" (54 social organizations, 28%) and "employee" (37 social organizations, 19%). Moreover, there are also possibilities that they work with corporations in "product and service" (28 social organizations, 14%) and "supply chain management" (24 social organizations, 12%).
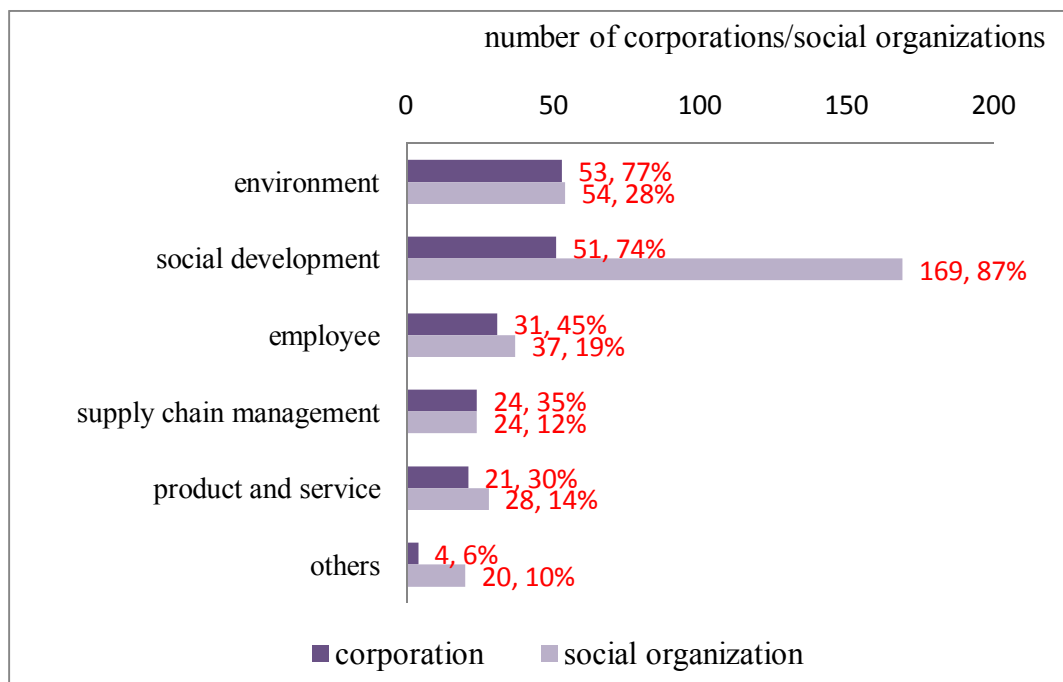
Figure 61: Fields of Future Collaboration (multiple choices)

"Social development" constitutes an important field of future collaboration. As shown in Figure 62, Chinese social organizations wish to cooperate with corporations in the following areas: "community services" (for seniors, children and the disabled, etc.) (128 social organizations express this expectation, accounting for 76%); "education" (100 social organizations, 59%); "disaster relief, reduction and prevention"

(57 social organizations, 34%); "poverty reduction" (54 social organizations, 32%) and "health care" (47 social organizations, 28%).
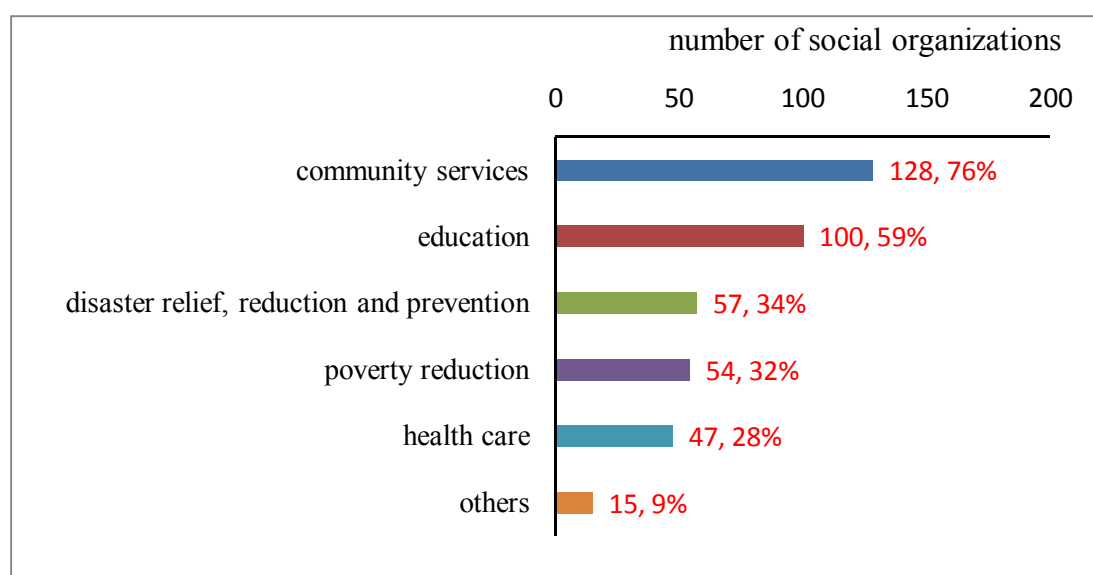
Figure 62: Future Collaboration in Social Development (multiple choices)

2.3.4 Requirements for Collaboration Promotion Measures

(1) Necessities to Adopt Measures to Promote Collaboration

Comparing the actual and expected occurrence rate of corporation-social organization collaboration, we find that for most China-based Japanese corporations occurrence rate of will not exceed 35%, and although 97% Chinese social organizations expect to cooperate with corporations in the coming year, whether the collaboration can take place largely depends on the will of corporations. Therefore, it is necessary for related institutions (including governmental organs, business groups, international assistance agencies, CSR consulting agencies and capacity building institutions serving social organizations, etc.) to adopt effective measures to promote corporation-social organization collaboration.

This survey designs relevant questions to collect information on the requirements of China-based Japanese corporations and social organizations for measures to promote collaboration. The survey results show that 119 China-based Japanese corporations (64%) and 194 social organizations (97%) deem it necessary to adopt

measures to promote the collaboration.
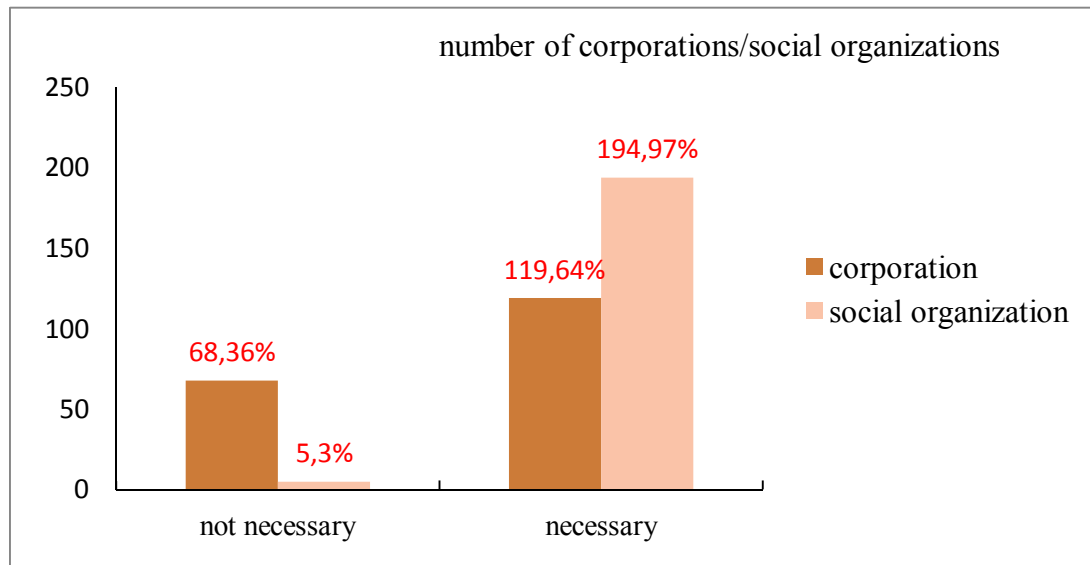
Figure 63: Necessities to Adopt Measures to Promote Collaboration

(2) Measures to Promote Collaboration

The surveyed China-based Japanese corporations and social organizations express basically similar requirements for measures to promote collaboration. As shown in Figure 64, the requirements go as follows in a sequence of importance: 85 corporations (71%) and 178 social organizations (92%) need measures to "build up communication platform and promote information exchange and mutual understanding between corporations and social organizations"; 68 corporations (57%) and 144 social organizations (74%) give priority to measures to "provide training to corporations and social organizations, and help them to know about the meaning and value of cooperation"; 60 corporations (50%) and 138 social organizations (71%) hope that "government provides necessary supports to promote the cooperation between them"; and other 37 corporations (31%) and 122 social organizations (63%) expect "a third party to provides capacity-building services to social organizations to improve their capabilities to collaborate with corporations". Moreover, compared with China-based Japanese corporations, social organizations have higher level of requirements for all measures.

number of corporations/social organizations

build up communication platform, and promote information exchange and mutual understanding between corporations and social organizations
85, 71%
178, 92%

provide training to corporations and social organizations, and help them to know about the meaning and value of cooperation
68, 57%
144, 74%

government provides necessary supports to promote the cooperation between them
60, 50%
138, 71%

a third party provides capacity-building services to social organizations to improve their capabilities to collaborate with corporations
37, 31%
122, 63%

others
3, 3%
4, 2%

■ corporation   ■ social organization

Figure 64: Measures to Promote Collaboration (multiple choices)

(3) Attitudes to JICA's Future Plan to Promote Collaboration

If JICA plans to launch relevant projects to promote corporation-social organization collaboration, it is essential to figure out the level of concern, participation willingness and concrete needs of both China-based Japanese corporations and Chinese social organizations. This survey designs relevant questions to obtain information on these issues.

The survey results show that the level of concern and participation willingness of Chinese social organizations is much higher than the figure of China-based Japanese corporations. As shown in Figure 65, 183 social organizations (92%) say they "will pay attention to and want to participate" in JICA's future projects, whereas only 37% corporations express the same wish. Additionally, only 13 social organizations (7%) "will pay attention but do not want to participate", whereas as many as 45% corporations will do so. Finally, 33 corporations (18%) select "will not pay attention to it and do not want to participate".

number of corporations/social organizations

will pay attention to and want to participate — 183, 92% / 68, 37%

will pay attention to but do not want to participate — 13, 7% / 84, 45%

will not pay attention to and do not want to participate — 3, 2% / 33, 18%

0 50 100 150 200 250

■ social organization   ■ corporation
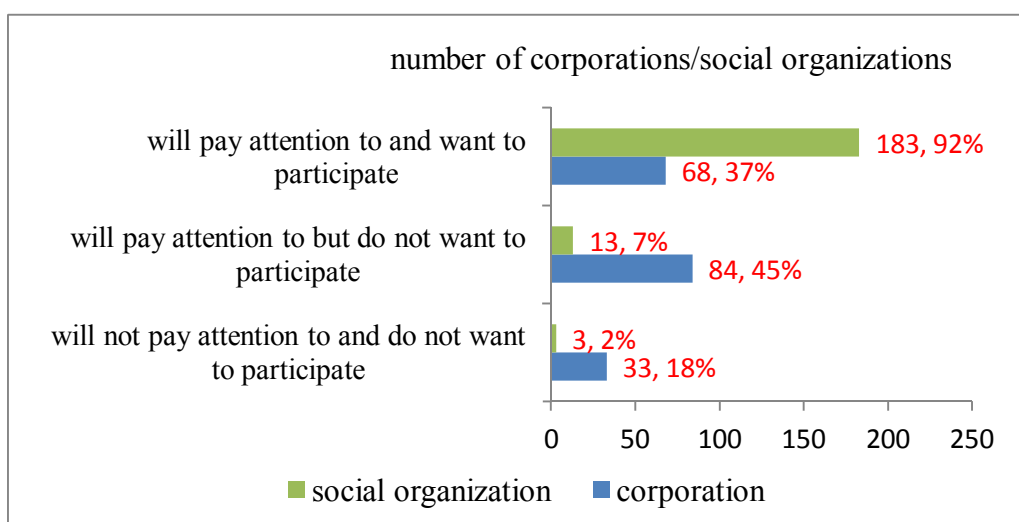
Figure 65: Attitudes to JICA's Future Plan to Promote Collaboration

(4) Resources or Supports Corporations/Social Organizations Hope to Obtain by Participating in JICA Projects

This survey designs relevant questions to understand concrete needs of China-based Japanese corporations and social organizations to JICA's future projects.

number of corporations

0 50 100 150

know other corporations' experiences in regard of CSR and cooperation with social organizations — 103, 70%

reinforce corporations' understanding of the value of cooperation with social organizations — 92, 62%

get the chance to know and contact social organizations — 82, 55%

reinforce and update corporations' CSR notions — 59, 40%

gain supports from JICA via its projects — 59, 40%

others — 4, 3%

Figure 66: Resources or Supports Corporations Hope to Obtain by Participating in JICA Projects (multiple choices)

As shown in Figure 66, corporations' needs go as follows in the sequence of importance: 103 corporations (70%) wish to "know other corporations' experiences in regard of CSR and cooperation with social organizations"; 92 corporations (62%) hope to "reinforce corporations' understanding of the value of cooperation with social organizations"; 82 corporations (55%) hope to "get the chance to know and contact social organizations"; 59 corporations (40%) expect to "reinforce and update corporations' CSR notions"; and 59 corporations (40%) hope to "gain support from JICA via its projects".

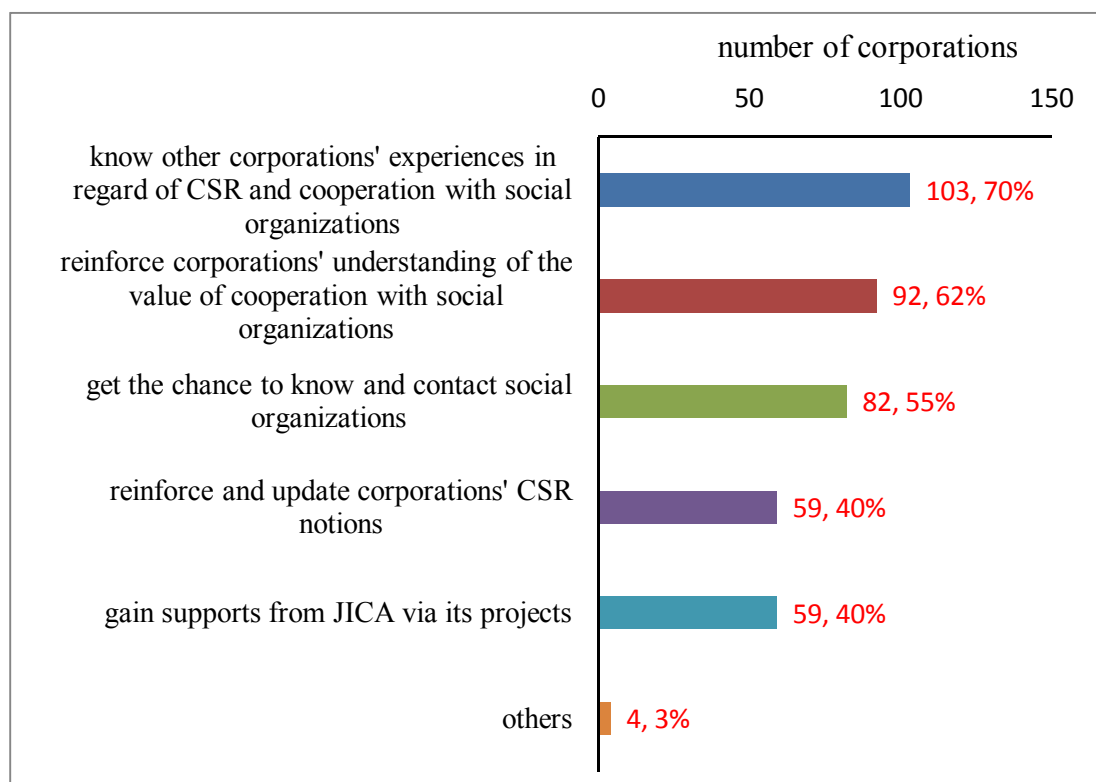As shown in Figure 67, social organizations' needs go as follows in the sequence of importance: 163 social organizations (83%) wish to "know other social organizations' experiences in regard of CSR and cooperation with corporations"; 158 social organizations (81%) hope to "gain supports from JICA via its projects"; 144 social organizations (73%) wish to "get the chance to know and contact social organizations"; 129 social organizations (66%) are willing to "reinforce social organizations' understanding of the value of cooperation with corporations"; and 103 social organizations (53%) expect to "reinforce and update corporations' CSR notions".

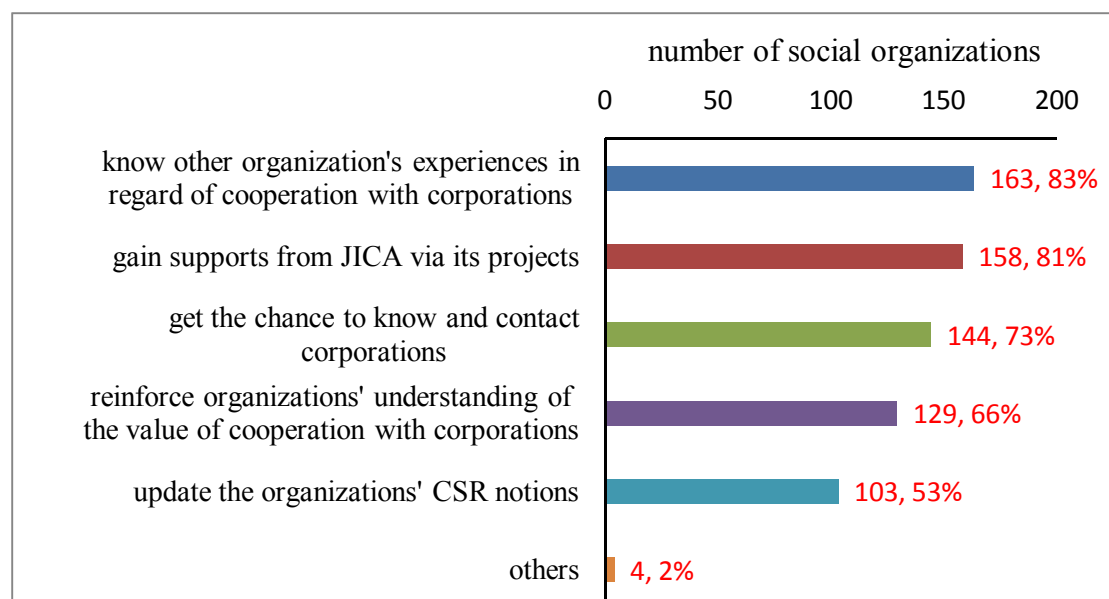
Figure 67: Resources or Supports Social Organizations Hope to Obtain by Participating in JICA Projects (multiple choices)

3   Conclusions and Suggestions

Conclusions and Suggestions

3.1 Conclusions

3.1.1 CSR Notion of China-based Japanese Corporations

1. **CSR Conception** The CSR conception of surveyed China-based Japanese corporations exhibits a pyramid pattern where responsibilities at economic, legal, ethical, and discretionary (philanthropic) dimensions distribute in decreasing order of importance.

2. **Stakeholders** Similar to Western corporations, a majority of the respondents deem three types of stakeholders as the most important ones: stakeholders inside company (employees), stakeholders in product market (clients and suppliers) and stakeholders in capital market (shareholders). However, differing from Western corporations, only a few corporations (20%) take social organizations as their main stakeholders.

3. **Reasons to Fulfill CSR in China** For the majority of the respondents, fulfilling CSR in China is motivated by "internal factors" composed of both "ethical motivations" and "strategic motivations". However, "external factors" are insignificant.

3.1.2 CSR Practices of China-based Japanese Corporations

3.1.2.1 Overview of CSR Activities

1. **Starting Time of CSR Activities in China** Starting time of CSR activities by the surveyed China-based Japanese corporations lasts from the 1990 to present and the last decade (2006-2015) is the fastest-growing period.

2. **Content of CSR Activities in China** The CSR activities carried out by the surveyed China-based Japanese corporations clearly demonstrate a "multiple

stakeholders orientation", namely the surveyed corporations are attentive and responsive to a wide range of stakeholders including shareholders, employees, consumers, suppliers, governmental organs, local residents, local communities and natural environment. Compared with the data revealed in the Japan Foundation's survey in 2009, we finds that during 2010 to 2015, the most remarkable change in the CSR activities of China-based Japanese corporations lies in the diversification of CSR activities and increased incidence rates of various forms of CSR activities.

3. **Budget for CSR Affairs** The general distribution of the CSR budget ratio of the surveyed China-based Japanese corporations takes on a "spindle shape", which means more of the surveyed corporations set a middle-sized CSR budget, and fewer allocate either a huge or a small CSR budget.

4. **Main Areas of CSR Activities in China** Among the surveyed China-based Japanese corporations, a broad variety of CSR activities have been widely conducted. The two most intensively engaged in CSR activities are employee-related responsibilities and environment-related responsibilities. Moreover, product/service-related responsibility and the responsibilities related to social development take the third and the fourth position. However, fewer Japanese corporations (only 38% of the surveyed corporations) engage in CSR activities related to supply chain management.

3.1.2.2 CSR Management

1. **Managerial Departments Responsible for CSR Affairs** Among the surveyed China-based Japanese corporations, the arrangement of managerial department responsible for CSR affairs is highly institutionalized. Specifically, in most corporations (58%), CSR affairs "managed by other departments" and in fewer corporations (24%) CSR affairs are "managed by a specific department".

2. **Approaches to Manage CSR Affairs** Out of the surveyed China-based Japanese corporations, a majority (69%) adopt the PDCA model to manage CSR affairs.

3.1.2.3 Strategic CSR

1. **Importance of CSR for Corporation's Development** Most of the surveyed China-based Japanese corporations (90%) recognize the importance of CSR to corporation's development.

2. **Integration of CSR with Main Business Management** Aware of the importance of CSR for corporations' development, most China-based Japanese corporations (90%) begin to take CSR as a strategic issue and integrate CSR affairs with main business management.

3. **Impacts of CSR on Corporation's Development** Data collected in this survey show that fulfilling CSR has promoted corporation development either directly or indirectly. Specifically, 70% corporations think CSR activities "help to improve human resource management"; 59% corporations report it "help to analyze, avoid and cope with risks effectively"; 56% corporations report it "help to improve corporation's image and reputation"; 55% corporations believe it "help to improve customer relations" and 46% corporations report it "help to improve government relations".

3.1.2.4 CSR Communication and Reporting

1. **Disclosure and Dissemination of CSR Information** Data collected in this survey show that the majority of China-based Japanese corporations (59%) consistently give priority to CSR information disclosure and increasingly employ diversified communication channels.

2. **Communication Targets of CSR Affairs** The surveyed corporations mainly communicate with salient stakeholders exerting a direct influence on their business operations (such as employee, shareholder and client), while pay less attention to communication with those stakeholders exerting no direct influence on business operations (such as community and social organizations).

3. **Guiding Standards for CSR Reporting** Among the surveyed China-based Japanese corporations, the most corporations (70%) refers to external standards

(namely all kinds of CSR guidelines or reporting guidelines) in CSR reporting.

3.1.3 CSR Perception and Notion of Chinese Social Organizations

1. **Perception of CSR-related Concepts** Data collected in this survey show that most surveyed social organizations (70%) have a good knowledge of CSR-related concepts.

2. **CSR Conception** Similar to China-based Japanese corporations, the surveyed Chinese social organizations share a CSR conception which is distributed in a pyramid pattern.

3. **Corporations' Stakeholders** The surveyed social organizations have both similarities and differences with the China-based Japanese corporations in terms of the perception of stakeholders. The main similarity lies in that the most social organizations also identify stakeholders in product market, stakeholders within the organization and stakeholders in capital market as corporations' major stakeholders. The main difference lies in the majority of social organizations also deem such stakeholders representing public interests (such as communities, social organizations and media) as corporations' major stakeholders.

4. **Reasons for Corporations to Fulfill CSR** Similar to the survey results of China-based Japanese corporations, social organizations think corporations' CSR fulfillment is mostly "internally motivated" and driven by both ethical and strategic motivations. However, there is a sharp divergence that social organizations think "strategic motivations" are stronger than "ethical motivations", and vice versa for China-based Japanese corporations.

3.1.4 Corporation-Social Organization Collaboration

3.1.4.1 Collaboration philosophy

1. **Expected Roles of Social Organizations in CSR Affairs** Data collected in this

survey show that, most China-based Japanese corporations and Chinese social organizations view social organizations as "partner" rather than "watch-dog" or "antagonist" in CSR affairs, sharply differing from the situation in many Western countries. Besides, far fewer social organizations identify themselves as "by-stander" or "watch-dogs" than China-based Japanese corporations. Furthermore, China-based Japanese corporations have a lower expectation on the positive role of social organizations in CSR affairs than social organizations.

2. **Actually Played Roles of Social Organizations in CSR Affairs** When it comes to roles social organizations actually played in CSR affairs, Data collected from China-based Japanese corporations and Chinese social organizations are basically the same. The gap between expectation and reality mainly arise from social organizations' roles like "think tanks" and "by-standers".

3. **Importance of Collaboration** A significant percentage of the surveyed China-based Japanese corporations (47%) and the majority of social organizations (93%) commonly recognize the importance of collaboration. Nevertheless, quite a number of corporations (39%) have a vague understanding of the importance of collaboration.

3.1.4.2 Collaboration Practices

1. **Past Experiences in Collaboration** To both the surveyed China-based Japanese corporations and Chinese social organizations, cross-sector collaboration is not a "widespread" practice. Specifically, 71% China-based Japanese corporations have "never collaborated" with social organizations and 60% social organizations have "never collaborated" with corporations.

2. **Reasons for Collaboration** Data collected in this survey show that, generally, "organization learning" motivation and "resource dependence" motivation coexist. Compared with corporations' motivation to collaborate, the motivations of social organizations are more relevant to "resource dependence", namely social organizations depend on collaboration to obtain financial donations, technological

support and volunteer resources which are necessary for their development. To a large extent, it reflects the development dilemma commonly faced by Chinese social organizations.

3. **Reasons for Non-collaboration** Both the surveyed China-based Japanese corporations and social organizations attribute reasons for non-collaboration to inadequate opportunities for mutual communication and understanding. Besides, the insufficient understanding of the value of cooperation also constitutes one major reason.

4. **Forms of Collaboration** The collaboration between China-based Japanese corporations and Chinese social organizations adopt various forms in practices. Moreover, China-based Japanese corporations and Chinese social organizations share a strong similarity in terms of the distribution of occurrence rates of different types of collaboration which is sorted in the descending order as follows: corporate philanthropy → joint issue promotions → sponsorships → corporate foundations → joint ventures → cause-related marketing → licensing agreements. Furthermore, data collected in this survey show that all three types of partnerships exist prevalently among China-based Japanese corporations and Chinese social organizations, with the philanthropic partnership being the most common one, the transactional partnership coming second and the integrative partnership listing third.

5. **Funds Scale of Collaboration** Data collected among China-based Japanese corporations and Chinese social organizations reflect a similar distribution pattern of funds scale of collaboration. The distribution of funds scale of collaboration in which "small-scaled collaboration" dominates is largely coincident with the distribution of forms of collaboration in which "philanthropic partnership" dominates.

6. **Occurrence Frequency of Collaboration** The findings that most collaborations are "continual cooperation to achieve long-term goals" on one hand and "small-scaled collaboration" and "philanthropic partnership" on the other hand has stark disparities with theoretical arguments summarized previously (see

Figure 48).

7. **Fields of Collaboration** Data collected in this survey reveal that China-based Japanese corporations and social organizations also share similarities in fields of collaboration, which are sorted in the descending order as follows: social development→environment→employees→products and services→supply chain management.

8. **Factors Influencing Partner Selection** For the perspective of China-based Japanese corporations, corporations choose their social organization partners based on a variety of factors which are generally related to the ability, popularity and reputation as well as the nature of the social organizations. From the perspective of social organizations, the factors worthy of consideration are also diversified which are generally related to the scale of resources the corporations can provide, popularity and reputation as well as the past collaborating experience.

9. **Contributions of Collaboration in Fulfilling Goals of CSR Affairs** Data collected for this survey indicate that a majority of China-based Japanese corporations (95%) give an affirmative answer.

10. **Impacts of Collaboration** Corporation-social organization collaboration produces positive impacts on corporations' development in four aspects which are reputation, brand image and public relations, risks management, customer relations and sales and profits. Moreover, such collaboration can result in a "win-win situation. On the one hand, collaboration can "promote corporations' development and create social value"; on the other hand, collaboration can "promote the development of both corporations and social organizations".

11. **Potential Risks of Collaboration** Data collected for this survey indicates that all surveyed China-based Japanese corporations comment that no problem or risk occurs in their cooperation with social organizations, while a minority of social organizations (40%) report that they have even encountered problem or risk.

3.1.4.3 Collaboration Plan

1. **Expectations on Collaboration within One Year** As revealed by data collected in this survey, social organizations have a higher expectation than China-based Japanese corporations. Specifically, 97% social organizations "hope to collaborate" with corporations in the coming year while only 35% China-based Japanese corporations express the same wish.

2. **Fields of Future Collaboration** Both China-based Japanese corporations and Chinese social organizations expect to cooperate in such fields as environment, social development, employee, supply chain management as well as product and service.

3.1.4.4 Requirements for Collaboration-promoting Measures

1. **Necessities to Adopt Measures to Promote Collaboration** The survey results show that 64% China-based Japanese corporations and 97% social organizations deem it necessary to adopt measures to promote the collaboration.

2. **Measures to Promote Collaboration** The surveyed China-based Japanese corporations and social organizations express basically similar requirements for measures to promote collaboration. Moreover, compared with China-based Japanese corporations, social organizations have higher level of requirements for all measures.

3. **Attitudes to JICA's Future Plan to Promote Collaboration** The survey results show that the level of concern and participation willingness of Chinese social organizations is much higher than the figure of China-based Japanese corporations. Specifically, 92% social organizations report they "will pay attention to and want to participate" in JICA's future projects, whereas only 37% corporations express the same wish.

4. **Resources or Supports Corporations/Social Organizations Hope to Obtain by Participating in JICA Projects** The major needs commonly expressed by both China-based Japanese corporations and social organizations lies in

"experiences sharing". However, the most divergent requirement is that corporations need to reinforce corporations' understanding of the value of cooperation while social organizations expect to gain supports from JICA via its projects.

3.2 Suggestions

This project is to analyze the development of social sector, corporate social responsibility and corporation-social organization collaboration in China by reviewing existing literature; to discern the CSR notion and practices of China-based Japanese corporations, the CSR perception and thoughts of Chinese social organizations, the practices of corporation-social organization collaboration as well as their plans and suggestions on future collaboration through questionnaire survey and in-depth case study; and to provide effective policy/action suggestions to stakeholders (including corporations, social organizations, governmental organs, business groups, international assistance agencies, CSR consulting agencies and capacity building institutions serving social organizations), basing on scientific analysis of empirical data.

3.2.1 CSR Notion and Practices of China-based Japanese Corporations

3.2.1.1 CSR Notion

The survey has found a notable difference in CSR stakeholder theories between China-based Japanese corporations and Western ones. Only a few Japanese corporations (20%) count social organizations as their major stakeholders. Such insufficiency in recognizing social organizations can be attributed to the small scale of China's social sector and limited impacts of social organizations in the field of CSR ten years ago. However, during the past decade, China's social sector has been developing by leaps and bounds. As shown in Figure 68, there has been a markable increase in the registration number of three types of social organizations, namely, social associations, civilian-run non-enterprise units and foundations. With the rapid growth of China's social sector, social organizations will take more and more important roles in the field of CSR.

Against such background, we provide the following suggestions to relevant

parties:

1. China-based Japanese corporations should timely update their notion of stakeholders and became more alert and responsive to the concerns and requirements of social organizations in their CSR affairs management.

2. Social organizations wishing to conduct corporation-social organization collaboration should attach more importance to the effective communications with corporations, to improve corporations' understanding of their activities, contributions and advantages and consequently to enhance social organizations' importance in corporations' stakeholder notion.
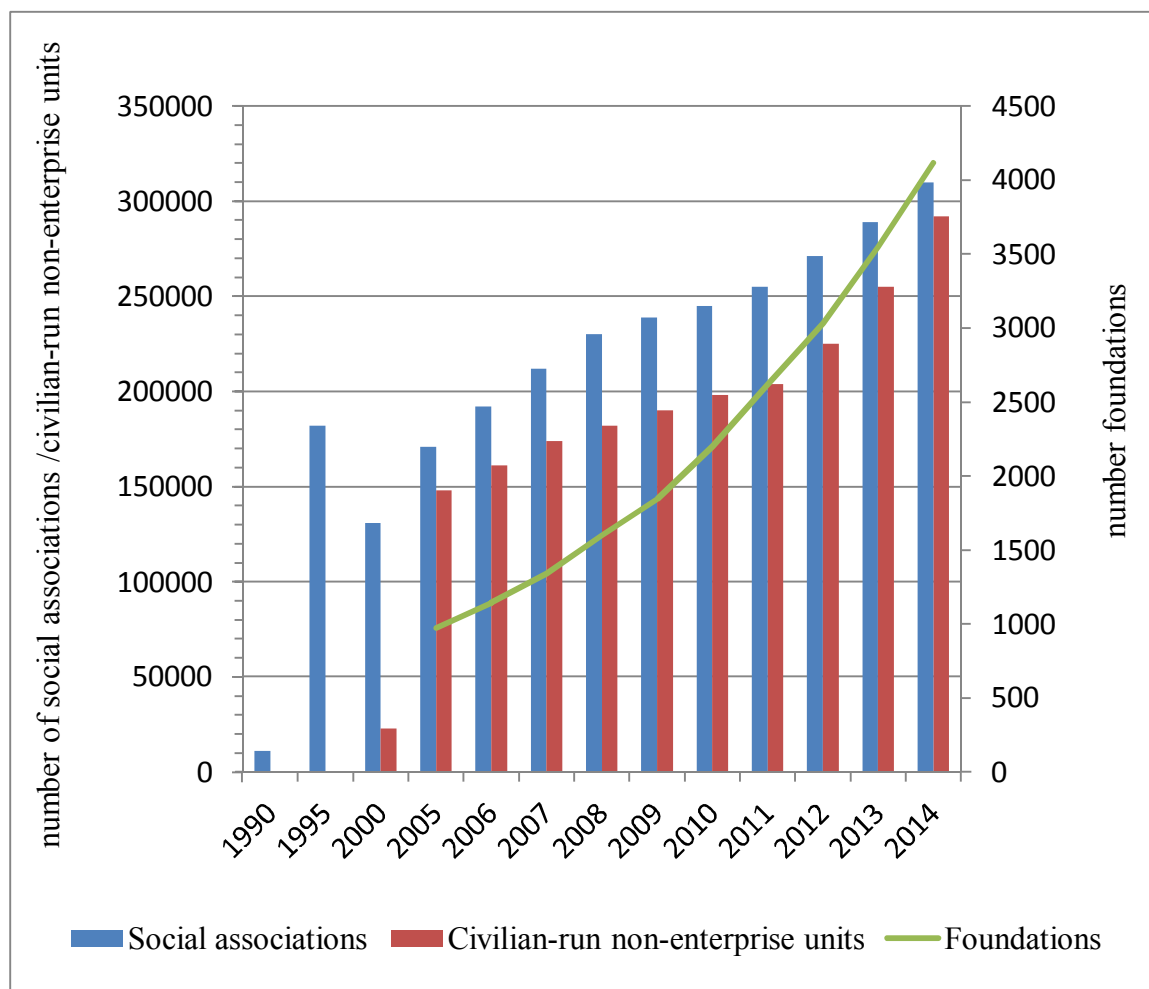

Figure 68: Growth Trend of China's Social Organizations

3.2.1.2 Areas of CSR Activities

Among the surveyed China-based Japanese corporations, only 38% corporations carry out CSR activities in supply chain management (namely, providing requirements, guidances and supervision for suppliers to meet CSR standards in terms of environment issues, labor practices, and human rights, etc.). As shown by the survey results, this characteristic of the CSR practices of China-based Japanese corporations, which was fully demonstrated in previous studies, remains unchanged today. Nevertheless, with the deepening of economic globalization, it becomes increasingly probable and essential for corporations to engage in trans-national, trans-regional and international investment, production and transactions. In such contexts, it has become unavoidable for corporations to manage the CSR affairs in their supply chains (or value chains) in corporations' trans-national, trans-regional and international business. Besides, most influential CSR policies or guidelines devote attention to the issue of CSR management in supply chain (or value chain).

1. As stated by the Organization for Economic Co-operation and Development (OECD) in "OECD Guidelines for Multinational Corporations (Edition 2011)", except for the adverse affects of matters related to the Guideline, business partners including suppliers and sub-contractors are encouraged to implement responsible business activity principles in line with the Guideline[①].

2. In the chapter "Fair operation practices" of the *ISO Guidelines for Social Responsibilities* (ISO 26000) the International Organization for Standardization (ISO) launched in 2010, it is specified that, with the purpose of advancing social responsibilities in supply chain and meeting CSR objectives, an organization shall integrate ethics, society, environment, gender and other fairness principles, as well as health and safety into the strategies and practices of procurement, distribution and sub-contracting.

[①] OECD (2013), *OECD Guidelines for Multinational Enterprises 2011 Edition (Chinese version)*, http://dx.doi.org/10.1787/9789264204881-zh

Against this backdrop, we provide the following suggestions to relevant parties:

1. China-based Japanese corporations should put a high premium on CSR management in supply chain, and cooperate with business partners in supply chain to fulfill CSR jointly in their trans-national operations.

2. Business councils, industry associations and other Japanese business groups in China should use their network, platforms and channels to provide the best practices of corporations in Japan or abroad in the fields of CSR management in supply chain to China-based Japanese corporations, facilitating them to improve the general managerial level of CSR management in supply chain.

3. CSR consulting agencies should design, develop and effectively provide more consulting, training and capacity-building projects in relation to CSR management in supply chain.

3.2.1.3 Approaches to Manage CSR Affairs

It has become a widespread practice among Japanese corporations to establish a complete CSR management system and utilize systematic and scientific management approaches to manage CSR affairs. Nevertheless, as found in this survey, there are still 35% China-based Japanese corporations "use no management method".

To ensure continual improvement of CSR management, we provide the following suggestions to relevant parties:

1. China-based Japanese corporations should use typical CSR management approaches recommended in numerous CSR guidelines (for instance, PDCA suggested in ISO14001 "Environmental Management Systems: Requirements and Implementation Guidance"), to manage their CSR affairs more scientifically and systematically.

2. Business councils, industry associations and other Japanese business groups in China should use their network, platforms and channels to provide the best practices of corporations in Japan or abroad in the fields of CSR management

method to China-based Japanese corporations, helping them to apply CSR management method more effectively.

3. CSR consulting agencies should design, develop and effectively provide more consulting, training and capacity-building projects in relation to CSR management method.

3.2.1.4 CSR Communication and Reporting

Data collected in this survey show that the majority of China-based Japanese corporations (59%) persistently give priority to CSR information disclosure as many Japanese companies do so in Japan; however, 41% corporations have not disclosed and disseminated CSR information. Moreover, among corporations have disclosed and disseminated CSR information, 30% corporations refer to no external standards (namely all kinds of CSR guidelines or reporting guidelines) in CSR reporting.

Given the fact that "CSR communication and reporting" has become an important part of global CSR practices and an important approach to unleash the commercial value of "strategic CSR", we provide the following suggestions to relevant parties:

1. China-based Japanese corporations should attach greater importance to CSR communication and reporting. For corporations which have prepared and published CSR reports, it is better to refer to various CSR reporting guidelines issued in China, in Japan and in the world, to improve the overall quality of CSR reports.

2. Business councils, industry associations and other Japanese business groups in China should use their network, platforms and channels to provide the best practices of corporations in Japan or abroad in the fields of CSR communication and reporting to China-based Japanese corporations, assisting them to enhance performance in CSR communication and reporting.

3. CSR consulting agencies should design, develop and effectively provide more consulting, training and capacity-building projects in relation to CSR

communication and reporting.

3.2.2　CSR Perception of Chinese Social Organizations

Corporation-social organization collaboration is normally conducted via corporations' CSR platforms, which explains the necessity for social organizations to obtain CSR perception of certain level. However, data collected in this survey show that 30% social organizations have no idea of CSR-related concepts.

On such basis, we provide the following suggestions to relevant parties:

1. Social organizations planning to engage in corporation-social organization collaboration should pay more attention to and achieve better understanding of CSR theories and practices, via various channels.

2. Capacity building institutions serving social organizations should design, develop and effectively provide more consulting, training and capacity-building projects in relation to CSR theories and practices.

3. International assistance agencies endeavoring to promote CSR development and corporation-social organization collaboration should provide supports to capacity building institutions serving social organizations to carry out afore-mentioned projects. The reason for such a suggestion lies in the fact that most Chinese social organizations are short of financial resources, it is simply affordable for them to take part in the market-based and fee-charging consulting, training or capacity-building projects.

3.2.3　Corporation-social Organization Collaboration

3.2.3.1 Roles of Social Organizations in CSR Affairs

Data collected in this survey show that quite a number of China-based Japanese corporations and social organizations (44% and 38% respectively) hope that social organizations can function as "think tanks, providing consulting services to corporations and helping them to formulate/refine CSR strategies", but only 20% corporations and 19% social organizations deem that such a role is actually performed

in reality.

Given there are enormous requirement from the corporations for social organizations' function as "think tanks" in CSR affairs, we provide the following suggestions to relevant parties:

1. Social organizations planning to function as "think tanks" in CSR affairs should acquire more related knowledge through multiple channels and integrate related resources, so as to analyze and satisfy the corporations' requirements for "think tanks".

2. International assistance agencies endeavoring to promote CSR development and corporation-social organization collaboration should assist social organizations in launching capacity-building projects in relation to CSR think tank construction.

3.2.3.2 Reasons for Non-collaboration and Measures to Promote Collaboration

To both the surveyed China-based Japanese corporations and Chinese social organizations, cross-sector collaboration is not a "widespread" practice. Specifically, 71% China-based Japanese corporations have "never collaborated" with social organizations and 60% social organizations have "never collaborated" with corporations. Both sides attribute reasons for non-collaboration to inadequate opportunities for mutual communication and understanding and the insufficient understanding of the value of cooperation.

Given the fact that there exist many difficulties hampering corporation-social organization collaboration, 64% of China-based Japanese corporations and 97% of social organizations deem it necessary to adopt certain measures to promote collaboration. Taking into account the requirements of corporations and social organizations for varying types of collaboration-promoting measures, we provide the following suggestions to relevant parties:

1. International assistance agencies endeavoring to promote CSR development and corporation-social organization collaboration should launch relevant projects, to

develop or entrust professional institutions to develop communication platforms to facilitate corporation-social organization communication.

2. Business councils, industry associations and other Japanese business groups in China should use their network, platforms and channels to provide the best practices of corporations in Japan or abroad in the fields of corporation-social organization collaboration to China-based Japanese corporations, assisting them to improve the understanding of importance to collaborate with social organizations.

3. CSR consulting agencies and capacity building institutions serving social organizations should design, develop and effectively provide more consulting, training and capacity-building projects in relation to corporation-social organization collaboration.

4. Governmental organs related to CSR affairs should take proactive measures to provide necessary supports (in terms of funds, policies and public opinion environment) to promote corporation-social organization collaboration.