

The Regulation of Corporate Social Responsibility: The Experience of Japan

*Ying-Hsin Tsai**

Abstract

The business world has been addressing the topic of CSR. As CSR is a nebulous concept, it is worthy while to consider how CSR can be regulated, especially in regard to corporate law. This article introduces the Japanese experience with CSR, and submits some suggestions for the Taiwanese law. Japan has faced the issue of CSR from the 1950's. Since then many events have occurred that have brought CSR to public attention, including problems affecting consumer products and industrial environmental disasters. These have caused many laws dealing with CSR to be enacted. In addition to the above-mentioned legislation, the necessity of embodying nonenforceable provision covering CSR in corporate law is another issue. As for this one, most Japanese scholars and legislators oppose this proposition. Nevertheless, various Japanese business organizations have established for their members soft laws, binding provisions that fall outside the scope of legal statutes. The efficacy of soft law and the relationship between soft law and corporate law have been comprehensively studied by Japanese academics in recent years. An underlying thread of their works is that CSR is essentially a "cost" of management, and the directors have the fiduciary duty to reduce costs.

Keywords: Corporate Social Responsibility, nonenforceable provision, soft law, director's duty, political contribution, philanthropy

* Assistant Professor, College of Law, National Taiwan University
Email: ytsai@ntu.edu.tw