

# Integrating Ethics into Economics



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There is a shrine in Odawara city in Kanagawa Prefecture named the Hotoku Ninomiya Shrine. After passing through the entrance, you see a statue of Sontoku Ninomiya, a Japanese philosopher who initiated a number of agricultural reforms in the villages of Japan to help turn poor villages into wealthy ones. These words of his are on the statue: "Ethics without economy is nonsense and economy without ethics is a crime."

Today, market and social welfare seem to be hostile to each other, like water and oil. However, I believe that economic principles are necessary to achieve social welfare and ethical principles are necessary to achieve the functions of the market. Japan seems to be happy currently with soaring stock prices resulting from loose monetary policy and the active fiscal policy of "Abenomics". But to achieve sustainable growth in the long run and keep up with the other leading nations, Japan, which has scarce natural resources, will need to focus on nothing other than development of human resources.

We have been living in an age when the majority of the nation, namely the younger generation, have been supporting elderly people, a minority group, in terms of social welfare. This age is coming to an end. Hereafter, with the advent of a rapidly aging society, we are approaching a time when the younger generation will constitute a minority but will have to support the majority older generation.

In order to avoid possible difficulties resulting from a declining population, such as a drastic increase in the financial burden on younger people or conflicts of interest between the young and old generations, we may have to encourage an increase in the birth rate or accept more immigrants into Japan. I certainly support these ideas and I believe that a number of policies to accommodate an environment to realize them will be necessary. However, I still believe that in addition to these policies we will need to think about how to better develop our existing human resources and take full advantage of them.

## Atelier in Osaka

In the suburbs of southern Osaka there is an atelier where 26 artists with intellectual disabilities work. The manager of this group, Hiroyuki Imanaka, himself originally a designer, was stunned to see the work of one of them, an artist with intellectual disabilities named Katsuhiro Terao. When he saw his work Imanaka became convinced of the need to reform the existing Japanese social welfare system whereby only

simple work is assigned to people with intellectual disabilities, as he had never seen such creative work by anyone.

Terao has created many works, often drawing pictures of steel structures and completing a painting of 2 meters square after two weeks' laborious work. He says that as he likes drawing he is never bored. His paintings sell at good prices. The 2 meters square painting sold for 4 million yen. However, it is noteworthy that it did not sell in Japan, and in particular the people engaged in social welfare work did not like the idea of selling his pictures. After a DVD promoting his work was sent abroad, there came a proposal to conclude an exclusive contract with him from a gallery in New York. It was this reputation he acquired overseas that drew more attention to his paintings in Japan.

This is a pity, though. We should create new values and a new system to enable us to make our own assessments, since we have already caught up with Western nations somehow and have very few models to follow in the process of social advancement. Otherwise, we will fall into stagnancy. In Japan, we are not ready yet to assess the value created by ourselves on our own. We can safely drive on the track set by the Western nations. But today, we are facing a situation where we have to set up a track by ourselves. Unless we are ready to perceive with confidence new values created by our own country, we cannot develop anything new.

## Education for Handicapped Children

We will also need to give more attention to education for children with disabilities. There is a school of around 20 pupils with disabilities called Kanamachi-Gakuen in Katsushika Ward in Tokyo which accepts volunteers to support their activities every Sunday. Some of the volunteer teachers are college students who have hearing impairments. Some of the students had almost given up their dream of going to university due to their hearing impairments, but now they are seriously thinking about studying at university again having met with such volunteers with disabilities from higher education.

Most social welfare programs seem to concentrate on ensuring the minimum happiness for people with disabilities and very rarely embrace the idea of encouraging the high potential of many of them. But there are quite a few competent students with hearing impairments. If we consider such children as "the weak" and educate them only in terms of ensuring their minimum welfare, we will lose some excellent potential talent.

Kumiko Hamazaki, the principal of Kanamachi-Gakuen, strongly advocates that children with hearing impairments need to be equipped with the same level of competency in reading and writing the Japanese language as that acquired by normal children in order to have a social life like theirs. Her school tries to take maximum advantage of the initiatives of people with disabilities under any circumstances and also provides equal working opportunities to both people with disabilities and those without. She said that she would like a person with a hearing impairment to become the principal of the school in the future.

## Business Model for Human Resources Development

Human resources development and education should not necessarily be limited to the case of people with disabilities. There is a non-profit organization named “Asuiku” in Sendai city in the Tohoku region, which was badly affected by the disaster in March 2011, that supports the education of children in households receiving public minimum assistance or those affected by the disaster. It also tries to minimize the gaps in learning between children who have difficulties and those who don’t through after-school lessons.

There is also a shortage of voluntary home tutors in terms of both quality and quantity. What is vital for education is continuity, and to achieve this a business model is necessary. So “Asuiku” has partnered with “SuRaLa Net” Co., Ltd. in Chiyoda Ward in Tokyo to provide an e-learning system through personal computers. Takahiko Yunokawa, the CEO of “SuRaLa Net”, decided the service should be provided with only a fee for the running costs and not development costs, assuming that the children using this service will be different from the ordinary users of their services. Thanks to this decision, this joint business has rapidly expanded and now involves governmental activities, and has become a large-scale initiative for promoting after-school learning support for children with difficulties.

## Overcoming Barriers

It is true that neither government nor business can afford to spare money for social welfare programs given the difficult situation of the economy and public finances. However, according to joint research by our academic team for “Research on Economy and Disability” and Mitaka city in Tokyo, the main barriers for workers with disabilities are not “hard” barriers such as staircases or elevators but “soft” ones, such as working hours or regular meetings. Further improvements in these areas will be necessary to encourage a change of mindset or motivation among employees and large sums of money should not be necessary.

For example, OKI Workwell Co. Ltd. in Tokyo is a special affiliate of Oki Electric Industry Co., Ltd. and actively promotes employment of people with disabilities. Not many work at the Tokyo office because 40 of them are working at home in various places in more than 10 prefectures, from Kagoshima to Toyama. For the purpose of managing and communicating with them, the company developed a virtual office system that they can use on their PCs. If, for example, three of them from Miyazaki, Nagano and Tokyo would like to have a business

CHART

## What kind of assistance is necessary to encourage more people with disabilities to work in your office? (percentage of registered people with disabilities saying “yes” to each item)



Sources: “Research on the daily and economic activities of people with disabilities” by Research on Economy & Disability (READ); Mitaka city

meeting, each one of them can click a virtual meeting room and start talking with the others without being heard by anyone else. CEO Takashi Tsuda has a passion for the company’s mission, and in his company we can find a dialogue between ethics and the market.

## Conclusion

Adoption of market principles for social welfare programs does not necessarily mean a replacement of ethical principles by economic principles. These two must be integrated. In Northern European countries, often referred to as social welfare superpowers, they do not necessarily create a unilateral system where the powerful always support the weak; instead they are attempting to create societies where more people are working well and are happy to contribute to their society during slight changes in social circumstances in favor of handicapped people. With such efforts, as more people can work in a happy state of mind, we will be able to concentrate more intensive support for those people in much more difficulty who cannot work at all.

If each of us is individually concerned about the possible integration of economy and ethics that Sontoku Ninomiya mentioned and practiced, and we apply it in our daily life, these efforts would create greater potential for Japan. All of us are facing small barriers every day and trying to overcome them. If they get bigger we may give up trying. But the cases I have introduced here suggest how we can overcome such big barriers.

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