

**The Macau Ricci Institute's Online Symposium for 2020 –
Summarized Statement from the Macau Institute for Corporate Social
Responsibility in Greater China (MICSRGC)**

**A New Paradigm of Economics from Corporate Social Responsibility Perspective:
Reactions from Macao's Gaming Tourism and Hospitality Industry after Typhoon
Hato Disaster¹**

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In response to the call from the Macau Ricci Institute 2020 Symposium on the subject topic, MICSRGC presents in this statement the three key ideas that we considered crucial to change the economic paradigm towards an economy oriented to the common good based on solidarity and fairness. Reference is made to a working paper of the MICSRGC team, which studies on the corporate social responsibility (CSR) reactions from Macao's gaming tourism and hospitality industry after the catastrophe of Typhoon Hato in 2017.

(1) FINANCE AND ECONOMICS RE-DESIGNED FOR THE COMMON GOOD AND JUSTICE

When we look into the evolution of CSR in Macao (where this symposium is hosted), taking the handover of sovereignty from the Portuguese colonial government to the China government as the beginning point in this discussion, the shifting paradigm of finance and economics in this city has been driven by a number of critical incidents (with their resulting CSR "directives" from Macao's gaming industry players), including:

- The liberalization of gaming industry (a material driver of Macao's economy and tourism sector) in 2002 – Commitment to invest in the Macao economy;
- The introduction of individual visitor scheme by the China government which has opened massive tourist inflow to Hong Kong and Macao, with the aim of economic

¹ The full paper is under peer review, therefore it is not submitted to this symposium.

resuscitation after the severe acute respiratory syndrome (SARS) outbreak in 2003 – Increased focus towards mainland China;

- The global financial crisis in 2008 – Ensuring corporate financial stability;
- The anti-corruption campaign imposed by the China government since mid-2010s – Compliance with anti-corruption policies and measures;
- The interim review on the gaming industry conducted by the Macao government in 2015² – Redirecting CSR measures to fulfill the obligations that are likely to be accounted for future review in the new Macao casino concessions;
- The catastrophe after the Typhoon Hato disaster in 2017 – Consideration of the needs of key stakeholders, namely the employees, victims in the local community, and response to public pressure groups;
- The COVID-19 pandemic since early 2020 which is ongoing at the date of writing this statement³ – Responsiveness to the government's call for taking social responsibility.

In our study on the CSR reactions upon Typhoon Hato, we have addressed on the stakeholders' perceptions on the disparity between the casino resorts and the general community members in terms of their post-disaster status. As a 24/7 industry and the major economic contributor of Macao, the six casino concession companies had kept their resorts' business as usual in the aftermath of the typhoon. Consequently, certain casino companies had been subject to floods of negative comments in both the traditional mass media and the social media due to their stakeholders' doubts towards their negligence in the local community's situation. In the light of relieving the emergency condition in the Macao community and in order to resolve the challenges from stakeholders which might lead to corporate reputational threats, the six integrated resort operators had successively announced and executed a variety of remedial measures to provide assistance and relief to the community members in need. Under the new paradigm towards a sustainable economic development, it is expected that CSR will play a more essential role in building corporate image and trust from stakeholders to various industry players.

² The MICSRCG team has another research related to this topic, please see Guan, J., Sio, S. and Noronha, C. (2020) Value Co-creation through Corporate Social Responsibility in a Typical Controversial Industry: Evidence from Macao, *Journal of Global Scholars of Marketing Science*, <https://doi.org/10.1080/21639159.2020.1808832>

³ The MICSRCG team has a working paper on this topic developing from the discussions in an opinion article: Noronha, C. (2020, June 13). *Sociology of Worth and Corporate Social Responsibility: Post COVID-19. Macau Business*. <https://www.macaubusiness.com/opinion-sociology-of-worth-and-corporate-social-responsibility-post-covid-19/>

(2) SELF EMPOWERMENT OF THE POOR AND SUBSIDIARITY

The empowerment of the under-privileged members in Macao community constitutes the effort of various types of local organizations, such as schools, churches, other religious communities, non-governmental organizations, voluntary service groups, social clubs, etc. Among these organizations, an important participant, being each of the six casino concessionaire companies in Macao, has been increasing their support to various local organizations in Macao and they have even started to set up their own non-profit organizations that are oriented to contribute their organizational resources to communities and facilitate the local organizations to strengthen their resources and effort in the long run, in order to extend their philanthropic influence in Macao, China and beyond. The casino companies are attempting to make more notable social contributions after crises and disasters, particularly, after the Typhoon Hato attack, and the COVID-19 pandemic, so as to make their ties to the local community to gain their support in terms of their legitimacy to sustain their gaming establishments in Macao.

From the findings in our study on the CSR reactions after Typhoon Hato, the six major companies in the Macao gaming industry had actively reacted with their CSR initiatives to assist the victims in the local community, as well as injected labor and physical resources to restore the destroyed parts in the city after the disaster. For example, they had set up relief fund and support their employees and these earned some positive feedback from the public in the news coverages. Regarding donation and community, the six companies had responded positively, but regarding employees' benefits, there were a few negative comments due to the inconsiderate treatment after the typhoon attack. Regarding the limitation on our research, there is no official disclosure on the specific amounts (or equivalent quantity of resources) on the distributions to each beneficiary stakeholders in terms of the companies' monetary donations and supportive measures. Therefore, the above conclusions we have made are based on the public disclosure we observed in the media after the typhoon attack, which consist both positive and negative comments on the CSR reactions of the Macao gaming companies upon the Typhoon Hato disaster.

(3) ENVIRONMENTAL PROTECTION AND PRUDENCE

In Macao, the dominating position of resources acquisition and withdrawal by the gaming industry (including the consumption of water, energy, food, materials, and

greenhouse gas emissions) has been of increasing concern by the local stakeholders. Specifically after the destruction caused by Typhoon Hato in 2017, Typhoon Mangkhut in 2018 and Typhoon Higos in 2020, the extreme weather conditions triggered by climate change has become a critical risk factor of gaming industry operations and it may cause harm and damage to the broader community in Macao. Currently, it is a common practice for Macau casino operators to implement environmental protection measures with benchmark to international standards such as issued by Global Reporting Initiatives (GRI), Carbon Disclosure Project (CDP), and others, and file periodical environmental performance disclosure to their listing companies' regulators. With growing level of public awareness and enhancement in respective standards, we believe that CSR initiatives are key for embracing environmental protection and prudence in the new paradigm of economics.