

Opening Remarks

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I would like to welcome everyone here today--the eminent researchers who have come a long way from overseas to be with us, and the participants from organizations across Japan. It is a great honor for me to have an opportunity to give opening remarks at Inaugural International Workshop on "Business and the Environment" 2004.

Since opening in 2001, the IGES Kansai Research Centre has been promoting a 3-year research project on the theme of "Business and the Environment". On those foundations, we launched a new "Business for Sustainable Society" project with a 3-year mandate.

There are two reasons for focusing this theme on the relationships between business/industry and environmental problems/sustainability. One is that the Kansai area has many people doing environmental research from a sociological perspective. The second is that the economic world of the Kansai has chalked up efforts to directly combat environmental problems. The Kansai Research Centre got started with the goal of building environmental efforts of the 21st century from the bottom-up, that is to say from communities and businesses, by tapping these human resources and experiences. In fact, many of the researchers here are from businesses or local governments.

As has already been pointed out to everyone attending today, global environmental problems of the likes of global warming are currently heading in the opposite direction of a sustainable society despite the ardent efforts of many.

In order for local communities and businesses to build a sustainable society, we want to explore future development scenarios from both the perspective of environmental business models and eco-friendly technology and local systems, and hopefully pick which scenario to pursue.

At today's workshop on environmental business models, Product Service Systems, (PSS) on which international research has been recently moving forward, will be reported. With many frontline researchers from Germany, Sweden, UK, USA and Japan, as well as representatives from Japanese corporations that are developing and applying advanced business models, I suspect many problems will be discussed deeply such as what are the current trends in international product service systems, why do they continue to expand, and what sort of outstanding issues are there.

Product Service Systems, which are sometimes called "Servicizing", are a revolutionary business model. I see this revolutionary business model as having emerged about the same time as the environmental policy thinking of extended producer responsibility or, as it is called in the USA, Extended Product Responsibility. People are beginning to think that the foundation of a recycle-oriented society is that a producer's responsibility does not end when he/she sells a product to a customer as it goes on well beyond that to when the product is consumed. The practice of this as a business model includes the concept of product service systems or servicizing.

Businesses and consumers are changing the conventional framework of production, distribution, consumption and discard. New mixes of products and services are being provided through

cooperation between various organizations. In the meantime, businesses are creating business value by reducing their environmental load on the one hand and strengthening their competitiveness on the other. This kind of case is widespread.

We will hear many reports at today's workshop, but there are many things I would like everyone to think about as well.

No matter what is said, it will be very interesting to see what role this new business model, which is called a virtuous cycle of economy and environment, will play in building a sustainable society and what kind of public policy is needed to fully demonstrate this role.

As you know, since Russia ratified the Kyoto Protocol, the Protocol goes into effect at the beginning of next year. I cannot help but feeling that we are finally diving into a carbon-restricted society. I believe the time has come to strive for the ultimate goal of product service systems or, servicizing, which is a business model that eliminates the restrictions of carbon rather than a business model to address a carbon-restricted society.

I ask that everyone here at the workshop stay until the end and constructively add to the discussions. This workshop also is tasked with proposing points of discussion at the international symposium that will be held tomorrow. We hope to have your participation at that symposium as well.

Thank you for your kind attention.