

## Meme-Splicing in the Land of the Rising Sun

**By Wayne Visser**

### ***Kaizen, Sushi and Toyota***

My career in sustainable business really got started in September 1990, when I attended AIESEC's World Theme Conference on Sustainable Development in Tokyo, Japan. This was an opportunity of a lifetime. As a management student, I was all too aware of the rise of the Asian tiger economies, especially Japan. The West was spellbound by the revolution of total quality management (TQM), which the American statistician Edward Deming had introduced to Japan in the 1970s. The Japanese had perfected TQM through their *kaizen* philosophy of continuous improvement or 'change for the better'.

The aim of the conference was to create a contribution to the 1992 Rio Earth Summit in 1992, which we called 'A Youth Action Guide on Sustainable Development'. We also had study tours, most notably to the Toyota headquarters in Nagoya, where we met with the senior management team. I remember being served a *sushi* style lunch in square plastic trays, each morsel neatly and aesthetically arranged. Apart from glimpsing the highly automated production line, we had a chance to explore the company's R&D display area. I was amazed by numerous eco-efficient and alternative fuel technologies already in the mature stages of development.

Having seen all this in 1990, it was no surprise to me that Toyota led the motor industry with its sustainability reforms nearly 20 years later, launching the Toyota Prius hybrid technology and RAV4 EV all-electric vehicle in 1997. With around 3 million Prius cars sold and the RAV4 EV relaunched in partnership with Tesla Motors in 2012, other automotive companies have been falling over themselves to catch up and introduce their own hybrid and electric models. This is one of those rare moments when we are seeing a 'race to the top' on environmental performance.

### ***Earth Charter, Zero Waste and Fuji-Xerox***

One of my great insights from the trip was that 'vision' is something the Japanese really understand. Shortly after my visit and ahead of most companies in the world, in 1992 Toyota issued its Environmental Guiding Principles and adopted its own Earth Charter. What is interesting is not that it has these principles (after all, many companies have flowery statements on their boardroom walls now), but rather the way they are expressed, which I believe conveys a qualitative difference in aspirations.

For instance, in its Guiding Principles it commits to 'honour the language *and spirit* of the law'; to 'enhancing the quality of life everywhere'; to 'foster a corporate culture that enhances individual creativity'; and to 'pursue growth in harmony with the global community'. And in its Earth Charter, it is already striving to 'pursue production activities that do not generate waste' and to 'participate in the creation of a recycling-based society'. Note that it does not say 'activities that *reduce* waste'; they say activities that 'do *not generate* waste'. Hence, long before Ray Anderson at Interface conceived his much-celebrated 'Mission Zero' or McDonough and Braungart had popularised cradle to cradle concept, Toyota had understood and integrated the concept of a circular economy.

Of course, it is not just Toyota that has understood these principles. In August 2000, Fuji Xerox became the first company in Japan to achieve Zero Landfill from collected used products. Extending its success to the region, by 2010, Fuji Xerox Eco-Manufacturing in Thailand was able to announce that it had effectively accomplished the Zero Landfill goal by recycling 99.8% of used products and consumables in 2009. More remarkable still, this is not just a business phenomenon; the philosophy pervades the whole of Japanese society. For example, the town of Kamikatsu wants to eliminate all waste by 2020, and has already achieved an 80% recycling rate.

## **Eco-accounting, Kyosei and Canon**

Japan has also led in the field of sustainability reporting in general, and environmental auditing and accounting in particular. As far back as 1993, the Japanese Institute of Certified Public Accountants (JICPA) set up an Environmental Auditing Subcommittee. In May 2000, the Environmental Agency (now the Ministry of Environment) published an Environmental Accounting Guideline, which was updated in 2005. It also published Environmental Reporting Guidelines in 2001.

The West often arrogantly believes that it seeded the social responsibility movement. Fujio Mitarai, president and Chairman of Canon, sheds some light on this. 'I was somewhat puzzled when I first encountered the term CSR,' he says. 'In Japan, whenever something is introduced as an acronym of a concept expressed in English, we tend to view it as an entirely new and novel idea. The moment we translate the term into Japanese, however, we soon realise that, more often than not, it is a concept that we have long been familiar with. This, too, is the case with the term 'corporate social responsibility'.<sup>i</sup>

In fact, Canon's first president, Takeshi Mitarai, introduced three guiding principles during the 1940s, which are not a million miles away from today's concept of sustainable business. They were: 'health first', which stresses the importance of healthy and happy employees; 'familism', to nurture a spirit of harmony between workers based on trust and understanding; and 'meritocracy', to ensure that employees are evaluated fairly for the abilities and skills they bring to their jobs. Today, these principles are embodied in Canon's corporate philosophy of *kyosei*, which they define as 'living and working together for the common good'. That is as good a definition of sustainable business as you'll ever find.

## **Investing in a Low Carbon Future**

There are many other Japanese cultural memes to draw inspiration from. For example, there is the *tokugawa* sustainable forest management practice that started around 1700 in response to deforestation, and continued to evolve for the next 150 years. Another example is the *sanpo yoshi* business philosophy practised by merchants in the Edo period (1603–1868); this literally means 'three-way good': the notion that business should benefit the company, the customer and society.<sup>ii</sup> Even the English concept of 'glocality' has Japanese origins – from *dochakuka*, which simply means global localisation.

Almost every week we see sustainable innovations coming out of Japan, and it is no coincidence. The Japanese government is strategically investing in clean technology in the same way that it invested in the motor industry in the 1970s and the micro-electronics industry in the 1980s. To give just one example, the Mitsubishi Chemical Corporation has developed a product called ALPOLIC®/gioa®, a combination of thin-film solar cells and aluminium plastic composite panels. The new building material enables effective photovoltaic generation on vertical walls.

Of course, Japan is not immune from irresponsible business practices, as we know from the Minamata chemical accident in the 1950s and the Fukushima nuclear disaster in 2011. However, I believe that culture, values and philosophy are more enduring drivers of long-term success than short-term greed and negligence, and that Japan will rise again as one of the leaders of our post-industrial, low-carbon economy.

## **Article reference**

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<sup>i</sup> The ICCA Handbook of Corporate Social Responsibility, edited by Judith Henningfeld, Manfred Pohl and Nick Tolhurst

<sup>ii</sup> The World Guide to CSR, edited by Wayne Visser and Nick Tolhurst