
Introduction

—Entrepreneurship and Sustainable Innovation

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[Abstract]

The JFBS 5th Annual Conference was held in September 2015, and was hosted by the Japan Forum of Business and Society (JFBS). The conference provided a platform for the discussion of various dimensions of the sustainability-strategy relationship.

Modern society is experiencing numerous and varied social problems. The marketplace and the corporation are central to these emerging social issues. To tackle these issues, fundamental socio-economic changes need to be made now. These changes would include rules governing the market and management style in the corporate world. We consider entrepreneurship to be fundamental to necessary social change, and accordingly will endeavor to focus our discussions on entrepreneurship and sustainable innovation in this conference.

This introduction is organized into the five following sections:

- 1) Purpose and Background
- 2) Current Research: Trends and Subjects
- 3) Overview of Contributions
- 4) Conference Outline
- 5) About JFBS

1. Purpose and Background

Firstly, we want to clarify the purpose of the conference and explain its background or premises. We will also explain the terms used in the conference and ensure current terms are understood in the context of research trends.

1-1. Purpose

Sustainable / Social Innovation refers to business models addressing the resolution of social and environmental issues through the creation of new social values. To stimulate innovation, social businesses, large companies, NGOs, local people, and governments can promote cooperation between researchers, thereby creating an institutional environment that

promotes new business patterns.

In the conference, various issues and challenges related to “entrepreneurship and sustainable innovation” were discussed. It is our hope that the discussions will contribute to the resolution of some of these problems.

1-2. Social Background

Currently, society is dealing with a range of increasingly serious issues (the environment, the gap between rich and poor, and other, often related issues). Efforts were made to begin tackling these issues at the United Nations Conference on Environment and Development (UNCED) in 1992. These efforts can be traced back to 1987 when the United Nations World Commission on Environment and Development released a report entitled “Our Common Future”, commonly called the Brundtland Report. Since then, discussions have been conducted and policies implemented around the world. The following section aims to give an overview of the efforts of governments, corporations and NPOs.

Firstly, we started with a discussion of corporations. Since the 1990s, for the reasons mentioned above, many corporations have engaged with the pursuit of corporate social responsibility, commonly called CSR, and “social business”, which aims to tackle social problems. Much of this activity is external to conventional management activity. However, the original meaning of CSR has been asked to change core management of the corporation. In many corporations there has been a lack of decisive input regarding CSR, but recently an interesting theory has emerged. It revolves

around the concept of “creating shared value”, commonly referred to as CSV (Porter, et al., 2011). CSV is explained as the practice of creating economic value in a way that also creates value for society by addressing its needs and challenges. There are three ways to create shared value:

- through the reconception of products and markets
- through the redefinition of productivity in the value chain
- through the enabling of local cluster development

Shared value is seen as something distinct from corporate social responsibility or philanthropy. It is regarded as being integral to the core of business strategy. However the concept has been criticized by various groups, such as summarized in Figure 1 (Crane, et al., 2014). This criticism essentially revolves around skepticism regarding its ability to truly integrate economics and social goals. Additionally, the concept discusses corporate competitive strategy and social issues largely from the point of view of a shareholder-oriented company. It is based on understanding accumulated throughout the career of Professor Porter, a highly influential researcher in competitive strategy, and is ultimately no more than a posited theory.

The theory is contingent upon corporations integrating a social point of view into their management core, but thus far integration of economics and social goals has not been achievable.

Meanwhile, since the late 1980’s, certain unique corporations have gained traction em-

Table 1 The Strengths and Weaknesses of the Creating Shared Value Concept

Strength	Weaknesses
CSV Successfully appeals to practitioners and scholars	CSV is unoriginal
CSV elevates social goals to a strategic level	CSV ignores the tensions between social and economic goals
CSV articulates a clear role for governments in responsible behavior	CSV is naive about the challenges of business compliance
CSV adds rigor to ideas of “conscious capitalism” and provides an umbrella construct for loosely connected concepts	CSV is based on a shallow conception of the corporation’s role in society

Source: Crane, et al. (2014), p.132.

bracing a management style whereby multi-stakeholders’ concerns are central to the core of the corporate management level. These companies include Patagonia, Inc. (U.S.A.), Whole Foods Market, Inc. (U.S.A.), The Body Shop International plc. (U.K.) and IKEUCHI ORGANIC, Inc. (Japan). They have been termed “responsible company: management style assuming the economic activities giving a negative impact for environment (Chouinard, et al., 2012)”, “conscious corporations: management style of multi-stakeholder friendly (Mackey, et al., 2013)” or “social ventures (a firm established by a social entrepreneur that seeks to provide systemic solutions to achieve a sustainable, social objective)”. There are also what have been called “sustainable enterprises”, which are defined as contributing to sustainable development by simultaneously delivering economic, social, and environmental benefits - the so-called “triple bottom line” (Hart, et al., 2003). It can thus be seen that a variety of concepts have arisen, and CSR can be said to have deepened. But the management style of these enterprises cannot be said to have gained a foothold in mainstream corporations.

We shall take only a brief look at NPOs and governmental bodies as they are not central to the ambit of this conference. Increasingly, NPOs have engaged in enterprise and government bodies have attempted to make use of markets to compensate for funding shortages since the late 1980’s. This had led to the emergence of social enterprises (including non-profit groups and social ventures) which use business as a means of tackling social issues, particularly from the late 1990’s onwards. But the growth in both magnitude and complexity of social issues has only increased. There are two reasons for this. Firstly, these enterprises made use of, without making any reforms to, the very markets which tend to be the principle factor in the creation of these social problems. Secondly, the mutual supplement of government, the markets, and the NPOs did not function in way that would allow these issues to be tackled effectively. Essentially, these bodies end up being assigned roles whereby the government needs to supplement the failure of the market, the market needs to supplement the failure of the government, and the NPOs need to supplement both.

This relationship is illustrated in Figure 1. Meanwhile, the concept of social enterprise or social business, which has been flaunted as a means of taking on social issues, has not been allowed to function because it has not penetrated mainstream corporations. It cannot have any impact of the rules of the game (for example on corporate management style) and the social problems they produce. We need to think the tools or systems of solving social problems from viewpoints that do not create more social problems.

To do this, fundamental changes will be necessary. The key to these changes is thought to lie within the marketplace itself, given that the marketplace has been the main creator of these social issues. For example, environmental issues and increasing wealth disparity can be seen as results of the relentless quest for maximum efficiency by corporate management. This is what has necessitated attempts at mitigation by introducing the concept of CSR into the globalized economy. Present day social conditions are crying out for change in management styles at the cor-

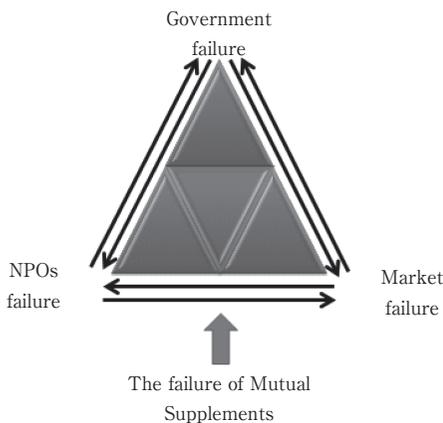
porate level.

Meanwhile, approaches to innovation have shifted from a “closed innovation” approach to an “open innovation” approach (Chesbrough, 2003). This involves the mobilization of heterogeneous resources such as techniques and idea, thought processes and so on. If a corporation focuses on money alone, it will not be capable of harnessing these heterogeneous resources. To fully harness these resources, a corporation really should take other factors into consideration, such as their contribution to society.

So it can be seen that for these two reasons corporations need to strengthen their relationships with society. Accordingly, companies need to embrace an entrepreneurship of a new type, as conventional companies simply will not be able to alter the nature of their relationship with society.

The next session looked at the relationships between business and society from the standpoint of entrepreneurship and innovation based on sustainable development.

Figure 1 The Failure of Mutual Supplement



2. Current Research: Trends and Subjects

Here is an explanation of the concepts and topics, such as sustainable development, entrepreneurship and innovation, as used in the conference.

2-1. What is Meant by Sustainable Development

Sustainable development has been defined as “development that meets the needs of the present without compromising the ability of

future generations to meet their own needs. It contains within it two key concepts: the concept of needs, in particular the essential needs of the world's poor, to which overriding priority should be given; and the idea of limitations imposed by the state of technology and social organization on the environment's ability to meet present and future needs" (United Nations, 1987).

Sustainability is essentially about:

"How individuals should act towards nature and how they are responsible for the other and the future. The vision of sustainability aims at 'justice' in the domain of individual-nature-relationships and in view of the long-term and uncertain future including three specific relationships such as justice between individuals of different generations, justice between different individuals of the present generation and justice between individuals and nature" (Baumgartner and Quaas, 2009).

The key point here is the mutually beneficial relationship between organizations and multi-stakeholders as seen from the corporation's point of view. Currently, all corporations are obliged to take multi-stakeholders into consideration in their management practices. But most of them have been restrained in this consideration and have not changed the fundamental essence of their practices. By this we mean that currently, any contribution to society made by companies tends to be external or additional to the maximization of profit. What needs to take place is an integration of the multi-stakeholders into the actual business process. In some cases, since the 1990's, man-

agement styles have emerged that do embody this type of integration, such as Patagonia or Whole Foods (U.S.A.). The mission statements are indicative of the management style in these cases. The style is entrepreneurial in spirit and centers around stakeholder-oriented innovation. Further, conventional forms of environmental management "usually do not question a company's core business activity, products and services of the company, but are rather oriented toward a cost-efficient of negative environmental impacts (Schaltegger, et al., 2008)". Accordingly, we would like to explore entrepreneurship and innovation from a multi-stakeholder point of view.

2-2. Entrepreneurship and Innovation

(1) Entrepreneurship

Here we would like to discuss what we mean by entrepreneurship and some of the various forms of it which have developed over time. There are, for example, varieties of it such as environmentally-orientated entrepreneurship, social entrepreneurship, institutional entrepreneurship, intrapreneurship and sustainable entrepreneurship. Numerous visions have been articulated about the role of the entrepreneur in a capitalist economy. There has been wide-ranging debate about the relationship between entrepreneurship and sustainable society. For more than 200 years the concept has been explored and this has led to many and varied definitions of the word "entrepreneur". However, no theory of entrepreneurship has emerged that would explain or predict under what circumstances an entrepreneur, no matter which definition is applied,

might appear or engage in entrepreneurship. Discussion of the topic really started with Jean-Baptiste Say, a French economist, in around 1800. In his opinion, “the entrepreneur shifts economic resources out of an area of lower and into an area of higher productivity and greater yield”. “Perhaps the best known is Joseph Schumpeter’s view of the entrepreneur in the *Theory of Economic Development* (1934). Schumpeter’s entrepreneur is an agent of change that is the source of his famous creative destruction. Popular theories of entrepreneurship feature the role of risk taking, managerial ability, wealth, and preferences for the control, flexibility and other job attributes that come with being one’s own boss as the primary motivations for entrepreneurship” (Ohyama, et al., 2009).

Since then, entrepreneurship has been looked at from diverse points of view, and Schumpeter’s concept has not necessarily been universally accepted. Entrepreneurship has also come to be examined from a CSR perspective. It has been noted over the last two decades that the traditional concepts and practices of corporate philanthropy have undergone a significant evolution into Corporate Social Responsibility under a variety of labels, such as corporate citizenship, triple bottom line, and strategic philanthropy (Austin, et al., 2009). In recent years, it has increasingly been discussed in terms of its relationship with social issues, as shown in Table 2. In the following section, we look at this in more detail.

Let us take an overview of the relationship between sustainability and entrepreneurship. Thus far, studies of this relationship have es-

entially focused on environmentally-oriented entrepreneurship, often called “ecopreneurship” (Blue, 1990, and others). The core motivation and chief goals cited in association with ecopreneurship revolve around the earning of money through contributing to solutions to environmental problems (Table 2). Economic goals are seen as the end to which the business is aiming, while environmental goals as seen as an integrated part of the economic logic of the business. “The organizational challenge of entrepreneurship is to better integrate environmental performance into the economic business logic or to multiply the number of (small) green businesses. In addition most authors agree that ecopreneurship is about the implementation of innovations” (Schaltegger and Wagner, 2011). Ecopreneurship is discussed as being about environmental and social issues but also about innovation. The concept centers on the integration of economic logic and environmental goals, but does not take into enough account other stakeholders or the institutional change needed to solve social issues. In the next session, we discuss concepts of social entrepreneurship which are wider in scope than ecopreneurship.

It has been noted that concepts of social entrepreneurship are emerging from the arena of Non-Profit Organizations (NPOs) (Waddock, et al., 1991). The primary reasons for this are related to the need for entrepreneurship in these organizations simply in order to survive in the face of loss of funding due to grants being cut by governments and private foundations. This has led them to be counted among socially-oriented corporations or social ven-

tures. The literature on social entrepreneurship deals with efforts to achieve societal goals and secure funding for these efforts.

However, a closer look reveals three obvious distinctions between the concepts of social entrepreneurship and ecopreneurship. Firstly, “used in a very broad sense of ‘concerning society’ the term ‘social’ includes environmental issues. Thus, in some approaches social entrepreneurship encompasses ecopreneurship as a subcategory” (Dees, 1998a, p.56). Secondly, “in contrast to the ecopreneurship approaches - that mainly address business organizations with environmental objectives - most of the social entrepreneurship approaches address a different group of actors: non-profit organizations” (Gerlach, 2003). The point here is a contrast between having goals which are primarily economic as opposed to having goals which are primarily societal. The third point is the relationship between the institutions. Referring back to the previous session, the goals of ecopreneurship don’t include making changes to institutions, but the concept of making changes to institutions does factor to some extent in social entrepreneurship. The reason for this is that if social problems are to be seriously tackled at their core, institutional reform or change is going to be necessary - particularly in terms of market conditions, management style, and even attitudes among the population and what is thought of as “the norm” for the average citizen. In this sense, institutional change takes on real significance, so we would like some attention to be drawn to institutional entrepreneurship.

The ambition to change institutional set-

tings creates links to institutional entrepreneurship (Table 2). Actors who initiate changes that contribute to transforming existing institutions or to creating new institutions are termed institutional entrepreneurs (DiMaggio, 1988), and their effort to change institutions despite pressures towards stasis is discussed as institutional entrepreneurship (Ostrom, 1990). Work on institutions has traditionally focused on continuity although it increasingly acknowledges the importance of change. In contrast, the work on entrepreneurship has focused on change even as it acknowledges that change is difficult to accomplish. Moreover, within institutional theory, this broader structure-agency debate is often referred to as the paradox of embedded agency. The theoretical puzzle is as follows: if actors are embedded in an institutional field and subject to regulative, normative and cognitive processes that structure their cognitions, define their interests and produce their identities, how are they able to envision new practices and then subsequently get others to adopt them? (Garud, et al., 2007). There has continued to be a large volume of varied discussion on this topic.

Weik (2011) suggests it is important to bear in mind critiques of the individualist-managerialist bias, which draw attention to the entrepreneur as an individual and the difficulties involved in an entrepreneur promulgating new ideas in an institutional environment. He then presented notions of collective or dispersed agency as solutions. This view introduces the possibilities inherent in the concepts of the intrapreneur and the multi-

Table 2 Characterization of Different Kinds of Sustainability Oriented Entrepreneurship

	Ecopreneurship	Social entrepreneurship	institutional entrepreneurship	Sustainable entrepreneurship
Core motivation	Contribute to solving environmental problem and create economic value	Contribute to solving social problem and create value for society	Contribute to changing regulatory, social and market institutions	Contribute to solving social and environmental problems through the realization of a successful business
Main Goal	Earn money by solving environmental problems	Achieve Social goal and secure funding to achieve this	changing institutions as direct goal	Creating Sustainable development through entrepreneurial corporate activities
Role of economic goals	Ends	Means	Means of ends	Means and ends
Role of non-market goals	Environmental issues as integrated core element	Societal goals as ends	Changing institutions as core element	Core element of integrated end to contribute to sustainable development
Organisational development challenge	From focus on environmental issues to integrating economic issues	From focus on social issues to integrating economic issues	Form changing institutions to integrating sustainability	Form small contribution to large contribution to sustainable development

Source: Schaltegger and Wagner (2011), p.229.

stakeholder.

In this sense, the “entrepreneur team”, is defined in terms of two or more people who establish and share ownership of the new organization and who possess heterogeneous skills or orientations (Tanimoto, et al., 2013). It would appear that entrepreneur teams will have a role to play in the future, and this has thus far scarcely been discussed in the arena of sustainable innovation. Theories of institutional entrepreneurship have lagged behind the actual processes of institutional change. Next we would like to look at the concept of intrapreneurship, and particularly how the problems involved compare with those of institutional entrepreneurship.

Currently intrapreneurship is attracting attention due to the innovation associated with it. The term “intrapreneurship” was first used

by Pinchot in 1978. Pinchot (1984) defined intrapreneurs as “those who take hands-on responsibility for creating innovations of any kind, within a business.” Later, Koch (2014) went further, casting intrapreneurs as the “secret weapon” of the business world. The reason for this assertion is the notion that the capital which propels new ideas comes more easily from within a company. The main point is that risk and liability are generally lower than innovation external to a company. There are several background reasons for innovation being less difficult to implement in an existing organization. But there are also several disadvantages, as shown in Table 3.

The major disadvantage is that the ways in which an intrapreneur can change the structure of a company are essentially limited in the same way as for an institutional entrepreneur.

Table 3 Entrepreneurship and Intrapreneurship: Advantages and Disadvantages

ENTREPRENEURSHIP	
Advantages	Disadvantages
<ul style="list-style-type: none"> • You are your own boss - independency • The income increases • You have the chance to be original • You have part of excitement and adventure • There are a lot of possibilities • Salary potential - you decide upon your own salary 	<ul style="list-style-type: none"> • Money pressure - giving up on the security of a regular paycheck • Less benefits as the business is new • Long working hours • Mistakes are magnified • All decisions must be made alone
INTRAPRENEURSHIP	
Advantages	Disadvantages
<ul style="list-style-type: none"> • Ability to stay in a friendly, well known environment • Practicing your skills within an organization-lower risk • Using companies resources, good name, knowledge • Access to customers, infrastructure 	<ul style="list-style-type: none"> • Reward may not be up to expectation • Innovation may not be appreciated accordingly • You can be innovative but to a certain limit - you are not your own boss

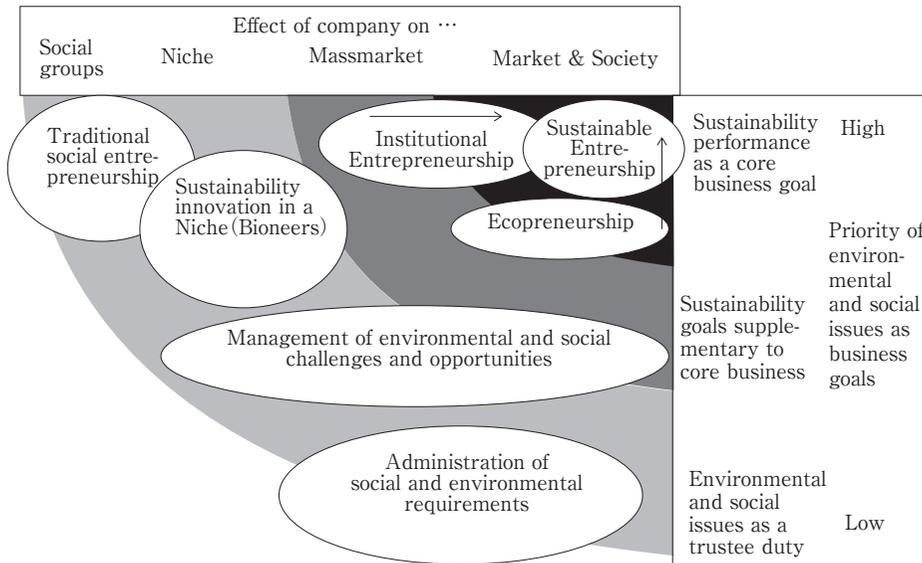
Source: Maier, et al. (2011), p.973.

neur. As shown in Table 3, the intrapreneur is beholden to corporate decision-making. In practical terms, the criteria for decision-making in corporations will prioritize efficiency and profit-generation based on shareholder oriented. The cost-efficiency and profit-potential of innovation is by default harder to assess, so the process does not favor it. So ultimately it is up to the highest-level decision maker or decision-making body in the company. Institutional relationships assume a great importance here. For sustainable development to work, changes need to occur at an intuitional level and the role of the entrepreneur in this needs to be recognized. Therefore we would like to take a concluding look at sustainable entrepreneurship.

Sustainable entrepreneurship generates “new products, services, techniques and organizational modes which substantially reduce environmental impacts and increase the quality of life. They destroy existing conventional production methods, products, market struc-

tures and consumption patterns, and replace them with superior environmental and social products and services” (Schaltegger and Wagner, 2011). In this way, sustainable entrepreneurship can be seen as having two faces: one being “micro” (products) and the other “macro” (market structure and broader concepts of that ilk). Consequently, sustainable entrepreneurship can be said to cover wider ground than other concepts of entrepreneurship, as shown in Figure 2. In short, what is unique about it is that sustainable entrepreneurship is tied directly to sustainable or social innovation, to a greater extent than social entrepreneurship, ecopreneurship or institutional entrepreneurship. Schaltegger and Wagner (2011) pointed out that “sustainable entrepreneurship is characterized by some fundamental aspects of entrepreneurial activities which are less oriented towards management systems or technical procedures, and focus more on the personal initiative and skills of the entrepreneurial person or team to realize large-scale

Figure 2 Perspectives and Development of Sustainable Entrepreneurship and Sustainability Innovation



Source: Schaltegger and Wagner (2011), p.233.

market success and societal change with environmental or social innovations.” He went on to say that sustainable entrepreneurs have strong influences on a company through their own personal goals and preferences in ways which are reflected in the goals of the company. A notable feature is the integration of economics with environmental and social concerns, meaning that, in common with business generally, the creation of new markets and new demand is desired. This means sustainable entrepreneurship can be thought of as more influential in approaching bigger markets than the other types of entrepreneurship mentioned (Figure 2).

We have considered several types of entrepreneurship and how they relate to sustainable development. It has emerged that theory has been able to satisfactorily explain either the micro or the macro aspects from the

multi-stakeholders’ point of view, though an understanding of this is crucial. The development of theory which encompasses the multi-stakeholders’ position fully is an ongoing challenge. Next, we will confirm the innovation from some viewpoints.

(2) Innovation

Debate about innovation is lively and ongoing. Studies in the area essentially started with Schumpeter (1942). He defined five types of innovation: product, process, business model, source of supply, and mergers and divestments. Currently, the shift from closed innovation to open innovation has significance for both the consumer and the supplier (Chesbrough, 2003). This point corresponds to entrepreneurship studies mentioned in the previous section. Open innovation is the use of purposive inflows and outflows of knowledge to accelerate internal innovation, and expand

the markets for external use of innovation, respectively. This paradigm assumes that firms can and should use external ideas as well as internal ideas, and internal and external paths to market, as they look to advance their technology (Chesbrough, et al., 2006). The concept is also related to user lead innovation (von Hippel, 1986), cumulative innovation: the process of building on the ideas of others to create new innovations (Reichman, 2001), know-how trading: cooperative thought know-how trading between rivals and non-rival (von Hippel, 1987), mass innovation: by handling a large number of participants (Bulc, 2013) and distributed innovation. In short, innovation theory is currently in a very close relationship with stakeholders and complexity. According to Bulc (2013), “these types of innovation significantly broadened the circle of stakeholders necessary to generate enough ideas, inventions and innovations. The innovation process started to include an increasing number of individuals and groups that had the needed competences (knowledge holders)”. Concurrently, the relationship between corporations and NGOs has also changed from one of conflict to largely one of collaboration.

Meanwhile, according to Hagandon (2015), the overlap between sustainability and innovation warrants attention. “This is where the challenge of sustainability meets the promise of innovation and the promise of sustainability meets the challenge of innovation”, he says. Sustainable innovation centers on the development of new products or processes that consume fewer environmental resources, foster the health of individuals and community, and

are financially viable for producer and consumers alike. Carrillo-Hermosilla, et al. (2010) suggest sustainable innovation could be defined as innovation that improves sustainability performance, where such performance includes ecological, economic, and social criteria. As such criteria differ as a result of spatial, temporal and cultural embeddedness, sustainable innovation will have different meanings and characteristics in different contexts.

The points here are that sustainable development requires the transformation of larger parts of production and consumption systems. Moreover, Boons, et al. (2013) pointed out incremental (product- and process-related) innovations in existing production and consumption systems may lead to further gradual improvements of sustainability performance, but in the end, incremental innovation frequently does not lead to a globally optimal system configuration in a multi-dimensional production and consumption system space. Given the challenges posed by sustainable development, sustainable innovation will often be characterized by systemness and radicalness. Generally, sustainable innovations go beyond regular product and process innovations and are future-oriented (Charter, et al., 2007).

There does exist, on the other hand, social innovation which is conceptually similar to sustainability. “Social innovation is a term used globally to describe and identify quite different activities. While it is a term that everyone likes to use, what it refers to not clear. Little is known about the requirements an innovation has to fulfill in order to be a social one and distinguish itself from other types of

innovation”(Anderson, T., Curtis, A. and Wittig, C., 2014). Kahneman, et al. (2004) defined social innovation as developing innovative solutions and new forms of organization and interactions to tackle social issues. Phills, et al. (2008) defined it as “a novel solution to a social problem that is more effective, efficient, sustainable, or just than existing solutions and for which the value created accrues primarily to society as a whole rather than private individuals”. However, in order to be innovation, its main components should be new products or services and new systems to solve, not create social problems (Tanimoto, et al., 2013). Social innovation needs to reconstruct the demand and supply chain if social innovation makes those promises. Therefore, it needs to ecosystems that gather multi-stakeholders and facilitates their understanding of socially-oriented goods and services. Thus far, research in entrepreneurship and innovation has not dealt sufficiently with the role of the multi-stakeholder, and has tended to focus on the consumer and supplier. Nor has it satisfactorily integrated micro and macro innovation, usually focussing on one or the other. These points come into focus in this conference.

3. Overview of Contributions

Next, we want to give an overview about invited and reviewed articles as the contribution in this conference.

3-1. Part I: Invited Articles

The first contribution, “Organizational Strategy in Social Business: Study in Choice and

Certification” by Masaatsu Doi, Hosei University, discussed choices of organization and legitimacy in society. After confirming limits and constraints in the market, resource mobilization, the legal area, and in society in Japan’s social business, he pointed out that organizational choice was not made only using these four standards, but decision making based on the “thought” and “faith” of the necessary founder only ascertained what might be performed. He went on to explain the concept of the “benefit corporation” which is a category of socially-oriented corporations in the U.S. But the effectiveness of these has not been verified.

The second contribution, “Social Business Models: A Comparative Case Study of the German Beverage Market” written by Tobias Bielenstein, Branding-Institute CMR, focused on the question of just how “new” these businesses are that call themselves “new social businesses”. He stated that the value proposition of social business in these case studies addresses at least two stakeholder groups, particularly customers. He concluded that the value position of the customer is key, and that symbolically these new social businesses can provide insight into the role of the customer.

Thirdly, a contribution entitled “Access to Energy with Awango by Total: a business solution to a social issue”, by Luigi Colantuoni – President, Total Group Representative in Japan, and Mathieu Gougeon, Information Management and Communication Officer, Total International, proposed a business solution to a social issue through solar panel markets. Currently over 1.3 billion people do not have

access to electricity. To enable off-grid access for low-income communities to meet some of their most basic needs, “Awango By Total” has been introduced. It is a line of innovative, reliable solar lighting and phone charging solutions. “The approach is practical, innovation-based and embedded in our business operations”. The Group set an objective of improving the daily lives of five million people by selling one million Awango by Total solar lamps by 2015. This goal has been met and exceeded: by May 2015, one million solar lamps had been sold in Africa alone.

The fourth contribution, “Contribution to Society through Social Innovation” by Yukiko Araki, Corporate Officer at Hitachi, Ltd, posited social contribution using social innovation as the main domain of business. Hitachi believes social innovation that contributes to improvement of people’s quality of life creates not only economic value but also social and environmental value through collaboration with the customer. In 2015 they funded the Global Center for Social Innovation. The Center is based in Tokyo, but has four branches (the other three being in North America, China and Europe) focusing on researching and developing systems with or near customers. Hitachi says it places social innovation at the core of their business philosophy.

The fifth contribution, entitled “The corporate forms of social business” written by Eiji Takeuchi, Japan Finance Corporation (JFC) discussed ways in which entrepreneurs choose corporate forms. In Japan, corporate forms of social business are diverse, and include, for example, companies and nonprofit

organizations. The reason for this diversity is that corporate forms have had to adapt to social backgrounds or to focus on social problems. For example, entrepreneurs or their team may choose a nonprofit organization if business domains need to collaborate with government or need support in the form of grants. On the other hand, entrepreneurs may choose a profit-based corporation if they think the business can be established without external (primarily governmental) support. The writer concludes that the corporate forms are chosen based on extremely practical criteria.

3-2. Part II: Reviewed Articles

This paper is “About the Relationship of the Change of the Intermediate Support Organizations and Support Target Tissue-Analysis from the Point of View of the Knot Working” by Nobuhide Horino. The research question of this study is the issue of heterogynous inter-organizational relationships. In many cases, heterogynous inter-organizational relationships in Japan do not function effectively. In order for them to function, Horino emphasizes the need for flexibility and a variety of inter-organizational ties.

4. Conference Outline

This year’s JFBS annual conference was structured in the following manner. The conference was kicked off by Mr. Yoshimitsu Kobayashi (Member of the Board and Chairman of Mitsubishi Chemical Holdings Corporation and Chairman of Japan Association of Corporate Executives) who gave a speech on the Manage-

ment Codependent on Mother Earth. The first Keynote Speech was followed by the first Plenary Session including five panelists and one session chair on Intrapreneurship and Sustainable Innovation, and then by the second Keynote Speech by Mr. Richard Welford (Chairman of CSR Asia) on Social Innovation, Shared Value and Sustainable Development. Then the conference went into the series of breakout sessions.

Breakout sessions were conducted in two formats: Breakout Session Organized and Breakout Session (CFP). There are four sessions in Breakout Session Organized. They are 1) Socially responsible enterprises and their corporate forms, 2) Fail Forward, 3) Business and Human Rights, and 4) Sustainable Regional Innovation. In Breakout Session (CFP), eight themes were presented and discussed over ten different sessions: 1) Social Entrepreneurship and Social Innovation, 2) Social Entrepreneurship, 3) Sustainable Finance: CSR and Corporate Finance, 4) Innovation, CSR, and SMEs, 5) Innovation and Environmental Management, 6) CSR and Marketing, 7) CSR, Governance and Regulation, and 8) CSR and Management.

Finally, the Plenary Session 2 was designed to summarize the entire conference with each session chair briefly reporting the content of discussion, and all participants exchanged opinions to synthesize the learning through various sessions.

The outlines of the sessions are summarized below. As for the detail of this entire conference, please refer to the following website: http://j-vbs.jp/annualconf-program_2015_

[en.html](#)

4-1. Keynote Speech 1

“The Management Codependent on Mother Earth” by Yoshimitsu Kobayashi, Member of the Board, Chairman, Mitsubishi Chemical Holdings Corporation/ Chairman, Japan Association of Corporate Executives, Japan.

4-2. Plenary Session 1

“Intrapreneurship and Sustainable Innovation” chaired by Sadao Nagaoka, Tokyo Keizai University, Japan, with panelists Alan Aicken, Vice President and Chief Sustainability Officer, Huawei Technologies, China, Yukiko Arai, Corporate Officer, Executive General Manager, CSR and Environmental Strategy Division, Hitachi, Japan, Luigi Colantuoni, Chief Representative for Japan, Total, President, Total Trading International, Tokyo Branch, Japan, Joachim Schwalbach, Humboldt University of Berlin, Germany, and Kanji Tanimoto, Waseda University, Japan.

4-3. Keynote Speech 2

“Social Innovation, Shared Value and Sustainable Development” by Richard Welford, Chairman, CSR Asia, Hong Kong.

4-4. Organized Breakout Sessions

- (1) “Socially Responsible Enterprises and Corporate Forms” chaired by Masaatsu Doi, Hosei University, Japan with panelists: Sachiko Kishimoto, Executive Director, Center for Public Resources Development, Japan, Kenji Shino, Director of Environmental Programs, Patagonia Ja-

pan, Japan, Eiji Takeuchi, Lead Economist, Japan Finance Corporation Research Institute, Japan.

- (2) "Fail Forward" chaired by Hiroshi Amemiya, CEO, Corporate Citizenship Japan, Japan with panelists: Ashley Good, Founder and CEO, Fail Forward, Canada, Zaw Naing, Managing Director, Mandalay Technology, Myanmar, Yukie Ohno, Merchandising Dept., Daichi Wo Mamoru Kai, Japan.
- (3) "Business and Human Rights" chaired by Yasunobu Sato, The University of Tokyo, Japan with panelists: Daisuke Takahashi, Partner, Shinwa Sohgo Law Offices, Japan, Saul Takahashi, Regional Representative for Japan, Business and Human Rights Resource Centre, Japan, Keiichi Ushijima, Japan Area CCaSS Leader, Managing Director, Ernst and Young Shinnihon LLC, Japan, and Richard Welford, Chairman, CSR Asia, Hong Kong.
- (4) "Sustainable Regional Innovation" chaired by Nobuyoshi Ohmuro, Kyoto Sangyo University, Japan with panelists: Kazushi Kaneto, President, The Islands' Company, Japan, Eisuke Tachikawa, Founder/Design Strategist, NOSIGNER, Japan, and Sayaka Watanabe, CEO and Founder, re:terra, Japan.

4-5. Breakout Sessions Based on Call for Papers

- (1) "Social Entrepreneurship and Social Innovation" chaired by Kanji Tanimoto, Waseda University, Japan with presentations "Exploring the Possibility of Social

Entrepreneurship: Social Entrepreneurship as the Forming of 'Machine' of 'De-territorialization'" by Ted Yu-Chung Liu, National Pingtung University, Taiwan, Stephen Dun-Hou Tsai, National Sun Yat-Sen University, Taiwan, and Roy Chih-Yu Lee, National Sun Yat-Sen University, Taiwan, "Social Entrepreneurs, Social Business and Corporate Structure: A Comparative Case Study of the German Beverage Market" by Tobias Bielenstein, Branding-Institute CMR, Germany, and "A Study of Problems and Prospectus of Women Entrepreneurs: An Empirical Insight on Beauty Parlor Business in Kathmandu" by Sunita Bhandari Ghimire, Tribhuvan University, Nepal.

- (2) "Social Entrepreneurship" chaired by Toshiaki Yamamoto, Osaka Electro-Communication University, Japan with presentations "Social Entrepreneurship by Student Entrepreneur to Solve Social Problems" by Forhad Hossain, LBS Management Consultancy, Bangladesh, "Sustainable Development of Business in Russia" by Olga Bobrova, St. Petersburg State University of Economics, Russia.
- (3) "Sustainable Finance: CSR and Corporate Finance I" chaired by Shinichi Hirota, Waseda University, Japan with presentations "Diversity, Ownership Structure and Charitable Donation: A Stakeholder View" by Chi-Jui Huang, National Taipei University, Taiwan, Heng Yih Liu, Yuan Ze University, Taiwan, Ting-Ling Lin, National Taipei University, Taiwan, and Yu-Chiung Chen, National Taipei University,

- Taiwan, "The Relation between Institutional Investors and Corporate Social Responsibility in China" by Yuting Xue, Sichuan University, China and Yingkai Tang, Sichuan University, China, and "Corporate Social Responsibility and Dividend Policy" by Yi-Cheng Shih, National Taipei University, Taiwan.
- (4) "Doctoral Workshop" chaired by Hiroshi Amemiya, CEO, Corporate Citizenship Japan, Japan, Joachim Schwalbach, Humboldt University of Berlin, Germany, Nobuyoshi Ohmuro, Kyoto Sangyo University, Japan with a presentation "Chinese Entrepreneurs as Actors of Ecological Conservation – the Case of the "SEE Foundation"" by Constantin Holzer, University of Vienna, Austria and Renmin University of China, China.
- (5) "Innovation, CSR, and SMEs" chaired by Franz Waldenberger, Deutsches Institut für Japanstudien, Japan with presentations "The Effect of Ethical Sensitivity on the Corporate Social Responsibility Intentions to Promote SME's Reputation" by Setyabudi Indartono, Yogyakarta State University, Indonesia, Ratna Candra Sari, Yogyakarta State University, Indonesia, Indah Mustikawati, Yogyakarta State University, Indonesia.
- (6) "Sustainable Finance: CSR and Corporate Finance II" chaired by Joachim Schwalbach, Humboldt University of Berlin, Germany with presentations "Are the Strengths and Concerns in CSR of the Same Effects? Can They Be Offset? A Revised CSP Measure" by Tai-Hsi Wu, National Taipei University, Taiwan, Hsiang-Lin Chih, National Taipei University, Taiwan, "Study of the Relationship between Instrumental Behavior of Corporate Social Responsibility and Financial Performance" by Junxian Wang, Sichuan University, China and Mei Sun, Sichuan University, China, "Catering Effects: Another Perspective on the Determinants of Corporate Social Responsibility Decisions" by Mei-Chen Lin, National Taipei University, Taiwan and Hsiang-Lin Chih, National Taipei University, Taiwan, and "Corporate Social Responsibility and Earnings – Announcement Drift" by Chan Chang, National Taipei University, Taiwan, Wen-Chyan Ke, National Taipei University, Taiwan, and Mei Sun, Sichuan University, China.
- (7) "Innovation and Environmental Management" chaired by Keiko Zaima, Kyoto Sangyo University, Japan with presentations "Formative Process of Innovation System (IS): The case of Renewable Energy Technologies in ASEAN Countries" by Ya Min Thu, PhD Candidate, Ritsumeikan University, Japan and Toshio Mitsufuji, Ritsumeikan University, Japan, "Exploring SI Contributing to the Sustainable Development of Innovation" by Toshio Mitsufuji, Ritsumeikan University, Japan and Ya Min Thu, PhD Candidate, Ritsumeikan University, Japan, and "Barriers of Implementing Reverse Logistics: the Case of South Australian Construction Sector" by Raufdeen Rameezdeen, University of South Australia, Australia.

- (8) “CSR and Marketing” chaired by Kyoko Fukukawa, University of Bradford, UK with presentations “Corporate Social Responsibility and Marketing” by Mie Myojin, Nakamura Gakuen University, Japan.
- (9) “CSR, Governance and Regulation” chaired by Yasunobu Sato, The University of Tokyo, Japan with presentations “Aid Alignment with Social Business: A Better Way to Serve the Society by Business Firm?” by Muhammad Mustafizur Rahaman, Kyoto.

5. About JFBS

JFBS is a relatively new academy founded in 2011 by Professor Kanji Tanimoto, Waseda University in Japan. Prior to the formalization as an academy, Professor Tanimoto had initiated the Forum of Business and Society (FBS) in 2009 with twenty eight members as a private research forum. The purpose of the FBS was for academia, industry, non-profit sector, labor and government to cooperate with one another for further advancement of knowledge in the field of business and society relationship. Nine research sessions had been held under the scheme of this FBS. After the FBS coordinated the 4th annual meeting of the Asia Pacific Academy of Business in Society in Tokyo in 2010, it was determined to make the FBS as an official academy as the Japan Forum of Business and Society (JFBS). Since then, the Academy has been continuously inspiring those who have a keen interest in the evolving relationship between business and society.

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