

INTERNATIONAL SYMPOSIUM

# pioneering ethical capitalism

MONDAY, NOVEMBER 25<sup>TH</sup>, 2013  
AT OECD, PARIS



INTERNATIONAL SYMPOSIUM ORGANIZED BY  
The Shibusawa Eiichi Memorial Foundation, Tokyo  
The École des hautes études en sciences sociales, Paris  
The Centre de recherches historiques, Paris

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There is more than one way to do capitalism. In Japan, in the second half of the 19<sup>th</sup> century, a major business leader, Shibusawa Eiichi, expressed the view that business enterprise could and should simultaneously accomplish profits and enhance public welfare. The solutions he suggested are still relevant today. This symposium aims at understanding the Asian and Western origins of ethical capitalism, mapping the evolving arguments about the responsibilities of business and the changing practices of firms, debating the relations between morality and economy for globalised economies and societies in a perspective of sustainable growth.

## PROGRAM

10:00 - Morning Session > **What does an approach of this major issue by history bring to us?**

Simultaneous translation English-Japanese provided.

Moderator: **Patrick Fridenson** (École des hautes études en sciences sociales)

- **Opening speech: Kazuo Kodama**, Japanese Ambassador to the OECD
- **Keynote speech: Takeo Kikkawa** (Hitotsubashi University), *Why ethical capitalism? Origins and development*
- **Geoffrey Jones** (Harvard Business School), *The responsibility of capitalism: past, present, future*
- Coffee break
- **Janet Hunter** (London School of Economics), *Business and morality: can we still learn from Japan?*
- Discussion

12:30 **Lunch**

14:30 – Afternoon Session > **Today's initiatives and problems**

Session in English.

Moderator : Marcelo Bucheli (University of Illinois at Urbana-Champaign)

### Keynote speeches

- **Ken Shibusawa** (Founder and Chairman, Commons Asset Management), *Rongo (ethics) and Soroban (business): Sustainable Capitalism*
- **Lionel Zinsou** (Chairman and CEO, PAI partners): *What does Finance mean by corporate social responsibility?*
- Coffee break

16:00 **Round table:** Can you be ethical in global business today?

Participants: **Philippe Lagayette**, president of the Fondation de France ; **Hartmut Berghoff**, director of the German Historical Institute in Washington ; business leaders ; officials and scholars.

- General discussion

17:30 **End of symposium**

18:00 **Reception**



# INTRODUCING THE MORNING SESSION

## Why ethical capitalism? Origins and development

Takeo Kikkawa (Hitotsubashi University)

Shibusawa Eiichi (1840–1931) played a significant role as one of the most historically well-known Japanese managers. He introduced the concept of *gappon-shugi* to describe a specific type of corporation based on manpower, capital, technology, information and intellectual networks, all valuable elements to help Japan to modernize and bridge the gap between the local and global. This concept guided him to pursue social entrepreneurship and conduct business activities.

Shibusawa's concept of *gappon-shugi* is a unique feature of thoughts based on a particular philosophy of capitalism, which contributed in a positive manner to the modernization of Japanese economy and society. During his travels to Europe from the mid to late nineteenth century, he was impressed by the economic model found there that sought to garner both large and small investments to pursue entrepreneurial activities. When he came back to Japan, he devised a more sophisticated definition of business development and entrepreneurial activity reflected in an effort to assemble competent people and raise funds from a wide variety of sources in order to accomplish simultaneously business profits and enhance public welfare.

If these characteristics that are “distinct from the normal outlook of capitalism” can be systematized, it might be possible to create a new view of capitalism that takes the place of the capitalist outlook prevalent today. This will become one challenge in response to the pessimistic outlook that the wave of financialization can no longer be stopped. Those of us investigating Shibusawa Eiichi's contribution to human resource development based upon *gappon-shugi* are resolved to play a role in this challenge.

## The Responsibility of Capitalism: Past, Present, Future

Geoffrey Jones (Harvard Business School)

From the nineteenth century until the present day, European, American, Asian and other business leaders and management thinkers have talked of the responsibilities of business beyond making profits. Shibusawa Eiichi's insistence that morality and economy were consistent with one another, and that capitalism could be ethical and had a responsibility to be ethical, was echoed in quite different societies than Meiji Japan. Indeed, there are parallels between some of Shibusawa Eiichi's insights and the arguments of prominent management scholars today, including Harvard Business School's Michael Porter. This lecture discusses the evolving discourses and debates on the responsibilities of capitalism over time and globally. It suggests that four factors drove arguments concerning such responsibilities: spirituality; self-interest; fears of government intervention; and the belief that governments were incapable of addressing major social issues. The lecture concludes with a consideration what can be learned from the past as debates about the responsibilities of capitalism intensify in an increasingly uncertain and globalized world.

## Business and Morality: Can We Still Learn from Japan?

Janet Hunter (London School of Economics and Political Science)

During the 1970s and 1980s, when faced with the Japanese economic “miracle”, the concept that Western nations could learn from the way the Japanese economy was organized was widespread, but the idea that 'Japan matters' has since declined. This lecture focusses on the global debates on 'commercial morality', that is, the ethical conduct of business, that arose in the late 19<sup>th</sup> - early 20<sup>th</sup>

centuries, debates that often accused the Japanese of inappropriate business conduct. Increasingly exposed to the global economy and the transnational spread of ideas, Japanese business and political leaders such as Shibusawa responded to these debates, contributing to a shared discourse on business morality and 'appropriate' ways of doing business. The emphasis in this discourse on the importance of achieving profit by fair means, and of honesty in business as the key to long term profit, resonates with more recent debates on ethical business behaviour generated by problems in the global economy and global finance over the last two decades.

## CONFERENCE SPONSORS

**The Shibusawa Eiichi Memorial Foundation** is a private foundation devoted to raising the ethical standards of business management based on the ideal of "harmony of morality and the economy," which Shibusawa Eiichi advocated and practiced throughout his life.

Website : <http://www.shibusawa.or.jp/english/>

**The École des hautes études en sciences sociales** is a public academic institution which trains students in most disciplines of the social sciences and whose scholars do research in an international and interdisciplinary spirit.

Website : <http://www.ehess.fr>

**The Centre de recherches historiques** (CRH) is a major center in France for historical studies. It is a joint research unit between the EHESS and the French National Center for Scientific Research (CNRS). <http://crh.ehess.fr/>

### REGISTRATION

Registration is necessary. Please register by e-mail to: **[pec-symposium@ehess.fr](mailto:pec-symposium@ehess.fr)**

### VENUE

OECD – 2, rue André Pascal, 75775 Paris Cedex 16

### PUBLIC TRANSPORTATION

**RER:** Line C - station Henri Martin **Subway:** Line 9 - station La Muette

**Bus:** Line 63 - stop Octave Feuillet ; Line 52 - stop La Muette Boulainvilliers ;  
Line PC1 - stop Porte de la Muette

### CONTACT

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