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The politics of CSR in Japan
What role for CSR in the change of the Japanese Corporate
Governance System?

May 2019

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INCAS

Understanding institutional change in Asia: a comparative perspective with Europe
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ABOUT THE INCAS PROJECT

INCAS is a Marie Skłodowska-Curie Actions R.I.S.E funded project under the European Commission's H2020 Programme.

The project INCAS aims at creating a top-level research and advanced training network on institutional change in Asia, in comparative perspective with Europe.

The coordinator, Ecole des Hautes Etudes en Sciences Sociales (France), promotes this network together with Oxford University (UK), Freie Universität Berlin (Germany), and in collaboration with Waseda University (Japan). The aim of the proposed mobility scheme is to give birth to a European consortium and network of faculties and advanced graduate students specialized in the comparative analysis of institutional change in Asia and Europe. The partners have chosen Japan as a reference point because of its comparability with Europe as shown by previous studies, its historical influence on development and further institutional changes in Asia, and the expertise accumulated within our research team.

Analyzing current economic dynamics in Japan and later expanding this analysis to other Asian countries promises to generate insights that might be help to better understand challenges for Europe and to prepare relevant policy proposals. Our purpose is to compare the results obtained in the case of Japan and few other Asian countries (South Korea, Taiwan, China, and possibly Thailand, after having checked the data availability), not only to previous results on Europe but also to original results we will get on European countries (primarily France – which will be our reference country in Europe – and then the UK, Germany, and Italy) in mobilizing new historical data and applying our theoretical framework.

The politics of CSR in Japan

What role for CSR in the change of the Japanese Corporate Governance System?¹

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INTRODUCTION

The corporate governance (CG) system in Japan has long been relatively coordinated with long-term relationships between firms, owners and employees (Aguilera, Filatotchev, Gospel, & Jackson, 2008; Hall & Soskice, 2001; Yoshikawa, Tsui-Auch, & McGuire, 2007). However, the prevalence of non-market forms of interaction started to change in the late 1990s (Ahmadjian & Robbins, 2005; Jackson & Moerke, 2005), mostly due to a banking crisis and a discussion about the “modernity” of the Japanese economic system. Almost at the same time, around 2001, Corporate Social Responsibility (CSR) started to be diffused in Japan and steadily developed as legitimate activity of large firms (Mun & Jung, 2018; Suzuki, Tanimoto, & Kokko, 2010).

Recent studies have investigated the rise of CSR, explain the rise from different theoretical angles. For instance, the rise of CSR is portrayed as a result of a global shift towards economic liberalism, privatization and deregulation and thus was a way to legitimate these shifts ex ante and ex post (Kinderman, 2012). Within corporatist countries, CSR has been described as a tool that was instrumentally used to challenge, reinterpret, or evoke institutionalized social solidarity (Höllerer, 2013). In contrast, Lim and Tsutsui (2012) highlight the role of global institutional pressure through nongovernmental organizations, activists, governments and international organizations that encourage CSR adoption and thereby highlight the role of the world society approach and isomorphic pressures.

Whereas several explications for the rise of CSR are prevalent, this paper focuses on the nexus between CSR and CG, asking the following research question: *What role did the rise of CSR play for the changes within the Japanese CG system?* Hereby, I investigate the rise of CSR in Japan. While several studies have hinted to the role of CSR for changes within corporate governance, this paper sheds light on the interests and strategies of diverse actors within the field of corporate governance and corporate social responsibility. Japan is an excellent case since its recent drastic changes in the corporate governance system and the implementation of CSR as a western concept, distinct from other ideas of corporate responsibility common in Japan for a much longer time.

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To investigate this question, I use aspects from the concept of strategic action fields. The focus lies on the various actors engaging in CSR and corporate governance and on their perspectives about the introduction of CSR and recent corporate governance changes in Japan. The paper uses face-to face interviews conducted during two field research stays in Japan in the years 2016 and 2018. Additional material will be used for triangulation.

BACKGROUND AND THEORY

The Japanese Corporate Governance System

Corporate governance systems are key features towards the distribution of power and responsibility between shareholders, employees, managers, and other stakeholders (Aguilera & Jackson, 2003). Therefore, the changes in the corporate governance system have implications for a broad range of questions related to firm organization, employment systems, trading relationships, and capital markets (Ahmadjian, 2000).

The Japanese business system has long been described as a very particular form of corporate governance with several features similar to other coordinated countries like Germany and several differences to the liberal and shareholder-oriented system as the US (Hall & Soskice, 2001; Jackson & Miyajima, 2008; Jackson & Moerke, 2005). Particular features of this system have been the cross-shareholding between Japanese banks and companies together with concentrated ownership, long-term employment with high investments in firm-specific skills and internal promotion, as well as a form of management-employee consultation which is not formally institutionalized like co-determination and therefore often described as a community model. In addition, most corporate boards are composed primarily of insiders who have been promoted from within the company and Japanese boards played less a role of monitoring as one of management (Yoshikawa et al., 2007). Moreover, and very particularly for Japan, business coordination very often takes place in business groups (keiretsu) where ownership stakes and interlocking of directors ensured long-term and mutually beneficial business relationships (Ahmadjian & Robbins, 2005; Jackson & Moerke, 2005).

However, and due to several crises and pressures for change, the Japanese corporate governance system changed drastically in the last two decades and after the burst of the bubble economy and the Japanese banking crisis. First, the ownership structure of Japanese corporations has changed dramatically in the 1990s and research observes an ongoing unwinding of cross-shareholding in Japan (Miyajima & Kuroki, 2007). Here, the relationships between banks and companies as well as within company groups became weaker. Moreover, since then foreign ownership within Japanese companies increased steeply (Ahmadjian & Robbins, 2005; Jackson, 2005). At the same time, Ahmadjian (2000) notes a “widespread acceptance, at least in rhetoric, that Japanese firms needed to adopt a “global standard” of corporate governance” (65). In line with this argument, several legal changes were

implemented, including a financial accounting regulation and shrinking of corporate boards. Another change towards a shareholder oriented corporate governance system could be located with the implementation of stock options. In 1996, Sony became the first Japanese firm to introduce stock options (Ahmadjian, 2000), preceded by a revision of the Commercial Code.

However, Yoshikawa et al. (2007) argue that the “Japanese systems of corporate governance neither fully converge to, nor completely diverge from, the Anglo-American model” (973). For instance, Ahmadjian (2000) notes that “[w]hile stock options became legal, numerous provisions ensured that they had limited substance” (67) as well as the changes of the Japanese corporate board led to a situation where “corporate executives gave up little control to independent representatives of shareholders” (72).

The Rise of CSR in Japan

CSR is a culturally embedded social phenomenon (Aguilera, Rupp, Williams, & Ganapathi, 2007; Campbell, 2007; Matten & Moon, 2008). A well-known concept to describe the societal differences is the explicit-implicit CSR concept by Matten and Moon (2008). This framework is based on the notion of cross-national differences between national business systems (Whitley, 1999) or varieties of capitalism (Hall & Soskice, 2001) and focuses on how different forms of doing business help to explain cross-country variation in CSR. Here, explicit CSR describes a form where companies pronounce their CSR activities actively, whereas the implicit form describes responsibilities institutionalized within the national context and which are therefore not always actively pronounced as CSR. Whereas explicit CSR was prototypically located in the US, the implicit responsibilities are located in in many European countries with their social coordination or corporatism. A pure comparison of CSR reports as a form of pronouncing CSR very actively could thus lead to the wrong assumption that companies in countries with explicit CSR are more responsible.

Regarding the rise of CSR in Japan, Tanimoto (2004) sees the starting point for CSR in the 1990s following the end of bubble economy. His observation is that after the trend was more pronounced in the US and Europe during the 1990s, the interest in the topic “increased rapidly and concrete action was taken” within Japanese companies (161). However, and very important, the notion of responsible business was established long before in Japan, going back to the Edo period (1603 to 1868). Thus, whereas corporate responsibility has long been an established idea of doing business, the notion of CSR and describing responsible business practices explicitly as such rose since the 1990s. As one interviewee in a study by Fukukawa & Teramoto put it, “CSR is something similar to values reflected by corporate creeds or principles which already exist within the organization” (2008: 137). Here, CSR reorganizes and restructures what companies have been doing for a long time. This is an interesting parallel to other countries that were often described as late takers of CSR, including Germany (Lohmeyer, 2017, 2018).

Understanding CSR as a Western-led concept and looking at the drivers of CSR, studies highlight the role of foreign investors. Mun and Jung (2018) examine how foreign investment increased workplace gender diversity in Japan between 2001 and 2009. However, they also found that foreign investment only changed upper glass ceiling gender diversity but the overall male dominated human resource management remained quite stable. The importance of foreign investors for the institutionalization of CSR is similarly reported by Suzuki et al. (2010), whereas the role of foreign investments for changes within the Japanese economy more generally were documented by several studies (e.g. Ahmadjian & Robbins, 2005). A second driver for the rise of CSR in Japan was identified with the increasing global business operations (Suzuki et al., 2010). Due to the globalization of business operations, companies often “experience CSR (and the rhetoric around CSR) as practiced in the West and generally are required to respond to CSR-related issues” (Fukukawa & Teramoto, 2008: 140). This is complemented by a national increase in corporate activities after several corporate scandals (Demise, 2005).

But despite a simple taking over of Western-led concepts, research suggests to acknowledge the Japanese style of CSR. Interestingly, and supported by the finding by Mun and Jung (2018), Fukukawa and Teramoto (2008) summarize that the “glocalization of CSR in Japan could similarly, then, be understood as the forces of an external, generally Western-led definition of CSR going through a process of interpenetrating and coshaping with the thoughts and practices of social responsibility amongst Japanese corporate business” (144).

The Interface: CSR to change or stabilize corporate governance?

The literature on corporate governance and corporate social responsibility has long been distinct, mainly resonating the shareholder perspective on corporate governance and therefore linking corporate governance dominantly to shareholders’ interests. Here, CSR was merely representing societal interests. In Friedman’s sense, managers should focus on increasing business performance and leaving societal interests to be protected and pursued by the law, separating both fields. Not only, but very influentially, the increasing popularity of the stakeholder view of the firm teared down this separation (Freeman, 1984). Moreover, the increased interest in CSR from institutional scholars emphasized the problematic distinction between doing business and the wider society as two different phenomena (Aguilera et al., 2007; Kang & Moon, 2012; Matten & Moon, 2008).

Beyond this broad discussion about the academic conceptualization of corporate governance and CSR, recent studies show an increase in the institutionalization of CSR at the company level (Mun & Jung, 2018; Risi & Wickert, 2016; Shabana, Buchholtz, & Carroll, 2017). Although this does not indicate that CSR has become part of the core discussions of the board of directors and within corporate decision-making, it shows at least an increased ceremonial recognition of CSR in many corporations (Mun & Jung, 2018). These changes are often related directly to corporate governance, including the increased prevalence of CSR representatives in corporate boards or increasing investment linked to sustainability criteria.

However, it is still empirically puzzling how the two fields are linked. For instance, Matten and Moon (2008) and many others (Brammer, Jackson, & Matten, 2012; Jackson & Apostolakou, 2010; Rathert, 2016) argued for a very close relationship between the way corporations pursue responsible activities and the characteristics of the institutional contexts they operate in. Here, particularly the institutional setting related to corporate governance including employment relations or shareholder rights plays a key role. The broad notion of “implicit” and “explicit” CSR activities and either mirroring or supplementing the institutional contexts suggests rather distinct ways of dealing with responsibilities across countries. This strand of literature enabled a nuanced view of corporate responsibilities instead of a ‘one size fits all’ understanding and highlighted the prominent role of institutions for these differences.

Other studies see CSR merely as a mostly western concept of responsibility that diffused to some extent globally (Lim & Tsutsui, 2012; Mun & Jung, 2018). This view sheds light on questions related to the diffusion and implementation of the concept of CSR. For instance, Mun and Jung (2018) analyze the role of increasing pressure from international institutional investors for greater workplace diversity, one central element of CSR. Their results show how international institutional investors influence Japanese diversity at the top level, while having no effects in the corporate levels below. Thus, the diffusion of CSR to Japan lead to some changes, but other institutions remain much more stable, including labor-market institutions (Meyer & Höllerer, 2010).

In a similar vein, this paper intends to approach the question how the implementation of the concept of CSR changes or stabilizes other institutions (Westney, 1987). To do so, this paper sheds light on the interconnectedness of CSR and CG in order to analyze how the implementation of CSR concepts changed or stabilized institutions related to corporate governance.

My approach

For this purpose, I adopt theoretical arguments on institutional fields, particularly about strategic action fields (Fligstein & McAdam, 2011, 2012; Zietsma, Groenewegen, Logue, & Hinings, 2017). Strategic action fields conceptualize fields as arenas of power relations wherein various actors dispute over the meaning of a certain phenomenon, but also “jockey” around the distribution of power and resources. Moreover, the notion of fields as arenas of power relations sheds light on how the roles and interests of the actors are influenced and represented by the institutional setting (Aguilera & Jackson, 2003; Hinings, Logue, & Zietsma, 2017). Here, I draw on the work on actor centered institutionalism (Aguilera & Jackson, 2003) that conceptualizes the possibility of coalitions and conflicts between actors and its structuration by the particular institutional context (Hinings et al., 2017).

I conceptualize the emerging strategic action field of CSR as collective actors commonly related to this issue (Aguilera et al., 2007). Namely, these are representatives of employees, consumers, management, institu-

tional investors, governments, nongovernmental organizations (NGOs), and supranational governmental entities such as the UN. Yet, it remains an empirical question if this study concludes with an argument about one strategic action field around the issue of CSR and another around CG, or if the boundaries blur over time, or if the analytical distinction has never been relevant for the actors themselves.

In respect for analyzing the emergence of CSR, Japan is an excellent case of a shift from more implicit forms of corporate responsibilities and stakeholder orientation to an explicit form of responsibilities (Matten & Moon, 2008) and a stronger focus on shareholder interests, implying ongoing changes in the governance structures (Fiss & Zajac, 2004; Meyer & Höllerer, 2010). During the postwar era, the corporate governance system in Japan has long been relatively coordinated with long-term relationships between firms, owners and employees (Aguilera et al., 2008; Hall & Soskice, 2001; Yoshikawa et al., 2007). This started to change in the late 1990s (Ahmadjian & Robbins, 2005; Jackson & Moerke, 2005) in the light of the banking crisis and a related discussion about the “modernity” of the Japanese economic system. Interestingly, almost at the same time, CSR started to be diffused in Japan. In recent years, CSR developed as legitimate activity of large firms and became somehow institutionalized (Mun & Jung, 2018; Suzuki et al., 2010).

DATA AND METHOD

The paper approaches the link between corporate governance and CSR in Japan. Japan is an appropriate site for this study since its recent drastic changes in the corporate governance system and the implementation of CSR as a western concept, distinct from other ideas of corporate responsibility common in Japan for a much longer time.

I conducted qualitative face-to face interviews with corporate and political representatives, investors, NGOs as well as with representatives of employer and employee associations. As a starting point, I talked with collective actors commonly seen to be part of the CSR discussion and, in a next step, decided whether they played a relevant role within this particular empirical setting. This was also helpful for identifying additional important actors. I collected data in the years 2016 and 2017. The number of total interviews is 32 (a last data collection phase will be possible in June 2018, if the ongoing data analysis indicates additional necessary information). The interview guideline was semi-structured. It was orientated on the actor-centered view (Aguilera & Jackson, 2003) in the way as it focused on three main corporate actor groups: owners, management and employees. Main topics that were covered include environmental measures, short-term versus long-term time horizon, how CSR is organized within Japanese corporations, engagement with (other) stakeholders, compliance versus business-case, role of investors/ employee/employers’ associations. Interestingly, the interviewees started themselves to introduce corporate governance in most cases. The interviews are complemented by numerous secondary data, covering a

period from the 1990s until today. This material is planned to be used in a complementary way.

The data analysis is orientated towards a grounded theory inspired process of analysis. Up to now, the analysis is still in its early phase and preliminary results are based on extended case knowledge from the two research stays as well as a first round of analysis of the whole material.

RESULTS

To answer the question *“What role did the rise of CSR play for the changes within the Japanese CG system?”*, I start the analysis describing the changes in CSR and related (possible) corporate governance changes. A first round of analysis shows that different actors within the Japanese CSR and/or corporate governance fields had various ideas related to the implementation of CSR and changes in the corporate governance system. Importantly, most actors linked both issues together very prominently. Three main issues are striking for the role of CSR in Japan:

First, and more generally as a background information, many interviewees highlighted the particular way of “taking care” across Japanese companies. With that, they describe the novelty of the concept of CSR in its current interpretation and some difficulties within the Japanese context, too. This is known in various forms of corporate responsibility from many countries (Lohmeyer, 2017). To start with, it seems to be a “cultural” pattern of hesitating to report corporate responsibility issues. One representative from a foreign investment company, himself Japanese, said: *[...] particularly in Japan, I think this is more of a social aspect, but I think many companies are actually really taking these issues seriously. And they’re actually conducting best practices, even compared to other countries, but they’re not actually disclosing it, because they think it’s natural to do things. When they sort of try to make it marketing, they feel sort of a hesitation, that this is sort of seen as a hypocrisy. And I, sort of, understand that sort of cultural or social aspect as well.”* (I17). This way of struggling with the “culture” of CSR and the disclosure of CSR activities is broadly known as the “implicit” form of CSR, but highlights again the foreignness of this concept in the Japanese context. In contrast, the *“concept or philosophy of Sanpo Yoshi [the traditional form of CSR, established in Edo and Meiji period] was back in the 19th century.”* (I11).

Second, the field research shows an important role of the government for the introduction and diffusion of CSR in Japan - if not the most important one. *“So, it’s like top-down. It’s not bottom-up.”* (I2). For instance, many interviews highlighted the introduction of Principles for Responsible Investment (PRI) at the state pension fund GPIF, the biggest pension fund in the world. *“So, as you know, GPIF signed [...] And other pension funds followed the GPIF. That’s kind of the Japanese style, anyway.”* (I1). This role of the government in making fundamental decisions that are followed by many others was very often highlighted as the “Japanese style”. As one

financial analyst said: “regarding the ESG [environment, social, governance] issues, the interest among investors increased greatly, particularly since last year, when GPIF signed PRI. As you may know, there has been a big, epoch-making event since probably 2014, after prime minister Abe got [his] current position, 2014. And well, [the] government introduced [the] Stewardship Code. And [the] government as well published what we call Ito Report.” (I2)

One very interesting point is that the Ito report does not focus on CSR or ESG issues in particular, but discusses more broadly the “low” productivity of Japanese firms. However, the changes in ESG were very often named together with the Ito report, all under the legislation of the Abe government. Thus, related to CSR, most interviewees highlighted the concept of ESG instead and also made quite clear which pillar is the most important one at the moment: “Among ESG issues, corporate governance change is the most important issue in Japan. [...] Well, it’s the top agenda of [the] Japanese government, corporate governance. How to say? They would like to increase the potential power, potentiality of Japanese corporations much more. So, they would like to increase [the] ROE [to] higher than 5%, which is quite low internationally, particularly compared to United States corporations.” (I2)

Third, it is very interesting to see that certain actors actively used CSR as a “strategic tool” to change the relatively persistent CG system. Related to the previous point, it is striking to see how interviewees highlighted how ESG was pushed by the government: “Because prime minister Abe himself is interested in [the] ESG issue” (I2). One company representative, formerly working on the investors’ side, put it that way: “But I DO think that the Abe administration, the current state people, they would like to kind of shake the capital market, and make more pressure to the companies. But they know that they can’t do it by themselves. Not because of the law itself, but it’s too much cost and everything. So, they kind of fantasize the capital market to have the power to make a bright pressure to the companies.[...] I think what they’re kind of hoping for is to make Japanese companies to be more powerful, and more growth-oriented, and also their companies to be more profitable.” (I8) Here, it is interesting to note that this has not always been the case but that the changes started in the early 2000s.

Another source for pressure was located coming from overseas. Different actors reported that the demand for accountable environmental and social issues comes from outside: “when the foreigners come and say: ‘You need to do this and that’. Or investors come and say, then companies tend to respond. But a lot of times, there isn’t a lot of internal pressure to say: ‘Well, these are important for companies’.” (I13) Interestingly, the same person mentioned some seconds later that the same is also true for corporate governance changes, here talking about corporate board structures: “AB was saying earlier about the discussion about governance, about, like, outsiders, people in Japan really didn’t think it’s a good idea. Domestic investors generally had a very similarly pessimistic view as domestic companies. And the push for those came really from overseas.” (I13) Due to the instability of the

economic system after the banking crisis, new international actors entered the Japanese economic system. However, since the Japanese economic system has been relatively closed, new actors had difficulties to enter the field. As one person described the board meetings: *“Unfortunately, they have few discussions in the board meeting. So once in a month. But just get together, and have some tea, and chattering, and that’s it. [...] [It is] cultural, or habitual, or ceremonial, or something like that, yeah. I don’t think that’s good (laugh), but fact is that, yeah, it’s ceremonial.”* (I1) However, [...] *in many cases board members are composed by those who worked for that company for quite a long time, from [when] he was [a] freshman. And gender diversity as well. It’s quite low. So it’s quite homogeneous. And sometimes they would like to pretend to be good companies. Like, we can see the incident of Toshiba. Sometimes it’s very difficult to discuss what is the true problem of that company, and how we can solve that problem in [a] much [more] open and objective way. So, it is discussed how to increase the independence of the board, to make it much [more] open and more productive. That’s one of the results of Abenomics, I would say.”* (I2) Here the discourse around CSR and ESG issue was a tool to push Japanese management to changes in opening some governance structures, including important CG structures as for example board structure.

Simultaneously, some Japanese companies changed their strategies overseas. As mentioned regularly, several issues, importantly human rights in the supply chain, have long been neglected by Japanese companies. As one NGO representative mentioned: *“I was in Malaysia two months ago, and the big issue was arisen around immigrants, like foreign laborers or immigrant laborers. And then, I met Japanese companies too, but actually, sort of, they really don’t understand what the human rights declaration says”* (I11). However, the CSR consultants report changes: *“So these issues [human rights or bribery] are first time for a lot of Japanese companies. Because these issues didn’t generate within Japanese market, in recent context in the different independent countries. [...] So then, therefore even if the human rights issues are becoming popular around the world. Some Japanese companies cannot understand. [...] Now I think that many Japanese companies realize they need to globalize their business in order to sustain their business. (Keichi) They interpreted the implementation of CSR as a necessary activity for their legitimacy overseas.*

Despite these changes, there were also some actors being quite reluctant to changes. [Elaboration with interview material on this point needed].

As discussed, some changes in the corporate governance structures in Japan happened during the last years. However, it is still an open question how much they changed beyond modifications in the facade. *“But I don’t think there’s a huge... I don’t think there’s a clear sign that the Japanese corporate governance code is very affective or not. Of course, they hired more independent directors. But I personally think they don’t understand the effectiveness of the independent directors.”* (IX)

Related to this point are two more interesting insights: one, that investors and related disciplines observe

that Japanese companies still monitor each other very carefully and orientate their CSR behavior towards each other. As one interviewee described for some very large Japanese company group: *“So, that’s not the compliance to the regulations, but the top performers think like this. So they [...] get together the average.”* (I1) This mimetic behavior is long known as being very characteristic for the Japanese market and it seems not to erode in favor of the business case of CSR discussed in other countries. Another mechanism, also long known for the Japanese economic system, is the important role of funding families: *“Even though they have 1.2% of the company stock, but sometimes they are very influential. The big example is Toyota. So, Toyota family has 1% or something like that of the Toyota Corporation’s shares, but their comment is very influential for Toyota employees and Japanese society.”* This suggests, as the introduction of new governance structures might be important, other less formal structures remain very influential too.

(PRELIMINARY) DISCUSSION

With the paper, I aim to highlight the way the implementation and diffusion of CSR and changes of the corporate governance system are interrelated in Japan. Moreover, this helps to shed light on the interests and resources different actors used to support CSR, favor corporate governance changes or being reluctant to both.

With that, I contribute to the understanding of the political processes underlying the rise of CSR in Japan and its relation to changes in CG. Particularly, this study addresses the discussion about political understandings of CSR in highlighting the various motivations and strategic goals regarding the implementation of CSR from various business and non-business actors. This also contributes to the literature about the driving forces of corporate governance systems. Moreover, this study contributes to the discussion on CSR by emphasizing that CSR is neither only a matter of philanthropic or ethical reasoning nor of instrumental motives or business case rationales, but that it has to be understood as a focal part of CG itself. In the case of Japan, CSR was closely linked to changes in disclosure practices and institutionalized distributions of power. With the Japanese case, this paper highlights the motivation of CG changes as a focal driver of CSR implementation. This differs to other explications, where authors describe “nation branding” as a focal motive for the implementation of CSR (Frig & Sorsa, 2018).

Finally, the paper adds insights to the discussion of institutional change. By looking at the institutionalization of CSR in Japan, this study highlights how the introduction of CSR was used as a “politico-strategic tool” to change the established and relatively enduring CG system. Here, the paper also engages with the discussion about field infrastructures, as the role of the governance of actors’ interactions is particularly significant for the field(s) under study. With this, the study adds to the ongoing discussion about institutional change, the role of field actors’ embeddedness and the role of inter-field processes.

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