

Presentation Summary
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In order to achieve the Low Carbon Society, there are several paths that we should discuss on. Of course, it is technologies that can solve many challenges we face. And making policies appropriately is also crucial for building the Low Carbon Society.

But, I would like to emphasize the approach through the evolution of a market in my presentation today. Just please focus on goods and services market, labor market and financial market. The term, the evolution of a market was invented in "the 21st Century Declaration" by Japan Association of Corporate Executives on December 25, 2000.

If consumers attach importance to the ethical or socially responsible aspects of companies when they choose goods or services, companies are forced to clean up their acts into a sustainable manner. If new graduates attach importance to the ethical or socially responsible aspects of companies when they choose the place of employment, companies are forced to do the same. If investors attach importance to the ethical or socially responsible aspects of companies when they buy or sell stocks, companies are also affected. Consequently, if we make a market capable of valuing not only "economic aspects" but also "social aspects" and "human aspects", we are able to approach the Low Carbon Society even through the market mechanism.

The 21st Century Declaration mentioned as follows. Along with the strengthening of the functions of the market, we must make efforts as corporations to facilitate the evolution of a market capable of valuing not only "economic aspects" but also "social aspects" and "human aspects." The market is equipped with a mechanism for effective allocation of resources through the process of price formation. Should market participants, as a result of social changes, place added emphasis on values other than "economic aspects," namely "social aspects" and "human aspects," the market has the internal dynamism needed for refining its functions to effectively reflect these values. In other words, the market is able to evolve in step with changes occurring in society.

Then, let me briefly introduce the Japanese current situation at glance. In either market, each survey indicated lower rates of people who paid more attention to the ethical or socially responsible aspects of companies. However, with regard to consumers, about 20% of consumers were very concerned with Corporate Social Responsibility matters. The number of new graduates who consider contribution to society a primary option was growing. And with regard to individual investors, about three fourth of them are interested in Corporate Social Responsibility matters when they buy or sell stocks though the actual investors' share in capital market is only 1.2 percent.

Nonetheless, the Japanese socially responsible investment market has a history of nine years. The volume of assets achieved more than 60 billion JPY, approximately 285 million GBP. We would like to promote this evolution of a financial market enthusiastically. In this context the UK has fruitful precedent experiences, I believe. I would like to discuss on how to promote these ethical finance behaviors in Japan, also in the UK. And I think we have many things to learn from the UK experiences.