

"Business and the Environment" International Symposium Series 2005

Conference Report

## **Environmental Business for Regenerating Local Society**

**Date:** February 3, 2006 (Fri.) 1:30p.m. -5:00p.m.

**Venue:** Kobe Portopia Hotel, Kobe, Hyogo prefecture, Japan

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**Organizer:** Institute for Global Environmental Strategies (IGES)  
21st Century Research Organization for Human Care

**Sponsors:**

Ministry of the Environment, Hyogo Prefecture, Kobe City, International EMECS Center, Hyogo Prefectural Environmental Create Centre Public Corporation, Asia-Pacific Network for Global Change Research (APN), Hyogo Prefecture Liaison Conference for Air Environment Conservation, Organizations of the Advisory Board of IGES Kansai Research Center:

Global Environment Forum-KANSAI, Kansai Council, Kansai Economic Federation, The Osaka Chamber of Commerce and Industry, The Federation of Chamber of Commerce and Industry in Hyogo Prefecture, Hyogo Prefectural Federation of Societies of Commerce and Industry, The Hyogo Industrial Association, Hyogo Environmental Advancement Association, Hyogo Prefecture Association for Corporate Environmental Conservation, The New Industry Research Organization

## International Symposium 2005 on "Business and the Environment"



### Environmental Business for Regenerating Local Society

Local governments and business community have long sought to attract large industrial facilities to their regions. This approach to local economic development is often met with many policy challenges, economic barriers and environmental limitations. On the other hand, environmental business that utilizes local resources and possesses comparative socio-economic advantages, offer a promising new basis for the development and regeneration of sustainable local economies.

The International Symposium 'Environmental Business for Regenerating Local Society', which was organized by the Institute for Global Environmental Strategies (IGES) - Kansai Research Centre (KRC) in cooperation with the 21<sup>st</sup> Century Research Organization for Human Care at the Kobe Portopia Hotel on February 3, 2006 provided important insights into various issues effecting Environmental Business.

This symposium turned into forums for researchers, policy makers and entrepreneurs from Japan and outside to discuss diversity of issues and plan effective measures for enhancing the sustainability of local communities by utilizing peculiarities of the local area through eco-business business activities.

The keynote presentation was delivered by Dr. Neil Seldman of the Institute for Local Self-Reliance, USA, who emphasized the necessity for "new rules" in achieving sustainable development. He introduced some examples of industrial activation based on "new rules" set by local governments in US. During his deliberations, Dr. Seldman also pointed out that such efforts for promoting environmental business are happening mainly at local level in the US but now the society is at an important tuning point.

Latter, a panel of experts addressed the key points while exploring new dimensions of environmental business of 21<sup>st</sup> century. The main points discussed are what kinds of integrated efforts are in place during an eco-town project undertaking in India, what is the promising industry in the era of non-manufacturing, and what kinds of approaches toward regenerating brownfield are being taken in Japan. In addition, it was pointed out that while the systems for encouraging entrepreneurship have partly developed, there still remain issues to be tackled. It was also agreed that in order to further develop environmental business, products with higher added value should be examined first before thinking about producing products made of recycling materials. Discussion was concluded with all the panelists pinpointing the keys for regenerating environmental business at local level.



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## CONTENTS

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### Program

<b>Opening</b> .....	1
Akihiro Amano (Director, Institute for Global Environmental Strategies (IGES) Kansai Research Centre)	
<b>Opening</b> .....	3
Akira Harada (Director General, Environment Bureau, Hyogo prefectural government)	
<b>Keynote Speech</b>	
<b>“Sustainable Industrial Development: The History of an Idea and What to Do about It”</b> .....	5
Neil Seldman (President, Institute for Local Self-Reliance (ILSR), USA)	
<b>Research Report</b>	
<b>“Japanese Perspective of Environmental Business Utilizing Biomass”</b> .....	13
Manabu Akaike (Director, Universal Design Intelligence., Inc.)	
<b>“Community Partnership for Eco-based Local Economy: Experiences and Perspectives from India”</b> .....	23
Venkatachalam Anbumozhi (Senior Policy Researcher, Business for Sustainable Society Project, IGES Kansai Research Centre)	
<b>“Environmental Business for Regenerating Society: Environment at the Center of Urban Development and Industrial Revitalization”</b> .....	39
Masao Takebayashi (Senior Visiting Researcher, Business for Sustainable Society Project, IGES Kansai Research Centre Senior Consultant, Institute of Strategy for Sustainable Solutions Co., Ltd.)	
<b>“Three Approaches towards Regenerating the RustBelt - Local Governance through Partnerships”</b> .....	47
Yoshimasa Katoh (Director, Research Institute for Regional Policy, 21st Century Research Organization for Human Care Director (Professor), Institute of Economic and Business Administration, University of Hyogo)	
<b>Panel Discussion</b> .....	59
<i>Coordinator:</i> Takashi Gunjima (Sub-project Leader, Business for Sustainable Society (BSS) Project, IGES Kansai Research Centre / Professor, Doshisha University)	
<i>Panelists:</i> Neil Seldman, Manabu Akaike, Yoshimasa Katoh, Masao Takebayashi, Venkatachalam Anbumozhi	
<b>Closing</b> .....	69
Hideki Miyazaki (Vice Chairperson, 21st Century Research Organization for Human Care)	



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## Opening Address

Akihiro Amano

Director, Kansai Research Centre  
Institute for Global Environmental Strategies (IGES)

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I would like to welcome and thank everyone here today, the esteemed researchers from Japan and abroad, many representatives from organizations within Japan, and interested individuals for taking part in this International Symposium on "Business and the Environment": "Environmental Business for Regenerating Local Society". It is a great honor for me to have this opportunity to deliver the opening message of this symposium.

Since its establishment in 2001, it has been our policy at the IGES Kansai Research Centre to research the linkages among business, industry and the environment. We began our third phase of research under the theme of Business for Sustainable Society in 2004, which continues today.

Global environmental problems have started to effect mankind in diverse ways. This has stirred many businesses to believe that the ways of market economics will change greatly in the future. Moreover, local governments who yearn to develop their communities have started to advocate a direction towards a more sustainable local society that departs from the old development pathway based entirely on drawing industry and building industrial parks. The need to correct the negative impacts of industrial society on the environment and fuse diverse aspects of economics and ecology is accented in many situations. There are an increasing number of business people who think it would be good for business to take a forward-looking approach to bringing their industrial activities in line with the principle of environmental sustainability. However, it remains an issue as to whether there exist solid clear grounds for this kind of strategy or not. From both the long-term and short-term perspectives, integrating economics and ecology into one strategy is constantly and with conviction said to lack reason.

Recently, out of personal interest to know how efficient economic activity in Japan is, I compared efficiency of Japan's 47 prefectures. It was an attempt to compare the industrial efficiency that produces economic results by envelopment data analysis, using a variety of inputs such as the number of employees, capital, intermediary investments, energy investment and so forth. I found that prefectural rankings changed significantly when industrial efficiency was assessed without consideration for environmental loads generated as a result of industrial activity and when waste, hazardous substances and the emission of greenhouse gases were included in the formula. By the way, Hyogo Prefecture ranked high by this former definition of industrial efficiency, which made me feel better, but the efficiency ranking went lower when environmental load was considered.

For business managements and local communities, contributing to the formation of a sustainable industrial society is not always an easy matter. To effectively handle the various trade-offs, it is absolutely essential for organizations and parties to find new directions in the roles they play and cooperate with one another. The fact is that some approaches are showing promising solutions to the difficult problems of "local society regeneration" and "environmental protection".

At this symposium, I am looking forward to the latest information, leading examples and discussions on which scenario of future development local communities and businesses should select in order to build a sustainable

society. Besides those present today, there are many other experts who share a strong interest in today's theme. I invite them to look at these issues and, given the opportunity, discuss them with us and others. I sincerely hope that this symposium may show new light in some sort of significant way on this common interest of ours. With that, I would like to conclude my opening address.

Thank you for your attention.

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## Welcome Address

Akira Harada

Director-General, Environment Bureau  
Hyogo Prefectural Government

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On behalf of Hyogo Prefectural Government, I would like to welcome to Hyogo and this International Symposium on "Business and the Environment" organized by the IGES Kansai Research Centre.

Needless to say, dealing with global environmental problems and building the recycle-oriented society are issues of the highest urgency for Japan. The road to a sustainable society requires action on the part of the national government, local governments, businesses, community based organizations, and each and every resident. In Hyogo, we have adopted the "Hyogo Recycling-Oriented Society" and, to form the sustainable recycle-oriented society, we are developing strategies for building a society that harmonizes ecology with economy and promotes the eco-business as concrete testimonies to this cause. As one of those strategies, the "Hyogo Eco-Town Concept" was adopted and efforts are underway to dig up eco-business by, amongst various means, promoting material recycling and eco-business projects across the prefecture and having local residents participate in urban development planning process. We are working with the Hyogo Ecotown Promotion Conference, formed of industry, government and academics, to build wide-area recycle centers. Basically, we need to promote development schemes that bring the environment, economy and society together as one. We are working to foster and support eco-friendly businesses. And, through the promotion of environmental action such as measures to prevent global warming, we want innovation in work styles.

Against this background, the IGES Kansai Research Centre launched a "Business for Sustainable Society Project" two years ago to look closely at the ways industry, technology and local social systems should operate. As local authorities, we are very much interested in this project. At today's International Symposium, I am eagerly looking forward to have discussions at a deeper level on the leading examples and forerunning practical activities of eco-business in Japan and abroad, as well as research results from overseas under the theme of "Environmental Business for Regenerating Local Society." It is my hope that this symposium will further promote the Business for Sustainable Society Project and help pave the way for Hyogo Prefecture to contribute its strengths to the rest of Japan and the Asia-Pacific region.

With that, I conclude my message. Thank you very much.