



March–April 2013
Volume 43 Number 2
ISSN: 1728-0834

Roundtable discussion on eco-products: living in harmony with nature and sharing Japanese values

This roundtable discussion originally appeared in Japanese in the Eco Products Guide 2013 published by Nikkei Business Publications, Inc. The APO News is publishing this translation to give its readers a fresh perspective on how others view eco-initiatives.

How is the concept of “eco-products” viewed from an international perspective? And how should Japan go about demonstrating its presence within this sector? We brought together three Japanese and overseas experts to discuss these questions (discussion chaired by Eiichiro Adachi, Counselor and Head of ESG Research Center at the Japan Research Institute, Limited Center for the Strategy of Emergence).



Eiichiro Adachi (EA): Today we will be discussing the latest trends in eco-products, their significance, and our hopes and expectations for the future. I have with me two guests, Professor Anne McDonald from the Graduate School of Global Environmental Studies at Sophia University and Teisuke Kitayama, Chairman of the Board at Sumitomo Mitsui Banking Corporation (SMBC). Professor McDonald, please tell us how you happened to come to Japan.

(L–R) Japan Research Institute, Limited Head of ESG Research Center Eiichiro Adachi, Sumitomo Mitsui Banking Corporation Chairman of the Board Teisuke Kitayama, and Sophia University Graduate School of Global Environmental Studies Professor Anne McDonald. Photos courtesy of Yuji Ozeki.

Anne McDonald (AM): Having been born and raised in Canada, I came to Japan for the first time as a high school student in 1982, eager to experience something different from my Western upbringing. I came back in 1988 to study social changes at Kumamoto University. Japan was in the middle of its bubble economy, so things were changing at a pretty hectic pace. I was particularly interested in Japan’s rural communities from an ethnological point of view. Over the course of three years, I conducted interview-based studies into the role played in rural communities by skilled artisans born during the Meiji period (1868–1912).

EA: What did you discover?

AM: Artisans from the Meiji period put their skills to good use by crafting items from local materials, such as bamboo, for instance. Food and goods mileages were very short due to the local consumption culture, essentially paving the way for a sustainable society. Then Japan changed completely during the postwar period. I went to a lot of Japanese fishing villages to examine people’s attitudes toward nature and how they lived their lives. I wanted to study Japan from the standpoint of primary industry. From the latter part of the 1990s, I made more of an effort to visit other countries so that I could see Japan through their eyes too.

EA: I hear you travelled all over Japan camping in your van.

AM: That must have been around 1998. Japan’s a bit like a traditional lunch box, with lots of variety. As you go from north to south, every part of the country is different and interesting in its own way. At the time, that was the best way to get around Japan without it costing too much.

EA: Mr. Kitayama, could you start by telling us about your efforts to promote eco-products in Asia over the last few years?

Teisuke Kitayama (TK): About five years ago, I got involved in the Green Productivity (GP) Advisory Committee run by an international organization called the Asian Productivity Organization (APO). We developed an eco-product database of environmentally friendly materials, components, products, and services. The aim is to encourage more companies and consumers to use environmentally friendly products and services in Japan and throughout Asia and promote eco-friendly procurement and consumption.

(Continued on page 4)

CONTENTS

- 2... p-Watch
- 3... ICT and service-sector productivity
- 6... Innovative irrigation water management
- 6... Improving the performance of rural tourism
- 7... APO/NPO update
- 7... GBM announcement
- 7... Photo news
- 8... Waste minimization circles under the NPC

The APO News is published bimonthly by the APO Secretariat. The online edition is available at: www.apo-tokyo.org.

Asian Productivity Organization (APO)
Leaf Square Hongo Building, 2F
1-24-1 Hongo, Bunkyo-ku
Tokyo 113-0033, Japan

Tel: 81-3-3830-0411

Fax: 81-3-5840-5322

e-Mail: apo@apo-tokyo.org

EA: How is the term “eco-products” perceived in other Asian countries?

TK: I can’t speak for the entire region, but I think it’s fair to say that Asia as a whole has an incredible natural environment that is also highly regenerative. I feel that Asians view nature as something they should live in harmony with, rather than something that needs to be tamed. However, as industrialization continues, modern-day comforts are rapidly becoming part of people’s everyday lives and this raises concerns about the destruction of nature. That’s why I believe eco-products could help put a stop to further ravaging of nature.



EA: Professor McDonald, what images come to mind when you hear the term “eco-products?”

AM: It tells me that I can make a difference to the environment by buying that product. I think that’s the perception that most people around the world have of eco-products. Issues such as climate change are challenges on a grand scale; eco-products are an important concept in thinking about what each of us can do as individuals about environmental problems.

I’m a member of a Japanese government review team that is working with the Intergovernmental Panel on Climate Change, and I feel that it’s especially important to solve issues such as climate change at a regional level. I am particularly aware of the different ways in which people interact with the natural environment in Asia, for instance. There is a stronger sense that human beings are part of nature and not entities existing separately from it. In that sense, there is a great deal of potential for eco-products within Asia. Unfortunately, I don’t think we have fulfilled that potential yet.

EA: There’s definitely the potential for eco-products to take root in this region based on the premise that we are part of nature as a whole. At the same time, however, there is such a strong emphasis on solving these issues that eco-products tend to rely entirely on high-tech science and technology. Trends like that can sometimes put people off.

AM: Developing high-tech eco-products is obviously important, but at the same time, I think it’s also critical that we look toward more low-tech, low-cost, and low-impact solutions. One example in the primary industry that I have come across is in Okayama prefecture, where efforts to build artificial reefs from oyster shells have been a huge success. It may be unbelievably low tech, but developing these sorts of eco-products is where we need to put more effort in future.

Providing more than physical products

EA: There is also the potential to turn agricultural produce into eco-products.

AM: Unfortunately, all the greenhouse gases produced by the agricultural industry

are massive. From machinery to fertilizers, I’m afraid you could hardly call agriculture environmentally friendly. As a member of the National Council for the Promotion of Eco-Friendly Farming, I also think that we need to look at how to change farmers’ attitudes toward the environment. One option would be to export agricultural produce grown using environmentally friendly farming methods to other countries and at the same time transferring farming methods and technologies to those countries.

EA: Expanding on the notion that eco-products are more than just high-tech manufacturing, banking is one of our leading nonmanufacturing industries. Could the concept of eco-products be applied to banking too?

TK: Banks obviously don’t make physical products. At SMBC, for example, we have taken steps such as signing the Equator Principles in 2005. This means that whenever we finance a large-scale development project, we pledge to examine the impact it will have on the natural environment and the local community carefully. We have also set up an Environment Analysis Department as part of our International Banking Unit and have been conducting environmental and social risk assessments since June 2006.

We also assess environmental initiatives implemented by corporate clients in Japan as part of the terms and conditions of our lending services. Basically, we can provide eco-products in various different forms, not necessarily as physical products.

EA: So if the fundamental philosophy of eco-products, “living in harmony with nature,” can exist within financial activities, this would be significant in making the economy greener. Changing the subject slightly, something I read in one of your books, Anne, really stuck in my mind. You wrote, “When I first came to Japan, it seemed like such a claustrophobic country.”

AM: I am definitely glad I came to Japan. It shifted my view of the world 180 degrees compared with when I was living in Canada. We have such limitless access to natural resources in Canada that people hardly ever think about them. Our attitudes toward nature are different too. I did feel a little claustrophobic in Japan initially but soon began to appreciate the benefits of living in a finite environment, of making the most of things to create your own lifestyle.



Japan has a deep-rooted set of values based on an appreciation of quality over quantity. Producing goods has always been a combination of functionality and beauty. Now in the 21st century, we all need to switch from the notion of quantity to quality. People from other countries may tend to have a continental view of nature, in that resources are limitless. Their coming to an island country like Japan would help to change their mindsets.

EA: I think that the example of your change in mindset stemming from feeling claustrophobic could help show the way forward for eco-products and sustainability too. It ties in with the “*mottainai*” anti-waste slogan introduced to the world by the late Wangari Maathai from Kenya, who won the Nobel Peace Prize in 2004. We need people who discover the values of Japan and then share them with the rest of the world.

Low-tech, low-cost eco-products

TK: I think the concept of trans-boundary exchange could really be effective. One of the key issues with promoting the use of eco-products in Asia is the added cost it involves. If you talk to businesspeople in Asia, they appreciate the benefits but might shy away from eco-products due to the assumption that they would cost more. We need to convince people that eco-products can be low tech and low cost. One option would be to invite more people from Asia to Japan.



EA: As a potential opportunity to contribute to such a purpose, the Eco-Products International Fair (EPIF) is taking place again this year, isn't it?

TK: The APO has already organized seven EPIFs to date, with the eighth scheduled to take place in Singapore in March 2013. I chaired the Preparatory Committee for two of the previous fairs (the fifth in the Philippines and sixth in Indonesia). On both occasions, I was surprised by the level of interest in eco-products from governments, companies, and consumers around Asia. At the March 2010 event in Indonesia in particular, I personally felt that the government really wanted to tackle environmental issues and was committed to environmental industries as part of its national strategy for the future.

EA: I think that it would be nice if people interested in Japan could visit the country, find useful eco-products, and then introduce them to their home countries. Such a virtuous cycle would be ideal.

Tying in with all aspects of our lifestyles

EA: Finally, I would like to hear your thoughts on what we need to do in the future to promote the idea of eco-products.

AM: Looking at it from Japan's point of view, I think if government agencies can come up with an across-the-board policy to give eco-products a real push, this would bring the country closer to creating a sustainable society. Then you've just got to deal with consumers. I believe we need a change in terms of consumer behavior. Conscious consumers will do their own research on products before purchasing them, whether it is food or clothing. However, if you were to go to a large electronics store, I'm not sure you'd find that many people who could explain eco-products to you. I don't mean simply explaining a product's energy-saving performance. I mean that there are very few people who can explain in a way that ties in

with all aspects of our lifestyles. We need to come up with new ways to convince people that eco-products do fit in with their daily lives.

TK: The APO, the organization behind the GP Advisory Committee, was established 50 years ago as part of a regional intergovernmental initiative. Its role is to undertake projects leading to the sustainable socioeconomic development of its members. I think that's a really significant mission.

Japanese industries are undergoing some major changes at the moment. As other Asian economies continue to grow and assert a stronger presence, Japan urgently needs to establish more of a two-way relationship. If Japan can make the most of products and services under the established banner of “Japanese eco-products” and share the concepts behind those products, I think that would be a great help in establishing this. It would also make a huge difference in terms of creating new added value.

EA: This has been a fascinating discussion, full of useful suggestions. When we think about rural communities or fishing villages, there is tendency to look down at their “old-fashioned” ways or insist that we can't go back to the “good old days.” But those are the communities where environmental awareness originated. When the attitudes and lifestyles established in such communities are expressed in the form of products or technologies, eco-products that are attractive to the entire world can be created. I think that about sums it up. 🍵

Eiichiro Adachi

Adachi is a graduate of the Faculty of Economics, Hitotsubashi University. He joined the Japan Research Institute, Limited in 1990. He worked in the Management Consulting Division and Technology Research Division and subsequently was appointed head of the ESG Research Center, dealing mainly with industrial research and corporate evaluation from the standpoint of corporate social responsibility. Publications include *CSR Management and SRI* (Kinzai), *Businesses Growing on Global Warming* (Toyo Keizai), and *Introduction to Environmental Management* (Nikkei Publishing).

Teisuke Kitayama

Kitayama graduated from the University of Tokyo College of Arts and Sciences in 1969. He joined Mitsui Bank, now Sumitomo Mitsui Banking Corporation (SMBC), before being appointed to the Board of Directors of Sakura Bank in 1997. After the establishment of SMBC in 2001, Kitayama held various positions including Managing Director and Senior Managing Director. In June 2005, he was appointed President of the Mitsui Sumitomo Financial Group (up to April 2011) and Chairman of the Board of SMBC (to present).

Anne McDonald

Born in Canada, McDonald graduated from the University of British Columbia in 1991, going on to head the former United Nations University Institute of Advanced Studies Operating Unit Ishikawa/Kanazawa. She has served as a temporary member of the Central Environment Council and is a member of a Japanese government review team working with the Intergovernmental Panel on Climate Change. In 2012, she was appointed professor at Sophia University Graduate School of Global Environmental Studies. Publications include *Days Past—Body and Soul: Japan's Countryside Story*, and *Introduction to Environmental History* (Shimizukobundo).